



Classical Sociological Theory and Foundations of American Sociology

Classical Sociological Theory and Foundations of American Sociology

ALLISON L. HURST

OREGON STATE UNIVERSITY
CORVALLIS, OR



Classical Sociological Theory and Foundations of American Sociology by Allison Hurst is licensed under a [Creative Commons Attribution-ShareAlike 4.0 International License](https://creativecommons.org/licenses/by-sa/4.0/), except where otherwise noted.

Download for free at <https://open.oregonstate.edu/sociologicaltheory>

Publication and on-going maintenance of this textbook is possible due to grant support from [Oregon State University Ecampus](https://ecampus.oregonstate.edu/).

[Suggest a correction](#)

Contents

Part I. Marx and Engels

1. Capital, part 1 3

PART I
MARX AND ENGELS

I. Capital, part I

[download](#)

Commodity – Money – Commodity.

C----- M -----C.

NOTE ON SOURCE: The source of the following passages is the first volume of *Das Kapital: Kritik der politischen Ökonomie*, published in Germany in 1867 by Verlag. Although Marx would write two more volumes before his death, neither was published in his lifetime. The first translated publications were in Russia and France (both in 1872), largely under Marx's direction. The first English translation was translated by Samuel Moore and Edward Aveling (the partner of Marx's youngest daughter) and overseen by Engels and published in 1887, four years after Marx's death. It has since been translated into every major language and is even available in Manga form. A recommended translation of the entire works is that by Ben Fowkes, available through Penguin Classics.

Introduction – Why this is important and what to look for

Capitalism somewhat confusingly divided into books (or volumes), parts, and chapters (with both sections and sub-sections). Because so many people read Capital around the globe, in so many different languages and forms, it is important to keep the headings consistent across all translations. Book 1 is composed of eight parts and thirty-three chapters and takes as its subject “the Process and Production of Capital.” Included here are passages from parts 1 and 3. It is in these books that Marx tries to explain the inner workings of capitalism. Try to connect the description of commodity production with Marx's definition of capital.

Part I. Commodities

The wealth of those societies in which the capitalist mode of production prevails, presents itself as “an immense accumulation of commodities.” Our investigation must therefore begin with the analysis of a commodity.

That which determines the magnitude of the value of any article is the amount of labor socially necessary, or the labor time socially necessary for its production. As values, all commodities are only definite masses of congealed labor time. A thing can be a use value, without having value. This is the case whenever its utility to man is not due to labor (as in the case of air – we definitely use it, but it doesn't have a value as a commodity). A thing can also be useful, and be the product of human labor, and still not be a commodity. Whoever directly satisfies his wants with the produce of his own labor, creates, indeed, use values, but not commodities.

A commodity appears, at first sight, a very trivial thing, and easily understood. Its analysis shows that it is, in reality, a very odd thing. It is as clear as noon-day, that man, by his industry, changes the forms of the materials furnished by Nature, in such a way as to make them useful to him. The form of wood, for instance, is altered, by making a table out of it. Yet, for all that, the table continues to be that common, every-day thing, wood. But, so soon as it steps forth as a commodity, it is changed into something transcendent.

The equality of all sorts of human labor is expressed objectively by their products all being equally valued; the measure of the expenditure of labor power by the duration of that expenditure, takes the form of the quantity of value of the products of labor; and finally the mutual relations of the producers, within which the social character of their labor affirms itself, take the form of a social relation between the products.

In this way, we can equate a \$35 stuffed animal with a \$35 pair of sneakers with a \$35 bottle of tequila, all of which are quite different and yet have the same apparent value.

A commodity is therefore a mysterious thing, simply because in it the social character of labor appears to people as an objective character stamped upon the product of that labor. A definite social relation between men appears in the fantastic form of a relation between things.

We forget that Hilda sewed the stuffed animal, for which she got paid \$7/hour, or that Geraldo bottled the tequila, and instead see only the things themselves, as if they came about magically

This I call the Fetishism which attaches itself to the products of labor, so soon as they are produced as commodities, and which is therefore inseparable from the production of commodities. This Fetishism of commodities has its origin in the peculiar social character of the labor that produces them.

