THE EVOLUTION OF THE CONCEPT OF VALUE AND ITS HISTORICAL GROUND: FROM MARX’S DIALOGUE WITH ARISTOTLE

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Abstract: Marx’s dialogue with Aristotle on the concept of value in the third section on the value-form in the first chapter of Capital presents us with both attractive and puzzling theoretical points. This article begins with a reexamination of the significance of the dialogue, so as to clarify Marx’s originality in dualizing the concept of value into the forms and the substance of value. Then, Kozo Uno’s theoretical intervention on Marx’s dialogue with Aristotle is introduced. The dialogue is thus converted into a three-cornered talk among three giant theoreticians. Brilliant debates among Aristotle, Marx and Uno would lead us to reconsider the evolution of the concept of value and its historical ground. This issue is surely related with the problem of how to understand the historically specific nature of market economy and capitalist economy. It would also inspire anew a methodological relationship between historical materialism and the basic theories of Marxian political economy.

Key words: Marx; Aristotle; Uno; forms of value; labor theory of value; historical materialism

Marx presents dialogues with Aristotle in several places in Capital. Though all of them show us interesting points, in this article let me focus on Marx’s reference to Aristotle in the third section on the value-form in the first chapter of the first volume. It would lead us to a reconsideration on the evolution of concept of value and its historical ground.
Marx’s Dialogue with Aristotle on the Concept of Value

Marx’s theory of forms of value in the third section of the first chapter of *Capital* demonstrates a logical genesis of money through mutual relations among commodities to request exchange with other commodities. “The mystery of money” and why it monopolizes direct exchangeability with all commodities is presented and solved in an original way.

The starting point is given by the simple form of value. A simple relative form of value of a commodity, say 20 yards of linen, to request exchange with another equivalent commodity, say a coat, is expressed in an equation 20 yards of linen = 1 coat, and analyzed in detail. Twenty yards of linen positively expresses its relative value in use-value of a coat. A coat, which is chosen passively as an equivalent commodity, is given a form of direct exchangeability with linen, whereas direct exchangeability is not guaranteed to linen.

This dialectical polar relationship between the relative form of value and the equivalent form in the simple form of value is developed through the expanded form of value and the general form of value, and finally crystallizes in the money form. The money commodity was born when a commodity, such as gold, was given the position of a fixed general equivalent form by all other commodities. Money thus obtains monopolistic direct exchangeability with all other commodities and serves as a representative form of wealth in the commodity world.

Prior to this theory of forms of value, Marx showed the substance of value in the first section on the two factors of commodity in the first chapter of *Capital*, by abstracting from use-values and therefore from the forms of exchange value in the exchange relations among commodities. The resultant notion of the substance of value as abstract human labor embodied in commodities is presumed for the theory of forms of value. At the same time, the theory of forms of value has an aspect of corroborating the notion of the substance of value.

In such a context, after the analysis of the simple form of value, Marx goes back to Aristotle as “the great investigator who was the first to analyze the value-form,” and dialogues with him on a part in *Nicomachean Ethics* as follows:

In the first place, he [Aristotle] states quite clearly that the money-form of the commodity is only a more developed aspect of the simple form of value, i.e. of the expression of the value of a commodity in some other commodity chosen at random, for he says:

5 beds = 1 house

is indistinguishable from

5 beds = a certain amount of money

He further sees that the value-relation which provides the framework for this expression of value itself requires that the house should be qualitatively equated with the bed,
and that these things, being distinct to the senses, could not be compared with each other as commensurable magnitudes if they lacked this essential identity. "There can be no exchange", he says, "without equality, and no equality without commensurability."

Here, however, he falters, and abandons the further analysis of the forms of value. "It is, however, in reality, impossible that such unlike things can be commensurable," i.e. qualitatively equal. The form of equation can only be something foreign to the true nature of the things, it is therefore only "a makeshift for practical purposes."

