

Uroš Kranjc*

The Absent Cause and Marx's Value Form

In autumn 2008, the global economy encountered a severe economic downturn. At the time, the common belief held was that fiscal and monetary authorities had enough strength to manage the inherent instabilities and systemic risk in the economic system. The centralised monetary system, along with its satellites – private banking and insurance and mortgage companies – started a domino effect of defaults and homeowner foreclosures, pushing national economies close to sovereign debt defaults. The proceeding aftermath of all these events is historically recorded. An alternative view, which went along the lines of major economic interventionist actions to salvage the banking system, almost immediately emerged. In March 2009, some of the leading western philosophers evoked the “Idea of Communism” proposing an alternative agenda to insurmountable social antagonisms in the capitalist system of today. The *leitmotif* of the conference can be summed up with the statement: “The communist hypothesis is the hypothesis of emancipation”¹. In a nutshell, we are confronted with the resurrection of the word *communism*, deriving from its *political implications*. Determined in this way, it completely forecloses the possibility of inquiry into the causes of the economic and social crisis and therefore delivers none of the political practices and actions, which should be the “main weapon of the Left”. Indeed, it becomes a sad reversal of positions when we firstly identify the critique of political economy as the *sine qua non* for the reinvigoration of contemporary communist politics and then several years later withdraw ourselves with an inversed XIth Thesis on Feuerbach: “it is not to change the world but to try to interpret it”². Alain Badiou had also withdrawn the initial call for political action in 2009 and transformed the emancipatory “programme” into a *dialectic of principles* – collectivism against private property, a polymorphous worker

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¹ Cf. Jacques Rancière quotes Alain Badiou, “Communists without communism”, in: A. Douzinas and S. Žižek (Eds.), *The Idea of Communism*, Verso, New York 2010, p. 163.

² Cf. Slavoj Žižek, *Living in the End Times*, Verso, New York 2010, p. 185. And “Interview with Slavoj Žižek”, in *Philosophy Now*, 7. 11. 2017, accessible via https://philosophynow.org/issues/122/Slavoj_Zizek

against specialization, concrete universalism against closed identities, and free association against the state.³ Or as Jacques Rancière had put it, calling into account the paradox of Joseph Jacotot, whose emancipation of (communist) intelligence is denied by the possibility of emancipation occurring only between individuals, since (communist) emancipation simply cannot be brought up *inter alia* with the (individualist) emancipation of commons or that of the social body.

One would expect such a moment or *momentum* to be seized by some Marxist or leftist political action. Rather, it was seized by an anarcho-libertarian individualist course of action. Anarcho-capitalism or its newest avatar, the Crypto-anarchism with cryptocurrencies as its main mediator emerged on the other side of the *Great Recession*, placing in monetary orbit a new object as medium of exchange – the cryptocurrency. Cryptocurrencies can be viewed today as one of the immediate consequences of the central banking debacle during the times of economic turmoil. Observing the current course of events, we can sincerely question the actual fate of cryptocurrencies – whether they will grow into a sustainable alternative money-commodity or will the blockchain eventually become integrated in its reversal, i.e. a globally fragmented authoritarian money regime. To turn this disposition around, we have to pose an altogether different question: Are cryptocurrencies a “real” alternative to the universality of (fiat) money? More than just a handful of people actually think that a decentralized medium of exchange poses a concrete challenge to (supra)national central banking as long as it is able to maintain other functions, namely: withholding its store of value, expanding as a means of payment, and becoming a recognizable unit of account. Indeed, this is what crypto-anarchic individuals want to accomplish: indulge a decentralized, and more importantly, anonymous structuring of the exchange totality. From this point of view, they have most definitely seized the *momentum*. But their quest for reshaping the capitalist mode of production via the imaginary destruction of (fiat) money is a whole different matter.

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If we are to analyse the inner core of these new forms of money from the perspective of *communist politics*, then what is needed is a return to the *critique of economic categories* and an investigation of their relations in respective totalities. Let us on the first take approach these issues through a provisional framework

³ Alain Badiou, “Reflections on the Recent Election”, Verso blog, 6.11.2017, accessible via www.versobooks.com/blogs/2940-alain-badiou-reflections-on-the-recent-election.

by employing the literary/linguistic operations of metonymy and metaphor. Jacques Lacan strongly relied on these two operations to describe the metonymic sliding of desire (object), where the lack of being is instated. And on the other side, a metaphorical instalment of the symptom, insofar the substitution of one chain for another induces the subject's access to it (and with it to its desire-object). Consequently, what is evoked here of course is *the logic of the signifier*, linking together the object with the subject within a certain minimal structure. Next, we wish to test the concept of cryptocurrency against this logic, aiming to show that they are no more than a particular variation of money-commodity in the capitalist mode of production and in the end leading to the structures of production and exchange in Marx's conception of value form.

Starting with the metonymic relationship, we have different types of money (commodity money, fiat money, fiduciary money, bank money, and now cryptocurrency money) which all perform the same modalities as far as the economic system is concerned – they are part of the same universal Whole – the *monetary exchange*.

The metaphoric relationship completes the structure of *metonymic causality*; it does so by installing a determinate relation in the gap between two commodities (two moneys). A relation which introduces an absent cause – specific social relations of production – posing as a substanceless *identity of abstract labour and concrete labour*.

The aim of this provisional schema is twofold: the more obvious first point of departure is the Althusserian understanding of “[t]he absence of the cause in the structure’s ‘metonymic causality’ on its effects is not the fault of the exteriority of the structure with respect to its economic phenomena; on the contrary, it is the very form of the interiority of the structure, as a structure, in its effects.”⁴ Our main focus will be Rancière’s contribution to the work *Reading Capital* entitled “*The Concept of ‘Critique’ and the ‘Critique of Political Economy’*” in trying to unveil the metaphorical relationship between the unity of abstract and concrete labour presented as an absent cause of a determinate social relation in the capitalist mode of production. This is compounded by commodity exchange (the totality of circulation), mediated with a specific object – a money commodity.

