The commodity form in cognitive capitalism

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We revisit the Marxist debate on the commodity form. By following the thought of Alfred Sohn-Rethel and Slavoj Žižek, we attempt to understand the commodity form through the Kantian categories a priori. Sohn-Rethel explores the proposition that there can be no cognition independent of its historical and social conditions and puts forward the daring conclusion of an ontological unity between knowledge and commodity exchange. We suggest that Sohn-Rethel’s thought finds new relevance nowadays, under the prevalence of a cognitive capitalism. We discuss the reformulation of relations of production and consumption under cognitive capitalism and show how knowledge-led immaterial and affective labour adds a higher value to the commodities into which it is embodied. Above all, the commodity form in cognitive capitalism becomes biopolitical.

Keywords: commodity form; cognitive capitalism; Sohn-Rethel; immaterial and affective labour

Why the commodity form

In his seminal book The sublime object of ideology, the contemporary philosopher Žižek suggests that the Marxian analysis of the commodity form has been exerting tremendous influence on a vast range of social sciences and humanities.

Because it offers a kind of matrix enabling us to generate all other forms of the ‘fetishistic inversion’: it is as if the dialectics of the commodity-form presents us a key to the distilled, so to speak, version of a mechanism offering us a key to the theoretical understanding of phenomena which, at first sight, have nothing whatsoever to do with the field of political economy (law, religion, and so on). In the commodity-form there is definitely more at stake than the commodity-form itself, and it was precisely this ‘more’ which exerted such a fascinating power of attraction. (1989, 9–10)

He commends Sohn-Rethel, a lesser well-known figure of the Frankfurt School, as ‘the theoretician who has gone furthest in unfolding the universal reach of the commodity-form’ (Žižek 1989, 10). For both Sohn-Rethel and Žižek, the formal analysis of the commodity form is so fundamental and decisive because it contains the secret to our ability to think and conceptualise in abstract terms; commodity form and thought form share the same secret identity:

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The formal analysis of the commodity hold the key to the historical explanation of the abstract conceptual mode of thinking... the abstractness operating in exchange and reflected in value does nevertheless find an identical expression, namely the abstract intellect, or the so-called ‘pure understanding’ – the cognitive source of scientific knowledge. (Sohn-Rethel 1978, 33–4)

Thus, as Sohn-Rethel notes (and Žižek concurs), ‘in the innermost core of the commodity structure there was to be found the “transcendental subject”’ (1978, xiii):

The commodity-form articulates in advance the anatomy, the skeleton of the Kantian transcendental subject – that is, the network of transcendental categories which constitute the a priori frame of ‘objective’ scientific knowledge. (Žižek 1989, 10)

In this paper, we take up the challenge to re-examine the commodity form, seemingly in the most unorthodox way by following the thought of Sohn-Rethel and seeking to locate the Kantian transcendental a priori categories not in the human mind, situated in a timeless transcendental subject, but rather grounded within capitalist commodity exchange and historically determined. Sohn-Rethel’s daring philosophy could have been one of the greatest philosophical achievements of the twentieth century. Adorno – who had a regular exchange with him in the 1930s – described Sohn-Rethel’s ideas as ‘the greatest intellectual upheaval that I have experienced in the philosophical field since my first encounter with Benjamin’ (Toscano 2008, 280). Unfortunately, in spite of Adorno’s admiration, Horkheimer was very much opposed to Sohn-Rethel’s ideas and he ‘was thrown back to [his] own resources for unravelling [his] thread of truth’ (1978, xiii). He would remain in obscurity for several decades, and only from the 1990s onwards would his work attract renewed interest, mostly through the works of Žižek (1989), Virno (2002, 2004) and Postone (1993). Even though his work was written in the era of industrial capitalism, we suggest that his thinking can find a very fertile ground in the examination of the characteristics of commodities in our contemporary, cognitive capitalism. In what follows, we examine, in broad lines, Sohn-Rethel’s thinking and how he reached his audacious conclusions. But first we need to provide an overview of classic Marxian commodity exchange, upon which Sohn-Rethel’s thinking is based.

The commodity form in industrial capitalism

In classic Marxian analysis, any object that emerges as a commodity acquires characteristics that are dependent on the social character of the labour that produces it; they are a consequence of a (capitalist) system of exchange relations (Marx 1973, 1976). By recognising the importance of these social relations, Marx’s significant contribution is that he goes beyond the classical economic analysis of commodities of Adam Smith and particularly Ricardo who attributed the value of a commodity solitary to the quantity of labour time needed for its production. (But with the very important caveat that competition is perfect, thus, in the absence of any market distortions, the quantity of labour time alone can determine the value of a commodity.) What, then, are these social relations and how do they actually transform an object into a ‘socially embedded’ (as we could say nowadays) commodity?

In a capitalist system, commodities capture two different forms of value: use value and exchange value (Milios, Dimoulis, and Economakis 2002, 13–21; Osborne 2005,
Use value satisfies some perceived human need, regardless of that need being ‘real’, imaginary, socially constructed, psychologically imposed, etc. (A chair may satisfy a basic need, but so could a designer-label piece of clothing for a fashion-conscious person or a pair of ‘cool’ trainers for a teenager.) An exchange value is a quantitative measure of the value of a commodity in relation to other commodities. Normally, this exchange value is expressed in money, a ‘specific kind of commodity’ that is the ‘universal equivalent’ (Marx 1976, 162).

Labour within a capitalist mode of production has a twofold nature. On the one hand, it is concrete labour. Use values are produced by concrete labour, a form of labour that refers to particular skills needed to transform raw materials into an object, in any mode of production. On the other hand, labour is at the same time abstract labour. Abstract labour is a historically specific feature of all labour under capitalism; it did not ‘emerge’ from the concrete, it is present in every act of labour within a capitalist mode of production. Its existence is a characteristic of the particular form of social arrangement that distinguishes the capitalist mode of production (and only that), irrespective of whether the work in question is simple or highly specialised. Exchange values are, thus, dependent on abstract labour.

