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## **A Companion to David Harvey's Companion to Marx' Capital, Chapter 1**

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## 1 Introduction

David Harvey is the dominant commentator on *Capital*<sup>1</sup> in English. Many *Capital* reading groups use his video lectures or his book – *A Companion to Marx' Capital*<sup>2</sup> – as a guide. *Capital* can be a daunting book and David Harvey's commentaries have encouraged many to pick it up and work through it. This, in principle, is a valuable project as much can be learned about the world we are forced to live in from that old book.

The authors of this text, too, have recently spent time reading *Capital*. During the course of our engagement with *Capital* we found problems with David Harvey's *Companion* and with the account it gives of *Capital*. It is important to highlight these problems not because they misrepresent Marx – although this is often the case – but because David Harvey's account in *A Companion* does not adequately explain the commodity, money and capital; in short capitalism. As a consequence, the solutions he suggests to the misery around us do not offer any way out but presuppose the social relations that produce this misery.

As an example for such an attempt at a solution, we look at David Harvey's more recent suggestion for an alternative form of money: oxidisable money, which he argues would prevent the accumulation of social power. This view on money stands in direct opposition to what can be learned from *Capital* about what money and value are, as well as to Marx's view on the matter of alternative monies.<sup>3</sup> In this article we will show that this opposition stems from David Harvey's misunderstanding of one of the most fundamental categories of political economy: abstract labour, the labour that produces value. We will hence look at and explain what Marx says about abstract labour in chapter 1 and contrast it with Harvey's commentary on it. We then move on to Harvey's recent proposal for a new money and show that it is based on an appreciation of commodity circulation and production, i.e. the conditions under which labour is expressed in value. Finally, we critique David Harvey's account of the fetish-like character of the commodity.

There is more to critique about *A Companion* than what we deal with here: Harvey's tendency to turn *Capital* into an enigma full of "cryptic assertions" and "a priori leaps", his advice to look out for specific words without explaining why, his tendency to talk about entirely different points instead of what is in front of us<sup>4</sup> and his tendency to discuss processes, movement and pattern of arguments instead of

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<sup>1</sup> Karl Marx. *Capital: Critique of Political Economy*, Volume 1. Penguin Classics, 1990. In the following, we cite this work as *Capital*.

<sup>2</sup> David Harvey. *A Companion to Marx's Capital*. Verso Books, 2010. In the following, we cite this work as *A Companion*.

<sup>3</sup> See Marx's critique of labour-money, *Capital*, p.181, footnote 4

<sup>4</sup> For example, we learn little about the rate of surplus-value in *A Companion*, p.131 but are treated to a deliberation on the rate of profit which is only introduced in volume 3 of *Capital*.

explaining the specific argument about the actual process of movement he is commenting on. While all these limit the usefulness of *A Companion* as a guide to reading *Capital*, our focus shall be on *A Companion*'s economic content and how it relates to the content of chapter 1 of *Capital*.

## 2 Chapter 1, section 1: use-value, exchange-value, value

In order to understand how *A Companion* fails to critique capitalism correctly, it is helpful to look at Harvey's summary of the argument in *Capital* up to the point at which the first fundamental mistake occurs. For readers unfamiliar with *Capital* (or with Harvey's commentary on it) hopefully this will make Marx's argument in the first few pages of *Capital* sufficiently clear to enable a move on to where *A Companion* begins to depart from Marx.

Below is an extract from *A Companion* in which Harvey summarises Marx's argument as he has thus far explained it. We've split up what Harvey says to allow us to add our own comments following each bit of Harvey.

The story so far is roughly this: Marx declares that his aim is to uncover the rules of operation of a capitalist mode of production. He starts with the concept of the commodity and immediately establishes its dual character: use-value and exchange-value.

*A Companion*, p.25

As David Harvey mentions, a commodity is something which is both useful (i.e. can be used) and saleable. A commodity must have both of these qualities. Something that is not useful cannot be sold: a cheese which has gone off cannot be sold. The opposite is also true – a commodity that is not sold cannot be used: unsold food is thrown into locked skips.

Since use-values have been around forever, they tell us little about the specificity of capitalism.