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⁴ Louis Althusser and Étienne Balibar, *Reading Capital*, Verso, London 2009, p. 208.

But in order to understand where this money commodity emerges from, we have to make a qualitative leap, distinguishing Marx from his earlier anthropological writings (*Economic manuscripts*) and scientific delineation in *Capital*. We need to deepen our analysis of the “Dialectics of the value form”. This work (“On the Dialectics of the Value-form”) introduced by Hans Georg Backhaus in 1969 presents a blueprint for a research programme called New Reading of Marx (*Neue Marx Lektüre*), initiated alongside Helmut Reichelt, Alfred Schmidt and others. This new reading of the first edition of *Capital* sheds light on a dialectical contradiction immanent in the “equivalent form” of value, which involves a different interpretation in the mode of presentation from the one Marx endorses in the second edition of *Capital*. It all comes down to the following question: how does one construct the notion of value that predetermines the notional development of money?

To quote H. G. Backhaus:

All the magic and hubbub which belongs the products of labour on the basis of commodity production’ manifests itself in the paradoxical relation in which the commodity is itself and at the same time its other: money. It is therefore the identity of identity and non-identity. The commodity is equal in essence to money and at the same time different from it. The ‘unity in difference’ is designated as is known with the Hegelian term “doubling” (*Verdopplung*). This dialectical concept is used by Marx to characterise the structure of commodity-money equation: Commodity exchange ‘produces a *doubling of the commodity into commodity and money*, an external opposition in which they represent their immanent opposition of use-value and value.

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*The commodity-money equation is the economic dissolution (Aufhebung) of the Principle of Identity.*⁵

To return to our metonymic relationship and the example of cryptocurrency among other types of money: we are dealing with an *addition* to the moneys chain, which consolidates the Universal, i.e. money-object. All these concrete moneys are partial displacements of the concrete universal – money. We shall

⁵ Hans-Georg Backhaus, “On the Dialectics of the Value-Form”, *Thesis Eleven*, 1 (1/1980), p. 109.

add the following thesis: It is against this background that one should reject the optimistic call for subsuming altogether the notion of money with reliance on cryptocurrencies in our capitalist institutional framework. Furthermore, if we want to *act on* communist politics via the critique of political economy, we need to insist on dismantling the structure of the “social relation of things”, walk through the “genesis of abstract value-objectivity” (*Wertgegenständlichkeit*) and unveil the relation between a subject objectifying itself as an object on the axis: labour – value – money. Value as the central term is on the one hand something being thought, immaterial, living only in consciousness, but also always only the value of a product, something material. In order to fulfil its mission, it must achieve a reality of its own for consciousness, which is first of all alien to it and second, also takes a fantastic shape and fetishist character. Both the Althusserian reading of the *Capital* and New Reading of Marx have brought up different structural frameworks to disentangle the dialectical play of central concepts in the critique of political economy; now we must put them together in an orderly fashion, so as to fully comprehend and, crucially, *simultaneously* pave concrete actions leading to communist politics.

Abstract labour and subtractive structure

In his preparatory writings on the critique of political economy, Marx starts *Grundrisse* with the analysis of simple circulation, trying to establish a successive presentational linkage for his later works ranging from 1. value, 2. money and 3. capital in general. A parallax shift came with *A Contribution to the Critique of Political Economy*, and later *Capital*, when his inquiry deepened and abstracting from “Capital in general” established “the Commodity” and its double character as a point of departure. In addition to its *use* value, a particular commodity also possesses an *exchange* value. Use value is its usefulness and utility that one derives from its usage or consumption of its natural form. Exchange value is something inherently different, a social property of a thing, exchanged on a market. Michael Heinrich in his reading of Marx introduces an univocal relation between commodity and labour in the following way: “If the commodity has a twofold character, as use value and value, then *commodity-producing labour* must also have a twofold character: it is labour that not only

produces a use value, but also value.”⁶ This means that concrete labour creates qualitatively different use values of determinate commodities. On the other hand, we have abstract labour, which is the originator of value, i.e. is a value substance, as the “crystals” of abstract labour our commodities represent “values”. As such, labour is qualitatively equal human labour and abstracted from its concrete character. We know that Marx relied on the dialectical distinction between content and form, a gap that is still being entirely ignored by contemporary scientific economic theories in their attempt of maximal salvation of consistency. To withstand all criticisms, these theories employ evermore complex mathematical formulae, but at the same time face a reflection of an incomplete Whole – a structure with some determinate but indiscernible content.

We propose the following: there is a recurring necessity of maintaining an open gap between content and form, or to put it differently, a theoretical challenge to outline a specific structural dimension of this gap and its implicit appearing in social exchange. The identity between concrete and abstract labour in the form of an absent cause is the starting point taken by Rancière in *Reading Capital* with which he draws the demarcation line between anthropological discourse of the young Marx in *Economic Manuscripts* and the scientific discourse of *Capital*. This cut represents a revolutionizing of scientific field, moving from ideological to scientific strata; it is also the implementation of a new discourse abolishing the one put forth by classical economics. In order to achieve this, we have to follow Marx’s path from the first edition of *Capital*, “since up to now it has only been the substance of value and the magnitude of value which have been specified, let us now direct our attention to the analysis of the *form of value*.”⁷ Marx acknowledges the contribution of David Ricardo to the science of economics, but points out the pitfalls that would later haunt classical economics in terms of quantitative magnitudes of value. For him, there is an alternative route of analysis: only after the mediating agency of *value-form* can we relate labour as a value substance with commodity exchange based on money. The relationship between content and form is introduced from a certain stage on; when labour ceases to present direct and exclusive origin of value (valid for classical economics) and is understood as rep-

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⁶ Michael Heinrich, *An introduction to the three volumes of Karl Marx’s Capital*, Monthly Review Press, New York 2012, p. 48.

