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Ernesto Screpanti

Marx develops two different theories of the employment relationship. The first is based on an agreement for the sale of a commodity whereby workers cede a flow of abstract labor springing from a stock of labor power. This commodity seems to be a natural abstraction, with the properties of a productive force owned by the worker. Exploitation occurs when the exchange value of the flow of labor power is lower than the value-creating capacity of abstract labor. In the second theory, the employment relationship is based on a transaction establishing workers' subordination to capitalists and the subsumption of workers' productive capacities under capital, anticipating the modern theory of the employment contract as an institution determining an authority relationship. This theory is not liable to criticisms of essentialism and naturalism and is able to sustain a consistent and realistic account of capitalist exploitation as based on the command capitalists exert in the production process.

Key Words: Capitalism, Employment Contract, Exploitation, Labor, Wages

In the 1857 introduction to the *Grundrisse*, Marx argues that scientific investigation starts from the historical and empirical data the scientist assumes as “effective presuppositions.” These data are a complex representation of concrete reality and are what has to be explained. Scientists, by means of abstraction, posit simple categories that identify the profound essence of the surface appearance of things. They then use these abstractions to posit and explain concrete facts, going from the essence back to its phenomenal manifestations. Explanation works as a theoretical reconstruction, based on abstract categories, of the many determinations of effective presuppositions. “But,” Marx asks, “have not these categories also an independent *historical* or *natural* existence preceding that of the more concrete ones?” (Marx and Engels [1975] 2001, 39).

His answer is: “*Ça dépend.*” He thinks that some abstract notions may correspond to real facts and that in capitalism this possibility is attained in the category of “abstract labour.” “Labour,” he claims, “seems to be a very simple category ... Considered economically in this simplicity, ‘labour’ is just as modern a category as the relations which give rise to this simple abstraction” (Marx and Engels [1975] 2001, 40). He is quite explicit about the real existence of abstract labor: “In the

most modern form of the bourgeois society ... the abstract category 'labour,' 'labour as such,' labour *sans phrase*, the point of departure of modern [political] economy, is first seen to be true in practice" (41).

Now, if certain categories have "an independent *historical* or *natural* existence," then abstract labor could be considered real in a natural sense. For example, it may be described as a generic material activity implemented by labor in the transformation of nature (Kicillof and Starosta 2007a, 23; 2007b, 16). Thence, the physiological force expended in production is a natural abstraction that becomes social when commodities are exchanged (Robles-Bàez 2014, 295). Interpreted like that, the theory of abstract labor seems to give rise to a sort of a priori physicalist metaphysics as it postulates that the category "labour," posited by a process of logical abstraction, is incarnated in a *natural substance* capable of positing its own presupposition in the real world. Heinrich (2004, 2) stigmatizes this as a "substantialist-naturalist theory of value."

However, if real abstraction is interpreted as the result of a historical process (see Finelli 1987, 2005; Toscano 2008), it is not such an arcane thing. Abstract labor here becomes a presupposition of capitalist production, implying an overcoming of the social relationships based on personal bonds (slavery, serfdom) and the establishment of wage labor as a fundamental institution of capitalism.

This essay seeks to resolve the "ambivalence" (Heinrich 2004, 8; Bonefeld 2010, 257; Robles-Bàez 2014, 292) of the twofold characterization of abstract labor as a natural and historical fact. It shows the inconsistencies caused by attributing natural properties to abstract labor and argues that this can become a basic instrument of the analysis of capitalism only if it is interpreted as the expression of a social relationship. My ambition is to criticize what Postone (1978; 1993) defines as a "transhistorical" account of abstract labor and to advocate instead a historically founded account. Both accounts are present in Marx's texts. The former is focused on value analysis in a mercantile economy and the latter on an explanation of labor subjection in a capitalist production process.

First of all, I reconstruct the method Marx uses to identify abstract labor in the first two parts of *Capital*, volume 1. In part 1, Marx defines abstract labor by abstracting from concrete labor and treating it as a productive force: that is, a substance that creates the value of commodities. However, he determines abstract labor within a system of simple commodity production that abstracts from capitalism and the wage relationship. In part 2, he introduces capital and the wage and treats abstract labor as a commodity in itself, defining the employment contract as an agreement for the exchange of abstract labor. Labor's substance, however, remains the same as that identified in simple commodity production. This substance is often regarded as a flow emanating from a stock of labor capacity embodied in the worker's organism. Thus, it is characterized as a natural force. The very attempt to treat it in this way makes it prisoner of concrete labor.

Focusing on the notions of "value substance" and "value form," I then argue that Marx's use of the Aristotelian notions of "substance" and "form" does not aid in

understanding what abstract labor is. Moreover, the idea that labor creates value sometimes induces Marx to use certain metaphors in an inaccurate way and to improperly postulate a causal relationship between the substance and the form of value.

Finally, to conclude the *pars destruens* of this reconstruction, I argue that the treatment of abstract labor as a productive force is the main reason behind the inconsistencies emerging in the transformation of labor values into production prices. Since labor values are determined by abstracting from capitalism, they are unable to measure correctly the capitalist exploitation of waged workers.

The *pars construens* begins after an elucidation of the Hegelian notion of the employment contract as an agreement for the exchange of a commodity. Hegel's view, according to which this kind of contract must be likened to the Roman institution *locatio operis*, is wrong. Marx, however, develops an alternative vision that evokes the *locatio operarum*—an agreement whereby workers take on an obligation to obey their employers.

This alternative vision is based on the notions of “subordination” and “subsumption,” which are used especially in *Results of the Direct Production Process* and in the *Manuscripts of 1861–63*. With the employment contract, a worker renounces his decision-making freedom in the labor process by entering into a relationship of subordination to the capitalist. This enables capital to subsume workers' capacities and use them to secure surplus value.

Finally, I define abstract labor on the grounds of the notions of subordination and subsumption. Here, abstract labor is no longer a natural object. Rather, it emerges from a historically determined social relationship. By virtue of this characteristic, it turns out to coincide with the time spent by the worker in the production process.

The Double Abstraction

Marx ([1996] 2001, 48) develops an analysis of abstract labor as a “value-creating substance”—especially in part I of the first volume of *Capital*, where he identifies abstract labor on the grounds of two abstraction procedures: a methodological and a substantive one.

Value is defined at the highest level of generality—that is to say, by referring it to simple commodity production, a “mode of production in which the product takes the form of a commodity, or is produced directly for exchange.” This is supposed to be “the most general and most embryonic form of bourgeois production” (Marx [1996] 2001, 93). In reality, as highlighted by Lippi (1979), Marx postulates a hypothetical system of “production in general”—a production process “common to all social conditions, that is, without historical character” (Marx and Engels [1975] 2001, 245–6). In the system, capital is not yet a social relationship but “appears to be a mere thing, and entirely to coincide with the matter of which it consists” (437), or with its labour content.