*A Companion*, p.25

People cultivated grapes and made wine, long before they made wine *in order to* sell it. In every society, people make use of things which they have produced. Consideration of their useful qualities in general can therefore not help us to understand the specificity of the commodity.

So Marx puts them aside in order to study exchange-values. The exchange ratios between commodities at first appear accidental, but the very act of exchange presupposes that all commodities have something in common that makes them comparable and commensurable. This commonality, Marx cryptically asserts, is that they are all products of human labor.

*A Companion*, p.25

When we only consider one kind of commodity exchanging for another kind, then the rate at which it exchanges appears as accidental.<sup>5</sup> So a bottle of a certain wine exchanges for three pieces of a particular type of smelly cheese. The exchange value of any one bottle of that wine is any three of those smelly cheeses. What does this tell us about the exchange value of the wine? It means the wine can be used as a resource to access a certain number of those cheeses. Marx comments that the ratio can in any event vary from place to place and over time – perhaps in another place I can get four cheeses for my wine or perhaps last year I got only two cheeses. If we just consider this relationship as between two particular commodities it can appear accidental. The variability of the proportion in which wine exchanges for cheese makes it seem as if the fact that this exchange is possible has nothing to do with some intrinsic property of the wine.

However, in principle every commodity can be exchanged for every other commodity. The wine can be used not just to get cheese – in other words, as a cheese access resource – but also, in sufficient quantity, as an access resource to anything else – pears, copies of *Capital*, iPhones. There is a social system in place that allows all commodities to be exchanged. Anything made by one producer can in principle be exchanged (used as a means of access) for anything made by another producer. The fact that bottles of wine have the quality that, in the appropriate number, they can be exchanged for any other commodity is clearly revealed not as a specific characteristic of the wine in relation to cheese but as a general characteristic of wine in relation to all other things produced. Wine has this characteristic of general exchangeability, of being an access resource to social wealth: it is value. The variability of the proportions in which it exchanges does not change this – exchangeability as such remains regardless of such fluctuations. Furthermore, what applies to wine also applies to cheese, pears, copies of *Capital*, iPhones and any other commodity: they, too, are access resources to social wealth, exchangeable, value.

From where does this general quality of exchangeability come from and why is it related to human labour as “Marx cryptically asserts”?

For useful things to have the quality that they can be used as an access resource to other commodities, there must be a division of labour: so that some people make some of the things needed and others make other things. That division of labour means people produce for each other and hence are dependent on each other for the satisfaction of their needs.

But for objects to be value more is necessary. Unlike the preceding requirement, this requires a particular form of social organisation: useful things have to be produced privately; what is produced is private property. That is, the producers exclude others from the things they own through the institution of private property.<sup>6</sup> Hence, even though producers are dependent on each other they exclude each

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<sup>5</sup> Here we – following Marx – avoid talking about money but talk about commodities exchanging directly with other commodities. The category money and its necessity is developed later and we discuss this necessity later on in this text.

<sup>6</sup> Contrary to popular belief, the economic substance of the institution of private property is not that people are left alone with their own stuff. Instead, everyone is excluded from the stuff they do not own and is forced to use whatever they do own as a means to get access to the wealth of society.

other from their products. The mutual dependence that arises due to the division of labour can thus be taken advantage of: owners of commodities can use other people's need for what they have, as a means to force them to part with their property. Exchangeability or the fact that commodities are access resources to social wealth thus rests on the mutual and general exclusion from social wealth.<sup>7</sup>

But the ability – guaranteed by the law, i.e. the state – to exclude others from your products does not in itself compel them to part with their property in exchange. That piece of property which one lays claim to must take effort to produce it. The final necessity is that the production of useful things requires human effort.<sup>8</sup> If it was possible to produce something without any effort then it could not be used as a means in this way (no one sells the air).<sup>9</sup>

The reason commodities are produced is to become access resource or power of access to social wealth, and being useful is only a necessary condition, rather than its purpose. The purpose of cheese-making is to produce commodities which can be exchanged. This implies a whole society organising its production for exchange rather than for needs. If you are a cheese-maker, other people's hunger is just a means to being able to exchange your cheese, since your main concern is to validate your cheese as social wealth. For this you need to find people able to buy your cheese, and convince them that your cheese is worth exchanging for; only then will you be given access to the wealth produced in society.<sup>10</sup>

You coerce others through their needs to get what you need. It is a mutually antagonistic dependency. We are dependent on each other to produce the things we need – I need you to produce cheese to satisfy my hunger – yet our interests are in opposition to one another: I need you to need my wine, so that I can use it as a lever to access your cheese. It is production for each other organised as competition against each other.

