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The Commodity Spectrum¹

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A commodity appears at first sight an extremely obvious, trivial thing. But its analysis brings out that it is a very strange thing, abounding in metaphysical subtleties and theological niceties.²

Getting to the Form of Commodities

What is a commodity? What should not be a commodity? These are both old and new questions. The sin of simony involved selling sacramental blessings, such as forgiveness. But grace is not for sale. When we hear that genomes, radio bandwidths, wedding speeches, the smell of Play-doh, or large prime numbers are for sale, we are puzzled. Should someone own a genetic sequence?³ In both old and new occurrences, commodities involve exchange for money. If corn is bartered for cloth, no commodities are involved.⁴ The commodity carries moral significance despite its absence from standard economic theories and ethics texts.

Like money, the basic commodity form is old; it appears throughout history in marginal ways. Our focus is on capitalist societies, where commodities constitute the social form taken by wealth generally: to meet needs, we must purchase commodities. We call the modern forms *capitalist commodities*. In our world, the commodity is so obvious as to fade into the woodwork. We notice that the commodity form of wealth matters if something goes wrong. For example, in 2008 people noticed when households in the USA lost 12-14 trillion dollars in value as those curious commodities collateralised debt obligations (CDOs) and credit default

swaps (CDSs) went toxic. Like gravity or the warmth of the sun, the commodity form matters all the time, even when we take it for granted.

In this essay, we want to bring to light the reality and the moral significance of the commodity as found in capitalist societies, not the basic commodity of pre-capitalist settings. The topic opens onto a diversity of forms that constitute what we call a commodity spectrum. On the spectrum are basic commodities, capitalist commodities, commodity capital, ex-commodities, quasi-commodities, ideal (as if) commodities, and shadow commodities. Here is one reason for speaking of the commodity spectrum; there are profoundly different forms of commodity that come under the heading of the commodity.⁵ The questions of what cannot or should not be a commodity concern the width and makeup of the commodity spectrum. We will take a close look into these revealing social forms, for without clarity concerning the commodity spectrum, social theory flounders in conceptual omissions and confusions. Both mainstream economics, and moral critiques of consumer society are our targets. Mainstream economics simply ignores the commodity and moral critiques of consumer society ignore how commodities arise from capitalist production.

Marx is the main source of the distinctions found in this essay, but we charge Marx with largely ignoring the ex-commodity and the quasi-commodity. Marx begins *Capital*: "The wealth of societies in which the capitalist mode of production prevails appears as an 'immense collection of commodities'."⁶ But what surrounds us for the most part are ex-commodities. Marx is aware that commodities generally pass through the market. But we call into question his observation: "If a commodity is exchanged for another commodity by means of money, its value-character [*Wertbestimmung*] disappears in the moment in which it is realised, and it steps outside the relation, becomes indifferent to it and is now only a direct object of need."⁷ Even after a commodity is purchased, its value character matters.

A key term in our reading is form. The capitalist commodity is a social form of wealth of profound moral, social, and political significance. Aversion to forms of all sorts (nominalism) keeps social forms and their significance out of mind and discourse. However, the fact that there are recognised (and debated) moral limits to what should not be a commodity tells us that to be a commodity means something; the commodity form has moral weight. One of the most important lessons that Marx learned from Hegel was to investigate the content of forms, including social forms.⁸ So what is involved in the capitalist commodity form?

The commodity presupposes a system of private property ownership and the social roles of buyer and seller, which involve the high-minded, egalitarian moral and legal category of persons:

In order that these objects may enter into relation with each other as commodities, their guardians must place themselves in relation to one another as persons whose will resides in those objects, and must behave in such a way that each does not appropriate the commodity of the other, and alienate his own, except through an act to which both parties consent. The guardians must therefore recognise each other as owners of private property.⁹

But the circulation of commodities also presupposes a particularly narrow sort of self-interest and a minimal sense of social solidarity. Marx memorably summarises the moral significance of the commodity as it appears in the marketplace:

The sphere of circulation or commodity exchange ... is in fact a very Eden of the innate rights of man. It is the exclusive realm of Freedom, Equality, Property and Bentham. Freedom, because both buyer and seller of a commodity, let us say of labour-power, are determined only by their own free will. They contract as free persons, who are equal before the law. Their contract is the final result in which their joint will finds a common legal expression. Equality, because each enters into relation with the other, as with a simple owner of commodities, and they exchange equivalent for equivalent. And Bentham, because each looks only to his own advantage. The only force bringing them into relation with each other, is the selfishness, the gain and the private interest of each. Each pays heed to himself only, and no one worries about the others.¹⁰

Rights, freedom, equality, property, and self-interest signify the ideals of modern society. Clearly, the generalization of the commodity form of wealth brings about (on-going) revolutionary social transformations.

Generalization of the Commodity Form in Capitalist Societies

The problem of commodities must not be considered in isolation or even regarded as the central problem in economics, but as the central, structural problem of capitalist society in all its aspects.¹¹

Questions concerning commodities are rarely raised in standard economics books. We consider reasons for this omission later. To answer these questions, we need good concepts. In our view, the key concepts for contemporary social theory derive from Karl Marx's critique of economics, a revolutionary advance in social theory that has largely been overlooked, even by Marxists. Marx is still largely regarded as a radical political economist, working within the conceptual horizons of economics, when, in fact, he is a profound critic of those horizons. Simon Clarke makes the point well:

There was a scientific revolution in nineteenth-century social thought ... It was inaugurated by Marx's critique of the ideological foundations of classical political economy, which he located in the political economists' neglect of the social form of capitalist production."¹²

This includes neglect of the commodity form.

Every society is constituted by some way of producing useful things and some form of wealth. The need for wealth is transhistorical. To actually exist, wealth must take on a specific social form. The recognition of the inescapability of social form sets Marx apart from economists, whether classical, neoclassical, or Marxist. Marx highlights the commodity as the social form of wealth and the production of wealth from the opening sentence of *Capital*:

The wealth of societies in which the capitalist mode of production prevails appears as an 'immense collection of commodities,' the individual commodity appears as its elementary form.¹³

For Marx, the commodity signifies the specific social form of wealth where production is directed at accumulating surplus value, i.e., the purpose of producing wealth in modern societies.

By contrast, Adam Smith sets out to have a science of “the wealth of nations” without attention to social form. But wealth never exists in general; it only exists as formed by specific social purpose, such as the production of surplus value. Marx’s opening sentence tells the reader that his topic is a specific type of society, one where products generally take the commodity form – not “the economy.” *Capital* is not a book about “the economy.” “The economy” is a pseudo-concept, since there is no economy-in-general that could be its referent.

The commodity opens up the study of capitalism as a whole. At the core of Marx’s critique of capitalist societies is the challenging concept of value, which turns out to require the concept of surplus value. Commodities do not *have* value; they exist *as* value. But Marx does not begin *Capital* with value; he arrives at value from the ordinary observation that, in capitalist societies, wealth is generally produced in the social form of the commodity. The commodity is accessible; it is seen in stores, on screens, and throughout our lives. To understand capitalism, begin with the most visible form – the commodity – and work from there. In reasoning from the commodity to the concept of value to money and then to capital with its antagonistic class division, Marx connects the circulation of commodities – buying and selling – with the circulation and accumulation of capital. No surplus value, no value. This feature of Marx’s conception of the commodity sets it apart from other critical approaches to the commodity.¹⁴ The commodity that exists in capitalist societies – the capitalist commodity – deserves our close attention.

In its basic sense, a commodity is a good or service for sale, that is, something exchanged for money. In this basic sense, commodities and money exist long before capitalism. Value and capital are not presupposed by the basic commodity. The *generalised* or *capitalist* commodity, which is Marx’s focus – and ours – is a new and potent form of the commodity. The capitalist commodity has *a double character*: it is a use-value with an exchange value determined through capitalist production. The capitalist commodity results when production generally operates on a capitalist basis:

Capital is predicated on the *exchange of commodities, trade in commodities*, but it [trade] may be formed at various stages of production, common to all of which is the fact that capitalist production does not yet exist, or exists only sporadically. On the other hand, a highly developed commodity exchange and the *form of the commodity* as the universally necessary social form of the

product can only emerge as the *consequence of the capitalist mode of production*.¹⁵

When Marx tells readers of *Capital* that the investigation “begins with the analysis of the commodity,” he has a specific form of the commodity in mind, namely the kind of commodity that characterises wealth in societies where “the capitalist mode of production prevails” and wealth “appears as an ‘immense collection of commodities’.”¹⁶ The *generalised commodity* and *capitalist commodity* are equivalent terms. This equivalence assumes that Marx is correct that “all or even the majority of products take the form of commodities” only “on the basis of one particular mode of production, the capitalist one.”¹⁷

Refining the Concept of Capitalist Commodities

To move from the commodity to the subsequent concept of value raises questions that need to be answered if we are to take Marx’s account of the commodity seriously. The first question concerns commodities that are not products of labour. Of the commodity, Marx says that it is something useful that has an exchange-value, by which he means a price. What does the price measure? In capitalist societies, price or money expresses the value of the commodity. Value is a challenging cornerstone of Marx’s theory. It signifies congealed abstract labour that is socially necessary. Value results from labour under the specific social form of wage labour.

But Marx sees a problem with the idea that the commodity’s price expresses its value: all commodities have a price but not all are products of labour. Forests, land, and water supplies have prices but, unlike corn and cotton, they contain no labour. What does the price of natural resources measure? Marx called attention to this objection to the labour theory of value in *Toward the Critique of Political Economy*:

The last and apparently the decisive objection ... is this: if exchange-value [value] is nothing but the labour-time contained in a commodity, how does it come about that commodities which contain no labour possess exchange-value [price]?¹⁸

Marx states that “this problem is solved in the theory of rent” but gets to the answer only late in the third volume of *Capital*. The surplus value generated in

society at large is divided into profits, interest, and rent. According to Marx, all surplus value arises from wage labour, but commodities that are not products of labour lay claim to a share of the total surplus.

