Notes on Rubin's 'Essays on Marx's Theory of Value'

Biographical sketch

Isaak Illich Rubin was a Russian economist and is considered to be the most important theorist of his time on the field of Karl Marx's theory of value. His main work Essays on Marx's Theory of Value was published in 1924. During the course of the Great Purge he was executed in 1937.

He was accused of being a member of a fictitious Menshevik organisation and arrested in 1930. Before this, he worked as a research associate in the Marx-Engels Institute.

Introduction

• Historical materialism is outlined as a sociological approach to the study of concrete economies.
• Any theory of the economy must examine two particular elements of any given socio-economic formation: the productive forces – technical methods of production; production relations – patterns of relations between people who are the participants of particular social processes of production.
• “The ultimate goal of science is to understand the capitalist economy as a whole, as a specific system of productive forces and production relations among people.”
• Political economy has as its goal the examination of the social form – or production relations as a totality which make up an economic structure – of a given economic formation. It does not necessarily examine the technical aspects of the economy. These aspects are often used as a starting assumption.
• Vulgar political economy examines the relation of things to things or people to things. The relations of people to people in the process of production are the focus of Marxian political economy.
• Central to this Marxian political economy is the theory of commodity fetishism which Rubin sees as a general theory of production relations of the commodity-capitalist economy.

Marx's theory of commodity fetishism

• The theory of fetishism is central to the Marxian analysis because it consists of seeing the human relations underneath relations between things (such as value, money, capital, labour, etc.). The theory of fetishism not only reveals the social relations internal to the things and their relations, but also why the capitalist-commodity economy appears as a set of relations between things.
• The human mind transforms reified categories into objective forms – for example, capital is a reified category (thingified) which becomes an objective form with its own intrinsic and natural powers in isolation from the relations which render capital what it is.

Objective basis of commodity fetishism

• In capitalist economies with a social division of labour the various commodity producers directly manage their own production in a relatively autonomous and individuated fashion. There is no direct social regulation of production.
• This raises the question of how individual commodity producers are organised into a productive organism in the first place – that is, how is production effectively organised in an economy made up of individual commodity producers?
• Productive connections are made through comparing the value of goods and exchanging them – equivalences are needed..
• This is the market mechanism which indirectly regulates productive activity in a manner
which is mediated through things. Changes in productive conditions, in prices, etc indirectly regulate working activity.

- On the market commodity producers do not appear as people with personalities and qualities, but as the depersonalised owners and proprietors of things, of commodities.
- These commodities, due to the atomistic nature of the capitalist economy, are what mediates relations between peoples. Productive connections are found and maintained on the basis of commodities.
- The atomistic structure of capitalist economies does not mean that producers are isolated, but rather that many of its relations with others are indirect.
- “Entering into direct production relations with his buyers B, C and, our commodity producer A is actually connected, by a thick network of indirect production relations, with innumerable other people (for example, with all buyers of the same product, with all producers of the same product, with all the people from whom the producer of the given product buys means of production, and so on), in the final analysis, with all members of society.” (p.8).
- Rubin identifies the three following elements which characterise the structure of the commodity economy: 1) formally independent commodity producers (such as private enterprises or firms); 2) the material relations between these producers emergent from the social division of labour; 3) the direct connection between individual producers established through exchange, and the indirect influence of exchange on productive activity.
- Exchange is the social form of the reproduction of capitalism as it alters the working activity of people engaged in commodity production. Through exchange, the market exerts influence on individual commodity producers. The market does this by communicating the productive activity of all other commodity producers to the individual commodity producer in question. For example, “if other clothiers introduced improved means of production (for example, machines), lowering the value of cloth, then our clothier [would also be] forced to improve his production technology.” (p.9).
- Exchange, therefore, serves to regulate economic activity through the mediation of things.
- “A thing is an intermediary in social relations, and the circulation of things is inseparably related to the establishment and realization of the productive relations among people.” (p.10).
- Things, in a commodity economy, seem to perform two functions: the mystification of social relations, and the organisation of social relations, connecting people to each other.
- The equalization of things and their exchange as equivalents create a social connection between commodity producers which serve as the basis for continued economic activity.
- A thing acquires value because of the social production relations within which it is connected to the rest of commodity production. For example, labour only becomes labour-power when it is sold for a wage to a capitalist in the service of commodity production which will valorise capital. Likewise, money is only capital when it is productively employed for the purposes of valorisation.

