

Marx's Labor Theory of Value and the Notion of Power in Economics

Hüseyin Özel

Department of Economics
Hacettepe University
06532 Beytepe - Ankara, TURKEY
e-mail: ozel@hacettepe.edu.tr

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Abstract

It is argued in the paper that Marx's Labor Theory of Value (LTV) is the only theoretical perspective in economics that is capable of establishing the important connection between the two aspects of the notion of "power"; namely, between the "agency" power as the basis of the human creative activity, or the *praxis*, and power as referring to the relations of domination among individuals. The starting point of the paper is Marx's understanding of human essence as the "species being", which is the basis of Marx's critique of capitalism that converts human creative activity, or the "objectification" of human essence, into "alienation", and of the fact that the affirmation of human freedom results in the loss of freedom in this system. Therefore, it is argued that Marx's LTV, being the only theory that can shed light on this process of subject-predicate inversion, can provide a real foundation for a comprehensive understanding of human behavior and the of the working of capitalist reality.

Keywords: Power, Agency, Labor Power, *Praxis*, Labor Theory of Value.

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Introduction

As is well known, the meaning and the importance of Marx's Labor Theory of Value (hereafter LTV), is one of the most controversial aspect of his work, not only from the perspective of economic analysis directed to analyze the determination of relative prices, but also from a broader perspective of Marx's general social theory. Nevertheless, this debate seems to focus on the first, or on the "technical" aspect of the LTV; one of the most frequent criticisms directed to the LTV seems that whether it is necessary or not in order to derive relative prices, to define the profit rate, etc. (e.g., Steedman 1975, 1991; Garegnani 1991).¹ However, even though it is obvious that this "technical" aspect of Marx's work cannot be independent of general issues prevailing at different levels, such as philosophical, anthropological and historical aspects of Marx's overall project, controversies surrounding these aspects, too voluminous to handle in a single work, seem to fail to emphasize the important link between the LTV perspective and this overall Marxian framework. In this regard, the point of emphasis should be the fact that the LTV in Marx, although lies at a different analytical level than the theory of prices, provides the "preanalytical vision," or the social theory adopted by Marx, which is quite essential to his overall project (Hunt 1977, 1979, 1983).

Therefore, the starting point of this paper is the importance of the LTV for defining Marx's "vision", especially with his emphasis on the analytical distinction between "labor", as referring to the conscious activity of human beings to realize their potentialities, or the notion of *Praxis*, and "labor power", as referring to the mental and physical energy, ability, and transformative capacity of individuals. And, it is the basic contention of this paper that this distinction between "labor process" and "labor power" is essential to understand the two aspects of the notion of "power" that are both prominent in the social scientific discourse, namely, "power" as the transformative capacity of human beings characterizing their "agency", and power as referring to the relations of control, subjugation, and domination. The argument of the paper is that the link between these two sides of "power" can only be established by Marx's LTV, for this perspective, especially in its emphasis on the twin notions of "alienation" and "fetishism", for this perspective shows how essential, creative powers (to be called in the paper as "power₁") of human beings become as "alien" powers controlling and dominating their lives (to be called "power₂"), which underlies social relations of domination. In order to show this, after distinguishing between

these two sides of the notion of power, and briefly exploring the implications of this with respect to social theory, Marx's understanding of these two concepts and their implications to both LTV and the social theory is examined.

1. Power, Agency, and Domination

1.1. The Neoclassical Understanding of "Power"

The "preanalytical vision"² that the Neoclassical economic theory adopts is usually characterized as implying a harmony among different groups and/or classes. That is to say, such an outlook based on the notion of methodological individualism and the "invisible hand" explanation cannot handle conflicts or struggles among human beings, a prevalent feature of social life. According to an eminent historian of economic thought, "the preanalytical vision of Neoclassical economics is so extremely individualistic that the only way in which human sociality appears at all is in the individual's need for other entities with whom to exchange" (Hunt 1983: 335). Social relations play no part in this model; and this model applies as much as to Cruseo as to socialized human beings which implies that "mankind is much the same at all times and places," Hume's dictum, thus revealing its ahistorical and a priori biases (Bhaskar 1989: 29). The interactions between human beings are only allowed in this vision in the form of exchange; since each party in the exchange process should only be concerned with the prospect of gain it can derive from exchange, and since only equivalents can be exchanged, there should be no reason for conflict or any kind of struggle to arise, and, if the economy is organized through market exchanges in all spheres of life, the end result will be a state of the "invisible hand" in which every party maximizes respective utilities and/or profits, and the resources are allocated in the most "efficient" way. As Marx puts succinctly,

The sphere of circulation or commodity exchange, within whose boundaries the sale and purchase of labour-power goes on, 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 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. Property,

because each disposes only of what is his own. And Bentham, because each looks only to his own advantage (Marx 1976: 280).

Such a perspective, naturally will exclude the notion of power as referring to domination or, in Marx's case, exploitation and class relations. In general, such an attitude is a hallmark of the liberal conception of power in which

power is taken to be a right, which one is able to possess like a commodity, and which one can in consequence transfer or alienate, either wholly or partially, through a legal act or through some act that establishes a right, such as takes place through cession or contract. Power is that concrete power which every individual holds, and whose partial or total cession enables political power or sovereignty to be established. This theoretical construction is essentially based on the idea that the constitution of political power obeys the model of a legal transaction involving a contractual type of exchange (hence the analogy that runs through all these theories between power and commodities, power and wealth). (Foucault 1980: 88)

Although power in this sense, as Foucault emphasizes, is a constitutive element for not only for the whole of social life, but also for the subject itself (Rabinow 1984: 12, 21), the reason for the Neoclassical economics to pay insufficient attention to this issue is of course can be explained by its unwanted implications for the existence of general equilibrium and welfare theory.

However, even more important than this is the fact that the vision of the Neoclassical economic theory fails to consider human beings as acting subjects, as having the power to "make a difference" in the world. In other words, the Neoclassical "agent" is no agent at all, for what all she must do is to engage in maximizing behavior.

Neoclassical Economics can be identified by three principles (Hollis 1994: 64). First, the *ontology* that this framework adopts is of particulars, existing independently of the theory, mostly taken as individual objects (including human beings). Second, the *methodology* aims at identifying regularities in the behavior of particulars. And finally, the *epistemology* is a simple version of empiricism stating that claims to knowledge can only be justified through experience. These three levels are dependent on one another such that both the methodology and epistemology are founded upon an implicit ontology of particulars. From an ontological point of view, In the general equilibrium framework, in order to obtain equilibrium, one must begin with individual preferences and proceed from utility functions to a multi-market

setting by aggregating individual demand and supply functions. In this regard, the relations between the properties of the parts (individuals) and the whole (market mechanism) are “*additive*” (Harré 1984: 164). Such an “empirical realist” conception (Özel 2000) is founded on Humean conception of lawlike statements as constant conjunctions between atomistic events. The empirical realist view fails to distinguish among the three ontologically distinct levels, namely, the domain of the “real,” referring to the generative mechanisms and structures behind the appearances; the domain of the “actual,” referring to the events that these mechanisms or structures generate; and the domain of the “empirical,” referring to experiences of these events. In other words, these three domains collapse into one. The reason for this is that empirical realism always assumes the existence of *closed* systems, referring to Humean theory of causal laws which assumes the existence of constant conjunctions of discrete, atomistic events (Bhaskar 1975: 12). Since causal laws are considered as empirical regularities, they are reduced to sequence of events, and the events to experiences (Bhaskar 1989: 15). Such a methodology, which is based upon an implicit ontology of constant conjunctions of discrete, atomistic events, implies a particular conception of human beings: they are to be seen as passive sensors of given facts and recorders of their constant conjunctions, rather than active agents in a complex world (Bhaskar 1975: 198). An extension of this view, especially with respect to social science, is methodological individualism.