Thus, in order for commodities to be bearers of exchange-value – to be value – a particular social system is required. In this system human labour is performed in order to produce private property –

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<sup>7</sup> This is the first abstract reason for the juxtaposition of poverty and wealth in this society.

<sup>8</sup> “The chatter about the need to prove the concept of value arises only from complete ignorance both of the subject under discussion and of the method of science. Every child knows that any nation that stopped working, not for a year, but let us say, just for a few weeks, would perish. And every child knows, too, that the amounts of products corresponding to the differing amounts of needs demand differing and quantitatively determined amounts of society's aggregate labour. It is self-evident that this necessity of the distribution of social labour in specific proportions is certainly not abolished by the specific form of social production; it can only change its form of manifestation. Natural laws cannot be abolished at all. The only thing that can change, under historically differing conditions, is the form in which those laws assert themselves. And the form in which this proportional distribution of labour asserts itself in a state of society in which the interconnection of social labour expresses itself as the private exchange of the individual products of labour, is precisely the exchange value of these products.” – Marx To Ludwig Kugelmann, London, 11 July 1868, available at <https://archive.ph/m9RY>

<sup>9</sup> There are other things which can be used as access resources to social wealth and which cannot be produced such as undeveloped land. The economic laws governing the prices of those things are hence different from those that govern products of labour.

<sup>10</sup> Just because someone is hungry and cheese is available does not mean she is going to get cheese. If she cannot come up with something to exchange for cheese, she will starve to death. The fact that the means to alleviate hunger exist is not a factor in the determination of whether you can access it or not.

a bit of social wealth as such. This private property is used as a lever to exploit the needs of others in order to gain access to social wealth.

### 3 Abstract labour

Now that we have gained a bit of context, let us find the passage where Marx first talks about abstract labour – the fundamental concept we claim David Harvey fails to understand – and contrast it with the commentary in *A Companion*.

If we make abstraction from its use-value, we abstract also from the material constituents and forms which make it a use-value. It is no longer a table, a house, a piece of yarn or any other useful thing. All its sensuous characteristics are extinguished. Nor is it any longer the product of the labour of the joiner, the mason or the spinner, or of any other particular kind of productive labour. With the disappearance of the useful character of the products of labour, the useful character of the kinds of labour embodied in them also disappears; this in turn entails the disappearance of the different concrete forms of labour. They can no longer be distinguished, but are all together reduced to the same kind of labour, human labour in the abstract.

*Capital*, p.128

Both wine and cheese are exchangeable and this is founded on them both being products of labour, it takes effort to make them which allows them to be used as levers. Their exchangeability is not a quality of their specific physical bodies: one is liquid the other is solid. Put another way: when two commodities are equated in exchange, the point is that they are different.<sup>11</sup> But in the act of exchange, all their differences are abstracted away, so that all that we have left is their value. The labour that produced them is thereby transformed: It is not cheese-making or wine-making, but simply human labour as such, abstracted from its specific form, that counts and that constitutes value. This is not merely an intellectual exercise, but rather an abstraction that is made in practice when commodities are exchanged. What constitutes wealth in this society is the purely negative characteristic of labour, pure toil, effort, “expenditure of human brains, muscles, nerves, hands etc.”<sup>12</sup> – in short, abstract labour – and not that it produces all the useful things that we like and need to consume – that is only a condition.

Harvey offers the following commentary on this passage:

But, he [Marx] then immediately asks, what kind of human labor is embodied in commodities? It can't be the actual time taken – what he calls the concrete labor – because then the longer taken

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<sup>11</sup> “Coats cannot be exchanged for coats, one use-value cannot be exchanged-for another of the same kind.” – *Capital*, p.132

<sup>12</sup> *Capital*, p.134

to produce the commodity, the more valuable it would be. Why would I pay a lot for an item because somebody took a long time making it when I can get it at half the price from somebody else who produced it in half the time? So, he concludes, all commodities are “reduced to the same kind of labour, human labour in the abstract”.

