

Subjective Valuation through Social Determination - Postliterate - Medium

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According to a pure subjective theory of value, even the problem of money can be resolved into a self-evident consideration of individual valuations of objects in exchange. An individual exchanges \$5 for sandwich, clearly because they value the sandwich more than the \$5.

But this notion is completely absurd. An individual “values” a sandwich a given way because it is a material object which they perceive will grant them utility, and an individual may “value” that sandwich in dollar amounts, given the social circumstances. But an individual does not “value” \$5 in this same way at all — \$5 is worth \$5 is worth \$5! The question of individual valuation here is absurd — it is always a question of *what money can buy*. The dollar *already expresses an objective value*, and the question of “how much” one values a dollar is impossible; it is always instead a question of what material goods and services are respectably *correspondent* to the dollar.

Perception of high and low expense is relative, not just in the sense of the fluctuating value of the dollar, but in the sense of what is materially capable at the given social levels of productivity and allocative efficiency.

In other words, the dollar expresses *social conditions of production* to which the buyer responds to and conversely influences. In Simon Clarke's words,

“As a use-value a commodity is a mere thing, but as a value [i.e. money, exchange for money] the commodity is necessarily a **socially determined thing**, so that exchange can only be analysed as a socially determined relation, the rationality of each individual exchange depending on the rationality of the system of which it is necessarily a part” (165, emphasis mine).

The dollar also mediates between the moment of laboring activity and buyer preference on the market. “Valuation” as such is not merely a question of utility, but in capitalist production conditions is necessarily also a question of labor.