⁷ Karl Marx, “The Commodity. Chapter One, Volume One, of the first edition of *Capital*”, in: A. Dragstedt (Ed. and Trans.), *Value: Studies By Karl Marx*, New Park Publications, London 1976, p. 16.

resented in the exchange of commodities, which realize their value based on their exchangeability. The significance of value form stems from its duality – natural form and form of exchange –, where one can observe the “genesis” of money form.

Following Rancière, we start the analysis of value form with *the relation of two commodities, one that furnishes the simplest value-expression for a commodity*:

$$\begin{aligned}
 & x \text{ commodity A} = y \text{ commodity B} \\
 & \text{OR} \\
 & x \text{ commodity A is worth } y \text{ commodity B}
 \end{aligned}$$

Commodities A and B are distinguished in a mutually exclusive relation, i.e. polar relation, it is precisely in their opposition (although one active and the other passive) that the inner nature of simple value form lies. We say that the first commodity (A) stands in the *relative value-form*, while the second commodity (B) has its place in the *equivalent form*. Together they form moments of the same expression of value with recourse to their reciprocal conditioning and unity. Different pairings of commodities easily trade places in the value form, on the other hand what cannot occur is a situation where one commodity would take up both sides of the equation. Rearranging all the moments of value form, we get:

Form of value of A = Natural form of B

The background effect of a simple equation of two commodities immediately sets in motion the formation of a determinate social structure. This has decisive consequences: the introduction of value (of a certain commodity) is structurally determined with the identity of two opposing and mutually excluding poles. A commodity in the *equivalent form* cannot express its value: “It furnishes only the material for the expression of value in another commodity.”⁸ – *the structure of Two implies a Third*. “[Commodities] are neither equal as mere things, nor even as items of the same substance; they are equal in determinate formal conditions imposed by the structure in which this relation is achieved.”⁹ Rancière

⁸ Karl Marx, “The Value-Form”, *Capital and Class* 4 (Spring 1978), p. 135.

⁹ Jacques Rancière, “The Concept of ‘Critique’ and the ‘Critique of Political Economy’”, in: *Ideology, method and Marx: essays from economy and society*, Ali Rattansi (Ed.), Routledge, London 1989, p. 106.

highlights the crucial difference of earlier *Economic Manuscripts* from *Capital*, first with its immediacy of contradiction in the (anthropological) equation: *essence of man = alienated man's essence*; an immediate contradiction, where the predicate exists separated from the subject, simultaneously finds its solution exactly in the unity of disjunction (alienation) – the essence of man is separated from the human subject. In the second case from *Capital*, we are presented with a more mystical equation – $x \text{ commodity A} = y \text{ commodity B}$ – in which the value qua the cause of equality relation is absent. The natural form B has *materialized* the value of commodity A in its form of appearance without any recourse to their inner determinations – a common third –, i.e. the identity of concrete and abstract labour. This identity relation, or put inversely, the scission immanent in the notion of labour, is the product of a social process (its result is *the structure with an absent cause*) in Marx's conceptual apparatus known as social relations of production.

Rancière's reading of Marx through metonymic causality is stated as follows: "what determines the connection between the effects (the relations between commodities) is the cause (the social relations of production) in so far as it is absent. This absent cause is not labour as a subject, it is the identity of abstract labour and concrete labour inasmuch as its generalisation expresses the structure of a certain mode of production, the capitalist mode of production."¹⁰ Defined in such a way, the value form unfolds the problem of objectification of labour; it overturns the production process into simple circulation, where commodities become exchanged on the same qualitative presupposition – the mutual exchange of labour. If we then paraphrase Althusser's definition of *structural causality*: value form represents the first explication of a structure of sites stemming from immanence of an absent cause in its effects. The structure is called simple commodity exchange. This kind of setting is, something Althusser also implicitly admits, identical to the problem of *inner connection, internal relationship* [*innere Zusammenhang*] and *outward form, outward appearance* [*Erscheinungsform*]. It is precisely this gap between inner essence and phenomenal "surface" that is crucial for Marx in his methodological gateway from an abstract interior to a concrete, sensuous exterior. Rancière's key contribution to the new reading of Marx is his delineation of structural causality inherent in the value form. This reading opened a new possibility of conjoining labour and value in a specific structure,

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¹⁰ *Ibid.*, p. 108.

i.e. how the value of labour can be thought in unity with production, circulation and exchange. But in order for Marx's understanding of the commodity-object to have any grounding in value form *per se*, he has to deliver his famous passage:

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 products of labour themselves, as socio-natural properties of these things. Hence it also reflects the social relation of the producers to the sum total of labour as a social relation between objects, a relation which exists apart from and outside the producers. Through this substitution, the products of labour become commodities, sensuous things which are at the same time supra-sensible or social.¹¹

This type of phantasmagorical form of a relation of things is only attributable to determinate social relations among people; on the other hand, this particular social character underpins our perception of economic objectivity. The transpositional structure among people and things conforms to the metonymic manifestation of social character, by which we mean encircling the notion of value as a "natural" property of things-in-themselves. Sensuous super-sensuous things are simultaneously forms of appearance of value and a special object inasmuch as its properties mark social relations in a specific structure of semblance. When dealing with this type of forms and structure, we are confronted with the belonging of the constitutive lack's non-belonging – the unity of abstract and concrete labour.

Just to clarify our position, let us introduce some basic determinations of the value form. Marx intended to distinguish his labour theory of value from Ricardo's transformational immediacy on the basis of the scission: content and form. For Ricardo, there was an immediate law: Labour *is* value (creating); for Marx on the other hand, accordingly to content-form distinction, value *represents* labour by taking on its form in the value of commodities. Consequently, the commodities as use-values now become "substantial bearers" of exchange-value. Exchange-values of different things are expressed as the quantum of the same qualitative determination – "value-forming substance". From here on, we can speak of

¹¹ Karl Marx, *Capital: A Critique of Political Economy, Volume One*, Penguin books, London 1993, p. 164–165.

qualitative value-equality of different use values. This is immediately followed by the definition of “is exchange value of” equilibrating different commodities of the same value magnitude into an *equivalent relation*, x of linen = y of coat. If we were to interpret an equation so defined in a scientific discourse of economics, we would get a zero-sum game; a structure of exchange, where no changes are made in terms of (cardinal) values. Value-objectivity [*Wertgegenständlichkeit*] is in a capitalist social formation first and foremost expressed with this equation, but also one where Marx obfuscates the ambivalence in relations of equality [*Gleichheitsverhältnis*] and polarity [*Polaritätsverhältnis*], which is internal to the expression »is exchange value of”.

