

# *Capital* vol. 1: An Interpretive Glossary

[*Note*—This glossary has been produced principally for purposes of self-clarification. It is ‘interpretative’, because the definitions given are my recapitulated interpretations of what I think the terms mean, rather than direct textual citations of what Marx says or implies what they mean (even if, given that the glossary has been prepared from my own reading notes, I may in places paraphrase Marx). At some point in the future I do intend to produce a textual glossary of some of these terms using Marx’s own words – the two glossaries would then complement each other. Where I think there are supporting citations in Marx, however, these are indicated in **blue**: the reference is to Karl Marx, *Capital*, vol. 1 (Harmondsworth, 1990). Main entries and cross-references appear in bold **red**.

Given that this glossary forms part of a longer term and ongoing project, I welcome being corrected on errors of superfluity, omission, interpretation, and fact; as well as other constructive comments.]

**absolute surplus-value** That increase in **surplus-value** produced by a further lengthening of the working-day beyond the point at which the producer produces **value** equivalent to the value of the **labour-power** she has sold. [297-302;432]

See also: **relative surplus-value**.

**abstract labour** **Simple labour** considered quantitatively (i.e. measured in time), abstracted from its concrete **use-value** creating properties. Abstract labour is the source of the *new value* created in the **valorisation process**. [128-9]

See also: **concrete labour**.

**accumulation of capital** The recapitalisation of **surplus-value**: the deployment of surplus-value as **capital**, or its reconversion into capital (rather than its unproductive consumption) [725]. This growth of social capital takes the form both of the growth of already-existing individual capitals (**concentration of capital**), and the budding off of new capitals, as capital is divided up (between capitalist families, for example). Thus the accumulation of capital takes the dual form of the increasing concentration of the means of production and of the command over **labour**, and of the repulsion of individual capitals from one another. [776-7] The counterforce to this tendency of division within and between capitals as a consequence of accumulation is the process known as the **centralisation of capital**.

**alienation** Insofar as the term appears in a sense other than to designate effective property rights, i.e. the rights to ownership and sale) it refers to the domination of the conditions of **production** over its participants such that the latter function not as persons but as things personified. Thus, the alienation of the worker consists in the fact that in the capitalist **production process** the **means of production**, i.e. **objectified labour**, rather than being used as the material in which the worker’s **labour** is manifested, maintain themselves off and at the expense of her **living labour**. Living labour functions as a means of capitalising already-existing **values**,

meaning that the worker creates value as value *alien* to herself. In a reversal of subject and object, then, the conditions of capitalist production rule over the worker: things rule over people, dead labour rules over living labour, the product rules over the producer.

The capitalist, too, in this sense is alienated. Insofar as the capitalist functions in order to fulfil the necessities of **capital**, she functions as personified capital, as capital as a person, just as, in the sense above, the worker functions as labour personified.

But, even though both are, in this sense, alienated, worker and capitalist experience alienation differently. The capitalist is able to find satisfaction in her alienation, while the worker can only experience alienation as no more than enslavement, and labour as mere torment. Thus the capitalist's alienation is a conservatising force, while that of the worker potentially a radicalising one. [209;254-5;739;986-8]

See also: **commodity fetishism, labour.**

### average social labour

Labour which operates under the prevailing lowest cost reproducible conditions of production. [440]

### barter

The direct **exchange** of one **use-value** for another; the simplest form of **commodity** exchange. Barter takes the **value form** of  $x$  use-value  $A = y$  use-value  $B$ . In simple barter the articles to be exchanged do not acquire a **value** form independent of their own use-value; in other words, the use-values to be bartered are not commodities, and only become so through exchange. [181]

### capital

Capital is **value** deployed (laid out, advanced), independently of its material **use-value** form, so that its magnitude increases. [255; 975-7] The process whereby capital's magnitude increases Marx calls **valorisation**. [253] The 'general formula' of capital is  $M - C - M'$  (where  $M'$  is  $M + \Delta M$ ). [257]

See also: **constant capital; variable capital**

### centralisation of capital

The process whereby already existing smaller capitals are merged, forcibly or otherwise, into bigger ones, the expropriation of capitalist by capitalist. The centralisation of capital differs from the **concentration of capital** that occurs through the **accumulation of capital** in that it represents a *redistribution* of capital within the sphere of the whole social **capital** already deployed, rather than arising from the concentration of **surplus-value** at the level of and between already existing individual *capitals*. [776-81]

### circulation of commodities

$C-M-C$ , in which **commodities** are sold in order to buy other commodities.

This circulation of commodities needs to be distinguished from simple **barter** in the following respects.

