

**An Extremely Condensed Summary of Capital, V1**  
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leaning heavily on *Marx's Inferno* by William C. Roberts

In capitalism, we get most of the things we need to survive through exchange. **Commodities** are useful things people exchange. The fact that they're exchanged is what makes them **commodities**. Each one has a double character:

- Its **use-value** is the commodity in its irreducibly qualitative aspects (touch, taste, hardness, etc.), what it lets you do with it when you consume or use it. A shovel is a use-value insofar as it lets you dig holes, hit people over the head, do tricks, etc. A diamond is a use-value insofar as it lets you put it on a ring and propose with it, dazzle people with it, make a drill bit out of it, etc. Think of **use-values** as sets of verbs.
- Its **value** (very nearly **exchange value**) is one particular quantitative aspect of the commodity: how much it's worth. Commodities are very diverse and heterogeneous in terms of their **use-values**, but they're all commensurate in terms of **value** (e.g. there is some number of tomatoes that together are worth one space shuttle). Marx agrees with the classical political economists that the only quantitative thing any two commodities must have in some determinate *proportion* is **labor** expended to obtain or produce them. Hence **value** is capitalism's indirect way of referring to **labor** and exchange is the moment when our independent private labors come into contact with each other. In exchange, I equate my labor to yours, thereby giving and receiving social validation for our respective **labors**. The definite amount of another commodity I can get in exchange for mine is my commodity's **exchange value**.

In capitalism, **commodity-producing labor** has a double character as well. **Concrete labor** is the specific set of movements you actually make while working; these create the commodity's **use-value**. We know that **concrete labor** time does not determine a commodity's **value**, because then I could get rich by making something very slowly! **Abstract labor** is labor viewed in its **value-creating** aspect, as a homogenous uniform quantity of effort, qualitatively indistinct from every other person's labor. The amount of it that's "crystallized" in the commodity you're selling is determined by how well (or poorly!) your **labor** measures up against the **socially necessary average**, as demonstrated *after the fact* by that commodity's sale. Marx calls this dicey proposition the commodity's "*salto mortale*" because, like a trapeze act, it's always at risk of going terribly wrong. What turns out to be **socially necessary** is also a function of effective demand: if no one who'd like to buy what you're selling has anything of **value** to buy it *with*, then what you're selling has no **value** of its own.

Is **price** the same as **value**? No, but for our purposes any of the following simplifications will suffice:

- Prices** fluctuate around **values**, seeking them, but only rarely and accidentally coinciding
- Values** are "ideal prices", what **prices would have to be** to ensure that no one was ripped off
- They're pretty much the same in Volume One, since Marx wants to indict the *best possible version* of capitalism, its ideal, in which all trades are fair

It cannot be the case that capitalists *as a class* get rich just by overcharging for the **commodities** they sell us. If this were a systemic pattern, robust to competition, it would imply that the workers, as a class, had access to a constant flow of unearned income. This describes the capitalist class much better than it does the **proletariat**.

**Money** is logically implied by generalized **commodity** exchange. Marx shows this in four steps, each corresponding to a particular form of **value**:

- $x$  commodity A =  $y$  commodity B: The Simple, Isolated, or Accidental Form (a.k.a. one-off barter)
- $x$  commodity A =  $y$  commodity B **or**  $z$  commodity C **or**  $p$  commodity D etc.: The Total or Expanded Form (a.k.a. generalized barter)
- $y$  commodity B **or**  $z$  commodity C **or**  $p$  commodity D etc. =  $x$  commodity A: The General Form (a.k.a. commodity A becomes the **universal equivalent**)
- $y$  commodity B **or**  $z$  commodity C **or**  $p$  commodity D =  $x$  Gold: The **Money** Form (a.k.a. a substance is settled upon that has the ideal physical properties to play the role of **universal equivalent**)

Marx's point is not that **money** must be commodity-backed but that the **commodity** is *proto-money* ("money in germ"). It would be stupid to do away with money without doing away with commodity circulation, since **money** would inevitably come back—"Circulation sweats **money** from every pore"—along with its tendency to pool in just a few pockets. **Money** is **abstract labor**'s necessary form of appearance, and **abstract labor** governs society's productive decisions under any regime of generalized **commodity** exchange.

What is **commodity fetishism**? Because we coordinate our labor through many small separate acts of exchange, i.e. by relating things to each other, we throttle the bandwidth of social co-regulation down to a trickle: price signals. These signals express the unpredictable and incontestable impulses of the economy as a whole; they're not the outcome of any conscious deliberation. Together they transmit and enforce the monstrous logic of **abstract labor**, which is indifferent to our reasons and purposes, and asserts the needs of things over and against our own. We are dominated by a spirit of our own making, yet we treat this spirit as a fact of nature.

