

This is a chapter from the book, 'Themelis, Spyros (Ed.) (2021) *Critical Reflections on the Language of Neoliberalism in Education: Dangerous Words and Discourses of Possibility*, London: Routledge.

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# Commodity

## Abstract

This chapter discusses the peculiar nature of the 'commodity'. I start by chopping the word down to its etymological roots and then reanimate it as the 'commodity form'. In order to explain a single word, I have to introduce others: labor-power, abstract labor, socially necessary labor time and value. I then discuss the commodity of education, students as consumers and as producers. Finally, I conclude that the university (or college, or school) is a fetish that conceals the pervasive social power of the commodity-form.

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“A commodity appears, at first sight, a very trivial thing, and easily understood.” (Marx, 1996, p. 81)

The etymological roots of the word *commodity* (adj: *commodus*; n. *commoditas*) refer to a measure (*modus*) of convenience, utility, fitness and advantage. In earlier societies organized

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around exchange (*commerce*), the word *commodity* came to refer to a thing that had qualities which satisfied desires, advantaged the owner and represented a form of well-being and prosperity, or *wealth*. All of this, a good dictionary will tell you.

Although capitalist society appears to be organized around markets, or the *exchange* of things, wealth in capitalist society is seeded in *production* and bears fruit in exchange. Wealth is realized through the exchange of commodities but it is produced during the process of commodity production. As such, capitalism is both a historically specific mode of production and exchange. We need more than a dictionary to understand the subtlety of this and in doing so the meaning of the word, *commodity*, becomes expanded by our understanding of the words *labor*, *money* and *value*. In the violent and unsettling transition to capitalism, beginning in the 16<sup>th</sup> century, 'labor power' became the primary commodity that individuals own, value became the social form of wealth, and money became the universal commodity that allows all things to be commensurable (Meiksins Wood, 2002).

Prior to the development of the capitalist mode of production, wealth for most people was provided by Nature and from it the production of useful things. People generally subsisted through their own labor, exploiting nature to produce things of utility for themselves and those directly around them. The powerful and wealthy had slaves and serfs to do this for them but the majority of people in Western societies did not own other people (slavery) or significant property (feudalism) and had to rely on their own capacity to labor. When they worked for someone else (slavery or serfdom), it was a direct and personal relationship of patronage and obligation, unmediated by any social measure of labor. It is only when the capitalist mode of production becomes the dominant mode of production in the 18<sup>th</sup>-19<sup>th</sup> century, that labor is measured widely in terms of its exchange value (Heinrich, 2012; Marx,

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1996, pp. 704-761). Its exchange value is not an arbitrary measure, nor one privately

determined by the buyer and seller, but is *socially determined* by the availability and quality of labor available to the purchaser and people's ability and willingness to accept a given wage.

When an individual's capacity to labor is exchanged for a wage (i.e. the universal commodity of money), their labor power takes on the qualities of a commodity: the money is the measure (*modus*) of its equivalent social value and the utility and advantage of labor power is in its creative capacity. So, generally speaking, in capitalist society, where the organizing principle is wage-work rather than slavery, serfdom or self-sufficiency, the singular most widespread commodity available to everyone is their labor power, which is by necessity exchanged for money that should at least afford us our subsistence.

## An explanation not a definition

It is one thing to look for definitions of the word *commodity*, but another to analyze or theorize the meaning and significance of the word. This is what theories are for, to explain the world we live in. An adequate social theory should be conceptually coherent and applicable; it should be able to recognize and explain its own historical, social and cultural context. There is only one adequate theory that I know of which explains what a commodity in capitalist society is and that is the explanation given by Karl Marx in chapter one of volume one of *Capital* (1867/1996). There, he produced a theory of the commodity that was both ground-breaking and exhaustive in its analytical depth and philosophical reach.<sup>1</sup> So far

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<sup>1</sup> Marx's theory of the commodity was developed and published in at least four different sources: 1. *A Contribution to the Critique of Political Economy* (1859) (Chapter 1); 2. *Capital* (1867) 1st German edition (Chapter 1) See Preface, paragraph 3 & 4; 3. *Capital* (1867) 1st German edition (Appendix); 4. *Capital* (1873) 2nd

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in this chapter, I've tried to offer an introduction to his theory of the commodity: the idea that commodities have a use value (they have a utility) and an exchange value (they can be measured against other commodities); that they have both qualitative and quantitative qualities; that labor is a special commodity and that money is a universal equivalent to all other commodities. All of this is not a naturally given phenomenon but rather a historically specific social phenomenon. Yet, it is so ingrained in the way we live our lives that most of us don't give it much thought because it has become 'common sense'.

### The commodity-form

One other thing that I want to introduce is the idea that a commodity doesn't have to directly *cost* the consumer anything; a thing, material or immaterial, doesn't have to have a *price* attached to it for it to take the *form* or have the qualities of a commodity. A commodity will always have a *cost* to its producer, but any price given to it is a matter of how its cost and any profit is accounted for, which can vary widely and is of no consequence to us here. The reason it is of no consequence is that we are interested in the general (or more accurately, abstract) qualities that all commodities share, rather than how a specific commodity's cost is accounted for at any given time or place.