The ‘mystical character of the commodity’, as Marx calls it, does not depend on its use value. Human endeavour produces goods that vary according to the quantity of labour time that is required for them to come into existence. On their own, different quantities of labour time do not add any ‘mysticism’ to an object. But ‘the mysterious character of the commodity form’ reflects the social relationships that exist among those who worked for its production. Marx calls this process a ‘substitution’ – a substitution of the labour-time quantities of an object from the social relations among its human producers. In that respect, an object becomes a recognisable commodity not through the quantities of labour time that were dedicated for its production, but rather through the recognition of the social relations that existed among those who were involved in its production (as Figure 1 depicts). The possession of an exchange value converts an object into a commodity, that is, the potential for human labour power in general.

Figure 1. Artistic presentation of commodity fetishism.
In that way, labour power itself becomes commodified – to be bought and sold. Labour becomes another commodity that people trade in order to acquire money (a special commodity) and through it any other commodities. Thus, people, like the goods and services they consume, become ‘things’. Conversely, social relations take the form of relations among things. Commodity fetishism characterises a capitalist society as production relations are reified. In that sense, a commodity is primarily a social form and, in fact, the most basic form of a social relationship in capitalism.

Sohn-Rethel and commodity exchange

Sohn-Rethel (1978) set off to reiterate the Marxian critique of political economy, but in the field of thought, to take on, as the subtitle of his book indicates, a ‘critique of epistemology’. His enquiry focuses on the problem of the formation of consciousness, but right at the beginning, he encounters a surprising contradiction that requires a resolution:

On the one hand, all phenomena contained in the world of consciousness, whether past, present or future, are understood historically as time-bound and dialectic. On the other hand, questions of logic, mathematics and science are seen as ruled by timeless standards. (Sohn-Rethel 1978, 2)

In other words, he observes a serious gap in Marxist thinking; while social phenomena are understood in a dialectical and materialistic manner, when it comes to natural sciences, materialism gives way to an idealistic belief in ‘objective’ and ‘universal’ truths. A closer look at Marx’s writings reveals indeed that the issue has not been sufficiently clarified to prevent that ‘splitting into two contradictory concepts of truth’ (Sohn-Rethel 1978, 3).

For Sohn-Rethel (a committed Marxist of the Frankfurt School), these are important matters that are crucial for the transition from capitalism to socialism. What is at stake is the role of science and technology in the construction of socialism. If human consciousness is not historical-materialistically determined, but grasps ‘truths’ that are ‘objective’ and ‘universal’, then science and technology, as outcomes of human consciousness, are above and beyond history and social needs. Societies that strive to reach socialism would, then, be in danger for striving, in reality, for some kind of technocracy. But for the construction of socialism, scientific and technological developments should serve the requirements of the whole of the society; that cannot happen while ‘science and technology elude historical-materialist understanding’ (Sohn-Rethel 1978). In that way, the task of reaching a historical-materialist explanation of consciousness is for Sohn-Rethel of paramount importance and the purpose of his book.

He next turns his attention to the division between intellectual labour and manual labour. The antithesis of manual labour and intellectual labour in capitalism is another area of significant importance for Sohn-Rethel, as Marx, in his exegesis of a communist society, specifies the elimination of such division of labour. Sohn-Rethel rightly observes that this division between the labour of head and that of hand is a reflection and a direct consequence of the class structure of society under capitalism. Hence, the idealistic belief in ‘objective’ truths, ‘in timeless standards’ (Sohn-Rethel 1978, 2) that rule logic, mathematics and science, whose custody has been entrusted by the ruling class to the ‘bearers of mental labour’, goes, by its very nature, hand in hand with the class system under which these ‘bearers of mental labour’ while they may appear to be ‘the main beneficiaries of the rule to which they contribute’ also
remain the servants of that rule (Sohn-Rethel 1978, 4). Consequently, for Sohn-Rethel, there is a common historical root of class formation and ‘objective’ truth upon which science and mental labour are founded.

Schematically, and in broad lines, Sohn-Rethel’s examination presents itself at three levels of enquiry (Figure 2). These levels are interlinked with the ‘social synthesis’, defined as ‘the network of relations by which society forms a coherent whole’ (Sohn-Rethel 1978, 4). Thus, for Sohn-Rethel, the social synthetic functions of an era determine the various forms of thinking. Or, as Marx noted: ‘It is not the consciousness of men that determine their being, but on the contrary, their social being that determine their consciousness’ (Sohn-Rethel 1978, 5). In that way, the search for the historically determined consciousness becomes an examination of the social synthesis of a society. For Sohn-Rethel, social synthesis occurs through commodity exchange, which is best understood through abstraction.