The ontology presupposed by the Neoclassical framework rests on “the corpuscularian inheritance,” (Harré 1984: ch. 5), which presupposes the “classical paradigm of action” (Bhaskar 1975: 79). This paradigm adopts a *corpuscularian* or atomistic view of matter and a *mechanical* view of causality in which all causes are regarded as efficient and external to the thing in which change occurs. (Bhaskar 1975: 83). On this conception, causation is taken to external to matter, which is passive and open to the immediate effects; fundamental entities (whether corpuscles, events or sense data) are atoms; no complex internal structure, and no pre-formation or material continuity is assumed; there is no objective basis for transformation and variety in nature. These views defines a “limit condition” of a “closure,” that is, the constant conjunctions between atomistic events (Bhaskar 1975: 79). In this paradigm, atomicity is perceived as either a physical, identified by size, or an epistemological, identified by simplicity, entity; and these atoms are the basic building blocks of knowledge, implying methodological individualism for the social sciences (Bhaskar 1975: 82). Since it assumes the aforementioned “additive” relation,” if any, between

the atoms and the “totality, it cannot consider the multiplicity of causes or the “stratified” ontological status of reality and knowledge (Harré 1984: 183), for it cannot take account of the emergent properties of social structures, such as the market structure (Harré 1984: 164). That is to say, the market as a system, or the general equilibrium characterizing its working, appears as a “spontaneous order”, to use Hayek’s famous term, independent of individual behavior supposedly creating this order. That is to say, such an outlook rests on an invisible hand-type argument: the market system emerges as a result of “unintended consequences” of individual maximizing behavior, and this system, if it is left to its own devices, always creates socially desirable consequences (i.e., efficient allocation and freedom), no matter what the intentions of individuals are. However, such a functionalist outlook amounts to the fact that a specific individual is reduced to a single atom whose behavior does not make any difference for the working of the system. All that is expected from this individual is to act like an optimizing agent who does not have the power to transform or even to affect the working of the system. It seems that, even though invisible hand-type arguments seem to rest on individuals’ plans and intentions, functional claims such as the market is the best mechanism to create desirable consequences, as if it is designed specifically to fulfil this function, requires the behavior of the “representative individuals” who cannot be differentiated from each other in behavior. That is to say, the possibility for different individuals coming from different strata of the society to act differently to the same momentum, thus creating results that could be contradictory and socially undesirable is excluded from the theory. Like Hume’s famous billiard balls, their behavior is only that all they do is to transfer the force exerted upon them into the next link. Therefore, it seems, the lack of a satisfactory conception of agency and power as transformative capacity of human beings also causes to the failure of the Neoclassical vision to handle adequately power differentials, conflicts and struggles that could occur among individuals

What this brief discussion also shows that is the fact that the notion of “power” has a double side; on the one hand it refers to the creative and transformative capacities of individuals, or the power of “making a difference”, and, on the other, it refers to social relations of domination and control. For this reason, it is necessary to discuss these two sides of the power.

1.2. Agency vs. Domination or Power₁ vs. Power₂

The notion of power is generally conceptualized within the context of domination relations among individuals. The paradigm case of this conception is, of course, Michel Foucault's work. According to Foucault, power "needs to be considered as a productive network which runs through the whole social body, much more than a negative instance whose function is repression" (1980: 119). Power relations are an indispensable aspect of the social life, to the extent that both the social life and even knowledge and "truth" are constituted by the conscious use of power. In his monumental work *Discipline and Punish*, he shows that modern technologies of control is not concerned with law (and order) but normalization; it is directed to create certain results. Power is the most effective way of creating "docile bodies" who are transformed to become subordinated. In this regard, power is *productive*, creating certain institutions, codes of "normal" behavior, and subjects who would cooperate in their own subordination. However, the interesting thing in Foucault's position is that power is not wielded by a subject (Taylor 1985: 152). That is to say, power acts like the "transcendental subject" of the history, which seems to have its own agenda (Giddens 1982: 221; Philp 1985: 75). In other words, power in Foucault acts like "a strange kind of Schopenhauerian will, ungrounded in human action" (Taylor 1985: 172).

Such a conception of "power without a subject" (Taylor 1985: 167), coupled with the idea of "power without freedom or truth" (Taylor 1985: 174) suggests that there is no theory linking human action and agency, as Charles Taylor observes: Foucault's historiography, according to Taylor, can best be characterized as "strategies without projects", that is, "besides the strategies of individuals, which *are* their projects, there is a strategy of the context" (1985: 169), in the sense that power, independent of the intentions or projects of individuals creates a certain context, which is essential in understanding power. Yet, this creates a problem: attribution of a "purposefulness without purpose to history, or at least a logic to events without design" (Taylor 1985: 170). That is, power acts "behind the backs" of individuals; no matter what their intentions are, power alone shapes the social life. However, this is not to be taken as another version of invisible hand-type of argument. On the contrary, it is the lack of such a theory connecting individual action to the constitution of social relations that creates the basic problem for Foucault's understanding of power. Again,

for Taylor, “purposefulness without purpose requires a certain kind of explanation to be intelligible. The undesigned systematicity has to be related to the purposeful action of agents in a way that we can understand” (1985: 171). In regard of the individual action and their unintended consequences, there may emerge at least three possible situations: a) in people’s action, motivation and goals are unacknowledged and perhaps unacknowledgeable; b) individual action creates unintended but systematic consequences, such as invisible hand theories or the social relations characterized by Marx; and c) unintended consequences theories that is concerned with the results of collective action, like a political party, not just a combination of individual actions. In Foucault, no such theory exists:

Power can only be understood within a context; and this is the obverse of the point that the contexts can only in turn be understood in relation to the kind of power which constitutes them (Foucault’s thesis).

But all this does not mean that there is no such thing as explaining the rise and fall of these contexts in history. ... *Of course*, you don’t explain it by some big bad man/class *designing* it (who ever suggested anything so absurd?), but you do need to explain it nevertheless, that is relate this systematicity to the purposeful human action in which it arose and which it has come to shape. (Taylor 1985: 173)

Taylor’s point is that we need a theory linking intentional human action and the systematic consequences of these actions. However, since action presupposes agency, and therefore an acting subject, in order to understand these intended or unintended effects of individual action, one should start from these notions. In this regard, Roy Bhaskar’s “Transformational Model of Society” (Bhaskar 1989, 1993, 1994), and Anthony Giddens’s “Structuration Theory” (Giddens 1981, 1982, 1984) seems promising, for the focal point of these approaches seems the notions of agency and action, and the relation between individual action and social relations, institutions or structures, for the reproduction of these requires the action of a human subject endowed with the power of agency.

On this conception, there is a close connection between power and agency (Giddens 1984: 14-16). Power refer to the notion of “agency” in the sense of “anything which is capable of bringing about a change in something (including itself)” (Bhaskar 1975: 109). That is, the notion of agency implies that in order for something to be an “agent” it must have some “causal power” in the sense that “it has

the potency to produce an effect in virtue of its nature, in the absence of constraint and when properly stimulated” (Harré and Madden 1975: 16). A power in this sense, therefore, refers to the “capability of a thing to do (or to suffer from) something in virtue of its nature” (Bhaskar 1975: 175).

