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Capitalism's Misty Secrets: Marx and the Fetishism of Commodities

By Thomas Riggins

Things are not always as they appear. In proving this old proverb, Karl Marx explained some key features of capitalism in a way that remains relevant today. Towards the end of the first chapter of *Capital*, Vol. 1, after having established the validity of the labor theory of value, Marx presents a section on the Fetishism of Commodities. Understanding that section can help us apply its lessons to our times and also see why socialism is necessary.

A commodity looks simple enough, says the pro-capitalist economist. Most such economists say a commodity is any object with a use value that somebody wants and is willing to pay for, and its value is determined by supply and demand. Nothing drives such a common sense economist more to distraction than reading Karl Marx who says a commodity is "a very queer thing, abounding in metaphysical subtleties and theological niceties." What can Marx mean? Economics is a science, even a mathematical science, what has it got to do with metaphysics and theology?

Take a wooden table, says Marx. It is just wood that human labor has turned into a table and taken to market. Wood + Labor =

Table. Where is the mystery? When it gets to the market the table finds itself in the company of the stool and the chair. All three have use values, are made of the same wood and may be in equal supply and equal demand – yet each has its own different price.

Why these different prices? Same wood, same demand, same supply. They are all the products of human labor. What is the difference among them that justifies different prices? The prices are reflections of the underlying values of the products. Could the values be different? What does Marx say determines value? It is the different quantities of socially necessary labor time embodied in the commodities.

The table, the stool and the chair are three "things" that are related to each other as the embodiment of the social relations and necessary labor of human beings that created them. Human social relations have been objectified as the relations between non human things. The chair may be more valuable than the table, but the reason is now hidden away from the perception of people.

"A commodity is therefore a mysterious thing," Marx writes, "simply because in it the social character of men's

labour appears to them as an objective character stamped upon the product of that labour; because the relations of the producers to the sum total of their own labour is presented to them as a social relation, existing not between themselves, but between the products of their labour."

To find an analogy Marx tells us we have to turn to the "mist-enveloped regions of the religious world." In that world, the inventions of the human mind take on an independent existence and humans begin to interact with their own fantastical creations as if they were really independently existing objective things. This is similar to the Fetishism of Commodities. All the commodities we see about us are part of the sum total of all the socially produced objects and services created by human labor in our society. People all over the world are making things which are traded, shipped, sold, resold, etc. But their use values cannot be realized until they are sold – i.e., exchanged, especially exchanged for money. But why are some more expensive than others? Why do some have more value than others? Supply and demand has a role to play in setting price, but it merely causes price to fluctuate around value.

The fact that we know that value results from the socially necessary labor time spent in making commodities "by no means," Marx says, "dissipates the mist through which the social character of labour appears to us to be an objective character of the products themselves."

This is because we are so used to how the market operates under capitalism, how prices fluctuate, commodities rise and fall in prices, working people as consumers naturally just think the values (which we usually don't differentiate from prices) are products of the natural world, that is, are functions of the things for sale or barter themselves. This is why "supply and demand" seems to be the basis of the value

of things. We often fail to see it's all really the result of the socially necessary labor time expended in the labor process that is the determining factor in value

Our confusion of price and value leads Marx to explain further, "The determination of the magnitude of value by labor time therefore is a secret, hidden under the apparent fluctuations in the relative values of commodities."

We are reminded that to understand the real nature of a social formation we have to reverse our knowledge of its historical development. We begin with the full-fledged capitalist system and try to figure why the prices of things are the way they are. Looking at the mature system, we don't really see its primitive origins. In the same way many religious people looking at a human being fail to see an ape in the historical background.

Marx continues: "When I state that coats and boots stand in a relation to linen, because it is the universal incarnation of abstract human labor, the absurdity of the statement is self evident." This has been remarked upon both by the most astute of thinkers (Bertrand Russell) and the most pedestrian (Ayn Rand).

The problem is that pro-capitalist ideologues look upon an historically transient economic formation, its own, as an eternally existing social order. Of course prices are set by supply and demand. What is that crazy Marx talking about? As the economist Brad DeLong said, he had never known anyone who thought that way.

Well, let's look at something other than the full-blown capitalist system at work. Marx says, "The whole mystery of commodities, all the magic and necromancy that surrounds the products of labor as long as they take the form of commodities, vanishes therefore, so soon as we come to other forms of production."