On the other hand, this development of a contradiction in the use and exchange value alongside the process of exchange presupposes the “cell” form of capital commodity. In *A contribution to the Critique of Political Economy*, and later in *Capital*, Marx had already introduced the problem of the social division of labour into abstract and concrete labour. A unity that has to be analysed against the backdrop of commodity exchange in order to obtain the final answer to the following question: “*why this content assumes that form*”. The value substance of a commodity, understood of course in the form of time duration or magnitude of labour-time, is social labour as labour in general of a specific social structure – the capitalist mode of production. A new reading of Marx conceives this labour in general as preceding the *de facto* act of exchange, so we must think of its position in the structure as being on a new, *subtracted level*, evading the superficial analysis of commodity exchange, and simultaneously taking into account the redoubling in commodity and money. A contradiction between use and exchange value has for its ground the resolved contradiction of social-human labour, abstract and concrete labour that is, firstly, *subtracted* and, secondly, substituted with the initiation of value. Moishe Postone introduces a similar configuration:

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Value, then, is unfolded by Marx as the core of a form of social mediation that constitutes social objectivity and subjectivity, and is intrinsically dynamic: it is a form of social mediation that necessarily exists in objectified, materialized form, but is neither identical with, nor an inherent property of, its materialized form, whether in the shape of money or goods. The way in which Marx unfolds the category of capital retrospectively illuminates his initial determination of value

as an objectified social relation, constituted by labor, that is carried by, but exists “behind,” the commodities as objects.¹²

*This expansion [Movement of capital], this ceaseless motion is, within the framework of Marx's analysis, intrinsically related to the temporal dimension of value. As we shall see, Marx's concept of self-valorizing value attempts to grasp an alienated form of social relations that possesses an intrinsic temporal dynamic; this alienated form constitutes an immanent logic of history, gives rise to a particular structure of labor, and continually transforms social life while reconstituting its underlying capitalist character.*¹³

If we disentangle Postone's complex formulation we actually get a crystallized overview of relations and objects in Marx's critical analysis – the connections between value, labour, commodity, money and capital. His interpretation suggests different levels of social objectivity with a direct link to the subjective moment residing inside them – it incorporates *value* as a form of social relation (circulation), reflected through the mediation of use and exchange, taking the material shape of a specific object, i.e. money-commodity. One of the aspects of the new reading of Marx is the differential abstraction of so-called “natural exchange”. It breaks with the transhistorical notion of product-exchange devoid of concrete existence from that of circulation in a concrete social mode of production. Contemporary economics has followed the former path; for Marx, utilizing relative exchange ratios in terms of prices and money as a “technical-material instrument, cunningly devised” and where value corresponds only to subjective-aspirations is for him an unconceivable thought [*Denk unmöglichkeit*]. From this point of view, both traditional Marxist and subjectivist theories paradoxically miss the point, because they have to abstract value out of money, while on the other hand simultaneously seek to endorse money as an instrumental means for an (already) price-determined value exchange of goods. They get twirled up in a double measure-bind of value – labour time/utility and money. Combining the simple or accidental form of value, one that presupposes the equivalence of two commodities based on exchanged quanta of labour time, with the special commodity of *labour power* – the source of creating value and objectified labour.

¹² Moishe Postone, *Time, Labor, and Social Domination: A Reinterpretation of Marx's Critical Theory*, Cambridge University Press, New York 1996, p. 269.

¹³ *Ibid.*, p. 269–270.

It is the ability of one bearer [*Träger*] in the form of possessor of money or *capitalist* to find a “free” human being who sells his labour capacity for a *limited amount of time* to him in order to determine a fruitful relationship among them. An individual’s freedom resides in the possession of his labour-capacity (as his only property) and the ability to temporarily resell it for consumption to a possessor of money. The spheres of production and circulation now form this double movement from $C - M - C$ and $M - C - M'$ to expanded $M - C \dots P \dots C' - M'$.

The introduction of labour-power sublates the simple commodity exchange and brings forward a new stage in the development of the social process; by solving the initial contradiction of commodity exchange and surplus value it instated the one between wage as the value of labour (power) against labour as the source of value. Rancière pinpoints this new structure by concentrating on the contradiction implied in simple value form, one of un/equivalent exchange, so that we have a special commodity in circulation – labour-power – which is the source of value for other commodities and is simultaneously objectified (as work-capacity) and exchanged for other commodities, even though the cause is absent in the form. It is the presupposition of the equivalence axiom that enables the commodity labour-power to be exchanged for all other commodities, in the end leading to an “impossible equation”, an absent cause in the structure of relations of production presented via value form. This structure can be understood here as an asymmetric relation inherently expressed with the value form – in polarity between relative value form and equivalent form. Immediately after the commodity labour-power has taken its place in the value form, the qualitative determinations change: the abstraction of exchange traverses into class struggle, both belonging to a particular mode of production, where social human labour corresponds to wage-labour. In order to get a fuller grip on the structure and places of objects inside the capitalist institutional framework we now need to address the second specific object (alongside labour) – money-commodity. Both commodities, labour-power and money, within the capitalist institutional framework, need our utmost attention: it is in the exclusive context of this particular structure that we encounter *an overlapping of both objects* in the exchange process.