Price is the necessary expression of the value of a commodity, but the price form opens the door to pricing things whether they are products of labour or not:

The price-form ... may also harbour a qualitative contradiction, with the result that price ceases altogether to express value, despite the fact that money is nothing but the value-form of commodities ... Hence a thing can, formally speaking, have a price without having a value.¹⁹

Thus Marx writes, “Everything becomes saleable and purchasable.”²⁰ The forms of capitalism are potent and extend in many directions. In capitalism all products tend to be commodities, but not all commodities are products of labour. The capitalist commodity form is an umbrella that includes commodities that exist as value (products of wage labour) and those that do not.

Marx is clear: not all commodities are products of labour, hence, not all exist as value. But many criticise his arguments at the beginning of *Capital*. Marx reasons from the equivalence of commodities – x amount of commodity A = y amount of commodity B – to establish value as the “third thing” that commodities have in common and that makes them commensurable. Congealed abstract labour is then deduced to be the substance of value. But not all commodities are products of labour. How can abstract labour be the “common element”? According to these critics, Marx has made a glaring mistake.

This criticism is understandable but misguided. To understand where it goes wrong, we have to look at the arc of the argument in the three volumes of *Capital*. Prior to Marx, the classical labour theory of value stated that individual commodities sell at prices that express their individual value, i.e., the labour contained in each. Marx sets out in *Capital*, first, to demonstrate that the classical labour theory of value is untenable (he was not the first to do so) and, second, to defend a radically reconceived labour theory of value (and surplus value) that holds only for the total social capital and the total “heap” of commodities. Unaware that Marx had drafted Volume 3 prior to completing Volume 1, Eugen Böhm-Bawerk thought he was exposing a contradiction in the makeup of *Capital* when he pointed out the incompatibility of the theory of individual values of Volume 1 with the theory of prices

of production in Volume 3. But Marx knew for at least ten years before publishing the first volume of *Capital* that the classical, individualistic theory of value cannot work.²¹

The labour theory of value does not hold at the level of the individual commodity; it is defensible only as a theory of the aggregate of commodities and, by the same token, of aliquot parts of that aggregate. To accept Böhm-Bawerk's criticism is to believe that Marx intentionally based *Capital* 1 on a theory that he knew to be falsified and proceeded knowingly to make one false claim after another. From the beginning of *Capital*, it is not the individual commodity as a particular, but the commodity as a representative or aliquot part of the aggregate of commodities that is Marx's subject. An individual commodity, such as a piece of land, may not contain labour or exist as value. However, an aliquot commodity would represent no expenditure of human labour only if the aggregate of all commodities required no expenditure of human labour – that is, if we were living in a very different world! Once we recognise that *Capital* is organised in this way, this common objection to Marx's claim that congealed abstract labour is what all commodities have in common goes away.

The capitalist commodity form presupposes that wealth is generally produced in the commodity form and that labour takes the form of wage-labour. But that means that all the factors of production are in the commodity form.

Once the commodity has become the general form of the product, then everything that is produced must assume that form ... and the various conditions of production themselves appear as commodities which leave circulation and enter production only on the foundations of capitalist production.²²

Under these social conditions, production must begin with the money (M) needed to purchase labour-power and any other commodities required for production.²³ But producers will not see the point of selling commodities that merely return the original money expended ($M - M$). Only if the M is increased through the sale of the commodities ($M - M + \Delta M$) does production have a point. So, when wealth generally takes the commodity form and labour takes the form of wage-labour, only production on a capitalist basis makes sense. In Chapter 7, Marx's example of valorization (producing a commodity that bears surplus value) makes a general point about production on a capitalist basis. In making the point, Marx

assumes that all of the inputs to the production process, i.e., labour-power, means of production, and materials of production are all have prices.

For Marx, the generalization of the commodity form goes hand-in-hand with the generalised transformation of labour into wage-labour:

The capitalist epoch is therefore characterised by the fact that labour-power, in the eyes of the worker himself, takes on the form of a commodity which is his property; his labour consequently takes on the form of wage-labour. On the other hand, it is only from this moment that the commodity-form of the products of labour becomes universal.²⁴

The capitalist commodity, wage-labour, and capital are a package deal.

As we have seen, not every commodity in a capitalist society is a product of labour: some commodities have a price, though they are not values. Not all capitalist commodities that are products are produced on a formally capitalist basis: there are products of unfree labour, products of non-profit firms, products of self-employed producers, government products, and more. We designate all commodities circulating in a capitalist society as capitalist commodities, noting that not all of them are produced on a capitalist basis: not all capitalist commodities are intended to bear surplus value, that is, to function as commodity capital. So we have four classes: capitalist commodities produced on a capitalist basis, capitalist commodities not produced on a capitalist basis, capitalist commodities that are not products of labour at all, and quasi-commodities.

A commodity is something useful that is intended for sale (exchanged for money): “a use-value which has exchange-value, i.e. an article destined to be sold, a commodity.”²⁵ In this analysis, we presuppose that commodities are sold legally. Anything being produced for sale, advertised for sale, or available for sale in any sort of retail outlet is a commodity. A commodity achieves full status by being sold. But this may fail to happen. Before being sold, a commodity may be ruined or lost or interest in buying it may evaporate. “Commodities are in love with money,” as Marx put it, but “the course of true love never did run smooth.”²⁶ Strictly speaking, useful things intended for sale achieve full commodity status at the ephemeral moment of sale.²⁷ After the purchase we have an *ex-commodity* (we will say more about *ex-commodities*).

As we saw, the commodity form presupposes private property and the social roles of buyer and seller, both of whom are private property owners and have the

moral and legal status of persons. The commodity form presupposes private ownership – you can't sell the Brooklyn Bridge when you don't own it. This link allows for ways in which ownership is compromised, especially by types of credit that complicate the commodity form. As we will see, these complications can have major social impacts, such as increase of debt.²⁸

In capitalist production Marx points out that the product does not function as a commodity in the workers' hands: "labour is systematically divided in every factory, but the workers do not bring about this division by exchanging their individual products."²⁹ Though workers do not handle things as commodities, those overseeing the production process keep their commodity character squarely in mind. But parts of the production process involve commodities that are purchased, such as the windshield wiper motors sold to auto makers, where they figure as components in the assembly of cars:

Perhaps a particular operation, although yesterday it still formed one out of the many operations conducted by one producer in creating a given commodity, may today tear itself out of this framework, establish itself as an independent branch of labour, and send its part of the product to market as an independent commodity.³⁰

One producer's commodity is absorbed into another producer's commodity.

While the details of this proposition run into a hornet's nest, we will say in a rough way that a representative capitalist commodity is sold *at a market price*; it is competitively priced, that is, without monopolies or subsidies or governmental price-setting.³¹ A representative capitalist commodity is for sale to any potential purchaser who has the money (or legitimate credit). "Money talks" we say.

What brings the seller [of labour-power] into a relationship of dependency is solely the fact that the buyer is the owner of the conditions of labour. There is no fixed political and social relationship of supremacy and subordination.³²

This impersonality of commodities and money has a powerful progressive dimension.

From Capitalist Commodity to Commodity Capital

Understanding the commodity is like grabbing the tail of the tiger: it's a lot more than you bargained for. Investigating the commodity as it exists in a capitalist society takes us into the "metaphysical subtleties and theological niceties" of value and the value-form. Like an electrical outlet or an internet connection, an individual commodity is wired to a far-flung network – the world of commodities and money – and is subject to its booms and busts. Hyperinflation, another phenomenon that makes the commodity form obtrusive, brings home the precarious social character of the commodity. A commodity is something social, but social in a particular way. A commodity *is* a value (and *has* a price), but values are "purely social"; neither values nor prices are determined individually.³³ On the one hand, value is determined by the quantity of "socially necessary abstract labour" required to produce a commodity in demand; on the other hand, commodities belong to a capitalist system in which surplus value is distributed as profits, interest, and rent to diverse capitalists and landowners: commodities do not exchange at prices that track their "individual values" but rather at their prices of production. Reflecting on the course of conceptual development in *Capital*, Marx writes,

As the elementary form of bourgeois wealth, the *commodity* was our point of departure, the prerequisite for the emergence of capital. On the other hand, *commodities* appear now as the *product of capital*.³⁴

Commodities circulate as an aspect of the circulation of capital. Consequently, the moral, social, and political significance of the commodity is not limited to how it functions at the conceptual level of simple commodity circulation and the social relations proper to it.

All commodities for sale in capitalist societies – whether products of labour or not – are capitalist commodities. As his analysis unfolds, Marx's focus is on capitalist commodities that are *commodity capital*. This term is introduced in the second volume of *Capital* to indicate that commodities produced on a capitalist basis are not simple commodities; they bear surplus value. Since surplus value is the specific goal of production undertaken on a capitalist basis, commodity capital is a constitutive form of capitalist society. Products produced by self-employed individuals or collectives, as well as by nonprofit firms, are not commodity capital: they do not contain surplus value. We will refer to them as capitalist commodities, keeping in

mind Marx's point that capitalist production generalises the commodity form, including to labour-power: "In capitalist production the tendency for all products to be commodities and all labour to be *wage-labour*, becomes absolute."³⁵ Below, we will argue that this tendency gets extended in the phenomenon of ideal subsumption, where, for example, various forms of unpaid labour, housework, for example, are ideally subsumed under the wage-labour form.³⁶ Here is another reason for speaking of "the commodity spectrum": capitalist commodities may be commodity capital or simple commodities; labour-power may be purchased by capitalists to serve in the production of surplus value or it may be bought for use outside the formally capitalist sphere (such as government or non-profit jobs). So, not all commodities are products of labour, and not all that are products are produced on a capitalist basis, that is, not all capitalist commodities are commodity capital.

