

A Chapter in the Philosophy of Value

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American Journal of Sociology, vol. 5, 1900

The fact of economic exchange confers upon the value of things something super-individual. It detaches them from dissolution in the mere subjectivity of the agents, and causes them to determine each other reciprocally, since each exerts its economic function in the other. The practically effective value is conferred upon the object, not merely by its own desirability, but by the desirability of another object. Not merely the relationship to the receptive subjects characterizes this value, but also the fact that it arrives at this relationship only at the price of a sacrifice; while from the opposite point of view this sacrifice appears as a good to be enjoyed, and the object in question, on the contrary, as a sacrifice. Hence the objects acquire a reciprocity of counterweight, which makes value appear in a quite special manner as an objective quality indwelling in themselves. While the object itself is the thing in controversy -- which means that the sacrifice which it represents is being determined -- its significance for both contracting parties appears much more as something outside of these latter and self-existent than if the individual thought of it only in its relation to himself. We shall see later how also isolated industry, by placing the workman over against the demands of nature, imposes upon him the like necessity of sacrifice for gaining of the object, so that in this case also the like relationship, with the one exception that only a single party has been changed, may endow the object with the same independent qualities, yet with their significance dependent upon its own objective conditions. Desire and the feeling of the agent stand, to be sure, as the motor energy behind all this, but from this in and of itself this value form could not proceed. It rather comes only from the reciprocal counterbalancing of the objects.

To be sure, in order that equivalence and exchange of values may emerge, some material to which value can attach must be at the basis. For industry as such the fact that these materials are equivalent to each other and exchangeable is the turning-point. It guides the stream of appraisal through the form of exchange, at the same time creating a middle realm between desires, in which all human movement has its source, and the satisfaction of enjoyment in which it culminates. The specific character of economic activity as a special form of commerce exists, if we may venture the paradox, not so much in the fact that it exchanges values as that it exchanges values. To be sure, the significance which things gain in and with exchange rests never isolated by the side of their subjective-immediate significance, that is, the one originally decisive of the relationship. It is rather the case that the two belong together, as form and content connote each other. But the Objective procedure makes an abstraction, so to speak, from the fact that values constitute its material, and derives its peculiar character from the equality of the same -- somewhat as geometry finds its tasks only in connection with the magnitude -- relations of things, without bringing into its consideration the substances in connection with which alone these relationships actually have existence. That thus not only

reflection upon industry, but industry itself, consists, so to speak, in a real abstraction from the surrounding actuality of the appraising processes is not so wonderful as it at first appears when we once make clear to ourselves how extensively human practice, cognition included, reckons with abstractions. The energies, relationships, qualities of things -- to which in so far our own proper essence also belongs -- constitute objectively a unified interrelationship, which is divided into a multiplicity of independent series or motives only after the interposition of our interests, and in order to be manipulated by us. Accordingly, each science investigates phenomena which possess an exclusive unity, and clean-cut lines of division from the problems of other sciences, only from the point of view which the special science proposes as its own. Reality, on the other hand, has no regard to these boundary lines, but every section of the world presents a conglomeration of tasks for the most numerous sciences. Likewise our practice dissects from the external or internal complexity of things one-sided series. Notice, for example, into how many systems a forest is divided. These in turn become objects of special interest to a hunter, a proprietor, a poet, a painter, a civic official, a botanist, and a tourist. The forest is objectively always the same. It is a real, indivisible unity of all the determinations and relationships out of which the interested parties select each a certain group, and make it into a picture of the forest. The same is the case with the great systems of interest of which a civilization is composed. We distinguish, for instance, interests and relationships as the ethical, the egoistic, the economic, the domestic, etc. The reciprocal weaving together of these constitutes actual life. Certain of these, however, dissociated from this concrete reality, constitute the content of the civic structure. The state is an abstraction of energies and reciprocal actions which, in the concrete, exist only within a unity that is not separable into its parts. Again, in like manner, pedagogy abstracts from the web of cosmic contents into the totality of which the pupil is subsequently to enter certain ones, and forms them into a world which is completely abstract, in comparison with reality. In this world the pupil is to live. To what extent all art runs a 'division line of its own through the conditions of things, in addition to those that are traced out in the real structure of the objective world, needs no elaboration. In opposition to that naturalism which wanted to lead art away from the selective abstraction, and to open to it the whole breadth and unity of reality, in which all elements have equally rights, in so far as they are actual-precisely in opposition to this has criticism shown the complete impracticability of the tendency, and that even the extremest purpose, to be satisfied in art only with undifferentiated completeness of the object, must at last end in an abstraction. It will merely be the product of another selective principle. Accordingly, this is one of the formulas in which we may express the relation of man to the world, viz., from the unity and the interpenetration of things in which each bears the other and all have equal rights our practice not less than our theory constantly abstracts isolated elements, and forms them into unities relatively complete in themselves. Except in quite general feelings, we have no relationship to the totality of being. Only when in obedience to the necessities of our thought and action we derive perpetual abstractions from phenomena, and endow these with the relative independence of a merely subjective coherence to which the continuity of the world-movement as objective gives no room, do we reach a