1 Instead of the simple **exchange** that occurs in direct barter there occur two acts, of sale and of purchase; i.e. instead of exchanging one commodity directly for

another one, one sells a commodity (for **money**) in order to buy another one. [198-9]

2 Each act of exchange in the case of barter is a one-off, and has no consequence for other such acts. When commodities circulate, however, each stage of the cycle of selling and buying is also a distinct stage of another cycle: the initial act of selling a commodity ( $C-M$ ) is also, for the purchaser, the closing act ( $M-C$ ) of another cycle. [207]

3 This means that, while in barter A obtains B's commodity and B obtains A's, when commodities circulate A obtains B's commodity, but B obtains, not A's, but C's, who in turn obtains, not B's, but D's, and so on, such that the movement of commodities becomes both generalised and uncontrollable. [207-8]

4 The circulation of commodities needs money, which acts a **means of circulation**; and while the commodities, which are ultimately purchased to be consumed, drop out of circulation, the money remains. [210-12]

See also: **metamorphoses of commodities**.

### coercive laws of competition

Capitalist **production** is production for **profit**, and capitalist production units are driven to produce at the highest **rate of profit** that they can. To this end, they will introduce more productive techniques of production wherever possible. If a single producer (or small number of producers) is able to produce a given commodity at a level of productivity higher than the socially normal level, because the conditions of production she disposes of have yet to be generalised among other producers, then she will be able to produce a commodity whose individual value is below its social value, and will therefore reap a surplus profit (the labour she disposes of functioning as **potenzierte labour**). Under these circumstances, other producers will sooner or later adopt the new technique of production such that the social value of the commodity in question will fall. This process is continuous and perennial.

See also: **individual value**; **social value**; **socially necessary labour**;

### commodity; commodities

A commodity is a good produced for **exchange**. [131;165] This statement implies three conditions.

1 A commodity is an article destined for exchange: an article that is produced to be consumed by its own producer is not a commodity, nor is an article that has fallen into the possession of another person through means other than exchange (robbery, for example, or feudal retention). For an article to be commodity it must have been produced with the intention of it being passed from the possession of its producer to the that of another person through the medium of exchange, i.e. by being exchanged for another commodity (including, of course, **money**). [131] This implies, amongst other things, that commodities are the products of private labours conducted independently of each other. [165]

2 A commodity must be in some sense useful. Were it intrinsically incapable of fulfilling a human need of some kind it could not be exchanged: it would be intrinsically unexchangeable, and it could not be a commodity. All commodities are **use-values**, therefore (but not all use-values are commodities). [131]

3 A commodity must be a product of human **labour**: it must have resulted from

**production.** [131] Useful things whose utility is unmediated by labour – sunshine, for example; or the air that we breathe – are not commodities, and are also not, in themselves, exchangeable. A tree in a forest may be an object of great utility, but it is not the product of labour – until it is cut down, that is. Likewise the water in a river; until it is transported from one site to another, or its hydro-electric properties are harnessed by building a dam.

There are marginal cases in which these conditions are not fulfilled in their entirety. There are cases in which the normal functioning of the capitalist economy breaks down and commodities which have been produced to be exchanged end up, for one reason or another, not actually being so. This suggests crisis. There are also cases (on the geographical and/or social limits of precapitalist societies, for example) in which commodities are exchanged despite not having been produced for that end. This suggests the contradictory existence of potentially emergent capitalist social relations alongside non-capitalist ones. It is also possible that articles which are not commodities in themselves, in virtue of not having been produced, may, under conditions of generalised commodity production and exchange, be converted into commodities by being exchanged for money. [1073]

### commodity fetishism

More accurately translated as the ‘fetishistic character of the commodity’ (*Der Fetischcharakter der Ware*), in the production of **commodities**, insofar as producers equate their individual private labours through the social **exchange** of commodities, the relations between them take the form of social relations between things. From this flows the fact that, insofar as social relations between people appear as natural properties of things, it also appears that, rather than people controlling things, things control people. The consequence of this is that the fact that under capitalist **relations of production** human social relations manifest themselves as the relations between things is taken not as a consequence of the nature of the human relations but as something arising from the natural properties of the things themselves.

We should note, therefore, first, that it is not that the commodity itself is fetish-like, but that the social relations that accompany commodity production and exchange *induce* in it the appearance of a fetish-like character; and, second, that this fetish-like character lies not in the fact that human relations appear to manifest themselves as relations between things, for with commodity exchange human relations really *do* manifest themselves as relations between things, but in that the fact that human relations really do take the form of things itself *appears* to arise from the nature of the things themselves and *not* from the nature of the human relations. [163-8;1046]

### complex labour

Also referred to as **skilled labour**, **multiplied labour** or **higher labour**, complex labour is **labour** that creates more **value** in a given period of time owing to the fact that the labour-power that realises it costs more to produce; contrasted with **simple labour**, carried out by ‘normal’, undeveloped labour-power. The distinction between complex labour and simple labour is analytically prior to that between **concrete labour** and **abstract labour**. [135; 304-5]

### concentration of capital

The continuing **accumulation of capital**, i.e. the continuous reconversion of **surplus-value** into capital, continuously increases the magnitude of capital that enters production. Each individual capital is already a concentration of **means of**

**production**, each with command over its own army of workers. As accumulation advances, therefore, so does the amount of capital in the hands of the individual capitalist. [776-7]

See also: **centralisation of capital**

### concrete labour

**Simple labour** considered qualitatively, from the point of view of its **use-value** creating properties. [142] Concrete labour is the source of use-value produced in the **labour process**, and the means for the transfer of value in the **valorisation process**. [287; 304]

See also: **abstract labour**.