This notion of “production in general” occurs in various works, especially the *Grundrisse* and *A Contribution to the Critique of Political Economy*. Sometimes Marx uses it to criticize theories of value that abstract from capitalism and history. However, he himself resorts to this abstraction procedure to define value and even to determine the value of capital as labor embodied in the means of production:

The relation of capital, in accordance with its content, to labour, of objectified labour to living labour—in this relation where capital appears as passive towards labour, it is its passive being, as a particular substance, that enters into relation with labour as creative activity—can in general only be the relation of labour to its objectivity, its physical matter—which must be dealt with already in the first chapter which must precede that on exchange value and must treat of *production in general*. (Marx [1986] 2001, 224–5)

Thus, Marx ([1996] 2001, 70) builds a model of society in which “*the dominant relation of man with man is that of owners of commodities*”—in other words, a model of society based on the production and exchange of commodities, but not on capitalist exploitation: “Commodity production in general” is production “without capitalist production” (Marx [1987] 2001, 159). And in a letter to Engels, Marx ([1983] 2001, 368) clarifies that, at this level of analysis, he abstracts from capital as a social relation: the “installments [of *A Contribution to the Critique of Political Economy*] contain *nothing* as yet on the subject of capital, but only the two chapters: 1. The Commodity, 2. Money or Simple Circulation.” Consequently, he also abstracts from the wage: “Wage is a category that, as yet, has no existence at the present stage of investigation” (Marx [1996] 2001, 54n1).

In other words, Marx uses this method to isolate the determination of value from capitalist social relations. There is an explicit methodological purpose: to study value and labor at the highest level of generality. Yet the real motive is another one: to identify abstract labor as the sole productive force capable of producing value, as the sole value-creating substance. In fact, Marx believes that this level of analysis is appropriate to determine value because from it emerges the exchange value of commodities, and that it is necessary in order to ascertain that value is produced not by exchange but by abstract labor during the production process. In another section below I will recall the problem in Ricardo’s value theory that induces Marx to use the methodology of abstraction based on “commodity production in general,” but note, meanwhile, that this approach defines the real abstraction of labor by reducing social activity to commodity exchange (Sohn-Rethel 1978, 20, 26; Toscano 2008, 281), and it determines value as a generic variable pertaining to the reproducibility of commodities (Ahumada 2012, 844).

Within this level of analysis, Marx delves into another procedure of abstraction, one that is substantive rather than methodological. The exchange value of commodities does not depend on the concreteness of their use values. Thus, labor as

its substance cannot consist of concrete labor, and it cannot be a merely conceptual abstraction. Since value is an objective reality, the labor that creates it must also be a real abstraction. Abstract labor so defined is a value-creating substance in that it is a productive force, “productive labour in its general character” (Starosta 2008, 28), the sole productive force that produces new value:

If the special productive labour of the workman were not spinning, he could not convert the cotton into yarn, and therefore could not transfer the values of the cotton and spindle to the yarn. Suppose the same workman were to change his occupation to that of a joiner, he would still by a day’s labour *add value* to the material he works upon. Consequently, we see, first, that the *addition of new value* takes place not by virtue of his labour being spinning in particular, or joiner in particular, but because it is labour in the abstract, a portion of the total labour of society; and we see next, that the *value added* is of a given definite amount, not because his labour has a special utility, but because it is exerted for a definite time. On the other hand, then, it is by virtue of its general character, as being expenditure of human labour power in the abstract, that spinning *adds new value*. (Marx [1996] 2001, 210–1; emphasis added)

Thus, abstract labor is defined by ignoring the specific qualities of the workers’ labor activities—their skills, competencies, and performances. It is seen as a purely quantitative magnitude. Concrete labors are accordingly characterized in qualitative terms. They differ in various aspects, which can be reduced to three dimensions: (1) differences in the workers’ *competencies* (e.g., between those of a carpenter and those of a bricklayer), (2) differences in the *complexity* of competencies (e.g., between those of a bricklayer and those of an architect), and (3) differences in the degrees of performance *efficiency* (e.g., between the work of a carpenter who produces a table in one day and that of a carpenter who produces one in two days).

Capital and the wage are not introduced until part 2 of *Capital*, volume 1. Chapter 6 focuses on the employment contract, defining it as an agreement for “the sale and purchase of labour power”:

In order that our owner of money may be able to find labour power offered for sale as a *commodity*, various conditions must first be fulfilled. The exchange of commodities itself implies no other *relations of dependence* than those which *result* from its own nature. On this assumption, *labour power* can appear upon the market as a *commodity*, only if, and so far as, *its possessor*, the individual whose labour power it is, offers it for sale, or sells it, as a *commodity*. In order that he may be able to do this, he must have it at his disposal, must be the *untrammelled owner* of his capacity for labour, i.e. of his person. (Marx [1996] 2001, 178)

Under this type of contract, the worker receives the value of labor power as payment. He is the owner of a real asset, “labour power or capacity for

labour”—a thing consisting of “the aggregate of those mental and physical capabilities existing in *the physical form, the living personality, of a human being*” (270; emphasis added).¹ He sells the use value of this asset, which thus acquires a new characterization. Besides being a substance that creates the value of commodities, now it is a commodity in itself. As such, it has an exchange value and a use value. “Its use-value consists in the subsequent exercise of its force” (184).

The Basic Incongruity of the Notion of Labor as a Natural Abstraction

In another definition, the use value of labor power consists of the capacity of abstract labor to “crystallise” or “congeal” into the value of a good (Marx [1996] 2001, 50, 55, 61, 200) so that “all surplus value ... is in substance the materialisation of unpaid labour” (Marx [1994] 2001, 534). This use value ensues from an expenditure or use of the labor power owned by a worker. In fact: “Productive activity, if we leave out of sight its special form, viz., the useful character of the labour, is nothing but the expenditure of human labour power ... The value of a commodity represents human labour in the abstract, the expenditure of human labour in general ... It is the expenditure of simple labour power, i.e., of the labour power which, on average ... exists in the organism of every ordinary individual” (Marx [1996] 2001, 54).

It is evident that Marx is talking about a flow. He also defines it as “human labour power *in its fluid state*, or human labour” (Marx 1976, 142; emphasis added), and he is undoubtedly identifying a relationship between a flow and a stock when he says that “the purchaser of labour power consumes it by setting the seller of it to work. By working, the latter becomes in actuality what before he only was potentially, labour power in action” (187). Marx is rigorous in arguing that “the owner of the labour power ... must constantly look upon his labour power as his own property, his own commodity, and this he can only do by placing it at the disposal of the buyer *temporarily, for a definite period of time*. By this means alone can he avoid renouncing his right of ownership over it” (178; emphasis added).

Obviously, the worker can remain the owner of labor power, notwithstanding his sale of it, only if it is a stock, while what is actually sold is a flow. This flow seems to be endowed with a creative power: “Human labour creates value, but is not itself value. It becomes value only in its congealed state, when embodied in the form of some object. In order to express the value of ... linen as a congealation of human labour, that value must be expressed as having *objective* existence, as

1. The italicized words in this quotation do not appear in the International Publishers edition, from which I take almost all the quotations. They appear in the Penguin edition. The original phrase is: “Unter Arbeitskraft oder Arbeitsvermögen verstehen wir den Inbegriff der physischen und geistigen Fähigkeiten, die in der Leiblichkeit, der lebendigen Persönlichkeit eines Menschen existieren.” From here on, when the Penguin edition provides a better translation, I quote from it.

being a something materially different from the linen itself, and yet a something common to the linen and all other commodities” (Marx 1976, 61).

