

Social validation, a point of passage between work and monetary value
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Introduction

Extension of old works on wealth and value and debates (books, colloquia, journals).¹

Context : the evolution of contemporary capitalism, multiple crises (from economy to finance, from social to ecology, from politics to geopolitics).

Crisis of production and realization of value.

Hence the issue of the discussion around the social validation of work as a point of passage to the monetary value.

Discussion starting from Marx's metaphor of the somersault of the commodity (\neq Benetti and Cartelier, 1980²) which familiarly illustrates the concept of social validation of work.

1. Position of the problem : Marx's metaphor of the somersault of the commodity

Three ideas : where does Marx come from ? how does it transform the problem ? what are the consequences on the link between work, value and money ?

1) Inheritance of the political economy on the value

Classical inheritance taking up an intuition of Aristotle : binomial use value / exchange value.

- the exchange value based on Ricardo's built-in work (Smith's ordered work is put aside).

- value is therefore an intrinsic quality of the commodity, given by its quantity of labor, when it presents itself for exchange ; we can therefore speak of value substance.

- just as money is used to procure UV in reality, it is the desire for value and money that is negated.

This conception fits well into the naturalistic epistemology of political economy, which sees economic laws as natural.

2) In appearance, Marx will resume this political economy ; in reality, he will make the criticism.

Of course, he refutes the conception of natural laws : they are social and historical.

In the classic combination of use value and exchange value, he opposes the triptych : the use value is a condition of value as a fraction of socially validated work monetarily, which appears in the exchange through a proportion, the exchange value rate which, in trend, is measured by the monetary equivalent of the amount of work required on average in the considered society, once satisfied the requirement of an average rate of profit for the capital.

¹ J.-M. Harribey, *La richesse, la valeur et l'inestimable, Fondements d'une critique socio-écologique de l'économie capitaliste*, Paris, Les Liens qui libèrent, 2013.

² C. Benetti, J. Cartelier, *Marchands, salariat et capitalistes*, Maspero, 1980. They see money as a social bond, « as a condition of the process of forming market subjects », but they think that there is in Marx the idea that the coherence of the members of society is assured a priori, what precisely Marx do not believe.

« M–A. Première métamorphose de la marchandise, sa vente. La valeur de la marchandise saute de son propre corps dans celui de l'or. C'est son saut périlleux. S'il manque, elle ne s'en portera pas plus mal, mais son possesseur sera frustré. Tout en multipliant ses besoins, la division sociale du travail a du même coup rétréci sa capacité productive. C'est précisément pourquoi son produit ne lui sert que de valeur d'échange ou d'équivalent général. Toutefois, il n'acquiert cette forme qu'en se convertissant en argent, et l'argent se trouve dans la poche d'autrui. Pour le tirer de là, il faut avant tout que la marchandise soit valeur d'usage pour l'acheteur, que le travail dépensé en elle l'ait été sous une forme socialement utile ou qu'il soit légitimé comme branche de la division sociale du travail. »

K. Marx, *Le Capital*, Livre I, *Œuvres*, Gallimard, La Pléiade, tome I, 1965, p. 644-645

The key point that is reflected in this text is the concept of social validation that must be understood in its two dimensions :

- the goods must be socially useful (use of value necessary but not sufficient condition of the value) ;
- work legitimized as a fraction of the social division of labor.

Question : Where does this legitimation take place? On the market, during the exchange.

« Par un contraste des plus criants avec la grossièreté du corps de la marchandise, il n'est pas un atome de matière qui pénètre dans sa valeur. On peut tourner et retourner à volonté une marchandise prise à part, en tant qu'objet de valeur, elle est insaisissable. Si l'on se souvient cependant que les valeurs des marchandises n'ont qu'une réalité purement sociale, qu'elles ne l'acquièrent qu'en tant qu'elles sont des expressions de la même unité sociale, du travail humain, il devient évident que cette réalité sociale ne peut se manifester aussi que dans les transactions sociales, dans les rapports des marchandises les unes avec les autres. En fait nous sommes partis de la valeur d'échange ou du rapport d'échange des marchandises pour trouver les traces de leur valeur qui y est cachée. Il nous faut revenir maintenant à cette forme sous laquelle la valeur nous est d'abord apparue. Chacun sait, lors même qu'il ne sert rien autre chose, que les marchandises possèdent une forme valeur particulière qui contraste avec leurs formes naturelles, la forme monnaie. »

