

Value and Exploitation

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ABSTRACT: This paper argues for the continuing centrality of the category of value for radical critique. Via an examination of the common understanding of exploitation as a violation of the labour theory of value *qua* what one might call an “ethical rule-of-thumb,” I argue that the theory of value is in fact the theory of the stakes in the labour-capital antagonism. Any politically adequate theory of those stakes must overcome both the scientific pretensions and the depoliticization of capitalist social relations that underwrite “everyday” understandings of value and exploitation.

KEYWORDS: labour, value

After all these years, what could justify belabouring the problem of value? Like ‘dialectical materialism’, it seems like the anachronistic obsession of grey-haired, table-thumping orthodoxy. Indeed, even for the group who might self-identify as ‘labour’ specialists – ‘labour’, as in ‘labour theory of value’ – the centrality of value *per se* is not a given: one need only reflect on the work of labour economists to drive the point home. Yet, for several reasons, value theory remains a necessary concern for the critique of capitalism today, a necessity produced by a set of categorical, and hence political commitments. These arise because, while many have abandoned (or never undertook) explicit engagements with Marx or Marxism, all oppositional politics must confront the antagonism between workers and bosses that, if not the sole focus, certainly remains central to social life in capitalism.

In other words, while in all cases inflected in historically specific ways, there is what one might call a

‘class’ dimension to contemporary dynamics, a dimension that unfolds as part of an historically meaningful conflict over a set of political economic stakes. These stakes are the object of the struggle between labour and capital, between labour and labour, and between competing capitals. I think it is fair to say that, while it need not be *the* issue (I am in no way arguing for the primacy of this kind of class relation in the forces of social differentiation) the control and distribution of these stakes help determine, in not insignificant ways, workers’ and bosses’ conceptions of their place in the space-time of social life, and lead them to shape it in ways both purposeful and accidental. The consequences of these particular agencies, intended and unintended, play an important role in determining the form and content of what we call reality.

As long as these relations persist, the problem of value is inescapable. For in positing – absolutely correctly, in my view – the importance of the worker-

boss, or (in capitalism) the labour-capital antagonism, the question of what is at stake in the struggle is central, and, although we rarely think of it in this way, value theory is always the theory of the stakes. It is value theory that explains why capitalism does not present a harmonious path of shared prosperity and expanding welfare, why capitalism is fraught with contradictions, and why its political economy is so fundamentally characterized by struggle. That few but ‘specialists’ reflect on value theory (and usually in a particularly ‘technical’ or exegetical way) is both a cause and a consequence of the fact that, despite the vast range of relations that constitute the labour-capital antagonism, the stakes are usually assumed to be reasonably clear to everyone from the get-go. In other words, the very thing that value theory explains – and it is worth noting we are never without a value theory; it is always there, if only tacit – is taken as both unanimous and self-evident. This can lead to a false sense of confidence in the political basis of intellectual work. It can also underwrite an uncritical acceptance of categories of analysis that might obscure crucial dimensions of power relevant to our central antagonism, and elide important complexities in the operation of the social worlds we endeavour to understand.

What I have in mind is best confronted via the suite of problems and claims that go by the name ‘labour theory of value.’ Without getting into the often extraordinarily sophisticated (and, if we are honest, not infrequently boring) debates that have raged over the years, one might reasonably suggest that much ‘radical’ thinking is at least partly motivated by a kind of ‘gut-level’ commitment to the ‘traditional’ conception of the labour theory of value, i.e. the proposition that those who do the labour often don’t seem to get much of the value.¹ Sustained empirical investigation of the central antagonism demonstrates pretty amply that, despite its best and not inconsiderable efforts, labour often loses. So we write, at least partly, to show how this happens over and over, and how unjust, if complex and contradictory, it is. To conjure the labour theory of value in this sense, as a kind of ethical rule-of-thumb, is, to

paraphrase Diane Elson (1979), to put the theory of value to work as a theory of exploitation. There is a lot of intuitive appeal to this.

However, despite its common sense attractions, there are some important limits to this kind of moral intuition, and not just on the terms of a tired ‘reform vs. revolution’ binary. The point, rather, is that most closely associated with the work of Moishe Postone: the labour theory of value thus understood is essentially an institutional critique of the criteria for the *distribution* of income and wealth in capitalism. From this perspective – what Postone (1993:24-7) calls the “standpoint of labour” – the principal injustice value theory illuminates is the fact that some significant portion of income and wealth goes to those who do not deserve it, at least according to the ethical rule of thumb. In capitalism, this boils down to where, and to whom, the money flows, and how it accumulates.