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Money commodity and Capital

If we return once more to Backhaus and his *On the Dialectics of the Value-Form*, we must point out the following: two commodities do not come to be set equal,

they are already set equal. They are set equal to a third – money – out of which one derives value relation as value expression. Backhaus emphasises that we are dealing with an equal setting, but only insofar we observe the content; however, if we observe the form, the setting is unequal. On the one side, we have a commodity, on the other, its value expression, i.e. money. The outcome, of course, is the relative and equivalent form. Even though both products differ in their use values and are equal in value, they are in a relation after they achieve their value expression in a third, e.g. gold or silver, fiat or crypto money. Once products engage in the form of value, their relationship introduces the notion of commodification (they become of same essence – absolute value), they realize themselves in relative ratios of value (x commodity A = y commodity B). Products attain their properties as commodities only after they are put together in mutual relation to two use values; as such they also acquire a universal (supra-natural) property – (exchange) value –, products of labour, i.e. sensuous things, “are at the same time supra-sensible or social”¹⁴. In the picturesque language of his first draft, Marx demonstrates the existence of *a universal* inside a totality with a known passage: “It is as if alongside and external to lions, tigers, rabbits, and all other actual animals, [...] there existed also in addition *the animal*, individual incarnation of the entire animal kingdom.”¹⁵ Juxtaposing products of labour in exchange, two use values mediated through value form, results in one of them becoming unequal with itself, thus positing this excess in the form of difference “of-its-own” in a third (equilibrating) term. This is why Backhaus calls the “unity” of value and use value “the unity in self-differentiation [that] presents itself as the doubling of the commodity into commodity and money”¹⁶. To quote Marx: “The internal opposition (between use value and value) enveloped in the commodity [...] is therefore represented on the surface by an external opposition.”¹⁷

From the *Grundrisse* manuscript onwards, it becomes clear that Marx wanted to introduce a particular commodity – money – as a medium for economic value-determination, one whose contradiction arises as a “particular that represents itself as opposite, as universal”. All exchange values must enter equalization *vis-à-vis* the general equivalent; it is only thereafter that they become val-

¹⁴ Marx, *Capital: Volume I*, p. 149.

¹⁵ Marx, “*The Commodity. Chapter One, Volume One, of the first edition of Capital*”, p. 27.

¹⁶ Backhaus. “On the Dialectics of the Value-Form”, p. 111.

¹⁷ Marx, *Capital: Volume I*, p. 153.

ue-equal and interchangeable. Our third thing, money, also has one peculiar and crucial determination: money is a *semblance* and reality at the same time. The metamorphosis of commodities is mediated through price markings: two things connect with the third (money) and constitute a shift in form, starting with C – M – C and finishing in C – C. “Circulation sweats money from every pore.”¹⁸ After the extinguished exchange process, there remains no direct trace of money taking place, one sees only two parties with satisfied needs. Material occurrence of value in money is accounted in order to vanish, to subtract itself from the world of commodities. More succinctly, money-commodity gives sense to the entire chain of commodity circulation and paradoxically, itself remains undetermined in a relation connecting value with a (price-determined) world of commodities.

We have said that the general equivalent (money) assumes the form of the general material representative of wealth, as such a particular-individual commodity among all others, *the animal* among all concrete animals in the world. The relative and equivalent form constitute a relation of use and exchange value, but also that of commodity and money, modelled on Hegel’s *essential relation*¹⁹ (*Besondern – Allgemeinen – Einzeln*). Marx follows Hegel’s dialectical steps in terms of a sensuous-supersensuous thing (sensible super-sensible thing) [*sinnlich übersinnliches Ding*], a subjective-objective object, determined as a *real-universal* or *real-abstraction*. Heinrich gives us clues how one should approach a sensuous-supersensuous thing: “The ‘super-sensuous’ of the commodity is not the *content* of value-determination, but rather the *form, value*, a specific objectivity of value. This supra-sensuous part of commodity gets a sensuous existence in money-commodity.”²⁰ So, the property of super-sensuous cannot be attained by any sensuous instance, it [the value] needs support for its concrete manifestation. The immediate existence of value, i.e. value as such, is an abstraction; a real object can always only *represent* it. Doubling then firstly implies the existence of categories *ideally* (in the head), as well as the existence of the real-universal [*Real-Allgemeine*], a *real abstraction*, objectification, an “objective form of thought”, an “absurd form” residing in economic objectivity. This doubling presents itself immanently in the contradictions of price implementation

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¹⁸ *Ibid.*, p. 208.

¹⁹ Georg Wilhelm Friedrich Hegel, *Wissenschaft der Logik II. Erster Teil. Die objektive Logik. Zweites Buch. Zweiter Teil. Die subjektive Logik*, Suhrkamp, Frankfurt a. M., 2014, “Wesentliche Verhältniss”, p. 164–185.

²⁰ Michael Heinrich, *Wissenschaft vom Wert*, Westfälisches Dampfboot, Münster 2006, p. 235.

("Exchange value, posited in the character of money, is price. Exchange value is expressed in price as a specific quantity of money."²¹)

The following question arises: how are we to think the conjunction of a particular with the (real) universal, concrete and abstract, arising from value form? We will proceed with the aim of introducing a possible new representation of relations inherent in the structure of value form, one that subsumes in unity the economic categories regarding their ideal and real form. Marx defines money as a universal form of wealth, a general material representative, a totality of particularities that form its substance. Wealth [represented in money] is (exchange) value *as totality and as abstraction* individualized and excluded against all commodities; or negatively, the world of commodities becomes a totality, and non-All, after wealth (as money) had been expunged from it. What successively follows is the development of labour and capital categories; with dialectical unfolding of social relations (particular and universal), concrete labour determines a notion with moments that include all particular forms of labour, from tailoring to agriculture, one and the other, even though it is neither first or second, but a third as totality – human labour-in-general.