Aristotle therefore himself tells us what prevented any further analysis: the lack of a concept of value. What is the homogeneous element, i.e. the common substance, which the house represents from the point of view of the bed, in the value expression for the bed? Such a thing, in truth, cannot exist, says Aristotle. But why not? Toward the bed, the house represents something equal, in so far as it represents what is really equal, both in the bed and the house. And that is—human labour.

However, Aristotle himself was unable to extract this fact, that, in the form of value, all labour is expressed as equal human labour and therefore as labour of equal quality, by inspection from the form of value, because Greek society was founded on the labour of slaves, hence, had as its natural basis the inequality of men and of their labour-powers. The secret of the expression of value, namely the equality and equivalence of all kinds of labour because and in so far as they are human labour in general, could not be deciphered until the concept of human equality had already acquired the permanence of a fixed popular opinion. (Marx 1976 [1867]: 151–152)

Marx’s dialogue with Aristotle here can be summarized as follows: (1) Aristotle clearly stated that the money form of a commodity, such as 5 beds = a certain amount of money, is merely a more developed aspect of the simple form of value, such as 5 beds = 1 house, and (2) he further saw that the value-relation which provides the framework for this expression requires essential equality and commensurability between different things to be exchanged. However, (3) Aristotle stopped there. He was unable to extract the notion of human labor as the common substance of value, and stated that commensurability between unlike things is in reality impossible, and that the form of equation between them is just a makeshift for practical purposes. (4) It was because his recognition was based upon Greek society which was founded on slaves, and therefore had the historical limitation to discover the concept of human equality or human labor in general as the substance of value.

Although point (1) is very relevant here to Marx’s original theory of forms of value, it might simultaneously overestimate Aristotle’s analysis. It is because Aristotle, in my reading, did not analyze the dialectical relationship between the relative form of value and the equivalent form, where direct exchangeability to the former is given to the latter, as a germ of money form. Marx does not point out this weakness and tends to concentrate his critique of Aristotle’s limitation on
point (4) through the sequential points (2) and (3). This tendency is shown also in his summary comment as follows:

Aristotle’s genius is displayed precisely by his discovery of a relation of equality in the value-expression of commodities. Only the historical limitation inherent in the society in which he lived prevented him from finding out what “in reality” this relation of equality consisted of. (Marx 1976 [1867]: 152)

If Marx really intended to argue that Aristotle’s theoretical trouble in finding out commensurability between commodities in exchange is solved by the notion of the substance as crystallization of abstract human labor, or more briefly by the labor theory of value upon the basis of modern society, the issue here is not limited just to the theory of forms of value. Actually Marx once placed almost similar dialogue with Aristotle in a note in the theory of money as the measurement of values in *A Contribution to the Critique of Political Economy* (1859). Then, what are the significances of this dialogue when it is placed and read in the context of the theory of forms of value?

**The Potential Bases of Commensurability among Commodities**

After Marx’s dialogue with Aristotle, the part in *Nicomachean Ethics* and its context attracted attention among not a few theoretical economists. Their concern was overwhelmingly on the issue of how to understand or interpret Aristotle’s argument on the basis of commensurability among commodities to be exchanged.

Marx noted that Aristotle questioned commensurability among different commodities to be exchanged, but regarded it impossible to find such commensurability in reality. Marx pointed out that this was inevitable so long as Aristotle lacked the notion of human labor as the common substance of values of commodities.

Against Marx’s critique in *Capital*, a different interpretation was shown by Mochizuki (1981) and Daikoku (2005). According to this interpretation, Aristotle stated that seemingly impossible commensurability among commodities was practically given by money form, and that “all things are measured by money” and thus rendered commensurable in prices. This interpretation is somewhat closer to Marx’s own interpretation in a note in the theory of money as measure of value in *A Contribution to the Critique of Political Economy* (1859). Marx states there that Aristotle “makes them [commodities] commensurable by means of money,” and further that “he extricates himself from this predicament by making essentially incommensurable things commensurable—so far as this is necessary for practical needs—by means of money” (Marx 1970 [1859]: 68).