To identify this maldistribution of income and wealth as the principal injustice is to assume, tacitly, that the income and wealth in question – the ‘accumulatable’ and accumulated values – are themselves somehow historically and geographically neutral. They are supposed to operate, for all intents and purposes, in an identical manner, regardless of who gets their hands on them. To understand the labour theory of value as a theory of exploitation is to assume that the stakes – income and wealth, and all the things that flow from them – can simply be redistributed, that the form wealth takes is not itself class-biased. It is to assume that the direction of the flow of (usually monetary) income and wealth, i.e. toward capital, is itself not determinant, not a part of what defines it as income and wealth. The idea seems to be that value (and thus money/capital) can be governed so as to make anyone rich – worker or boss – and rich in basically the same way. Everyone, ‘in theory,’ could enjoy those good things in life that are presently the class privilege of capital.

I am not so sure. In capitalism, value is a particular social relation, and serves particular functions that make it capital-tropic at its core (Weber 1978:79; Ingham 2004:78-81). But the critique that animates much of modern left politics – that which arguably animates labour politics broadly – tends to imagine that the problem with the modern political economy

1 For detailed critique of this ‘traditional’ perspective, see Postone 1993, 2009; Mann 2010.

is that capitalists are in charge. The corollary is that the distributional questions at the centre of a labour-based critique are mostly a question of restructuring the hierarchy so as to reverse the labour-capital polarity, usually via something like ‘democratization.’ But significant elements of modern political economy are constitutively non- or anti-democratic in any radical sense. Value is a case in point: it is non-democratic by definition, and it constrains in its very being what redistribution can mean today. Value cannot just be redistributed to labour according to an ethical rule of thumb, *ceteris paribus*:

Marx’s ‘labour theory of value’ frequently has been misunderstood as a labour theory of wealth, that is, a theory that seeks to explain the workings of the market and prove the existence of exploitation by arguing that labour, at all times and in all places, is the only social source of wealth. Marx’s analysis is not one of wealth in general, any more than it is one of labour in general. He analyzes value as a historically specific form of wealth, which is bound to the historically unique role of labour in capitalism; as a form of wealth, it is also a form of social mediation. [Postone 2009:39]

Despite the degree to which this contradicts the long-standing conventional or ‘gut-level’ value theory, Postone is in fact positing, exceptionally succinctly, a two hundred year old idea one can find, quite explicitly, in Hegel’s ‘system of needs’:

The universal and objective element in labour ... lies in the abstracting process which effects the subdivision of needs and means and thereby *eo ipso* subdivides production and brings about the division of labour. By this division, the labour of the individual becomes less complex, and consequently his skill at his section of the job increases, like his output. At the same time, this abstraction of one man’s skill and means of production from another’s completes and makes necessary everywhere the dependence of men on one another and their reciprocal relation in the satisfaction of their other needs. ... When men are thus dependent on one another and reciprocally related to one another in their labour and the satisfaction of their needs, subjective self-seeking turns into a contribution

to the satisfaction of the needs of everyone else. That is to say, by a dialectical advance, subjective self-seeking turns into the mediation of the particular through the universal, with the result that each man in earning, producing, and enjoying on his own account is *eo ipso* producing and earning for the enjoyment of everyone else. The compulsion which brings this about is rooted in the complex interdependence of each on all, and it now presents itself to each as the universal permanent capital. [Hegel 1991:§§198-99]

One can follow this idea, through Marx, to the early Lukács and Adorno. The latter made the point more poetically: “Because nothing is known but what has passed through labour, labour, rightly and wrongly, becomes something absolute, and disaster becomes salvation” (Adorno 1993:26).