### constant capital

That part of productive **capital** which has the form of **means of production** (**raw materials** and **instruments of production**) and which undergoes no quantitative alteration of **value** in **production**. [317] The distinction between variable and constant capital is thus one within capital's **valorisation process**, rather than the **labour process**.

See also: **variable capital**

### equivalent form of value

See: **forms of value**.

### exchange

The mutual and reciprocal alienation of **commodities** [181-2].

In general, commodities are exchangeable insofar as they exist as objectified human **labour**; for a commodity to enter into exchange, therefore, it must express itself in a twofold way, not only as a **use-value** but also as an **exchange-value**.

At its most logically basic, exchange takes the form of simple **barter**; at its most logically developed, it occurs within the generalised **circulation of commodities**. Outside of marginal and/or undeveloped cases, exchange presupposes a basic norm of private property, either *de facto* or *de jure*, which manifests itself as an agreement amongst human beings to treat each other as the private owners of alienable things [182].

In exchange in its developed form the **value** (qv) of one commodity is expressed as a quantity of another commodity.

### exchange-value

The exchange-value of a **commodity** is the physical quantity of another commodity for which it **exchanges**. Exchange-value is a relative magnitude, and a given commodity will have as many exchange-values as there other commodities it may exchange with.

To the extent that commodities exchange in function of the **socially necessary labour** required for their **production**, exchange-value is the manifestation of **value**. [126-7; 152]

When what a given commodity is exchanged for is **money**, therefore, its exchange-value is its **price**.

Insofar as the fact that a commodity can be exchanged for others (including money) is a useful property then a commodity's exchange-value also enters into its **use-value** [182-3].

See also: **forms of value**.

**expanded form of value** See: **forms of value**.

**fetish, fetishism** See: **commodity fetishism**.

**forces of production** Those material elements, i.e. considered as **use-values**, without the use of which material **production** cannot occur:

1 the **instruments of production** (sometimes **instruments of labour**) (what is worked with – tools, machines, factories, etc.)

2 the **object of labour** (what is worked on)

3 human **labour power** (what works what is worked with and what is worked on) [284] (note that **labour** is not a force *of* production: it *is* production)

Forces of production can be considered as both objective (**means of production**) and subjective (labour-power). [291]

**forms of value**

The 'forms of value' are a conceptual device developed at the beginning of volume 1 of *Capital* to indicate how it is possible for the **value** of one **commodity** (qv) to be expressed in the material substance of another. The scheme's function is therefore to explain how the private labours involved in commodity production find social expression in **exchange**, and, ultimately, to explain the role of **money** in this.

Marx builds up the picture through the following steps.

1 The **simple form of value**, which takes the form of

$$x \text{ commodity } A = y \text{ commodity } B,$$

means that

$$x \text{ commodity } A \text{ is worth } y \text{ commodity } B.$$

In this form commodity *A* functions as the relative form of value and commodity *B* as the equivalent form. The expression does not express the tautology that *y* commodity *B* is equal to the value of the *x* commodity *A*, but that *y* commodity *B* is a representation of the value of *x* commodity *A*. A quantity of **use-value** (the equivalent form) expresses the value of the relative form: **abstract labour** manifests itself as **concrete labour**. As such the equation is asymmetrical: by reversing it we do not reproduce the same equation but a different equation – with of value is a relative and not an absolute one. If, for example, the value of *A* falls and that of *B* rises proportionally then the proportions expressed in the simple form remain unchanged.

2 The **expanded form of value** takes the form of

$$x \text{ commodity } A = y \text{ commodity } B, \text{ or } x \text{ commodity } A = w \text{ commodity } C,$$

or  $x$  commodity  $A = v$  commodity  $D$ , etc.

Now instead of confronting only one commodity (and thus having only one form of value), commodity  $A$  now confronts the entire world of commodities: instead of having only one value-form it now has as many value-forms as there are other commodities for which it can be exchanged.

Reversing the expanded form we get

### 3 the **general form of value**:

$y$  commodity  $B$

$w$  commodity  $C = x$  commodity  $A$

$v$  commodity  $D$

In the simple and expanded forms of value the relative forms expressed their values as quantities of the equivalent form as a use-value in its own right. Now, the equivalent form functions as a general equivalent, and it is no longer its original use-value that matters, but that deriving from the fact that every other commodity expresses its value in it. [C1:138-63]

#### **general form of value**

See: **forms of value**.

