

Supplement

From Rama to Marx

I. Introduction

Marx's discourse in *Capital* is, primarily, a discourse on capital. The *other* of capital — or, more specifically, *difference* — occurs in his narrative only incidentally, as signs signaling ways to capitalism.

Orthodox Marxian Political Economy is a recounting of this story. Its focus has always been on Capital; the rest are lower moments of history. No wonder, then, that the only people privileged to reside within the hardcore capitalist system will have the prerogative to speak on Marxian Political Economy; *others* are eavesdroppers.

We would expect a different story from postmodern Marxian Political Economy, for postmodernism celebrates differences. We keep waiting to see how postmodern Marxists negotiate with *differences*.

Therefore, we also look forward to see how they cope with symptoms that any discursive closure to such *differences* would inevitably entail.

Marx struggled with such *differences* in terms of his unique concept of Asiatic Mode of Production (AMP). We have found it denigrated in later Marxian works. We notice the culmination of the process in the works of Hindess and Hirst. They found not only no AMP, but, actually, no *mode of production* in Asia. In other words: the concept of mode of production, they contend, does not apply to an Asiatic context.

But does it not mean that Hindess and Hirst reaffirmed differences — it was a simple observation that certain concepts do not hold in certain contexts. Because Hindess and Hirst knew no method to deal with differences, they repressed differences.

AMP is the *repressed* in Marxian Political Economy.

From where does the repressed return? From the future. AMP, therefore, must return from the future, that is, the present. We must discover AMP *here* and *now* — discover the repressed. And this *repressed* is nothing but the symptom of the vision of a grand global economy.

So, what follows is not a discourse on AMP, but an effort to record its traces in the present, within the play of the capitalist class process, that is, the *global* capitalist class process.

How do we, the critical theorists of the *local*, view the *global*?

As the *other* of the *local*? As something very distant, to the point of being non-existent, fictive? We know that we live in the South (by the way, we live in South-East Asia). But where is the North? We do not know.

Look: we are not the first to call into question the sanctity of North-South models. They are no longer in fashion these days. Instead we hear about hybrid spaces, the North and the South overdetermining one another.

But what does it mean — the North overdetermines the South? Or, actually, we are more interested in the flip side of this question: how the South overdetermines the North? What does it mean, particularly when we do not know the North?

So, we read the story of overdetermination as: something very distant overdetermines us. We cannot reach this distant something, but the latter can reach us. It also enriches us, through gifts and aids. And sucks us too, maybe sometimes — taking

away what Marxists call our surplus labor. Is that overdetermination? Yes, but not quite. So, we call it *mimicry of overdetermination*.

And that precisely is the nodal point that weaves different kinds of AMP: a distant center overdetermining the local via a whole lot of intermediate nexus. Thus said, AMP is a very contemporary phenomenon: globalization.

But that way, don't we too efface AMP, turning it global, that is, total, thus effacing differences and therefore AMP? No. In AMP, the scope of this mimicry of this process of overdetermination is confined only to the economic. And when this mimicry of overdetermination becomes total, that is, it engulfs the political and the cultural, we call it colonialism. This simultaneously means that the colonial scenario must have a specific kind of economic distinct from that in AMP: capitalist economic. Seen that way, colonialism is AMP with capitalist economic. Or, alternatively, AMP is colonialism with non-capitalist (mostly feudal) economic.

Seen from a purely economic perspective, AMP and colonialism are quite the same thing. Look at the source of power in AMP or colonialism: a few are perfectly mobile, while the rest are not. The latter's mobility is restricted.

Look: this immobility is not only geographical. Immobility here is to be understood with reference to some particular positions and situations. For instance, in a colonial context, the colonized do not have access to certain administrative and legislative positions. Likewise, in the contemporary postcolonial situation, capital, information and a section of skilled laborers can move freely across nation states. While the overwhelming majority of the labor force (that includes, among others, the direct producers owning their means of production) cannot. In the context of global capitalism, they constitute the empirical counterpart of the local. Our concern is to see how the mobile (that is popularly called the global) negotiates with the immobile (the local). This is precisely what we understand by *negotiation with differences* on the economic front. By the virtue of their mobility, the mobile acquire the character of sameness, while the immobile — because they are separated from one another — remain, intrinsically, different.

Current discourse on political economy writes off these differences by way of a conflation: between potential mobility and actual mobility. Mobility of labor externalized (that is, commodity) is conflated with the mobility of the laborer. That way, one erases the differences between commodities produced within capitalist class process and those produced outside it, say, through a self-exploitative system. While the agent of the former is capital (and not the capitalist), the agent of the latter is the laborer. Thus, what is at stake here is the asymmetric relation between two kinds of agencies. In the following sections, we examine the consequences of this asymmetric relation: the symptom of commodity world.

This brings us to the core of Marxian political economy, the Value Theory. Marxian value theory deals with the problem of representing labor externalized. For Marx, capitalism is a specific kind of society where labor externalized (and therefore surplus labor) can be represented in quantitative terms. This, Marx tells us, marks off capitalist society from the other kinds of society. The purpose of value theory, therefore, is to bring about a closure in a theoretical field governed by differences. Its motivation is, among others, textual. It is in the context of a Marxian text — *Capital* — that Marx's value theory makes sense. Unhooked from this text, it is nonsense.

We have heard it said that value theory unmasks the reality of exploitation in a capitalist system. Let it be said that we have never said that. That we are exploited is pretty obvious to us and we need no Marx to learn this lesson. In order to be a book (on capital), *Capital* needs its value theory. Whose founding proposition is: Capitalism is

a specific kind of society where all labors externalized are free to be represented in value form. Value form closes off capitalist system from all other kinds of systems.

It is here that we intervene in this book. We point to unreason inherent in the reason of this closure: *the symptom of value form*. Our basic proposition is: as capital makes room for representation of all kinds of labors inside capitalist system, it simultaneously carves out space for representation for all other kinds of labors outside it, but only in their partial forms, that is, metonymically.

What is at issue then is a specific kind of asymmetric relation between labors inside capitalist system and those outside. The point is that such *differences* are inherent in the laws of capital. If one closes off such differences by way of a discursive device, laws of capital produce a sub-system (a satellite) wherein the differences get displaced. If the reader recalls our formulation of a colonial system in the previous chapter, she can readily identify it as colonialism. It is in the nature of capital to colonize its *other*.

Our aim here is to show the symptom of a capitalist system and its defense-mechanism against this symptom — how it guards off itself from the reproach of the symptom by way of colonizing its *other*. So, our primary discursive field must be such that it is governed by reason. That sets the stage. We enter there, later, in order to point to *unreason* inherent in this reign of *reason*. Marx constructs such a theoretical field in terms of what is often called quantitative value theory running in terms of formal logic. Marx's is a unique method that combines dialectics and formal logic.

In order to point to *unreason* in the reason of quantitative value theory, one must presume, first, that the interior of its theoretical field does not violate *reason*. One can then undertake to push its frontier in order to unmask unreason inherent in it. In short, symptom presumes reason, to some extent, up to a point, in the interior of the structure.

So, let us pretend that Marx's quantitative value theory fulfills the conditions of reason. Many Marxian economists, most, will not concede this point. They say that Marxian value theory is logically inconsistent. If that is true — if you think it to be true — do not read what follows. For, our project is to show where an otherwise logical system, describing capitalist reality, turns illogical, signaling its symptom.

Fortunately, not all Marxists and critiques of Marx do buy this view of logical inconsistency. If we include the critiques of Marx, then *majority opinion will be that the value theory of Marx is logically consistent if understood in a certain sense*. But the critiques add that in that case, Marx's value theory does not make sense. Among the important people holding this view are Samuelson (1958) and Steedman (1989).

It is the merit of Wolff, Callari and Roberts (WCR in short, 1984) that they can make Marxian sense in what (a logically consistent Marxian value system) Samuelson and Steedman find to be nonsense. What is at issue, WCR suggest, is not the logic, but a proper methodology to read the value equations to write them accordingly. If Samuelson and Steedman cannot make sense in what they consider to be a logically inconsistent value system, it is because of their essentialist reading of Marxian value theory.

Instead, WCR suggest to read Marxian value equations in the context of an overdetermined framework. One then understands how value theory brings about closure in an otherwise open overdetermined framework by way of providing the theoretical basis for the concept of class, the *entry point* concept in Resnick-Wolff that closes off, discursively, *differences*. We might add that a whole school of Marxian thinkers gathering around the journal *Rethinking Marxism* adhere to this view.

In what follows, we enter into a dialogue with the Rethinking Marxism school of Marxists. They have shown the world what capitalist class process means in the context of a postmodernist system committed to differences overdetermining one another. We propose to show them the symptom of capitalist class process. In fact, the signal of the

symptom is there in Rethinking Marxism (Chaudhury and Chakrabarty, 2000), in the essay 'The Market Economy and Marxist Economists: Through the Lens of a Housewife'. Pranab Basu and Sarthak Roychaudhury, our colleagues, join us to help us read what this signal means: symptom.¹

So, there you are with Tarkovsky's stalker — leading the scientist and the writer of the global to the *Room*.

II. Positing Margin-of-Margin in the Economic Space

The Great Roman Empire needed slaves in order to boast of equality — the children of French Revolution, in turn, needed their colonies to celebrate equality, fraternity and freedom. Now that there are neither slaves nor colonies, the discourse on equal exchange can found itself only on one violence: to itself. The discourse on equal exchange itself is a discursive violence suppressing its mimics: the postcolonized sites. We propose here a revision of Marx's *Capital* — its reannouncement — for a discursive articulation of this proposition.

The specific revision that we suggest here involves an inversion of the traditional hierarchy between commodity and capital — a concept of capital founded on a presupposition of commodity as a self-subsistent category involving equivalent exchange giving way to a concept of commodity deriving from that of capital. Our reading strategy sets in motion the uneasy (unhappy) feeling that commodity, founded on equal exchange, is a mere meaning produced by and in terms of capital that itself thrives on inequality in the workplace. An inequality that, via a whole series of discursive moves, imparts an eerie sensation of impossibility of equal exchange. The concept of equal exchange logically requires a supplementary discursive space where it can only do violence to itself. The supplementary space, in turn, destabilizes and displaces the concept of equal exchange — overdetermines it — but not quite. We end up with a story of mimics: of equal exchange, capital, class: mimicry of overdetermination.

We will be riding here on others' horses: we take off from WCR (1984) — who read for the first time the economic of Marx's *Capital* in the light of overdetermination. WCR is our resource, source and origin: father.

But ours will be a patricidal — parricidal move: we will kill this father — and announce his death. In other words, we will be building on WCR, follow through the consequences of their argument, and push them to their limit that might bring forth propositions that are blasphemous to a God-fearing equality-believing Westernized mind. WCR began the story of an *overdetermined economic*, we supplement with a counterpart of *mimicry of overdetermination*.

We will begin with the analytical representation of an idealist capitalist economic: of its specificities, its distinctiveness, how it marks itself out as a part of a civilized and refined society. We can then move on to see what its idea masks, excludes and forgets.

That brings us to WCR(1984) — their analytical formulation of an idealist capitalist economic (and the consequent reformulation of the Century old Marxian 'problem' of transforming values into prices). The stage will be set then for certain parricidal moves: to push their problematic to its limit to discover the limit of an ideal capitalist economic.

A capitalist economic, we might recall, is said to be comprised of a commodity economic appropriating surplus labor where labor power itself becomes a commodity.

¹ Sections of this Supplement that follow our discussion on *household labor* build on the ongoing Ph.D. theses of Pranab Basu and Sarthak Raychaudhury, in Calcutta University.

Following the hegemonic — almost a consensus — view, we will call it an ideal capitalist economic if sales and purchases of labor power occur at their values.