To recap: using a provisional framework of metonymy/metaphor we introduced a certain type of structure with two series. As far as metonymic sliding goes, we have interchangeable variations of concrete moneys driving monetary exchange, all of which correspond to the *real abstraction*, an object of the Whole – money. Money is an excess, one that completes the totality of exchange as long as it ceaselessly subtracts itself from exchange, thus making it non-All. However, a productive process propels exchange; in the range of different concrete labour-creating use values, there comes along labour-in-general, abstract labour which mediates exchange value and their unity engenders a social process with an absent cause (social relations of production posited as a filled void in the formula $x \text{ commodity A} = y \text{ commodity B}$). The value form is a representational model, introducing a synthesis of two series – one with an excess, the other with a lack. This type of structure has been thematized on more than one occasion²²;

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²¹ Karl Marx, *Grundrisse: Foundations of the Critique of Political Economy*, Penguin Books, London 1993, p. 189.

²² Deleuze has made a stringent case for the dialectic of excess and lack in his *Logic of Sense*. Nonetheless, we owe it to Badiou for maintaining a decisive minimal difference in the

we must understand it as the abandonment of our provisional framework and proceed towards an attempt of thinking together in a relational structure of value form: labour as the substance of value and money as a semblance.

Now we can pose the following question: What does this internal exclusion of money-commodity bring about in its developed form? Or, alternatively, what implication does Marx's (monetary) theory of value bring? Why should one perceive his (monetary) theory of value as a theory of Capital [*Kapitaltheorie*]? Marx strives toward an unempirical notional development of his theory of value, evident in "*Urtext to A Contribution to the Critique of Political Economy*" and in consequent texts of *A Contribution to the Critique of Political Economy*. The goal is the unfolding of categories in a dialectical gateway: value-money-capital. He cautions us on two points: the specificity of conditions in the capitalist mode of production and the particular dimensions of *a third* when differentiating simple un-totalized commodity exchange from circulation of commodities $C - M - C$ and money $M - C - M$.

Observing both paths of circulation, i.e. $C - M - C$ and $M - C - M$, introduces certain differences; the first movement starts and finishes the process with commodities, while the second does so with money (as capital). In the first instance we are dealing with a relentless subtracting of money-commodity out of circulation. Value is thus extinguished when its form, monetary object, is being subtracted out of simple circulation. In the second movement both commodity and money function only as different modes of value existence, money as general and commodity as particular, which is now an *automatic subject*. Hence, value as such reaches its higher sense, interchanging forms of commodity and money, and by changing its own magnitude becomes a self-valorizing process, authorizing Marx to write: capital is money, capital is commodities. So, this second movement is the origin of the self-valorizing process that induces surplus-value, where money as capital begins to reside and attributes to a conscious bearer – the capitalist. This type of inversion or “personification of things” and their subjectivization are characteristic of economic categories that need *support* for the valorization of capital commodity. If the condition for valorization is not satisfied, money retains its basic form; it “petrifies” in value, whence no change

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logics of lack and excess, subscribing to the division of algebra in topology, elaborated in *Theory of the Subject*.

occurs. On the other hand, when we are confronted with the form $M - M'$, then money represents itself in a “crude and conceptually undifferentiated” form of capital. Why such an a-conceptual form? Because the process leading to its final result (M') is obliterated, what is presented is only the point of initiation of M and the closure of M' . Such valorization can of course occur as a product of use value, a particular one whose ability is to add value – labour-power. “*Labour is the only use value which can present an opposite and a complement to money as capital, and it exists in labour capacity, which exists as a subject.*”²³ The subtraction of money and separation of money as capital from the functional capacity of creating use values obfuscates the asymmetrical relation of production between capitalist and wage-labourer. Marx devotes an entire chapter to the externalization of capital relation, stating: “As interest-bearing capital, and moreover in its immediate form of interest-bearing money capital (the other forms of interest-bearing capital, which do not concern us here, are derived from this form and presuppose it), capital obtains its pure fetish form, $M - M'$ being the subject, a thing for sale.”²⁴ Here the desire of money, the fleeting occurrences of money-object in circulation, overturns into the drive of capital, where money as capital enters an infinite circular movement and deploys its “*ingrown existence of interest*” for the sake of the automatic production of surplus-value. Herein lies its utmost fetishist form, its *begriffslosigkeit*. The distinction between the final movements of $C - C$ and $M - M'$ fixates the different capacities money represents; as far as initial social human value-building goes, it demarcates the wage-labourer from the capitalist. This happens when money steps over the Rubicon, meaning that the functioning capital is *de facto* self-reflexive with money-capital. Once it sets foot in capitalist production, in which money can be transformed into capital on the basis of self-valorization, the outcome comes in the form of profit. We must be precise here and not miss a decisive doubling of absence in cause: in the first series we lose the money-object, while in the second we lose money-as-interest-bearing-capital, capital entertaining its own pre-suppositions in money-form and giving itself sense with self-commodification. A gap emerges, a parallel to one existing in psychoanalysis between desire and

²³ Karl Marx, The Original Text of the Second and the Beginning of the Third Chapter of “A Contribution to the Critique of Political Economy” (the *Urtext*) in: Karl Marx and Frederic Engels, *Collected Works*. Vol. 29, Lawrence and Wishart, London 1968, pp. 507.

²⁴ Karl Marx, *Capital: A Critique of Political Economy, Volume III*, Penguin Books, London 1981, p. 517.

drive, sustaining the difference in enveloping products of human labour, money and capital with the notion of value.

There is one more insight we must undertake in our analysis. Marx says: “Fundamental changes have taken place in the course of the transition from form A to form B, and from form B to form C. As against this, form D differs not at all from form C, except that now instead of linen gold has assumed the universal equivalent form.”²⁵ We must emphasize an additional aspect: In transitioning from form C (universal equivalent form) to form D (money form), we also encounter a significant qualitative difference. The equivalent form posits a random commodity in the place of a universal equivalent, apart from serving its “initial useful purpose” it functions also as a means of exchange/payment and unit of account. It is still in-itself a useful thing that does not change significantly over space and time (omitting the inherent natural depreciation of material) and still in becoming a thing-for-itself. Linen will always be linen. Inversely, a money-commodity possesses among previous functions also a third, namely store of value. Marx indirectly develops this functionality in a chapter in *Capital* called “*Money, or the Circulation of Commodities*”, where money now posits the relation among creditors and debtors and is perceived as a chain of payments in the form of *credit-money*²⁶. Our aim is to underline the underemphasised notion of interest-bearing presupposition of money-capital as money-object instated in value form, which introduces a specific temporality into the circulating world of commodities.

