

Value and Debt

Mark P. Worrell

Abstract: The sociological nature of value (from a general or symbolic economic perspective) is explored with an eye toward comprehending the riddle of US debt and how debt functions as imperial tribute in the waning days of US global hegemony.

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When toddlers flush money down toilets they demonstrate the nominalist bent of the under-socialized person: money appears to the child to be nothing but funny green paper to be drawn on, mutilated, and, finally, remanded to the void. Even card-carrying critical theorists are hard pressed, in this and similar cases, to celebrate the revolutionary destruction of crystallized value: “That was our dinner, naughty!” “I *no* eat paper!” “Well, no ice cream for you!”

Society expends vast resources converting these little anarchists into their polar opposites: naive realists who perceive the world, both social and natural, as sparkling with value and other enchantments. While we may forgive the ordinary citizen, plagued as they are with everyday common sense even professional critics (swerving between crude materialism and enchanted realism) usually fail to sufficiently unravel the enigma of value. Despite what many Marxists believe, Marx did not fully comprehend the social nature of value until the late 1850s¹. His first ‘perfect’ analysis of value would not come until the publication of the

*Critique of Political Economy*². There is an often subtle but nonetheless decisive shift in Marx's thinking that separates the *Grundrisse*³ on one side, from the *Critique*, the first volume of *Capital*⁴, and the 1865 address, *Value, Price, and Profit*⁵ on the other. Those that would weld all of Marx's writings into one homogenous block all suffer from the same thing: a naive realist ontology -- ideal-typical expressions of this kind of anti-sociological realism can be found in Hilferding's *Finance Capital*⁶, and more recently in Postone⁷, David Harvey's close (but no cigar) readings of *Capital*, and Kliman's "intrinsic value" thesis⁸. Instead of taking Marx at his word we find, in Postone for example: value is the socially totalized and interdependent and self-mediating categorically instrumental and generally compulsive and historically determinate theory of abstract labor.

Abstract labor must be some kind of *thing* that we can get our hands on, we are told, because thoughts and ways of thinking exist only in the minds of *individuals*. The attempt to avoid psychological reductionism (and, no doubt, we must avoid that) leads off into these absurd notions because what all but a few Marxists have realized is that collective consciousness (social) is not reducible to consciousness (individual) -- Marxists generally do not have a sociological grasp of collective consciousness, therefore, if value is, as Marx says, purely ideal, they conclude that because consciousness is only in the brains of individuals, there must be some non-ideal supplement that accompanies the form of thought. Or, conversely, it is simply not ideal, though Marx says that, so it must be something non-ideal, i.e., natural.

For a more thorough critique of bad value thinking see Worrell⁹. It is impossible to read *Capital* with the reductive gaze of a nominalist, to positivists of all stripes it appears as just so much mystical mumbo jumbo, but a realist gaze can effortlessly filter out all the elements that run counter to Marx's mature insight into value.

Value

Marx makes perfectly clear that, first, exchange-value is identical with the concept of value. In "Value, Price, and Profit", for example, Marx says that when he speaks of value he always has in mind exchange-value¹⁰. We can certainly discuss value separately from the exchange relation. The substance of value is labor in the abstract, however, Marx has a name for the analysis of value apart from the exchange relation as realization: "abstract value"¹¹. How many Marxists have ever noticed this phrase or, if they have, would know what it means?

In all of Marx's works the precise phrase "abstract value" appears only a few times (Engels used it once in a non-economic context; Marx used it in a footnote in the *Critique*; and in *Capital* it appears once. Marx says, "If we say that, as

values, commodities are simply congealed quantities of human labour, our analysis *reduces* them, it is true, to the level of *abstract value*, but does not give them a form of value distinct from their *natural* forms. It is otherwise in the value-relation of one commodity to another”¹². His point here is that, yes, we (those who alienate the living) can reduce a thing down to an abstraction (value is abstract labor or “labor pure and simple” without regard for anything in particular) but, paradoxically, the abstraction, divorced from any *relation*, appears (and can only *appear*) to befuddled consciousness in its concrete or natural form (hence, the illusion of inherent or intrinsic value). The secondary alienation following the first alienation (here we arrive at the concept of ‘compound alienation’) brings the abstract thing back around to the concrete domain but in a mystified form. We are supposed to know that, as far as value goes, its “objective character” is “purely social” and “can only appear in the social *relation* between commodity and commodity”¹³ and that value “differs from its stiff and starchy existence as a body”¹⁴. Value, as a moral subject-substance, “is realized *only* in exchange”, that it “emerges” in the *relation* between two commodities¹⁵, that matter has *nothing* to do with value itself and is, indeed, the total disregard of matter and material¹⁶, and that value is, beneath its obfuscating but expressive material shell, the *relation* between people¹⁷ and “only within the limits of this relation”¹⁸. Now, try getting any of this across to critical theorists who point to some isolated physical object outside any exchange relation whatsoever when asked to show you value or who wonder, after 30 or more years of pondering Marx, what he meant by the phrase “purely social.”