The Consequences of Producing Commodities on a Capitalist Basis

By attending to the form of the commodity, Marx challenges mainstream economics and is also at odds with critics of commodification who do not grasp its inseparability from the production of surplus value. These critics focus on commodity exchange and ignore capital. Marx makes three major points about the capitalist commodity that are missing from most commentaries on the commodity. (1) The fetish character of commodities involves the impersonal domination of all by the price system, which is the cost of market freedoms:

The owners of commodities therefore find out that the same division of labour which turns them into independent private producers also makes the social process of production and the relations of the individual producers to each other within that process independent of the producers themselves; they also find out that the independence of the individuals from each other has as its counterpart and supplement a system of all-round material dependence.³⁷

Marx explicitly links the commodity with an impersonal form of domination: the fact that labour:

is expressed in the magnitude of the value of the product ... [is] the unmistakable stamp belonging to a social formation in which the process of production has mastery over man, instead of the opposite.³⁸

(2) Marx conceptually connects commodity circulation with *credit* in his investigation of the function of money as *means of payment*, a function that arises naturally in commodity circulation, where the delivery and payment often diverge. As commodity circulation advances, “conditions arise under which the alienation of the commodity becomes separated by an interval of time from the realization of its price.”³⁹ So, commodities frequently come to be purchased on credit. Credit introduces a new and troubling social relationship between *borrower* and *lender*: “The role of creditor or of debtor results here from the simple circulation of commodities. The change in its form impresses this new stamp on seller and buyer.”⁴⁰ (*Capital* 1, 232). As a keen reader of Shakespeare, Marx was well aware of his saying “Neither a borrower nor a lender be.”

While the social relation of borrower-lender maintains the moral equality of the buyer-seller relationship, its implications are more ominous and enduring:

At first, therefore, these new roles are just as transient as those of seller and buyer, and are played alternately by the same actors. Nevertheless, this opposition now looks less pleasant from the very outset, and it is capable of a more rigid crystallization.⁴¹

Debt peonage is the most “rigid crystallization” of the creditor-debtor relation, but everyday stories of buyers who discover that their car has been repossessed or that the bank has foreclosed on their home expose how rigid and unpleasant this borrower-lender relationship can be. The *New York Times* reports in June 2017 the story of Yvette Harris, whose wages were still being garnished for \$6,500 that she owes on a subprime loan she took to buy a used car that was repossessed by the lender in 2004.⁴²

The autonomisation of payment that calls credit into being introduces the possibility – but only the possibility – of monetary crises, where the chains of payments begin to come apart, confidence in the ability of borrowers to pay erodes, and nothing will do but money as means of payment:

There is a contradiction immanent in the function of money as the means of payment ... This contradiction bursts forth in that aspect of an industrial and commercial crisis which is known as a monetary crisis ... The use-value of commodities becomes valueless, and their value vanishes in the face of their own form of value ... In a crisis, the antithesis between commodities and their value-form, money, is raised to the level of an absolute contradiction.⁴³

With the inclusion of credit and the borrower-lender relation, the investigation of the commodity form takes us into deep and perilous waters.

(3) We have seen why commodity circulation presupposes production on a capitalist basis to keep its markets stocked with new commodities. So the assessment of the generalised commodity form cannot be dissociated from the assessment of the capitalist mode of production. Once we recognise that capitalist production, which is based on free wage-labour, underlies the generalization of the commodity form, we begin to see how truly expansive is the content of the commodity form. On the one hand, the egalitarian aspect of the buyer-seller relationship is reinforced insofar as everyone owns at least his or her own labour-power and thereby merits equal respect as a self-determining person. However, upon completion of the sale of labour-power, the egalitarianism of the market place gives way to the “despotism” of capitalist production. Marx couches this transition with a dramatic reference to Dante’s *Divine Comedy*, specifically to entering the inferno:

When we leave this sphere of simple circulation or the exchange of commodities, which provides the ‘free-trader *vulgaris*’ with his views, his concepts and the standard by which he judges the society of capital and wage-labour, a certain change takes place, or so it appears, in the physiognomy of our *dramatis personae*. He who was previously the money-owner now strides out in front as a capitalist; the possessor of labour-power follows as his worker. The one smirks self-importantly and is intent on business; the other is timid and holds back, like someone who has brought his own hide to market and how as nothing else to expect but – a tanning.⁴⁴

With his reference to the “free-trader *vulgaris*,” Marx harshly criticises those who do not recognise that commercial society *is* “the society of capital and wage-labour” and who, consequently, limit their ideas about the ethical significance of the

capitalist mode of production to roles and relationships involved in simple commodity circulation, in particular to the egalitarian buyer-seller relationship. Contemporary social theory largely fails to recognise that commodity circulation is only the relatively cheery appearance of the endless accumulation of capital.⁴⁵ Reducing capitalism to commerce and industry conceals the class divide and perpetuates the liberal illusion that markets have no compulsory collective good: if individuals freely choose their own course, it must be just. But liberals are wrong; there is a compulsory collective goal that organises our lives. In reality, commerce serves the compulsory “good” of capital accumulation.

Doubling and redoubling: keep the double character of the commodity in mind

The capitalist commodity – like capitalist production and accumulation – has a double character: use-value and value. A commodity meets some need and has a price. This persisting double character can be lost in two ways: mainstream economics collapses value into use-value and moral critics worry about use-value collapsing into value.⁴⁶ As Marx points out, without usefulness, there is no value: “nothing can be a value without being an object of utility. If the thing is useless, so is the labour contained in it; the labour does not count as labour, and therefore creates no value.”⁴⁷ In both production and consumption, use-value considerations never go away. As values, a hammer and a screwdriver differ only quantitatively. To be useful, qualitative differences matter: the hammer is good for driving nails not fastening screws. Two hammers represent twice the value of one but are no more helpful with screws. Without the particularity of human needs and desires – and the particular objects that answer them – commodity circulation would fail. For capital to accumulate, people are required. In an unsettling passage, Marx highlights how human participants, who discriminate among useful features, are needed to propel commodity circulation. It calls to mind the functional role humans play in the popular film franchise *The Matrix*:

What chiefly distinguishes a commodity from its owner is the fact that every other commodity counts for it only as the form of appearance of its own value. A born leveller and cynic, it is always ready to exchange not only soul, but body, with each and every other commodity, be it more repulsive than Maritornes herself. The owner makes up for this lack in the commodity of a

sense of the concrete, physical body of the other commodity, by his own five and more senses.⁴⁸

Without specific human needs to fulfill, the process of exchange stalls. It's nice to know you are needed!

The double character of the commodity – it is a useful thing and a value – results in an actual doubling into the *commodity* and *money*:

Commodities first enter into the process of exchange ungilded and unsweetened, retaining their original home-grown shape. Exchange, however, produces a differentiation of the commodity into two elements, commodity and money, an external opposition which expresses the opposition between use-value and value which is inherent in it. In this opposition, commodities as use-values confront money as exchange-value.⁴⁹

This doubling of the commodity into a use-value and a sum of money brings to light the necessary *polarity of the value-form*: the commodity is in the relative value-form: money is in the equivalent value-form. While commodities vary endlessly, the common measure remains the same: money. This polarised and antagonistic duality constitutes the commodity. As in Hegel's logic of essence, *value must appear as something other than itself*, as money, the general equivalent. Properly grasped, essence and appearance are not separable. To think otherwise engenders illusions.

The doubling into commodity and money creates the illusion that the commodity is a use-value “pure and simple,” that is, a use-value with no social form or purpose:

The internal opposition between use-value and value hidden within the commodity, is therefore represented on the surface by an external opposition, i.e. by a relation between two commodities such that the one commodity, whose own value is supposed to be expressed, counts directly only as a use-value [*unmittelbar nur als Gebrauchswert ... gilt*], whereas the other commodity, in which that value is to be expressed, counts directly only as exchange-value.⁵⁰

In discussing money, Marx reiterates the point: when gold “functions as money ... as the only adequate form of existence of exchange value in the face of all the other commodities,” those other commodities play “the role of use-values pure and simple.”⁵¹ But a capitalist commodity is never a useful thing “pure and simple.”

Martha Campbell comments:

What is, for Marx, the extraordinary feature of economic activity in capitalism: that it claims to create wealth ‘pure and simple’ and is organised by this purpose.⁵²

The necessary polarity of the expression of value promotes “the illusion of the economic” and, in particular, the notion that a commodity is nothing more than a good or service and as such has a purely accidental relationship to money. Like magic, the commodity form, with its double character, disappears.⁵³

With the emergence of credit the double character of the commodity redoubles. When the commodity is acquired prior to its payment, the borrower-lender relationship is added to the buyer-seller one. Now the same parties are simultaneously in two relationships, e.g., the consumer borrows from the seller to purchase the commodity. With credit cards, the borrower-lender relationship splits off and a third party brought in, e.g., the financial institution. To purchase an automobile or house usually involves taking out a loan that puts a lien on the commodity purchased or another legal obligation that compromises the buyer’s property rights.

The redoubling of the commodity can go through further iterations in the form of derivatives that convert debts into financial commodities. Thus, mortgages and other forms of debt get bundled into bonds and sold as commodities. Then credit default swaps may be purchased to hedge against those financial commodities. In this way, a towering superstructure of financial commodities can arise on a humble basis of loans for college tuition, autos, or houses.⁵⁴

How Value Shapes the Usefulness of the Commodity

Though the value-character of a commodity cannot erase its useful features, it can alter or color them in several ways. (1) We are familiar with what things are worth. As denizens of capitalist society, we see the money in things. A commodity reminds us of its value-character, expressed in its price:

Everyone knows, if nothing else, that commodities have a common value-form which contrasts in the most striking manner with the motley natural forms of their use-value. I refer to the money-form.⁵⁵

In capitalist society, goods and services have a numerical doppelgänger – their price tag. Like contestants on the television game show *The Price is Right*, we experience our world with *double vision*: we size up the washer/dryer combo, the flashy red sports car, the weeklong vacation to Cancun, knowing that each has its price, whether our guess is right or not. This makes gift-giving a challenge. How do we keep our gift from dissolving into its price?⁵⁶

(2) Due to the homogeneous and quantitative character of value, this double vision – useful things with price – has *a general leveling effect*: “All that is solid melts into air; all that is holy is profaned” (*Communist Manifesto*).⁵⁷ When everything has a price, one light shines through goods and services:

Circulation becomes the great social retort into which everything is thrown, to come out again as the money crystal. Nothing is immune from this alchemy, the bones of the saints cannot withstand it, let alone more delicate *res sacrosanctae, extra commercium hominum* (Consecrated objects, beyond human commerce). Just as in money every qualitative difference between commodities is extinguished, so too for its part, as a radical leveler, it extinguishes all distinctions.⁵⁸

As things are permeated by price tags, their qualitative differences are flattened. Indifference marks the lived experience of consumer culture. A seasoned shopper has seen it all.