The concept of an ideal has its obvious reference point to the idea of a simple or self-exploitative commodity economic as the ideal of all commodity economics. Where direct producers appropriating their own surplus labor produce commodities for exchange at their values, that is, abstract labor time embodied in the respective commodities. A capitalist economic signals a fall from this ideal. It is divided between two classes — the capitalist class and the working class — the capitalist class appropriating the surplus labor in value terms — surplus value — over and above the payment made to the working class in accordance with the value of its labor power.

The law of payment to the workers according to the value of labor power is considered to be a specific feature of the capitalist economic distinguishing it from the other kinds of exploitative economic such as feudal or slave economic that does not honor the law of value.

A Marxian representation of an ideal capitalist economic thus presupposes a theory of value as its founding principle. Invoking this ideal representation of the capitalist economic as a rod of contrast, one proceeds to discuss its contradictions and its limits: whether it violates the law of value or not. For instance, the kind of issues we will be dealing with — mimicry of commodity — presumes the law of value as its reference point. Mimicry of commodity points to a situation where certain discursive sites honor the law of value, while the others do not.

Our interrogation of capital reveals that the concept of equal exchange in a self-exploitative commodity economic is a logical fallacy, an illusion — a myth, a cock-and-bull story cooked up by the discourse on capital. There are big gaps in the logic of this society crying out to be sutured — something somewhere must be missing and must have been left out. Things here do not fall in place.

We then quickly realize what we missed out and omitted: the category of capital. A self-exploitative commodity producing economic marks (masks, hides, suppresses) capital. Or better still: the capitalist commodity economic produces, among others, the myth of a self-exploitative commodity economic for wise-women's consumption. Modern woman is essentially a Christian woman. In order to live she needs to cook up a story of a fall from a paradise — from a self-exploitative commodity economic to a capitalist commodity economic.

She then comes to terms with the reality — the capitalist commodity economic is down there as part of a stark reality that stares her/him in the face. She needs, again, to invent a concept — a myth-of-justice for this capitalist economic — that is, to justify it. The concept of equal exchange between capital and labor-power is one such myth. Our investigation again discovers the holes in its logic — the gaps crying out to be filled in. Something must again have been left out of account. And we point towards what has not been accounted for: *household labor*.

The discourse on equal exchange stops short here — ceases — at the doors of the harem; *household labor* defies incorporation into the discourse on equal exchange.

Further interrogation of capital reveals that the household sector is only a metonym for the outside of the capital-wage labor complex. The discourse on equal exchange leaves lots of things out of account — giving birth to a discursive space for an enactment of its mimicries. We call this discursive space a postcolonial space — ours is a postcolonial reading of capital.

For quite a century the critics of Marx have managed to block the raising of this kind of issues. Their argument would be that Marx's value theory was logically inconsistent — and so, the issues premised on a law of value are inconsequential. The criticisms of Marx's theory of value reach their climax around what is called in the

Marxian literature as the *transformation problem* — the problem of transforming values into prices. Transformation problem entails a logical requirement: that the capitalists' income — that is, the profit in aggregate — should equal aggregate surplus value (labor power being paid at its value). Likewise, the gross output should match in both price and value terms at the aggregate level. Critics of Marx argue that these two equalities do not go together — they do not hold simultaneously.

Like the hundred years war, the battle over the correctness of the transformation problem has been going on and on, becoming a pain in the pen, blocking and stifling the Marxian discourse. WCR get this pain out of our way: we can now narrate a few interesting stories — such as those of mimics of commodities. But, first of all, we must narrate the controversy over the transformation problem and see how WCR tackle it, leaving a discursive space for us, helping us to tell our kind of stories.

III. The Traditional Solution

We start off with a technical problem in Marx's algebra: the problem of transforming values into prices in a world of heterogeneous labors. The algebra will help us to focus on, sharpen and re-affirm the propositions we have been struggling to articulate through the chapters of this book. Please bear with us: more is at issue than simply this algebra.

This section foregrounds two competing methods of reading Marx's *Capital*: one inscribed in an essentialist philosophy searching for a 'source' of profit (and exploitation) outside the terrain of exchange, and the other one informed by the idea of overdetermination jettisoning the notion of source in all its variants. Later on we would invoke a Derridean reading of the transformation problem, that would ultimately lead us beyond WCR, into what we have called a postcolonized discursive space: the playground for a mimicry of overdetermination.

The issue of transforming values into prices has remained a problem ever since the publication of Marx's *Capital*. In his solution Marx claims that:

- i. The quantity of surplus value = the quantity of profit (for the economy as a whole);
and
- ii. The sum of prices = the sum of values.

Critics of Marx point out that the two qualities do not generally hold. It is only recently that WCR (1984) have provided a solution to the transformation problem which satisfies the two equalities. All the earlier solutions required restrictive conditions to ensure these equalities. What distances WCR from the others is their conceptualization of the Marxian notion of values. They invoke Althusser's notion of overdetermination and point out that values and prices are overdetermined by each other. In other words: prices, too, constitute values,

The competing traditional view is that value magnitudes are independent of prices. The underlying presupposition is that value is the essence of prices of production and the prices are just appearances or surface phenomena acting as the effects of the essence — entities that are distinct, independent and separable from the essence. Consequently, this view designates value equations as independent of price equations. Let us explore.

In the traditional approach, value is labor-time embodied in one unit of the commodity. If v_j represents the value of the j -th commodity then

$$v_j = \sum v_i a_{ij} + a_{0j} \dots\dots\dots \text{EQ.}(1)$$

where a_{ij} is the i -th commodity required to produce one unit of the j -th commodity and a_{0j} is labor required to produce one unit of the j -th commodity.

Let b_i represent the amount of the i -th commodity required to produce one unit of labor power. Then value of one unit of labor power, that is, its reproduction cost in labor hours, is $\sum v_i b_i$. Then, the value of the j -th commodity can be broken into its constituent parts as:

$$v_j = \sum v_i a_{ij} + a_{0j} \sum v_i b_i + a_{0j} (1 - \sum v_i b_i) \dots\dots EQ.(2)$$

or,

$$v_j = \sum v_i c_{ij} + S_j \dots\dots\dots EQ.(3)$$

where, $c_{ij} = a_{ij} + b_i a_{0j}$. And $S_j = a_{0j} (1 - \sum v_i b_i)$ is the surplus value per unit of the j -th commodity.

The representative price equation is:

$$p_j = (1+r) \sum p_i c_{ij} \dots\dots\dots EQ.(4)$$

$$= \sum p_i c_{ij} + P_j \dots\dots\dots EQ.(5)$$

where $P_j = r \sum p_i c_{ij}$ is the profit per unit of the j -th commodity.

Equation (5) determines r and P_j . But prices here are determined only up to ratios. To fix absolute prices we set up the normalizing equation:

$$\sum p_j X_j = \sum v_j X_j \dots\dots\dots EQ.(6)$$

where X_j is the total production of the j -th commodity.

However, Marx's statement makes it clear that an accepted solution of the transformation problem requires the simultaneous fulfillment of the two equalities:

$$\sum p_j X_j = \sum v_j X_j$$

and

$$\sum P_j X_j = \sum S_j X_j \dots\dots\dots EQ.(7)$$

It can be checked that (6) and (7) simultaneously hold only under very restrictive conditions. Note that:

$$\sum P_i X_i - \sum S_i X_i = \sum (p_i - v_i) (X_i - \sum c_{ij} X_j) \dots\dots EQ.(8)$$

Therefore, if $p_i \neq v_i$, then

$$\sum P_i X_i - \sum S_i X_i = 0 \dots\dots\dots EQ.(9)$$

if $X_i - \sum c_{ij} X_j = kX_i$ ($k > 0$ for all i).

In this case, (8) reduces to

$$\sum P_i X_i - \sum S_i X_i = \sum (p_i - v_i) k X_i = k \sum (p_i - v_i) X_i = 0$$

[by the normalizing condition (6)].

It is interesting to examine the economic implications of the condition:

$$X_i - \sum c_{ij} X_j = kX_i.$$

Note that X_i is the gross production level of the i -th commodity, while $\sum c_{ij} X_j$ shows the quantity of the i -th commodity used up as inputs (as constant capital and variable capital). Therefore $X_i - \sum c_{ij} X_j$ shows the surplus of the i -th commodity, the amount available for investment, so that $\frac{X_i - \sum c_{ij} X_j}{\sum c_{ij} X_j}$ is the maximum rate of growth for the i -th sector. It can be checked that the condition $X_i - \sum c_{ij} X_j = kX_i$ implies

$$\frac{X_i - \sum c_{ij} X_j}{\sum c_{ij} X_j} = \frac{k}{1-k}$$

which states that all the sectors must attain the maximal rate and the economy is on the so-called maximal balanced growth path. Morishima (1973) pointed out that the two Marxian equalities hold if the economy is on the maximal balanced growth path. Obviously, this is a very restrictive condition.

IV. WCR's Solution of the Transformation Problem

WCR point out that the two much talked about Marxian equalities are not falsifiable propositions, but definitionally true. What is at stake is not mathematics, but a proper conceptualization of the problem. WCR establish this by positing a distinction between Marx's method and that of Ricardo — specifically between their value theories. What distances them from the others is their argument that values are overdetermined (that is, constituted) by prices.

In their construction, Marx's value system and the price system are two alternative but jointly necessary modes of accounting in a capitalist system. One done from the standpoint of production (let us say, by the laborer) and the other done from the standpoint of circulation (let us say, by the capitalist).² Both the laborer and the capitalist objectively face the situation that the reproduction of the system requires certain quantities of commodities as inputs and means of subsistence (constant capital and variable capital) which they can measure only in terms of the objectively given market (production) prices. However, they employ different accounting frames for the measurement of the gross outputs. While the capitalist evaluates them as the sum of constant capital and variable capital (costs measured at market prices) marked up by $(1+r)$, the laborer employs a different accounting system. For the laborer, the gross product is the sum of constant capital — expressed as labor time by means of production prices — plus the quantity of abstract labor time she adds to it. Marx's value magnitude emerges as the weights attached to unit commodities in this accounting system.

Therefore, in WCR's construction,

$$v_j = \sum p_i a_{ij} + a_{0j} \dots \dots \dots \text{EQ.}(10)$$

Like the traditional value equation (1), equation (10) can also be written as:

$$v_j = \sum p_i c_{ij} + S_j \dots \dots \dots \text{EQ.}(11)$$

where c_{ij} and S_j retain their previous meanings with the difference that S_j -s are now to be specified in terms of production prices (with $S_j = a_{0j} (1 - \sum p_i b_i)$), whereas in the conventional approach, outlined earlier in the essay, S_j is independent of prices. As, in the traditional approach, the representative price equation is

$$p_j = (1+r) \sum p_i c_{ij} \dots \dots \dots \text{EQ.}(12)$$

$$= \sum p_i c_{ij} + P_j$$

where P_j , as before, is profit per unit of the commodity. It immediately follows from equations (11) and (12) that

$$\sum p_j X_j = \sum v_j X_j$$

² The language of 'dual standpoints' is our own formulation of the WCR approach. But, we believe that this is a convenient way of presenting the problem in the beginning. Later on, particularly in the concluding part of this supplement, we shall see the other implications of this accounting system. We shall discover that the laborers are the objects of this accounting, not the subjects.

$$\Rightarrow \sum P_j X_j = \sum S_j X_j$$

Thus, the two Marxian equalities definitionally follow in WCR's solution of the transformation problem. Indeed, in Marx's original solution the point of departure is the equation:

$$v_j X_j = \sum_i p_i c_{ij} X_j + S_j X_j \dots\dots\dots \text{EQ. (13)}$$

from which he derives

$$r = \frac{\sum S_j x_j}{\sum \sum p_i c_{ij} X_j} \dots\dots\dots \text{EQ. (14)}$$

and

$$p_j X_j = (1+r) \sum p_i c_{ij} X_j \dots\dots\dots \text{EQ. (15)}$$

Starting from the value equation (13), just in two successive steps [EQ. (14) and (15)] Marx derives the rate of profit and price. The algebra of the solution of the transformation problem is as simple as that. In the light of WCR's solution of the transformation problem we understand that the issue of transforming values into prices is, after all, not a problem. Only a group of Marxists — and bourgeois economists — has transformed this into a problem. In Sweezy's book the equation, that is the original point of departure of Marx, is represented as:

$$W_j = (C_j + V_j) + S'_j \dots\dots\dots \text{EQ. (16)}$$

where

- W_j = Gross product of the j -th industry in value terms
- C_j = Total constant capital used in the j -th industry at value terms.
- V_j = Total variable capital used in the j -th industry at value terms.
- S'_j = Surplus value generated in the j -th industry.