Thus, considering the various definitions introduced so far, abstract labor turns out to be a *flow* emanating from a labor power that is a physical thing; a *fluid* that congeals into an objective form; a *power* that creates an objective value. Hence, the flow itself is an objective magnitude. Is this also the case in a physical sense? Alas! Abstract labor is often characterized as a physical force, and the use value of labor power as the “exercise of its force” (Marx [1996] 2001, 184). For instance, it is defined as “a productive expenditure of human brains, nerves, muscles” and an expenditure of the simple labor power that “exists in the organism of every ordinary individual” (54); as “an expenditure of human labour power in a physiological sense,” “the aggregate of those mental and physical capabilities existing in the physical form, the living personality, of a human being,” or the “labour power which exists only in his living body” (Marx 1976, 137, 270, 272).

Understandably, some commentators have used these definitions to reduce the value-creating substance of abstract labor to “the expenditure of human bodily energy” (Kicillof and Starosta 2007b, 17). They are in good company, since Marx ([1986] 2001, 393) himself declares that “what the free worker sells is always only a particular, specific measure of the application of his energy. Above every specific application of energy stands labour capacity as a totality.” According to this view, “Any productive activity entails an expenditure of the human body, of human vital energies. As such, human productive action can be termed abstract labour” (Kicillof and Starosta, 2007a, 20). After all, “Muscles burn sugar” (Haug 2005, 108; see also Starosta 2008, 31). However, the most careful theoreticians of the value form have stigmatized such interpretations: the “determination of abstract labour as a physiological expenditure of labour-power leads to the crudest understanding of value and the loss of the socially specific character of value-creating labour” (Eldred and Hanlon 1981, 40).² In other words, “Muscles do not burn sugar in the abstract” (Bonefeld 2010, 266).

At any rate, an energy theory of abstract labor is incongruous. In fact, the supply of energy or force—or the expenditure of brains, nerves, and muscles—pertains to concrete labor, exactly the stuff from which abstraction is done. And it is easy to see that two workers who carry out different concrete labors of the same degree of complexity, and who therefore receive the same hourly wage—for instance, a call center operator and an assembly line mechanic—supply different kinds and quantities of energy and different forms and quantities of brain, nerve, and muscle expenditure. Yet their abstract labors must have the same magnitude. Summing up, several definitions Marx puts forward in part I of *Capital*, volume I, lead to a characterization of abstract labor as a physical reality. This seems to be its natural substance, but such substantiality lies in the properties of concrete labor.

2. See also Rubin (1972, 132n1), Himmelweit and Mohun (1978, 80), and De Vroey (1982, 44).

Value Form and Substance

In chapter 1 of *Capital*, Marx refers to Aristotle's conception of the relationship between matter, or substance, and form.³ Abstract labor is the substance of value and value is a form; the substance creates something that takes the form of value. He acknowledges the scientific merits of Aristotle's analysis of value and his intuition that money is a development of the simple value form. However, he also ascribes to Aristotle a shortcoming: Aristotle did not understand that a common substance underlies the value equivalence among different commodities. Marx justifies the Greek philosopher by arguing that he could not understand this truth since there was no abstract labor in the slave economy in which he lived. In fact, the common substance is none other than the abstract labor that "materializes" itself into the value form.

According to Engelskirchen (2007a; 2007b), who overtly follows an Aristotelian approach, the "structural cause" or "material cause" of the value form is the market system by which the products of labor are exchanged as commodities. This interpretation only accounts, however, for the reason why commodities have an exchange value and does not clarify that value is created by abstract labor. The latter is an important proposition for Marx, but it raises two problems, as it seems to postulate (1) an identity relationship between value and embodied labor and (2) a causal relationship between the substance and the form of value.

On the first problem, see my earlier work (Screpanti 2003; 2015). Here, I limit myself to a few remarks. According to some interpreters, Marx's analysis of the value form aims to *prove* that abstract labor is the substance of value. The reasoning goes as follows: if two commodities have the same exchange value, it is because they have a common substance; this can only be the abstract labor used to create their value, as would be proven by the fact that the value magnitude of the two commodities coincides with the quantity of labor contained in them. In a few words, "Products can only be measured by the measure of labour—by labour time—because by their nature they are *labour*" (Marx [1986] 2001, 532).

Now, the fact that 20 kilos of coffee exchange for 10 meters of fabric does not imply that the two commodities have some substance in common. It only means that coffee and fabric are exchanged at the ratio $p_f / p_c = (20 \text{ kg coffee}) / (10 \text{ m fabric})$, from which $p_f (10 \text{ m fabric}) = p_c (20 \text{ kg coffee})$, where p_f and p_c are the prices of fabric and coffee. The denomination of value in terms of money does not change this fact. In theory, money can be an arbitrarily chosen *numeraire*: the dollar, the price of gold, of iron, of wheat, and so on. It can be the price of labor, $w = 1$, in which case it might happen that $v_c (20 \text{ kg coffee}) = (40 \text{ h labor})$,

3. Some confusion may arise because Marx often uses the term "substance" with the meaning Aristotle gives to "matter." But "matter" is only one aspect of "substance" for the Greek philosopher; another aspect is "form," and a third is the union of matter and form (see Suppes 1974; Gill 1989; Kincaid 2005).

where $v_c = 2$, is the labor embodied in a kilo of coffee (with zero profits), or the labor commanded by it (with positive profits). Here the identification of the value magnitude as a quantity of embodied labor is the result of an arbitrary choice of *numeraire* and of the restrictive hypothesis of zero profits. Therefore, the proposition that abstract labor is, in general, the substance of value is not proven. It has to be assumed axiomatically (Arthur 2001, 34), and Marx assumes it in the first pages of *Capital*, in which the zero-profits hypothesis is implied by the model of simple commodity production.

For the second problem, can the relationship between the substance and the form of value be a proper causal relationship? The answer is no. One could say that the “*material cause*” of a table as a concrete object is the timber it is made of, meaning that timber is the matter (or the substance) of the table (Reuten 2005, 84). But is it sensible to argue that timber is the “*efficient cause*” of the table—that is, that timber is the cause of a process that produces the table as an effect?

What one *can* say is that the concrete labor of a carpenter produces the table in the labor process. Thus, you could use a *metaphor* that presents abstract labor as an action that produces the value form as an effect. Actually, Marx sometimes expresses the substance-form relationship in terms of the dynamic movement of a substance from “potency” to an “act” that results in the production of a form. This appears to occur as an “effect” of a “power” that is its efficient cause: “As an effect, or as inert being, of the power which produced it” (Marx [1986] 2001, 532). Thus, it seems that labor creates value, that the value of a table is created by the abstract labor of the carpenter. Indeed, when he says that labor creates value, Marx metaphorizes the labor process into the valorization process. Yet forcing the notion of “efficient cause” in this way is not correct.

A scientifically valid metaphor must be *reducible* (Accame 2006). A metaphor is a linguistic construct that uses a signifier taken from another construct. It is reducible when it is possible to single out similitudes between the two constructs that can be decoded in terms of physical or mental operations. For instance, if I say, “An artist creates a picture,” and then, “A carpenter creates a table,” in the second proposition I am using the term “creates” metaphorically. I can reduce this metaphor to observable and comprehensible similitudes between the two propositions: “artist” is likened to “carpenter,” as they have in common the condition of being people who use instruments to transform matter; “picture” is likened to “table” in that they are objects produced by human activity. Therefore, the term “creates” in the second proposition has a comprehensible meaning. This meaning adds to knowledge, for “creates” is not a simple synonym of “produces”: you can say a carpenter creates a table if you mean that the carpenter not only produces a rough object of use but also puts a surplus of aesthetic worth into it.