As a general rule, articles of utility become commodities, only because they are products of the labor of private individuals or groups of individuals who carry on their work independently of each other. The sum total of the labor of all these private individuals forms the aggregate labor of society. *Since the producers do not come into social contact with each other until they exchange their products, the specific social character of each producer's labor does not show itself except in the act of exchange.* In other words, the labor of the individual asserts itself as a part of the labor of society, only by means of the relations which the act of exchange establishes directly between the products, and indirectly, through them, between the producers. To the latter, therefore, the relations connecting the labor of one individual with that of the rest appear, not as direct social relations between individuals at work, but as what they really are, material relations between persons and social relation

Part 2. Transformation of Money into Capital

The first chief function of money is to supply commodities with the material for the expression of their values, or to represent their values as magnitudes of the same denomination, qualitatively equal, and quantitatively comparable. It thus serves as a *universal measure of value*. Price is the money-name of the labor realized in a commodity.

Marx proceeds to give some 19th century examples to show the relationship between money and commodities but I am going to update these for you...

Let us now accompany the owner of some commodity, let's follow Geraldo who has bottled his family's recipe for tequila. He sells his bottle for \$35 and then he buys his daughter a stuffed animal. He never meets Hilda. He has exchanged his commodity for money, and then exchanged this money for a commodity. We can describe the circulation like this:

Commodity – Money – Commodity.
C----- M -----C.

The result of the whole process is, so far as concerns the objects themselves, C – C, the exchange of one commodity for another, the circulation of materialized social labor. When this result is attained, the process is at an end.

So what is capital?



The circulation of commodities is the starting-point of capital. The production of commodities, their circulation, and that more developed form of their circulation called commerce, these form the historical ground-work from which it rises. The modern history of capital dates from the creation in the 16th century of a world-embracing commerce and a world-embracing market. (see CAPITAL)

The simplest form of the circulation of commodities is C-M-C, the transformation of commodities into money, and the change of the money back again into commodities; or selling in order to buy. But alongside of this form we find another specifically different form: M-C-M, the transformation of money into commodities, and the change of commodities back again into money; or buying in order to sell. Money that circulates in the latter manner is thereby transformed into, becomes capital, and is already potentially capital.

Here's an updated example: Mr. Knight buys a ton of sneakers made by workers in Malaysia for \$1.2 million. He then sells all those sneakers for \$3 million. He has now converted his original money into a commodity for the purpose of acquiring more money. We can see this as M-C-M, and it is the heart of capitalism.

Capitalism requires commodities.

The expansion of value, which is the objective basis or main-spring of the circulation M-C-M, becomes the capitalist's subjective aim, and it is only in so far as the appropriation of ever more and more wealth in the abstract becomes the sole motive of his operations, that he functions as a capitalist. Use-values must therefore never be looked upon as the real aim of the capitalist; neither must the profit on any single transaction. *The restless never-ending process of profit-making alone is what he aims at.* This boundless greed after riches, this passionate chase after exchange-value is common to the capitalist and the miser; but while the miser is merely a capitalist gone mad, the capitalist is a rational miser.

How is it that one can buy a commodity and sell it for more than what one paid for it? What kind of commodity allows that? The change of value that occurs in the case of money intended to be converted into capital, cannot take place in the money itself, since in its function of means of purchase and of payment, it does no more than realize the price of the commodity it buys or pays for; and, as hard cash, it is value petrified, never varying. Just as little can it originate in the second act of circulation, the re-sale of the commodity, which does no more than transform the article from its bodily form back again into its money-form. In order to be able to extract value from the consumption of a commodity, our friend, Moneybags, must be so lucky as to find a commodity, whose use-value possesses the peculiar property of being a source of value, whose actual consumption, therefore, is itself an embodiment of labor, and, consequently, a creation of value. The possessor of money does find on the market such a special commodity in capacity for labor or labor-power. (see LABOR POWER)