Value-in-capitalism thus cannot be class-, geography-, or history-neutral. While workers as individuals can prosper by accumulating value/capital, and certain groups of workers can perhaps benefit from labour-controlled pools of money and capital, workers as a class – and *a fortiori* workers as a transnational class – cannot overcome capitalism by redistributing value. Labour cannot merely take the chair of the Federal Reserve or the Bank of England, for example, and simply ‘do things differently,’ as if the institutions themselves were not part of the problem. Any labour theory of value that is basically an ethical critique of distribution in capitalism misses the fact that one of the essential functions of value – perhaps its most important function – is to reproduce capital’s hegemony. Indeed, it is for all intents and purposes the paradigmatic instrument of hegemony: value is the means by which the particular interests of the hegemonic historic bloc (capital) are generalized, so they become understood as the general interest.² Value theory is thus not a theory of production, or of exchange or of labour ‘in general,’ i.e. transhistorically. It is a theory of capital and capitalism.

2 Although Gramsci (1971:161, 182) is the standard citation on this process, Marx and Engels (1970:54) made the point in 1845: “every class which is struggling for mastery, even when its domination, as is the case with the proletariat, postulates the abolition of the old form of society in its entirety and of domination itself, must first conquer for itself political power in order to represent its interest in turn as the general interest, which in the first moment it is forced to do.”

What value theory do we need then, and why does it matter? What does it mean, in the era of financialized neoliberalism, to reject value theory as a distributional ethic, the idea, in Postone's words, of the labour theory of value of 'traditional' Marxism?³ At issue is more than mere analytical precision. Taking the historically and geographically *essential* class character of value seriously can also help us skirt a set of persistent, and potentially debilitating, political *and* analytical weaknesses in our critique. These weaknesses arise insofar as the labour theory of value as distributional critique, i.e. as an ethical-rule-of-thumb, is mobilized as a narrative of loss or decline, a moralizing nostalgia rather than a critical political economy. I would argue that, unfortunately, this kind of romanticism is a discursive staple of current left critique, especially in the wake of the ongoing crisis.

It manifests itself in a couple of common ways. The first is the idea that the crisis exposed the sham of 'fictitious' or 'imaginary' or 'virtual' capitals, values, economies that have been cleverly conjured out of 'real' values by mathematical or financial wizardry. The second is the idea – consistent with (but not necessarily a logical corollary of) the 'traditional' Marxist claim that labour is the sole producer of value – that value is what labour has always produced, and that capitalism represents only the most recent, and perhaps most robust, means by which labour's energies have been stolen, dispossessed, expropriated.

I don't think either of these shibboleths takes us anywhere. On the one hand, the argument that the crisis exposes the massive scam that is financial-

ized neoliberal capitalism is dead-end, and not just in its populist-conspiracist varieties. Value is the 'self-mediating,' historically specific form wealth takes in capitalism. It is the mode through which, via labour as social mediation, wealth is constituted in the class relations that define capitalism as such. As *values*, there is in capitalism no meaningful distinction between 'financial instruments' or securities, and bread. Both are 'concrete' specifications of wealth in capitalism, and both function as such. I suppose it is possible to defend the adjective 'fictitious' in Marx's concept of fictitious capital, *if* one takes it specifically as the capitalization of future values. Nevertheless, the choice of terminology is very unfortunate, because these values and/or capitals are in no way fictitious in the colloquial sense of 'illusory' or 'imaginary.' From a value-theoretic perspective, they are no more 'fictitious' as values than (yo ho ho!) a barrel of rum. Moreover, this 'it-was-all-a-scam' take on the recent crisis is particularly limited because it implicitly romanticizes a 'real' industrial capitalism as somehow more authentic, less perniciously capitalist. But the capitalism of the 1850s or 1950s was no more 'real' than that of today. The nostalgia of the 'real' value school is, as such, really just a return of the irrepressible 'vulgar materialism' Gramsci was so concerned to eliminate. It is ultimately based on the sanctity of the value category itself; the only 'critical' point being that value is in fact, as capital itself asserts, really, transhistorically, 'true' – but only in its 'real' form.

On the other hand, the idea that value is what labour always produces, at all times and places, that value is some 'real' asset, a 'true' and 'productive' contribution' to the world, is untenable. First, it asserts that value is a 'good' thing, a positive contribution to the world, that is not only transhistorical, but is actually exactly like the value that capitalists celebrate when they talk about adding value. Moreover, and perhaps even more important insofar as it is mobilized as a critique of capitalist exploitation, it depends on a tacit but key assumption, rarely if ever specified as such: that there is some 'pure,' transhistorical or even suprahistorical relation between labour and its 'product,' determined by a historically obscure 'natural justice,' that capitalism (and feudalism etc.)