According to Vaccarino (1988), many metaphors are irreducible, as they contain a false similitude—that is, a comparison based on the *negation* of physical or mental operations. So “God created the universe” is irreducible, for “God” is

defined not on the ground of characteristics possessed in *common* with “artist” or “man” but on the ground of characteristics (eternity, infinity, omniscience, omnipotence, omnipresence, etc.) that *negate* those of man and are not reducible to physical or mental operations. The proposition “God created the universe” is a metaphor devoid of any scientifically acceptable meaning.

The metaphor “abstract labor creates value” is irreducible for this same reason. One can say, “The concrete labor of a carpenter creates a table as a concrete object.” However, if one says, “The abstract labor of the carpenter creates the value of the table,” one is using an irreducible metaphor because abstract labor is defined as a *negation* of concrete labor: no characteristics of abstract labor can be likened to characteristics of concrete labor, and none are reducible to physical or mental operations. On the other hand, if to avoid a purely negative definition of abstract labor one also attempts an operational definition in terms of energy or physical effort or the expenditure of brains, nerves, or muscles, one falls into contradiction. In fact, as already observed, the expenditure of these kinds of effort pertains to concrete labor. Summing up, the meaning of “creates” in the metaphor of value creation by abstract labor is obscure and devoid of any scientific merit.⁴

Abstract Labor as a Productive Force

Marx (1976, 167; [1987] 2001, 275) says that “value is a relation between persons ... concealed beneath a material shell” and that exchange value “causes the social relations of individuals to appear in the perverted form of a social relation between things.” Again, “The value of commodities is the very opposite of the coarse materiality of their substance, not an atom of matter enters into its composition ... the value of commodities has a purely social reality” (Marx [1996] 2001, 57). These propositions convey the notion of value as a social relation. Labor value, as an essence that manifests itself in the appearance of commodity relations, should reveal to scientific investigation the social relations of production that are concealed by circulation.

However, once determined analytically, labor values are only able to reveal the structure of “socially necessary” labor—that is, the simple technical arrangement of production, precisely what is to be expected if value is determined

4. This difficulty cannot be avoided by substituting the term “create” with “posit,” as suggested by Arthur (2001, 40–1). Marx uses different words to convey the idea that labor produces value. On some occasions he uses *setzen* (posit); more often he uses *schaffen* (create). In *Capital* he also uses *bilden*, which can be translated with “make,” “form,” “shape,” “establish,” “create.” A problem with the term “posit,” if it is not interpreted as a simple synonym of “create,” is its reference to a logical procedure—like “postulate” or “hypothesize”—so that it tends to generate idealist hypostatization when referring to a real process. At any rate, would this term improve understanding? To say as Arthur does that “the abstract objectivity of value mediates itself in the abstract activity of value positing,” or that “value posits itself as a quantity of negating activity fixed as what is posited,” does not render Marx’s metaphor more reducible.

under a model of production in general. Elson (1980) considers this a “technicist” approach to the theory of value; De Vroey (1982) talks of a “technological paradigm.” In fact, knowledge of the technical coefficients is sufficient to determine labor values, while knowledge of the rate of exploitation is not necessary. This may vary when the power relations between classes change, but if the technical coefficients do not change, labor values remain unaltered. Thus, the labor theory of value—that is, the theory that determines the value of commodities in terms of the quantity of abstract labor used to create them—is unable to shed light on the fundamental social relationship in capitalism: that of exploitation.

The difficulty also emerges in the problem of transforming labor values into production prices. A fundamental tenet of Marx’s treatment is that the aggregate substance of embodied labor cannot be altered by the transformation, which modifies the form, not the substance. After all, the market cannot add anything to the quantity of surplus value arising from the production process since this quantity is none other than crystallized labor. Marx explicitly argues that the market, by determining the profit-rate uniformity, merely redistributes surplus value among industries and cannot raise it. Otherwise, prices would not be a phenomenal manifestation of the value substance but value-creating substances in their own right. Marx correctly maintains that there is no surplus-value creation in the circulation process. However, this expectation is frustrated by the solution of the transformation problem. It is logically possible and provable for the overall surplus value as calculated in a price system to be higher (or lower) than the overall surplus value as calculated in the corresponding labor-value system, and the rates of surplus value determined in the two systems do not generally coincide (Screpanti 2015).⁵

The reason for this incongruity is profound and significant and resides in the two valuation systems’ different capacities to express the social relations of production. Labor values are forms that express the technical conditions of production and only those social facts that affect *technical* conditions.⁶ In contrast, production prices also express *social* conditions of production: any variation of class relations in the production sphere causes an alteration in production prices. Labor values and production prices exhibit this different capacity to express social relations because the former are determined in a system of simple commodity production

5. Many contemporary Marxists have overcome the difficulties of the transformation problem by using a “single-system approach” (i.e., a value system exclusively based on production prices). The rate of exploitation is measured in terms of living labor by equating the net output to the level of employment. This approach was hinted at by Sraffa (1960, 10–1) and then elaborated on, with variations by Duménil (1980; 1983–4), Foley (1982), Wolff, Roberts, and Callari (1982), and many others.

6. Obviously, technical conditions may be influenced by historical and social facts: productive organization, scientific progress, market structures, etc. However, not all social facts and relations affect technical conditions.

while the latter are determined in a system of capitalist production (Reuten and Williams 1989, 58).⁷

Marx's acceptance of the labor theory of value has been stigmatized as a residue of Ricardian naturalism (Lippi 1979). As highlighted by some theoreticians of the value form,⁸ Marx is unable to fully move on from Ricardo. On the one hand, he argues that value is a social form, but on the other hand, he shows himself to have remained a prisoner of the classical economists when he reduces the value-creating substance to the expenditure of labor power. "This substantialist and naturalist approach to value does not really leave the theoretical field of classical political economy" (Heinrich 2004, 3).

Marx tries to correct the view, entertained by some classical authors, that a productive contribution is also provided by land, and he argues that land helps produce "riches" or "material wealth"—that is, the physical quantities of commodities—but land's impact on the production of new value is nil. The same is true with concrete labor. He holds that only abstract labor produces value, and he believes that, to expose this, he must assert that abstract labor is a productive force. Then, in order to identify labor as the sole value-creating substance, he determines value within a system of production in general that by abstracting from profits and wages is exclusively dependent on the technical conditions of production. In this way, abstract labor as a "productivist motor" (Fracchia 1995, 356) is identified as an ontological and transhistorical category pertaining to a neutrally evolving technology (Postone 1993)⁹ in a noncapitalist production system.

Now, in Marx's theory of history, the "productive forces" consist of the physical means of production, the science incorporated into them, and the individuals who use them in the labor process—in other words, the techniques in use. Thus, the workers' abilities, as characteristics of concrete labor, should be thought of as part of the productive forces. The "social relations of production," on the other hand, consist of the institutional setting used to organize production within a historically determined economic form. An institution typical of capitalism is the employment contract. Abstract labor is also typical of capitalism, as it emerges with the wage relationship, and it should therefore be ascribed to the social relations, not to the productive forces.

Why does Marx believe it necessary to abstract from wages and profits to establish that abstract labor is the sole value-creating substance? The reason is that, in Ricardo's theory, relative values are affected by profit-rate uniformity in such a way

7. See also Wolff, Callari, and Roberts (1984), Amariglio and Callari (1989), and Kristjanson-Gural (2009) as attempts at developing a socially contingent value approach (Biewener 1998).

