Notes from Marxism - 1

• Marx had planned multiple volumes of The Capital but could finish only first volume. Vol 2 and 3 were finished by his friend Engels with the help of his notes.

• Volume 1 comprises 8 named parts, each of which has named chapters.

• The title of Volume 1, Capitalist Production, indicates Marx's focus on examining the constituent parts of capitalist production, explaining how they work together, and then exposing the exploitation inherent in such an economy.

• In this chapter, he stresses on the concept of Commodity.

• “The wealth of those societies in which the capitalist mode of production prevails presents itself as “an immense accumulation of commodities.”

• A commodity is -"an external object, a thing which through its qualities satisfies human needs of whatever kind.”

• It's an object outside us.

• The nature of wants which a commodity satisfies, makes no difference.

• In the section—which is subtitled "The Two Factors of the Commodity: Use- Value and Value (Substance of Value, Magnitude of Value)"—Marx introduces us to his analysis of commodities.

• Commodities have many attributes and therefore they can be used in various ways.
• There are three main ways to measure the value of a commodity, and they are interlinked: use-value, exchange-value, and value.

• The use-value of a commodity is determined by the usefulness of the commodity as it satisfies a human need. “use-values become a reality only by use of consumption.”

• A commodity's use-value is a trait of the thing itself, and is independent of the amount of labor needed to make the commodity useful.

• Marx explains exchange-value by saying there is always a certain amount of something that can be exchanged for a certain amount of something else. He gives the example of corn and iron, explaining that a certain amount of corn can be exchanged for a certain amount of iron.

• Unlike use-value, which is based in the properties of the commodity, exchange-value is created by people.
• Marx outlines their differences in the statement, "As use-values, commodities differ above all in quality, while as exchange-values they can only differ in quantity."

• Despite their differences the use-value and exchange-value are inherently connected.

• In order to create an article that has value, a certain amount of labor is necessary. The average amount of time required to produce a commodity is called "socially necessary labor-time." Labor, according to Marx, is the "the substance of value."

• Then Marx elaborates on concept of labor in relation to value.

• Value of coat vs value of 20 yards of linen -different labor processes go into the creation of each. In the end, however, if one person has a need for a coat and another for linen, these items become equivalent in value and can be traded.

  Marx details the idea behind the exchange-value of the coat and the linen: he explains that because the coat requires extra labor of tailoring, "the linen contains only half as much labor as the coat." Thus, the linen requires more units to match the worth of the coat.

• Commodities are "at the same time objects of utility and bearers of value."

• Then, he tries to get into the concept of money.

• Going back to the example of corn and iron, corn and iron have an exchange relation meaning that a certain amount of corn can be exchanged for a certain amount of iron. Each must therefore equal a third common element, and can be reduced to this thing.

  The common element cannot be a natural property of the commodity, but rather must be abstracted away from its use-value. Discarding use-values, only one property remains—the commodities are the products of abstract human labor. They are "congealed quantities of homogenous human labor." This common factor in the exchange-value of the commodity is its value.

• Thus, a use-value only has exchange-value when it consists of abstract human labor. This is measured by the amount of labor-time socially necessary to produce it.

• A commodity's value would stay constant if the labor-time also stayed constant. With greater productivity, it takes less labor to produce a commodity, and thus, less labor is "crystallized" in the product, leading to a decrease in value.
• "The value of a commodity, therefore, varies directly as the quantity, and inversely as the productivity, of the labor which finds its realization within the commodity."

• Therefore, An object doesn't have an exchange value in itself, but only in its relationship with other objects.

• Therefore, Value means the amount of labor it takes to make the commodities.
• It implies that the price of commodities comes from how much labor was put into them.

References
1. The Capital, Karl Marx
2. Rivkin and Ryan
3. marxist.org
4. Sparknotes
5. Coursehero

Suggested readings
1. The Capital, Karl Marx
2. Rivkin and Ryan
3. marxist.org