3 According to what Postone (2009:33-4) calls 'traditional' Marxism, "the unfolding of this contradiction [between society's basic social relations and the forces of production] gives rise to the possibility of a new form of society, understood in terms of collective ownership of the means of production and economic planning in an industrialized context – that is, in terms of a just and consciously regulated mode of distribution that is adequate to industrial production. Industrial production, in turn, is understood as a technical process, which is used by capitalists for their particularistic ends, but is intrinsically independent of capitalism and could be used for the benefit of all members of society. This general understanding is tied to a determinate understanding of the basic categories of Marx's critique of political economy. The category of value, for example, has generally been interpreted as an attempt to show that social wealth is always and everywhere created by human labour. The theory of surplus-value, according to such views, seeks to demonstrate the existence of exploitation by showing that the surplus product is created by labour alone and, in capitalism, is appropriated by the capitalist class."

have contaminated or desecrated. In other words, it is based on the idea that there is an inviolable 'natural' property relation between a worker and her or his product.

In either case – i.e. what we might call a 'short-run nostalgia' frequently expressed in a social democratic yearning for the Keynesian/Fordist gold ol' days, or a longer-run Rousseauian romanticism for a more just 'state of nature' – the critique is simultaneously inadequate to our contemporary political and analytical requirements, and, less important but still interesting, inadequate to the Marxian concepts on which it is founded. Indeed, insofar as the theory of value *qua* theory of exploitation dominates our perspective, the term 'traditional Marxism', which Postone uses to distinguish an analytical orientation, is even more apt than he intended – 'traditional' Marxism in this sense is a Marxism *for* tradition. This is, I would argue, an ultimately unproductive position, one which, when taken to its logical conclusion, leads, among other things, to the contemporary labour movement: irreducibly dedicated to a capitalism it (occasionally) purports to reject, committed to a romantic ideal of industrial capitalist work it nonetheless acknowledges, à la Braverman (1974), as soul-destroying.

The 'so what?' question, I think, demands that we take this even further than Postone. He argues, and I am convinced, that the Marxian critique is not, primarily a 'critique of capitalism from the standpoint of labour,' but a 'critique of labour in capitalism' – which is to say that labour in capitalism is the dominant 'form of social mediation', and value 'is the dominant form of wealth in capitalism.' He goes on to say, however – and on this I am not, or am no longer, convinced – that value is 'constituted by human labour-time expenditure alone.' This seems to me both difficult to defend empirically, unless 'labour' is generalized to such an extent that it is synonymous with human agency (in which case it is hard to know why we need it as a concept), and an unnecessary and romantic appendage of the nostalgic moralizing just described.

I take this position for two reasons. First, from a strictly analytical perspective, there seems to me no reason to imagine that this conditionality – value is a product of labour alone – must hold for capitalism in

all its variegated forms over its centuries of existence. As one Soviet-era political economist put it:

The labour theory of value is among the supreme achievements of the human genius. ... The law of value is not, however, something immutable and fossilized. ... Any scientific law is a living and evolving phenomenon. ... The structure of categories forming the basis of scientific laws also changes: what was formerly imagined to be accidental and unimportant proves to be legitimate and, conversely, the evolution of the subject-matter and method of inquiry enables the inquirer to detach himself from features of the phenomenon in question that were previously thought of as an inalienable part of the law. [Shemyatenkov 1981:224]

Secondly, and just as important, it seems to me that the often desperate effort to discover the congealed labour at the heart of all value is driven by a belief that labour's status as sole-producer-of-value is somehow crucial to anti-capitalist politics. This is, as Marx himself grumbled in his attack on the Gotha Program, to confuse value with wealth.⁴ The explanatory contortions performed in the effort to 'prove' this seem to be driven by an unstated belief that this wins labour a meaningful moral victory. It may well, but only according to a capitalist morality.

Of course, one might argue that the struggle to mark this moral victory is crucial to the critique of exploitation in capitalism, and it is true that the importance of the effort, by any means necessary, to improve the daily lot of workers can hardly be dismissed. On its own fundamentally quantitative terms – that the return to labour is less than justice demands – the theory of value espoused here does not invalidate the idea that capitalist relations of production 'devalue' workers, or that it 'exploits' labour, often unevenly, insofar as race, gender and citizenship status can increase the 'rate of exploitation' (note the explicitly quantitative nature of the relationship).