**INFERNO I (sins of incontinence):** Organizing production around the exchange of commodities introduces **uncertainty**: I don't know what the market will say (how prices will change) tomorrow. Given the anxiety produced by this **uncertainty** and the impossibility of intervening (using words, trading reasons) to influence the myriad economic decisions that affect me, I become **incontinent**: I may hoard money, or spend it lavishly, or become a workaholic, etc. The impersonal domination of the market makes us all systematically **irresponsible** for our economic behavior—each individual can say truly that they're "just doing what it takes to stay in business". It's no surprise that in the aggregate, this creates a race to the bottom.

Normal commodity circulation **C-M-C** (commodity-money-commodity) does not allow for aggregate growth like that capitalism is notorious for. The farmer starts out with some number of beets, sells them for **money**, uses that **money** to buy a pewter wizard figurine, then goes home no richer than before. **Money** becomes **capital** when it manages to *grow*. The **General Formula for Capital** is **M-C-M'**, where **M'** refers to an amount of money **M' > M**. How is this possible, assuming exchange of equivalents? (Remember, Marx is.)

The **commodity** wage workers sell to capitalists is our **labor power**, our *ability* to work, or simply our *time*, fractional parts of our lives. **Labor power**, like every commodity, has a **value** (in this case the wage the worker receives, which corresponds to how many hours of **abstract labor**, on average, are required to reproduce the worker's ability to work at their expected standard of living) and a **use-value** (in this case real **labor** performed, e.g. sewing or typing). This is a very special **use-value** because **labor** can create **value**. As long as capitalists buy and use **labor power**, it's possible for them to sell the products of **labor** and end up with more **value** than they started with, **M' > M**.

How is **labor power** different from **labor**? **Labor power**, or your time on the job, is what the capitalist buys. Once they've got it, their interest is in squeezing as much actual **labor** out of you as possible, like someone who's bought lemons has to squeeze them to get juice. To what extent they *succeed* is always up for grabs, an ongoing struggle between labor and capital. Wages are not pegged to the **value** of your **labor**'s product—the capitalist generally owns whatever you produce on the job, even if you produce a shit ton—they correspond to the **value** of your time, however much or little it takes to keep you coming back.

The capitalist's starting capital (**M**) can be split into two types of expenditure, **constant capital** (**c**) and **variable capital** (**v**), where **M = c + v**:

- Constant capital** (**c**) is what a business spends on all commodities except **labor power**, regardless of whether these commodities 1) enter into the final product (e.g. cotton) or not (e.g. electricity) or 2) get used up slowly (e.g. machinery) or all at once (e.g. dye). This is "constant" because its **value** is transferred unchanged to the **value** of the final product (or little by little over many products; the math just changes a bit).
- Variable capital** (**v**) is what a business spends on the commodity **labor power**, i.e. wages. This is "variable" because **labor power** is the only commodity that can always be squeezed for more **value** (unlike, say, corn, the amount of which you possess sets a hard limit on how much popcorn you can make).

Call the difference **M' - M = surplus value**, or **s**. Thus **M' = c + v + s**. Here **v + s** is the **value** produced by the workers who were paid **v** for their **labor power**. Marx calls the **rate of surplus value**, **s / v**, an "exact expression of the degree of **exploitation** of labor power by capital". This same ratio can be applied to the length of the working day to determine **necessary** and **surplus labor**, e.g. "If the **rate of surplus value** is 1/2, and the working day is nine hours, that means I spend 6 hours producing my wage and 3 hours doing **surplus labor** for the capitalist." Likewise, it can be applied to the physical size of the final product to find **surplus product**. **Surplus value**, **surplus labor**, and **surplus product** are simply different ways of understanding the *tribute* being continuously extracted from workers as a class by capitalists as a class. This is the not-so-well-kept secret of the capitalists' incredible (and ever-expanding) wealth.

Is **surplus value** the same as **profit**? Technically **surplus value** (**s**) can be broken down into **profit**, rent, and interest, but for now Marx will gloss over rent and interest, so there's no harm in thinking of **s** as the amount of **profit** too. However, the **rate of profit** (what capitalists care about) is calculated very differently than the **rate of surplus value** (what workers care about): the former is **s / (c + v)**, which will generally be much lower than the latter, **s / v**. If we mistakenly take the **rate of profit** as the measure of exploitation, as capitalists would prefer, we're low-balling it. If we do not attend to the difference between **c** and **v**, we may view the capitalist's pursuit of profit as passive economizing (e.g. making sure no cotton is wasted, making sure no one slacks off) rather than the mortal struggle between worker and capitalist that it is. Capitalists are not indifferent between **c** and **v** when there is **labor** unrest.

**INFERNO II (sins of violence):** What is capitalist **exploitation**? A form of violence—or *bia*, in the Aristotelian sense of "use contrary to nature"—against **labor**. **Labor**'s nature is that it is directed towards a specific end, which is enjoyment, or **use-value**. When it is hijacked and put to the service of another end, the interminable accumulation of **surplus value**, this is a form of **violence against labor**, as evidenced by all kinds of social harms that result: overwork, unemployment, inequality, environmental degradation, soft drinks in schools, Roundup, FarmVille, etc.