*A Companion*, p.18

This commentary fails to engage with the quote it is commenting on. Let us explain.

### 3.1 Quality and quantity

Firstly, notice how “kind of human labor” becomes “time taken”. *A Companion* immediately jumps to the quantitative determination of labour, whereas Marx is discussing its quality. Harvey talks about “how much” – magnitude – without establishing how much “of what”. But the quality – “what is it?” – is what is being investigated here. It is as if David Harvey’s companion finds nothing noteworthy to explain about abstract labour, as if his only concern is how much of it there is.

### 3.2 Substance of value: congealed abstract labour

However, *A Companion* does not only neglect to discuss abstract labour, the example “why ... pay a lot for an item ... when I can get it at half the price” talks about a different point entirely. When you shop around for a chair you are not abstracting away its use-value: you need an object that you can sit on comfortably. You are also therefore looking for a skilled chair-maker who sells the chair cheaply. What Marx is talking about here is all the different types of products of labour and the labours which produce them being abstracted, equated and confronted by the act of exchange: cheese, wine and every other product is equated to chairs when the chair-maker sells her chair. They are certainly not the same thing and they are also the products of very different kinds of labour: cheese-making, wine-making and chair-making. Yet, insofar as value is concerned, they count as the same. But *A Companion* ignores that the products of cheese-making are equated with the products of wine-making.

In this society production is for each other, but the standard is not merely whether the other party needs a use-value but this use-value is to be used as a lever to gain access to social wealth. A lever whose force is as big as the amount of effort it generally takes to produce that use-value – I can demand social wealth in exchange for my product because it takes effort and others need it.<sup>13</sup> You need my cheese but my cheese is my means to gain access to social wealth from which I am otherwise excluded. I can demand said access when my cheese counts as social wealth (i.e. finds effective demand). For this it does not matter if I make cheese or wine, but merely that it takes effort. Labour is not performed

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<sup>13</sup> The relationship is not that I can gain access to social wealth because I spent effort to make my commodity – value is no reward for labour performed – but because it needs effort to make it and others need it, which means I can use that as a lever.

to merely produce use-values but to produce a bit of social wealth, to count as a part of social labour. Only under these social conditions does the fact that labour is effort assert itself as a quality of the products of labour: value.

### 3.3 Economic laws and common sense

But because *A Companion* does not ask “what is abstract labour?”, it also fails to explain how the magnitude of value is established. That is, posing the question “why would I pay more?” as a way to begin explaining the magnitude of value will not allow one to explain it. Fair enough, David Harvey does not want to pay twice as much, but why is this standpoint valid? Why can he pay less? Why can the slower chair-maker not assert that she worked all day on her chair and demand enough money in return to reproduce herself? Why is her standpoint not valid but the buyer's standpoint? Why is the buyer's standpoint to demand a cheap price only valid when a second producer managed to produce faster? This is what Marx explains when he discusses the magnitude of value – socially necessary labour-time – but the reduction of this discussion to the common sense standpoint of the shopper in *A Companion* removes all explanatory content: it argues with economic rationality based on the economic laws of this society without explaining what these laws are.

### 3.4 Socially necessary labour-time and productivity of labour

The observation “I can get it at half the price from somebody else who produced it in half the time” is the fact that needs to be explained as opposed to be used as an explanation itself.

Assume two chair-makers with different productivity levels. Chair-maker Alice makes twice as many chairs as chair-maker Bob in the same time. Alice may be prepared to accept a bit less in exchange for her chairs than Bob, underbidding him to ensure she exchanges all her chairs. As a result Bob might fail to exchange his chairs for sufficient stuff to allow him to reproduce himself, ruining him. As Alice's level of productivity generalises, what she can get for her chairs drops to the newly established level of socially necessary labour-time: if one branch of industry lives it up earning much with little labour, other producers will switch into that branches of industry heating up competition there, driving down the exchange ratios of, say, chairs in their ruinous competition.