#### **higher labour**

See: **complex labour**

#### **individual value**

The amount of **abstract labour** actually expended on a commodity's production, as contrasted with the labour socially necessary for the commodity's production, the latter being given by the prevailing lowest cost reproducible conditions of production. [434-6]

See also: **coercive laws of competition; social value; socially necessary labour**

#### **instruments of labour**

See: **instruments of production**.

#### **instruments of production**

Those **forces of production** which, by interposing themselves between the producer and the **objects of production**, mediate the action of the former. [285-6] They consist in tools, etc., and those other elements on which **production** depends, such as workshops, roads, canals, etc. [286]

Instruments of production are to be distinguished from objects of production (and from **labour-power** (qv) too) in the way that, as **use-values**, they are consumed in production. Instruments of labour enter constantly and directly into the **valorisation process** but only in parts into the **labour process** [313-4].

#### **intensity of labour**

A measure of the amount of **labour** expended in a given period of time. Labour carried out at a higher level of intensity than the prevailing normal level will create more **value** in a given period of time than **average social labour**.



See also **productivity of labour**; **potenzierte labour**

## labour

Human productive activity, through which humans' metabolic interaction with nature is mediated by means of the fashioning of **use-values**.

With regard to **commodity** production, labour can be considered as **concrete labour**, in terms of its qualitative character; and as **abstract labour**, quantitatively, as the expenditure of human **labour-power**. [132-4] This distinction between abstract and concrete labour is not a mere conceptual convenience but an actual property of living labour itself. [992-3]

**labour of a higher degree** See: **potenzierte labour**

## labour-power

Human capacity for **labour**: those human capacities set in train in the **labour process** in general, i.e. in the production of **use-values**. [270] Labour-power has thus existed and been expended for as long as there have been humans fashioning use-values; under capitalist production, however, labour-power becomes a **commodity**.

The use-value of labour-power in its consumption in the **valorisation process** is twofold, for it both preserves and reproduces the **value** of the **means of production** in the final product at the same time as it also causes new value to appear. [316-7] This capacity is a unique property which arises from the dual character of labour itself: insofar as it is concrete labour, directed at a specific activity, it preserves and passes on existing value; to the extent that it is abstract social labour, it creates new value.

But the new value created through the consumption of labour-power is precisely the function of its use-value, and not of its **exchange-value**. Like all commodities, the exchange-value of labour-power is determined by the amount of **socially necessary labour** expended in its production: the value of labour-power is the labour-time expended in the production of what is necessary for the workers' subsistence. [274-5] Were labour power, like the other commodities that enter into capitalist production, only capable of imparting its own value to the product there would be no **surplus-value**. This latter arises when the consumption of labour-power is extended in time beyond that necessary for its own reproduction, i.e. when it is consumed so as to create more new value than that expended in its production.

This phenomenon is constitutive of capitalist production itself, such that we may say that the production of commodities develops into capitalist production only once labour-power in general becomes a commodity. [951-3] How this comes about is what is summarised under the concept of **original accumulation**.

## labour process

The labour process is the **production process** conceived as the production of things. In the labour process **labour** is applied to **instruments of production** and **raw materials** to produce **use-values**. [290-1] The labour process is common to all systems of social **relations of production**, while each given set of social relations imparts to the labour process a unique and historically specific social form, even if, nevertheless, the labour process in a general sense remains *materially* unchanged.



- When we talk about the *capitalist* labour process (or the labour process under the capitalist **mode of production**) we are talking about the interaction of commodities (including labour-power) in production, but we are talking about them as *use-values*. In this sense, we can see the labour process as the means whereby the **valorisation process** is carried out. [991]
- labour productivity** See: **productivity of labour**
- living labour** **Labour-power** in action: human productive activity self-realising itself in **production**. [314-5]
- means of circulation** The functional role of **money** as mediator of the **circulation of commodities**. [209; 211] Unlike in its role as **measure of value**, in which the money commodity itself need not be present, fulfilling its role as means of circulation demands the presence of money. But, by the same logic, that the functions of measure of value and means of circulation are so distinct in turn permits the possibility of token money, of worthless symbols being used in place of money. [225]
- means of labour** See: **instruments of labour**
- means of production** The objective factors of the **labour process** [291]: **instruments of labour**, and **objects of labour**.
- means of subsistence** Those **use-values** necessary for the maintenance and reproduction of the producer. Under capitalist production, the **value** of the **commodities** (qv) which make up the means of subsistence is the value of the commodity **labour-power**. [272;274-5]
- measure of value** **Money** as a **commodity** functions as a measure of **value** insofar as it functions as a medium in which the **exchange-value** of commodities can be expressed, i.e. insofar as commodities express their values as definite quantities of the money commodity; and the money commodity does this insofar as it too is an exchange-value, i.e. a product of **labour**. Thus money does not permit the commensurability of commodities: commodities (including the money commodity) are already commensurable by virtue of being commodities, i.e. products of human labour. [188-9] What the money commodity does permit is the **circulation of commodities**, the circuit  $C-M-C$ , in which commodities are sold in order to buy other commodities.
- metamorphoses of commodities** **Commodities** are goods produced for **exchange**; they are not, therefore, produced to meet the immediate needs of their producers.
- In everyday life, we are accustomed to dealing with commodities as **use-values**, as goods with tangible useful physical properties. If a use-value is sold, then, simply,