Thus, the keystone in Sohn-Rethel’s study of the relationship between thought and capitalism is nothing less than abstraction; using abstraction to unlock the mysteries of thought, Sohn-Rethel presents us with a model of analysis that rests on four premises. First, ‘commodity exchange owes its socially synthetic function to an abstraction which it originates’. Second, ‘this abstraction is not of one piece but is a composite of several elements’. Third, ‘these elementary parts of the abstraction can be separately defined’ (Sohn-Rethel 1978, 6). We can distinguish here that Sohn-Rethel attempts a typical reductionist, analytic–synthetic methodological approach. The analytic–synthetic methodological approach can be summed up by the premise that a whole can be broken down analytically into its constituent, elementary parts and these parts can be studied and understood both fully and also independently of the whole. Further, these elementary parts can be synthesised back into a whole, which in that way can be

**Figure 2.** The methodological structure of Sohn-Rethel’s study.
fully described as the sum of the properties of its constituent parts. Thus, the exchange abstraction, under scrutiny here, is to be explained via a synthesis of partial knowledge derived at that elementary parts’ level. Finally, Sohn-Rethel attempts not only an analytic–synthetic approach but also a daring correlation between exchange abstraction and consciousness formation: ‘these constituent elements of the exchange abstraction unmistakably resemble the conceptual elements of the cognitive faculty emerging with the growth of commodity production’ (1978, 6, emphasis added). But these elementary conceptual elements ‘are principles of thought basic to Greek philosophy as well as to modern natural sciences’, which are according to Sohn-Rethel the Kantian categories a priori, ‘such as space, time, quality, substance, accident, movement, and so forth . . .’ (Zˇizˇek 2010, 217, emphasis added).

In other words, Sohn-Rethel puts forward a formal identity (an identity of form) between idealistic (Kantian) epistemology and the social forms of exchange, in as much as both involve abstraction. Sohn-Rethel’s unique contribution is in suggesting – with certainty – that abstract thought is driven by the separation of production for exchange from production for use, throughout the ages, from ancient times to contemporary capitalism. In doing so – in spite of the fact that the uncovering of these Kantian categories a priori clearly contrasts with his own materialist account – Sohn-Rethel reaches Kant through Marx, as he sets out ‘to show that not only analogy but true identity exists between the formal elements of the social synthesis and the formal constituents of cognition’ (1978, 7).

Sohn-Rethel is in agreement with Kant that these basic, constituent elements, these forms of thought, are preformed and have their beginning in an a priori origin, but for Sohn-Rethel this origin is not transcendental but very much located in specific time and space; there can be no cognition independent of its historical conditions. Synthetically – following the synthesis branch of the analytic–synthetic methodological approach we identified earlier – these forms of thought (categories a priori) congregate – through abstraction – into the way we perceive commodity exchange, not as a ‘transcendental synthesis a priori’, but, instead, as very much located in specific time and space. These forms of thought effect commodity exchange and the social synthesis, revealing an a priori ‘social capacity of the mind’ (Sohn-Rethel 1978, 7), that account for the division between intellectual labour and manual labour. Sohn-Rethel, following Marx, calls this real abstraction ‘that is the act of abstraction at work in the very effective process of the exchange of commodities’ (Zˇizˇek 1989, 11).

In the Marxian sense, the commodity form is not an ideological abstraction, a mystification, a mere mental category or an intellectual concept separate from life, but a real abstraction, ‘abstraction not as a mere mask, fantasy or diversion, but as operative in the world’ (Toscano 2008, 274) and ‘truly caught up in the social whole, the social relation’ (Toscano 2008, 275). For Virno, ‘a thought becoming a thing: here is what real abstraction is’ (2004, 64). Sohn-Rethel’s discussion of the real abstraction is a summary of our loss of focus to the fact that our perception of an objective knowledge is linked and fed by the fetishistic relation we have for commodities (Vighi 2010, 31).

In simple words, Sohn-Rethel’s contribution can be summarised as putting forward the daring proposition of an ontological unity between knowledge and commodity. This unity acquires a special significance nowadays in the context of a cognitive capitalism (for an extensive discussion, see Toscano 2008). And here lays a paradox in the work of Sohn-Rethel: even though it was written, initially, in the midst of the Taylorist revolution and with industrial capitalism very much in mind, it attains a new relevance nowadays. Here is why: if one assumes that there is an ontological distinction between
knowledge and commodity, then we derive in a deterministic and linear interpretation of commodity production, as, for example, Zarembka and Desai (2011) suggest:

Emphasizing the (ontological) distinction between knowledge and commodity, we have clarified the role of knowledge in the determination of the value of commodities. That is knowledge affects the determination of the productivity (within a sector) and the complexity (across sectors) of commodity-producing labour. The more complex and/or productive commodity-producing labour is, the more value it creates in a given period of time – knowledge can virtually intensify commodity-producing labour. (217)

This interpretation re-creates for knowledge and commodity the antithesis between intellectual labour and manual labour. In fact, it is the idealistic presumption of a distinction between intellectual labour and manual labour that creates an equally idealistic ontological distinction between knowledge and commodity, where knowledge can affect commodity production (i.e. knowledge directs and organises commodity production and exchange), but it remains separate and unaffected by it. That is, knowledge is acquired somewhere else or pre-exists and is external to production, like the Kantian categories a priori are external to thought. It is this idealism that Sohn-Rethel wants to shut – and we concur – by advocating the ontological unity of knowledge and commodity.

But before we discuss in more detail some of the implications of Sohn-Rethel’s work, let us first examine some of the significant characteristics of our contemporary, cognitive capitalism and how commodity exchange (and commodity abstraction) is transformed to accommodate the new forces of organisation of work and society.

The essence of cognitive capitalism

Just as the industrial capitalism mode of production emerged historically from the growth of commodity production, so does cognitive capitalism emerge today from the growth of knowledge-based production (Boutang 2007; Fumagalli and Lucarelli 2009; Paulré 2008; Vercellone 2005, 2007). The thesis of cognitive capitalism developed as a critique of the liberal (managerial) theories of knowledge-based economy, but also as a response to the insufficiency of the interpretations of the current phase of capitalist development in terms of the transition from a Fordist to a post-Fordist model.