Effects of this leveling show up in everyday language, such as with the use of the words “customer” and “product.” There are actual differences between being a student, hotel guest, airplane passenger, legal client, or patient in a hospital. These differences fade when all are seen as “customers.”⁵⁹ “Product” is increasingly used for several purposes. A milder term, “product” reflects disdain for commodities and money. As a stand-in for “commodity,” “product” extends the concept beyond the scope of actual commodities. It can be used for almost anything; a local chaplain reports that the hospital administration refers to distributing Holy Communion as the chaplain’s “product.” When terms lose clear referents, discourse is muddled. A similar confusion occurs with the term “industry” in the phrase “financial industry,”

which, like “entertainment industry,” once would have been considered an oxymoron. Borrowing money sustains the process of productive labour; loans may be a condition of industry but are not themselves production. “Financial industry” confers the dignity of work on financial operations. The benign notion of financial “products” conceals what is often a commodity; it includes various kinds of bank accounts or insurance policies. At a financial institution, all the options for having an account at the bank -- or different loan options, for that matter -- are called “products.”

(3) The *real subsumption* of goods and services under the commodity capital form shows the inseparability of use-value and prices.⁶⁰ To increase surplus value, cheaper materials are substituted; thus dry wall replaces plastered walls and laminate etched with wood grain replaces oak floors. Real subsumption involves a wide variety of phenomena, some fall under the familiar heading of “planned obsolescence,” others “McDonaldization.”⁶¹ Planned obsolescence seeks to speed up sales; it takes at least two forms: one makes products that wear out or break down quickly. Another designs products to go out of fashion quickly. We use “Mc” as the prefix of real subsumption. For example, the newspaper *USA Today* is referred to as “McPaper.” “Corporate rock” names the real subsumption of rock music: tweaking and testing songs to maximise profits – McMusic.

(4) As commodities, goods and services are not just useful things; they have social weight. The commodity is *a fetish in two ways* that are often confused. (i) According to Marx, the commodity is a fetish because it bears a privately-owned, abstract sort of social power – purchasing power. Car thieves generally don’t want to drive your car; they want its purchasing power, not its horsepower. Money is also a fetish, but, unlike the commodity, its power is established; as the general equivalent it has nothing to prove. Money and commodities have “occult” powers; they are like social magnets, not mere metal.

Thus social power becomes the private power of private persons.

Ancient society therefore denounced it [money] as tending to destroy the economic and political order.⁶²

The irony of capitalist enlightenment is that it rebounds in the fetish character of the commodity, money, and capital.

(ii) A second meaning of “fetish” in commercial societies is offered by Thorstein Veblen. For Veblen, commodities and money function as honor fetishes; simply possessing money or valuable commodities bestows social recognition. That

recognition roughly tracks the value of commodities.⁶³ On the other hand, status is a useful feature of commodities, so increased status value means increased value. In his account of consumer society, Jean Baudrillard draws on Veblen to enlarge the Marxian conception of the commodity by adding status or “sign” value to the makeup of the commodity.⁶⁴ As consumers, we navigate a complex world of goods and services laden with prices and “sign” values. This sign value extends from the commodities to brands, stores, and shopping malls.

Ex-commodities: from “simply things” to a store of value

Buying and selling are ephemeral: commodities come into the market, pass through, and go out. The ongoing circulation of capital that oversees our lives is episodic: most commodities, once purchased, drop out of the market, often, never to return. A consumer’s purchases become and generally remain ex-commodities. We take products home to use and enjoy. The dual character of commodities as useful and as value seems to end once the cashier is paid. What fills our rooms and closets are ex-commodities. But ex-commodities are not reducible to use-values solely. The double character that defines capitalist commodities persists even after the commodity exits the circulation process.

Wealth that has dropped out of circulation is not separable from social form. The value of products continues to matter in several ways in the sphere of private consumption. The several ways that value shapes the usefulness of commodities follow them, for the most part, into the status of ex-commodities. Their value character is made explicit when we draw up and price a list of our valuables for a homeowner’s insurance policy or when a creditor swoops in to sell off our belongings to offset our debts. The ad on an Omaha bus for a pawn shop reads: “Need money? Give us a ring.” The accompanying photo is of a diamond-encrusted engagement ring. Just in case you were getting sentimental, don’t forget: that’s a store of value on your finger!

Sometimes we buy commodities for domestic use, say a home, an automobile, jewelry, or fine art, with the recognition that such wealth doubles as a store of value or even with the hope that its value will increase – that the purchase will turn out to be an investment. In either case, the ex-commodity stores value as a potential commodity that may reenter circulation in the future. How well consumer purchases store value has a huge effect on a household’s net wealth. One privilege of being rich is that a larger share of your income goes to commodities that double

as stores of value or investments. Disparities of income but especially wealth are bulwarks of racial oppression. The average black or Hispanic household earns approximately 60% of the average white household, but it possesses only 6% or 8% of its wealth. Disparities are compounded by their consequences for access to credit at prime rates. These figures starkly express the significance of the value character of ex-commodities in perpetuating racial and other social divisions.

Not all purchases are made by consumers; many are made by producers. Production on a capitalist basis requires constant capital, such as machines or raw materials (all the elements of the production process except labour-power). Constant capital functions as a store of value; it passes its value through to the new commodities either all at once or over a series of production cycles. By contrast, variable capital (the labour-power purchased by the capitalist) does not function as a store of value; its use-value and value are used up in the production process. The trick of capitalist production is to insure that the new value added by wage labourers exceeds the value of their labour-power. Commodities purchased for “non-productive” consumption (in the domestic sphere) do not pass their value through, as they do not figure in the production of new products; however, they may serve as a store of value or even a speculative investment.

Quasi-commodities

Under capitalism, commodities are generally produced to make money by answering (or stimulating) demand for goods and services. In the market, the commodity's value is realised when it is sold. The commodity spectrum displays variations on this fundamental social form, as the capitalist dynamism plays out across concrete situations. We saw that a thing can “have a price without having a value,” so that “everything becomes saleable and purchasable.”⁶⁵ Many things that are for sale in capitalist societies are quasi-commodities; in some way they fall short of full capitalist commodity status but belong on the commodity spectrum. Capitalism is determined in its search for ways to squeeze out surplus value. The forces that push for commodification frequently result in quasi-commodities of one sort or another. We will identify a few sorts and concentrate on quasi-commodities associated with compromised property rights.

Many things for sale are not sold at market prices. Markets can be constrained in numerous ways. As capital accumulates, it tends toward concentration and centralization; each deters competition. State regulation is

pervasive. It is common for the price of one thing to enter into the price of another. Instead of market prices, commodities may sell at monopoly prices; such are a kind of quasi-commodity. In a case affecting many consumers, Microsoft was prosecuted for monopoly pricing by both the U.S. Department of Justice and by the European Commission of the European Union. Other quasi-commodities deviate from market pricing due to subsidies of some kind. Tuition at public universities in the United States is a quasi-commodity that is subsidised by state and federal funds. Governments purchase agricultural commodities to raise prices or pay farmers not to plant crops; these programs result in quasi-commodities. Some low-cost housing in the United States is subsidised by federal tax credits to financial institutions. The private housing industry is subsidised indirectly by tax relief for homeowners. Installation of solar panels or insulation may be subsidised by tax credits. Diverse price supports and outright price-setting by governmental bodies result in quasi-commodities. Minimum wage laws establish a floor to the labour market that affects other wage levels. Fiscal, monetary, and tax policies affect the prices of goods and services broadly.

The underground or informal economy, sometimes called the shadow economy, trades in quasi-commodities, since the pricing of goods and services that it provides is compromised, often to avoid taxes or conceal the status of workers. Moreover, transactions in the informal economy are often illegal. The size of the informal economy is difficult to measure, but estimates put it at about ten percent of GDP in the United States.⁶⁶

Many things that cost money cannot be bought simply because you have the money; there are other requirements. These are a kind of quasi-commodity. We may wonder how much a degree from Princeton University costs. Degrees from Princeton are not for sale in the first place, but graduates usually paid some tuition. Having the money, however, is not enough to pay tuition at Princeton. You have to be accepted to the university. Access to goods and services that cost money can be restricted on a wide range of bases. Legal restrictions on commerce create quasi-commodities. Persons under a certain age may be restricted from buying alcohol or tobacco products. Child labour laws prohibit employers from purchasing the labour-power of persons under a certain age. Purchases of many drugs are restricted by law: buyers must have prescriptions as well as the money. If you are a convicted felon or have serious mental illness, you may not be able to purchase a gun legally. In exchange for so-called "free" goods and services, you must submit to advertising.

Your personal data will be used to sell you commodities or may be sold to a third party. These “free” goods may be considered quasi-commodities of a different sort.

Much of the civil rights legislation of the 1960s in the United States was directed against racist and sexist practices that created quasi-commodities through discriminatory selling practices. Many goods and services could not be purchased by members of targeted groups, making them quasi-commodities. The battle was to turn such quasi-commodities into capitalist commodities accessible to anyone with the money. A major battle won in that round of civil rights legislation was the Fair Housing Act of 1968. For decades the U.S. federal government had pursued housing policies, including “racial covenants” that barred white homeowners from selling to non-whites, that created and enforced patterns of racial segregation in housing whose pernicious consequences persist.⁶⁷ The struggle for equality has continued; in particular, with respect to persons with disabilities and persons of diverse sexual orientations and practices. Some evangelical Christians resist moves to equal treatment and demand the right, for example, not to sell wedding cakes or photography services to same-sex couples getting married. Anti-discriminatory legislation may be regarded as the imposition of the capitalist commodity form on this sort of quasi-commodity. The force of such legislation (or court rulings) is to constitute private ownership rights along the grooves of the capitalist commodity: to put goods or services up for sale commits the owner to sell in a non-discriminatory way. Let money do the talking.