K. Marx, *Le Capital*, Livre I, *Œuvres*, Gallimard, La Pléiade, tome I, 1965, p. 576-577

3) *Consequences of the concept of social validation*

We can then integrate the main aspects of the revival of the theory of the currency brought by the theory of regulation and by the theory of institutions.

With the nuance that, in my opinion, this theoretical revival on money is not an alternative to the theory of value. In other words, the theory of money can not do without Marx's theory of value. Better still, the latter is at the same time a theory of money. It's a way of saying that value is only monetary. Or that the value is « realized » only monetarily, that is to say when the work is transformed into money. It is also a way of expressing the transformation of concrete work into abstract work.

Having the possibility to go beyond the false opposition theory of the value / theory of money, one can deviate from any self-referential conception of value on the markets, cut off from relations of production and thus from social relations. That is to say, who fetishes the fictitious capital. Value is certainly not determined in production, but that's where it begins (De Brunhoff).

2. Extensions of the concept of social validation

Three extensions discussed here.

1) *Re-examination of the concept of productive work*

Book I of *The Capital* : Marx explains the ideal-typical model of capitalism and value production. Is productive work that produces value for capital, that is to say surplus value.

This definition of the most abstract model of capitalism was later extended by all generations of Marxists to concrete societies living under the regime of capitalism, but which are not identical reproductions of the ideal-type.

The social struggles have made it possible to build large parts of the economy that are monetary but non-market ; that it is a question of theorizing.

What does neoclassical theory say ?

No theory of value ; confusion between utility and value ; worthless market price.

Non-market services are financed by a levy on market output. « The free economy is entirely financed by the producers of market wealth, those who literally make money. »³

And traditional Marxism ?

Non-market services are financed by a levy on capital gains ; the work that produces them is therefore unproductive.

In the past, it was even said that all services were financed in this way : only work in material production was productive.

*Alternative interprétation*⁴

Capitalists anticipate markets for their goods → investment, employment → production → *ex-post* validation by the market if sale (Keynes).

The public authority anticipates collective needs → investment, employment, production validated *ex ante* → socialized payment

Non-market services are not financed by a prior puncture on private activity, by a puncture on something pre-existing, but the employees of the administrations generate an additional production and an income equivalent by convention to the monetary value of these services, equal to wages since there is no profit.

Taxes are levied on GDP already increased by the result of non-market activity. The work done in this sphere is productive of value in use but also of value in the monetary sense.

If the abstract model of capital is to retain as a definition of productive labor only the one that produces surplus value for capital, the same is not true for a concrete society where they are two work validation methods in tension.

On the status of the money whose creation anticipates either the appropriate surplus by capital or the wealth-value supplement benefiting the whole society, it must be said that :

market ⇒ money (the reciprocal is not true),

money ⇔ value (mutual involvement).

Macroeconomic lending through the sale of goods and the payment of taxes.

If Marx's theoretical project is to find the social substance of the value, he places in the work, and to determine the magnitude of the value by the working time, it is necessary to understand that the transition from work to the form value is done through the validation made by the monetary exchange with regard to the commodity ; it's its « somersault » on the market.

³ J. Peyrelevade, « Quand l'économie du partage aveugle les anticapitalistes », *Les Échos*, January 20, 2016.

⁴ J.-M. Harribey, *La richesse, la valeur et l'inestimable*, *op. cit.*

As the exchange of labor power in non-market services is fixed against monetary salary and the collective payment of the labor force income, *via* the taxes, is also fixed in monetary form (two bindings which are admittedly the result of social and political conventions), the category of value applies, this time *via ex ante* political validation.

