

The *Grundrisse* (The 1857-58 Manuscript)

The Chapter on Capital: Part 6

The Exchange of Capital with Labour (pp. 281-304)

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[(1) The exchange of labour against capital]¹

In the exchange between the worker and the capitalist the former obtains money and the latter a commodity—a use value—whose price is equal to the money exchanged for it; from the worker (the seller)’s perspective, what the buyer in the exchange does with what she buys has no bearing on the economic relationship.²

It is true that what the capitalist does with this commodity (the labour) is of course restricted: by the kind of labour it is, by how long she has bought it for, etc.³ Yet the exchange value of a commodity is not and cannot be determined by how its buyer uses it, but rather only by the amount of objective (*vergegenständlichter*: “objectified”; Marx 2006, p. 205) labour contained (*vorhanden*: “present”; Marx 2006, p. 205) in it, and this is equal to “the amount of labour required to reproduce the worker himself.” (Marx 1973, p. 282)

The use value the worker sells exists only as “ability”; the labour objectified in that use value is that necessary to maintain the worker’s “general substance” as well as to develop its “particular capacity.” (Marx 1973, pp. 282-3) (“The further development, where wages are measured, like

¹ Subheadings in square brackets are mine, not Marx’s.

² There is an eccentric translation on p. 282 of Marx 1973 (cf. Marx 2006, pp. 204-5). The last sentence of the first paragraph that appears in the former text should read something as follows. “From the worker’s part—and this is the exchange in which he appears as the seller—it is evident that, just as with the seller of any other commodity, the use the buyer makes of the commodity sold to him has no bearing on the formal determination of the relationship. What he sells is the disposition over his labour, which is specific, of a specific skill, etc.”

³ “The piecework system of payment, it is true, introduces the semblance that the worker obtains a specified share of the product. But this is only another form of measuring time (instead of saying, you will work for 12 hours, what is said is, you get so much per piece; i.e. we measure the time you have worked by the number of products) [...]” (Marx 1973, p. 282)

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all other commodities, by the labour time necessary to produce the worker as such, is not yet to the point here,” Marx adds, cryptically.)

For the worker, she exchanges her use value (labour) for money, and then uses the money to satisfy her needs for consumption. For her, that is the end of the matter. She is not, Marx notes, in this “bound to particular objects, nor to a particular manner of satisfaction”, and it is this that differentiates her from the slave and the serf. (Marx 1973, p. 283) The only limit to his consumption is quantitative, not qualitative.⁴

With regard to her relation to the capitalist, she is, in the exchange, an equal (or “so [s]he seems”).⁵ However, this (apparently) equality is “disturbed” by the fact that, outside of the exchange, she stands in an “economically different relation”.

In the exchange with capital, the worker receives money in return for her use value. She gives up her power to dispose of her labour, and receives wealth in general form, even if this last is only a means to an end (subsistence). Of course, this posits the possibility of “self-enrichment”: through “self-denial”, or, “in the more active form”, “industriousness”.

Society today makes the paradoxical demand that he for whom the object of exchange is subsistence should deny himself, not he for whom it is wealth. [...] The workers are supposed to save, and much bustle is made with savings banks etc. (As regards the latter, even the economists admit that their proper purpose is not wealth, either, but merely a more purposeful distribution of expenditure, so that in their old age, or in case of illness, crises, etc., they do not become a burden on the poorhouses, on the state, or on the proceeds of begging (in a word, so that they become a burden on the working class itself and not on the capitalists, vegetating out of the latter’s pockets), i.e. so that they save for the capitalists; and reduce the costs of production for them.) Still, no economist will deny that if the workers generally, that is, as workers [...], that is, if they acted according to this demand as a rule [...] then the worker would be employing means which absolutely contradict their purpose, and which would directly degrade him to the level of the Irish, the level of wage labour where the most animal minimum of needs and subsistence appears to him as the sole object and purpose of his exchange with capital. (Marx 1973, p. 285)

This is the tendency of bourgeois society: that the workers “[m]aintain themselves as pure labouring machines and as far as possible pay their own wear and tear.” (Marx 1973, p. 286) Under these conditions saving is nigh on impossible. But even if the worker did manage to save something, something that “surpass[ed] the piggy-bank amounts of the official savings banks, which pay him a minimum of interest”, she runs the risk of, in crises (and ensuing bank collapses), losing everything. So much for “bourgeois philanthropy”.

In fact, even if a given capitalist is a “bourgeois philanthropist” in this sense, she is so only with regard to her own workers. For the others, “these stand towards him as consumers. In spite of all pious speeches he therefore searches for means to spur them on to consumption, to give his

⁴ “[T]he relative restriction on the sphere of the workers’ consumption (which is only quantitative, not qualitative, or rather, only qualitative as posited through the quantitative) gives them as consumers (in the further development of capital the relation between consumption and production must, in general, be more closely examined) an entirely different importance as agents of production from that which they possessed e.g. in antiquity or in the Middle Ages, or now possess in Asia. But, as noted, this does not belong here yet.” (Marx 1973, p. 283)

⁵ And this “semblance [...] essentially modifies his relation by comparison to that of workers in other social modes of production.” (Marx 1973, p. 284)

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wares new charms, to inspire them with new needs by constant chatter, etc.” (Marx 1973, p. 287)

In his relation with capital, the worker remains within the domain of simple circulation, and receives, instead of wealth, only subsistence.