The production process and its social form

- The social form of production corresponds closely to the process of production of material goods – so, for example, the production of commodities on a mass scale in manufactures facilitates the emergence of the division of labour and the consequent development of new relations between workers (the collective worker contrasted to the individuated worker – see Capital vol. 1, ch. 14.
- Rubin makes a distinction between detailed divisions of labour within manufacture and the social division of labour – the former division is marked by technical planning and a designated direction (the commodity, in its various stages of development, moves in accordance with the aim of completion which is planned throughout the process of production). The latter division (social) is between individuated and (relatively) isolated producers whose relations are mediated by the movements of the market which preclude effective and intentional planning. Commodity producers are related through the exchange of things, not relations of utility.
- Given the nature of the relations between individual commodity producers, they cannot be
planned in advance but must be based upon transactions which can be interrupted without notice. The market is a place within which the relations between things is unstable over time and can give way to crisis. Transactions must be constantly renewed on the basis of the exchange of commodities which is liable to breakdown given conditions of the market.

- If the transactions between these private producers are not adjusted to circumstance over time, a crisis may occur as a divergence between the material process of production and the system of production relations.
- “Either production relations which do not stand for real movements of products in the process of production are developed (speculation), or production relations indispensable for the normal performance of the production process are absent (sales crisis). In normal times such a divergence does not break out of certain limits, but in times of crisis it becomes catastrophic.” (Rubin, p.17).
- Reification emerges from production due to the direct production relations which are established between different social classes (capitalist, landlord, labourer) who form a tight formation of production relations with the requisite technical factors of production. As these classes come into relation to each other as the owners of things (capital, labour-power etc) reification emerges as such relations are sedimented and crystallised over time.

**Thing and Social Function**

- “economic categories are only the theoretical expressions, the abstractions of the social relations of production…”
- Economic categories have a functional existence as they are the forms of appearance of social relations of production. Because production is mediated by things, things inevitably change character when they are mediating different social relations between relevant actors. Hence why money is considered by Marx to play manifold roles in the capitalist society depending upon the social relation which it is mediating at any given time.
- It is the social function of a thing which gives it its economic form, or its social form of appearance.
- “Thus economic categories express different production relations among people and the social functions which correspond to them, or the social-economic form of things.” (p.39). Commodity fetishism is the idea that the forms which things take are seen to be naturally occurring, as simply given. Commodity fetishism consists of two elements – the thingification of social relations and the personification of things. This takes place when the forms of things are not examined in relation to their social-economic function. Commodity fetishism, then, is not a subjective phenomenon but is a material consequence of the organisation of productive activity in a socio-economic system mediated by things, such as a commodity economy.
- Marx does acknowledge the material or technical aspects of any given economic formation, but he does not derive the function and form of particular things from their technical nature. He derives them from the social functions they play.
- The difference between what people call dialectical and historical materialism becomes clear through Rubin's treatment – historical materialism examines the forces of production and the manner in which they facilitate or constrain the development of certain economic forms, whereas dialectical materialism studies the manner in which social relations are expressed and mediated through particular forms such as value, labour, capital etc.

**Production relations and material categories**

- “The revolution in Political Economy which Marx carried out consists in his having considered social production relations behind material categories.” (p.47).
Struve on the theory of commodity fetishism

• The power of capitalists is not the same as political or theocratic rulers – their power consists in the fact that they are the personification of the necessary conditions for labour which exist in opposition to labourers who must therefore sell themselves to the capitalist in order to continue to exist. The common error committed even today is to take the freedom and equality of commodity owners at its face value, and not to examine the social relations which may bestow upon one or the other particular powers. So, capitalists have power because they are bearers of the conditions for productive activity – capital.

  “After Marx's analysis, it is no longer possible to ignore the role of the social aspect of production, i.e., its social form. If one does not agree with Marx's conclusions, all that remains is to separate the social aspect from the economic, and to disregard the social aspect, to assign it to a separate field.” (p.52).

Marx's development of the theory of fetishism

• The important element of this chapter is the relation between alienation and commodity fetishism. Rubin seems to believe that alienation is a metaphysical or, at least, normatively inclined concept and believes that the real change in Marx's system came when the ideal of human in contrast to alien is combined into the concrete.

• Rubin believes that commodity fetishism is a development of the notion of alienation, but that commodity fetishism is free from a metaphysical juxtaposition between human and inhuman – instead it is an opposition between the material categories and the social relations contained by them. The material does dominate in a commodity society, as people are thingified. Therefore, the concept of alienation is simply folded into the idea of commodity fetishism.

• However, alienation is not a metaphysical doctrine reliant on the juxtaposition between an ideal and a real. Instead, alienation is a material fact – it is the idea that we render ourselves saleable, that we transform our capacities into commodities. In that sense, the alienation of human capacities and powers logically precedes commodity fetishism as it is a precondition for the production of commodities themselves necessitated by the relations of production which emerge in a capitalist society. To render something alienable is to render it exchangeable. This is what is required by a capitalist society.