When Marx theorized the commodity, he wrote about the *commodity-form*, recognising that the price attached to the commodity is not the same as its value. The value of something does not have to be directly, immediately or explicitly signified for the thing to be a commodity.

As long as it has a use-value (it serves a need) and an exchange-value (it primarily serves a

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German edition (Chapter 1) See Afterword, paragraph 2. My preference is for the 1867 appendix due to Marx's efforts to structure his exposition pedagogically.

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need for someone other than its current owner), it has the *form* or social characteristics of a commodity. This is obvious when understood in the context of a society where the widespread means of subsistence is wage-work; where out of necessity, individuals exchange their labor-power for money. When most people in society have to sell their capacity to labor (their skills, knowledge, know-how, etc.) in order to stay alive, then all products of that labor, regardless of price, have a cost attached to them which is determined in part by the socially recognized value of the labor-power at any given time or place in history. Marx referred to this measure of value as the *socially necessary labor time* required to produce a commodity. This is a dynamic measure which is in constant motion, determined by a variety of things such as the prevailing methods of production (including the application of science and technology) and struggles between individuals, classes and nation states. Socially necessary labor time is not the *actual* time it takes me to perform a productive task but rather the average time it would take people anywhere in the world to perform the task; it is a measure of the *abstract labor* embodied in a commodity (the average quantity of labor it *should* require under current conditions) rather than the specific *concrete labor* actually employed.

*Abstract labor* is the social reduction of individual concrete labor to value. If the labor is not exchanged for money (i.e. it is not social labor), then it is not 'labor' in the form that we are concerned with here because it does not produce commodities. For example, I might 'labor' usefully in my garden, but the results of that are enjoyed for my own pleasure rather than exchanged. I might also labor in my neighbour's garden as a gift to them without expectation of reciprocity and likewise it is not social labor and its value is not conceived abstractly in terms of exchange.

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Let me recap: A commodity is characterized by its form: it has a use value and a value that is realized in exchange (an exchange value). The source of its use value (i.e. its usefulness in meeting a need or desire) is the useful, concrete (i.e. intellectual and manual) labor employed in its production. The actual labor time required to produce the commodity does not determine the value of the commodity because its value can only be measured socially at the point of exchange with another commodity (i.e. money). The exchange value of the commodity is quantified by the socially necessary labor time required to produce the commodity, which is a socially determined measure of the average amount of time it should take to produce the commodity, not by a single producer, but an average across all producers in a competitive marketplace. Therefore the value of a commodity is constantly being pushed down through efficiencies in the production process and pressure on wages so that commodities can be produced more cheaply, requiring producers to sell more and innovate more on the treadmill of capitalism.

It is only when we expand our understanding of the word *commodity* to refer to the *commodity-form* that we begin to understand the pervasive power of capitalism and how its 'logic' of equivalence or commensurability reduces much of social life, people and their products, to the same abstract characteristics, even those things to which we don't allocate a direct cost or price. Education is a good example of this. To put it bluntly, in a society where the general means of survival is wage-labor, education, both public and private, is a commodity; it conforms to the commodity-form. Next, I'll explain how.

## The commodity of education

The formal provision of education at all levels, from nursery schools to universities, is structured in such a way that some people (teachers) are paid a wage to teach other people

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(students). The teachers are paid either by the State or by their private employer; it doesn't matter in the slightest which route the money comes from in our discussion about the commodity. What matters is that the provision of education is enabled through wage labor whereby teachers sell their capacity to labor, first and foremost in order for them to subsist and subsequently to educate other individuals. Thus, the socially useful labor of teachers (by this, I mean *all* the duties of a teacher including the labor required to maintain subject knowledge, pedagogical skills, etc.), is exchanged for a socially determined, commensurate amount of money (value), which is derived from either taxation or direct payment by the student or their guardian. The individual being taught may literally hand over the money or someone else (i.e. the State or the parent) may pay on their behalf, but regardless, an exchange takes place for the provision of a useful service. It is the wage relation between the teacher and their employer that is the defining factor of whether the product or service, in this case education, has the form of a commodity. Remember that a commodity is something useful that is produced for someone other than the individual(s) producing it – it does not directly satisfy their needs, which are met through the exchange of their labor power for a wage, which can be used to exchange for goods and services that do meet their needs. So we have two commodities in play: 1) the commodity of labor power and 2) the commodity which is the product of that labor power. You might think that if the education is 'free' to the student, then it's not a commodity, but recall that a commodity does not need to have a price tag hanging from it. It will have a cost made up of all the resources, including labor power, that were required to produce it, and how that cost is accounted for and who ultimately bears that cost, does not determine whether it is a commodity or not.