Value is already an abstraction (concrete labor rendered generic, labor without regard for particularity) but disconnecting value from the social relations of exchange renders it doubly abstract (abstract here means one-sided and divorced from its social ground). This is why “exchange-value” is the *necessary* mode of expression of “value.” Again, if we mistakenly regard value as a *double* concept then there is one that is social and one external to the social or moral domain. We would have, then, a social value and then some kind of non-social value somewhere else. Mysterious! This is not social science in any form, rather, we are in the presence of Marxist theology. If Marx had been this type of realist by the time he published *Capital*, the brilliant footnote on Peter and Paul¹⁹ and the related footnote on royalty would have been completely different:

Marx: Peter (singularity) knows himself as a human being (universal) in the use-value form of Paul (the particular equivalent) who recognizes his claim to be a human -- “Peter only relates to himself as a man through his relation to another man, Paul, in whom he recognizes his likeness”²⁰. In other words, no Paul, no universality. But, of course, for the deluded Peter, he thinks he has an *immediate* relationship to the universal. Likewise with royalty. “For instance, one man

is king only because other men stand in the relation of subjects to him. They, on the other hand, imagine that they are subjects because he is king”²¹.

Contrast this position with another where Peter, capitalists, vampires, Marxologists, and so on, imagine that Peter is not a human being because he is recognized by Paul, but, on the contrary, Paul treats and regards Peter the way he does because he is obviously *already* a human being. Here, the status conferred is reversed from ‘he is king because we treat him as such’ to the opposite where ‘we treat him like a king because he *is* the king.’ The same reversal applies to things like commodities or gold or any other object invested with authority. For the *social* realist, in contrast, gold has value because we expend time and energy to extract it from the earth and then use it as a medium of exchange whereas, for the ordinary realist, we dig up gold because it is value in its gold form. Of course, in the bourgeois necroverse, gold really does already have value and we will all kill one another to obtain more than our fair share, so, we can go on killing one another for it, or, we can break the spell that it holds over people.

When the longing gaze is replaced by the gaze of indifference the spell is broken²² and, at a minimum, authority devolves into domination, a thing to be hated and fought, positively, Marx, or negatively, e.g., Nietzsche²³. However, indifference toward the authority of social facts is difficult to cultivate (recall the monetary toilet training). The use-value (usefulness) of gold contains no value, it is not in its materiality that value is located. Here, Marx and Emile Durkheim merge with the insight that non-material and even imaginary things can be nonetheless objectively real in the eyes of whole classes and even have physical effects²⁴. Fetish consciousness perceives value as an external materialized thing and only as this material thing. The existence of a god, for example, would not constitute a literal truth but would be socially and *practically* true for millions of people. We do not punish children who give up on the tooth fairy but people die everyday for their failure to recognize the prevailing god (collective representation) of their society. Any dumb little use-value can, in some contexts, be imagined to wield awesome powers and some Marxists, like any Average Joe, do confuse use-values with value.

Marx’s clumsy adoption of an older terminology (“use-value”) from the pre-existing terminology he found in political economy exacerbates the problem. What is meant by “use-value” is simple but not obvious, if we decide to retain this terminology: use and consumption fall on the side of the concrete and the specific, in other words, I may value a thing for whatever reason and say “this is a value to me.” At the level of *personal psychology*, then, it is true that a commodity, once sold, can fall out of the exchange relation and, for the owner and user, nonetheless *retain* some sense of being a ‘value’ (not merely utility or usefulness) and used as some kind of ‘phallus’ by which to impress others and sig-

nify social status. Even here, though, it is usually the 'logos' of the thing, rather than its physical qualities, that matters most: this thing is my BMW. The signifier functions as a vague but prestigious image that bends the mind back to the exchange moment, when the owner presumably sacrificed \$60,000 for the object. For the working person we should excuse this swerve in thought: "If you must sweat like a mule to earn your beer," says Bageant, "you might as well call it a value"²⁵. For critical theory, however, we should expect more than fetish delusions. The problem of splitting also plagues our conception of capital just as the problem of conflation plagues our conception of prices.

