

## Ecology, Value, and Marx

**Written:** June 14, 2005

**Published:** Synthesis/Regeneration 40 (Summer, 2006)

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The word "value" is a source of much confusion in economic discussions among Greens, for two reasons. First, the term has a variety of meanings, several of which are important within the Green worldview. Second, these meanings have not been clearly articulated, resulting in a Tower of Babel that impairs our progress. This article suggests how Greens might use the term "value" in the economic realm for maximum effectiveness.

Consider the word's various meanings:

- General worth or merit: "I value your friendship."
- Deeply held principles or ideals: the 10 key Green values
- Inherent worth: Deep Ecology's "intrinsic value"
- Monetary worth: the market valuation of a commodity or other asset
- Utility: the consumer's subjective valuation of a commodity
- The basis for prices in a capitalist economy: Marx's exchange-value

The above list does not include the additional meanings that - in my view - the term should have within an economic framework based on the needs of humankind and the limits of nature. Such extensions are beyond the scope of this article. If you're interested, see my website: [needsandlimits.org](http://needsandlimits.org).

In sorting out the existing meanings, the first step is to identify those that are clearly outside the economic realm. This is the case with the first two. We all understand that a valued friendship refers to a personal and not an economic assessment. Similarly, it is broadly accepted that "values" in the plural refer to personal or organizational principles. These two meanings of the term are obvious from their contexts and can continue to be used without fear of muddling our economic conversations.

In Deep Ecology, "intrinsic value" refers to the ontological equality of human and non-human life, and to the consequent respect we should accord to all living things, irrespective of human ends. The movement accepts two terms as synonyms: "inherent value" and "inherent worth."

I strongly suggest that Greens and the Deep Ecology movement itself adopt the term "inherent worth" for this purpose. There are two compelling reasons to do so. First, "value" is already overloaded, and if an accepted alternative exists, it should be used. Second, Deep Ecology's concept of "intrinsic value" is not primarily economic, but rather ethical and philosophical. "Value" is a central term in economics, and it should be reserved for this sphere.

This leaves us with three economic meanings of "value": monetary worth, utility, and the basis for prices and exchange.

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The use of "value" for the monetary worth of an asset is central to today's version of standard economics, which has progressively purged itself of the term's deeper significance over time. For Greens, "monetary value" can be used as an unambiguous term for this narrow but necessary meaning of "value".

Utility is one important area where standard economics and Marxist economics perceive the capitalist world in much the same way. One standard definition of utility is "the benefit or satisfaction that a person obtains from the consumption of a good or service." (Economics, Michael Parkin, 1990) In *Capital*, Marx states that a commodity satisfies human wants, and that, "The nature of such wants, whether ... they spring from the stomach or from fancy, makes no difference." He then refers to this property of a commodity as its utility or use-value.

The problem with the term "utility" is that it has a broad interpretation and is a handy word in general conversation. To avoid overloading the term and to maximize precision, I suggest that Greens adopt "use-value" to refer to a consumer's subjective valuation of a commodity.

The last economic meaning of value - the basis for capitalist prices and exchange - is the one that is technically the most challenging, and the one that is repeatedly misinterpreted and distorted.

A bit of history may help here. Adam Smith and the other classical economists of his time (the 18th century) recognized the distinction between use-value and exchange-value. The exchange-value of a commodity refers to the quantities of other commodities for which it can be exchanged. Smith ascribed the exchange-value of a commodity to the amount of labor required to produce it. David Ricardo adopted this concept in the 19th century, refined it, and used the resulting theory to describe the burgeoning capitalist system.

Karl Marx in turn appropriated Ricardo's theory and developed it further. Most significantly, Marx distinguished between labor-power, which is the productive capacity owned by the worker and purchased by the capitalist, and labor itself, which is the worker's productive activity and the source of a commodity's exchange-value.

The purpose of this "labor theory of value" is to explain how prices arise, how exchange is regulated, and how class relations develop in a capitalist system. It is therefore an explanatory principle, reflecting Marx's understanding of the historically evolved facts about capitalist economies. Unfortunately, the theory is frequently misinterpreted as a normative statement about how commodities SHOULD be valued.

This misinterpretation caused immediate dismay among 18th century capitalists. After all, if their efforts did not contribute to commodity prices, what justified their claims to profits? More recently it has caused consternation among environmentalists, for a similar unfounded reason: if nature does not contribute to human wealth, where is the justification for valuing and preserving nature?

A typical example of the environmentalist error appeared recently in these pages. In his "Economic Philosophy and Green Electoralism," David Orton writes, "Deeper Greens not only see Nature as having value in itself but also see Nature as the principal source of human wealth - not labor power as in Marxism." (S-R 37, Spring 2005, p. 26)

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In the first part of this statement I would replace "value" with "inherent worth," for the reasons cited above. The second part of the statement is simply wrong. Marx does not ascribe the source of wealth principally to human effort, but to the equal contributions of humankind and nature. He quoted the early classical economist William Petty in relation to wealth: "labor is its father and the earth its mother." (*Capital Vol. 1*, Progress Publishers, p. 50). Orton goes further astray by citing "labor power," which Marx used to explain capitalist class relations, not wealth.

Returning to terminology, I would urge environmentalists to use "exchange-value" for the relationship between two commodities in exchange. Whether they adhere to the labor theory of value to explain this relationship is a different matter.

Let me summarize the suggestions made here.

First, the non-economic uses of "value" and "values" can be allowed to stand. In almost all cases, context will clearly establish our intended meanings.

Second, Deep Ecology should avoid the term "intrinsic value" because an accepted alternative exists, and because "value" is an indispensable term in the economic context, for which it should be reserved to the extent possible.

Third, we should use "monetary value" for the market valuation of an asset, "use-value" for the subjective valuation of a commodity, and "exchange-value" for the factors underlying commodity prices and exchange.

Agreement on these terms, and their broad adoption in Green economic discourse, will provide a solid basis for intellectual progress, and will help us identify conceptual errors and factual distortions.

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