We must remember, too, that at all times we are talking generally – at the level of society – and are not concerned with exceptions to the social norm. There have always been exceptions

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to the norm, but by their very nature, those exceptions do not sustain and define a society. So, yes, it is possible for an individual to teach others and receive no payment, perhaps they are ‘independently wealthy’, although we have to ask how that wealth was originally created – most likely through wage labor! Perhaps they volunteer their ‘spare time’ to teach others in the evenings or weekends when they are not engaged in wage labor. In both cases, such exceptions are remarkably unexceptional in the way they do not change the social norm of teaching as a form of wage labor.

### The student as consumer

Having established that teaching is a form of wage labor and therefore teachers are individuals who exchange their labor power commodity for a socially determined value of money, we might then ask what role students play in the commodity of education. Perhaps you’re thinking that ‘yes, teachers’ labor is a commodity but the provision of State education to students is not an exchange relationship; the costs are written off, absorbed or creatively accounted for’. I have already disagreed with such an assertion above and would add that the provision of State education coincides with the development and needs of capitalist societies (Simon, 1960; 1965) and that there is an implicit contract or expectation that an individual educated by the State will reciprocate by becoming an aspirational, law-abiding, productive citizen.

Let’s take students in higher education as an interesting example:

Why would an individual or the State pay tuition for a higher education degree? What social role is the commodity of higher education performing? Why do almost half of young people in the UK attend university today whereas 100 years ago, just a small minority did so? All of



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these questions are beyond what I can discuss here, but they point to the fact that universities are not just employers of teachers but the providers of an education that meets a historically specific need in society. In short, social productivity today requires a larger number of people to have the knowledge and skills that universities provide. A student is likely to be enjoying all of the resources of the university, including access to its academics, for a variety of reasons, not least that they hope to expand their knowledge and skills, that is, to *improve* themselves and thus improve their labor power commodity which they will have to sell sooner or later.

As Ellen Meiksins Wood has shown, the concept of *improvement* is one that has its origins in the formation of capitalism (2002). It originally referred to improving the productivity of land by making agricultural techniques more efficient, thereby giving landowners a competitive advantage. This imperative is still at work today and in a society where few of us own land or any other means of production, where we survive on the sale of our labor power commodity, it is an imperative that we improve our capacity to labor through the development of knowledge and skills in order to maintain or increase its value.

So, in the example of a university classroom, we are faced with the situation where the teacher is there having sold their labor power commodity for a wage from the university which has received a payment of the money commodity from or on behalf of the student, who is sat in class with a desire, most likely a perceived need, to improve themselves so that upon graduation they too are able to exchange their labor power commodity for a value that satisfies their needs and desires and possibly pay back any debt incurred for their education – a loan that was only provided to them on the basis that they will repay it through the sale of their future labor power. Even free, public education is paid for on the assumption that

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students will graduate, work, and pay taxes towards the education of the next generation. The costs are shared socially rather than borne individually. This is not to deny that teachers may strongly identify with their vocation or that students study for the genuine love of learning, but the system of higher education does not operate on love alone. Teachers need paying and students need jobs.

In this context, the labor power of the teacher and the labor power of the student is qualitatively different, yet socially equivalent in that they both have the qualities of the commodity form – both enter the classroom as ‘values’. Through a pedagogic exchange, both teacher and student reproduce themselves in their given roles in society. In the UK at least, the teacher is legally contracted to act on behalf of the university as the producer and the student is legally defined as the consumer, yet both are entirely dependent on each other. Consumption and production are never far apart; without consumption, there would be no production. (Marx, 1986, p. 27)

### The student as producer

As well as being a consumer, the student is also a producer of their labor power (incorporating new knowledge, skills, know-how, etc.) which they will one day sell for a wage. The financial means to consume their higher education is granted or loaned to them because they have the means (i.e. labor power) to reciprocate (i.e. repay), through future productive activities (i.e. wage-work). This is implicit in the context of public education that is paid for by the State and explicit where the student receives a loan to pay for their education. Students enter the classroom as both consumers and producers on a university campus that combines the means of production: labor, science and technology, and capital to produce the commodities of knowledge, skills and know-how for exchange. Although the

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labor power commodities of teacher and student are qualitatively different in their

knowledge, skills, etc., in practice they are brought together as relative and equivalent values.

It is an exchange relationship that is only made possible because it is part of a total social productive relationship historically developed through the widespread imposition of wage labor and private property, i.e. capitalism.

The product of the exchange of teacher and student labor power appears as improved knowledge, skills and know-how, first embodied in their respective labor power commodity, and objectified in the classroom, essays, exams, journal articles, books, etc. It is the university campus, the lecture hall, the seminar room, the exam, the book, the article, which seemingly bring academics and students together and construct relations between them, when in fact the 'logic' underlying all of this is the logic of the commodity-form. The idea of the university is, in Marx's terms, a 'fetish' that conceals the pervasive social power of the commodity-form.

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