8. For instance, Backhaus (1980), Rubin (1972), Eldred and Hanlon (1981), Reuten and Williams (1989), Reuten (1993), and Arthur (2001; 2004).

9. Postone (1978; 1993) tries to identify the abstractness of labor as an implication of the historical specificity of capitalist social relations. However, he remains faithful to the universality of the commodity form. Thus, Fracchia (1995, 368) is right in observing that Postone himself uses some transhistorical categories.

that they do not coincide with the labor embodied in commodities—a result that seems to impair the very Ricardian view that the value of a commodity is determined by the labor expended in its production. To tackle this problem, Marx puts forwards a “complete reconceptualisation of value, a recasting of the theory of value as an abstraction” (Himmelweit and Mohun 1978, 72). Then he raises the following criticism: “Though Ricardo is accused of being too abstract, one would be justified in accusing him of the opposite: lack of the power of abstraction, inability, when dealing with the value of commodities, to forget profits” (Marx [1989a] 2001, 416). In fact, in the first chapter of Ricardo’s *Principles*, “Not only *commodities* are assumed to exist—and when considering value as such, nothing further is required—but also wages, capital, profit” (393). The latter assumption is inappropriate, according to Marx. Value has first to be determined within simple commodity production. Then—boldly maintaining that “the sum total of [the] *cost prices* of all the commodities taken together will be equal to their value [and that] the total profit will be = to the total surplus value” (415)—the prices of production, or cost prices, can be determined at a lower level of abstraction.

In another respect, it is well known that Marx ([1989b] 2001, 36–7) criticizes Ricardo for his inability to understand that capital is a “*definite social relationship*”: namely, “a material condition of labour, confronting the labourer as *power* that had acquired an independent existence.” Less well known is the fact that the same criticism can be raised against Marx’s way of determining value by assuming simple commodity production.

Wage Labor as a Commodity and a Social Relation: From Hegel to Marx

The idea of labor exchange as a commodity exchange is already present in the contract theory Hegel develops in *Elements of the Philosophy of Right*. Section 80 of this work contains a classification of the different types of contracts used in modern societies, and all cases—be it sale, donation, renting, or agency—are reduced to agreements for the alienation of a *thing*: to be precise, “a single external thing” (sec. 75). The internal attributes of individuals, like their labor capacities, cannot be alienated. Thus, the exchange of labor is reduced to the contract for services, with explicit reference to the Roman institution *locatio operae*, an agreement by which the worker sells a service produced with his labor ability.

This is a mistake, for the modern employment contract is equated not to *locatio operae* but to *locatio operarum*. The *locatio operae* or *locatio operis* is a contract whereby, for example, I (the *locator*) ask a mechanic to sell me a car repair service and temporarily place (*loco*) the car at his disposal. The *locatio operarum* has a completely different meaning: it is the agreement used by the mechanic, as an employer, to hire an employee. It is a relational contract with which a worker-lessor (*operarius-locator*) alienates, not a good consisting in a labor

service, but the authority (*potestas*) a worker has over oneself. It does so by temporarily placing the worker at the employer's disposal. In fact, *operarum* may be interpreted both as the plural genitive of *opera*—so that *locatio operarum* implies the hiring of labor time in general and not of specific services—and as the plural genitive of *operarius*—in which case, *locatio operarum* means the hiring of workers. From the worker's point of view, these two meanings are conveyed by the expressions *locatio operarum sui*, the letting out of one's own labor time, and *locatio sui*, the letting out of oneself (Martini 1958). Both meanings are present in the modern institution of the employment contract.

Hegel does not admit the *locatio operarum* since he postulates that the endowments that constitute a person are inalienable (sec. 66). And when he provides examples of the “alienation of personality,” he refers to cases like slavery or serfdom. He does not recognize that the employment contract is a case of partial alienation of personal freedom. Nonetheless, he does seem to have grasped the idea when he observes that one can alienate certain particular bodily and spiritual attitudes to someone else, and that “I can give him the use of my abilities for a restricted period” (sec. 67). This is on the right track because, in the kind of rule of law prevailing in modern capitalism, the principle of the inalienability of personal freedom implies the prohibition of slavery but does not rule out the possibility that a worker signs a contract of subordinate employment. However, Hegel insists on the idea that what is actually alienated in such a case is only an array of single products, not a part of one's personal freedom, and that wageworkers would not lose their freedom in the production process since the use of their force is different from the force itself. But then why is it necessary to clarify that the sale of personal abilities is admitted only for a limited time? Such a qualification is necessary if the contract is intended as an agreement by which workers are surrendering their *potestas* and not yielding only single services: with the sale of *potestas* not limited in time, it would be an enslaving contract.

The inconsistency of this conception is brought to light by Fusaro (2007), who also notices that the Hegelian argument is reproduced almost literally by Marx ([1985b] 2001, 128) in *Value, Price, and Profit*, where he says that a “*maximum time* is fixed for which a man is allowed to sell his labouring power. If allowed to do so for any indefinite period whatever, slavery would be immediately restored.” Also, in *Capital* Marx ([1996] 2001, 178; emphasis added) says that “the continuance of this relation demands that the owner of labour power should sell it only *for a definite period*, for if he were to sell it rump and stump, once and for all, he would be selling himself, converting himself from a free man into a slave.” More explicitly than Hegel, Marx sometimes argues that a worker is the owner of labor power and sells a certain quantity of abstract labor. However, Marx's qualification of the temporariness of the sale is plausible because the employment contract is understood as establishing a relationship of subordination. Marx ([1977] 2001, 203) is certainly not afraid of bringing to light the substantially slave-like

nature of wage labor, nor is he afraid of recognizing that the worker with the employment contract “sells at auction eight, ten, twelve, fifteen hours of his life, day after day.” And he insists on the idea that wageworkers sell themselves. For instance, in a letter to Abraham Lincoln he says that, compared to the black slave, who is “mastered and sold without his concurrence,” the white worker boasts a higher prerogative “to sell himself and choose his own master” (Marx [1985a] 2001, 20). This idea grasps the meaning of the employment contract better than the theory that reduces it to a commodity sale.

The comparison Marx suggests between slavery and wage labor reveals the distance he takes from Hegel on a decisive issue. This paves the way for the development of a theory of the employment contract as an institution that generates the authority relationship¹⁰ required to implement capitalist exploitation.

The Subsumption and Subordination of Labor

To comprehend abstract labor as resulting from a social relation of production, it is necessary to understand the way capital appropriates living labor. In an illuminating passage of the *Grundrisse*, Marx ([1986] 2001, 205; emphasis added) says that, in the exchange between capital and labor,

the use-value of what is exchanged for money appears as a *particular economic relationship*, and the specific *utilization* of what is exchanged for money constitutes the ultimate purpose of both processes [in which the workers get the money and in which the capitalist appropriates labour]. Thus there is already a distinction of form between the exchange of capital and labour and simple exchange ... The difference of the second act from the first—the *particular process of appropriation of labour* on the part of capital is the second act—is EXACTLY the distinction between the exchange of capital and labour and the *exchange of commodities* as mediated by money. In the exchange between capital and labour, the first act is an exchange and falls wholly within ordinary circulation; the second is a process *qualitatively different from exchange* and it is only BY MISUSE that it could have been called exchange of any kind at all. It stands *directly opposed to exchange*.