for a payment of **money**, it passes into the possession of another, and, more often than not, physically changes position as a consequence.

But if we consider, dealing with the **circulation of commodities**, the commodity as a **value**, rather than as use-value, as a quantity of **abstract labour** rather than as a set of tangibly useful properties, the matter looks quite different. What happens to this bundle of labour when it is sold? Before the sale, the bundle of labour exists in the physical *form* of a commodity, of use-value. When it is sold, although the use-value passes from the possession of the seller into that of the buyer, the *value* stays with the seller, although now in the form of money. The commodity, considered as a value, has undergone a formal metamorphosis. If this money is used to make a purchase, the commodity now undergoes another metamorphosis, to another, physical, use-value form. This circuit of metamorphoses is summarised as  $C-M-C$ .

The content of this process expresses the movement  $C-C$ , the exchange of one commodity for another. The changes of form – the metamorphoses – the transformation of the first commodity into money, and the transformation of the money into the second commodity, are what is necessary to bring this about.

While each metamorphosis is an independent act, it is also asymmetrical. This suggests two things. First, it stands as a refutation of Say's law. Second, and consequently, it introduces the possibility of crisis: the completion of each metamorphosis, and hence the circuit as a whole, depends on factors exogenous to it (which is not the case with respect to **barter**, for example). Thus the very possibility of the realisation of the metamorphosis, and the circuit, is, at the same time, the possibility of its non-realisation. [198-220]

### mode of production

While we can conceive of a mode of production as a historically specific articulation of forces of production, relations of production, political-legal superstructure and ideological medium, what is decisive in differentiating one mode of production from another is the character of the **relations of production**, on which the manner of exploitation – appropriation of the surplus product – historically specific to each mode of production is based. [325]

### money

The assumption in the first volume of *Capital* is that money is gold. [188].

Money is a **commodity** – the assumption in the first volume of *Capital* is that money is gold [188] – whose **use-value** is that it has **exchange-value**, i.e. that it can be exchanged for other commodities. [182-3] The principal function of money, as a **measure of value**, flows from this. The secondary use-value properties of money are those that permit it to perform the secondary function of a **standard of prices**. With the **circulation of commodities**, any commodity which performs the double functions of measure of value and standard of prices functions as money.

As a measure of value, which is its categorically fundamental role, the exchange-value of all commodities is measured in terms of a definite quantity of the money commodity; as a standard of prices, a necessary if categorically trivial function, the need arises to measure finite quantities of the money commodity in its function as measure of value. [188-93] In the first function, the money commodity functions as exchange-value (or: its use-value *is* its exchange-value), in that to operate as a measure of value it must too be a product of **labour**; in the second, it functions as **use-value**, in function of its intrinsic properties (of purity, divisibility, etc.).

- See also: **means of circulation**.
- multiplied labour** See also: **complex labour**
- necessary labour** That part of the working day the worker spends producing the **value** (qv) equivalent to the value of the **labour-power** (qv) she has sold. [324-5]  
See also: **surplus labour**
- necessary product** The part of the **value** (as **commodities**) produced by the worker equal to the value of her **labour-power**. [324-5]  
See also: **surplus product**
- objectified labour** Simply put, that previously **living labour** (qv) now objectified through **production** in the product. By being objectified – by having been objectified – this **labour** now no longer plays a determining role in the magnitude of **value** of a **commodity**, for, even though the labour objectified in **means of production** consumed in production is reproduced in the product, what determines the value of the latter is not that labour actually objectified but that labour socially necessary for the production of the product (including the means of production with which it is made). It is for this reason that products, including products that enter into production as means of production, already produced under old conditions lose value when new conditions of production reduce the quantity of labour socially necessary for their production. [676-7]  
See also: **socially necessary labour**
- objects of labour** What is worked on in **production** Objects of labour are considered as both those which experience no necessary alteration through **labour** previous to entering the **production process**, and those that do. These latter Marx denotes as **raw materials** [284].
- objects of production** See: **objects of labour**
- original accumulation** Capitalist **social relations** (qv) are self-reproducing, i.e. the **accumulation of capital** itself reproduces the conditions necessary for continued and expanded accumulation. What Marx calls, conceptually following Adam Smith, ‘original accumulation’ (Marx’s ‘*ursprüngliche Akkumulation*’ is systematically translated as ‘primitive accumulation’) refers to the creation of those conditions necessary to give *rise* to the self-reproducing accumulation of capital. This process, *pave* Smith, amounts to rather more than an accumulation of capital prior to and conditional for the capitalist **mode of production** itself, for the fundamental condition for developed capitalist production is the existence of both a capitalist class, i.e. owners of **capital**, and a labouring (in the capitalist sense) class. This latter displays as its