The “human” agency, on the other hand, is defined by human intentional action, which consists in causal intervention in the world and the reflexive monitoring of that intervention. In this sense, action refers to the things that we do, not to the things that happen to us (Bhaskar 1989: 81-82). Therefore, human action presupposes intentionality, as referring to the purposeful activity of human beings, in which reflexivity plays an essential role. Human action or *praxis* consists in causal intervention in the natural world and the reflexive monitoring of that intervention, that is, the capability of monitoring and controlling their performances. This capacity of monitoring also applies to monitoring activity itself; man has a “second-order monitoring” capability which makes a retrospective commentary about actions possible (Bhaskar 1989: 35). The notion of intentionality, in turn, requires a conception of the notion of freedom, for the human action presupposes freedom to act, or “could have done/act otherwise” feature of human capacity (Giddens 1981: 53). Still, freedom cannot be restricted to this feature alone; one can identify different aspects of it, such as, 1) do/act otherwise; 2) formal legal freedom, 3) “Negative” freedom, that is, to be free from constraints, 4) positive freedom, that is, to do, or to become something (which requires negative freedom as well); 5) Emancipation from specific constraints; 6) autonomy qua self-determination; and finally, 7) “wellbeing”, in the sense of human flourishing (Bhaskar 1993: 283-83; 1994: 145). These notions of freedom, “emancipation”, and “wellbeing” also suggests that human beings have the power to transform the circumstances in which they act, so as to liberate themselves.³

This brings us to another important aspect of the notion of agency, namely the “dialectic of control” that refers to the “two-way character of the distributive aspect of power (power as control); how the less powerfull manage resources in such a way as to exert control over the more powerful in established power relationship” (Giddens 1984: 374). This conception suggests that human beings are not just “docile bodies” which accepts and participates in the process of subordination by the more powerful. On the contrary, in the effort to protect their freedom, not only they resist, but even more importantly they exert their own powers to affect or even to transform this power relationship itself such that both the control of resources and the overall

distribution of power may change. In that sense, “an agent who does not participate in the dialectic of control *ipso facto* ceases to *be* an agent” (Giddens 1982: 199). However, such an understanding of domination relations as a two-way process (such that the weak is also able to affect the actions of the strong) requires a discussion of the connection between individual agency and the reproduction and/or transformation of these circumstances, structures, and social relations, for the reproduction of these structures is a contradictory process.

The basic aim of Bhaskar’s “Transformational Model of Society” (TMSA) (Bhaskar 1989: 31-37) is to explain this connection between individual agency and the social structures. In this model, individual and society refer to radically different kinds of things: Although society cannot exist without human activity and such activity cannot occur unless the agents engaging in it has a conception of what they are doing (an hermeneutical insight), it is not true to assert that man *creates* it. Rather, people *reproduce* or *transform* it. Since society is *already made*, any concrete human activity or praxis can only modify it. In other words, society is not the product of their activity but it is an entity never made by individuals though it can exist only in their activity (Bhaskar 1989: 33).

Intentional human activity can be made only in given objects, that is, it always expresses and utilizes some previously existing social forms. In other words, society and human praxis both have a dual character: society is both the material *cause* and the continually reproduced *outcome* of human agency (*duality of structure*); and praxis is both conscious *production*, and normally unconscious *reproduction* of the conditions of production (*duality of praxis*) (Bhaskar 1989: 34-35; also Giddens 1984: 25). This “transformational model” asserts that people do not create society for it already exists and is a necessary condition for human activity. Society must be regarded as an ensemble of structures, practices, and positions which individuals reproduce and transform. But these structures cannot exist independently of their actions. The process of establishing necessary conditions for the reproduction and/or transformation is called by Bhaskar as *socialization*. This process refers to the fact that, though society is only present in human action, human action is always made in the context of social forms. However, neither can be reduced to or explained in terms of the other (Bhaskar 1989: 37). On the other hand, this transformational model, by allowing human agency, regards necessity in social life as operating via human intentional activity in the last instance (Bhaskar 1989: 36). Once again, in the transformational model of society, pre-existence

of social structures is a necessary condition for any intentional activity, and their reality is provided by their causal power. Here, intentionality presupposes causal efficacy of reasons. Then, human is distinguished from the rest of natural world in the respect of intentionality, for intentionality is defined with reference to the existence of real reasons which constitute the rationale of an action and explain it (Bhaskar 1989: 96).⁴

As can be seen from this discussion, according to the TMSA, social structures both enable and constrain individual behavior. With respect to the problem of the contact between structures and human agency, the fact that social structures are continually reproduced and exercised only in human agency requires a mediating system linking action to structure, which must endure and be occupied by individuals. This system is that of the *positions* (places, functions, rules, tasks, etc.) occupied (filled, implemented, established etc.) by individuals, and of the *practices* (activities etc.) in which they engage (Bhaskar 1989: 40-41). And this “position-practice” (or positioned practice) system can be constructed rationally for only relations between positions. The positioned practice system within the society allows for intentional human action, yet it also constrains this behavior. That is to say, social structures, relations, institutions, etc. both presuppose power₁, in the sense of “the transformative capacity intrinsic to the concept of agency as such” and sustain or reproduce power₂ in the sense of control, domination and subjugation underlying “generalized master-slave-type relations” (Bhaskar 1993: 153-54). However, these relations may take different forms depending on the respective powers of each party; apart from the possibility of complete subordination (by sheer force) or resistance (again by force) on the part of the weak, both the situation in which the slave comes to see herself through the eyes of the master (by means of the functioning of “ideology”), and situations in which the slave could affect the behavior of the master, are possible. That is, the dialectic of control is always at work for both forms of power, i.e., power as domination and power as transformative capacity, exert their influences in this process, which makes the reproduction of social structures as a contradictory process. Furthermore, it is even possible to argue that the existence of power₁ which makes power₂ possible; that is, power₂ relations as the violation of essential human powers, is nothing but the power₁ “inverted”, or “standing on its head”, a metaphor used by Marx. In other words, generalized master-slave-type social relations manifest the violation of the very powers of agency or, to mean the same thing, of human freedom. Such a claim, of course, requires a discussion of the dual notions of

“alienation” and “fetishism” for the inversion of power₁ into power₂ can only be explained by this process.

2. Violation of Essential Powers of Human Beings: Marx’s LTV

2.1. The “Species-Being” and Historical Materialism

According to Foucault (1980: 88-89), just like the Liberal conception, the general Marxist conception of power too is based upon economic functionality that “is present to the extent that power is conceived primarily in terms of the role it plays in the maintenance simultaneously of the relations of production and of a class domination which the development and specific forms of the forces of production have rendered possible. On this view, then, the historical *raison d’être* of political power is to be found in the economy”. That is to say, this conception suffers from economic determinism. In fact, this is a very common strategy to criticize Marx. A recent, “contemporary” critique of Marx by Giddens (1981), for example, uses exactly the same strategy, albeit with a different terminology. For Giddens, in his historical materialism, Marx emphasizes the importance of “allocative resources” (broadly speaking material resources of production, actually a category of Neoclassical economics) but he omits the “authoritative resources” (“non-material resources” concerning power relations and capacities of human beings). According to Giddens, in “class societies,” i.e., capitalism and “socialism,” allocative resources are dominant whereas in class-divided and tribal societies (“precapitalist” societies) authoritative resources are more important. Despite the terminology, this critique does not seem to be as “contemporary” as it is claimed at least in this respect: Marx is generalizing the categories of the market societies to nonmarket societies; in this respect there is no difference between Marx and, say, Neoclassical economics. Yet, Giddens also criticizes Foucault’s notion of power in that not enough importance is given to the link between the expansion of disciplinary power and the rise of industrial capitalism in his work (1982: 221-22). The problem here seems to be a failure, on the part of Foucault and, one can add, Giddens, to distinguish between historically specific and general aspect of the human existence. That is to say, they fail to distinguish between the notion of *praxis*, which refers to free, universal, and self-creative activity through which human beings create (or transform) their world and themselves, and the specific forms it takes under different social organizations (or modes of production). This failure

in turn could be explained by their failure to distinguish between “human nature in general” and “human nature as historically modified in each epoch” (Marx 1976: 759n), a distinction Marx draws when he is criticizing Bentham’s understanding of the concept. Yet, although this distinction between the general, or universal, aspect of the human condition and its historically particular form is of crucial importance, this should not be taken to mean that human nature is something that continuously changes throughout the history, depending on the social relations or institutions. On the contrary, since the “essential human nature” is what makes human beings human beings, it should remain constant. In other words, following Eric Fromm, we can say that man’s potential is given, according to Marx. Nevertheless, man develops, transforms himself. That is, he makes his own history, a process which characterizes man’s self-realization; in short, “he is his own product” (Fromm 1961: 26). However, this does not imply that the essence of man always coincides with his “existence.” Marx, like Aristotle, considers the essence of man as referring to “the inherent development potential of every human being when that development proceeded in the natural or proper way” (Hunt 1986: 97). If the conditions within which a being actually exists do not permit that being to realize its own potential, then the existence of that being contradicts the essence of it, although the essence is still a part of the being (Hunt 1986: 97). In terms of human beings, then, although the essence of man remains unmodified in the face of changing forms of the social relations within which they live, it is quite possible that the essence of man is contradicted by his existence. This is the key to understand Marx’s notion of alienation.