From (16), Marx derives r as

$$r = \frac{\sum S'_j}{\sum (C_j + V_j)} \dots\dots\dots \text{EQ. (17)}$$

Given r , prices are determined as

$$p_j X_j = (1+r) (C_j + V_j) \dots\dots\dots \text{EQ. (18)}$$

Sweezy shares Bortkiewicz's objection that (18) is not a valid equation inasmuch as C_j and V_j are not expressed in terms of prices.

In terms of WCR's solution, we understand that $(C_j + V_j)$ -s are already expressed in terms of prices in the value equation (16) and therefore the question of their further transformation (in terms of prices) in the price equation does not arise. That implies — if properly understood Marx's algebra is simple and correct. Only a group of bourgeoisie economists and Marxists does not understand this because they express $(C_j + V_j)$ -s in their value terms and not at their production prices.

V. WCR in a World of Heterogeneous Labors

In this section, we push forward the WCR argument into the case of heterogeneous labors. In other words, the focus will be on the issue of the abstract labor — the determination and properties of value and surplus value in the context of heterogeneous labor. We may recall WCR abstract from this issue to focus on the traditional narrow specification of the transformation problem. We press forward WCR's argument and

point out the very representation of abstract labor time — its concept — presupposes exchange, that is, prices.

In fact, that is how labor is represented in classical political economy — presupposing, and invoking the categories of exchange. Ricardo, for example, is aware of the heterogeneity of labor; he is aware that labor needs to be represented in terms of common conceptual (that is, homogeneous) unit. This, however, does not pose much of a problem in Ricardo's model inasmuch as he could assume, on the basis of empirical observations, that relative wages were fixed at levels expressing the comparative skills of different types of labor in terms of their real wage. Thus, Ricardo's value theory as well as his distribution theory presupposes real wages; the skills of the laborers and therefore the values they create in a given period of time are in proportion to their relative wages. Thus, according to Ricardo:

The estimation in which different qualities of labour are held comes soon to be adjusted in the market with sufficient precision for all practical purposes, and depends much on the comparative skill of the labourer and intensity of the labour performed. The scale, when once formed, is liable to little variation. If a day's labour of a working jeweller be more valuable than a day's labour of a common labourer it has long ago been adjusted and placed in its proper position in the scale of values. (Ricardo, 1911, 11).

Smith also treated the problem of representation of labor in the same spirit. He wrote:

It is not easy to find any accurate measure either of hardship or ingenuityIt is adjusted, however. not by any accurate measure, but by the haggling and the bargaining of the market. (Smith, 1776, quoted from Ricardo, 1911, 12).

In contrast, one current Marxist tradition favors a cost of production approach to skilled labor and its value creating power. Presuming that one unit of unskilled labor creates one unit of value, this approach presents each unit of skilled labor as creating k units of value, where the values of $k_j > 1$ are endogenously determined by the production requirement of each type of skilled labor³. Besides being economic, this approach misses the simple point that even completely unskilled concrete labors in different occupations need to be rendered equivalent, in some way, before labor quantities can be defined and compared. This was pointed out by Rubin (1973, original much earlier) and stressed more recently by Bowles and Gintis (1977) who argue that some of the observed wage differentials (for example, those due to sex and race differences) cannot be explained in terms of differences in skill. Steedman (1989) notes these points and argues that Marx's theory requires that the vector of abstract labor per unit of concrete labor be proportional to the wage rate vector. He also points out that Marx was well acquainted with classical writings in which the concept of a 'quantity of labor' was explicitly based upon the relative wages.

So let us make Marx classical — Ricardian — as far as the problem of representation of labor goes. Labor is homogenized in terms of relative wages; without making use of market categories — here relative wages — one cannot represent labor time. In other words, prices constitute not only values (as in WCR) but also labor time.

Thus labor becomes homogeneous if different types of labor are weighted in terms of their relative market wages. The theory does not explain how these relative wages are determined; they are exogenous to the system. Now each unit of homogeneous labor definitionally produces surplus value at the same rate (say, s); otherwise, the definition of homogeneous labor is contradicted. But this does not give us any information about the value of s ; we only know that s is conceptually the same for each unit of homogeneous labor. Therefore, the quantity of surplus value also remains

³ This is the way the problem is formulated in standard text-books (for example, Sweezy 1991).

unknown. As we shall see, there is no way of knowing value, surplus value and the rate of exploitation without knowing prices because prices constitute them.

Let us pose the problem algebraically.

Suppose (a_1, a_2) and (b_1, b_2) are the subsistence baskets for one unit of unskilled and skilled labor respectively.

Then we claim that $\sum s a_{01} p_i a_i$ and $\sum s a_{02} p_i b_i$ are the surplus values produced in the two industries, s being unknown, where p_i -s are production prices. Abstract labor times necessary to produce one unit of the two commodities are nothing but $\sum (1+s) a_{01} p_i a_i$ and $\sum (1+s) a_{02} p_i b_i$ respectively. In other words, production prices constitute (overdetermine) abstract labor time.

Let us now turn to value and price equations. We consider, for simplicity, only two industries producing two commodities (X_1, X_2) with values (v_1, v_2) and production prices (p_1, p_2) . The first industry employs labor of type I (unskilled) labor and the second industry employs labor of type II (skilled) labor. Retaining the previous meanings of a_{ij} and a_{0j} (for $i, j=1,2$) and recalling that a_{01} and a_{02} quantities of concrete labor time of type I and type II are equivalent to $\sum (1+s) a_{01} p_i a_i$ and $\sum (1+s) a_{02} p_i b_i$ quantities of abstract labor time, we can write the value equations as:

$$v_1 = p_1 a_{11} + p_2 a_{21} + (1+s) \sum a_{01} p_i a_i \dots\dots\dots \text{EQ. (19)}$$

$$v_2 = p_1 a_{12} + p_2 a_{22} + (1+s) \sum a_{02} p_i b_i \dots\dots\dots \text{EQ. (20)}$$

Rearranging these equations we get:

$$v_1 = p_1 d_{11} + p_2 d_{21} + s a_{01} \sum p_i a_i \dots\dots\dots \text{EQ. (21)}$$

$$v_2 = p_1 d_{12} + p_2 d_{22} + s a_{02} \sum p_i b_i \dots\dots\dots \text{EQ. (22)}$$

Where

$$d_{11} = a_{11} + a_{01} a_1 \dots\dots\dots \text{EQ. (23)}$$

$$d_{21} = a_{21} + a_{01} a_2 \dots\dots\dots \text{EQ. (24)}$$

$$d_{12} = a_{12} + a_{02} b_1 \dots\dots\dots \text{EQ. (25)}$$

$$d_{22} = a_{22} + a_{02} b_2 \dots\dots\dots \text{EQ. (26)}$$

Similarly, the price equations can be written as:

$$p_1 = (1+r)(p_1 d_{11} + p_2 d_{21}) \dots\dots\dots \text{EQ. (27)}$$

$$p_2 = (1+r)(p_1 d_{12} + p_2 d_{22}) \dots\dots\dots \text{EQ. (28)}$$

Equations (27) and (28) determine p_1/p_2 and r .

It is important to stress that WCR's (Marx's) equalities hold even when WCR's analysis is extended to include heterogeneous labors.

If we insist with Marx that the sum of values = sum of prices, then, $\sum v_i X_i = \sum p_i X_i$, where X_i -s are, as before, the quantities of commodities produced in the i -th industry.

From which, as before, follows,

$$r \sum \sum p_i d_{ij} X_j = s \left(\sum p_i b_i X_i + \sum p_i a_i X_i \right) \dots\dots\dots \text{EQ. (29)}$$

or, Mass of Profit = Mass of Surplus Value

Thus the two much talked about Marxian equalities are fulfilled. Alternatively, one can start from equation (29) to get a value of s that fulfills it. The other equality $\sum v_i X_i = \sum p_i X_i$ then follows definitionally, as it involves adding the same quantity (the sum of total means of production and subsistence basket at p_1/p_2) to both the sides of equation (29).

We conclude this section by showing how the system determines the value magnitudes. We note that the price equations (27) and (28) determine r and relative prices p_1/p_2 ; and equation (29) can then determine s . The two value equations would then determine v_1 and v_2 in terms of p_2 . In a more-than-two-commodity system, the last commodity can be considered gold. In this case, values and prices would be determined in terms of gold price.

So, the task of transforming values into prices is not much of a problem. The values, the prices, the rate of profit and the rate of exploitation are such that the two much talked about equalities follow. Sum of prices = sum of values and the mass of profit = the mass of surplus value. Old Marx was right. Neither is the task of aggregating concrete labors into abstract labor very problematic: aggregate them via their relative wages.

Then why have so many wise men foundered on these two rocks over a century? Because all of them are prisoners of a philosophy — essentialism — that dies hard. They all share the primordial religious belief that there is an ‘origin’ and look for a source of profit outside the terrain of exchange, a ‘value system’ untouched by the vices of exchange. And therefore they specify the value equations incorrectly, without any reference to prices. Their algebra gets mixed up with their ideologies and the task of transforming values into prices itself is transformed into a problem.

Perhaps it is Steedman who, among Marx’s critics, has best understood what is at issue in the transformation problem. He has correctly appreciated that Marx aggregates different kinds of concrete labors via their relative wages and therefore the traces of exchange are always already there in the value equations. Only he does not follow through the mathematical and philosophical consequences of his profound observation: that means of production are to be measured at gold prices (as distinct from gold values) and the whole baggage of essentialism — with its age-old belief in origin — has to be thrown into the ocean. And that is precisely what we have done in this essay: a re-formulation of Steedman’s argument in the light of WCR’s insights — correcting Steedman, re-affirming WCR.

VI. Towards Closing a Century Old Debate

We have dealt simultaneously with two sorts of problems:

- (i) The problem of transforming values into prices.
- (ii) The problem of aggregating different kinds of concrete labors into a homogeneous category of abstract labor.

Both the problems are in part technical in nature and have been much talked about and debated for over a century in Marxist literature. The majority view of the academic world seems to be that Marx’s discourse on commodity bumbles on this pair of problems.

It is only recently (WCR, 1984) that the first problem has been solved, but in a simplified framework that abstracts from the second problem. In the ‘majority view’, the task of transforming values into prices is a problem because it entails fulfillment of two sorts of mathematical equalities ((i) mass of profit = mass of surplus value, and (ii) sum of prices = sum of values). Only one of these equalities can be fulfilled (say, the first) and not both. In their unique and imaginative formulation of the value system, WCR show that given the first equality, the second equality follows definitionally. Because, the latter involves adding the same quantity (means of production measured at the same set of units — production prices) to both the sides of the first equality. While in the ‘majority view’ the latter would entail adding of some quantity measured at two different sets of units (one at production prices and the other at values) to both the sides of the

first equality. WCR's intervention consists in measuring the means of production at production prices in the value equations, while the 'majority view' accounts them at values. This calls into question the traditional belief that there is a 'source' of profit — surplus value — outside the terrain of exchange (production prices), counterpoising a competing philosophy based on the idea of overdetermination contesting the very notion of 'source' or 'origin'. This displaces the transformation problem into a philosophical field: whether or not one is prepared to accept a Marxism committed to the idea of overdetermination. Specifically the problem reduces to: how far one can read Marx's discourse on commodity in particular, and *on Capital* in general, in light of the notion of overdetermination.