To help explain, Marx gives the

example of Robinson Crusoe. He chooses the fictional character Robinson because he was a popular example used in the texts of the day. Robinson has to make everything for himself, obtain his own food, and provide his own shelter. Obviously, the things that are most important for his survival are those he expends most of his labor time upon and are consequently the most valuable to him.

Marx then says we should consider a community of free people working together cooperatively to make all things necessary for their society. Whereas Robinson was just making use values for himself, in this community a social product is being created. The people have to set aside part of the product for future production, but the rest they can consume. How would they divide it in a fair manner? They would divide the product in proportion to the labor time each individual had contributed to the joint production of the social product.

This is how barter went on in the Middle Ages. Peasants knew precisely how much labor time was involved in making cheese, for example, and in making a pair of shoes. If it took twice as long to make a pound cheese than a pair of shoes, no one was going to trade more than a half pound of cheese for his shoes. It is only in the complicated processes of commodity production, especially in capitalism, that the Fetishism of Commodities begins to manifest itself and we lose the true nature of the source of value.

The loss of knowledge about value produces generally a confused consciousness in our world. Our alienation from our own social product, the effects of commodity fetishism, and the continuing influence of religion all work together to keep us confused and off guard. But seeing what our condition is with respect to such mental blights also tells how far along the road to liberation we are and how far we

have to go (quite a distance I fear).

The world is reflected in these distorted forms of consciousness. "The religious world," Marx tells us, "is but the reflex of the real world." And, for our capitalist society where all human relations, and relations of humans with the the things they create, are reducible to commodification based on the value of "homogeneous human labor," the best form of religion is Christianity. (And since Catholicism represents a pre-bourgeois view of human nature more suitable to feudalism, at least in a Western or European framework, it is the Protestant form that is more congruent with capitalist conceptions.)

Why is this? Marx says it is because the idea of "abstract man" is the basis of the the religious outlook of these systems. A religion based on an abstract view of "human nature" is just the ticket for an economic system that capitalist ideology says is also based on "human nature." The religion reinforces the basic presuppositions of the capitalist view of abstract humanity.

As long as humans are alienated and confused about how capitalism works and are mystified by their relation to the objects of their labor, they will never be free, or free from the spell of religion, according to Marx. "The religious reflex of the real world," he writes, can only vanish "when the practical relations of every-day life offer to man none but perfectly intelligible relations with regard to his fellowmen and to Nature."

The next two sentences from Marx are extremely important as they explain, in very general terms, the failure of the Russian Revolution and the downfall of the socialist world system. The first sentence served as the basic idea for the Bolsheviks many years after it was written: "The life processes of society, which is based on the process of material production, does not strip off its mystical veil until it is treated as production by freely associated men, and is consciously

regulated by them in accordance with a settled plan."

This is certainly what was attempted – first by war communism, then the NEP and then by the five year plans, forced collectivization and industrialization. But why the failure? Where were the "freely associated" people?

To pull off this great transformation, the goal of communism, Marx wrote "demands for society a certain material ground-work or set of conditions of existence which in their turn are the spontaneous product of a long and painful process of development."

In other words, the seizure of power was premature. The material ground-work had been insufficiently developed. If Lenin represented the negation of the Czarist regime, Gorbachev and Yeltsin represented the negation of the negation – brought about by the failure of that long and painful process of properly developing production by freely associated people. For all its efforts, the socialist world still belonged to that world in which the processes of production had the mastery over human beings and not the other way around. So we must still put up with the Fetishism of Commodities for a while longer.

The present crisis gives us an opportunity to think about the Fetishism of Commodities as it applies to the real world. General Motors is about to be 60 percent owned by the US government, 12.5 percent owned by the Canadian government, and the UAW will have a stake of between 17.5 and 20 percent. This leaves as little as 7.5 percent in the hands of the capitalists. Should they have the major say?

Further, the commodities that the workers make (vehicles) don't have a life of their own. Their value is determined by the socially necessary labor time it takes workers to make them. They are extensions of the being of the working people rather

than capitalists who have proved themselves totally incompetent.

The working people of this country far out number monopoly capitalists – both industrial and financial. The UAW and the AFL-CIO as well other unions should demand that the government represent the interests of the working class majority. Ideally, the 87.5 percent joint government-worker control of GM would not be used to return control to private interests, but to rationalize the auto industry by means of worker control, eliminate the capitalists and the Fetishism of Commodities that keeps people thinking private interests have a role to play in production.

Such actions might lay the ground work for future nationalizations of basic and vital industries, and, by extension, a more socially planned and democratically determined distribution of the benefits of our labor.

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