Quasi-commodities result from the variety of ways in which one’s private property rights are compromised, usually involving consent somewhere in the process. These include compromised property rights that result from buying on credit.⁶⁸ Two of the main forms of credit, home mortgages and auto loans, generally involve liens, which require the compromised owner to have the lien-holder agree to any sale of the property. Commodity circulation naturally leads to buying and selling on credit of some sort, so that either the buyer-seller relation takes on a new aspect as a borrower-lender relationship or a third party enters to extend credit to the buyer. In compromising the buyer’s private property rights, credit makes the commodity purchased a quasi-commodity. The deal remains open, as the final disposition of the commodity is up in the air. So, the commodity form leads naturally to compromised ownership by the buyer, and trade often becomes commerce in quasi-commodities.

Consider one of the most popular and important commodities of modern capitalism, the automobile. In 1919, Alfred P. Sloan, the head of General Motors, formed the General Motors Acceptance Corporation (GMAC), which allowed GM

customers to purchase a new automobile with a down payment of 35%, followed by a schedule of payments over one year. At Ford Motors, Henry Ford resisted this, offering a “lay-away” plan instead, until setting up his own loan program in 1928. In the United States today about 85% of new autos and 50% of used autos are purchased on credit. The dollar amount of auto loans, of course, pales in comparison to home mortgages. For many in the U.S., ownership exists in an equivocal sense.

Today, consumers may buy a cup of coffee with the swipe of a card, but buying commodities on credit is not new.⁶⁹ Consider this exchange between Willy Loman and his wife, Linda, in Arthur Miller’s 1949 play *Death of a Salesman*:

Willy: What do we owe?

Linda: Well, on the first there’s sixteen dollars on the refrigerator—

Willy: Why sixteen?

Linda: Well, the fan belt broke, so it was a dollar eighty.

Willy: But it’s brand new.

Linda: Well, the man said that’s the way it is. Till they work themselves in, y’know.

Willy: I hope we didn’t get stuck on that machine.

Linda: They got the biggest ads of any of them!

Willy: I know, it’s a fine machine.

Linda: Well, there’s nine-sixty for the washing machine. And for the vacuum cleaner there’s three and a half due on the fifteenth. Then the roof, you got twenty-one dollars remaining.

Willy: It don’t leak, does it”?

Linda: No, they did a wonderful job. Then you owe Frank for the carburetor.

Willy: I’m not going to pay that man! That goddam Chevrolet, they ought to prohibit the manufacture of that car!

Linda: Well, you owe him three and a half. And odds and ends, comes to around a hundred and twenty dollars by the fifteenth.

Willy: A hundred and twenty dollars! My God, if business don’t pick up I don’t know what I’m gonna do!

The big item for most households in the U.S., as Miller recognises, is to own a home. At the beginning of the play, Willy foreshadows his suicide when he says to Linda, “Figure it out. Work a lifetime to pay off a house. You finally own it, and there’s

nobody to live in it.” Linda picks up that line at the very end of the play, saying, as she stands over Willy’s grave:

Why did you do it? I search and search and I search, and I can’t understand it, Willy. I made the last payment on the house today. Today, dear. And there’ll be nobody home. *A sob rises in her throat. We’re free and clear. Sobbing more fully, released: We’re free. Biff comes slowly toward her. We’re free ... We’re free.*⁷⁰

Capitalists like to have their cake and eat it too; they like to sell their wares and still retain some hold on them, some way to squeeze more profit from them. The compromising of private ownership involved with credit is the main way to accomplish that, but there are others. Repairing commodities can be a lucrative business. “Repair prevention” is a corporate strategy that complements planned obsolescence like a one-two combination punch to the consumer. “Repair prevention” takes a variety of forms that all compromise the buyer’s property rights. As Jim Hightower puts it: “They’re out to corporatize the very idea of ‘owning’.”⁷¹ Some sellers include a claim to retain ownership of components as part of a sales agreement. For example, Deere & Company claims intellectual property rights and propriety rights to parts of tractors they have sold. Commodities with software may contain digital locks controlled by the seller. Or sellers can monopolise repair manuals and parts. Control of one’s own labour-power can be compromised. Some states in the U.S. have passed “noncompete agreements” that bar workers from moving from one firm to a competing firm, making the worker’s own labour-power a quasi-commodity.⁷²

Ideal Subsumption and Shadow Commodities

The power of the commodity form to shape our imaginations, sensibilities, and practices, extends well beyond actual commodification, the formal subsumption of goods and services under the capitalist commodity form. The several ways of ideally subsuming things under the commodity or the “shadow commodity” form have various rebound effects. We saw that practices such as taking inventory remind us of the value character of potential commodities. The phenomena that we now want to consider concern ways of treating useful things *as if* they were commodities or what we can call “shadow commodities,” as the complement to Gary Becker’s term

“shadow prices.”⁷³ With ideal subsumption under the commodity form, virtually all aspects of our life show up as inventory.

Ideal subsumption under the commodity form can have direct monetary consequences. If I donate clothes to charity or a for-profit dairy donates milk products, a value (price) is assigned which is ideal in the sense that the donated goods are not for sale; they are not functioning as commodities. They are being handled as if they were commodities. Nonetheless, as a charitable gift, the assigned value directly affects the donor’s tax payments.

Another practice that imputes prices to things that have none extrapolates from actual prices; doing so may have diverse motivations. Unpaid domestic labour (or the labour-power of those who do unpaid domestic labour) is a common target for ideal subsumption under the commodity form. The economist D. Ironmonger devised a way of measuring what he calls “Gross Household Product”; it treats household activities as if they were commercial ones and tallies the totals. In case anyone was disposed to be dismissive of unpaid domestic work, Ironmonger concluded in a 1996 article in *Feminist Economics*, “in a typically wealthy country, the household sector is approximately as large as the entire formal economy.”⁷⁴ An essay in *The Economist* recommends, as one way to juice GDP numbers, that we adopt a new measure that it calls “GDP-Plus.” Among other changes, “GDP-Plus” would impute a monetary figure to unpaid domestic work and add it to GDP.⁷⁵

The actual outsourcing of domestic work to paid workers, whether independent contractors or those hired by capitalist firms, may combine with the ideal subsumption of unpaid domestic work under the commodity form to make it seem as though paid labour is the default kind for the household, when actually it is the reverse. This may lead householders and homemakers to think of themselves as (unpaid) substitutes for paid domestic labourers. What is going on when parents complain that they have to “babysit” their own children on the weekend? They are viewing themselves as substitute babysitters, when the babysitters are substitutes for them in the first place! Increasingly various domestic activities are commodified -- child care, cooking, cleaning, yard work, transport, elder care. As a result, when a family member does chores, they feel like unpaid labour rather than simply participating in a household.

Natural “services” (what Marx called “the free gifts of nature”) are another favorite target for ideal subsumption under the commodity form. The Natural Capital Project, a partnership among non-profits, “works to provide decision makers with

reliable ways to assess the true value of the services that ecosystems provide.”⁷⁶ “True value,” it seems, has a single measure: money. The Project protests:

Capital has often been thought of narrowly as physical capital – the machines, tools, and equipment used in the production of other goods, but our wealth and wellbeing also relies on natural capital. If we forget this, we risk degrading the services that natural ecosystems provide, which support our economies and sustain our lives. These services include purifying our water, regulating our climate, reducing flood risk, and pollinating our crops.⁷⁷

But, traditionally in political economy “natural capital” was not ignored; it was called “land.” Apparently, the Project believes that whatever supports our “wealth and wellbeing” counts as capital and that the only way to remember is to cater to the commercial imagination by putting big price tags on whatever it is that we do not want to forget.

Discommodities are a familiar difficulty associated with the commodity form of wealth, precisely because discommodities are not commodities. Discommodities are an unwelcome span of the commodity spectrum. No one cares to own (or own up to) discommodities, since no one wants to buy them and remedying them may be costly. So, countering discommodities is a collective action problem whose solution usually falls to the state, which can impose regulations that likely cause those held responsible to incur costs. Or the state can impose a price on the discommodity, turning it into a kind of negative commodity. It may sell permits to create limited quantities of discommodities as a way to decrease them, and a market may develop in which those permits circulate as commodities.

We noted that a capitalist firm can either outsource work such as making window washer motors for cars or integrate previously independent firms (centralization), as when General Motors bought Fisher Body Company long ago. In the former case (commodification) something that was not functioning as a commodity, now functions as one, and in the latter case (decommodification), what had functioned as a commodity no longer does. Internal outsourcing (or ideal commodification) is another possibility. Tasks such as copying, moving, transportation, and renovation may be performed by special units within a firm that bill the units of the firm that they serve. On the one hand, such bills involve real money: if I want my office painted, my college has to find the money to pay the university’s painters. But since all such bills are internal to the same firm, they

amount to an organizational ploy to use an ersatz form of the commodity to shrink spending.

When a governmental organization or a non-profit outsources to a for-profit travel agency or office supply company, we have the possibility for rebound effects. The reliance on for-profit firms may alter the practices, culture, and sensibilities of paid workers in a non-profit or governmental workplace in a shift sometimes called “going corporate.” The language of for-profit commerce – “customer,” “product,” “value-added,” “human capital,” “investment” and “return on investment” – may filter in. Is this analogous to the rebound effect of commodifying various domestic activities? Yes, but in that case, the rebound effect does not require that the activities be outsourced to a for-profit firm. It does in the case of the non-profit or governmental setting on the assumption that workers in those settings are already wage-labourers. By contrast, unpaid labour is the default situation in the domestic setting.