The above section extends and re-affirms the arguments of WCR in two sorts of ways:

- i. It provides a solution of the transformation problem within a more general framework that involves heterogeneous labor and addresses the problem of aggregating them into abstract labor in terms of which the Marxian value magnitudes are defined; and
- ii. In as much as this approach emphasizes that Marx aggregates different kinds of concrete labors via their relative wage rates and therefore the categories of exchange constitute the notion of labor time and the value equation, it provides indirect evidence in support of the WCR view that values and prices overdetermine one another.

The solution of the transformation problem offered here runs in terms of (elementary) algebra. But, more is at issue than simply this algebra: what is at stake is nothing less than a paradigmatic break in Marxist philosophy that replaces an essentialist philosophy based on the idea of origin by a philosophy committed to the notion of overdetermination.

As regards the problem of abstract labor, we only wed aspects of WCR (that the means of production in the value equations are to be measured at prices) and aspects of Steedman (1989) (that the abstract labor itself is overdetermined by the process of exchange) to arrive at a unique representation of abstract labor. It is the problem of abstract labor, we might recall, that addresses and resolves the question what is meant by labor time.

The layman knows that the peasant works; the artisan works and so also the artist. But all these are different types of work, heterogeneous and non-comparable. What, then, is work- , or labor-in-general, that is, *abstract labor*? That constitutes a philosopher's question. And we have to answer it like a philosopher. Our approach summarily rejects one current tradition in the Marxist discourse that identifies abstract labor with simple / unskilled labor, considering deskilling — the reduction of skilled labor into unskilled labor — to be the central moment of abstraction. We are opposed to this tendency manifest in this tradition because:

- (i) It is technocratic / economic in nature, and
- (ii) More important, it assumes away the differences among unskilled labor thereby assuming away the problem of abstract labor itself.

Steedman (1989), on a line proposed by Rubin (1973,1975) and Krauss (1982), offers a very different approach to the analysis of the Marxian concept of abstract labor. He quotes exhaustively from Marx and the classical political economy to establish the point that Marx shares the classical view that the quantities of different kinds of concrete labor should be aggregated via the relative wages of those different kinds of labor. Premised on this method of aggregation, Steedman offers a mathematical re-formulation of Marx's problem of transforming values into prices. However, he does not consider

this method of aggregation a very meaningful and productive way of representing labor time and labor values because this formulation conflicts with his belief in ‘origin’. He shares the belief (prejudice) of the traditional Marxists that value and surplus value must originate outside the realm of exchange. The strategy of aggregating different kinds of labor via their relative wages calls into question the age-old belief — mixing up categories of exchange (relative wages) and those of production (labor). We appreciate and value Steedman’s astute observation that Marx deploys the classical device of aggregation of concrete labors into abstract labor via their relative wage rates, but do not quite share Steedman’s ‘origin complex’ that drives one to look for a source of profit outside the terrain (tyranny) of exchange. In our approach informed by the idea of overdetermination, values and prices overdetermine one another — the notion (trace) of exchange is always already there in the concept of value. It is perfectly legitimate then to think and pose abstract labor time as being overdetermined by the process of exchange (here, the relative wage rates of different kinds of labors). What is at issue is not a source of profit outside the realm of exchange, but the notion of *working class*.⁴ What gets foregrounded in our analysis is how this working class, that is, abstract labor, formed.

In short, we extend the WCR argument to the case of heterogeneous labors to argue that not only are the values overdetermined by prices (via their effects on the means of production), but so is the very notion of labor time itself (via their effects on the means of subsistence). Conversely and parallel to it, this (the latter) provides additional (con)textual support to the WCR view that the means of production in Marx’s value equations can — and should — be measured at prices of production quite in keeping with the Marxian spirit. Ironically, Steedman’s observations and exhaustive quotations from Marx underscoring the aspects of exchange in the value equations indirectly corroborate and reinforce the WCR view.

It is an irony that Steedman himself does not quite seem to appreciate the far-reaching consequences of his novel observation and he measures, in continuity with the traditional approach, the means of production in the value equations at gold values (as distinct from gold prices). Our approach makes only one simple correction in Steedman’s algebra — that replaces the terms at gold values in Steedman’s equations by those at gold prices and thereby extends Steedman’s observation to its logical limit in light of the WCR argument. This, in turn, extends and re-affirms, in a world of heterogeneous labors, the WCR view that Marx’s transformation of values into prices is internally consistent, setting at naught the contrary view of Steedman.

VII. Beyond WCR

We believe that our extension of the WCR solution to the transformation problem in a world of heterogeneous labors is more than a mere generalization of the original solution; it brings in its wake some additional insights that might contest WCR’s (world)view.

WCR talk about values being overdetermined by prices: values can represent themselves in terms of prices of production. That (perhaps) settles for many of us a century old debate on Marx’s transformation problem. But this simultaneously foregrounds that unsettling question: is the converse of the WCR proposition true? Can values represent themselves without the support of prices of production or equivalently

⁴ Traditionally, the emphasis has been on what causes profit by taking working class as a structurally determined pre-given subjective category. In contrast, we following WCR (1982, 1984) and principally Roberts (1987) feel the necessity to theorize (working) class from a value theoretic standpoint: value theoretic categories are not mathematical niceties or simply rhetorical tools but, rather, concepts used to explain the processes related to the performance, appropriation, distribution and receipt of surplus labor..

can that the direct producers represent themselves without the presence of another class (here, capitalist) appropriating the surplus labor.

The stage is set now to pose our central question of this chapter: does there exist a self-exploitative commodity economic — an economic of class sets comprising of direct producers producing and appropriating for exchange — capable of generating equivalent exchange in terms of abstract labor in a world of heterogeneous labors? Our answer is, no. Market prices in this economy can have no center of gravity around which they can oscillate like its counterpart — prices of production in capitalist market economic. Prices in a self-exploitative commodity economic are arbitrary, contingent and accidental. Things fall apart; the center cannot hold.

We build our argument on the inherent contradiction between (i) concrete labor and abstract labor, and (ii) necessary labor and surplus labor showing themselves up to signal a state of unrest in this self-exploitative commodity economic. First consider the moment of contradiction between concrete labor and abstract labor. The very distinction between concrete labor time and abstract labor time entails that a concrete labor hour in each sector would earn differential income in terms of abstract labor in a value space premised on abstract labor. A question then flares up in this context: will this system treat this difference with benign indifference?

In our opinion, this question is precisely what Spivak is struggling to put forward to Marxists in her speculations on Marx's theory of value by way of a deconstructive reading of Marx's *Capital*. For instance, Colin MacCabe interprets Spivak:

[We] have to understand Marx's account of value not as indicating the possibility of labor representing itself in value but as an analysis of the ability of capital to consume the use-value of labor power. By concentrating on use-value as the indeterminate moment within the chain of value determinations, Spivak breaks open the chain ... [making] labor [power] endlessly variable both in relation to technological change and to political struggles (1988, xv).⁵

It becomes quickly apparent that Spivak asks us to understand the aspect of value from the standpoint of capital's use-value of labor power. As commodities to be consumed by direct producers in a self-exploitative commodity producing economy, use-values are always heterogeneous and thus resist representation in terms of abstract value magnitudes. But these use-values evaporate — and therefore become, in a sense, non-entities — from the standpoint of capital's consumption of labor power, because the capitalist class consumes the flows that generate from the labor power in order, among other things, to 'accumulate' regardless of their specific use-values. In what follows, we propose to prise open this dimension of value from the accounts of WCR.

The WCR formulation is a rationalization of Marx's original solution of the transformation problem in terms of an overdetermined 'value-price' structure. The very concept of price is meaningless without value; and, yet, at the same time, values can be calculated only by using the prices of production. Can we not venture further and suggest that value-price relation can be understood in terms of Derrida's concepts of 'surplus meanings' and 'supplement'?

Price equations contain a surplus meaning that needs to be supplemented by a value space and vice versa. It occurs readily enough that an equal rate of profit that homogenizes capital simultaneously homogenizes labor as abstract labor in terms of an equal rate of exploitation s . Rate of profit r , then, obtains a surplus meaning: it not only homogenizes capital but also produces abstract labor — as a meaning. Likewise, price equations, too, gather surplus meanings: they represent capitalist price calculations as well as abstract labor values: Derrida creeps into our analysis.

⁵ Re-quoted from Noel Castree (1996-97).

As we have already said, different Marxist intellectuals have explained value equations differently. We hereby only add one additional, and a very different explanation of those equations. It is our belief that this Derridean explanation is uniquely special in that it is pregnant with many more contentious ideas that remain unexplored. To begin with, this explanation entails that value / abstract labor, that is, commodity, is a meaning produced by capital — by its law of equalization of rate of profit. That greatly distances our explanation from the rest in that it denounces the widely accepted view of commodity in the context of a self-exploitative economic as a category logically independent of and prior to capital; it straightway rejects the very concept of a self-exploitative commodity economic. We cannot put the erasure on price equations and present the modified value equations as constituting a self-complete autonomous logical (value) system. Our answer is that the trick of the erasure does not work, because the value equations carry the traces of capitalist price calculations that have been sought or thought to be erased. Capital is always already present in the so-called conceptual self-exploitative commodity economic as an absence: as a surplus meaning in the form of a concept of self rate of exploitation.

But the million dollar question is: can the rate of exploitation serve as a signal for the self-exploitative producers like the rate of profit and wages do for capital and labor in a capitalist market economy? Our answer will be, “No.” Let us see why.

Suppose that in the i -th sector L_i quantity of concrete labor hours earn the amount $(1+s)V_i$ in abstract labor terms where V_i is the value of labor power generating the L_i quantity of labor hours. If necessary labor (in abstract labor terms) per unit of concrete labor hour serves as the key signal for the direct producers then one might say that the society views the difference between $\frac{V_i}{L_i}$ with indifference. And views the

difference as an index of compensation for the differences in moral hazards involved in the two jobs. Otherwise, the mobility of the direct producers would eliminate these differences in $P_v V_i$ as indices of socially necessary labor in the two jobs.

Let us explore the issue in terms of the structure of our equation. Put erasure on the price equations (1) and (2) and get a self-exploitative commodity economic. Since we have eliminated capitalist calculations by a stroke of the pen, that is, the erasure, profit does not exist and prices do not diverge from values. So:

$$v_1 = p_1$$

$$v_2 = p_2$$

Thus the value calculations that run through this self-exploitative commodity economic can be captured by equations:

$$v_1 = v_1 a_{11} + v_2 a_{21} + (1+s)a_{01} \sum v_i a_i \dots\dots\dots \text{EQ.}(30)$$

$$v_2 = v_1 a_{12} + v_2 a_{22} + (1+s)a_{02} \sum v_i b_i \dots\dots\dots \text{EQ.}(31)$$

The two equations (30) and (31) determine the relative value of the system v_1/v_2 and the self rate of exploitation s . The self-exploitative commodity economic does have a logical foundation. Such will be the competing view. If the capitalist system can homogenize different kinds of qualitative labor in terms of a uniform rate of exploitation, so does a self-exploitative commodity economic. One would only have to concede that the conceptual separation between surplus labor and necessary labor persists so that one can imagine a uniform rate of exploitation working as the motivating force for the mobility of the *self* in this self-exploitative commodity economic. Then the mobility of the selves across sectors will throw off a set of values in this system ensuring equal rate of self-exploitation. That simultaneously defines

commodity as a self-contained category in terms of abstract labor time. But our gnawing doubt persists.