- point of departure not only that it forms no part of the **means of production** (something which is not the case with respect to, for example, slaves and serfs) but also that it enjoys no ownership of the means of production. In essence, original accumulation consists in the creation of this labouring class, the capitalist proletariat, through divorcing the producer from the means of production. It is necessary to bear in mind here that original accumulation is the process out of which springs the ‘capitalist era’, not capitalist production, for the latter predates the former by centuries (and also that the former also significantly postdates both the disintegration of true serf relations and the classical era of pre-capitalist era capitalist production). [873-6] It is not warranted, therefore, to see the emergence of the ‘capitalist era’ as the product of pre-capitalist capitalist production itself.
- See also: **subsumption of labour under capital**.
- organic composition of capital** The **value composition of capital** insofar as this is determined by its **technical composition**, i.e. the value-ratio of **variable capital** to **constant capital** insofar as this is determined by the ratio of the mass of constant capital to the mass of variable capital, rather than by other factors. [762]
- potenzierte labour** If a **production** process disposes of technical conditions of production that are more productive than those that determine the **social value** of a **commodity** (effectively because the former have not been generalised through the **coercive laws of competition**), the **labour** that operates under these conditions produces more **value** in a given time than **average social labour**. This labour, potenzierte labour, is sometimes (misleadingly) rendered as ‘intensified labour’, and other times as ‘labour of a higher degree’, but it is important to see that potenzierte labour produces more value not because it is more intensified but because the above-average conditions of productivity it operates under are propitious to it creating more value. [434: 530]
- See also: **intensity of labour**; **productivity of labour**
- price** The **exchange-value** of a **commodity** if the other commodity against which it is exchanged is the **money** commodity. [162-3]
- primitive accumulation** See: **original accumulation**.
- process of production** See: **production process**.
- production** The realisation of **labour**; the carrying out of human productive activity.
- production process** The capitalist production process is a unity of **labour process** and **valorisation process**. [293; 978; 991]; the capitalist production process is the socially specific manifestation of the material process of the interaction of things (**use-values**) and

**labour** in production as realised in the historically specific conditions of capitalist social **relations of production**. The products of the capitalist production process are **commodities** because of the obtaining *social* relations of capitalist production.

The distinctions between labour, valorisation and production processes, although real ones, i.e. ones arising from the real nature of the elements of which they are composed, are not distinctions between different processes, but those arising from the same process viewed through different frames of conceptual abstraction.

### productive forces

See: **forces of production**

### productive labour

Determining whether or not **labour** is productive *per se* is not the same as determining whether it is or not from the point of view of capitalist production: labour *per se* is obviously ‘productive’ if it produces a product (in other words, in this generic sense, the term ‘productive labour’ is a tautology); labour is productive under capitalist conditions according to whether or not it contributes to the valorisation of **capital**, i.e., if it creates **value**. Thus what determines whether or not labour is productive or not is given by the structure of social relations within which that labour is carried out. [644] Furthermore, and as a consequence of this, whether or not labour is productive neither has anything to do with its particular qualitative (**use-value** creating) nature: labour of the same qualitative type might be productive or unproductive depending on how and why it is deployed. In addition, it is also perfectly feasible for the same kind of **concrete labour** carried out by the same person to be both productive and unproductive if the worker, for example, spends part of her time working for a capitalist, and a part for an immediate customer. In this case her labour would only be productive in the first instance. [1038-42]

### productivity of labour

The productivity of **labour** (qv) is the measure of its capacity to produce **use-value**. A given rise in the productivity of labour means that a given quantity of labour will produce a greater quantity of use-values in a given period of time, thus resulting in a cheapening of **commodities** (in that less socially necessary labour is expended on each one). Productivity is therefore a feature of human labour in its useful form, not of labour in its abstract, **value** creating, form. Thus an increase in the productivity of labour can, if it increases the quantity of use-values produced at the same time as it reduces the amount of time necessary to produce this new quantity of use-values, bring about an increase in material wealth and a fall in the total magnitude of value created simultaneously. [129-30] The value of individual commodities (including units of **labour-power**) therefore stands in inverse ratio to the productivity of labour, since, all else being equal, a given quantity of **average social labour** will always produce the same new value, independently of the number of articles produced. On the other hand, **relative surplus-value** and the productivity of labour are proportional: if a rise in productivity produces a fall in the value of the **means of subsistence** (and hence in the value of labour-power) relative surplus-value will rise proportionally. [436-7]