If it were really the case that workers were able to accumulate wealth (rather than merely “saved up money, which can be realised only by being converted sooner or later into the substantial content of wealth, pleasures, etc.”) then they would confront capital not as labour, but as capital. But this is impossible: capital cannot confront capital if it does not confront labour, “since capital is only capital as not-labour.”⁶

The worker, unlike the slave, has no value: rather, it is “power of disposing of his labour, effected by exchange with him, which has value.” (Marx 1973, p. 289) The worker’s “*valuelessness and devaluation* is the presupposition of capital and the precondition of *free* labour in general.” (Marx 1973, p. 289) But at the same time, “the worker is thereby formally posited as a person who is something for himself *apart from his* labour, and who alienates his life-expression only as a means towards his own life. So long as the worker as such has *exchange value, industrial capital* as such cannot exist, hence nor can developed capital in general.”

(At about this point in the Manuscript, the text breaks off. We are at the end of Notebook II, the last page of which is missing. The first pages of Notebook III contain the text of the fragment “Bastiat and Carey”, written in June 1957, before the continuation of the Manuscript. After this fragment, Marx continues directly from Notebook II, with no change of subject; the text that appears at the top of p. 293 of Marx 1973 is not a title in the original manuscript (cf. MEGA 2006, p. 828).)

In the exchange of labour with capital, Marx continues, “[t]he fact that labour is a constant new source of exchange for the worker as long as he is capable of working—meaning not exchange in general, but exchange with capital—is inherent in the nature of the concept itself, namely that he only sells a temporary disposition over his labouring capacity, hence can always begin the exchange anew as soon as he has taken in the quantity of substances required in order to reproduce the externalization of his life.” (Marx 1973, p. 293)

In fact, the repetition of the exchange (of capital with labour) is something of an illusion: “[w]hat he exchanges for capital is his entire labouring capacity, which he spends, say, in 20 years. Instead of paying him for it in a lump sum, capital pays him in small doses, as he places it at capital’s disposal, say weekly.” (Marx 1973, p. 294)

Economists try to argue from this that what the labour represents for the labourer is capital. This idea is obviously absurd.

(Marx now (Marx 1973, pp. 294-5) addresses the view (that he attributes, without being specific, to “the economists”) that the payment of wages is “unproductive”; Marx here adds nothing new

⁶ Marx notes here “the recently and complacently advanced demand that the workers should be given a certain share in profits”. This is “no more than [...] a special bonus which can achieve its purpose only as an exception from the rule, and which is in fact, in noteworthy practice, restricted to the buying-up of individual overlookers etc. in the interests of the employer against the interests of their class; or to travelling salesmen etc., in short, no longer simple workers, hence also not to the simple relation; or else it is a special way of cheating the workers and of deducting a part of their wages in the more precarious form of a profit depending on the state of the business”. (Marx 1973, p. 288)

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to what he has already said.)

Marx notes that “[it] may seem peculiar” that in the relation between capital and labour the worker buys the exchange value and the capitalist the use value, while labour confronts capital as *the* use value (“pure and simple”) with the capitalist obtaining wealth and the worker a use value which ends in consumption.⁷ “This appears as a dialectic which produces precisely the opposite of what was to be expected.” (Marx 1973, p. 295) The peculiarity is only apparent, however: for the worker, the exchange she participates in has the form C-M-M-C, in which the point of departure and the result are use values; for the capitalist, it is M-C-C-M: money to money.

In this exchange, labour is posited as “absolute poverty”: “poverty not as shortage, but as total exclusion of objective wealth.” (Marx 1973, p. 296) But labour when it is not an object, but an activity, is not value, but value’s *source*. Hence it is not contradictory for labour to both absolute poverty as an object (use value) *and* “the general possibility of wealth” as subject (activity) at the same time. This, labour’s contradictory being, *presupposes* capital.

The labour which confronts capital is not particular labour but “*labour pure and simple*”; it is *abstract* labour. Like capital, which as capital as such is indifferent to its own particularity, labour as labour as such is both indifferent to its own specificity as well as being ““capable of all specificities.””⁸ (Marx 1973, p. 296)

This is also how this is experienced by the worker: she is uninterested in the specificity of her labour, only in the fact that it is labour as such, and a use value for the capitalist.⁹ The relation between capitalist and worker develops more purely in proportion to labour losing its characteristics of “art”: “as its particular skill becomes something more and more abstract and irrelevant, and as it becomes more and more a *purely abstract activity*, a purely mechanical activity, hence indifferent to its particular form ; a merely *formal* activity”. (Marx 1973, p. 297)

[(2) Labour as the use value of capital]¹⁰

We turn now to the state of affairs *after* the exchange is finished, to “the relation of capital to labour as capital’s use value.” (Marx 1973, p. 297) Labour as the use value of capital is, as an object, the possibility of values, and, as an activity, the possibility of value. To fulfil this role, however, only through contact with capital; otherwise, it is “without object”.