All this presupposes that Alice competes against Bob to attract effective demand, in David Harvey's example his effective demand for a chair. This is a quite particular social relation. From the point of view of consumption, if 10kg of cheese have been produced, all that matters is whether it is smelly enough or not. If there is not enough cheese there is not enough cheese and more needs to be produced. However, in this society, if for some reason you were not able to produce as much cheese as usual or as others, you are also excluded from wine, iPhones etc. Furthermore, if the productivity of labour of chair-making doubles more chairs are produced in the same time. From the standpoint of consumption, two chairs sit more people than one, so wealth did increase. From the standpoint of



commodity production the same amount of effort was expended so wealth did not increase. Finally, in this society, if my cheese does not count as social wealth – i.e. finds no purchaser – all my labour was in vain.<sup>14</sup> I might have produced at the normal productivity level, it is just that too many producers produced cheese in their expectation to be able to exchange it. The standard of socially necessary labour-time is asserted against the immediate producers and any labour which does not pass the test is wasted. The society where abstract labour constitutes wealth is quite lavish with the expenditure of actual labour. All this is premised on chair-maker competing against chair-maker and all producers competing against all other producers.

*A Companion* treats this antagonism between different chair-makers as self-evident and as an a priori given just as it treats as an a priori given the antagonism between producers of different use-values. It casually takes the standpoint of someone engaging in this antagonistic relationship rather than trying to understand under which social relations this standpoint is valid.

Where Marx declares that “the twofold nature of the labour contained in commodities [concrete and abstract labour] ... is crucial for an understanding of political economy”<sup>15</sup>, *A Companion* does not pick up on the critical content and fails to explain or even mention the difference and opposition between concrete labour and abstract labour. As a result, as we shall see, Harvey posits money against exchange and value.

## 4 Value-Form Analysis: Commodities and Money

What Harvey objects to – and what he posits against value – is not that money represents value and circulates commodities, but that one can hold on to it:

This means [...] that the production and marketing of the money commodity as well as its accumulation (eventually as capital) lie in private hands *even as it performs its universalizing social function*.

*A Companion*, p.35, our emphasis

Or on the monetary question – we need money to circulate commodities, no question about it. But the problem with money is that it can be appropriated by private persons. It becomes a form of personal power and then a fetish desire.

David Harvey in an interview for Red Pepper

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<sup>14</sup> In one of its better moments *A Companion* recognises this, but strangely enough only when the fetish chapter is discussed: “I can make something beautiful and take it to market but if I don’t manage to exchange it then it has no value. Furthermore, I won’t have enough money to buy commodities to live.” – *A Companion*, p.42

<sup>15</sup> *Capital*, p.132

Now what is money and is there a contradiction in the monetary form? It turns out money is really a claim on social labor and there is therefore a contradiction in Marxist terms between money and value. [...] As a medium of circulation money is fairly neutral. The big problem with money is its function as a store of value, because as a store of value it can store social power.

David Harvey, *The Contradictions of Capital* (17' '24)

According to Harvey the situation is roughly like this: commodities are produced for exchange. This necessitates money to represent value, but somehow money also acquires the function as a store of value and this function is where the problem with the capitalist mode of production starts. This means that he has neither a problem with the subordination of production and consumption under commodity exchange; nor with the fact that socially necessary labour-time is asserted against the immediate producers as the standard they have to live up to; nor that the purely negative aspect of labour – effort – is what constitutes wealth in this society. In any case, according to Harvey there is no necessary connection between value and money as a store of value and hence there is an easy fix:

Representation of value in the money form is a perversion of what value is about, it's a contradiction. [...] What this would suggest is that if you want to prevent class formation, if you want to prevent the individual appropriation of social value, then you would have to come up with a money form that is anti accumulation. Marx says that gold and silver are the money commodities because they are not oxidisable. [...] They maintain their character. You can accumulate value, social power. And we see what happens in societies. But if you had a money form that dissolved, that is oxidisable, we would end up with a very different kind of society. You would have a money form that would aid circulation but that would not facilitate accumulation.

David Harvey on *Platypus panel Radical Interpretations of the Present Crisis* (1'55"19), 14 November 2012<sup>a</sup>

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<sup>a</sup> Similarly: "People mobilise their lives around searching for this money even when nobody knows that it is. So we've got to change the monetary system – either tax away any surpluses people are beginning to get or come up with a monetary system which dissolves and cannot be stored, like air miles." – David Harvey <http://www.redpepper.org.uk/david-harvey-interview-the-importance-of-postcapitalist-imagination/>

This mis-characterises value, the value-form analysis, money and accumulation.