According to Marx, the condition that characterizes the essence of a human being is that a human being is a unity of the particular, or more accurately individual, and the general, or social. In other words, using Marx’s *1844 Manuscripts*’ language, man is a *species-being*:

Man is a species-being, not only because he practically and theoretically makes the species—both his own and those of other things—his object, but also—and this is simply another way of saying the same thing—because he looks upon himself as the present, living species, because he looks upon himself as a *universal* and therefore free being (Marx 1975: 327).

A person is a species-being in two senses, though these two senses are in effect identical: a person is a species-being, first, “because of the nature of human perceptual and conceptual faculties and human life-activity,” and, second, “because of

the social nature of human activity” (Hunt 1986: 97,98). That is, a person is a unity of individuality and sociality, or more appropriately, the individual is the social being; even his very existence is social activity:

It is above all necessary to avoid once more establishing “society” as an abstraction over against the individual. The individual *is* the *social being*. His vital expression—even when it does not appear in the direct form of a *communal* expression, conceived in association with other men—is therefore an expression and confirmation of *social life*. Man’s individual and species-life are not two *distinct things*, however much—and this is necessarily so—the mode of existence of individual life is a more *particular* or a more *general* mode of the species-life, or species-life a more particular or more *general* individual life (Marx 1975: 350).

Therefore, it is the species character of human beings that differentiates them from mere natural beings:

But man is not only a natural being; he is a *human* natural being: i.e. he is a being for himself and hence a *species-being*, as which he must confirm and realize himself both in his being and in his knowing. Consequently, *human* objects are not natural objects as they immediately present themselves, nor is *human sense*, in its immediate and objective existence, *human* sensibility and human objectivity. Neither objective nor subjective nature is immediately present in a form adequate to the *human* being. And as everything natural must *come into being*, so man also has his process of origin in *history*. But for him history is a conscious process, and hence one which consciously supersedes itself. History is the natural history of man (Marx 1975: 391).

Then, human life activity, whose description is the history itself, is an interaction with nature in a social setting: man’s own activity is a social activity which is mediated through his labor, and in this activity, or in his *praxis*, he transforms both nature, his “inorganic body” (Marx 1975: 328), and himself. In other words, this activity is to be seen as “either a society-mediated interchange with nature or a nature-mediated interchange with other humans” (Hunt 1986: 99). This conception of *praxis*, or the free purposeful activity of man to transform nature and himself, is essential in Marx’s thinking, for only through this activity can man “*objectify*” his essence:

It is therefore in his fashioning of the objective that man really proves himself to be a *species-being*. Such production is his active species-life. Through it nature appears as *his* work and his reality. The object of labour is therefore the *objectification of the species-life of man*: for man reproduces himself not only intellectually, in his consciousness,

but actively and actually, and he can therefore contemplate himself in a world he himself has created (Marx 1975: 329).

Therefore, the notion of *praxis* must be understood as referring to free, universal, and self-creative activity through which man creates (transforms) his world and himself. In other words, although human intentionality is a necessary condition for praxis, man can be regarded as a being of praxis; he can only exist in *praxis* (Petrovic, 1991: 451). According to Joseph Margolis, “thinking” and “acting” are not segregated facultatively: “human action is interested and purposive, and thinking is the reflexive element of distinctly human action” (Margolis 1989: 368-69). We can think of *praxis* as referring to “consciousness,” not only in the sense of a state of mind, but also in the sense of an *act*; or to put it other way, *praxis* is a theory for *thinking*. For Margolis,

Marx’s notion of *praxis* precludes both the reduction of persons to mere material things (physicalism) and the elimination of the human altogether (structuralism, post-structuralism, anti-humanism). It does of course emphasize unwaveringly the irreducibly social nature of human existence (which, in effect, is its Aristotelian and Hegelian theme); but it neither collapses the individual into the social as a mere node of productive or market process nor does it construe the social or societal as an abstraction of some sort from the prior aggregated activity of distinct sets of individual persons. (1989: 369)

This conception of the “production of life” (Marx and Engels 1970: 50), to be conceived as both a natural and social relation “in such a way that the restricted relation of men to nature determines their restricted relation to one another, and their restricted relation to one another determines their restricted relation to nature” (Marx and Engels 1970: 51), demonstrates the importance of the category of *labor* in Marx. This category is so important that it is even possible to argue that Marx’s project is actually a “philosophical reconstruction” of the concept of labor, a meaningful process through which the species being both objectifies and recognizes itself in its own product (Ricour 1986: 34). What Marx writes about labor in *Capital* is as follows:

Labour is, first of all, a process between man and nature, a process by which man, through his own actions, mediates, regulates and controls the metabolism between himself and nature.... [In this process] he acts upon external nature and changes it, and in this way he simultaneously changes his own nature. He develops the potentialities slumbering within nature, and subjects the play of its forces to his own sovereign

power.... [W]hat distinguishes the worst architect from the best of bees is that the architect builds the cell in his mind before he constructs it in wax. At the end of every labour process, a result emerges which already been conceived by the worker at the beginning, hence already existed ideally. Man not only affects a change of form in the materials of nature; he also realizes his own purpose in those materials. And this is a purpose he is conscious of, it determines the mode of his activity with the rigidity of a law, and he must subordinate his will to it. This subordination is no mere momentary act. Apart from the exertion of the working organs, a purposeful will is required for the entire duration of the work (Marx 1976: 283-84).

Therefore, three aspects of the human condition need to be emphasized in Marx: First, human beings are social beings, who appropriate nature in a social setting. Second, the terms “labor” and “production” refer to a general activity; what we have here is “production of life” rather than merely material goods production. Above all, this activity, or the “labor process” is a general condition: “It is the universal condition characterizing the metabolic interaction between man and nature, the everlasting nature-imposed condition of human existence” (Marx 1976: 290); therefore it is independent of all specific forms of human existence. Labor is common to all forms of society because it is the process through which human beings realize their own essence; it actually characterizes what is human. If “labor” is a process within which labor power is used and “labor power” is to be defined as “the aggregate of those mental and physical capabilities existing in the physical form, the living personality, of a human being” (Marx 1976: 270), in short if these are the conditions that characterize human agency, then it is no wonder that labor should be understood as the “objectification” of human essence. Here, the term “labor”, as referring to the creative activity of human beings, rests on essential powers of human beings, namely, on the labor power, and the development of human energy becomes “an end-in-itself” which also includes the possibility of creating conditions in which labor becomes “life’s prime want” (Bhaskar 1993: 295). In other words, what the terms “labor” and “labor power” represent is not the “economic” activity, to be conceived as the productive activity for provisioning of material needs, but the whole process within which human beings “create” and “transform” themselves. That is, contrary to the distinction, drawn by Giddens among others, between “social labor” as “socially organized productive activities whereby human beings interact creatively with nature”, and *praxis* as “constitution of social life as regularized practices,

produced and reproduced by social actors in the contingent contexts of social life” (Giddens 1982:110), the two refer to the one and the same thing: the “labor process” through which human beings, in a social environment, interacts with nature in order to “produce” themselves.⁵

Such an argument, of course, is not consistent with the allegation that Marx adopts an “economistic” position. However, since such a position is concerned with the “historical materialism” of Marx, a word or two might be necessary to explore this connection as well. Marx’s account of “historical materialism” (Preface to Marx 1970) emphasizes the importance of economic factors. In another passage, he argues that “the writers of history have so far paid very little attention to the development of material production, which is the basis of all social life, and therefore of all real history” (Marx 1976: 286n). Along the same lines, in *Capital*, volume III, he explains the social production process in general as follows. This process

is both a production process of the material conditions of existence for human life, and a process, proceeding in specific economic and historical relations of production, that produces and reproduces these relations of production themselves, and with them the bearers of this process, their material conditions of existence, and their mutual relationships, i.e. the specific economic form of their society. For the totality of these relationships which the bearers of this production towards nature and one another, the relationships in which they produce, is precisely society, viewed according to its economic structure. Like all its forerunners, the capitalist production process proceeds under specific material conditions, which are however also the bearers of specific social relations which the individuals enter into in the process of reproducing their life. Those conditions, like these social relations, are on the one hand the presuppositions of the capitalist production process, on the other its results and creations; they are both produced by it and reproduced by it (Marx 1981: 957).