If commensurability among different commodities is practically given by money and prices, however, how should we understand the basis of such commensurability?
Is there not any other theoretical possibility outside of Marx’s assertion in *Capital* that the basis of commensurability must be nothing else than human labor embodied in commodities as the substance of value?

Aristotle, on the other hand, already pointed out that commodities had been exchanged “even before the presence of money,” by comparing their mutual proportionalities in exchange relations. He thus suggested that commensurability among commodities had already existed as a theoretical problem even in such occasions of exchanging commodities without using money or price-form. He seems to be inquiring there about a deeper basis below the commensurability which is given by money and prices.

In this regard, there appeared an interpretation that Aristotle conceived the basis of commensurability among different commodities to be in demand. As Meikle (1995) evidences, such an interpretation has tended to be presented repeatedly from a view of neo-classical economics, as an influential attempt to find a source of its price theory in Aristotle.

On this point there is also a problem of how to translate Aristotle’s wording. For instance, Marx’s quotation from Aristotle in German stated that the form of equation between different things to be exchanged is only “Notebehelf für das praktische Bedürfnis.” *Bedürfnis* usually means need or demand. The English version of *Capital*, which I quoted, translated this phrase into “a makeshift for practical purpose.” This translation avoided interpreting the word *Bedürfnis* as “demand,” and interpreted it as meaning close to “need.”

In Aristotle’s original Greek version of *Nicomachean Ethics*, the word *Bedürfnis* was *Chreia* (*Xpeia*). In its English translation (for example by W. D. Ross, Oxford, 1925), the word was translated into “demand.” Meikle (1995, chapter 2) demonstrates that this is mistranslation, and argues that the marginal utility school has misinterpreted the context of Aristotle’s statement, including this word. According to Meikle, *Chreia* should be translated into “need,” not “demand.” As *Chreia* has no unit, it cannot give quantitatively comparable commensurability to different commodities. Thus, in Meikle’s reading, Aristotle cannot have conceived it as the ultimate basis of commensurability among commodities.

So, is Marx’s dialogue with Aristotle on the basis of commensurability among commodities to be exchanged concluded finally already by Marx’s argument to emphasize the significance of homogeneous human labor as the substance of labor?

**K. Uno’s Theoretical Intervention**

Kozo Uno intervened here, and converted the dialogue into a sort of three-cornered talk by stating as follows:
Even with Aristotle’s genius, of course the substance of value could not be deciphered in the Greek slave society. However, the issue remains that Aristotle could still “state quite clearly that the money-form of the commodity is only a more developed aspect of the simple form of value.” This case shows that such consideration of the forms of value could be performed rather not upon the basis of “the substance of value.” In fact, “the money form of the commodity” was brought about by the logical necessity of commodity form itself, as Marx himself made it clear in the chapter on The Process of Exchange. While their substantial social ground was not established, the forms of commodity, money, and further some kinds of capital were developed as external relations which would even seem “a makeshift for practical purposes.” Of course even in such cases, simple commodity exchange would be more or less subject to substantial regulation from social process of reproduction. However, the regulation can not yet be regarded as the social substance of these forms themselves. Nevertheless, the forms of exchange still requested “equality” by themselves. In other words, the development of forms of commodity, money and capital itself is performed, not upon the basis of “equality” in the social substance, but rather by seeking this “equality.”