## 4.1 Value

Harvey characterises money as a form of social power and a claim on social labour and contrasts this with value. But what is value if not social power and a claim on social labour? As we have seen, a chair is not produced to be consumed by the chair-maker but to be exchanged. For the chair-maker it represents her claim against society to social labour, i.e. all the things that are produced. Her chair is her means of access to these things and it counts in this regard merely as a bit of social wealth as

such. This is what exchangeability means. A chair-maker does not have a warehouse full of chairs to sit on, but to sell them. These chairs are her claim to possess social wealth. Hence, Harvey's characterisation of money as social power is correct, but to contrast that with value is wrong: anything and everything that is produced for the market claims to be social power. It is this point that David Harvey overlooks in *A Companion* when he reduces the dual character of the labour embodied in commodities to a mere "why would I pay more?"; taking everything that allows him to take this standpoint as not worth troubling with.

The big difference, however, between a chair and money is that a chair still has to prove that it is social power of access – it has to be sold – whereas money immediately is recognised as such. How is that?

## 4.2 Value-form analysis

While David Harvey accepts one of the results of Marx' value-form analysis, i.e. that value must be expressed in money, he does not follow the argument. Commodities are produced for exchange. But before they can be exchanged they must express that they are immediately exchangeable and thereby are a bit of social wealth. A commodity is not only this particular commodity, say, wine, but also anything else that is available on the market. An analogy from the world of vanity would be us expressing how famous we are. We could say: "We are as famous as David Harvey." If David Harvey is universally recognised as famous, then we would have successfully expressed our claim to how famous we are.

If other people use Owen Jones as a reference point for fame, we would lack a common reference point for expressing our fame. Some people might not recognise our claim to fame as they only recognise Owen Jones as immediately famous, not David Harvey. This is one of the critiques of the simple form of value given in *Capital*, it has nothing to do with barter as claimed in *A Companion* on page 30. The transition from the simple form of value to the expanded form of value is not because we are in "a complex field of exchanges like the marketplace"<sup>16</sup> as opposed to simple barter, but because the simple form of value fails to express that our commodity is truly value, or to return to the analogy that we are truly famous.

However, in expressing our fame by pointing to David Harvey, we would also attribute to David Harvey the ultimate quality of being famous – a person all of us immediately recognise as famous. Now, in doing so we would also deny our own immediate fame. If we were truly and immediately famous we would not have to point to David Harvey to express it: "Look, believe us, we're famous, just like David Harvey!"; people would immediately recognise our fame. By asserting our fame by pointing to David Harvey we are also expressing that we do not immediately have it. We hence would open ourselves up to the critique: "You claim to be as famous as David Harvey? Prove it!"

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<sup>16</sup> *A Companion*, p.31

### 4.3 Money

To leave the somewhat silly analogy behind: when all commodities express that they are value in that one commodity, they also declare that this one commodity is the commodity which is value pure and simple. This commodity is money. After all, they always point to this one commodity to express that they are value just like it. All commodities have a price tag to express how much of social wealth they are. At the same time they deny that they are immediately value, the price tag indicates that they are not immediately money. Hence, they have to prove it. It is not enough to have a price, commodities must be sold. Only after a commodity has successfully exchanged with money is it successfully validated as a part of social wealth. In a society where people deny each other the means to satisfy their needs and where production for each other happens in competition against each other, proving that a commodity is indeed value and hence allows access to the wealth of society is the precarious step, the “salto mortale” of the commodity. A chair may or may not sell for money. Money, however, can – in sufficient quantity – always be exchanged for any other commodity.

Put differently, in a society based on commodity production and exchange, private producers produce hoping that their private labour is validated as social labour, that their product is validated as a bit of social wealth. Did they produce in vain or did they produce a chair which commands social wealth? Only money counts immediately as social wealth and allows access to all wealth of society. Hence, becoming money is the successful validation that a particular private labour is social labour. Money as social power of access pure and simple is the necessary direct form of appearance of social wealth in a society where production is independent and private, in competition against others, but for others.