However, what Marx is emphasizing here is the importance of the social production process as a whole, not its specific constituents. That is, historical materialism is concerned with the general aspects of human life activity, with the “labor process” within which human beings realize their potentialities and express their essence. That is, the terms “base” and “superstructure” should be taken as a metaphor instead of as the outline of a causal account to explain the whole of history, for what we have here is the inseparability of the “material” and the “ideal.” In other words, Marx’s historical materialism should be seen within the broader context of his conception of *praxis* which is outlined above. In this regard, it is possible to argue that

the base-superstructure metaphor is a crude first approximation to the human life activity as embracing the material and mental, emotional and aesthetic aspects of human existence (Hunt 1979a: 291-92). Second, with respect to the role played by the actions of individuals in human societies, an important point to be stressed is that Marx's historical materialism is actually a "fusion" between (material) causality and teleology; that is, teleology in the sense of purposive human action is encompassed in the causal framework (Colletti 1973: 212): Although every human being is a free creator of himself and of his world in a social setting, at the same time he is partly unfree, passive, inert effect of his environment. For this reason, human activity "must be understood in terms of both material causation and conscious, purposive (or teleological) causation," not in the sense of the "inevitable unfolding of history" but in the sense of "the purposive action of a particular person" (Hunt 1979b: 115). Therefore, we should regard human activity as "both causality and finalism, material causality and ideal causality; it is ... man's action and effect on nature and at the same time nature's action and effect on man" (Colletti 1973: 228), thus, once again, the inseparability of the material and the ideal. Along similar lines, both Charles Taylor (1975: 547-58; 1979: 50-51, 141-52) and Isaiah Berlin (1963: ch. 4) argue that Marx's whole enterprise can be seen as an attempt to synthesize between two contradictory positions. The first of these positions is the radical Enlightenment thought, which defends the view that for every question there is only one true answer and that, guided by his knowledge of the "laws of nature," man comes to shape nature and society to his purposes in accordance with those laws. The second position, on the other hand, is what Taylor and Berlin call the "expressivist" tradition, which sees human activity and human life as man's self-expression, within which human freedom is given a primary role as the authentic form of this expression.⁶ Therefore, according to Marx, although man's purposeful behavior to realize his own potentialities comes to influence the society in accordance with his purposes, he nevertheless is subjected to the laws which limit his volition. Thus, Marx's assertion that "men make their own history, but they do not make it just as they please; they do not make it under circumstances chosen by themselves, but under circumstances directly encountered, given and transmitted from the past" (Marx 1963: 15) can be understood in this connection.

Although human history is being continuously made by intentional actions of individuals, unintended effects of these actions is the reproduction of social structures,

independent of individuals' purposes. In this conception, human purposive activity always presuppose preexisting social relations for it is the existence of these relations which makes the coordination and integration of individual acts possible and thereby makes the process a social one. Yet, these very social relations, which are prerequisites of individual action, are themselves the end result of the collective activities of the individuals involved in the process. Therefore, social relations, which both enable and constrain individual intentional actions, are continuously created and recreated by individual actions (Hunt 1979a: 285).

Third, regarding the claim that Marx's historical materialism is a general evolutionary account to explain the entire human history, we should once again emphasize the distinction between the general and the specific. In other words, this account gives us a method of integrating man's historical activities, or a "skeleton" of history: the categories of historical materialism should be used as questions, or queries to understand the recognizable pattern in history; but beyond this, they should not be taken as "canons" or strict "laws" which explain everything, irrespective of the specific aspects (Krieger 1962: 375). That is to say, historical materialism should not be considered as a general evolutionary account. Therefore, the claim that Marx had a "stage" or evolutionary theory for historical change, which asserts that this form of evolution necessarily follows the same pattern everywhere and at all times, a "superhistorical" assertion according to Marx, derives from the failure to distinguish between the historically specific and the general aspects of human existence. Although the labor process as a conscious, purposive activity is an essential feature of human life, independent of any peculiar historical conditions, the specific forms of organization of this activity do not remain the same throughout history. On the contrary, it is the peculiarity of these forms of organizations, or "modes of production," which gives a particular society its historically specific characteristic. Thus, it is essential to distinguish between the general and particular aspects of history, for, as Marx claims in the introduction to *Grundrisse*, "some determinations belong to all epochs, others only to a few" (Marx 1973: 85). Then, in order to understand the importance of historically specific determinations, we need to consider these aspects.

2.2. Alienation, Fetishism, and Labor Power

Foucault (1970: 257-59), with respect to Marx's (and Ricardo's) LTV, argues that this theory rests on the idea of the "finitude of man": For him, "*Homo Oeconomicus* is not the human being who represents his own needs to himself, and the objects capable of satisfying them; he is the human being who spends, wears out, and wastes his life in evading the imminence of death. He is a finite being" (1970: 257). And since man is trapped in an "uninterrupted history of scarcity",

History exists (that is, labour, production, accumulation, and growth of real costs) only in so far as man as a natural being is finite: a finitude that is prolonged far beyond the original limits of the species and its immediate bodily needs, but that never ceases to accompany, at least in secret, the whole development of civilizations. The more man makes himself at home in the heart of the world, the further he advances in his possession of nature, the more strongly also does he feel the pressure of his finitude, and the closer he comes to his own death. (Foucault 1970: 259)⁷

That is to say, Marx's LTV is purely a naturalist conception which defines value only in relation to nature. Along the same lines, Hannah Arendt, asserts that "production of life" in Marx should be taken literally; in other words, labor as the "metabolism" between man and nature is *not* a metaphor (1959: 86). That is to say, the category of labor refers to the biological activity of human beings. Arendt's argument here rests upon her distinction among "*labor*," as the biological attributes of the human body, "*work*," as the activity which occurs in the world of artificial things as distinct from natural surrounding, and "*action*," which is the activity occurring between men without the intermediary of things or nature, the three activities that constitute the "human condition." Although it is true that Marx does not distinguish between these three activities, the concept of labor does not refer merely to the biological activity; it includes all the three: in Marx labor is what characterizes the "human condition." From the above discussion, we can see that Marx's idea of *praxis* as referring to conscious activity of human beings to realize their potentialities, to flourish in a social setting clearly demonstrates the fact that "Man," the agent of Marxist narratives, is not the equivalent of *Homo Sapiens*, though that agent is biologically enabled to emerge (uniquely) by the species-wide uniformities of *Homo Sapiens*" (Margolis 1989: 385). In this regard, it is interesting to note that Foucault's criticism of Marx is actually Marx's own criticisms of the most prominent political economists :

Smith and Ricardo still stand with both feet on the shoulders of the eighteenth century prophets, in whose imaginations this eighteenth century individual—the product on the one side of the dissolution of the feudal forms of society, on the other side of the new forces of production developed since the sixteenth century—appears as an ideal, whose existence they project into the past. Not as a historic result but as history's point of departure. As the Natural Individual appropriate to their notion of human nature, not arising historically, but posited by nature. This illusion has been common to each new epoch to this day (Marx 1973: 83).