Although Marx directly points out “the lack of a concept of value” in Aristotle, who could not present the value substance, the notion of the value-form that the value of a commodity is expressed by use-value of another commodity (though Aristotle does not seem to have fully clarified this) is also indispensable to the “concept of value.” (Uno 1962: 189–191, translated here from Japanese)

Uno thus inserts several theoretical points into Marx’s dialogue with Aristotle: (1) Aristotle made it clear that the money form of the commodity is nothing but the developed form of the simple form of value, although he could not present commensurability among commodities in the substance of value as embodied labor. (2) This suggests that theoretical consideration on the development of value forms of commodities need not be clarified upon the basis of the substance of labor. (3) In fact, before the social relations of labor became established as complete substance of value relations in a capitalist society, the value relations among commodities had already developed the forms of values in commodity, money, and some sorts of capital, as partial supplement to social reproduction, and therefore they seemed only “a makeshift for practical purposes,” remaining as external relations for social lives. (4) Equality shown between/among commodities is equality requested in the forms of exchange relations, not upon the basis of equality in the social substance, but by seeking this equality. (5) From the view of development of forms of commodity values, the notion of value of a commodity being expressed by use-value of another commodity is also indispensable to the concept of value.

These interventions are grounded on Uno’s theoretical reformulation of the forms of commodity, money, and capital in Capital as pure forms of circulation without
referring to the labor substance in his *Principles of Political Economy* (1950, 1964). From the view of such reformulation, Uno cast questions to Marx’s comments on Aristotle; did Marx not emphasize too much the lack of the notion of substance of value in Aristotle, by identifying it as the lack of a concept of value? Or, from Marx’s own view to reconstruct the concept of value, had we better not reconsider the significance of Aristotle’s insightful theoretical notions of development of value forms to the money form from the simple form?

In retrospect, the classical school distinguished use-value and exchange-value or value of commodities. Following this distinction, Marx further dualized the concept of value itself into the substance and the form of value. These dualized notions of value in Marx are shown in his separate theme and analyses in the first and the third sections of the first chapter of *Capital*. Furthermore, in note 34 in section four on “The Fetishism of the Commodity and its Secret,” Marx clearly criticizes the limitation of the classical school in its failure of discovery of the forms of value, as follows:

It is one of the chief failings of classical political economy that it has never succeeded, by means of its analysis of commodities, and in particular of their value, in discovering the form of value which in fact turns value into exchange-value. Even its best representatives, Adam Smith and Ricardo, treat the form of value with something of indifference, something external to the nature of the commodity itself. The explanation for this is not simply that their attention is entirely absorbed by the analysis of the magnitude of value. It lies deeper. The value-form of the product of labour is the most abstract, but also the most universal form of the bourgeois mode of production; by that fact it stamps the bourgeois mode of production as a particular kind of social production of a historical and transitory character. If then we make the mistake of treating it as the eternal natural form of social production, we necessarily overlook the specificity of the value-form, and consequently of the commodity form together with its further developments, the money form, the capital form, etc. (Marx 1976 [1867]: 174)

Marx’s recognition of the significance of value-forms corresponds also to his insight on the origin of commodity exchanges. Against Adam Smith’s naturalist view that human natural propensity to exchange is the origin and source of commodity exchange, Marx pointed out that commodity exchange to form the market economic order sprang from the inter-social economic relations, and developed as trade relations which were historically external to intra-social reproduction within communal societies in the pre-capitalist periods. One of the important historical characteristics of a capitalist society is in the fact that originally inter-social forms of trade are also converted into the basic forms of intra-social economic order.

As inter-social forms of trade, the development of value-forms of commodities would not be just a tentative or arbitrary makeshift. To Aristotle, who lived in the
Greek polis society, however, it might seem “a makeshift for practical purposes” for two reasons. Firstly, in such a communal society, economic life is organized mainly by treating use-values of products directly without relying much on commodity exchanges. Equality between/among commodities to be exchanged would then be regarded as unessential by nature in contrast to different use-values of labor-products. And secondly, the social common basis in various kinds of human labor to produce different use-values was not yet much concerned or recognized in a slave society as a homogeneously equal social substance, as Marx pointed out.

However, as commodity exchange grows as a market economy, even externally and partially in the form of inter-social trade, it would never fail spontaneously to bring about the money form from the simple form of value, and necessarily realizes commensurability in the price form of commodities. Such development of the forms of value and commensurability among commodities expressed in prices can be logically understood as a process not so tightly and directly based upon the substance of value, as Uno argued against Marx.