relationship to the world that is definite in its details. Indeed, we may adopt a scale of values for our culture systems, according to the degree in which they combine the demands of our singular purposes with the possibility of passing over without a gap from each abstraction which they present to the other, so that a subsequent combination is possible which approximates that objective coherence and unity. Accordingly, the economic system of the world is assuredly founded upon an abstraction, that is, upon the relation of reciprocity and exchange, the balance between sacrifice and gain; while in the actual process in which this takes place it is inseparably amalgamated with its foundations and its results, the desires and the satisfactions. But this form of existence does not distinguish it from the other territories into which, for the purposes of our interests, we subdivide the totality of phenomena.

The objectivity of economic value which we assume as defining the scope of economics, and which is thought as the independent characteristic of the same in distinction from its subjective vehicles and consequences, consists in its being true of many, or rather all, subjects. The decisive factor is its extension in principle beyond the individual. The fact that for one object another must be given shows that not merely for me, but also for itself, that is, also for another person, the object is of some value. The appraisal takes place in the form of economic value.

The exchange of objects, moreover, in which this objectivication, and therewith the specific character of economic activity, realizes itself belongs, from the standpoint of each of the contracting parties, in the quite general category of gain and loss, purpose and means. If any object over which we have control is to help us to the possession or enjoyment of another, it is generally under the condition that we forego the enjoyment of its own peculiar worth. As a rule the purpose consumes either the substance or the force of the means, so that the value of the same constitutes the price which must be paid for the value of the purpose. Only within certain spiritual interests is that not the case as a rule. The mind has been properly compared to a fire, in which countless candles may be lighted without loss of its own peculiar intensity. For example, intellectual products sometimes (not always) retain for purposes of instruction their own worth, which does not lose any of its independent energy and significance by functioning as means to the pedagogical end. In the case of causal series in external nature, however, the relationship is usually different. Here must the object, if on the one hand it is conceived immediately as valuable, and on the other hand as means to the attainment of another value, be sacrificed as a value in itself, in order to perform its office as means. This procedure rules all values the enjoyment of which is connected with a conscious action on our part. What we call exchange is obviously nothing but a special case of this typical form in human life. We must regard this, however, not merely as a placing of exchange in the universal category of creation of value; but, conversely, this latter as an exchange in the wider sense of the word. This possibility, which has so many consequences for the theory of value, will become clear by the discussion of the doctrine that all economic value consists in exchange value.