Again, for these economists, he says, “The aim is ... to present production ... as distinct from distribution etc., as encased in eternal natural laws independent of history, at which opportunity *bourgeois* relations are then quietly smuggled in as the inviolable natural laws on which society in the abstract is founded” (Marx 1973: 87). This is an error according to Marx, for in *Capital*, he argues:

One thing ... is clear: nature does not produce on the one hand owners of money or commodities, and on the other hand men possessing nothing but their own labour-power. This relation has no basis in natural history, nor does it have a social basis common to all periods of human history. It is clearly the result of a past historical development, the product of many economic revolutions, of the extinction of a whole series of older formations of social production (Marx 1976: 273).

It should be emphasized that for Marx, capitalism was of primary importance in his analyses. That is to say, as Hunt (1984: 7) argues, “Marx's study of history was a study of the historical prerequisites of capital”. In order to provide an adequate comprehension of contemporary capitalism, argues Hunt (1984: 1), Marx first formulates an abstract, structural definition of capitalism as a historically specific system and then uses this definition to ascertain the chronological facts which are significant for his conception of capitalism. That is, the criticisms that Marx does not prove the necessity of the transition from feudalism to capitalism, or from capitalism to socialism for that matter, and that his examples are chosen merely to illustrate his theory, are no criticisms of Marx at all (Hunt 1984: 7). For Marx's intention was not to show the “*marche générale*” of history; on the contrary, his analysis is directed to understand the peculiarity of capitalism as a historically specific mode of production. Therefore, Marx's comment below, from *Capital*, volume III, must be interpreted this way:

The scientific analysis of the capitalist mode of production proves ... that this is a mode of production of a particular kind and a specific

historical determinacy; that like any other particular mode of production it assumes a given level of social productive forces and of their forms of development as its historical precondition, a condition that is itself the historical result and product of a previous process and from which the new mode of production proceeds as its given foundation; that the relations of production corresponding to this specific and historically determined mode of production—relations into which men enter in their social life process, in the production of their social life—have a specific, historical and transitory character; and that finally the relations of distribution are essentially identical with these relations of production, the reverse side of the same coin, so that the two things share the same historically transitory character (Marx 1981: 1018).

Then, historical materialism at the most abstract level develops the framework conceptualized as the association between the social relations and relations with nature, thus forming the most general and abstract categories of human existence. Yet, such a framework, though necessary, is not by itself sufficient to understand private property and commodity production, and, more importantly, the capital-wage relation as the *differentia specifica* of capitalism (Hunt 1984: 5). Since for both Marx and Polanyi the primary issue is to demonstrate the dehumanizing effects of capitalism, it is necessary now to examine these historically specific forms. Such an analysis, in turn, requires an understanding of Marx's notion of "alienation" because it is the existence of alienation as a specific social relation which is both the manifestation and the cause of the fact that human "totality" is broken in capitalist mode of production.

As a matter of fact, according to John Macmurray (1935: 216-17), Marx's quest is to find an answer to Rousseau's problem in the opening chapter of the *Social Contract*: "'Man is born free, but everywhere he is in chains.'" Marx asserts the same antithesis. But whereas Rousseau goes on to say, 'How this come about, I cannot tell,' Marx demands an account of how it came about." That is, says Macmurray, the crucial question for Marx can be framed as follows: "How does it come about that man, who is in the essence of his nature free and self-determined, becomes in the process of his history unfree and determined by the material forces of his environment?" According to Macmurray, the economic interpretation of history is Marx's answer to this question. This interpretation shows how man is stripped from his essential powers and comes to lose his freedom, by trapping into the social relations of capitalism; that is, how he comes to be estranged

Although the object that labor produces should be considered as the “objectification” of labor, under specific social relations this process also becomes a form of alienation. In the *1844 Manuscripts*, when he talks about political economy as the manifestation of the “present-day economic fact,” Marx’s description of alienation is as follows:

This fact simply means that the object of that labour produces, its product, stands opposed to it as *something alien*, as a *power independent* of the producer. The product of labour is labor embodied and made material in an object, it is the *objectification* of labour. The realization of labour is its objectification. In the sphere of political economy this realization of labour appears as a *loss of reality* for the worker, objectification as *loss of and bondage to the object*, and appropriation as *estrangement*, as *alienation* (Marx 1975: 324).

Marx sees alienation from four “vantage points” (Hunt 1979a, 304): (1) the relation of man to the product he produces, (2) the relation of man to his own productive activity, (3) the relation of a man to his own “species-being,” and (4) the relation of man to other men. Seen from the first vantage point, the relation between man and his product, according to Marx, is similar to the relation between man and God: “The more man puts into God, the less he retains within himself. The worker places his life in the object; but now it no longer belongs to him, but to the object.” Therefore,

externalization of the worker in his product means not only that his labour becomes an object, an *external* existence, but that it exists *outside him*, independently of him and alien to him, and begins to confront him as an autonomous power; that the life which he has bestowed on the object confronts him as hostile and alien (Marx 1975: 324).

Second, this means nothing but alienation of man from the very activity that characterizes production, for the product is simply the “résumé” of the production activity. Thus, “if the product of labor is alienation, production must itself be active alienation, the alienation of activity, the activity of alienation” (Marx 1975: 326). Third, alienated labor also estranges nature from man and at the same time man from himself; that is to say, it characterizes the estrangement of the “species-life” itself. Since man has to maintain “a continuing dialogue” with nature in order to live, man’s physical and mental life is linked to nature itself and hence man is a part of nature, or nature is his “inorganic body” (Marx 1975: 328). However, with estrangement, man’s

species-life becomes a means for his individual life. That is to say, estranged labor firstly “estranges species-life and individual life, and secondly it turns the latter, in its abstract form, into the purpose of the former, also in its abstract and estranged form” (Marx 1975: 328). In other words, estranged labor reverses the relation between man’s being and his free activity:

Conscious life activity directly distinguishes man from animal life activity. Only because of that he is a species-being. Or rather, he is a conscious being, i.e. his own life is an object for him, only because he is a species-being. Estranged labor reverses the relationship so that man, just because he is a conscious being, makes his life activity, his *being* [*Wesen*], a mere means for his existence (Marx 1975: 328).

The reduction of man’s spontaneous and free activity, his species-life, into a means for his bare individual physical existence therefore means that man’s species-being, his nature and intellectual powers, become alien to him; estranged labor therefore alienates man both “from his own body, from nature as it exists outside him” and “from his spiritual essence [*Wesen*], his *human* essence” (Marx 1975: 329), hence, dehumanization.

Seen from the fourth vantage point, however, this means nothing but the separation of man from his fellow men:

An immediate consequence of man’s estrangement from the product of his labour, his life activity, his species-being, is the *estrangement of man from man*. When man confronts himself, he also confronts *other* man. What is true of man’s relationship to his labour, to the product of his labour and to himself, is also true of his relationship to other men, and to the labour and the object of the labour of other men.

In general, the proposition that man is estranged from his species-being means that each man is estranged from the others and that all are estranged from man’s essence.

Man’s estrangement, like all relationships of man to himself, is realized and expressed only in man’s relationship to other men (Marx 1975: 329-30).

In short, the process of alienation, seen from all four vantage points, characterizes a ‘dehumanization’ process within which an individual loses all the qualities that make him a human being. In order to understand the importance of this dehumanization process, we should examine the conditions within which this process is “completed.” That is to say, it is necessary to consider Marx’s twin notions of “fetishism” and “reification.”

According to Marx, alienation is associated with private property; in effect, private property is the necessary consequence of alienated labor. He argues that “although private property appears as the basis and cause of alienated labour, it is in fact its consequence, just as the gods were *originally* not the cause but the effect of the confusion in men’s minds. Later, however, this relationship becomes reciprocal” (Marx 1975: 332). Then, the question of how does man come to be alienated from his labor should be transformed to the question of the origin of private property (Marx 1975: 333). However, instead of tracing back to the origins of private property, it suffices for our purposes to indicate that private property represents the disintegration of the totality of human essence: instead of our “total” essence, we have a “one-sided essence” with private property (Ricour 1986: 62-63). According to Marx, although “man appropriates his integral essence in an integral way, as a total man” (1975: 351),

private property made us so stupid and one-sided that an object is only *ours* when we have it, when it exists for us as capital or when we directly possess, eat, drink, wear, inhabit it, etc., in short, when we *use* it. Although private property conceives all these immediate realizations of possession only as *means of life*; and the life they serve is the *life of private property*, labour and capitalization (1973: 351-52).