The adjective ‘cognitive’ (derived from knowledge) indicates that we are at a stage of capitalism in which the accumulation of knowledge in general occupies a central place. The term unites the characterisation of the economic mode of production (capitalism) with that of the organisation of production, which is now based on ‘knowledge’. Thus, cognitive capitalism describes a broad organisational principle of contemporary society. In contrast, ‘knowledge economy’ – a commonly used term, especially in management – is more restrictive, as it only refers to one aspect of society (economic activity), while merely labelling our era as post-Fordist would be inadequate. As Vercellone (2007, 14) notes:

Theories of post-Fordism, while capturing some significant elements of rupture, often remain bound to a factory-inspired vision of the new capitalism seen as a further development of the Fordist-industrial logic of the real subsumption of labour by capital. For these reasons, the category of post-Fordism appears to us to be inadequate for
comprehending the profound transformation of the antagonistic relation of capital to labour related to the development of an economy founded on the driving role of knowledge.

The theoretical foundation of the era of cognitive capitalism originates with Marx in ‘The Fragment on Machines’, a much-discussed section of the Grundrisse, where Marx tried to capture the transformation into advanced capitalism in terms of a ‘general intellect’. Marx anticipated that the productive value of intellectual and scientific labour would become dominant and knowledge would become the principal productive force (1973). This transformation involves two other key consequences (Negri 1992; Vercellone 2007, 29–30). First, a theory of value based on the measure of labour time becomes inadequate. When labour in the form of knowledge becomes the principal source of the creation of wealth, it can no longer be measured on the basis of labour time directly dedicated to production:

In this transformation, it is neither the direct human labour he himself performs, nor the time during which he works, but rather the appropriation of his own general productive power, his understanding of nature and his mastery over it by virtue of his presence as a social body – it is, in a word, the development of the social individual which appears as the great foundation-stone of production and of wealth. . . . As soon as labour in the direct form has ceased to be the great well-spring of wealth, labour time ceases and must cease to be its measure, and hence exchange value [must cease to be the measure] of use-value. (Marx 1973, 705, emphasis added)

Second, in ‘the historical passage from the time-value of labour to knowledge-value’ (Vercellone 2007, 30), the distinction (typical of industrial capitalism) between labour time and non-labour time loses its meaning, in as much as ‘direct labour time itself cannot remain in the abstract antithesis to free time . . . [free time] which acts upon the productive power of labour as itself is the greatest productive power’ (Marx 1973, 711). Hence, according to Marx (1973), it is the abundance of free time, a characteristic of true wealth, which epitomises an advanced capitalist society: ‘the surplus labour of the mass has ceased to be the condition for the development of general wealth’ (705), ‘the measure of wealth is then not any longer, in any way, labour time, but rather disposable time’ (708).

Truly wealthy a nation, when the working day is 6 rather than 12 hours. Wealth is not command over surplus labour time (real wealth), but rather, disposable time outside that needed in direct production, for every individual and the whole society. (Marx 1973, 706; quoted by Marx from The Source and Remedy 1821, 6)

The era of cognitive capitalism signifies the third capitalist transition, after the phase of the development of manufacturing (the first Industrial Revolution or formal subsumption (subordination) of labour to capital, in Marxian terms) and the subsequent phase of heavy industry (Fordism or real subsumption of labour to capital). But this cognitive transition is substantially different from the previous capitalist transitions. It signals an economic and social transformation (Boutang 2007).

One of the transformations that cognitive capitalism brings about is the transformation of the definition of labour, which goes beyond the mere inclusion of additional forms of activity, for example, defined as women’s work that feminist theory and practice brought to the forefront in the 1960s and 1970s. This transformation involves two
main fundamental changes: the shift of labouring processes beyond the time and space confines of the factory and the office and into the whole of the society, and the subsequent change of gravity of value creation. When labour moves away from the factory and office walls and into the society, so do the ways value is created. (That, of course, does not mean that ‘older’ forms of value creation cease to exist! It is not an either/or situation but rather an evolutionary process.)

The most important general phenomenon of the transformation of labour that we have witnessed in recent years is the passage toward what we call the factory society... All of society is now permeated through and through with the regime of the factory, that is, with the rules of specifically capitalist relations of production. (Hardt and Negri 1994, 9)

Thus, production and commodity exchange become biopolitical, ‘in the sense that living and producing tend to be indistinguishable’ (Hardt and Negri 2005, 148). The expansion of labour time over every second of human experience transforms human life itself. In these circumstances,

the originality of cognitive capitalism consists in capturing, within a generalized social activity, the innovative elements which produce value... capitalist development and the capitalist creation of value are based more and more on the concept of the social capture of value itself. (Negri 2008, 64)

Immaterial and affective labour as ingredients of cognitive capitalism

Throughout the twentieth century and the late part of nineteenth century, the industrial mode of capitalist production created booming industries, generated wealth and consumption, shaped political agendas and reached into every aspect of daily life and human experience. It was shaped by Taylorism, fortified by mass production through Fordism and slim-lined by just-in-time production, and finally it unfolded its global reach through subcontracting and global supply chains. But in the late twentieth and early twenty-first century, we uphold that we enter a new phase of capitalism where knowledge, affects and immaterial labour are emerging as the dominant forms of organisation in both the spheres of work and society (Hardt and Negri 2000, 280–300, 2005, 65–6, 103–15, 2009, 132–4; Lazzarato 1996).