We concede on conceptual ground the primary distinction between necessary labor and surplus labor and therefore the existence of some quantity of surplus over and above what is necessary to sustain the socially necessary subsistence standard of this self-exploitative economic. But what does the system do with this surplus?

If the system gives away this surplus to others (say, God), then this system clearly possesses an outside of commodity exchange, that is, *gift*. In short, our self-exploitative commodity economic ceases to be a self-contained (self-contented) system. So, we rule out that possibility.

Then, one of the strong logical possibilities that remains is that the system accumulates this surplus. This brings in its train the possibility that surplus labor would possess surplus meanings, for the different departments can now accumulate surplus at different rates. The relative value $\frac{v_1}{v_2}$ that ensures the same rate of exploitation of

surplus labor, now, cannot ensure the same over time, for the different departments accumulate surplus labor at differential rates. Consequently, the equality of the rate of exploitation now cannot equalize different kinds of labor over time: a gap between the equality at present and the equality in the future persists.

A capitalist economic can close this gap via the distinction between the rate of profit and the rate of exploitation and the consequent distinction between the prices and values. The system can throw off a set of prices ensuring the equality in the rate of profit so that the difference between the accumulation rates evaporates, for they are definitionally equal by the equality in the rates of profit. But this does not hold for the self-exploitative commodity economic for this serves to suppress (erase) capital and thereby equality in the rates of profit. Therefore, the system signifies a gap signaling an outside.

But — and this is important — the discourse on a self-exploitative commodity economic cannot rationalize the differences between surplus labors by the criterion of abstract labor, because, surplus labors, like necessary labors, are not geared for production, but consumption, which as use-values, refuse incorporation in the space of abstract labor terms. In utilitarian terms, one can say that, the society is indifferent between the disutilities of labors done in the two jobs. Laboring to produce apples and computer chips makes no difference from a utility aspect. But not so in the context of a difference between disutilities of surplus labor (there is no unit of measurement that can compare the surplus labor in producing apple and computer chips). A utilitarian approach would simply suggest further exchanges at the level of surplus labor for a state of rest. But, Marxian political economy finds the utilitarian frame problematic: here the key-point that Marx strives to drive home is that the different goods give different kinds of utilities that resist integration into a general utilitarian frame.

A Marxian discourse on capitalist commodity economic can resolve this dilemma by looking at surplus labor from the standpoint of production, that is, from the standpoint of consumption mechanism of capital. Capital consumes surplus labor for the sake of consumption (that is, for accumulation) irrespective of its use-values: capital views surplus labor as money. The concept of self-exploitative commodity economy is at best a false self-consciousness flowing out of capital, a displacement of utilitarianism. Our interrogation of commodity reveals that the concept of equal (equivalent) exchange is a logical fallacy, a modern man's myth. Only a capitalist commodity economic can establish this equivalence at the level of exchange of labor power: fully developed ideal capitalist economic can pay its labor power at its value on the plane of discourse. The

idea of equivalent exchange in a self-exploitative commodity economic is just a displacement of value theory at the level of buying and selling of labor power in a capitalist economic.

Or, perhaps, one can visualize a *self-exploitative* commodity economic that produces no surplus labor to exploit its *self*.

This society trivially resolves the contradiction between the necessary labor and surplus labor because there is no surplus labor here to quarrel over. Commodity God can exist only in a primitive economy and dies as surplus emerges.

VIII. Symptom of Capitalist Market

Now we know that *Commodity* as a self-sustained category can ensure law and order only in a *subsistence economy*. It gets unsettled as *surplus* emerges and needs to be propped up by *capital*.

But the idea of commodity as a self-contained category in a surplus-producing economy survives in public mind — as a myth in the form of an ideal — a fantasy: worshipping commodity as a self-subsistent category at the level of idea in a surplus-producing economy. The concept of commodity, displaced from a subsistence economy constituting the idea of a self-exploitative commodity economy, can never settle itself discursively. Inscribed in it is the limit of commodity and therefore of capital: its symptom. In what follows, we will discover this symptom of a discourse on capital. In other words, we contest the concept of a capitalist market economic founded on equal exchange of labor power. We might recall that equal exchange of labor power means buying and selling of labor power at its value that, in the context of classical political economy, signifies a kind of just price for goods produced outside the capitalist sector — where the production of labor power occurs. Capitalist market economic, we have been told, ensures buying and selling of labor power at its value; therefore, equal exchange; therefore, justice. The profit that accrues to the capitalist class is a surplus — surplus value — above and beyond a payment made to the worker which market morality deems to be just. That defines, distinguishes and distances the capitalist economic from a whole range of other kinds of surplus labor appropriating economic such as feudal economic and slave economic. No cheating, no arbitrariness, and no coercion: equality rules on the terrain of exchange. This promotes an idea of respectable bourgeoisie: as exchange — woman bearing the flag of equality, fraternity, and freedom — albeit punctuated by the marks of their violence in the workplace where the bosses' command and the workers obey. We suspect here this vision of the ideal capitalist economic and the portrait of the respectable bourgeoisie that it projects (protects). In our revision of the capitalist economic, the concept of equal exchange does violence to itself always already in the discursive field of exchange before its final abrogation in the workshop. The site of exchange that defers the violence to equality to the workshop must be bearing the traces of this violence always already in itself that we decipher, read aloud and discursively articulate. We implicate the hegemonic reading of capital as an accomplice to a discursive violence that suppresses the scenes of violence of equality — of its mutation and mutilation — in the discursive field of exchange.

We stress that the question that gets foregrounded here can only be a very recent one: one can ask it only after 1984 thanks to WCR (which incidentally marks Marx's death centenary). For it requires, as pre-given, a discursive articulation of the capitalist economic in this ideality — a discourse on buying and selling of labor power at its value. A discourse that fulfills the logical requirement that it entails: aggregate surplus value must match aggregate profit and aggregate gross products must converge in value and price terms. In other words, the question presupposes a solution of the task — which

ironically remained a problem for a century. The task of transforming values into prices in Marx's *Capital* fulfilling the famous twin equalities:

- i. Sum of values = sum of prices; and
- ii. Mass of surplus value = mass of profit.

Prior to 1984, Marxists had to remain content with a partial solution of the transformation problem (with Marx's wings cut) which the non-Marxists (and also many Marxists) would not buy. Before 1984 Marxists were not in a position to say that such and such would be the algebraic representation of an ideal capitalist economic that can be deployed. Deployed to examine some of the contradictions inherent in its ideal: the gaps, the fragments, and the limits of an ideal capitalist economic, the aspects it excludes, its symptoms and metonyms, how it overflows into its outside.

Our principal concern here is to mark the limits of an ideal capitalist economic founded on equal exchange of labor power: what its idea(l) must exclude. Our (contentious) thesis is that the concept of equal exchange of labor power, of necessity, requires that a large segment of the economy — here, the household sector and, indeed, the entire *outside* of the capitalist economic — be excluded from the terrain of the equal exchange to be accorded a different, and by implication, unequal treatment. The current household labor debate informs us. In its light we venture to move into the twilight zone of equal exchange where neither equality nor inequality holds, the concept of equal exchange itself being suspect.

To be specific, we contend that the idea of equal exchange of labor power in the market is pre-dictated (predicated, constituted, and overdetermined) by the failure of equal exchange with the household and the entire outside of the capitalist economic that it represents. In other words our thesis is that the concept of equal exchange is internal and specific to the capitalist economic and, of necessity gets disturbed, disrupted and displaced as one moves to deal with — as one must — the relations of exchange with the outside of the capitalist economic. The concept of equal exchange founded on a labor theory of value — or, for that matter, a value theory of labor — simply does not apply to the space of interrelationship between the capitalist sector and its outside. The idea of capitalist economic falls short of its ideal as it encounters an economic that fails to meet its ideal. In what follows, we will be discovering how the discourse on capital covers up these failures of equal exchange through a whole series of suppressions, displacement and metonymic transformations.

So what follows is a critique of the discourse on capital, and not of capitalist economic as such. Look: we are not parroting that capital fattens itself on unequal exchange with the non-capitalist sector; such commonplaces are furthest from our mind. For, such marketplace propositions on unequal exchange innocently, (that is, uncritically) take for granted the validity of the concept of equal exchange as a rod of contrast — which, precisely, we call into question. The issues of both equal exchange and unequal exchange are nonsensical in the context of exchange between capital and non-capital. As far as the algebra of our model goes, it makes little difference who represents this non-capital: a timid housewife cooking in the household kitchen or a proud Nora leaving home to become a self-exploitative commodity producer serving food to the outsiders for dollars. We intend to drop a concept of capital founded on equal exchange: re-think capital, along a new line, and to unlearn those what we learnt yesteryears.

Feminists have been talking about the importance of household labor in the context of Marxian theory of exploitation for quite sometime but rarely in terms of a full-fledged value theory. But it is the merit of Chaudhury-Chakrabarti (2000) who address the issue of household labor in the context of a full-fledged Marxian value theory involving transformation of values into prices. The latter approach shifts the focus

of the debate from the feminist's emphasis on the moment of exploitation of household labor by the capitalist sector at the level of reality onto the moment of an epistemic violence by the discourse on capital. How the idea of capitalist economic, of necessity, exorcises household labor from its terrain in order to be an ideal for bourgeois man — respecting equal exchange of labor power.

It is our contention that the result carries over if the household sector is replaced by a self-exploitative commodity producing sector. In other words, our proposition on unequal exchange between capital and labor power has a wider implication: the concept of equal exchange falters in the space of interrelationship between capital and non-capital. One should read this failure of equal exchange as mark of mimicry of overdetermination — as symptom.

IX. Problematizing Household Labor

Following a feminist stance (Nancy Folbre, 1982) we make a point about the production process of the commodity 'labor power'. The point is that *this* production, like that of any other commodity, requires means of production as well as direct labor. Here, means of production implies the subsistence basket of the labor power in commodity form, and, correspondingly, direct labor implies household labor in its non-commodity form. Underlying this is the idea that the production of labor power involves a vertically integrated process entailing the buying of semi-finished means of subsistence for labor power at the lower tier to be converted into finished goods for the worker's consumption at the upper tier. A parallel conceptualization would be that the worker's subsistence basket includes, together with the means of consumption bought at market prices, another household product outside the commodity chain reflecting the value added by the household labor. In other words, the commodity of labor power, in our view, cannot be detached from its non-commodity counterpart which along with other commodity components are also moments of a vertically integrated production process and as such must be accounted for in the equational system.

Our criticism of the Marxist economists pertains to the fact that while in general they talk about problems of household and housewife they ignore — forget — household labor while talking about the labor theory of value in the context of transformation problem. This forgetfulness becomes most striking and vulgar — in their representation of the value of labor power. The equation for the value of labor power — defined as the reproduction cost of labor power (that is, his or her family) — does not include the household labor as a part of this reproduction cost. In their conceptualization, the reproduction cost of labor power means the cost of socially determined subsistence basket, bought from the market in labor hour terms. Labor hours necessary to bring the raw meat brought from the market to home, to transfer them into cooked meat and deliver them to the table slip from their minds. A Marxist forgets that there are many labor hours between the cup and the lip, the kitchen and the dinner table, the cradle and manhood. The hands that feed his baby and fed him as a baby are all parts of his benign forgetfulness.

Inherent in the exclusion of household labor from the value of labor power is another forgetfulness: that of consumption as a process and how the process of production overdetermines it. This is an important point and needs to be explained. Marx in his now famous introduction to *Grundrisse* (1973, 83-111) pointed out that production and consumption are each other's condition of existence; one cannot logically pose the social existence of (consumption) production without (production) consumption (1973, 90-94). Capitalist production process involves the consumption of the means of production and labor which must presuppose the production of the means

of production and the commodity labor power. Both require the labor time for capitalist production to take place. Since the household class processes, in part, constitute the site of the production process of the commodity labor power, the production (labor) process of the commodity labor power should include the site of the household class process. The site of the household class process is constituted, among other elements, by a household production process that involves (like class processes at other sites) household labor to reproduce the social existence of the members of the household. It will be difficult for the capitalist enterprise to reproduce itself in its present form without the production process of the commodity labor power and subsequently, that of (household) labor involved in the household production process. However, many Marxists have ignored the production process involved in the capitalist's consumption of the commodity labor power⁶. They focus on the capitalist labor process as their exclusive site of production by keeping the household out of their sight and therefore out of their discursive domain.