The words I have italicized convey three original ideas: in exchange for the wage paid to the worker, the capitalist obtains the establishment of a *relationship*, not a thing; such a relationship serves to prompt the process of the *utilization* and *appropriation* of labor; and this process is *qualitatively different* from the *exchange of commodities* and is its *direct opposite*. The employment contract determines an “exchange” that is a “non-exchange” for the capitalist:

10. See Simon (1951) for a modern elaboration of this idea. For a Marxist formulation, see Screpanti (2001).

The exchange between capital and labour, the result of which is the price of labour, even though for the worker is a simple exchange, must for the capitalist be non-exchange. He must receive more value than he has given. From the point of view of capital, the exchange must be *merely apparent*, i.e. an economic category other than exchange, or else capital as capital and labour as labour in antithesis to it would be impossible. (247)

In what sense is this transaction, which appears to the worker as an exchange, a “non-exchange” for the capitalist, or a “merely apparent” exchange? Marx ([1994] 2001, 444; emphasis added) answers this question in *Results of the Direct Production Process*, where he says that the worker as “the owner of labour capacity figures as its *seller*—irrationally expressed, as we have seen.” Why irrational? Because that is how the worker appears, although not how the worker really is. Instead, the worker is a “direct seller of *living labour, not of a commodity*.” Then Marx explains that “with the development of capitalist production all *services* are converted into *wage labour*, and those who perform these services are converted into *wage labourers*,” even unproductive workers. This fact “gives the apologists [of capitalism] an opportunity to convert the productive worker, because he is a wage labourer, into a worker who merely exchanges his *services*” (446; emphasis added). In reality, no commodity consisting of a worker’s service is exchanged in the labor market. Rather, a social relationship is shaped that transforms the producer into a waged worker. Then the apologists of capitalism present the worker as a seller of services, and in this way they make the “non-exchange” of labor appear as an exchange of commodities.

In *Results of the Direct Production Process* and the *Economic Manuscript of 1861–63*, Marx develops the notions of “subordination” and “subsumption.” Sometimes he uses the two words as synonyms, sometimes as distinct terms. In any case, it is important to keep them separate and to understand the differences in their meanings.

The term subordination denotes a relation between the capitalist and the worker as employer and employee—a “relation of domination” (Marx [1994] 2001, 431) in the production process. The term subsumption in contrast refers to the arrangement whereby the productive power of labor becomes “a productive power of capital” (429). The firm is the legal embodiment of capital, and the productive forces deployed in the production process pertain to it, even though labor activities are executed by the workers. The firm’s ownership of a worker’s productive force originates from the “subordination to capital of the labour process” (439).

Marx ([1988] 2001, 93) defines *formal* subsumption and subordination as follows: “This formal subsumption of the labour process, the assumption of control over it by capital, consists in the worker’s subjection as worker to the supervision and therefore the command of capital or the capitalist. Capital becomes command over labour... in the sense that the worker as a worker comes under the

command of the capitalist.” The subsumption is formal, insofar as the individual worker, instead of working as an independent commodity owner, now works as a labor capacity belonging to the capitalist and therefore under his command and supervision (262).

Here the adjective “formal” evokes the way in which, in Hegel’s philosophy, a kind of contract determines a relationship only formally: that is to say, abstracting from its substantial content, from the specific characteristics of the object of exchange, and from the personal identities of the parties (Benhabib 1984). In this sense, a type of contract is an institutional condition that determines the form of a social relationship. Subsumption and subordination are formal in that they are based on the form of contract that originates wage labor in a capitalist economy: “There is already a distinction of *form* between the exchange of capital and labour and simple exchange.” The employment contract is the institution that enables two parties endowed with legal personality to voluntarily establish a relationship of subordinate employment: “If the relation of domination and subordination replaces those of slavery, serfdom, vassalage ... there takes place only a *change in their form*” (Marx [1994] 2001, 432–3).

Once capital has taken control of labor, it governs labor in view of its goals so that subsumption becomes real, involving the capitalist’s regulation of the labor process. In fact, “The *formal* subsumption of labour under capital ... is the condition and presupposition of its *real* subsumption.” In other words, formal subsumption “*is the general form of any capitalist production process*” since it establishes the social relation by virtue of which “the labour process is subsumed under capital (it is capital’s *own* process) and the capitalist enters the process as its conductor, its director” (Marx [1994] 2001, 430, 424).

What the capitalist gets in exchange for the wage is the prerogative to start the second “act” or “process” of the exchange, which takes place in the factory. The employment contract creates the institutional conditions for the utilization of living labor in the production process, as the contract sanctions “the appropriation of the ability to dispose over the labour” or “the appropriation of the title to its use” (Marx [1987] 2001, 506). This title is acquired by the capitalist by virtue of the obligation to obedience taken on by the worker through the contract, and this ensures that “there develops within the production process itself ... an *economic* relation of domination and subordination” (Marx [1994] 2001, 430).

The function of command in the labor process is necessary to realizing the exploitation of workers. This is so even in precapitalist economic forms, but there is a specifically capitalist mode of establishing the subordination of labor. In precapitalist economic forms, command over labor is based on relationships of “personal” bond, enforced by institutions of an eminently political and policing nature. In the capitalist mode of production, any kind of personal bond is instead overcome, and workers are recognized as citizens endowed with the freedom of contract. What is it, then, that ensures workers’ subordination to capitalists?

The essential features of *formal subsumption* are these:

- (1) The purely money relation between the person who is appropriating the surplus value and the person who provides it; to the extent that *subordination* arises, it arises from the *particular content of the sale*, not from a *subordination* pre-posed to *the sale*, which might have placed the producer in a relation other than the money relation (the relation of one commodity owner to another) towards the exploiter of his labour, as a consequence of political conditions etc. It is *only* as owner of the conditions of labour that the buyer brings the seller into a condition of *economic* dependency; it is not any kind of political and socially fixed relation of domination and subordination.
- (2) Something implied by the first relation—for otherwise the worker would not have to sell his labour capacity—namely the fact that the *objective conditions of his labour* (the means of production) and the *subjective conditions of his labour* (the means of subsistence) confront him as *capital*. (Marx [1994] 2001, 430)

In the market, workers are legally free. The ideology of capital induces in them “the consciousness (or rather the *idea*) of free self-determination, of freedom,” and this renders them “much better worker[s]” (Marx [1994] 2001, 435).¹¹ In the *Economic Manuscripts of 1861–63* and in *Results of the Direct Production Process*, Marx tries to deconstruct such an idea. He argues that, by virtue of this idea, workers believe themselves to be free and hence justify to themselves the acceptance of the employment contract. But in reality, the worker is not free; rather, “He has a choice ... as to whom he sells himself to, and can change MASTERS” (437). In other words, workers are “free” to submit to the power of their exploiters. The paradox of the employment contract is that it sanctions the formally free choice of workers to surrender their real freedom for a certain number of hours. The material condition of this paradox resides in the fact that the workers are “free” of any wealth: that is, they do not own the means of production and subsistence that would enable them to choose autonomously how to earn a living. Once the contract is signed, workers enter the factory, where their freedom of choice is in principle nil and labor activity is “imposed” on them (De Angelis 1996, 18–9).¹² The workers cannot decide how to work, what to produce, how

11. The translation “idea” appears in the Penguin edition (Marx 1976, 1031); in the International Publishers edition, the translation is “notion.”