In the relation with capital labour as activity consists in the *preservation of and increase in* itself: “of the preservation and increase of itself as the *real* and *effective* value, not of the merely intended value, as with money as such.” Labour now becomes a *moment* of capital, and “acts as a fructifying vitality upon its merely existent and hence dead objectivity.”¹¹ (Marx 1973, p.

⁷ The subheading that appears on p. 295 of Marx 1973 is of the editors of the edition, not Marx.

⁸ “[I]n guild and craft labour, where capital itself still has a limited form, and is still entirely immersed in a particular substance, hence is not yet *capital as such*, labour, too, appears as still immersed in its particular specificity: not in the totality and abstraction of labour *as such*, in which it confronts capital.” (Marx 1973, p. 296)

⁹ “This is not the character of the craftsmen and guild-members etc., whose economic character lies precisely in the *specificity* of their labour and in their relation to a *specific master*, etc.” (Marx 1973, p. 297)

¹⁰ Marx inserts a “(2)” in the text; the subheading that appears on p. 297 of Marx 1973 is not Marx’s.

¹¹ “Labour is the yeast thrown into it [the process of capital], which starts it fermenting.”

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The relation of capital, in its content, to labour, of objectified labour to living labour [...] can, in general, be nothing more than the relation of labour to its objectivity, its material [...] and in connection with labour as activity, the material, the objectified labour, has only two relations, that of the *raw material*, i.e. of the formless matter, the mere material for the form-positing, purposive activity of labour, and that of the *instrument of labour*, the objective means which subjective activity inserts between itself as an object, as its conductor. (Marx 1973, pp. 298-9)

The product that emerges from this process is not an aspect different to the raw material and instruments of labour: “[i]t appears as *result*, not as *presupposition* of the process between the passive content of capital and labour as activity.” (Marx 1973, p. 299) Raw materials and instruments of labour are themselves products: objectified labour, the *substance* of value.

The economists (Marx cites Antoine Cherbuliez and his notion of *approvisionnement*—“provisioning”) have taken the product—insofar as it forms articles of consumption—as an additional element of capital. Marx dismisses the idea, for reasons that appear to me somewhat pernicky (Marx will, of course, come to the conclusion that the money advanced by capital in the form of wages is both capital for the capitalist and revenue for the worker at the same time).

In production, raw material is consumed by being transformed; the instrument of labour by being worn out (*aufgenutzt* (Marx 2006, p. 220): “used up”). Labour too is consumed, but at the same time it is also “fixed”, “materialised”. In the final product, “raw material appears as bound up with labour, and [...] the instrument of labour has [...] transposed itself from a mere possibility into a reality, by having become a [...] conductor of labour”. (Marx 1973, p. 300) The “three moments of the process [of production]”—the raw material, the instrument of labour, and labour—coincide in the product, are reproduced in it, in a process which “therefore appears as *productive consumption*, i.e. as consumption which terminates neither in a void, nor in the mere subjectification of the objective, but which is, rather, again posited as an object.” (Marx 1973, pp. 299-300)

Three results emerge from all this.

First, the appropriation of labour by capital brings the latter “into ferment”, and transforms it into a process of production.

Second. In the case of simple circulation, the substances of the commodity and of money are indifferent to the formal character of the exchange. It is different in the case of the exchange of labour with capital: now, “capital distinguishes itself as form from itself as substance. It is both aspects at once [...]” (Marx 1973, p. 302) But:

Third. Capital so far only appears in this relation “in itself” (*an sich*, maybe “implicitly”). It is not fully posited; it is only posited materially, as the relation between material moments (raw material and instrument of labour) and form (labour). It is not posited “for itself” (*für sich*: “explicitly”). This aspect of capital is extinguished in the exchange with labour.

Cotton which becomes cotton yarn, or cotton yarn which becomes cloth, or cloth which becomes the material for printing and dyeing, exist for labour only as available cotton, yarn, cloth. They themselves do not enter into any process as products of labour, as objectified labour, but only as material existences with certain natural properties. *How* these were

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posited in them makes no difference to the relation of living labour towards them; they exist for it only in so far as they exist as distinct from it, i.e. as material for labour. (Marx 1973, p. 302)

Regarded like this, “the process of capital coincides with the simple process of production as such, in which its character as capital is quite as extinguished in the form of the process, as money was extinguished as money in the form of value.” (Marx 1973, p. 303) It is this that leads the economists erroneously to claim that capital is necessary for any production process. But this is not the case: *raw materials and instruments of labour* are necessary for any production process, the point is that these are not by dint of this automatically *capital*.

Finally, in the exchange between capital and labour, labour appears as such, for itself, as the worker; to the extent that capital is posited as value for itself it posits itself as the capitalist. So the socialists (Marx cites the Ricardians John Gray and John Bray) who demand capital without the capitalist are demanding the impossible: a given capital may be separated from a given capitalist but it cannot be so from *the* capitalist, who confronts *the* worker: the one (capital) cannot exist without the other (the capitalist).

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