Due to the demands of competition, capitalists seek to increase their **rate of profit** by getting more out of their workers. (Economizing on **c** only gets you so far.) Besides simply

bullying them, this may mean increasing the length of the working day (adding on hours of **surplus labor**) or adopting more productive technology (reinvesting profits in **c** to increase **s** and/or reduce **v**):

- Increasing the length of the working day corresponds to **formal subsumption**, when production is capitalist (there are wages, profit, etc.) but the specifics of the productive process, including *what* gets made, have not yet been revolutionized in pursuit of profitability.
- Adopting more productive technology corresponds to **real subsumption**, when maximizing profitability brings changes to the productive process. Capitalism **socializes** the productive process by bringing workers together, deepening the division and specialization of labor, knitting together ever-more-complex supply chains, and making each producer dependent on every other. Marx believes that there is no undoing what capitalism has done in robbing producers of their independence, but that this **socialization** creates new opportunities for human freedom *without* independence.

**Class struggle** by the workers over the length of the working day leads to the setting of legal limits on it as a necessary compromise, which forces the capitalist to seek profits through technological innovation. This is bad news for the worker: more automation means fewer workers are needed to produce the same output, and constant layoffs, buyouts and bankruptcies mean that not even the highly skilled can be assured of steady employment. Competition for the shrinking pool of good jobs becomes ever more fierce. The capitalist faces adverse consequences too: even as they increase their output by automating production, every other capitalist is scrambling to do the same, so the **value** of each commodity shrinks, since it comes to embody less and less **abstract labor**. At the same time, the **organic composition of capital**, or **c / v**, increases as "capital-intensive" production edges out other techniques. Since **s** can only come from hiring **labor**, which the capitalist does less and less, this means that the **rate of profit**, **s / (c + v)**, will likely fall, putting a further squeeze on the capitalist, whose only (temporary) salvation lies in the fact that the growing ranks of the unemployed exert a continuous downward pressure on wages. Hence capitalism cannot ever abolish what Marx calls the **reserve army of labor**, a.k.a. structural unemployment.

The **rate of profit**, **s / (c + v)**, is equal to **(s / v) / ((c / v) + 1)**. Thus if the **rate of surplus value**, **s / v**, were to grow faster or fall more slowly than the **organic composition of capital**, **c / v**, the **rate of profit** would increase. Whether this has happened or could happen in the aggregate or in the long run is disputed. Marx argues that it won't in Volume Three.

**INFERNO III (sins of fraud):** Capitalism is a gigantic **fraud**—it promises us that technological innovation will make our lives easier and more human (instead, it puts many out of work and objectifies us all); that rising productivity will translate into higher wages (instead, it reduces the cost of reproducing our **labor power**, which pushes wages down); that capital is self-sufficient while **labor** depends on it (instead, the reverse is true); and that complete freedom has finally been attained through formal equality and the exchange of equivalents (instead, we may be more dominated than ever).

How did this calamity come to be? Prior to capitalism, "the antediluvian forms of **capital**" held by merchants and moneylenders played an economically minor and politically subordinate role. Capitalism and its central **class struggle** between proletarians and capitalists arose out of a breakdown in the previous mode of production, feudalism. Lords reneged on their obligations to serfs, forcibly expelling them from land their families had worked for generations, and left them free in a double sense—free of any work obligation to a superior, and "free" of rights over the means of production—thereby creating a sizable **proletariat**. Capitalists (at first farmers, then later industrialists) took advantage of the situation by inserting themselves between this **proletariat** and landowners, hiring the former and paying rent to the latter, and raising the productivity of the land by adopting new (more **exploitative**) production methods. Colonial looting and slavery fed the resulting machine's ravenous need for gold, silver, and raw materials.

That capitalism needs **primitive accumulation** can be seen in Edward Wakefield's urgings to British colonies that they import poor laborers while preventing them from settling land and working it for themselves. This shows that capitalism does not provide widespread upward mobility, but suppresses it; states reliant on **capital** accumulation must impose the unequal preconditions for it (a mass of people with nothing to sell but their **labor power**, i.e. the **proletariat**) wherever these do not exist. A system allegedly based on free and equal exchange, one that justifies itself by claiming to represent the sole alternative to state tyranny, requires naked state-led theft to get off the ground (and stay in the air). It is not born out of differences in thrift or patience or hard work, as its apologists so often claim. It "comes into the world...dripping from head to toe, from every pore, with blood and dirt."

**INFERNO IV (sins of treachery):** Capitalism is born out of **treachery**. It follows from this that worker separatism is not a viable strategy for overcoming capitalism, since communes will never virtuously outcompete capitalist firms, and states, as **dependent agents of capital**, can be counted on to attack and undermine any serious threats to private accumulation wherever they pop up. The **proletariat**'s only hope is to become **treacherous** itself and "expropriate the expropriators": not to flee from the state, but to seize state power along with the means of production, and to replace, by hook or by crook, the rule of capital with the rule of the directly associated producers, who will organize their productive activities deliberately, according to human needs—"this is the real task, this the arduous work."