12. In practice, the employer’s authority can be limited to some extent by laws, customs, the contract itself, and especially the workers’ resistance. In fact, not only the wage negotiation but also the labor process is a field of class conflict. The struggle in the labor process is about the use of labor capacities. This use pertains to the capitalist, who exerts labor capacity by giving instructions to the workers. The execution of the instructions pertains to the workers, who can use collective action and information asymmetries to reduce their fatigue (Screpanti 2011). De Angelis (1995, 1996) perceptively accounts for class struggle in the production process by referring it to the character of abstraction taken by wage labor as subordinate activity, although he still seems to accept the view that the employment contract is a form of commodity exchange.

to cooperate with other workers, how to use the machines, and so on. These prerogatives pertain to the capitalists, who have used the employment contract to transform the freedom surrendered by the workers into their own power.

Abstract Labor as Resulting from a Social Relationship

There is something in *Results of the Direct Production Process* that merits particular reflection—or rather, something that is *not* in it: the expression “abstract labor.” Yet Marx deals with this concept extensively in that work. For instance, when he reconstructs the historical transformation process of the artisan labor relationship into a capitalist relationship, he observes that the capital of a master artisan “is tied to a particular form of *use-value*.” The capitalist firm, in contrast, involves “the *removal of all these barriers ... Capital (money) can be exchanged for any kind of labour*” (Marx [1994] 2001, 434–5). Subsequently, he says that “in North America, where the development of wage labour has least of all been affected by the old guild system, etc., this *variability*, this complete indifference to the specific content of labour ... is shown particularly strongly” (438). And when he explains that in a capitalist economy labor is only productive if it produces surplus value, he argues that it “has absolutely nothing to do with the *particular content* of the labour, its particular usefulness or the specific use-value in which it is expressed” (448).

When talking about abstract labor in *Results of the Direct Production Process*, Marx never uses this expression. Rather, he speaks of “undifferentiated, *socially necessary, general labour*, entirely *indifferent* towards any particular content” (Marx [1994] 2001, 401)—hence, outlining the phenomenon by specifying its economic and social properties rather than its physical ones. These expressions refer to two characteristics of labor that need to be clearly distinguished: on the one hand, it is *socially necessary*, and on the other, it is *indifferent* or *general*.

The notion of “socially necessary labour” refers to a situation of productive efficiency: labor with “*socially normal*” intensity (Marx [1994] 2001, 396) is employed in the factories and allocated among the industries in the quantities and qualities required by the technique in use. This notion shares with that of “abstract labour,” as a *natural* abstraction, the characteristic of being a productive force but not that of being abstract. In fact, the material base of socially necessary labor consists of concrete labors specified in relation to production techniques: so many hours of bricklayers’ labor to build houses, so many hours of engineers’ labor to build cars.

The notion of “indifferent or general labour,” in contrast, must be interpreted as meaning “indifference towards any particular content.” It abstracts from concrete labors and shares with abstract labor the characteristic of being quantifiable. Marx clarifies that the fundamental reason labor becomes a quantifiable magnitude is that the worker’s activity is carried out under a relation of subordination and,

consequently, his productive forces, being subsumed under capital, are *no longer attributes of labor*. Since subsumption is a social relation typical of capitalism, the labor characteristic of being quantifiable is intimately linked to its historicity: subsumption occurs only in a production system based on wage labor. In this way, the properties of naturalness and historicity are separated. The former pertains to the technological structure of socially necessary labor; the latter to the social structure that ensures exploitation.

In the *Grundrisse* quote I reported at the beginning of the preceding section, Marx accounts for the historical appearance of the wage relationship by arguing that capital is interested in exchanging with labor and that the ultimate purpose of this exchange is to obtain the title to the utilization and appropriation of labor. He later makes clear that “the *social productive powers of labour* all present themselves as *productive forces*, as properties inherent in capital ... The *social combination* of the individual labour capacities ... does not belong to the workers, but rather confronts them as a *capitalist arrangement*, it is *inflicted* upon them” (Marx [1994] 2001, 455–6).

The subsumption of labor capacities under capital is the real fact that engenders the firm’s indifference toward concrete labors from the standpoint of accountancy. In the determination of a commodity value, wage costs are calculated in terms of the quantity of money paid per labor hour, disregarding the workers’ productive forces. This is the crucial point, and Marx is fully aware of it: the wage is determined independently of labor productivity. Capitalists, in recording labor costs, are indifferent to the specific use values of labor—not because they are not interested in the workers’ concrete abilities but because the productive capacities associated with these abilities belong to capitalists once the employment contract is signed. What is bought, what is paid for, is not the set of these abilities and not even a generic labor capacity. It is another thing, and a truly abstract one indeed: labor time, meaning the time during which the worker undergoes the capitalist’s control in the production process.

The close relationship between workers’ subordination to capital and the independence of the wage from workers’ specific skills and competencies can also be seen from another angle. With real subordination, capitalists exert command in the labor process and thence the power to determine all its aspects: the method and organization of labour, the choice of techniques, the investment decisions, the use of science, and so on. This implies that capitalists also have the power to reallocate workers among various tasks in relation to technical change and even the power to reskill workers at their will. Therefore, capitalists demand from their workers a certain degree of malleability, meaning not only a willingness to obey orders but also pliability toward their exigency to reshape workers’ abilities, which in fact are at the disposal of the firm.

Now it should be easier to understand why the wage is commensurate to a purely quantitative magnitude and why it is reasonable to use the concept of abstract labor to denote this magnitude—but only after purging it of any characteristic of naturalness and productiveness. Precisely this abstraction makes

exploitation possible. Once the price of labor time is fixed, and once capital has subsumed the workers' capacities, it is a capitalist prerogative to manage the production process in such a way as to obtain commodities whose value added is greater than the wage paid. Capitalists' power enables them to extract a higher or lower surplus value from production; their organizational and managerial abilities determine labor productivity and therefore the intensity of exploitation. In fact, the capitalist compels the worker "to ensure that his labour possesses at least the socially normal *average degree* of intensity [and the capitalist] will try to raise it as much as possible above this *minimum* and extract from him over a given period as much labour as possible, for every [increase in the] intensity of labour over the *average degree* creates [a bigger] surplus value for him" (Marx [1994] 2001, 396).

The "market" determines only the price of labor time, not labor productivity or the magnitude of surplus value. Productivity is determined in the factory and is a function of the exertion of the capitalist's power within the labor process. Exploitation is based on power. The exertion of power (precisely as in slavery and serfdom) enables the capitalist to extract a surplus from labor. In capitalism, the power relation is constituted by the employment contract and the subsumption of labor abilities under capital.

The contract itself and the parties' bargaining powers determine the price of labor. By establishing the worker's obligation to obedience for a prearranged length of time, the contract fixes a wage that is exclusively commensurate to that time. So to be precise, the wage is a payment for obedience, the price of freedom, and not the value of a commodity. "The more [the workers] wish to earn, the more must they sacrifice their time and carry out slave-labour, completely losing all their freedom" (Marx [1975] 2001, 237). In the exchange with capital, workers alienate their own freedom: "What [the worker] receives as the price is the *value* of this alienation" (Marx [1986] 2001, 248).