Consequently, the worst sort of discrimination takes place, in writing, at the level of discourse, on the plane of value theory. Take a look at simplest value equations because their formulation satisfies the much known twin equalities.

$$v_i = \sum p_i a_{ij} + a_{oj} \dots \dots \dots \text{EQ. (32)}$$

$$v_L = \sum p_i b_i \dots \dots \dots \text{EQ. (33)}$$

where v_L is the value of labor power while the rest of the symbols carry the usual meanings as indicated earlier.

All the commodities require direct labor in order to be produced except the unique commodity — labor power — whose value representation does not include any kind of direct labor. In other words, the capitalist's consumption of the means of production includes the production process involved in producing the means of production while the capitalist's consumption of the commodity labor power involves an element of forgetfulness of the production process of labor power. This is a clear case of discrimination wrought in by a discourse — a Marxist discourse. Let us apologize, accept it as a slip, and correct the value equations for labor by incorporating, on a conceptual plane, household labor time spent on the reproduction of labor power. This modifies the value equation for labor power to:

$$v_L = \sum p_i b_i + a_{oL} \dots \dots \dots \text{EQ. (34)}$$

where a_{oL} is the direct household labor time required to produce one unit of labor power. Now assume, as Marx does, that our conceptual (abstract) capitalist economic does not cheat labor power and pays it at its value. Then, equal exchange wage rate

$$w^* = v_L = \sum p_i b_i + a_{oL} \dots \dots \dots \text{EQ. (35)}$$

⁶ Strictly speaking, the subsistence basket available in the market is a semi-finished product. Household labor transforms the semi-finished consumption basket into a finished consumption basket. Thus the semi-finished products together with the amount of labor time exerted by the housewife inside the household in finishing the entire process, constitute the value of labor power. In other words, the process of production of the commodity labor power is a vertically integrated system. The capitalist sells the wage goods in a semi-finished form while another tier of production (household production) finishes the product. In terms of the value equations for the labor power, the household does not buy the subsistence basket (b_i) from the market, but its semi-finished form at prices (p_i). Household labor transforms this semi-finished basket into the basket of finished goods (b_i) fit for the household consumption, reproducing, in turn, the commodity labor power fit for consumption in the capitalist production process. Thus, the household labor constitutes the value of labor power, the capitalist production process and consequently, the capitalist class process.

Consequently, prices of production and the rate of profit corresponding to equal exchange wage rate w^* is

$$p_j = (1+r) \left[\sum p_i a_{ij} + w^* a_{0j} \right] \dots \dots \dots \text{EQ. (36)}$$

$$= (1+r) \left[\sum p_i C_{ij} + C_{0L} \right] \dots \dots \dots \text{EQ. (37)}$$

where,

$$C_{ij} = a_{ij} + b_i a_{0j} \dots \dots \dots \text{EQ. (38)}$$

$$\Rightarrow C_{0L} = a_{0j} a_{0L} \dots \dots \dots \text{EQ. (39)}$$

It is important to note how these price equations differ from the usual price equations in the current discourse on Marxist value theory

$$p_i = (1+r) \sum p_i C_{ij} \dots \dots \dots \text{EQ. (40)}$$

The current price equations given above are homogeneous and therefore can be reduced to n equations involving $(n-1)$ relative prices and one uniform rate of profit as variables and therefore can be solved for.

But the price equations corresponding to equal exchange wage rate w^* are non-homogeneous and therefore cannot be expressed as functions of relative prices. Therefore we are left with n equations to solve for $(n+1)$ variables and that cannot be done; the prices and the rate of profit corresponding to equal exchange wage rate remain indeterminate as far as the market mechanism defined by our price equations is concerned. However we can conceptualize such prices and a rate of profit conforming to equal exchange wage rate w^* by adding another equation implied by w^* :

$$\text{Surplus Value} = \text{Profit.}$$

Note that the above equation is a definitional requirement for a capitalist society of Marxian conception that honors equal exchange wage rate. This conceptual capitalist society can specify a set of prices and a rate of profit and therefore a mass of profit (θ_1) corresponding to equal exchange wage rate. But an observed society run on otherwise capitalistic economic principles does know no mechanism to achieve this equal exchange wage rate.

The market mechanism of the system is motivated by the equality in the rates of profit and wage (set by the mobility of capital and labor) in the price equations. The equality of sum of profits and the sum of surplus values is not a functional requirement of the system as the mobility of capital and labor are. Therefore many sets of values from (p_i, r) would exist that satisfy the price equation and the equal exchange wage rate equation together and of these only one set of (p_i, r) would satisfy that equality — aggregate surplus value and aggregate profit. We see no specific reason why this particular set of (p_i, r) would rule the market.

It appeals to reason that the above incongruence between surplus value and profit is due to a divergence between the value of labor power and its price. Now that the model allows for the production of surplus value in the household sector, a transfer of surplus value can occur from the household sector to the capitalist sector (and vice versa). In other words, value of labor power in this model can deviate from its price signaling an unequal exchange between capital and labor power in the labor market.

It is helpful to restate the value equations to see why and how this unequal exchange occurs.

In the interest of making our argument simple — and accessible — we pretend that there is only one kind of labor: commodity producing labor and household labor are qualitatively same. So the shadow wage rate in the household sector is the same as that

in the capitalist sector (say, W). We take the household labor as our unit and express values and prices in its terms. That sets the wage rate in terms of the household labor: as the value of the semi-finished subsistence basket in terms of the household labor plus the quantity of household labor added to it in order to convert it into a finished subsistence basket for the workers. Then, one unit of commodity producing labor is equivalent to this wage rate in times of household labor marked up by $(1+s)$. We can now write down our two-commodity model in terms of the household labor.

$$V_1 = p_1 a_{11} + p_2 a_{21} + (1+s)Wa_{01} \dots\dots\dots \text{EQ.}(41)$$

$$V_2 = p_1 a_{12} + p_2 a_{22} + (1+s)Wa_{02} \dots\dots\dots \text{EQ.}(42)$$

Now, note that the equational representation of the value of labor power gets modified as it includes, besides the subsistence basket (b_1, b_2) in its semi-finished form, the household labor added to it to turn (b_1, b_2) into a finished subsistence basket for the workers. So, we no longer have:

$$V_L = p_1 b_1 + p_2 b_2 + a_{0L} \dots\dots\dots \text{EQ.}(43)$$

This equation is rewritten as:

$$V_L = p_1 b_1 + p_2 b_2 + (1+s)w a_{0L} \dots\dots\dots \text{EQ.}(44)$$

$$p_1 = (1+r)(p_1 a_{11} + p_2 a_{21} + Wa_{01}) \dots\dots\dots \text{EQ.}(45)$$

$$p_2 = (1+r)(p_1 a_{12} + p_2 a_{22} + Wa_{02}) \dots\dots\dots \text{EQ.}(46)$$

$$r \sum \sum p_i a_{ij} = sW \sum a_{0j} \dots\dots\dots \text{EQ.}(47)$$

For equal exchange to occur, the following equation must hold.

$$W = V_L = p_1 b_1 + p_2 b_2 + (1+s)w a_{0L} \dots\dots\dots \text{EQ.}(48)$$

Equations (41) and (42) specify the value equations. Equation (44) specifies the value of labor power. Equations (45) and (46) designate the price equations and (47) represents the equality between the aggregate surplus value and profit.

Let us see how one solves for the variables. It becomes immediately apparent that the price equations (45) and (46) can determine relative price p_1 and rate of profit

r only if real wage $\frac{W}{p_2}$ is given from outside. Given $\frac{W}{p_2}, \frac{p_1}{p_2}$ and r , one determines s from equation (47).

But this s does not in general coincide with the s as derived from equation (48) and hence it establishes the impossibility of abstract labor. In other words, market forces cannot ensure a shadow wage rate W/p_2 guaranteeing equal rate of exploitation for wage labor and household (these two coincide only by chance). Market has to deem them unequal. And in the next section we will see the result carries over even if household sector is replaced by a commodity-producing sector.

The message of the exercise is pretty simple. The capitalist economic can establish equal exchange only by exorcising the household labor from its discursive space. That is, the category of equal exchange in order for the adjective 'equal' to have any standing must suppress its other, that is, its outside so that we can have a discourse on the highest achievement of enlightenment: the capitalist commodity economic with equal exchange of labor power.

This impossibility stems from the fact that surplus labor added by the household defies any measure in value theoretic terms or, more precisely surplus labor for the household does not produce surplus value. This reaffirms our hypothesis that, the concept of abstract labor — which founds equal exchange as a concept- is specific and interior to a capitalist economic ; it requires mobility of capital and labor. Since

household is the site of the non-capitalist class processes — say, a self-exploitative class process — household self-exploitative labor as such (that is, without becoming wage labor) cannot move into the capitalist sector. For that would obliterate its specificity — its *being* as a self-exploitative labor. Neither can capital move into the household sector. The two kinds of labor — household labor and wage labor — are non-comparable and preclude being included in the schematic of abstract labor, by definition.

The system can trivially resolve this problem by denying *household labor* the status of a self-exploitative labor as distinct from wage labor: treat *household labor* as wage labor and get an equal-exchange solution for the capitalist system. In terms of our equational structure this modification (distortion) means that equation (44) designating the value of *labor power* gets replaced by:

$$V_L = w = p_1 b_1 + p_2 b_2 + w a_{0L} \dots \dots \dots (49)$$

It then becomes quickly apparent from (49), equations (45) and (46) now determine p_2/p_1 and r , as functions of w/p_1 , which, in turn, determines w/p_1 . The normalizing equation — surplus value = profit — then will set the magnitude of rate of exploitation s , and given s , the value equations will solve for the value magnitudes in terms of p_1 . The housewife becomes a wage labor without entering into the labor market.

X. Household as the Metonym of Non-capital

It is interesting to note that the household sector in our example is only a metonym: beside(s) itself, it represents labors outside the capitalist sector. As far as the algebra of the model is concerned, the story does not alter if we exorcise the household sector (following the current practice) and posit a three commodity model. Where the third commodity is the only wage good (with price w) produced by direct producers (self-exploitative commodity producers) to be sold in the market. Pretend, as before, there are only one kind of labor: wage good producing labor and non-wage good producing labor are qualitatively same. Choose unit of wage good such that one unit of wage goods reproduces one unit of *labor power*. Assume that a_{0L} quantity of wage good labor together with b_1 and b_2 quantities of non-wage goods can produce one unit of wage good. The algebra, narration and message of the earlier *household labor* story carry over, repeat itself and re-affirm: *equal exchange* between a self-exploitative wage good producing sector and the capitalist sector is impossible. The household sector stands for all wage good producing sectors run on non-capitalist lines catering to the market. With, of course, one difference: the laborer in the household sector has no false self-consciousness. Household sector does not immediately produce for the market; therefore, the laborer in it has no self-certainty and false self-consciousness produced, sustained and propagated in and through the market.

The self-exploitative commodity producer producing for the market can afford to have a false self-certainty, a false self-consciousness and a sense of false self-realization. Because, she participates in the market, she does not see that the market will never deem equal her/his labor and labors done in the capitalist sector, while this lesson is transparent, and self-evident for the *household laborer*. We all are not equal: some of us know it — and others don't. Same but not quite.