The concept of immaterial labour has been introduced in contemporary thinking, mainly through the philosophical works of Michael Hardt and Toni Negri. Following Lazzarato (1996), they depict immaterial labour in two principal forms. ‘The first refers to labour that is primarily intellectual or linguistic, such as problem solving, symbolic and analytical tasks, and linguistic expressions’. This is the well-known and widely understood intellectual work that ‘produces ideas, symbols, codes, texts, linguistic figures’ (in real of symbolic languages, e.g. computer codes), ‘images, and other such products’ (Lazzarato 1996). Apart from its more traditional fields (such as academia, management and scientific work), modern forms of intellectual work include media production, web design and many aspects of the culture and creative industries. The second principal form of immaterial labour is ‘affective labour’. Derived primarily from Spinoza’s notion of affect, Hardt and Negri (2005, 108) describe affective labour as ‘labour that produces or manipulates affects such as feeling of easy, well-being, satisfaction, excitement, or passion’. Historically, affective labour has had a strong gender bias; it has been women’s work, at times unpaid. Flight
attendants, (up-market) waitresses (Dowling 2006), fashion models (Wissinger 2007) and vast segments of the adult entertainment industry and of course all sex workers are engaged in affective work (Arvidsson 2007, 70–72).

The distinction between the two above forms of immaterial labour is not easy to make as most actual jobs combine these two forms of immaterial labour. However, as Hard and Negri point out, the labour itself that is involved in any immaterial production remains material, as any labour that involves bodies and brains: ‘what is immaterial is *its product*’ (2005, 109). Furthermore, we add that if we consider any commodity, we will find that some qualities have been transplanted on it through the immaterial labour of people involved in its production process. In other words, working is a material process, through which both material and immaterial commodities (products and services) that have imbedded in them some immaterial and affective qualities and characteristics that their producers, makers or creators, through their immaterial and affective labour, have implanted in them come to life.

Nonetheless, the ambiguity in the definition of the term ‘immaterial labour’ has created some confusion and given plenty of ammunition to those who, stemming from ideologically and politically opposing camps within the Marxist tradition, have rushed to outright dismiss any notion of immaterial labour as simply non-existent or ‘unsound’ (Caffentzis 2007; Sayers 2007). Admittedly, the adjective immaterial is ‘fraught with metaphysical and political baggage’ (Caffentzis 2007, 43). But at the opposite of it is not the ‘materialist Marxist tradition’, but rather the industrialist, factory-fetishism tradition of modernity (Caffentzis 2007). Immaterial production and any discussion on immaterial labour need to be understood in the context of post-modernity and post-Fordism in particular.

But, above all, immaterial labour is biopolitical; it is the essence of cognitive capitalism and scatters the division between work and life. It produces not the means of life (material products) but social life itself (Hardt and Negri 2005, 146). ‘All of social life becomes productive . . . war, politics, economics, and culture . . . become finally a mode of producing social life in its entirety’ (Camfield 2007, 27). Thus, value is produced inside and outside the factory and office walls, inside and outside the wage relationship, every hour of the day, by the entire population of the world, even the poor and the unemployed, as participants of *life processes*. Thus, the move away from Fordism and the vaguely defined post-Fordism is a transition to biopolitical labour.

**Commodities in cognitive capitalism**

In order to comprehend the changing character of the commodity under cognitive capitalism, we propose to scrutinise the immaterial content of particular commodities (products as well as services) within a global value chain, rather than the individual worker within a system of social relations. In doing so, we will also be departing from sterile criticisms on Negri’s assertion of the hegemonic role of immaterial over industrial labour and the fallacy over the number of workers who can be classified as either ‘immaterial’ or ‘industrial’ (Camfield 2007; Wright 2005). We assert that there can be no either/or antithesis; all work in our era has some element of immateriality and affectivity: from the teamwork and quality improvement suggestions that an industrial worker is expected to contribute and the smile a MacDonald’s worker is obliged to greet customers with to the work of a marketer, an advertiser, a spin doctor or a computer games developer, immaterial (and affective) labour is everywhere. In fact, we observe that the MacDonald’s worker, specifically, is an iconic link between industrial
work and immaterial/post-Fordist work: a vivid demonstration that even while working in a perfectly Tayloristic assembly line and producing a material product, her whole working life experience, appearance and the meaning of the product itself embody characteristics of affective and immaterial labour. The clean, carefully designed uniform, the mandatory smile and the attention to customer happiness evoke concepts of affective labour. The product itself is more than just food; it is an icon of twentieth-century capitalism that people would queue to acquire (remember queues in Moscow when MacDonald’s first opened there). But it also symbolises the causes of the epidemic of obesity that plagues Anglo-Saxon societies and – in the eyes of many activists – what is deeply wrong with global capitalism (and thus rightly deserves to be a target of direct action).

On the other hand, looking to classify workers as either ‘material’ or ‘immaterial’ does not only ignore the reality of contemporary work, where such Tayloristic distinctions are becoming obsolete, but also re-create the idealistic divide between manual labour and intellectual labour that Sohn-Rethel probed into their class basis. In fact, following the thought of Sohn-Rethel, we can recognise that it was Taylorism that intensified and idealised the full separation between manual (material) labour and intellectual (immaterial) labour. As in the sixteenth and seventieth centuries, where the expansion of commodity production brought about scientific revolutions and increased division between manual labour and mental labour, so did Taylorism and Fordism in the early part of the twentieth century bring an even further division between the labour of the mind and the labour of the hand. But it is now cognitive capitalism – a more advanced form of capitalism, grounded on affluence and abundance of commodity production – which, as Marx rightly observed in the Grundrisse no longer needs the hordes of manual labour, comes to trash out that age-old division, not, of course, by making the division between manual labour and intellectual labour completely irrelevant (that would be situated in a classless society, to refer back to the work of Sohn-Rethel), but by making immaterial labour the dominant form of labour – dominant in the sense that immaterial labour organises society as if... (as if that form is the only in existence, as if it is in the majority, as if everything else is irrelevant, as if the whole of the society needs to conform to its demands).