**The Historical Ground for the Theory of Forms of Value**

Let us summarize and comment on the theoretically important and interesting points in Marx’s dialogue with Aristotle and Uno’s comments on it, reviewed above.

Marx’s dialogue was strangely twisted. It started from favorable appraisal of Aristotle as the first investigator to analyze the value form. This estimation must be the reason why this dialogue was placed in the present section on the value form. Marx even overestimated Aristotle on this aspect, by interpreting that Aristotle had already pursued the logical genesis of the money form from the simple form of value, just the same as his own theory. Marx was also well aware that his basic theoretical advantage over the classical school existed in the analyses of forms of value, by dualizing the concept of value, as a theoretical foundation to clarify the historically specific character of capitalist market economy.

Nevertheless, Marx’s dialogue was then twisted to turn from the theory of value form to the lack of concept of substance of value in Aristotle. In this regard, it criticized Aristotle’s theoretical deadlock in finding out real equality between/among different commodities as due to the lack of labor theory of value. Marx sharply pointed out that Aristotle’s investigation was restricted by the Greek slave society, whereas the labor theory of value was presented only in the modern society with the popular sense of human equality. Although Marx stated that we need “the power of abstraction” particularly for the analysis of the value forms in the preface to the first edition of *Capital* vol. I, human power of abstraction could not work well for the analysis of the forms of value without a suitable historical ground.

However, this interesting dialogue left us several problems.
(1) Why did the labor theory of value in the Classical school, which was actually grounded upon the modern society with the concept of human equality, still fail in the analyses of the forms of value? (2) If this defect was due to the naturalist ideological restriction in the Classical school, what socio-historical ground was there for such an ideology? And on what historical social basis did Marx managed to overcome such ideological limitation? (3) Is the labor theory of value really an indispensable premise to the theory of forms of value? (4) How to reconstruct the dual concept of value in Marx; the form and the substance of value?

Uno intervened in the dialogue and criticized Marx by emphasizing the significance of Marx’s own evolution in the concept of value beyond the value concept in the Classical school. In Uno’s view, Marx’s critique of Aristotle seemed to have one-sidedly underlined the lack of concept of value by identifying it with its notion of social substance in human labor. In this context, Aristotle’s contribution to the analysis of the forms of value tended to be unduly neglected, despite Marx’s initial appraisal of this aspect. Uno then argued that such analysis of value forms could be presented in Aristotle without presuming the value substance as human labor. Uno suggested that it proved at least indirectly the theoretical relevancy of his reformulation of forms of value as a pure theory of circulation without referring to the labor substance. In Uno’s understanding, the form of value, which was already presented by Aristotle and properly analyzed by Marx, must be indispensable to the concept of value besides the notion of the substance of value. The form of value of a commodity, which is expressed by use-value of another commodity, constitutes an indispensable aspect of the concept of value, while it necessarily seeks equality in, and quantitative regulation from, the substantial social relations of labor.

Coming back to the four problems left to us by Marx’s dialogue with Aristotle; Uno clearly argued that the theory of forms of value would be presented without the premise of the concept of substance of value in labor. In my understanding after Uno, the concept of forms of value of commodities must be exchangeability with other commodities, with seeking a gravitational standard for exchange ratios, which are regulated from behind by the substance of value as embodied labor in commodities. The labor theory of value can not properly be proven by taking up mere exchange relations between/among commodities, but should be proven by systematic analysis of the capitalist process of production. The logical necessity to link the forms of value to their social substance is theoretically shown only upon the ground of objective mechanism of reproduction under capitalism. The dual concept of value in Marx must thus be organically unified on the historical ground of a capitalist society with socially logical necessity.

Having such theoretical perspective, Uno agreed with Marx, that the lack of the concept of the substance of labor or the labor theory of value in Aristotle had been due to the historical limitation of the Greek slave society, where equality of human
labor to produce commodities had been unrecognizable. But neither Marx nor Uno presented and solved the above problems (1) and (2), left by Marx’s dialogue, concerning the reason why the labor theory of value in the Classical school could not develop the analysis of forms of value, and on what historical ground Marx could overcome this defect.