While many Marxists make the error of duplicating and fetishizing value (value fetishism is the splitting of the value concept into two species just as capital fetishism is the splitting of capital into two species: industrial and financial, a split that creates political reverberations, e.g., the old-fashioned populist bank fetish we saw in the Bernie Sanders campaign or in the more insidious antisemitic demonology of Father Coughlin (the Depression-era 'Radio Priest') and his successors on the far right in the US that link finance to Judaism and industrial production to Christianity²⁶. See the third volume of *Capital*²⁷ for more on this problem of capital fetishism as well as Massing's classic analysis of reactionary politics²⁸), a few compound their problems by then misconstruing price for value. I was once asked how there can be value without a price. Are not profits priceless? Where there are prices there are always values we are told. However, Marx indicates that price and value are separate concepts and that we can affix a price to some object that has no value whatsoever -- here we are in the domain of imaginary or *fictional* (purely "fictitious") value ²⁹.

From another angle, though, where we find prices in the absence of value we might use our anthropological eye to locate alternate modes of impersonal and authoritative social energies underlying the price/signifier. 'Price' is not limited to the domain of the economic. Before 'price' had anything to do with the estimation of commercial values it was related to honor, esteem, and reputation, and was related to the words 'praise' and 'prize.' Of course, we might find that, yes, the mere act of exchange has been constructed in which dupes pay for worthlessness; value is not merely the result of exchange in itself as hardcore constructionists would have us believe, otherwise we go no further than notions such as the worth of a thing being whatever a person is willing to pay for it³⁰ but it might also be the case that what looks like junk is actually a bearer of *another modality of authority* exchangeable for money or convertible into a money form. It is probably the case that Baudrillard's excursions into post-Marxian sign value were not as useful as they could have been, however, Bataille's notion of a 'general economy'³¹ and E. P. Thompson's 'moral economy'³² have been more useful and influential on contemporary thought. One way to sum up the problems

raised in the above is to port the triadic simplicity of the commodity over into another conceptual matrix: the Lacanian distinction between the real, the symbolic, and the imaginary. As a brief thought experiment, let us dismember the commodity: we observe its use-value or utility, we see and evaluate the price, which is presumably indicative of its value (*jouissance*). Where do we locate value within Lacan's now commonplace RSI schema and how will this impinge on our comprehension of value not as substance but as subject-substance as Marx calls it?

Any undergraduate can guess that the physical body of the commodity falls into the register of the real but as for the coordinates of value things are a bit more tricky. If we locate value within the register of the imaginary we thereby situate value within the specular relations the commodity has with another equivalent. True, here is where value makes its appearance for another but the consequence will be that we may confuse price and value, confusing objects within the sign regime: confusing an index with a symbol. The exchange relation is the necessary mode of expression but it is itself not value, or abstract labor and price is something altogether different than price. If, however, we locate value within the domain of the symbolic then we have shifted our analysis away from mere subjectivity, as well as mere intersubjectivity, and into another form altogether: absolute subjectivity or, what Durkheim called, collective consciousness. The "externality" of the commodity (Marx) just like the "externality" of any social fact (Durkheim) pertains not to the real body of the thing but to its alien presence within the mind, bearing down upon us as either an object of desire and authority or as an oppressive Thing (Marx's "nightmare" metaphor) that we hate and wish to escape. The world of debt is the place to explore the interpenetration of the hated Thing.

Debt

What looks like a pure liability from a personal standpoint appears to another as an asset. As such, where populist politicians and consumers quake in fear over personal debt and the national debt, the economist sees things in an altogether different light³³. Under the Fordist regime of capital accumulation the US was a lending nation but in the post-Fordist, neoliberal epoch, the lender has become a debtor nation and within this new framework asset obligations in the form of Treasury bills, and so forth, are no longer fully contained within the traditional debt-asset framework. In other words, what if all our worry over national debt (US) is the result of an outdated optic?

The post-structuralist tendency is to see things like 'empty signifiers' when, in reality, signifiers are merely borne aloft by forces that have escaped

the one-sided analytic gaze. If one cannot see anything but people *laboring*, one discounts other modes of *human assemblage and alienated ebullience*. In fact, many of the instruments circulating in the financial and finance-gambling sphere (not to mention religion) are in fact worthless from the standpoint of a labor ontology which leads to another erroneous interpretation on the part of Marxists, and that is the notion of “hot air” -- that some circulating paper is backed or grounded by *nothing*. Something has to make this ‘air’ *hot*. This points to the one-sided, labor fetish of most brands of orthodox Marxism and the labor theory of value; where we think we see ‘worthless’ scraps of paper floating around what we are sometimes missing is that a mere piece of paper can also be a piece of institutional *authority* in paper form backed up (grounded) by some *other* kind of social power³⁴. There can be no comprehensive analysis of economy or political economy in the absence of an accounting for *moral economy*.