### 4.4 Accumulation

Storing value is hence not the exclusive domain of money, it is merely better at it than stuff which is just commodity. However, David Harvey's fix for “accumulation” with oxidisable money misses the point. The way money is accumulated is not by holding on to it. Harvey's account of accumulation is in fact an account of hoarding. Hoarding works by denying money its capacity to satisfy your thirst for exquisite wine, you get richer by withdrawing from consumption. What the hoarder does is to hoard social power by not using it as power whilst she hoards it: her money does not exercise its access power to social wealth, it is withdrawn from circulation. It is merely latent power, as Marx points out in the critique of the hoarder.<sup>17</sup> Indeed, capitalist accumulation is not mere hoarding. Companies do not simply sit on their money, a capitalist who does that is not good at being a capitalist. Companies instead invest in something that will make them expand: for example, industrial capitals hire workers for less than the value these workers produce.

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<sup>17</sup> In order that gold may be held as money, and made to form a hoard, it must be prevented from circulating, or from dissolving into the means of purchasing enjoyment. The hoarder therefore sacrifices the lusts of his flesh to the fetish of gold. – *Capital*, p.231

That Harvey's fix is no fix at all is aptly demonstrated by the fact that oxidisable money kind of exists: money in all successful capitalist states constantly loses its value – inflation. While this is certainly not the kind of oxidisable money Harvey has in mind, it underlines that hoarding your cash is not what makes capitalist firms successful.

In a society based on commodity exchange, private property owners use their commodities as leverage against others in order to access what they need and want. They equate every commodity on the market, thereby reducing the different kinds of labours that are needed to reproduce them to human labour in the abstract. Their products of labour count as a part of abstract social wealth which in money finds its appropriate expression. This abstraction of human labour is at the heart of Marx's critique of the capitalist mode of production. No oxidisable money can affect this. It is this misunderstanding of Marx's critique of value and of abstract human labour that is the premise that allows Harvey to propose a money system that would reproduce the social relations we presently have, and leave intact the generalised misery of our world. Challenging that would require challenging value itself and production for exchange which gives rise to it.

## 5 Fetish

David Harvey does not trouble the readers of *A Companion* with an account of what abstract labour is, what value is and what it means for those subjected to it. For him, commodity production as such is not a mode of production that needs commenting on, explanation or critique. Consequently, he also struggles to explain the fetish-like character of commodities. Here is what Marx had to say:

The mysterious character of the commodity-form consists therefore simply in the fact that the commodity reflects the social characteristics of men's own labour as objective characteristics of the products of labour themselves, as the socio-natural properties of these things. Hence it also reflects the social relation of the producers themselves to the sum total of labour as a social relation which exists apart from and outside the producers.

*Capital*, p.164-165

Objects of utility become commodities only because they are the products of the labour of private individuals who work independently of each other. The sum total of the labour of all these private individuals forms the aggregate labour of society. Since the producers do not come into social contact until they exchange the products of their labour, the specific social characteristics of their private labours appear only within this exchange. In other words, the labour of the private individual manifests itself as an element of the total labour of society only through the relations which the act of exchange establishes between the products, and, through their mediation, between the producers. To the producers, therefore, the social relations between their

private labours appear as what they are, i.e. they do not appear as direct social relations between persons in their work, but rather as material relations between persons and social relations between things.

*Capital*, p.165

As we have seen, production is carried out on the basis of private production units who produce for others and then place their products in the market based on a calculation that they can use them as a means of access to social wealth. Under these conditions the products of labour, commodities, become imbued with social properties. These social properties appear as properties of the commodities themselves which then react back on their producers.

On the market, commodities establish a relationship with other commodities. A certain amount of coffee exchanges for a certain amount of wine and this becomes reflected in a price. Through this process these commodities not only appear to have, but in fact indeed do have, relations with each other. It is through the relations between their commodities that the social relations of production between producers manifest themselves.

To these private producers the fact that their respective concrete labours are reduced to homogeneous abstract human labour appears in the form of the equality of the products of labour: "my commodity exchanges for theirs". The socially necessary labour time to produce a given commodity appears as the relationship of the value of that commodity to other commodities: "my thing is worth twice as much as theirs". The relationships between the different concrete labours of commodity producers appears as a social relation of products of labour: "my wine does not sell on the market any more, well, then I'll have to produce cheese instead". Marx describes this situation where the products of labour appear to and actually have power over their producers as the fetish-like character of the commodity.