At last we can understand why abstract labor is "practically true" in a historical sense but cannot be so in a natural sense. This is because a historically determined social relationship enables the capitalist to treat labor as if it were a homogeneous input and to measure its quantity in time units. Since it is typical of the capitalist mode of production, abstract labor emerges in all its simplicity only in the most modern economic form of human evolution:

The simple abstraction which plays the key role in modern [political] economy, and which expresses an ancient relation existing in all forms of society, appears to be true in practice in this abstract form only as a category of the most modern society ... The example of labour strikingly demonstrates that even the most abstract categories ... are, in the determinateness of their abstraction, just as much a product of historical conditions and retain their full validity only for and within these conditions. Bourgeois society is the most developed and many-faceted historical organization of production.

The categories which express its relations [provide] an understanding of its structure. (Marx [1986] 2001, 42)

Now it is possible to formulate a sound definition of *abstract* labor: it is the labor time spent by a waged worker in the production process. In other words, it is “work in its capitalist form” (De Angelis 1995, 108). It is not work in a transhistorical or mercantile form. Is this definition compatible with that developed at the beginning of *Capital*? Or is there a contradiction between the two (Bonefeld 2010, 263)? *Ça dépend*.

Some of the notions put forward in *Capital* must be appropriately interpreted, especially the metaphor concerning the substance-form relationship. Abstract labor as labor time can be considered a “substance,” but a *social* substance, not a natural one. It originates from the social relationship that transforms workers into waged workers and their labor practices into the implementation of the capitalists’ production plans. Labor time, so defined, is not a productive force. It is empty time that measures what is not (Bensaïd 2002, 82)—that is, what is not a worker’s action. It is “abstract time,” time made up of “equal, constant, non-qualitative units” spanning “an independent framework within which motion, events and action occur” (Postone 1993, 202): to be precise, the capitalist’s action. In fact, labor capacities have been subsumed by capital and are expended as attributes of capital.

What to do, then, with the idea that abstract labor creates, forms, or posits the value of commodities? This too has to be reinterpreted. The social substance is the social relation of production that enables capitalists to produce commodities whose values yield surplus value. A change in the power relations between social classes resulting in a modification of labor productivity, labor hours, or the hourly wage can be seen as the cause of a change in production conditions that has as final effect a variation in the quantity and value of produced goods. More simply, a change in the rate of exploitation, defined as a ratio between unpaid and paid labor, causes a change in the rate of surplus value, defined as a ratio between surplus value and the wage bill. Now, there is indeed a causal relationship between the social substance and value, and it is an efficient cause, not just a material cause. It consists of the chain of causal links between the social conditions of production and the value of output. Clearly, one can no longer say that an increase in the natural substance of abstract labor creates an increase in the magnitude of the value form. Yet one can utter, for instance, a much more interesting proposition: that an increase in labor hours or in labor productivity causes an increase in profits and a change in prices. Note that such a notion of “substance” does not convey the idea of a transcendent essence of phenomenal appearances. There is no metaphysics in this interpretation of the substance-form relationship. There is only an analysis of the causal links that connect the social conditions of labor activity to the outcome of production.

Most of Marx's propositions in parts 1 and 2 of *Capital*, volume 1, can be reinterpreted in this manner to make them scientifically sound—most, but not all. There is an abstraction procedure that cannot be complied with in any way: the assumption that isolates production from capitalist social relations. The value of capital must not be determined in a system of “commodity production in general.” The relationship between the social substance and the value form, between the social conditions of production and the value of output, cannot be investigated within a model that abstracts from history and capitalist social relations.

Conclusion

In defining the employment contract, Marx remains partly trapped by Hegel's philosophy of right and adopts the classical paradigm that reduces all contracts to agreements for the exchange of commodities. Then, under Ricardo's influence, sometimes he is induced to define labor power in terms of a natural force owned by the worker. What is sold as a commodity is a flow of abstract labor springing from a stock of labor power.

Abstract labor is a logical category defined through an intellectual process of abstraction from the physical characteristics of concrete labors. On the other hand, it is seen as a real thing too, especially when it is treated as a force that creates value. This is a sort of metaphysics of value creation, expressed by a metaphor taken from the labor process: an “expenditure of human brains, nerves, muscles.” However, these are just the things from which abstraction has to be performed.

A series of inconsistencies ensues that impairs the labor theory of value—that is, the theory according to which the value of commodities is created by the quantity of abstract labor used to produce them. Besides the vice of essentialism, the thorniest problem is caused by the fact that labor values are variables of a purely technological nature, as they only depend on the technical coefficients of production. Not by chance, Marx often defines them as manifestations of a productive force operating in a system of production in general rather than as expressions of capitalist social relations.

Most of these inconsistencies can be disposed of if the theory of abstract labor is interpreted in the light of what Marx writes in the *Economic Manuscript of 1861–63* and in *Results of the Direct Production Process*. In these works, he develops the notions of subordination and subsumption and finds a new path to the theory of the employment relationship. The former notion is defined as the subordination of the worker to the capitalist: that is, the worker's obligation to execute labor activity under the command of the employer. The latter is meant as the subsumption of labor's productive power under capital: that is, the manifestation of labor capacities as attributes of capital. Marx considers “irrational” the idea that a worker is a commodity seller. Instead, he characterizes the employment contract as an agreement establishing a relationship of subordination. He puts forward, far in advance

of the modern theory of relational contracts, the view that the employment contract is an institution that generates the authority relationship as a fundamental condition for the capitalist control of the production process. This new theory is an alternative to the traditional one of a Hegelian-classical origin. On this ground, it is possible to develop an explanation of exploitation that is exempt from all the vices of the labor theory of value.

In this approach, abstract labor is not a category resulting from a procedure of logical abstraction, and least of all an outcome of the hypostatization of such a category into a natural substance. Instead, it is a concept ensuing from the observation of a real practice of capitalist firms—namely, the practice of calculating wage costs in terms of money paid per unit of labor time. Labor, as a production input, is abstract because it is reckoned independently of the workers' concrete abilities, which have been subsumed by capital and used in the production process as its properties.

This theory, among other things, paves the way for a rethinking of the critique of bourgeois ideology and commodity fetishism by overcoming the Marxist-Hegelian vulgate that prevailed over the greater part of twentieth-century Marxism. Ideology is not a simple superstructural manifestation of a productive structure consisting of the essence of capital as congealed labor; nor is it the hiding of an objective truth the scientist can grasp by delving from the surface appearance into the essence of things. Rather, it is an array of cultural constructs that helps to constitute social reality by justifying and motivating human behavior (Amariglio and Callari, 1989). Marx's critique of market ideology as a realm of equality and freedom does not simply boil down to unmasking the market as the place where the essence of capital manifests its surface appearance. Rather, his critique works as the deconstruction of a fundamental institution of exploitation. It calls for rejection of the economists' conception of the employment contract as a normal mercantile transaction and accounts for the contract as the legal and ideological institution by which capital coaxes the workers to accept the subordination relationship as if it were an exchange of commodities. This deconstruction, aimed at overturning bourgeois hegemony, brings to the fore an alternative class viewpoint according to which the employment relationship is founded on capital's despotism and the production of surplus value is made possible by the exercise of this despotism within the labor process.

Therefore, to treat abstract labor as resulting from a social relation of power and subordination instead of as a natural substance is not only more consistent from a logical point of view but also more effective from a political point of view.

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