See also: **intensity of labour**

### rate of exploitation

The degree of exploitation, i.e. the ratio in which product is removed from its

- producers to be consumed by the non-producers, whose direct measurable expression is the **rate of surplus-value**. [326]
- rate of profit** At the level of abstraction of volume one of *Capital*, the ratio of **surplus-value** to the total **capital** advanced. [323-4]
- rate of surplus-value** The ratio of **surplus-value** to **variable capital**. [323-4] The concrete, measurable expression of the **rate of exploitation**. [326] The rate of surplus-value can also be expressed as the ratio of surplus-value to the **value** of **labour-power** and as the ratio of **surplus labour** to **necessary labour** (and hence the value of **surplus product** to **necessary product**). [668-72]
- raw materials** Those **objects of labour** which require **labour** expended on them before they enter production. This use of ‘raw material’ is unconventional, then, but necessary in that it permits the identification of those objects of labour which bring **value**, i.e. already expended, objectified, labour, to the **production process**.
- In the production of **commodities**, raw materials are transformed in form by labour and their value is passed on to the products. [284-5]
- relations of production** The social relations that govern **production** and within the framework of which production takes place. Relations of production manifest themselves as relations between people which govern their effective control over people and things. [C1:178]
- relative form of value** See: **forms of value**.
- relative surplus-value** That increase in **surplus-value** produced by a curtailment of **necessary labour**, through raising **productivity** in those branches of industry whose products are **means of subsistence**, or products which form the **means of production** of means of subsistence. [431-2] The subsequent reduction in the **value** of **labour-power** is the overall sum of all the reductions in necessary labour-time in the various branches of industry that enter as components in the value of labour-power, i.e. it is the consequence of a number of independent acts, necessarily carried out without joint agreement as to their final effect. [433-7] Logically, the existence of relative surplus-value presupposes the prior existence of the **absolute surplus-value**: the possibility of cheapening labour-power by cheapening the commodities consumed by the labourer presupposes that that the working day is already divided into necessary and **surplus-labour**, i.e. that surplus-value is *already* being produced. So, while the production of absolute surplus-value forms the general foundation of the capitalist system, the production of relative surplus-value requires a specifically capitalist **mode of production**. Historically, the prior production of absolute surplus-value corresponds to the formal **subsumption of labour under capital**, while the production of relative surplus-value corresponds to its real subsumption. [645;1025]

- simple form of value** See: **forms of value**.
- simple labour** ‘Normal’ **labour**, performed by **labour-power** without special development (skilling, training, etc.), labour-power whose cost of development is equal to the social average.  
See also: **complex labour**
- skilled labour** See: **complex labour**
- social relations** See **relations of production**.
- socially necessary labour** The quantity of **abstract labour** (i.e. **labour** measured in time) necessary for the production of a given **commodity** given the prevailing level of technology and given the normal level of both skill and **intensity of labour**. [129]
- social value** The social value of a **commodity** is determined by the **labour** socially necessary for its **production**, i.e. the labour required given the prevailing lowest cost reproducible conditions of production available. This **value** may be different from the commodity’s **individual value, which is given by** the amount of **abstract labour** actually expended in its production. [434-6; 530]  
See also: **coercive laws of competition; socially necessary labour**
- standard of price** The subsidiary, technical, function of **money** (qv), in which, premised on its function as **exchange-value** (qv), i.e. as a **measure of value** (qv), the **use-value** (qv) properties of the money commodity independent of its exchange-value (its properties of purity, divisibility, etc.) allow finite quantities of it to be measured. [191-2]
- subsumption of labour under capital** Subsumption (in German *Subsumtion*) refers to the historical process whereby **capital** developed within the already-existing pre-capitalist **production process**. [645]  
Two stages in this process are envisaged. First, capital transforms the **labour process** into the instrument of the **valorisation process**, directing it to the production of **surplus-value** without changing in a fundamental way its nature: capital takes over the existing labour process, whatever its provenance, as it finds it. Examples of the formal subsumption of labour under capital would be: the peasant who becomes a day labourer working for a farmer; the replacement of a guild hierarchy by a system based on the opposition between capitalist and wage-labourers; a slave-owner employing her slaves as paid workers; etc.  
By contrast stands the development of the specifically capitalist **mode of**