Even if a commodity producer studies *Capital*, and comes to an understanding that the magnitude of value which their product commands in the market is an expression of the average production times taken by producers of such products (better work faster!); or whether overall for example more of these products were made than people were prepared to pay for; or that what a sum of value can purchase expresses a relationship of labour in this industry to labour in others – all these realisations change nothing about the fetish. Commodities still relate to one another and so people still do not control their own relationships with one another in production, but they are controlled through the result of the comparisons of their products on the market.

In David Harvey's hands however, the fetish-like character of commodities becomes a problem, not of the lack of conscious control over human productive activity but simply a lack of knowledge about production relationships. *A Companion* takes a head of lettuce as example:

You go into a supermarket and you want to buy a head of lettuce. In order to buy the lettuce, you have to put down a certain sum of money. The material relation between the money and the lettuce expresses a social relation because the price – the “how much” – is socially determined and the price is a monetary representation of value. Hidden within this market exchange of things is a relation between you, the consumer, and the direct producers – those who labored to produce the lettuce.

*A Companion*, p.39

So far so good. Unfortunately, the presentation then becomes a bit of a mixed leaf salad:

Not only do you not have to know anything about that labor or the laborers who congealed value in the lettuce in order to buy it; in highly complicated systems of exchange it is *impossible* to know anything about the labor or the laborers, which is why fetishism is inevitable in the world market [...] You cannot, for example, figure out in the supermarket whether the lettuce has been produced by happy laborers, miserable laborers, slave laborers, wage laborers or some self-employed peasant. The lettuces are mute, as it were, as to how they were produced and who produced them.

*A Companion*, p.40

Yet, the fetish-like character of commodities is not a description of the fact that we lack knowledge about the production chain. Any reasonably complex social division of labour presents the possibility that we will not know about how things we consume were made.<sup>18</sup>

Fair trade products, which display something about the conditions of the workers who produced them on their label, or even webcams next to the t-shirts on sale at any high street store showing the interior of the sweatshop where they are produced do not change the fact that the labour expended on producing those items is related to other human labour through the sum of money expressed in the price.

In the conclusion, the emphasis on the fetish-like character simply being down to a lack of knowledge rather than about the objective domination of people by the products of their labour, emerges again – apparently we are only “*at risk* of being ruled by fetishistic concepts that blind us to what is actually happening”<sup>19</sup>. Last time we checked we were not ruled by concepts but by a reality that is described by these concepts, i.e. we actually are dependent on money in order to have some wine and cheese, not only at risk. We understand why this is, yet, here we are.

What David Harvey in *A Companion* takes away from the fetish chapter of *Capital* is that value is “not a

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<sup>18</sup> Of course, there are reasonably complex divisions of labour where you can easily rule out slave labour, wage labour and self-employment: rational production for use-value.

<sup>19</sup> *A Companion*, p. 47 (our emphasis)

fact of nature, but a social construction arising out of a particular mode of production.”<sup>20</sup> While this is correct, he does not actually explain, let alone properly critique, this particular mode of production. Like many commentators before him, he is content with putting down in writing that value is a product of history and a social relation without asking what it is that was produced and what stands in a social relation to what.

*A Companion* cites Marx's charge against political economists, a charge that would seem to equally apply to Harvey:

Political economy has indeed analysed value and its magnitude, however incompletely, and has uncovered the content concealed within these forms. But it has never once asked the question why this content has assumed that particular form, that is to say, why labour is expressed in value and why the measurement of labour by its duration is expressed in the magnitude of value of the product. These formulas, which bear the unmistakable stamp of belonging to a social formation in which the process of production has mastery over man, instead of the opposite, appear to the political economists' bourgeois consciousness to be as much a self-evident and nature-imposed necessity as productive labour itself.

*Capital*, p.174

The difference, however, between these political economists and David Harvey is that the latter – being a Marxist and all that – recognises that value is not natural. Though, what it actually is, what constitutes its substance and what that means for those subjected to it, he does not seem to find worth troubling the reader with.

Hence, those who read *A Companion* to guide them through *Capital* will be disappointed: it neither gives an adequate account of what Marx said nor of the capitalist mode of production.

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<sup>20</sup> *A Companion*, p.46