Temporality

Interest-bearing capital once more confronts us with the problem of form: before us stands surplus value in the form of appearance, first in profit and later in its most mediated and concrete form – interest. We are dealing with *Begriffslosigkeit*, an “absurd” or “perverted” form, an “irrational” form, “the mother of all crazy/displaced forms”, the utmost representative form of relations within the capitalist institutional framework. We must never lose sight of Rancière’s appraisal of all missing intermediate terms in unfolding this *begriffslose* form - $M' = M + \Delta M$: “The *Begriffslosigkeit* expresses the disappearance of all the intermediary terms whose connection makes the relation M to M’ possible. It thereby express-

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²⁵ Marx, *Capital: Volume I*, p. 162.

²⁶ *Ibid.*, p. 238.

es the disappearance of what underlies this connection and makes it possible, the capitalist relations of production.”²⁷ We began our analysis with use values of products of labour and made them into empirical, *sensuous* things that meet our needs, proceeded to a *sensuous-supersensuous* character of commodities, money or capital. We now arrive at *supersensuous* determinations of prices or interest. The connection between the three encompasses the value – money – capital relation; where capital becomes a commodity, the price of which is expressed in interest and its “valorization” attributes to circulation of money-capital. Negatively put, only money as capital can fertilize itself with interest (interest-bearing capital), while other types of (productive) functioning capital amount to a residual part of gross profit. Marx precisely disentangles the concealment taking place during the real process of thing-ly reproduction against the backdrop of money-capital being an “a-conceptual form”, interest-bearing profit divorced from profit of enterprise. A type of concealment, where no relation between capital and labour is presented, only interest-relation among two capitalists. “In interest-bearing capital, therefore, this automatic fetish is elaborated into pure form, self-valorizing value, money breeding money, and in this form it no longer bears any marks of origin.”²⁸ The irrationality of form becomes ultimate in the form of interest – via the vanishing of the relation that inscribes it onto a particular place. How can a relation vanish? How can capital pose as a mere thing? The fact of it being a thing transcribes it as a commodity, thrown into the circulation process like any other, one that is at the same time also money-capital, money-object indulging automatic yields in the shape of interest.

We must embark further, towards the inner determinations of money, i.e. its functionalities. One of the key questions arising for Marx is the gateway from money-object to money-capital, a representation of a credit (debt) and interest relation. If anything, then academic economic *acribia* succeeded in grounding intertemporal analysis as a baseline for economic theorizing. It had inaugurated its object of cognition by separating present actions of economic agents from future expectations and outcomes. Individuals are deemed to follow the *rationality principle* and plan their future decisions and choices; this is how the usual story of neoclassical synthesis goes. The planning of aggregates on the macroeconomic level is naturally tied with the Keynesian equation $I = S$; equating in-

²⁷ Rancière, “The Concept of ‘Critique’ and the ‘Critique of Political Economy’”, p. 158.

²⁸ Marx, *Capital: Volume III*, p. 516.

vestment activity with savings immediately implies different time periods. Marx sought to show and explain the problem of credit and macroeconomic cycle of investment/saving by expanding the categorical structure in the circuit of money capital and interest-bearing capital. Marx's line of analysis includes unfolding commodity to money, then money to the notion of capital, from capital he comes to the money-capital circuit and from the circuit he arrives at credit (and interest bearing). We have discussed money as an extra-commodity internally excluded from the world of commodities and content-wise posited in the development of value form. As far as quantitative determination goes, it is expressed in price-determination of commodities and is posited as a multiplicity, a quantum of capital form – money-capital. Its abstraction is sublated once debt/credit arises, shaping money's functionality (store of value) unified automata of use and exchange value into a form of interest-bearing (profit and interest rates)²⁹. Interest-bearing capital functioning as money has a double determination in exchange: 1. understood as money travelling through formula $M - C - M'$, it achieves its surplus (ΔM) by lending its use value to a demanded productive capital investment (occurring at the t_0 time period) and 2. as interest-bearer carrying a definite expected yield (at the t_{+1} period). The abstract categorical outfit of money is stripped of once it has its role in the circuit of capital; in circulating capital as commodity, money becomes the most simplified form of this movement. This "new" process of money and capital defines a new concrete motion – money as functioning capital, yielding a profit rate in a particular period of time.

We will examine this process further. First we must make some small interpretative adjustment of categories: use value of money should be understood simply as profit, realized after a period of t_{+1} . Value of money-capital is redoubled into profit and exchange value (price, manifested in the form of interest) which now entails the following contradictive determination: on one hand, it is determined, quantitatively, with price (interest at maturity date t_{+1}) and qualitatively

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²⁹ Let us bear upon a moment at the contemporary rise of financial and capital markets, this »automatic« subject of market valorization occurring at the last economic expansion of 1986–2007. In times of diminished key interest rates for longer periods of time we experience T-bills (treasury bills) of *de facto* becoming interchangeable against money. Especially on the account of historically low transaction costs of money transfer because of information technology, and now even more with the prospects of cryptocurrency's blockchain technology. Cf. Stiglitz and Greenwald, *Towards a New Paradigm in Monetary Economics*, Cambridge University Press, Cambridge (MA) 2003, p. 12–16.