4 'Labour is *not the source* of all wealth. ... The bourgeois have very good grounds for falsely ascribing *supernatural creative power* to labour; since precisely from the fact that labour depends on nature it follows that the man who possesses no other property than his labour power must, in all conditions of society and culture, be the slave of other men who have made themselves the owners of the material conditions of labour. He can only work with their permission, hence live only with their permission' (Marx 1978: 525-6, emphasis in original).

The point is not that the examination of exploitation is invalidated by this theory of value, but that, in the study of the differential levels of mistreatment and expropriation of labour, the questions asked do different work than they are sometimes called upon to do. Those questions do not necessarily put the stakes (as discussed earlier) on the table, or, if they do, it is not necessarily value that ends up on the table. To focus on the distribution of equivalence is not to specify or critique the production and hegemony of equivalence itself. It is, rather, to undertake another version of the natural justice argument, which is to say that there is a ‘natural’ relation of possession or control between labour and the value produced, a law capital violates by expropriating surplus value. But we would never accept this in anything even remotely like radically democratic or egalitarian social forms; to say, as the left almost always does, that those with more than enough must share with those without is explicitly to reject any conception of an *a priori* claim on the part of the worker or owner to his or her product or possession. We need only reflect on Hegel’s elaboration of the right of necessity [*Notrecht*], or on Marx’s discussion of ‘just wages’ (there is no such thing), to see there is no axiomatic relation between labour and a claim on its fruits (Hegel 1991:§§127-8; Marx 1977:769). If there were, the slogan “From each according to their abilities, to each according to their needs” would make no sense, or it would make sense only as a directive to charity. Moreover, any claim to ‘natural laws’ is not only a problematic road for all sorts of reactionary reasons, it is also bunk – there is no *natural* relation between labour and its product. We create that relation, and then depoliticize it as natural. Indeed, while we may of course put it to good political work, the labour theory of value in the ‘traditional’ distribution or natural law sense is basically Lockean, and derives from Lockean claims to property – the very same ones that have caused us so much trouble (Cohen 1995; Losurdo 2011:24, 77-88, 188-95).

The question, ultimately, is this: On what grounds can exploitation be deemed exploitative? The ‘distribution’ critique of traditional Marxism, from the ‘standpoint of labour,’ is based upon an attempt to develop and specify, in the value-form, a ‘scientific,’

objective ‘proof’ or ‘test’ of exploitation – those who do the labour don’t get (enough of) the value. It is an attempt to discover an essential, objective set of dynamics that allows us to empirically identify exploitation when we see it, and to measure it based on its ‘rate,’ as demonstrated by some set of threshold characteristics or indices. As such, exploitation, as identified by and subjected to a conventional theory of value critique, relies on a ‘productivist’ measure of the proper or appropriate rate of return, one that is not that different from ‘wage = marginal product of labour’; i.e. it names a metric by which labour can make a just claim, or formulate reasonable expectations, *within* existing productive relations.

But exploitation is not wrong for these ‘objective’ reasons, it is wrong for reasons we need to specify, not scientifically, but politically. It is not wrong because X% of the ‘value’ produced by labour is ‘expropriated,’ legitimately or illegitimately, by capital. One cannot deem some relation exploitative because it violates some god-given or natural ratio of ‘just return,’ or because it marks a mode of social relationship that crosses a quantitative threshold of maldistribution. We do not say that children ‘exploit’ their parents, although the ‘exchange’ is by no means equitable. Exploitation is wrong precisely, and only, because we name it so, for reasons that we rarely bother to think about or specify. These reasons, and the struggle on the ideological terrain upon which they might make sense, are the very content of anti-capitalist *politics*.

Insofar as we put the theory of value to work in the manner I have suggested here, then there is no reason to imagine that value-in-capitalism will always take the same form or emerge from the same relations, nor is there any special merit in being the sole producer of value – the point is to abolish it anyway. To overcome capital is to overcome the rule of value. In other words, labour in capitalism is, catastrophically, condemned to the production of value. Much of the point of having a value theory – indeed, of the Marxian critique generally – is that capital can do nothing, and would in fact cease to exist, without a world in which value in this very specifically capitalist sense *is* wealth. Surely this is not the best we can do. There is no rule as to what must count as wealth. We have infinite degrees of freedom.

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