The sum and the substance of the story are that the concept of *abstract labor* fails in the space of the interrelationship between the capitalist sector and the self-exploitative sector. Our equational system designating the market forces cannot determine the terms of trade between them. The terms of trade are accidental and arbitrary.

If we allow for mobility of wage laborers across sectors — including the self-exploitative sectors — this will reinforce our conclusion. It is important to stress that our conclusion here does not hinge on the forces of supply and demand for commodities. We are not parroting here a Marshallian kind of argument that free entry to production will drive down the super-normal profit of the self-exploitative sector (the *surplus labor*) to zero in the long run. Our argument requires only the existence of a reserve army of labor that is freely mobile across the entire economy searching for a subsistence income. Mobility of capital over the whole of the economy is not necessary for it to squeeze out the entire *surplus labor* of the economy; it can do so through the mobility of its *other* wage labor.

Let us verify this algebraically. Recall the price equations. Since we have assumed that one unit of labor power consumes one unit wage good whose price is w (and no household labor), wage rate is w . So,

$$P_1 = (1 + r)(p_1 a_{11} + p_2 a_{21} + wa_{01})$$

$$P_2 = (1 + r)(p_1 a_{12} + p_2 a_{22} + wa_{02})$$

Again, mobility of labor between the capitalist sector and the self-exploitative sector drives down the price of wage good to w . Hence,

$$w = p_1 b_1 + p_2 b_2 + wa_{0L}$$

It is interesting to note that consistent with these price equations we can write down a set of value equations.

$$V_1 = p_1 a_{11} + p_2 a_{21} + (1 + s)wa_{01}$$

$$V_2 = p_1 a_{12} + p_2 a_{22} + (1 + s)wa_{02}$$

$$V_3 = p_1 b_1 + p_2 b_2 + (1 + s)wa_{0L}$$

Such that

$$p_1 + p_2 + w = V_1 + V_2 + V_3$$

But this entails

$$r \sum \sum p_i a_{ij} = sw(a_{01} + a_{02}) + sw a_{0L}$$

It is important to stress that the total profit expression includes an element swa_{0L} which is not produced in the capitalist sector but stands as a measure of unequal exchange between capital and non-capital: amount of surplus value appropriated by the capitalist sector from its other through exchange. The amount that the non-capitalist sector must lose as it enters into trade with the capitalist sector.

So, the heaven of an ideal self-exploitative commodity economic eludes the protagonist of our model; neither does she reach the hell of the capitalist workshop — as wage — as labor. Thrown into Dante's Inferno she gropes between the hell and heaven driven by fast winds down to subsistence with occasional leaps up and down. A metaphor for wage labor, she is the illegitimate child of the market economy whom it bequeaths no law and order. As a self-exploitative commodity producer she is nowhere — neither can she exploit her/his self (for the surplus she appropriates melts into thin air) nor does she get the rights and recognition of a wage laborer.

XI. Postscript by the Way of Conclusion

The capitalist economic is larger than itself, and overflows its margins along a discursive space to disturb, distort and displace them, out of which emerges a subset that we call the postcolonial economic. The postcolonial economic signifies an overflow of the metonyms of the capitalist economic that honors neither the border of discourse nor that of nations. The overflow is irresistible, and a destiny for the *outside* who can only encounter it, appropriate and distribute it, diffuse it — but can never defy or dispense with it. It is a 'gift' of 'God' that she cannot deny — a guest to whom she can never say, "No."

Only God has the prerogative to choose and select from among His children: only chosen children of God can cross the border of discourse and nations. In plain terms: the non-capitalist *outside* is not in a position to overflow into the capitalist sector — it only gets appropriated. Only a fragment of it can leak and slip through the border of discourse and nations: as a spy. Or perhaps, a specter.

In other words, the postcolonial economic signals the limits of the concept of overdetermination: its displacement and degeneration. We all know that the relationship between the capitalist economic and the non-capitalist economic is a two-sided affair. Each is the cause and the effect of the other — each overdetermines the other. That is what *synthetic space* means.

However, for so much thought and ink expended for over-exploring the concept of overdetermination, theorists have been remarkably silent about the nature of constitutive effects. In our case, the relevant question, and a very important one too, is — in the event of capitalist class process's constitution by the effects of the non-capitalist class processes and vice versa are the two types of effects qualitatively the same? Or, are the two types of effects as we understand it to be two very different moments of constitution?

This concern brings us to the idea of postcolonialism. We utilize the idea of 'effects' as two different moments of constitution to fashion our problem of postcolony. Let us go straight to the heart of the matter.

As per our scheme, overdetermination has two moments: overdetermination via metonymy and overdetermination via metaphor. Postcolonial economic process can be formulated as the case whereby the non-capitalist class processes get constituted, that is, overdetermined by the metonymy of capitalist class process produced independent of the subject. This metonymic constitution captures the movement from capitalist class process (the parent concept) to the non-capitalist class processes (the margin concept). The other moment of overdetermination is the case whereby the constitution of capitalist class process by the non-capitalist class processes is produced through metaphor involving the operation of both the subjective and non-subjective intervention.

In other words, both capitalist class process and non-capitalist class process overdetermine each other but not in exactly the same manner. On the one hand, capitalist class process overdetermines the non-capitalist class process via its metonyms independent of the desire of the subject residing in both the capitalist and non-capitalist sets. On the other hand, non-capitalist class processes can also overdetermine the capitalist class process via its metaphor presupposing the intervention of agency. In case of overdetermination via metaphor, there is a censoring — a subjective intervention that does not flow from the logic of the discourse itself: the order of discourse. The postcolonial economic process — overdetermination via metonyms — flows entirely from the logic of discourse itself producing a non-subjective process which defies the border of discourse.

We have already inscribed this postcolonial economic on the margin of the Marxist discourse on commodity and capital. Our discourse is informed by a revaluation of (a revolution in) Marxist understanding of Marx's value theory and runs on this new value theoretic plane that involves, among others, formal logic and a little bit of algebra that it entails. We would invoke its story line here to articulate our concept of the postcolonial economic, disengaging it, of course, from its algebra.

Our distinct reading of Marx's *Capital* contests the self-resemblance of the category of capital and points to the lurking ambiguity inherent in it. It calls into question capital as a concept founded on equal exchange of labor-power as a commodity. Indeed, this rendition of capital puts into doubt the age-old Hegelian belief that commodity is the genus from which capital as a species flows. In other words, it

lays to rest the idea that capital can be grounded (founded) on commodity. The central argument behind the logic builds on the lemma that the laborer's subsistence basket, of necessity, includes a non-commodity dimension imported from the household sector. Workers can buy only semi-finished wage goods to be converted into consumable finished wage goods by household labor, one dimension of which — household management — defies substitution/elimination by market forces as long as one retains the idea of family as an indispensable unit of society. This entails the task that household labor and commodity producing labor be equated and made homogeneous as abstract labor in order that one can define equal exchange of labor-power in terms of Marxian labor theory of value. The traditional Marxist discourse on commodity and capital founders on this rock. One needs to come to terms with a concept of limping capital that stumbles in the hole of the household where the light of equal exchange cannot enter. *One then shows how this household sector serves as a metonym for the entire wage good producing sector running on non-capitalist class lines.* In short, household labor serves as a symptom of capitalist economic. The discourse on capital can neither include it nor reject it. It stays on, as a pain in the discourse on capitalist market – and blows up itself as an emblem of the entire non-capitalist sector.

The gospel of equal exchange humbles here, at the door of the non-capitalist sector; it has to proclaim equal exchange for goods produced within the capitalist sector and some kind of its metonym for the *outside*, such as just wage or subsistence wage. (One wonders what justice means. Arbitrariness?)

One is reminded of what one encounters during the colonial period: representation for the empire and recordation (its metonym) for the colony. With, of course, some differences. The metonym was contingent — and declared — during the colonial period. Postcolonialism signifies a metonymic transformation that is undeclared, unwritten, unrecorded — and is independent of subject's will: postcolonialism is inscribed within the idea of capital — as colonialism masking itself, as a process, without a subject, overflowing into the *outside*. And the outsiders must accept it — the gift of capital as destiny.

The relationship between capitalist class process and its metonym are like the relation between the planets and satellites. The satellites break loose from the planet, floating in the air-space as if purposeless. However, that is not the case for the satellites form a relationship with the outside — the other world — other than the relation between the satellites and the planets. There are two other types of relationship: one of the planets with the outside world and the other of the satellites with the outside world. In a very similar way, the direct relationship between the capitalist class process and simple (self-exploitative) commodity class processes are not the same as the one between the metonyms of the capitalist class process and simple commodity class processes. The metonyms (rate of exploitation and relative prices) break loose from the capitalist economic to float as symbols, metaphors and totems, losing its innocence and neutrality as it bears itself down on the simple (self-exploitative) commodity economic. In this context the simple (self-exploitative) commodity economic then collides not only with the capitalist economic but also with its dwarfed outer body — the metonyms.

In other words, the center — here, the capitalist economic — is capable of giving birth to a sub-space on its border that only mimics the parent categories. We call this sub-space a postcolonized space.

We base our concept of postcoloniality on the following propositions flowing from our specific reading of Marx's *Capital*:

- 1) No discursive space can accommodate the concept of a self-contained self-exploitative commodity economic.

- 2) A (complete) capitalist commodity economic can situate the concept of a self-exploitative commodity economic as its surplus meaning generating the concept of equal exchange as a symptom.
- 3) A complete capitalist commodity economic is an impossibility as long as society includes family — and therefore, household sector — as one of its organic units.
- 4) The household sector is a metonym for all the non-capitalist sectors, producing commodities, which, in the final analysis, turn out to be a mimicry of commodities.

Our discourse on postcolony presumes an exogenously given non-capitalist sector on the margin of capital. In order that capital can postcolonize its outside, it requires the presence of an external other to be colonized.

Non-capital can carve out a place for itself on the terrain of the economic for a variety of reasons. Resistance and resilience of non-capital will be one reason: non-capital defies being annihilated by capital. Alternatively, a welfare state might intervene to stop capital at some point and mark out sites for non-capital to ensure jobs for a growing population.

Consequently an interacting unity of capital and non-capital emerges. We might recall the different possible forms of this interacting totality. One such possible form can be envisaged from Gramsci's discourse on passive revolution of capital read in a Hegelian light: a welfare state as the surrogate universal with capital and non-capital as the particulars. We have already noted our reservations against this reading of Gramsci's concept of passive revolutions and the consequent idea of the state as the displaced Hegelian universal mediating the relations between capital and non-capital. It is difficult for us to imagine how the state acquires this privileged status. For us, the state also happens to be another particular on the terrain of the political, albeit overdetermining and being overdetermined by capital and non-capital. As far as the terrain of the economic goes, our concern is with the overdetermined unity between capital and non-capital in which their binary oppositions give way to a relation of mutual constitutivity. Our focus is on the details of this process of mutual constitution — its specificity, distinctness and uniqueness — which leads us into our specific vision of postcolonialism. Our exploration of the details of the process of overdetermination between capital and non-capital brings to light the inherent asymmetric relations lurking in it by way of which capital imposes itself on non-capital in a subtle and refined manner.

Recall what promotes and prompts capital / non-capital interactions: the welfare state builds a wall against capital to (p)reserve a site for non-capital, say, a self-exploitative commodity producing sector. That stops capital physically, but its (black) magic knows how to undo this border and can turn the self-exploitative sector into a subsistence market economy. Commodity exchange between the capitalist sector and the self-exploitative sector coupled with the fierce competition among wage laborers and self-exploitative producers and that within the latter drives down the surplus in the self-exploitative sector (in Marshallian metaphor the super-normal profit) to zero. Then a self-exploitative producer turns into a metaphor for a wage labor — or the metonym for wage labor-capital complex.

It is important to stress that we do not call into question the integrity and the honesty of the state — we see no grand design working within the state to fool the people. It earnestly desires to protect the interest of its citizens. But the state proposes, and capital disposes.