To this theory the objection has been made that even the quite isolated economic man -- he who neither sells nor buys -- must estimate his products and means of production according to their value, if expenditures and results are to stand in proper relation to each other. This objection, however, is not so

striking as it appears, for all consideration whether a definite product is worth enough to justify a definite expenditure of labor or other goods is, for the economic agent, precisely the same as the appraisal which takes place in connection with exchange. In confronting the concept, exchange, there is frequently the confusion of ideas which consists in speaking of a relationship as though it were something apart from the elements between which it plays. It means, however, only a condition or a change within each of these elements, but nothing that is between them in the sense of a spatial object that can be distinguished in space between two other objects. When we compose the two acts or changes of condition which in reality take place into the notion "exchange," the conception is attractive that something has happened in addition to or beyond that which took place in each of the contracting parties. Considered with reference to its immediate content, exchange is nothing but the twofold repetition of the fact that an actor now has something which he previously did not have, and on the other hand does not have something which he previously had. That being the case, the isolated economic man, who surely must make a sacrifice to gain certain products, acts precisely like the one who makes exchanges. The only difference is that the party with whom he contracts is not a second sentient being, but the natural order and regularity of things, which no more satisfy our desires without a sacrifice on our part than would another person. His appraisals of value, in accordance with which he governs his actions, are, as a rule, precisely the same as in the case of exchange; for the economic actor, as such, it is surely quite immaterial whether the substances or labor-energies in his possession are sunk in the ground or given to another man, if only there accrues to him the same result from the sacrifice. This subjective process of sacrifice and gain in the individual soul is by no means something secondary or imitative in comparison with inter-individual exchange; on the contrary, the give-and-take between sacrifice and accomplishment, within the individual, is the basal presumption, and at the same time the persistent substance, of every two-sided exchange. The latter is merely a sub-species of the former; that is, the sort in which the sacrifice is occasioned by the demand of another individual. At the same time, it can only be occasioned by the same sort of result for the actor so far as objects and their qualities are concerned. It is of extreme importance to make this reduction of the economic process to that which actually takes place, that is, in the soul of every economic agent. We must not allow ourselves to be deceived about the essential thing by the fact that in the case of exchange this process is reciprocal; that is, that it is conditioned by the like procedure in another. The main thing is that the natural and solitary economic transaction, if we may conceive of such a thing, runs back to the same fundamental form as two-sided exchange: to the process of equalization between two subjective occurrences within the individual. This is in its proper essence not affected by the secondary question whether the impulse to the process proceeds from the nature of things or the nature of man; whether it is a matter of purely natural economy or of exchange economy. All feelings of value, in other words, which are set free by producible objects are in general to be gained only by foregoing other values. At the same time, such sacrifice may consist, not only in that mediate labor for ourselves which appears as labor for others, but frequently enough in that quite immediate labor for our own personal purposes.

Moreover, those theories of value which discover in labor the absolute element of value accommodate themselves to this form of conception as to the higher and more abstract idea. Whoever labors sacrifices something which he possesses -- his labor-power, or his leisure, or his pleasure merely in the self-satisfying play of his powers -- in order to get in exchange for these something which he does not possess. Through the fact that labor accomplishes this it acquires value, just as, on the other side, the attained object is valuable for the reason that it has cost labor. In so far there is not the slightest ground to give labor a special position as contrasted with all other conditions of value. The difference between these is only of a quantitative nature. Labor is the most frequent object of exchange. In this assertion we forbear to enter into the discussion whether labor or labor-power, and in what form, constitute an object of exchange. Because labor is regarded as a sacrifice, as something painful, it is performed only when an object can be secured by it which corresponds to the eudaemonistic or some other demand. If labor were nothing but pleasure, the products that it wrings from nature would have no value whatever, provided we disregard the difference in abundance of objects. On the contrary, if objects that satisfy our desires came to us of their own accord, labor would have no more value. Thus on the whole we may say that, considered from the standpoint of value, every economic transaction is an exchange, and every single article of value furnishes its additional quota to the total value of life only after deduction of a certain sacrificed quantum of value.