Because they miss the commodity’s link to capital, answers to “what money cannot buy” fall short. To recognise what is not a commodity requires understanding the commodity form. Because it ignores social form, mainstream economics is flawed from its foundations. The commercial imagination slurs the difference between goods and commodities and the difference between means of production and capital in the pervasive misuse of “value” (and “value-added”) and “capital.” “Adding value” can mean either to make something more useful or to increase the profit from its sale. For its part, “capital” signifies any conceivable resource, so we hear of human capital, social capital, political capital, natural capital, intellectual capital, cultural capital, moral capital, spiritual capital, erotic capital, and more. The actual capital that defines modern society is never named. These vacuous notions block recognition of the double character of wealth in the capitalist commodity form and the double character of its production: empty-handed, we lack the concepts and language to grasp our world.

Marx’s Challenge to Mainstream and Critical Economics

It surprises us to say this, but only Marx has the concept of the capitalist commodity. Only Marx has the concepts needed to understand it: they are, first of all, the concepts of the specific social form and purpose of wealth and its production. Then come the double character of the commodity; the concepts of value and the necessary – and necessarily polar and antagonistic – expression of value in money;

the necessity of the fetish character of the commodity (by which human beings are subjected to their products); and the co-involvement of commodity circulation and the capitalist mode of production, which keeps supplying markets with commodities. Capital is the tiger whose tail we grab in grasping the commodity.

Marx identifies two false moves that propel political economy into what we call “the illusion of the economic,” which effaces the double character of the commodity and capital accumulation. The first false move reduces commodity circulation to barter. It holds that the capitalist mode of production is the economy-in-general, free of specific social forms and purposes. Marx criticises James Mill and political economy in regard to the formal difference between *product exchange* (barter) and *commodity circulation* (C-M-C): “The first is the identification of the circulation of commodities with the direct exchange of products, achieved simply by abstracting from their differences.”⁷⁸ The second false move attempts

to explain away the contradictions of the capitalist process of production by dissolving the relations between persons engaged in that process of production into the simple relations arising out of the circulation of commodities. The production and circulation of commodities are however phenomena which are to be found in the most diverse modes of production, even if they vary in extent and importance. If we are only familiar with the abstract categories of circulation, which are common to all of them, we cannot know anything of their *differentia specifica*, and we cannot therefore pronounce judgment on them.⁷⁹

Put these two missteps together and we get the horizon of economics. Reduce the categories specific to capital to those of commodity circulation, then dismiss money by reducing commodity circulation to barter. With these sleights of hand, capitalist social forms vanish. We are back to Martha Campbell’s observation:

What is, for Marx, the extraordinary feature of economic activity in capitalism: that it claims to create wealth ‘pure and simple’ and is organized by this purpose.”⁸⁰

That is “the illusion of the economic.”

Marx recognises the distinctiveness of the *capitalist commodity* and, crucially, that the representative capitalist commodity proves to be *commodity capital*, that is a

commodity whose sale yields a profit. The Marxian conception of commodities, then, forces us from the generalised commodity to the conceptual level of capital and all that comes with it. This distinguishes it from most critiques of the commodity, which make no internal connection between *commodities* and *capitalist production*.⁸¹ Marx's concept of the (capitalist) commodity locates it within the capitalist mode of production, with which it is implicated.⁸²

Mainstream economics does not have any of the needed concepts. It does not recognise the double character of the commodity; in fact, it has no concept of the commodity as a social form. Commodities are simply goods and services, which does away with the concept of the commodity.⁸³ Since a commodity is a useful thing that is also a value, in order to understand it one must understand value. But to understand value, one must recognise it as a supersensible, socially and historically specific social objectivity that derives not from labour but from the specific social form of labour in capitalist society.⁸⁴ Moreover, value is necessarily bound up with money, its necessary form of appearance. As Martha Campbell puts it:

value is the result, not of labor, but of production being carried out privately and independently. Exchange is necessary because it is the sole means of associating the activities that make up the total labor of society. As such, it accomplishes the transformation of private labor that is intended to be social ... into actually social labor ... Ultimately, Marx will argue that this transformation can be accomplished only by monetary exchange; the necessity for the transformation then establishes the necessity of money.⁸⁵

Mainstream economics works with impoverished concepts that fail to recognise the social form of needs, wealth, labour, and production that are constitutive of the capitalist mode of production.⁸⁶

Mainstream economics does not have the concept of value as a supersensible social objectivity.⁸⁷ It does not acknowledge the existence of value, so nothing has the double character of the commodity.⁸⁸ There are, then, no commodities, only goods and services (wealth), for which "commodity" is another word, not another concept. This is to be expected, since value is a necessary consequence of the specific social form of labour in capitalism, and the specific social form of labour is not a topic for economists. As Marx observed, "It is naturally still more convenient to understand by value nothing at all."⁸⁹

Mainstream economics lacks the notion of the “value-form,” that is, price as the necessary expression of value. So, it is unaware of the polarity of the value-form. Lacking a conception of value as a supersensible social objectivity generated by commodity circulation, mainstream economics has no concept of the fetish character of the commodity, of money, or of capital. Mainstream economics, therefore, denies the existence of commodities: nothing is a useful thing *and* a value. Paul Samuelson – who has no index entry for “commodity” in his *Economics* (ninth edition) – writes, in a definition that is a cross between Lionel Robbins and John Stuart Mill:

Economics is the study of how men and society end up *choosing*, with or without the use of money, to employ *scarce* productive resources that could have alternative uses, to produce various commodities and distribute them for consumption, now or in the future, among various people and groups in society.⁹⁰

Samuelson rules out any conceptual connection between commodities and money – for Marx, commodities and money are inseparable – instead, he equates commodities with wealth (useful goods and services) and pays no heed to their social form.⁹¹ To see how dismissive Samuelson is with regard to the categories of the commodity and money, consider this passage:

Even in the most advanced industrial economies, if we strip exchange down to its barest essentials and peel off the obscuring layer of money, we find that trade between individuals or nations largely boils down to barter – transforming one good into another by exchange rather than by physical transmutation.⁹²

Poof – there go money and the commodity!

Not only does mainstream economics deny the social objectivity of value; it undercuts the reality of useful things in two ways. On the one hand, because it accepts a radically subjective theory of value, it considers talk about useful things to be fetishistic. Things themselves are not useful; “their” usefulness is projected onto them by purely subjective human preferences. A coat is an indifferent thing; we call it useful only because we prefer staying warm in cold weather. Usefulness is in the

mind of the user. For mainstream economics, there are no useful things, only indifferent stuff onto which we project our purely subjective preferences.

Mainstream economics volatilises useful things in a second way with the notion of utility. Utility claims to name what is common to all useful things that makes them useful. Marx follows Aristotle in recognizing utility to be a pseudo-concept: it has no referent since there is no usefulness-in-general. When Marx writes, "The usefulness of a thing makes it a use-value. But this usefulness does not dangle in mid-air. It is conditioned by the physical properties of the commodity, and has no existence apart from the latter," he flatly rejects the concept of utility (Marx, *Capital* 1, 126). In trying to tap the nectar of the goods; utility comes up empty.

It is helpful to contrast the bad abstraction of utility with the general concept of usefulness or the useful. We do attribute usefulness to any useful thing, but without claiming that some abstract thing makes every useful thing useful, much less that this one abstract thing establishes the quantitative dimension in which to rank all useful things. Writing in *The German Ideology*, Marx and Engels ridiculed utility and pointed to capitalist commerce as its source: "The apparent absurdity of merging all the manifold relationships of people in the one relation of utility [*Brauchbarkeit*], this apparently metaphysical abstraction arises from the fact that in modern bourgeois society all relations are subordinated in practice to the one abstract monetary-commercial relation."⁹³ Both the illusion that wealth in capitalist societies is wealth "pure and simple," that is, it has no social form or purpose, and the collapsing of usefulness into the pseudo-concept utility are ideological spin-offs of commodity circulation. It is as if the commodity form makes itself disappear.⁹⁴

Why does Marx scoff at utility as "a metaphysical abstraction" and yet characterise value as a "supersensible social objectivity" and the commodity as "abounding in metaphysical subtleties and theological niceties"? If utility is a bad abstraction, why isn't value equally objectionable? Here is the difference: utility claims to apply across history; all wealth in every society supposedly is measured by utility. Value, by contrast, results from a real abstraction made in commodity circulation as a practice of a specific kind of society – capitalist society. There is no social form of wealth that crisscrosses history. While it is a "ghostly objectivity," the actuality of value appears in prices and their movements. Utility, by contrast, is not manifest in any way since there is nothing to manifest: usefulness-in-general does not exist.

Marx *is* critical of value; indeed, he seeks an end to a world in which value is the measure of wealth. Marx redirects the philosopher's complaint against bad

abstraction to capitalist society, which is “ruled by *abstractions*.”⁹⁵ Value involves making bad abstraction a social practice. Commodity circulation is a process of real abstraction that generates a supersensible social objectivity because the contradictory nature of the social conditions requires it: commodities are produced privately but must be transformed into part of a total social product. That can be accomplished only by bringing money in as the means of social validation. But this necessary transformation of commodities into money abstracts from their particularity: their value determines the proportions at which they exchange. Here is the bad abstraction. The indifference to the particularity of commodities and the persons who buy and sell them rebounds in abstract domination over those persons. For Marx, the social practices that generate value are metaphysical in a pejorative sense; that is point of his talk of the commodity’s “metaphysical subtleties and theological niceties.” These are not compliments.⁹⁶

¹ “The commodity spectrum” is a phrase that we introduced in our article “Social Form and the ‘Purely Social’: On the Kind of Sociality Involved in Value,” in *The Social Ontology of Capital*, eds. D. Krier and M. P. Worrell (New York: Palgrave Macmillan, 2017); pp.129-30.

² K. Marx, *Capital: Volume One*, translated by B. Fowkes (Harmondsworth: Penguin Books, 1976), p.163.

