The Rethinking Marxism Interpretation

Another important reinterpretation of Marx’s theory and the transformation problem in recent decades has been presented in a series of papers by Rick Wolff, Bruce Roberts, and Antonio Callari (hereafter referred to, with apologies, as WRC). Their first two papers were published in 1982 and 1984. More recent papers by Roberts have extended their interpretation to new issues (e.g., the reduction of concrete labour to abstract labour), but their basic interpretation of the transformation problem has remained essentially the same. This chapter discusses primarily their first two papers. I have labelled their interpretation the ‘Rethinking Marxism’ interpretation, since all three authors have been prominent leaders of the Rethinking Marxism group.

There are several important issues on which the WRC interpretation is similar to my interpretation, and other issues where there are significant differences between our interpretations. This chapter will first discuss the similarities and then will discuss the differences. The third section examines WRC’s formal mathematical model, and the fourth section responds to WRC’s critique of my interpretation.

1 Similarities

1.1 Constant and Variable Capital are the Same for Both Values and Prices of Production

The most important similarity between our interpretations is that we agree that constant capital and variable capital are the same magnitudes in the determination of both values and prices of production, and that these magnitudes are equal to the prices of production of the means of production and means of subsistence, not their values. This similarity is very important because it means that constant capital and variable capital are not supposed to be transformed from values to prices of production, and that Marx did not fail to make this unnecessary transformation. Therefore, the main criticism of Marx’s theory of prices of production over the last century – that he ‘failed to transform the inputs of constant capital and variable capital’ – is mistaken, and is based on a

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misinterpretation of Marx’s logical method, and in particular of the method of
determination of constant capital and variable capital.

Furthermore, WRC’s rationale for this interpretation of constant capital and
variable capital is also similar to mine. WRC emphasise that the commodities
analysed by Marx are ‘products of capital’, not a more general commodity that
could be the product of non-capitalist production. The inputs to capitalist pro-
duction enter through the sphere of circulation, and therefore ‘circulation is a
precondition for capitalist production’. The inputs to capitalist production are
purchased in circulation, and they are purchased at their actual prices of pro-
duction, not at their values. Therefore, the constant capital component of the
value of commodities is equal to the price of production of the means of produc-
tion; and the variable capital component of the new value produced is equal to
the price of production of the means of subsistence. Since the constant capital
and variable capital components of the price of production of commodities are
also equal to the prices of production of the means of production and means of
subsistence, it follows that these two components of capital are the same magni-
itudes for the determination of both values and prices of production, and do
not have to be transformed from values to prices of production.

However, we will see below (Section 2.2) that, in spite of this important
similarity, the ways in which the magnitudes of constant capital and variable
capital are determined are very different in the two interpretations.

1.2 Value of ‘Commodities as Products of Capital’

Another important similarity between our interpretations, which is related
to the first similarity, is that the concept of value changes in Capital, from an
initial abstract concept of the value of ‘simple commodities’ to a more concrete
view of the value of ‘commodities as products of capital’. The value of ‘simple
commodities’ is the total labour time required to produce a commodity, which
is the sum of the labour time contained in the means of production (L_{mp}) and
the current socially-necessary labour time required to produce the commodity
(L_c): i.e. value = L_{mp} + L_c. On the other hand, the value of ‘commodities as
products of capital’ is different. The two second components are the same (L_c),

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2 WRC use the term ‘value’ to refer exclusively to the substance and magnitude of value
(abstract labour and socially-necessary labour time); they ignore the form of appearance of
value as money and prices. I disregard this difference between our interpretations in this
section, and will discuss it in Section 2.1. The similarity discussed here has to do with the
‘past labour’ component of the ‘value’ of commodities, whether ‘value’ is defined in terms
of labour time only (WRC interpretation) or in terms of both labour time and money (my
interpretation).