as the present value (discounted at t_0). Such double determination and expression of money becomes an empirical and material presupposition for unfolding the category of capital. Historical development of its forms (securities as market commodities; treasury bills, municipal bonds, stocks, options, derivatives, etc.) has led to the current state of developed financial capitalism – a system of expected (intertemporal) yields – i.e. the capitalist institutional framework. Put differently, we have to slightly modify the expanded formula of interest-bearing capital circulation:

$$M - M \dots C \dots M' - M' \text{ is transformed into } M - M \cdot (t_0) \dots C \cdot (t_{+1}) \cdot M' - M'$$

In the fourth chapter of *Capital*, Marx describes the path from commodity to capital form, and by doing so articulates the capitalist mode of production; using dialectical sublation from the initial simple circulation $C - M - C$ to money-capital $M - C - M$ and all the way to its most developed form of interest-bearing capital. Here money is subverted from “ex-timate” standing as subject-value of simple exchange to a subject of developing credit, the last stage of capital. The automaticity should be understood as a separation from its genus (value as a representation of human labour, expenditure of human labour power in labour time), where value becomes an attribute of different money-forms circulation. We encounter such mediation only as the fruits of the capital form as (expected) profits (discounted yields at time t_0) and future interest (t_{+1}). The whole structure of simple commodity production is confronted with the dominating effects of interest-bearing capital through segmentation or discontinuity among different time periods based on the capital form's maturities. Interest-bearing capital or simply a security issued at present day immediately connects some future point of time. The time of capital is the time of its subjective bearer distributed at times t_0 and t_{+1} . This is what John Maynard Keynes meant when he underlined the character of money (and consequently capital): “*For the importance of money essentially flows from its being a link between the present and the future.*”³⁰, which connects directly with Postone's analysis of two forms of time and his corollary, “[...] then, *value is an expression of time as the present.*”³¹. Value resides in the *abstract time framework* where it remains constant magnitude of value

³⁰ John Maynard Keynes, *The general theory of employment, interest, and money*, Prometheus Books (Great Minds Series), New York 1997, p. 293.

³¹ Cf. Postone, *Time, Labor, and Social Domination*, p. 296.

throughout different levels of historical capitalist productivity and uses money as a ledger for temporal inscriptions of events for the latter (i.e. movement of capital). When unified with its contrary, *historical time*³², it becomes a building-block of institutional framework, designating names and places; they are determined only positively as a complete and whole social body. Indeed, what is missing is the articulation of an element or event, whose part has no place in this body, one that amounts to driving force of subjectivity. Money (capital) and its temporal dimensions of circulation become retroactive unveilers of these “parts” and are a function of cuts presented by unfolding of historical time.

If we recapitulate what has been said so far: we started out our initial structural proposition from Althusser’s (Rancière) structuralist approach with the immanence of cause on its effects and further elaborated the New reading of Marx’s logical underpinnings of value form and money in a capitalist mode of production, referring to the process of exchange. Rado Riha puts it like this: “As opposed to pure abstract value-determination, money is something material, but the significance of this materiality is strictly linked to the value-determination’s moment of *internal exclusion*, in as much that it adheres to value as an inner condition of its universality, and on the other hand as something that is always excluded from it.”³³ The strict separation of essence and appearance on the one hand means a redoubling, and at the same time a distance, difference, overshadowed with a unified representation of the pair. Commodity and the money form drive the pair use and exchange value to a final separation inside their unity; we are left with use value of a commodity, exchanged on the market, and on the other side money-commodity, pure exchange value, devoid of any content and as such a vanishing moment.

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Money is the result of the dialectic unfolding of inner contradiction in the value of a commodity; it is the agent of subjectivization and at the same time, its material appearance, constantly dis-jointed out from the world of commodities – i.e. is *excluded* from exchange structure. It is made of *nominalist* appearances, as they are omnipresent in classical and neoclassical monetary theories, relying on quantitative determinations of exchange circuits, and also on objective

³² *Ibid.*, p. 294.

³³ Rado Riha, »*Problemi teorije fetišizma*«, in: R. Riha and S. Žižek, *Problemi teorije fetišizma*, Univerzum, Ljubljana 1985, p. 46.

magnitudes in the concepts of real and monetary economics (e.g. quantitative theory of money). In terms of places in a structure: that the notion of money falls directly in place where it belongs and not-belongs at the same time means an overlapping of inner contradiction – objectified opposition of use and exchange value. This opposition represents the content of money's function as a unit of value (price), the means of circulation (exchange); and this opposition sublates both moments, leading to a third, a subjectivization of money as money (inversion of circulation $C - M - C$ to $M - C - M$), i.e. a mover of “totality of concrete commodities”, universally self-excluded from it.

Marx says: “The circuit of capital is thus a unified process of circulation and production, it includes both.”³⁴ We have followed this lead with two series: *first*, that of production of commodities and social relations of production (unity of concrete and abstract labour) as its absent cause and *second*, the circulation of commodities, a world incomplete by its internal exclusion of money-object. Interest bearing capital as the most developed and mediated “mother of all crazy/displaced forms” is the most advanced development of economic objectivity. Value form introduces a particular logical analysis of socio-economic “construction” of objectivity; in a configuration where capital and credit take simultaneous side-by-side placement, a place where difference is materialized (irrational form) i.e. the inversion of aforementioned circulation occurs. The content of the most developed capitalist form is produced thereafter, by endorsing a historical overview in becoming of “capitalist spontaneous arising”. Capital as a general category “seems to appear” in all kinds of money-forms, resembling the fact that capital is historically always already present in money and obfuscating its “true” content. Money capital just does not become capital in general overnight, on the contrary, accumulation of capital in terms of time elapsed is needed for its expansion. Indeed, one conformed to credit-debt relationship cycles. Then, a retroaction from the future sutures the content of the form (money-capital) stemming from concrete interest-bearing capital which envelops a particular time horizon as a capital circuit moment. This oscillation between abstract universality in commodity' appearances and singular moment of interest-bearing capital conjoins, what appears as incommensurable, functions of money. Therein lays the asymmetric relation immanent to the class character of value form.

³⁴ Karl Marx, *Capital: a critique of political economy, Volume II*, Penguin Books, London 1992, p. 139.