By labor-power or capacity for labor is to be understood the aggregate of those mental and physical capabilities existing in a human being, which he exercises whenever he produces a use-value of any description

But in order that our owner of money may be able to find labor-power offered for sale as a commodity, various conditions must first be fulfilled. FIRST, labor-power can appear upon the market as a commodity, only if, and so far as, its possessor, the individual whose labor-power it is, offers it for sale, or sells it, as a commodity. The owner of the labor-power should sell it only for a definite period, for if he were to sell it rump and stump, once for all, he would be selling himself, converting himself from a free man into a slave, from an owner of a commodity into a commodity.

SECOND, the laborer instead of being in the position to sell commodities in which his labor is incorporated, must be obliged to offer for sale as a commodity that very labor-power, which exists only in his living self.

Hilda cannot make stuffed animals and sell them herself because she doesn't own the tools (or means of production)

For the conversion of his money into capital, therefore, the owner of money must meet in the market with the free laborer, free in the double sense, that as a free man he can dispose of his labor-power as his own commodity, and that on the other hand he has no other commodity for sale, is short of everything necessary for the realization of his labor-power.

How is it that one person has the means to buy the labor power of another? Why is Mr. Knight the one who hires workers and Hilda is a person who sells her labor power?

This relation has no natural basis, neither is its social basis one that is common to all historical periods. 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 forms of social production.

So, too, the economic categories, already discussed by us, bear the stamp of history. Definite historical conditions are necessary that a product (including labor power) may become a commodity.

How is the value of the commodity labor-power determined? Labor-power exists only as a capacity, or power of the living individual. The value of labor-power is the value of the means of subsistence necessary for the maintenance of the laborer. If the owner of labor-power works to-day, to-morrow she must again be able to repeat the same process in the same conditions as regards health and strength. Her means of subsistence must therefore be sufficient to maintain her in her normal state as a laboring individual. Her natural wants, such as food, clothing, fuel, and housing, vary according to the climatic and other physical conditions of her country. The value must also include reproduction (enough to raise the next generation of workers) and education and training.



Like that of every other commodity, labor-power's value is already fixed before it goes into circulation, since a definite quantity of social labor has been spent upon it; but its use-value consists in the subsequent exercise of its force. The alienation of labor-power and its actual appropriation by the buyer, its employment as a use-value, are separated by an interval of time.

Mr. Knight hires Hilda for \$50 per day, regardless of the value of what her labor power produces in that day. Even more, Hilda only gets paid after her working day (or month) is completed.

In all cases, therefore, the use-value of the labor-power is advanced to the capitalist: the laborer allows the buyer to consume it before he receives payment of the price; he everywhere gives credit to the capitalist. The labor-power is sold, although it is only paid for at a later period.

All this happens out in the open, and we are used to seeing the transaction as "free" – Hilda, after all, doesn't have to work for Mr. Knight. But what happens once she agrees to do so?

Mr. Knight, who before was the money-owner, now strides in front as capitalist; Hilda follows as his laborer. The one with an air of importance, smirking, intent on business; the other, timid and holding back, like one who is bringing her own hide to market and has nothing to expect but – a hiding.

Part 3. The Production of Absolute Surplus-Value

The capitalist buys labor-power in order to use it. The purchaser of labor-power consumes it by setting the seller of it to work. What the capitalist sets the laborer to produce, is a particular use-value, a specified article.

Let us now return to our would-be capitalist, Mr. Knight. We left him just after he had purchased, in the open market, all the necessary factors of the labor process; its objective factors, the means of production, as well as its subjective factor, labor-power. With the keen eye of an expert, he has selected the means of production and the kind of labor-power best adapted to his particular trade, in this case, the making of stuffed animals. He then proceeds to consume the commodity, the labor-power that he has just bought, by causing the laborer, the impersonation of that labor-power, to consume the means of production by his labor (that is, Hilda works the raw materials Mr. Knight has also bought, and uses the machines provided by him). Hilda, the worker, works under the control of the capitalist (Mr. Knight) to whom her labor belongs; the capitalist taking good care that the work is done in a proper manner, and that the means of production are used with intelligence, so that there is no unnecessary waste of raw material, and no wear and tear of the implements beyond what is necessarily caused by the work.