³ Contemporary authors who take up the question of the “moral limits” to the commodity form – and thereby recognise its existence and ethical significance – include Michael Walzer, in *Spheres of Justice*; Elizabeth Anderson, in *Value in Ethics and Economics*; Debra Satz, in *Why Some Things Should not be for Sale: The Moral Limits of Markets* (Oxford: Oxford University Press, 2010); and Michael J. Sandel, *What Money Can’t Buy: The Moral Limits of Markets* (New York: Farrar, Strauss and Giroux, 2012).

⁴ Barter, which Marx calls the “direct exchange of products,” is not a form of the circulation of commodities; rather, “The circulation of commodities differs from the direct exchange of products not only in form, but in its essence” (*Capital 1*, p.207).

⁵ Marx applies the point to other commercial categories: “We see here how even economic categories appropriate to earlier modes of production acquire a new and specific historical character under the impact of capitalist production” (K. Marx, *Results of the Immediate Production Process*, trans. Rodney Livingstone in *Capital 1*, p.950). Tony Smith spells out the point nicely: “[T]he social forms analysed by Marx in *Capital* are historically specific. Commodities, money, profits, and so on, can all be found in precapitalist societies. One of Marx’s fundamental insights is that *these were not the same social forms as commodities, money, and profits in capitalism*, although we use the same words. In *Capital*, Marx examines these social forms insofar as they are moments of a social order whose organizing

principle is the self-valorisation of value ... This was not the organizing principle of precapitalist societies" [T. Smith, *Globalisation*, (Leiden, Brill, 2006), p.336].

⁶ K. Marx, *Capital* 1, p.125.

⁷ Marx, K. "Economic Manuscripts of 1857 – 58," ed. L. Miskievich, trans. Ernst Wangermann, in *Karl Marx, Frederick Engels: Collected Works*, Vol. 28. London: Lawrence and Wishart, 1986), p.191.

⁸ Before Hegel, there was Aristotle, whom Marx praises as "the great investigator who was the first to analyse the value-form, like so many other forms of thought, society and nature" (K. Marx, *Capital* 1, p.151).

⁹ K. Marx, *Capital* 1, p.178. This private property requirement will play a key role in our account of quasi-commodities. Since the commodity form is vital to the circulation and accumulation of capital, the expansion of the commons and commons-based peer production poses a threat to capital. For an assessment of the threat it poses as an alternative to production on a capitalist basis, see T. Smith, *Beyond Liberal Egalitarianism: Karl Marx and Normative Social Theory in the Twenty-First Century* (Leiden: Brill, 2017).

¹⁰ K. Marx, *Capital* 1, p.280.

¹¹ Lukács, G. *History and Class Consciousness*, trans. Rodney Livingstone (Cambridge, MA: The MIT Press, 1971), p.83

¹² S. Clarke, *Marx, Marginalism and Modern Sociology* (Basingstoke: Macmillan. 1982), p.240.

¹³ K. Marx, *Capital* 1, p.125.

¹⁴ Neither Debra Satz's *Why Some Things Should not be for Sale* nor does Michael J. Sandel's *What Money Can't Buy* have an index entry for "capital." For that matter, neither has an entry for "commodity," though both in effect discuss the significance of the commodity form.

¹⁵ K. Marx, *Results*, in *Capital* 1, p.949.

¹⁶ K. Marx, *Capital* 1, p. 125.

¹⁷ K. Marx, *Capital* 1, p.273. In his discussion of money as a means of payment, Marx makes the further point that *the practice of pricing* extends beyond the sphere of commodities: "When the production of commodities has attained a certain level and extent, the function of money as means of payment begins to spread out beyond the sphere of the circulation of commodities. It becomes the universal material of contracts. Rent, taxes and so on are transformed from payments in kind to payments in money" (*Capital* 1, p.238).

¹⁸ Marx, K. *A Contribution to the Critique of Political Economy*, ed. M. Dobb, trans. S.W. Ryazanskaya (New York: International Publishers, 1970), p.62.

¹⁹ K. Marx, *Capital* 1, p.197.

²⁰ K. Marx, *Capital* 1, p.229.

²¹ See Chapter 13 of P. Murray, *The Mismeasure of Wealth: Essays on Marx and Social Form* (Leiden: Brill, 2016) and F. Moseley, *Money and Totality: A Macro-Monetary Interpretation of Marx's Logic in "Capital" and the End of the "Transformation Problem"* (Leiden: Brill, 2016).

²² K. Marx, "Results," in *Capital* 1, p.950.

²³ "The circulation of commodities is the starting-point of capital ... Even up to the present day, all new capital, in the first instance, steps onto the stage – i.e. the market, whether it is the commodity-market, the labour-market, or the money-market – in the shape of money which has to be transformed into capital by definite processes" (K. Marx, *Capital* 1, p.247).

²⁴ K. Marx, *Capital* 1, p.274, n. 4.

²⁵ K. Marx, *Capital* 1, p.293.

²⁶ K. Marx, *Capital* 1, p. 202.

²⁷ We can distinguish between potential commodities that are intended for sale and potential commodities that are not currently intended for sale, but could be. My car is a potential commodity, but I may never put it up for sale. We will discuss commodities that are paid for over time under quasi-commodities.

²⁸ Credit (debt) creates a mass of quasi-commodities. This discussion can be seen as a continuation of the special issue of this journal on debt.

²⁹ K. Marx, *Capital* 1, p.132. Ronald Coase explored this idea in his famous essay "The Nature of the Firm," *Economica*, New Series, Vol. 4, No. 16. (Nov., 1937), pp.386-405; within firms, the price mechanism is not used for allocation.

³⁰ K. Marx, *Capital* 1, 201. So the commodification or decommodification of components of commodities is a strategic question for capitalist producers. Mergers and acquisitions are another sort of decommodification.

³¹ We note Ha-Joon Chang's warning in Thing 1 of his *23 Things They Don't Tell You about Capitalism* (New York: Bloomsbury, 2010): there is no free market.

³² K. Marx, *Results*, in *Capital* 1, p.1026.

³³ K. Marx, *Capital* 1, p.139.

³⁴ K. Marx, *Results*, in *Capital* 1, p.949.

³⁵ K. Marx, "Results of the Direct Production Process," trans. B. Fowkes, in *Karl Marx, Frederick Engels: Collected Works*, Vol. 34 (New York: International Publishers, 1994), pp.141-42. Marx makes explicit the point that this tendency toward wage-labour holds for workers outside the formally capitalist domain: "with the growth of capitalist production all services become transformed into *wage-labour*, and those who perform them into *wage-labourers*" (Ibid.). Workers engaged in providing private services, e.g., gardening, childcare, house cleaning (though these can also be organised and provided on a capitalist basis); government workers; and workers employed by nonprofit firms, are all wage labourers. Presently, that is a large number, about a quarter of the paid US workforce.

³⁶ Marx points up the propensity to project features of the dominant mode of production where they do not belong: "But in line with the dominant mode of production, even those kinds of labour which have not been subjugated by capitalist in reality are so in thought. For example, the self-employed worker is his own wage-labourer; his own means of production appear to him in his own mind as capital" (K. Marx, "Results," in *Capital* 1, p.1,042).

³⁷ K. Marx, *Capital* 1, p.202-3.

³⁸ K. Marx, *Capital* 1, pp.174-5.

³⁹ K. Marx, *Capital* 1, p.232.

⁴⁰ Ibid.

⁴¹ Ibid.

⁴² "The Used Car Was Repossessed, But the Lender Is Still Collecting," by Jessica Silver-Greenberg and Michael Corkery, *The New York Times*, June 19, 2017, sec. A.

⁴³ K. Marx, *Capital* 1, p.235-6.

⁴⁴ K. Marx, *Capital* 1, p.280.

⁴⁵ In *Beyond Liberal Egalitarianism*, T. Smith drives home the point that liberal egalitarians lack the concept of capital; so they are unable to judge its troubling social and political implications.

⁴⁶ Georg Simmel moves in this direction in describing how money fosters a blasé attitude that is indifferent to the specific features of things. (P. Murray, *Reflections on Commercial Life*, p.340). This

persisting double character is a *prima facie* reason to question Herbert Marcuse's talk of "one-dimensionality" in *One-Dimensional Man*. The pessimism associated with the Frankfurt School thesis of a one-dimensional society is a target of Moishe Postone's criticism: "In seeking to formulate a more adequate critique, Critical Theory ran into serious theoretical difficulties and dilemmas. These became manifest in a theoretical turn taken in the late 1930s, wherein postliberal capitalism came to be conceived as a completely administered, integrated, one-dimensional society, one that no longer gives rise to any immanent possibility of social emancipation" (M. Postone, *Time, Labor and Social Domination: A Reinterpretation of Marx's Critical Theory* (Cambridge: Cambridge University Press, 1993), p.118.) Postone counters this pessimism by appealing to the "shearing pressure" created by the contradictory double character of capital's accumulation process: "This process of production is both a process of production of material wealth, increasingly based on socially general knowledge, and a process of the production of value, based on immediate labor time expenditure. Hence, to analyze its concrete form is to examine a mode of production that, on a deep level, embodies the contradictory structural imperatives of achieving ever-higher levels of productivity and producing a surplus of value. Historical changes in the concrete form of fully developed capitalist production can, according to such an approach, be grasped in terms of a growing 'shearing pressure' generated by these two increasingly opposed imperatives" (M. Postone *Time, Labor and Social Domination*, p.348). The use-value aspect of the double character of capital accumulation cannot be effaced by the value aspect; it keeps mattering.

⁴⁷ K. Marx, *Capital* 1, p.131.

⁴⁸ K. Marx, *Capital* 1, p.179.

⁴⁹ K. Marx, *Capital* 1, p.199.

⁵⁰ K. Marx, *Capital* 1, p.153.

⁵¹ Marx, *Capital* 1, p.227.

⁵² M. Campbell, "Value Objectivity and Habit," in *The Constitution of Capital: Essays on Volume I of Marx's "Capital,"* eds. R. Bellofiore and N. Taylor (Basingstoke: Palgrave Macmillan, 2004), p.86.