- production** itself, which revolutionises the nature of the labour process as a whole: this development is denoted the *real* subsumption of labour under capital. Historically, then, formal subsumption predates real subsumption, i.e. the capitalist mode of production properly speaking, and is its premise. [1019-38] Given this historical sequence, there is a strong parallel between the concept of formal subsumption, and that of the **original accumulation** of capital.
- surplus labour** That part of the working day the worker spends producing the **value** additional to the value of the **labour-power** she has sold. [324-5]  
See also: **necessary labour**
- surplus product** The part of the **value** (in the form of **commodities**) produced by the worker additional to the value of her **labour-power**. [324-5]  
See also: **necessary product**
- surplus-value** The increment in **value** in the circuit of **capital**, i.e. that magnitude by which capital is valorised. [251] Surplus-value is the difference between the value of **labour-power** consumed in **production** and the new value it creates in a given period of time. [301-2]  
See also: **valorisation**
- technical composition of capital** The ratio of the mass of **means of production** employed, and the mass of **labour** necessary for its employment in **production**: here, the former is dealt with as **use-value**, and the latter as **concrete labour**. [762]  
See also: **organic composition of capital** and **value composition of capital**.
- unproductive labour** See **productive labour**.
- use-value** The term use-value can be used in two senses. First, as a property, to indicate that an article has use-value, and, second, to designate and so refer to an object according to that fact.  
In the first sense, the use-value of an article refers to the fact that it fulfils some kind of human need, desire or want. [125-6] This idea of usefulness is devoid of any moral content: it is irrelevant what the nature of the need, desire or want might be, or whence or how it arises.  
Although use-value arises from the intrinsic nature of things, it is not true that it is a function of this nature alone. Use-value only suggests itself in relation to human need: without the existence of human beings, neither could exist use-value. In addition, the useful properties of certain things only become useful within a certain configuration of level of social development.  
All **commodities** are by definition use-values, or have use-value: were a commodity intrinsically incapable of fulfilling a human need of some kind it could not be

exchanged, and, as intrinsically unexchangeable, it could not be a commodity. The reverse is not true, however, since not all use-values are commodities in that not all use-values are produced for **exchange**. [131]

Use-value is to be distinguished from the neoclassical concept of utility in the following senses. First, it is an objective, and not a subjective, property, a function of the objective properties of the article in question, not a result of a consumer's preferences. Second, and as a consequence, use-value is fundamentally a qualitative, and not a quantitative, property: use-value cannot be quantified in the abstract nor compared in the concrete. There can, therefore, be no such thing as cardinal use-value, or even ordinal use-value, and there is certainly no such thing as marginal use-value. [126]

See also: **wealth**

### **valorisation**

The process whereby **value** is increased in magnitude by **labour** in **production**. [255]

### **valorisation process**

The valorisation process is the **production process** seen from the point of view of the creation of **value** (rather than the creation of things). [293]

See also: **labour process**

### **value**

The value of a **commodity** is that quantity of **abstract labour**, i.e. **labour** measured in time, socially necessary for its production. Commodities are, considered as values, nothing more than 'congealed' or 'crystallised' labour, i.e. **objectified labour**. [129-30]

The labour 'socially necessary' for **production** is that given the prevailing lowest cost reproducible conditions of production available, and determines the **social value** of a commodity. The **individual value** of a commodity is the amount of abstract labour actually expended on the commodity's production. Labour which operates in conditions of production different from the prevailing lowest cost reproducible ones will create, in a given amount of time, a different amount of new value than labour operating under socially necessary conditions. [434-6; 530] Labour which operates under conditions of higher **labour productivity** than the social average, i.e. which creates more value than **average social labour**, Marx calls **potenzierte labour** (*potenzierte arbeit*), at times misleadingly translated as 'intensified labour', otherwise rendered as **labour of a higher degree**. [434: 530]

It is important to appreciate that value is measured in time, not by **productivity**: all else being equal, a given quantity of **abstract labour** will always produce the same quantity of value, independently of how much **use-value** it produces. The value of a commodity will thus vary proportionally with the quantity of **socially necessary labour**, but inversely to the productivity of labour, realised in its production. [130-1]

Value can only exist in use-values; if an object loses its use-value it ceases to be a commodity and it thus loses its value, independently of any other consideration. [131]

- value composition (of capital)**      The ratio of the value of **constant capital** (i.e. **means of production**) and **variable capital** (i.e. **labour-power**) deployed in **production**. [762]  
See also: **organic composition of capital** and **technical composition of capital**.
- value form**      See: **forms of value**.
- variable capital**      That part of **capital** which is transformed into **labour-power**, and which consequently undergoes a quantitative increase in its **value** in production, contrasted with **constant capital**, that part of productive capital which has the form of **means of production** (**raw materials** and **instruments of production**) and which undergoes no quantitative alteration of **value** in **production**. [317] The distinction between variable and constant capital is thus one within capital's **valorisation process**, rather than the **labour process**.
- wealth**      **Use-values**, i.e. materially useful things, considered quantitatively. [126] Wealth includes those use-values which emerge from **production** as well those that appear spontaneously in nature without the necessity of human intervention. [132-3] The greater the **productivity** of **labour**, the greater is the quantity of produced wealth. Wealth is thus to be distinguished from **value**, which is, rather than being a measure of productivity, measured in time.