**Value chain analysis in cognitive capitalism**

Let us next turn our attention to catch a glimpse of how value chain analysis shows us the ways commodity and value production, through the dominance of immaterial labour, are being transformed in cognitive capitalism. Value chain analysis has been a powerful tool in the Development Studies discourse (see Gereffi 1999; Gereffi and Kaplinsky 2001; Gereffi and Korzeniewicz 1994), but not so well known in other disciplines. A

value chain describes the full range of activities that are required to bring a product or service from conception, through the different phases of production (involving a combination of physical transformation and the input of various producer services), delivery to final consumers, and final disposal after use. (Kaplinsky and Morris 2000)

It typically discusses the role of actors (producers in developing countries and buyers and lead firms in developed countries) and the impact that upgrading within value chains could have for local development and social inclusion.
Value chain analysis and its discourse, even though lacking a clear theoretical understanding of what value is, provide us with two important concepts. The first is that in terms of value creation, the manufacturing stage of a product is at the low end of value-added activities, while design, marketing, research and other conceptual activities are considered as high value-added activities (an empirical fact, well known among business practitioners). Hence, the ultimate aim of value chain analysis is to aid developing country producers and their communities in upgrading their activities away from labour-intensive manufacturing production towards – ideally – knowledge-led activities (Gereffi 2009). Second, value chain analysis shows that the manufacturing stage comes only after a market for a product has been secured: ‘to start with, one needs information on existing or potential demand, to determine appropriate product specifications, organization of production and choice of techniques. Only then follow actual manufacturing, detailed price setting, sales and distribution of final products to consumers’ (Knorringa 1999).

The characteristics of the commodity form

We assert that following conceptually the paradigm of value chain analysis, we can reach for the characteristics of the commodity in cognitive capitalism. We launch our quest by drawing attention to a significant characteristic of immaterial labour under cognitive capitalism: in contrast to industrial labour, knowledge- and affect-led immaterial labour can add a substantially higher value to the products and services into which it is integrated.

Let us consider an iconic product of our times, such as a pair of ‘cool’ trainers. Each pair when it reaches the consumer has travelled through an extensive and complicated value chain. For a wide range of consumer products, manufacturing is at the bottom of a value chain. In terms of both costs of production and value added to the finished product, the industrial labour that is used in the manufacturing process adds an insignificant and miniscule amount to the total value of the product. This might seem to be a paradox considering that an (almost) ordinary product – such as a pair of trainers – has its own global supply chain for tens of different components sourced in various locations. For example, a pair of Nike Air Max was ‘made up of 52 different components coming from five different countries’ (Far Eastern Economic Review 1996a). Yet, for a pair of any ‘cool’ trainers – a ‘must’ for any self-respecting teenager in an urban metropolis – that might sell for up to £200, it is estimated that the total labour cost could be between £1 and £3.8 Another, everyday example would be that of a cup of coffee drunk at a ‘gourmet’ coffee shop, such as the trend-setting Starbucks. With a mark-up value of more than 300%, for a £3.50 latte, brewed with 10 beans of coffee, the cost of production, including roasting and transportation, would be around 7 pence.

It is hardly news that knowledge-led activities add higher value to a product, a fact commonly known for decades among business practitioners and academics, since Porter’s Competitive Strategy, in 1980, and his Competitive Advantage of Nations, in 1986. For example, in 1996, the Far Eastern Economic Review (prophetically) called the then unfolding globalisation as the ‘Nike economy’:

Our promise is that the measure of worth is becoming less physical and more intellectual. What gives a Nike sports shoe its value is not the rubber or cloth or leather of which it is made but the stunning combination of factors – design, marketing, delivery, etc – that
together allow a pair of Nikes to command a premium. In other words, it is the process, not the product. (1996b, emphasis added)

But what is relatively new is what we may call ‘the China effect’. In an ironic twist of Marxism – thanks to the Communist Party of the most populous country on Earth – in our cognitive capitalism, enormous amounts of anything we could ever desire can be produced at any quality level we need and at minimal, insignificant costs. So, where does the remaining 99% (or even more) from the price tag that the consumer pays actually goes?

We suggest that what a customer primarily buys – lets say, in this case, the fashion-conscious teenager – is the image, the ‘coolness’, the hype factor that the product itself and the label and brand associated with that product carry through, and certainly not how much hard work (and indeed a lot of hard work by very poor people) goes into making that product. The ‘coolness’ factor (essentially the value of the label) is created by the design of the specific product and its advertising, the brand image and reputation, how fashionable the label is perceived to be, and – above all – the feelings and emotions that these convey to the consumer.

We call all these immaterial qualities that are transposed and enshrined into the body of a commodity the social value of a commodity (Figure 3). Through the perspective of a commodity, therefore, industrial labour in terms of value generation is at the bottom of the value-added pyramid, followed by the immaterial and (the higher value-added forms of) affective labour at the top, even though there can often be no clear distinction between immaterial and affective labour. A high social value could often be the result of branding, but also of reputation and clustering. Haute couture in Paris, watch-making in Switzerland or banking services in London carry a reassuring reputation built over centuries. Branding (resulting in a label that a customer would

![Figure 3. The ‘social value’ of the commodity form in cognitive capitalism.](image-url)
desire to acquire) is the product of immaterial workers: the designers, the advertising people, those who assess fashion trends, the marketers, the models, and even those who design shop layouts and display windows (Arvidsson 2006). How much value each particular group of immaterial and affective workers would add to the finished product is not easy to quantify or is relevant.