There are two possible interpretations of this issue.

Firstly, just as Uno appraised Aristotle’s recognition of the forms of value, the value forms of commodities, money and some kinds of capital could possibly be recognizable upon the ground of their appearance and existence in human history from very ancient times. However, so far as these forms remained in the pre-capitalist history mainly as inter-social economic relations, external to intra-social communal economic order, their partial influence on or penetration into social life could not yet be logically linked to social relations of labor, nor attract continuous human “power of abstraction.” Thus, Aristotle’s recognition of forms of value did not yet show the basis of equality between/among commodities in human labor, nor could it lead to the exact notion of forms of value, such as the dialectical relation between the relative form of value of a commodity and its equivalent form, logically to grow into the money form, unlike in Marx’s theory of forms of value. Thus the existence of forms of commodity, money and some kinds of capital in the pre-capitalist periods could not yet be a sufficient empirical ground for the theory of value forms, even apart from the linkage with theory of their social substance.

Secondly, even when a modern capitalist society was born with a popular belief in human equality, and enabled the Classical school to evolve the concept of value in the labor theory of value, the early capitalist society allowed for this school to idealize itself as a natural and eternal social order, before it is fully established through the industrial revolution. Marx’s historical ground for abstraction of his theory was much more mature than that of the Classical school. Marx could criticize the naturalist ideological limitation of the Classical school in view of the contradictory motion of fully established capitalist economy through business cycles and cyclical crises. In the phase of crisis, the distinction between the substance and forms of value became distinctively clear. The substance of value as embodied labor could not easily be realized as socially acceptable, so far as the expected price form could not be realized. The contradictory relationship between commodities and money appeared sharply. Upon this historical ground, Marx could evolve the dual concept of value beyond the Classical school.

At the same time, the contradictory self-destruction of capitalist relations of production through the growth of productive forces in the phase of periodical crises, which enforced renovation of productive forces and relations of production at a higher level, must have served as a historical ground for Marx to formulate historical materialism, as we see its summary in the preface to *A Contribution to the Critique...*
of Political Economy (1859). Although historical materialism is a world view to summarize the whole of human history, including a socialist perspective to overcome the class societies for the future, it is surely based upon Marx’s critical study of the Classical school and the law of motion of capitalist economy. It can be called a scientific world view in this regard.

Simultaneously and contrariwise, guided by historical materialism, Marx’s economic theory, starting with the concept of value, formed a logical system to clarify the historically specific character of capitalism unlike the Classical or neo-Classical economic theories. Marx’s dualized concepts of value, including its notion of forms of value besides the analysis of their labor substance, actually did correspond to such large-scaled historical perspective in a basic theory. It was then natural for Marx to refer to ancient Aristotle’s contribution to the notion of forms of value, and to the origin of commodity exchanges as inter-social economic relation. However, we have to note in passing that Marx’s important recognition of the origin and pre-capitalist growth of forms of commodity economy mainly as inter-social trade was not directly included in his formula of historical materialism in the preface to A Contribution to the Critique of Political Economy.

As we have seen, the evolution of the concept of value from ancient Aristotle, to the Classical labor theory of value, and further to Marx, and its historical grounds still remain interesting theoretical issues to reconsider. By extending such reflection of the history of economic theories, we can further question how to understand the significance of the evolution of the concept of value or value theory through the value controversy or the transformation problem in the 20th century after Marx, encompassing Uno’s contribution as well as Sraffa’s impact, against its historical background. Among others, in my view, the World War mobilization economies, the Soviet experimental planned economy, and the managed currency system in capitalist countries must have given Uno and Sraffa a strong impression in the process of their original rehabilitation of theories of value and prices in one way or the other.

References

Titles in square brackets are my translation from Japanese.