Nevertheless, in order to avoid a confusion we should emphasize the fact that although private property is not to be equated with capitalism, alienation as a process reaches its “peak” only in capitalism. The reason for this is that in this system, not only does man’s own product but also his own labor power, total mental and physical abilities characterizing his agency, becomes a commodity as an independent alien entity. In other words, only with capitalism does the process of alienation “culminates” in fetishism and reification.

For Marx, capitalism is characterized by labor-power’s becoming a commodity, which requires the category of “free” labor as a precondition. In effect, it is this commodification of labor power that underlies Marx’s labor theory of value and his whole analysis. What this commodification process characterizes is actually commodity fetishism in the sense that the commodity form and the value-relation of the products of labor is a definite social relation between men themselves which seems to be a relation between things. This fetishism attaches itself to the products of labor as soon as they are produced as commodities and is therefore inseparable from the production of commodities. Yet, not the production of commodities *per se* but the peculiar social, abstract character of the labor which produces them gives rise to the

fetishism of the world of commodities (Marx 1976: 165). That is to say, labor as an abstract category comes to be completely separated from its “bearer,” human beings, and it becomes a “thing.” Put another way, commodity fetishism characterizes the process of the inversion of the “subject” into its “predicate” and the “predicate” into the “subject”: Human labor-power, a predicate, becomes an alien entity which transforms real subjects, human beings, into “things.” Therefore, we have a twofold process here: on the one hand things seem to acquire human attributes while on the other human relations take on the character of things and thus have a “phantom objectivity,” that is, these relations are “reified” (Lukács 1971: 83). Human relations, however, appear as relations between things only when both the products of labor and labor power itself become alienated. In other words, whereas the objects produced by man appear as the bearers of social relations, i.e., fetishism, the social relations between real people appear as the relations between things, i.e., reification. Reification refers to the act of transforming human properties, relations and actions into the properties, relations and actions which have become, or are thought as originally, independent of human activity. And these facts govern the life of human in accordance with the laws of the thing-world. Hence both the terms fetishism and reification refer to the same process, which is itself the result of alienation (Schaff 1980: 80-82). Here, it should be stressed that capitalism needs to function as though abstractions are real; in capitalism, individuals see each other as commodities, purely as means to be exchanged for the sake of continued existence (Hunt 1979a: 309). Although the effects of alienation seem to be restricted to the worker, in fact it is an all-pervasive social relation in capitalism. For example, not only does the fertility of soil seem to be an attribute of the landlord (Marx 1975: 311), but the powers of labor, of human beings, appear as the powers of capital, since “what is lost by the specialized workers is concentrated in the capital which confronts them” (Marx 1976: 482). Moreover, even the capitalist himself is “only capital personified. His soul is the soul of capital” (Marx 1976: 342). Then, in Marx’s own words, the “trinity” that capital-profit (interest), land-ground rent, labor-wages

completes the mystification of the capitalist mode of production, the reification of social relations, and the immediate coalescence of the material relations of production with their historical and social specificity: the bewitched, distorted and upside-down world haunted by Monsieur le Capital and Madame la Terre, who are at the same time social characters and mere things (Marx 1981: 969).

In short, the process of commodity fetishism/reification has the disintegrating effect on the social bond through the expansion of the market sphere. However, with capitalism, not only does the old bond within society, which is based upon the directness of relations between individuals, dissolve, but it is replaced by a new kind of bond: the bond of exchange, or, more accurately, of money:

The reciprocal and all-sided dependence of individuals who are indifferent to one another forms their social connection. This social bond is expressed in *exchange value*, by means of which alone each individual's own activity or his product becomes an activity and a product for him; he must produce a general product *exchange value*, or, the latter for isolated for itself and individualized, *money*. The individual carries his social power, as well as his bond with society, in his pocket. Activity, regardless of its individual manifestation, and the product of activity, regardless of its particular make-up, are always *exchange value* and exchange value is a generality, in which all individuality and peculiarity are negated and extinguished (Marx 1973: 157).

Therefore, in capitalism, instead of direct, personal relationships, money, this “alienated *capacity of mankind*,” becomes the “true *agent of separation* and the true *cementing agent*,... the *chemical power of society*” (Marx 1975: 377). For money, in capitalism, would turn

imagination into reality and reality into mere imagination, similarly turns *real human and natural powers* into purely abstract representations, and therefore *imperfections* and tormenting phantoms, just as it turns *real imperfections and phantoms*—truly impotent powers which exist only in the individual's fantasy—into *real essential powers* and *abilities*. Thus characterized, money is the universal inversion of *individualities*, which it turns into their opposites and to whose qualities it attaches contradictory qualities (Marx 1975: 378).

This discussion shows that according to Marx the very social reality itself is “*inverted*” in capitalism. In fact, Marx's criticism of both Hegel and classical political economists rests on the same argument: the process in which real subjects become the predicates of their predicates characterizes the way how capitalism works. In this state of the “alienation of tradition” (Schaff 1980: 136),

a social relation of production appears as something existing apart from individual human beings, and the distinctive relations into which they enter in the course of production in society appear as the specific properties of a thing—it is this perverted appearance, this prosaically real, and by no means imaginary, mystification that is characteristic of all social forms of labour positing exchange-value (Marx 1970: 49).

The point Marx develops here can be explained best by considering Karl Polanyi's (1944) famous notion of the "fictitious commodities"; for him, labor, land and money are not produced as "commodities", for what we call labor is simply human activity, whereas land is the natural environment of human beings, and money is just an account of value. Nevertheless, in order for the market system to function in an effective way, these should be treated as commodities that are sold and bought in markets. Marx uses the same idea (Özel 1997); he never considers these three as "genuine" commodities, on the contrary, it is the commodification of these which characterizes capitalism. In this regard, it should be emphasized that the concept of alienation is the direct link between commodity fetishism and Marx's labor theory of value (Hunt 1986).

From a social theoretical point of view, the most immediate effect of the process of fetishism is the atomization of the individual: the individual is reduced to "abstract labor" and becomes just a "cog," or a functional unit, whose only function is to reproduce capitalist relations of production. This reification, reinforced by the mechanization and "rationalization" of production process which reduces individuals into mere "appendages" of machines, increasingly dominates even their consciousness (Lukács's 1971: 93). The result of this process is the emergence of the "reified mind," which sees commodity form and its "laws" as natural and eternal (Lukács 1971: 98). That is, the abstraction of the (neoclassical) "rational economic man," *homo oeconomicus*, becomes a reality: the individual is transformed into a functioning component of a system, and therefore as such must be equipped with essential features indispensable for running the system. Here, as Karel Kosík (1976: 52) argues, it is essential to understand that

not theory but reality itself reduces man to an abstraction. Economics is a system and set of laws governing relations in which man is constantly being transformed into the "economic man." Entering the realm of economics, man is transformed. The moment he enters into economic relations, he is drawn, —irrespective of his will and consciousness— into situations and lawlike relations in which he functions as the homo oeconomicus, in which he exists and realizes himself only to the extent to which he fulfills the role of the economic man. Thus economics is a sphere of life that has the tendency to transform man into the economic man and that draws him into an objective mechanism which subjugates and adapts him.