Thus, it is not the materiality of the product, nor the appropriation of its monetary value which makes the productive or non-productive nature of the work, it is its social validation that is effected by the market or by political decision. On the one hand, it is the « somersault » for the merchandise on the market, on the other hand it is the « leap insured » by the community (State, local authorities, associative fabric...) in the monetary sphere not merchant.

The value (monetary by definition) is therefore a social relation.

2) *On said value of nature*

Disqualification of the notion of the intrinsic economic value of nature, in the same way that the notion of the intrinsic value of the commodity has been rejected.

Rehabilitation of the political economy distinction between wealth and value :

- immeasurable and irreducible wealth and value;
- by its perimeter, the wealth exceeds the value.

Challenge of the articulation of value and currency in relation to ecology : an ecological policy should have, among its tools, the possibility of setting monetary prices for the use of resources, which is different from their marketisation, let alone their financialisation.

3) *The capitalist crisis, especially that of 2007, is a crisis of production and realization of value, in two ways :*

- crisis of overaccumulation and overproduction, collapse of fictitious capital ;
- the social and ecological dimensions of the crisis are intertwined and reinforced.

Conclusion

The concept of social validation is the missing link to all theses that have purported to refute Marx's law of value. Monetary exchange is used to validate private work, which makes it worthwhile. We articulate production and circulation.

If we skip this concept, we have to fall back into the ricardian impasse.

If we integrate it, we not only connect work, value and money, but we bridge the gap between Marx and Keynes. Money no longer needs to be itself a commodity, it is enough that it is recognized beforehand, that is to say validated by the community itself (and not by the individual exchange), so that it can be the same social instrument of validation of the work done to produce the goods, as well as that carried out to produce non-merchant services. *Instrument*, while the *place-time* where this validation takes place is, on the one hand, the market, and, on the other, the political decision.

Discussion

- <http://harribey.u-bordeaux4.fr/travaux/valeur/index-valeur.html>
- Dossier de *Contretemps* : « Extension du domaine de la valeur » (juin 2017)
<https://www.contretemps.eu/dossier-valeur-capitalisme>

• Jacques Bidet : three reproaches

- 1) The concept of value can only apply to goods.

This is not true if we remember that there are two modes of social validation of work ; there is thus productive work of value for the capital (surplus-value) and productive work of value for the collectivity.

- 2) Substitution of the salary remunerating a service to the wage remunerating the labor force. Since there is no exploitation, no value.

Because there is no surplus value, there would be no value : false reversal of a true logical proposition.

In real value => value (the reciprocal is not true)

- 3) The income category is a conception of distribution and not production

We must understand the income category in the macroeconomic sense synonymous and monetary equivalent of the production

Basically, logic problem : how to imagine a levy on a basis that either does not exist or more, or that should result from this levy ?

• Christophe Darmangeat : three reproaches too

- 1) Logical refutation : A fully collectivized economy does not need to levy taxes. So the argument that you can not collect more on a declining basis does not hold.

It supposes the suppression of money in parallel with that of the capitalist sector. Gold currency does not equal capitalism, as equal value money, value and money do not equal capitalism. This was to be demonstrated.

- 2) Financial statement of the national accounts (argument taken in another way by Michel Husson)

There is no double counting because there are two types of transaction : production and distribution.

Confusion between financing (ex ante) and payment (ex post)

- 3) I would consider that any monetary creation would be value creation

It is not the payment of a monetary income which validates the work of civil servants, it is the political decision to teach children to read and to treat the sick (same argument against Bernard Friot).

• Antoine Artous : two reproaches in addition to the previous ones

- 1) My reasoning would be absurd because « the relations of ownership (and therefore social relations, even if they are not summed up to them) have been completely upset, so, also, the forms of production and validation of social wealth ».

This is exactly what I say : there is a cohabitation / tension between two forms of social validation.

- 2) The value of non-market services is included in the value of market output.

This is only one of the facets of the belief in prior saving, that is to say the misunderstanding of money.

Basically, the tendency is to reduce everything to the traditional pre-Marxian position : only productive work in material production (Michel Zerbato) is productive.