⁵³ Likewise, in classical political economy, the double character of production collapses into production *per se*: "[B]ourgeois or capitalist production ... is consequently for him [Ricardo] not a specific definite mode of production, but simply *the* mode of production" (K. Marx, *Theories of Surplus-Value*, Part II, ed. S.W. Ryazanskaya, trans. R. Simpson. London: Lawrence & Wishart, 1968. P.504n).

⁵⁴ Michael Sandel points out that life insurance policies are purchased, bundled, and sold as death bonds.

⁵⁵ K. Marx, *Capital* 1, p.139.

⁵⁶ In his discussion of gift-giving, Sandel points out that mainstream economists, oblivious to the commodity and money as significant social forms, insist that money is the only rational gift.

⁵⁷ K. Marx and F. Engels, *The Communist Manifesto*, trans. H. Macfarlane, in *Karl Marx: Selected Writings*, ed. Lawrence H. Simon (Indianapolis: Hackett, 1994), pp.161-2. Christian Lotz offers a pointed examination of the significance of this monetary mediation in *The Capitalist Schema: Time, Money, and the Culture of Abstraction* (Lanham, MD: Lexington Books, 2014). See also G. Simmel.

⁵⁸ K. Marx, *Capital* 1, 229.

⁵⁹ At a local community college, when students register for courses on-line, they put them in a shopping cart and check out to complete registration.

⁶⁰ Marx writes of the real subsumption of labour under capital; we extend the concept to the real subsumption of goods and services under the commodity capital form.

⁶¹ Even packaging can be a variety of real subsumption: when you buy 16 batteries at once, how many end up wasted?

⁶² K. Marx, *Capital* 1, p.230.

⁶³ See T. Veblen, *The Theory of the Leisure Class* (New York: Macmillan, 1899). Marx, too, links commercial wealth and social recognition: "The ... value of a commodity measures the degree of its attractiveness for all other elements of material wealth, and therefore measures the social wealth of its owner" (*Capital* 1, p.230).

⁶⁴ See, for example, J. Baudrillard, *For a Critique of the Political Economy of the Sign*, trans. C. Levin (St. Louis, MO: Telos Press, 1981), and "Consumer Society," in *Reflections on Commercial Life: An Anthology of Classic Texts from Plato to the Present*, ed. P. Murray (New York, Routledge, 1997) pp.447-73.

⁶⁵ K. Marx, *Capital* 1, p.197; K. Marx, *Capital* 1, p.229.

⁶⁶ M. Johnston, "How Big Is the Underground Economy in America?" March 29, 2016, Investopedia website: <http://www.investopedia.com/articles/markets/032916/how-big-underground-economy-america.asp>.

⁶⁷ See Richard Rothstein's *The Color of Law: A Forgotten History of How Our Government Segregated America* (New York: Liveright, 2017) and the earlier study by Melvin Oliver and Thomas Shapiro, *Black Wealth/White Wealth: A New Perspective on Racial Inequality* (New York & London: Routledge, 1995).

⁶⁸ To get a sense of how compromised household ownership of purchased commodities is by credit, consider that, in May 2017, the New York Federal Reserve Bank reported a high-water mark for consumer debt in the US, 12.73 trillion dollars: 71.4% in home mortgages, 10.6% in student loans, 9.2% in auto loans and 6.0% in credit card debt. See M. Corkery and S. Cowley, "Household Debt Makes a Comeback in the U.S.," *The New York Times*, May 17, 2017.

⁶⁹ "The practice of Americans buying consumer goods on the installment plan dates back to the Civil War. Manufacturers realised that more people could afford to buy sewing machines and parlor organs if they bought now and paid later. By the early 20th century, increasingly efficient American factories churned out more and cheaper products, like washing machines, refrigerators, phonographs and radios. Most of them could be bought on installment" (S. Smith, "The American Dream and Consumer Credit," American RadioWorks, *A Better Life: Creating the American Dream*: <http://americanradioworks.publicradio.org/features/americandream/b1.html>). About 75% of US households use credit cards, and the median current amount owed is about \$3,000.

⁷⁰ A. Miller, *Death of a Salesman*, ed. G. Weales (New York: Penguin Books, 1977), pp.35-6 and p.139.

⁷¹ J. Hightower, "Corporate 'repair prevention' schemes steal the right to fix our own belonging," in *The Hightower Lowdown*, Vol. 18, No. 6 (June 2017), pp.1-4.

⁷² C. Dougherty, "Battles Simmer As Workers Try to Go to Rivals," *The New York Times*, July 15, 2017, sec. A.

⁷³ Gary Becker employs the term "shadow price" in *The Economic Approach to Human Behavior* (Chicago: University of Chicago Press, 1976), pp.5-6. If things that are not commodities, that do not have actual prices, are attributed "shadow prices," it must be because they are "shadow commodities."

⁷⁴ D. Ironmonger, "Counting Outputs, Capital Inputs and Caring Labour: Estimating Gross Household Product," *Feminist Economics*, 2(3) (1996): pp.37-64.

⁷⁵ "How to measure prosperity," in *The Economist*, April 30th, 2016.

⁷⁶ The Natural Capital Project's website is at: <https://www.naturalcapitalproject.org/> and its "What is Natural Capital?" web-page is at: <https://www.naturalcapitalproject.org/what-is-natural-capital/>.

⁷⁷ "What is Natural Capital?": <https://www.naturalcapitalproject.org/what-is-natural-capital/>.

⁷⁸ This is exactly the move that Paul Samuelson makes: "we find that trade between individuals or nations largely boils down to barter," P. Samuelson, *Economics*, 9th edition (New York, McGraw-Hill, Inc., 1973), p.55.

⁷⁹ K. Marx, *Capital* 1, n. 24, pp. 209-10.

⁸⁰ M. Campbell, "Value Objectivity and Habit," in *The Constitution of Capital: Essays on Volume I of Marx's "Capital"*, eds. R. Bellofiore and N. Taylor (Basingstoke: Palgrave Macmillan, 2004), p.86.

⁸¹ These would include those by Georg Simmel, Alfred Sohn-Rethel, Michael Walzer, Michael Sandel, and Debra Satz.

⁸² Marx makes a point of saying: "If therefore, commodity production, or one of its associated processes, is to be judged according to its own economic laws, we must consider each act of exchange by itself, apart from any connection with the act of exchange preceding it and that following it. And since sales and purchases are negotiated solely between particular individuals, it is not admissible to look here for relations between whole social classes" (*Capital* 1, p.733). The reduction of capitalism to commerce serves powerful ideological purposes.

⁸³ Because mainstream economics eliminates the commodity as a social form of wealth by collapsing it into goods and services, it is clueless regarding what Fred Hirsch calls "the commercialization effect": "the effect on the characteristic of a product or activity of supplying it exclusively or predominantly on commercial terms rather than on some other basis – such as informal exchange, mutual obligation, altruism or love, or feelings of service or obligation" (as quoted in M. Sandel, *What Money Can't Buy*, pp.120-1). To mainstream economics, the commodity is a moral nebbish.

⁸⁴ "This fetishism of the world of commodities arises from the peculiar social character of the labour which produces them" (K. Marx, *Capital* 1, p.165).

⁸⁵ M. Campbell, "Marx's Theory of Money: A Defense," in *New Investigations of Marx's Method*, eds. F. Moseley and M. Campbell (Atlantic Highlands: Humanities Press, 1997), p.95.

⁸⁶ In their textbook *Microeconomics* (fifth edition) (New York, Pearson, 2014), R. G. Hubbard and A. P. O'Brien have a brief list of "important economic terms." The terms commodity, value, money, wages, profit, rent, and interest are all left off the list. None of the categories that are the ingredients of economics so construed, have any social, moral, or political specificity.

⁸⁷ Robert Torrens elegantly dismissed the objectivity of value, "When we say that any article of utility possesses exchangeable value, the expression is figurative, and, in its precise and real import, does not predicate any quality, or attribute, as inhering in this article; but merely implies, that there are two persons able and willing to give other articles of utility instead of it. The phrase, exchangeable value, has a reference to the power and inclinations of those persons who possess articles of utility, and not to any thing actually belonging and essential to those articles themselves" (R. Torrens, *Essay on the Production of Wealth* (London, 1821), pp.10-11.

⁸⁸ "The commodity is, first of all, an external object, a thing which through its qualities satisfies human needs of whatever kind.... Use-values ... constitute the material content of wealth, whatever its social form may be. In the form of society to be considered here they are also the material bearers [*Träger*] of ... exchange-value" (K. Marx, *Capital* 1, pp.125-6). In denying the existence of value, mainstream economics holds that there is nothing to bear; commodities are simply useful things, goods or services.

⁸⁸ K. Marx, *Capital* 1, p.677, note 6.

⁸⁹ P. Samuelson, *Economics* (9th edition), 3.

⁹⁰ Of course, there is no conceptual connection between goods and services and money -- only between commodities and money.

⁹¹ P. Samuelson, *Economics* (9th edition), p.55.

⁹² Marx, K. and F. Engels, *The German Ideology*, trans. C. Dutt, W. Lough et al., in *Karl Marx, Frederick Engels: Collected Works*, Vol. 5: *Marx and Engels: 1845-47* (New York: International Publishers, 1976), p.409.

⁹³ "Value, therefore, does not have its description branded on its forehead; it rather transforms every product of labour into a social hieroglyphic" (K. Marx, *Capital* 1, p.167). The products that value transforms into "social hieroglyphics" are commodities. What is so puzzling about the commodity? It is that a commodity appears to lack any definite social character; it appears to be a use-value "pure and simple." Ironically, it appears so because its social character, that it is a value, does not appear in the body of the commodity: "Not an atom of matter enters into the objectivity of commodities as values; in this it is the direct opposite of the coarsely sensuous objectivity of commodities as physical objects. We may twist and turn a single commodity as we wish; it remains impossible to grasp it as a thing possessing value" (K. Marx, *Capital* 1, pp.138-9). The commodity acts like a ventriloquist; it projects *its* social form onto something else – money. See P. Chapter 9 in P. Murray, *The Mismeasure of Wealth*.

⁹⁴ K. Marx, "Economic Manuscripts of 1857-58," p.101.

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