The implications of such a process with respect to human lives are profound. For example, the very distinction between “labor time” and “leisure time” is a product of capitalism in the sense that it presupposes the category of wage labor. Nevertheless, what the term leisure refers to is nothing but the whole life activity of human beings other than working. Within their life activities human beings are expected to affirm their own humanity; i.e., these activities are directed to the realization of their own potentialities. However, under capitalism, in which the “objectification” generally takes the form of alienation, all the activities human beings engage in do not count if they are not useful for them to make their livelihood, no matter how fulfilling they are for a human being. In other words, in capitalism, the skills, abilities, and creative capacities of human beings or in general the human qualities on which work is based become detached from their persons, a condition for labor’s functioning as a commodity, and leisure time itself is reduced to a time span within which the labor power expanded in production is continuously reproduced. That is to say, leisure time too is to be characterized by its function: the reproduction of labor power. This is true, despite the tendency that technological developments continuously increase “leisure” time.

Another important consequence for this process of reification is that the “annihilation” of the self who is supposed to have a “dispositional identity of the subject with her changing causal powers” (Bhaskar 1994: 99). That is, the process of the transformation of the subject to its predicate means that human beings no longer have the power to make a difference in the world. The notion of the “self,” as the “self-defining” or “self interpreting subject” as opposed to the one who should be defined in relation to a “cosmic order” (Taylor 1975: 6), or in relation to the “community,” is a product of modern times, i.e., is associated with the rise of capitalism, the reduction of the individual to *homo oeconomicus* means even the annihilation of the self. According to Eric Fromm, for example, “the ‘self’ in the interest of which modern man acts is the *social* self, a self which is essentially constituted by the role the individual is supposed to play and which in reality is merely the subjective guise for the objective social function of man in society” (1941: 116-17). However, this, argues Fromm, is the manifestation of a contradiction: “While modern man seems to be characterized by utmost assertion of the self, actually his self has been weakened and reduced to a segment of the total self—intellect and willpower—to the exclusion of all other parts of the total personality” (1941: 117).

Therefore, the commodification process, disintegrates the social bond which is based upon the directness of relations between individuals and replaces it with another one, the bond of exchange, or of money, this “cementing agent.” In this “mystical” world in which the subject is transformed into its own predicate, abstract labor, not only does the individual confront with “alien,” reified social relations, but far from realizing his own essence, he loses very control over his own life, for he is reduced to a “functional” unit, or to the “personification” of the reified social relations. This occurs because his immediate environment and even he himself is reduced to a “commodity.” This in turn, amounts to the lost of freedom, and of power₁, which is annihilated within power₂ relations, relations characterizing fetishism and reification. Such a link, of course, is the basic characteristic of the LTV; exchange value, in the form of reified labor power, is nothing but human creative abilities, or the potentialities that exist in a living human being. Under dominance of the market, purposive actions of human beings, directed to realize their own potentialities, have to operate within the constraints of social institutions that are subordinated to the working of the market. This process of “transference,” (Brown 1959: 238). in turn leads to the effect that an “abstraction,” *homo economicus*, becomes a reality.

This process is effective even in our contemporary society; while human beings on the one hand try to affirm their individuality, their difference so that they become, under the spell of the “market mentality,” a term by Polanyi, mere “atoms,” they loose their very agency powers by putting themselves under the guidance of the market, thereby transferring it to the commodities, and hence into the market. After the market becomes the dominant institution it dictates its own mentality and code of behavior which extends its influence to the “rest” of the society.⁸ Such a situation thus characterizes a loss of freedom, not only at the individual level, but even more importantly, at the societal level as well. In order to understand this contradictory aspect of the social life, then, one needs LTV, for not only to understand labor power as the transformative capacity of human beings, but also how this essential powers become controlling their lives.

Conclusion

It is argued in this paper that Marx’s LTV is the only theoretical perspective in both economics and social theory in general that is capable of establishing the important link between the two aspects of the notion of “power”; namely, power₁ as the basis of

the human creative activity, and power₂ as the basis of relations of domination among individuals. Such a link, to be established by Marx's analysis of commodity fetishism and reification, is indispensable for any social scientific discourse that is concerned with understanding of social life, in its full dimensions, for it can allow to delineate the basic characteristics of human behavior, and its contradictory aspects and consequences. Those discourses denying this, like the Neoclassical Economics, can handle only the "appearances", without ever reaching to the "depths" of the reality.

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Notes

¹ For a general account about the criticisms directed to Marx's LTV and possible responds to these criticisms, see Glick and Ehrbar (1986).

² The "preanalytic" or "prescientific vision", in the sense of Schumpeter (1954: 41-42), denotes the mixture of perceptions and prescientific analysis of the researcher, and it is not only the source of our ideologies, but even more importantly, also the prerequisite of any scientific activity, for it identifies the analytical problem that the researcher poses herself to resolve.

³ Of course, such emphases on the notions of freedom, emancipation, and wellbeing suggest that the analysis of human conduct cannot be free from ethical considerations, for human beings are at once "acting creatures and judging speaking beings" (Bhaskar 1993: 141). In particular, Bhaskar's emphasis on the "second order" monitoring capacity of human beings seems close to Charler Taylor's (1985a) conception of a moral being as a "strong evaluator": human beings are endowed with the capacity to evaluate their desires strongly in the sense that they are not only concerned with the outcomes of the motivations but also with the "quality" of these motivations. In other words, they go "deeper," i.e., characterize their motivations at greater depth (Taylor 1985a: 25). It seems that, in order for one to be a "strong evaluator, one should have the ability to monitor one's own monitoring. This, in turn implies that human beings are "self interpreting animals" who are held responsible for their actions (Taylor 1985a).

⁴ Bhaskar's argument rests on the thesis that reasons, however ambiguous, should be considered as causes. For him, intentionality is the answer to the question "what is left over if I subtract the fact that my arm goes up from the fact that I raise my arm?" (Bhaskar 1989: 82) Here, we have two cases: (α) I raised my arm, and (β) my arm went up. In the α , but not in the β case, agent's reasons are a necessary condition for the bodily movement because if the agent had not possessed them, they would not have occurred. Then in the first case, we have reasons as causes, just like the causes in the natural world (Bhaskar 1989: 88-89). Thus, reasons must be causes if (1) they have an explanatory function, (2) discursive thought is possible, and (3) the concept of agency is to be saved (Bhaskar 1989: 90).

⁵ That is, a human being is by definition a "four-planar social being" (Bhaskar 1993: 153); these four planes are, i) material transactions with nature, ii) inter-personal intra- or inter-action; iii.) social relations; iii) intra-subjectivity.

6. According to Taylor, expressivism has four demands: the unity of man as forming an indivisible whole so that the separation of different levels (like life as against thought, sentience as against rationality, knowledge as against will) is rejected; freedom; communion with man and nature. It can be demonstrated that these four demands occupy a crucial place in Marx's work as well. Nevertheless, consistent with his hermeneuticist position, Taylor believes that Marx's synthesis between these expressivist aspirations and Enlightenment thought, especially with its emphasis on the laws of nature and perfectibility of society, or his conception of teleology encompassed within causality we may add, is not viable, for these two are incompatible. Yet, it seems that Marx takes this contradiction between causality and teleology as the part and parcel of being human. Since his doctoral dissertation, Marx's concern had been how intentional, free action comes to be constrained by "natural necessity" characterized by the notion of causality.

⁷ As a matter of fact, I believe, the inevitability of death, as a prevalent condition of human existence plays an essential role of the process of alienation and fetishism, but not in the way Foucault argues. Whereas Foucault seems to hold the position that such a "naturalistic" conception leaves no room for the "hermeneutical" element, I think it is the urge for human beings to create "meaning" for their existence in the world by creating cultural symbols that have the power of transcending death. For the elaboration of this point, see Özel (2001).

⁸ Here, it is possible to talk about human beings' willingness to forsake their own agency power, and freedom; that is, "transference" too can be intentional. The reason for this can be sought in the fact that individuals, in their alienated state, actively participate in the production and reproduction of the market ideology, through the attempts of self-deception, wishful thinking, or willful ignorance, all of which are intentional (Whisner 1989, 1994). That is, the "slave" comes to see herself through the lenses of the "master".