Capital as a discursive category has the logical potentiality to turn commodity into its metonym so that by way of commodity exchange it can overrule the border of discourse to rule its outside: it can gather metonymic surplus meanings. Non-capital, on the contrary, can produce only metaphoric surpluses and surplus meanings. The agency

of capitalist management appropriates these metaphors and gives them various concrete forms by way of rarefaction — a refined and dwindled form of appropriation of the metaphors of non-capital. This specificity of capital as a discursive category endorses it with a power to rule its outside in disguise, through its metonyms — a process we call postcolonialism. A mimicry of overdetermination between capital and non-capital, capital constituting non-capital through its metonyms and non-capital constituting capital through metaphors, an asymmetric relation.

Let us be a little bit concrete. Consider the form of overdetermination via rarefaction. An example could be the new ideas of a good worker coming up to constitute the capitalist class process in an era of what sometimes is called flexible accumulation. The new idea of a good worker is one that resembles the simple commodity producer. The simple commodity producer is celebrated as a more complete and cultured figure than the capitalist worker because she can perform many more functions than the capitalist worker. The simple commodity producer is, at the same time, an innovator, planner, worker, self-supervisor, negotiator, seller of commodities, etc. Today's capitalist enterprises are encouraging importing and implanting these ideal of simple commodity producer through a conscious subjective intervention. Such a laborer is deemed to be cost-effective (reducing cost of supervision, internal planning and other costs associated with imperfect information problems) and quality improving for the capitalist class processes. The new worker of the capitalist enterprise is then a rarefacted imaginary expropriated from the simple commodity economic and implanted in the capitalist production process via a conscious subjective intervention. The rarefacted transference of this image is not possible without the subjective interference.

Another example is that of the rarefacted transference through which the communist class process constitutes the capitalist class process. The idea of shared participation as a dimension of labor process is so powerful that even the capitalists could not ignore it for long.

Community then takes the rarefacted imaginary of shared participation in the capitalist labor process. The idea of participatory management, for example, is nothing but the rarefacted transference of community into the capitalist class process via a conscious subjective intervention. This history is too well known to be commented any further. And actually the subjects of history can very much put a limit to Capital's full play.

But, we have noted that *postcolony* — the metonymic transformation of the categories within the capital / wage labor complex — is not a subjective phenomenon brought about by subjects to modernist categories of emancipation. It is the one internal to the categories themselves: border of discourse is a discursive phenomenon signaling the limit to its terrain on whose other side the discourse must necessarily undergo a metonymic transformation. And we have called this other side of the border of discourse *postcolony*.

It is important to stress that our concept of postcoloniality does not signify hybridity of culture or what Bhabha calls *in-between* categories. For instance, for us the concept of postcolonial commodity culture does not mean commodity culture getting mixed up with a pre-commodity culture, say, that of community — an in-between category deriving from the negotiations between the (differences of) *commodity* and community. Our (contentious) thesis is that a (metonymic) transformation of itself at some stage of the discourse is inherent in the very concept of commodity *as its destiny*: the law of commodity (value) is contingent, accidental and arbitrary outside the discursive space of capitalist exchange. The commodity exchange between two capitalist sectors can be said to be founded on equal exchange because it (potentially) produces the same rate of profit for the two parties. But the proposition, in our opinion, does not

carry over to the phenomenon of exchange between any buyer and seller of commodity, for instance, that involving self-exploitative commodity producers. Popular misconception confuses, conflates and collapses the two, transferring the attributes of capital onto commodities. For instance, one hears that markets — where buyers and sellers of commodity exchange goods — ensure efficiency. We can conceive capital ensuring efficiency in its bid for the highest rate of profit. But we find it difficult to conceive (on non-neoclassical / non-utilitarian premises) how the exchange between non-capitalist buyers and sellers can be discursively articulated as efficient.

The whole thrust of our argument is on this issue: there cannot be equal exchange (a criterion of efficiency) between a self-exploitative commodity producer and a capitalist commodity producer. Contingency and arbitrariness are inherent in a notion of exchange involving self-exploitative commodity producers. We have seen how this arbitrariness — the lack of a discursive law — involved in the exchange between the capitalist sector and the self-exploitative producers, in the final analysis, serves to squeeze out the entire surplus labor from the latter into the former. The self-exploitative producer is an illegitimate wage laborer who produces surplus value for capital that neither society nor the discourse recognizes. As the non-resident immigrant to the *capital's world* she represents the symptom of capital: the unsaid *other*. Our discourse on postcolonialism is a desperate drive to articulate the unsaid *other* and rehabilitate it in the discourse.

Colony, as it occurs in history, is an empirical phenomenon and therefore appears as contingent and accidental; blocking from view the discursive space involving contingencies inherent in a modernist discourse, that is, postcolonialism.

Border of the nations — the division of the global space into that of the colonizer and the colonized — blurs the border of discourses, displaces it into the border of nations and thus defers its full play. Postcolony represents this metonymic transformation of the border of discourses into the border of nations; the consequent metonymic changes in the emancipatory ideas are only its effects. Thus, we conceptualize postcolonialism as a full play of colonies: as a play on the other side of the border of discourses. Colonies exist here and now — postcolonialism fragments it, distributes it and disperses it, but can never dispense with it. What postcolonialism inherits from colonialism are mimicries in their unrecorded forms. The colonized mind could be aware of a mimicry of self in its recorded forms and so could have a desire for the real. The postcolonized mind, which does not see through the unrecorded mimicries, is content and complacent — with a happy consciousness. If the colonized mind is a sad moron, yearning for an equality that never exists the postcolonized mind is a happy moron who thinks that she has got it.

As far as this book goes, we end up with a story of mimicry of overdetermination: we constitute you and you constitute us — but not quite in the same manner. A subterranean sublimated and subtle power relation flows through the process that echoes overdetermination, but not quite. What the *third world* inherits is the mutation of overdetermination, its displaced forms. Thus we re-view and re-value the concept of overdetermination — through the lens of Marx's value theory. We have read Marx's value theory in the light of overdetermination and know that the values and prices overdetermine one another. Time has come to read the notion of overdetermination in the light of value theory: how by way of reading value theory, the notion of overdetermination itself gets re-constituted, liberating in this process a postcolonial space of subdued overdetermination, that is, of the postcolony.

The above is old wine in a new bottle, one might say. A rehash of old North-South models.

Yes, but with a major difference. There is no North in our model. But only the South. The South as the *now* and the *here* (the self-exploitative) and the North as *nowhere*.

Look: capital here does not represent the North. (Global) capital, in our case, is only instrumental; through its mediation the mass of surplus labors of the local goes out — into where we do not know.

A new discourse is struggling to be born here, on the margin of old North-South models. A discourse of the local-global, of the periphery with a distant center — so distant that you may call it non-existent.

That is exactly what an Asiatic Mode of Production (AMP) is, in Marx's conception, as an abstract category. There is only periphery and no center, that is an extremely distant center. Surplus labors flow out of and into the periphery as *tributes* and *aids*, all beyond the control of the local, like, like what? Like nothing but destiny.

The same happens during the Colonial Mode, and also after the colonies disappear, in our celebrated postcolonial regime. Meanwhile, the locale changes, and therefore its *other* that the global (center) is. That is why we have different — successive — modes of production: Asiatic Mode, Colonial Mode and Postcolonial Mode. Thus understood, it is historicism of the local-global. Feudalism, Capitalism, Socialism: these are mere alien names imported from outside. The local savage appropriates them in terms of his totems and taboos. At stake here is a different way of looking at Time. And History. When viewed from a different — an alien — standpoint, times freeze here, liquidating history.

The motto of our exploration into Marxian political economy was to unlock the doors of this history, or if you like, the lack of it. The point is not to cry out in wilderness that we are getting screwed (that is, exploited). Of course, we enjoy getting screwed. But the point is that we are getting screwed in a way that we do not exactly like to be. Exploitation there must be, in order that God's old earth can move round the sun. OK, take away tributes from *us*, and give *us* aids. Only allow *us* some voice — in this process of give and take.

And don't say that *they* give us only aids and don't take away the tributes. That will be a lie, a move to write off this process of give and take forced upon the local and beyond its control.

That is not to say that *they* are a net exploiter; we are not bidding for a measure of this flow-in and flow-out. Besides, that is beside the point. The point is to prise open this Postcolonial Mode in which is frozen a different history. A history of Colonial Mode, and Asiatic Mode, and perhaps, of Community Mode. Some start from the past, that is, Asiatic Mode and recover the history and the present. We start off from the present, in terms of political economy to discover the past, *our* past. And, resultantly, maybe *their* past too.

We will be lying in a wait. For frontiers of Marxian political economy are fast changing and will certainly change in the future. As things stand now, we ourselves can change its course very little, at least at the global level. Thanks to a group of Marxists gathering around *Rethinking Marxism*, we have been able to push its frontier a little — a little in our way. But third world people do not have much voice in Marxian political economy; they are simply eavesdroppers. So, we keep watching the changes in this terrain so that we can tell more of our story in future, on its margin, to the village that is the globe.

As far as the local level goes, writing *alone* (in the double sense of the term, *only* and *lonely*) will not help much. We must build up a local order of discourse in Marxian political economy, a dialogue on it, mainly by the local, from the standpoint of *local*. In the 21st Century, we can no longer have a homogeneous global order of discourse in this terrain. Discourses in Marxian political economy has got to be fragmented, that is, local.

Hitherto, we have read only about the local Marxian discourses in Europe and the United States. Likewise, we would like to see, encourage and develop local Marxian discourses in other parts of the globe. What stands in the way is the colonized mind of a few of our colleagues. The local in the West talk among themselves over Marx, write them down, and confidently pass them off as parts of a Marxian discourse. The colonized wise women do not dare to express their ideas over Marxian political economy responsibly, that is, in writing. And if their next-door colleague ever happens to take a position on Marxian political economy, they will never write anything for or against it, but would choose to talk about yet another new Marxian position articulated in some unknown quarter of the West. Dipesh Chakrabarty's project of *provincializing Europe* is a welcome exception in this colonial mode of thinking. We hail it. We look forward to the time when we will have local Marxian discourses in political economy. Meanwhile, we will be looking for Western comrades on whose margin we can write something.

Perhaps, we should stop here, on the shore of a hitherto unknown postcolonized dark continent inhabited by savages signaling the end of (Western) discourse, and therefore of its mimicry that this book records. This book is a Shakespearean story told by the Aerial of the third world who can do only mimicries: of essentialism, deconstruction and overdetermination — a mimicry as a form of writing turning back on itself as its content. The children of postcoloniality are not hybrids but bastards — like metonyms issuing out of parent categories — and must invent their fathers in order to earn their right to speak to the enlightened world. (We, who are not children of Virgin Mary, know that if God be, the son-of-God must be a bastard and we all are made in the image of that son-of-God). So we give ourselves up to the West, voluntarily, consciously: say only that what the best of the West (Prospero, Hamlet) can hear; otherwise whisper, scribble and then drift into hundred years of solitude. It is a game that ends with the death of the father. *Differend* is only another scene from the great French intellectual soap opera; a forged consensus is always already written in this game of communication. Let professor Habermas be happy to know that a consensus has emerged. Let the Aerials pretend that Prospero is their master and speak through his voice.

So, be cheerful, sir. Our revels now are ended. These — our actors — Foucault, Derrida, Lacan, Althusser, Resnick and Wolff, Laclau and Mouffe— were all spirits; and are melted into air, into thin air. And like the baseless fabric of this vision, the cloud capped promises, the solemn universities, the great globe itself, yea, all which it inherits, shall dissolve, and like this insubstantial pageant faded, leave not a rack behind — signaling the end of a third worldly discourse. For, the rest can only be a story of incest among the pagans. And pagan incest, Marquez tells us, produces children with pig-tails.