In the case of quantitative easing, for example, it was not technically correct to see it as a case of simply injecting “hot air” currency into the market. The Chinese response to QE1 and QE2 suggests that their capital investments were being degraded, and they were, but when a carrier battle group conducts training off the shores of Taiwan it signals that US bonds and currency are backed by brute *force* and as long as Uncle Sam can force feed debt to nations, US currency and bonds are ‘worth’ something, they are exchanged, and they stay in circulation. In other words, financial dependency and ordinary debt transactions on the surface of society masks the essential fact that the US is an imperial superpower and that debt is, to a large degree, imperial *tribute* that will never be repaid.

The constant fear of default is largely irrelevant so long as the US maintains its position as the global superpower. The US Department of Defense is largely a state within the state dedicated to preventing the slide into a symmetrical competition between global hegemons. The full-scale US invasion of Africa is largely a check on China; the war in Syria is, largely, a check on Russian access to ports and regional influence; the war in Afghanistan is, largely, a war on our friends in Pakistan; the war in Iraq is, largely, not a war for petroleum but a matter of disobedience and punishment³⁵; and the war on terror is the perfect war in which to express imperial command and discipline: it can neither be won nor lost, it is simply a new matrix for dollarization, reserves denomination, generating corporate war profits (nothing beats cost-plus contracts) and creating an obedient world system with the US at the helm³⁶.

Conservatives and liberals alike still think in terms of contractual obligations and fear that the US is putting itself in a position of dependency upon other nations and transnational actors, but, as Durkheim noted, while contracts are a form of partial slavery, when you are the global powerhouse, you are a

slave to no one which means that contracts are only honored if it is in the interest of the one with all the power. In fact, consider an analogy from the world of organized labor: if your union fails to strike or even threaten a work stoppage, then it is not a union at all; at best it is a toothless collective bargaining unit that will be coerced by more powerful forces. Likewise, if your imperial master fails to bomb you periodically or threaten you with a deep recession or the prospects of another stone age now and then, they are not much of an imperial master to be respected. This is, of course, the function of Trumpism in the US: if you think things are bad now (buying our worthless debt, declining wages, environmental degradation, and having our troops all over your country, etc.) it could be a lot worse, you could have a narcissistic maniac with impulse control problems ten feet from the nuclear codes. Of course, this arrangement cannot last forever.

Kant believed that a national debt was, ultimately, self-defeating³⁷ and he is undoubtedly correct. Eventually, empire will run out of steam and prestige and the world will turn against it. As Durkheim insisted, a lone political entity cannot stand against the rest of the world for long³⁸. Even now we see, for example in the Philippines, a ‘rebalancing’ of dependencies toward China. The neoliberal order will fail, ultimately, because it violates the structure of reason, it is unreasonable, and violently irrational. The world system is a symbolic universality that encompasses individual nation-states and their substantive (‘speculative’) relations with one another. This is a central point and something that we keep running into time and time again: as far as individuals go, the idea of the nation-state is still extremely powerful and vastly more important than multi-state conglomerates. Brexit! Open borders! New World Order! A bipolar world, as an alternative, is one divided against itself with two main blocks serving as countervailing universalities, with some non-aligned leftovers extracting what concessions and deals as they can, playing one power off another. Ultimately, though, a world divided along binary lines will disintegrate as we saw at the end of the Cold War. The current neoliberal system attempts to sharpen the old Fordist logic whereby the triad of finance, production, and consumption (a fetish conception if there ever was one) is remapped across old geopolitical demarcations. Ultimately, Hegel is right: reason has a structure and it is cunning. When social organization becomes irrational it will destroy itself and a debt-tribute-finance universality is an insult to reason and national sentiments and values.

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- 10 Karl Marx, *Value, Price, and Profit*, p.28.
- 11 Karl Marx, *Capital: A Critique of Political Economy, Vol. 1*, p. 141.
- 12 Ibid: p,141, emphasis added.
- 13 Ibid: p.139, emphasis added.
- 14 Ibid: p.144.
- 15 Ibid: p.142, emphasis added.
- 16 Ibid: p.138.
- 17 Ibid: p149, p.167.

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