Secondly, the product is the property of the capitalist and not that of the laborer, its immediate producer.

If Mr. Knight pays Hilda \$50 a day but she produces commodities worth ten times that amount, only Mr. Knight owns that extra value. Hilda might not ever be able to afford to buy the things she has produced.

By turning his money into commodities that serve as the material elements of a new product, and as factors in the labor-process, by incorporating living labor with their dead substance, the capitalist at the same time converts value, i.e., past, materialized, and dead labor into capital, into value big with value, a live monster that is fruitful and multiplies (*see Capital*)

The surplus-value generated in the process of production presents itself as a surplus, as the amount by which the value of the product exceeds the value of its constituent elements.

Try to follow the math here, but remember the crucial point: the capitalist appropriates the difference between the value produced by the worker and the exchange value of what is produced:

The capital C is made up of two components, one, the sum of money c laid out upon the means of production, and the other, the sum of money v expended upon the labor-power; c represents the portion that has become constant capital, and v the portion that has become variable capital. At first then, $C = c + v$: for example, if \$500 is the capital advanced, its components may be such that the \$500 = \$410 for the cost of the sewing machine + \$90 payment of wages to workers. When the process of production is finished, we get a commodity whose value = $(c + v) + s$, where s is the surplus-value; or taking our former figures, the value of this commodity may be $(\$400 + \$90.) + \$90$ surplus value. The original capital has now changed from C to C' , from \$500 to \$590. The difference is a surplus-value of \$90.

This sum of \$90 or s expresses the absolute quantity of surplus-value produced. The relative quantity produced, or the increase percent of the variable capital, is determined by the ratio of the surplus-value to the variable capital, or is expressed by s/v . In our example this ratio is $90/90$, which gives an increase of 100%. This relative increase in the value of the variable capital, or the relative magnitude of the surplus-value, I call, "The rate of surplus-value."

During one part of the work day Hilda works to produce the value of her own subsistence (what she will be paid). This might be four hours. In four hours, she has made enough stuffed animals to cover the cost of her wages. But remember she hired herself out for the entire workday. If she worked four more hours, whatever value she produces during that time is what provides surplus value to the capitalist. That is how capital grows.



During the second period of the labor-process, that in which his labor is no longer necessary labor, the workman, it is true, labors, expends labor-power; but his labor, being no longer necessary labor, he creates no value for himself. He creates surplus-value which, for the capitalist, has all the charms of a creation out of nothing. This portion of the working day, I name surplus labor-time, and to the labor expended during that time, I give the name of surplus labor. The essential difference between the various economic forms of society, between, for instance, a society based on slave-labor, and one based on wage-labor, lies only in the mode in which this surplus labor is in each case extracted from the actual producer, the worker.

The rate of surplus-value is therefore an exact expression for the degree of exploitation of labor-power by capital, or of the laborer by the capitalist.

Capital is dead labor, that, vampire-like, only lives by sucking living labor, and lives the more, the more labor it sucks. The time during which the laborer works, is the time during which the capitalist consumes the labor-power he has purchased of him.

Questions

1. Have you heard of “wage theft” or experienced it in a job yourself? Explain why Marx’s explanation of how capital grows is merely a larger phenomenon of this practice.
2. How is the capitalist mode of production SIMILAR to and DIFFERENT from previous modes of production (slavery, feudalism) in terms of workers and the appropriation of the value they produce?
3. What separates the capitalist from the worker?
4. What differentiates money from capital?
5. In the past, the working day was set at 12 hours. Workers organized to get the day set at 8 hours a day (by law, if you work more than 8 hours, you get paid overtime). Should we set the working day at 6 hours? What would be the consequences?

Concepts

Commodity Fetishism

Capital

Labor Power

Surplus Value (and rate of)

Exploitation