Thus, a significant feature of cognitive capitalism that emerges from the above analysis is that for many commodities there is a complete disassociation between labour costs (which are only one factor of production costs) and the final exchange value as measured in monetary terms. (That is, of course, not to say at all that value could be considered as completely disconnected from labour as such.) Most of clothing and footwear products that we purchase and vast arrays of ‘lifestyle’ goods and services are good examples of that disassociation. In all these cases, what we really buy is not just a product (a tee shirt, a cup of coffee or a pair of trainers purely for their utilitarian/use value), but a proposition for a lifestyle, a fashion trend, a ‘cool’ image, a piece of happiness, moments of idealised relaxation with a splendid cup of coffee or an individualistic portrayal of self in a mass society – all immaterial and affective qualities that the work of hundreds or even thousands of people has amassed into something as simple as a single piece of clothing or a cup of coffee. Immaterial and affective labour can indeed become very valuable and expensive when they are channelled through fashion and ephemeral consumer tastes. Nonetheless, individual immaterial workers would not necessarily receive higher earnings for their labour. Immaterial labour can also mean precarious work and uncertain livelihoods, a fact that Hard and Negri, among others, amply discuss, especially in The Multitude (2005). On the other hand, what Negri and by large the immaterial labour literature have not paid attention to is the rise of affluent middle and even super-rich classes of immaterial workers. It is by no means coincidental that the richest (for many years) human being on Earth (Bill Gates) is indeed an ‘immaterial worker’, as many others billionaires (fortunes made mostly from software engineering).9

The dual character of the commodity in cognitive capitalism

The above lead us to a second significant observation – that of the dual character of the commodity in cognitive capitalism. Commodities that can be associated with a fashionable label or a reputation-reassuring brand name and image have a higher exchange value and contain a high(er) proportion of (possibly) highly paid immaterial labour. On the other hand, any other commodity that does not carry a brand name, a recognisable label or a reassuring image is usually of a lower exchange value and contains a low(er) proportion of immaterial labour or none at all. This dual character depends largely on the immaterial and affective qualities that branding and reputation could have on the exchange value of a commodity, as well as on the livelihoods of those involved in producing it. If we take two (almost) identical products, their exchange value could be dramatically different if one carries a brand name and a recognisable logo, while the other does not.

In the real world of coffee production, two identical sacks of coffee beans could leave the same field together. One sack may go into the open market and become an anonymous supermarket coffee at a bargain price. The other sack that carries a label, such as ‘organic’ or ‘fair trade’, would be marketed as a high-value premium product. In the latter case, both producers (farmers) and various ‘middle-men’ (mostly immaterial workers on the promotion and marketing of the coffee as a
premium product for socially aware consumers) earn a higher return than they would for coffee that goes into the open market (Reinecke 2010). For the farmer, the fair trade label – a form of socially responsible branding – could have a significant impact. But for the consumer it might make no difference at all, if the coffee were drunk in the cosiness (perceived/idealised or even real) of a Starbucks’ lounge. Similarly, two identical t-shirts leaving a Chinese factory would have enormously different price tags if one has a ‘trendy’ label and the other has none. However, this does not imply that all non-branded, ‘generic’ products could be of a quality comparable to that of the branded ones. A brand also conveys a message about the expected quality of the product. Branding and reputation, in that respect, appear in the eyes of the consumer through a recognisable logo, a sign and a symbol.

Consumption in cognitive capitalism

Returning back to the thought of Sohn-Rethel, we can now see how his daring suggestions can have a renewed relevance for the era of cognitive capitalism. The ontological unity of consciousness and commodity exchange can help us see under new light and explain how commodities in cognitive capitalism appeal and appear to us. We have explained above how the feelings and emotions of the immaterial labour of thousands of people are embedded in any commodity, even in such a ‘simple’ thing as a t-shirt or a pair of trainers. But cognitive capitalism creates no ‘simple’ commodities. Each and every one becomes the depository of a vast array of cognition and states of consciousness, not only of the mechanical knowledge and the data of the manufacturing and logistic systems, but also of the sentiments, sensations and ways of life of workers along the value chain. All these are amassed into a logo, a brand name and a symbol of the commodity and through them are channelled back to us. They are our own knowledge and thoughts that we project into the commodity and it sends them back to us. They match perfectly our own thoughts, feelings and expectations of life, because they are parts of us; they are us.

In that respect, it makes perfect sense that in cognitive capitalism (as business practitioners understand very well) commodities may only come to life (often through the blood and tears of exploited workers) when – and because of – a particular outlet for their desire, adoration and consumption arises and calls for them to come into existence. We – our consciousness – are that outlet. Thus, anticipated consumption (i.e., our cognitive states, formed as they are by capitalist commodity exchange) dictate what, how, where, when, how much, by whom, etc. will be produced. Production matches the demands that consumption puts upon it. Knowledge is not outside and unaffected by the production process; it is shaped by it, enshrined into a commodity form, which, in turn, is in harmony with our own levels of consciousness.

Consequently, immaterial values are embedded in commodities as they travel through their production processes, and not later, for example, at a shop window or through some advertising campaign that could transform them into something (more) desirable. Commodities in cognitive capitalism are born affective, desirable, sexy and made-to-sell and do not become so later. Even for something as ‘ordinary’ as a pair of shoes or a cup of coffee, immaterial qualities that exist in our consciousness (and the brains of people who work along the value chain) are transferred and enshrined into these commodities as they move up along the steps of their value chains. The clothes creator The Gap, Inc. (2010) described this very eloquently when they reveal that ‘great clothes often begin with a feeling, a vision, a memory . . . perhaps a song lyric or a scene from a classic movie’. Thus, the mysterious character of the commodity form (as Marx described) in
cognitive capitalism reflects not only the social relationships that exist among those who worked in production (as it did in industrial capitalism), but also the exceptional and numerous cognitive qualities that are embedded in it through us: the sex appeal, the ability to generate desire, evoke feelings, complement the identity of an individual, become a visual display of individuality, status, even mood and so many others. It is not difficult to see that the commodity in cognitive capitalism becomes biopolitical; it contains life, it is made up of life, it reflects life back, it gives life. It is happy and cheerful (even if blood and sweat were shred for its production, it is still gleaming with happiness).

Commodities in cognitive capitalism do not just speak, they sing like sirens! One can only resist – if at all – by suffering tied up at the mast, like an Odysseus, or when has been ordered to disable his or her senses.10 Certainly, the social relations of production have not disappeared and some will continue to draw attention to that little ‘monster’ born out of the blood and sweat of workers that is hidden beneath what they see, unfortunately, as a glitzy, meaningless exterior.

**Issues for further research**

In the limited space of this paper, we have only scratched the surface of what is a huge, in both importance and extent, field of study: the commodity and its form in our contemporary world.

Prominent among the issues that deserve further attention is the ontological unity of knowledge and commodity exchange. Sohn-Rethel’s pioneering work merits continuation. He has shown that the ‘bourgeois’ transcendental categories *a priori* of Kant can serve a Marxist perspective. His work and Žižek’s contribution open up the gateway for a complete rethink of consciousness and the formulation of a Marxist theory of knowledge, fit for a contemporary, cognitive capitalism. More theoretical work on the subject–cognition–commodity triangle is also needed. Could there be a dialectic relationship between our consciousness and the commodity as a form of a symbol? In other words, how much is our cognition being affected by the bombardment of symbols/commodities that we are experiencing (with an important psychoanalytic dimension to be also explored, where Žižek (1989) started out)? Similarly, the notion of real abstraction in cognitive capitalism has received scant attention.

Further, what are the implications for the organisation of modernity, that is, the firm? It has been desperately trying to capture the knowledge, creativity, feelings, emotions and intellect of its employees to generate more profits, and an entire academic discipline (‘knowledge management’) has sprung up to assist. But, the firm, by its own nature – as an industrial era organisational form – cannot go beyond the regulation of time-and-space-confined labour, inasmuch as it is desperately trying to. Being armed with a new (Marxist/materialistic) theory of knowledge would certainly help us to push beyond the managerialist confines of ‘knowledge management’.

We feel that we are situated at the beginning of not only a new era, but also of a huge highway of knowledge that we need to grasp. Paraphrasing Žižek (2011), we suggest that the situation is indeed catastrophic, but not serious! (It is catastrophic for those who strive for outdated forms, but not serious for those who want to seize the future.)

**Notes**

1. The term ‘exchange value’ must not be confused with ‘price’ – a common mistake. It is beyond our purpose here to examine the separate area of ‘price formation’.
2. In contrast, Rosdolsky (1977) subscribes to the view that it was the decline of ‘craftsmanship’ of the pre-capitalist artisan that led to concrete labour becoming abstract labour: ‘Marx accepted the thesis of Ricardo, which is confirmed by the workings of the market, that what is involved is a reduction of specialised labour to unspecialised’ (Rosdolsky 1977, 510, emphasis added). But see Milios, Dimoulis, and Economakis (2002, 20): ‘It is not the mechanisation of production and the de-specialisation of the worker that transform useful labour into abstract labour, as certain Marxists maintain’.

3. Sohn-Rethel’s concept of social synthesis has also been used for the analysis of East European societies under ‘actually existing socialism’ (see Van Der Linden 2007).

4. The concept of real abstraction is based on the Marxian notion of the exchange abstraction, one of the most fundamental and widely discussed concepts in Marxist thought. We present here in a succinct way this concept, through the work of Sohn-Rethel; our space limitations make impossible a full analysis of such a rich concept.

5. There is a substantial debate on the obsolescence, or not, of the Marxian labour theory of value. It is not possible in the confines of this paper to provide a comprehensive review. It is argued, for example, by Negri that the meaning and very essence of terms such as use value, abstract value and labour time are completely transformed and the existence and function of a labour theory of value need to be remodelled. For a critical discussion on the relevance of ‘the law of value under post-Fordism’, see Henninger (2007).

6. The idea of biopolitical power is based on the notion of biopower, as introduced by Foucault and especially by Deleuze and Guattari, as well as Italian thinkers associated with Futur Anterieur (see Camfield 2007, 27–8; Dyer-Witheford 2001; Hardt and Negri 2000, 22–30). Space limitations do not permit us an in-depth discussion.

7. That does not mean that we ignore, or neglect, the social character of capitalist production and the relations it imposes on a workplace, but, rather, we shift focus from the ‘worker’ to the ‘commodity’.

8. Due to space limitations, we cannot provide here detailed data on production and manufacturing costs, pricing and accounts of value added. Such important empirical work should be the purpose of further research. NGOs concerned with the conditions of employment in supply chains, such as The National Labor Committee of New York, have done excellent investigative work on the actual costs of production of a range of everyday goods (a notoriously difficult and secretive subject). They have documented that, for example, a pair of jeans, sewn by Nicaraguan women earning them only $0.20 per piece, has a cost of $7.14 as recorded in US customs documents and is sold for $30 (Barbee 1998; The Patriot News 2000). It is estimated that a bag of coffee beans that could earn $50 to the producer would make cups of coffee with a ‘street’ value of $20,000. Such anecdotal evidence points to tremendous disparities between production costs and exchange values.

9. Žižek (2011) offers an alternative interpretation of Microsoft and Bill Gates, as rent appropriation of privatised ‘general intellect’ by ‘allowing millions of intellectual workers to participate in the form of the “general intellect” that he privatised and controls’.

10. When the sensual deprivation under ‘existing socialism’ ended, millions of little shops, kiosks and stalls blossomed all over Eastern Europe, offering a myriad of wonderful objects (from lingerie and adult entertainment goods to techno-gadgets) that served primarily one purpose: to make life more sensual, happier and cosier.

References