In all the foregoing it is presupposed that a definite scale of value exists in the case of the objects, and that each of the two objects concerned in the transaction signifies, for the one contracting party the desired gain, for the other the necessary sacrifice. But this presumption is, as a matter of fact, much too simple. If, as is necessary, we regard economic activity as a special case of the universal life-form of exchange, as a sacrifice in return for a gain, we shall from the beginning suspect something of what takes place within this form, namely, that the value of the gain is not, so to speak, brought with it, ready-made, but it accrues to the desired object, in part or even entirely, through the measure of the sacrifice demanded in acquiring it. These cases, which are as frequent as they are important for the theory of value, seem, to be sure, to harbor an essential contradiction; for they require us to make a sacrifice of value for things which in themselves are worthless. As a matter of course, no one would forego value without receiving for it at least equal value; and, on the contrary, that the end should receive its value only through the price that we must give for it could be the case only in a crazy world. This is now, for immediate consciousness, correct. Indeed, it is more correct than that popular standpoint is apt to allow in other cases. As a matter of fact, the value which an actor surrenders for another value can never be greater for this actor himself, under the actual circumstances of the moment, than the one for which it is given. All contrary appearances rest upon confusion of the value actually estimated by the actor with the value which the object of exchange in question usually has. For instance, when one at the point of death from hunger offers a jewel for a piece of bread, he does it only because the latter, under the given circumstances, is of more value to him than the former. Particular circumstances, however, are necessary in order to attach to an object a valuation, for every such valuation is an

incident of the whole complex system of our feelings, which is in constant flux, adaptation, and reconstruction. Whether these circumstances are exceptional or relatively constant is obviously in principle a matter of indifference. There can be no doubt, at any rate, that in the moment of the exchange, that is, of the making of the sacrifice, the value of the exchanged object forms the limit which is the highest point to which the value of the sacrificed object can rise. Quite independent of this is the question whence that former object derives its so necessary value, and whether it may come from the objects that are to be sacrificed for it, so that the equivalence between gain and price would be established at once a posteriori, and by the latter. We shall see presently how often value comes into existence, psychologically, in this apparently illogical manner. If, however, it is once in existence, the psychological necessity exists in its case, not less than in that of value constituted in any other way, of regarding it as a positive good at least equal to the negative good sacrificed for it. In fact, there is a series of cases in which the sacrifice not merely raises the value of the aim, but even produces it. It is the joy of exertion, of overcoming difficulties, frequently indeed that of contradiction, which expresses itself in this process. The necessary detour to the attainment of certain things is often the occasion, often also the cause, of regarding them as valuable. In the relationships of men to each other, most frequently and evidently in erotic relations, we notice how reserve, indifference, or repulse inflames the most passionate desire to conquer in spite of these obstacles, and spurs us to efforts and sacrifices which, without these obstacles, would surely seem to us excessive. For many people the aesthetic results of ascending the high Alps would not be considered worth further notice, if it did not demand extraordinary effort and danger, and if it did not thereby acquire tone, attractiveness, and consecration. The charm of antiquities and curiosities is frequently no other. If no sort of aesthetic or historical interest attaches to them, a substitute for it is furnished by the mere difficulty of acquiring them. They are worth just what they cost. This, then, appears secondarily to mean that they cost what they are worth. Furthermore, all moral merit signifies that for the sake of the morally desirable deed contrary impulses and wishes must be fought down and sacrificed. If the act occurs without any conquest, as the matter-of-course outflow of unrestrained impulse, it is not appraised so high in the scale of subjective moral value, however desirable objectively its content may be. In this latter case we are not moral in any other sense than the flower is beautiful; we do not reckon the beauty of the flower as an ethical merit. Only through the sacrifice of the lower and still so seductive good is the height of moral merit attained, and a more lofty height, the more attractive the temptation and the deeper and more comprehensive the sacrifice. We might array illustrations, beginning with the ordinary selfishness of the day, the overcoming of which alone rewards us with the consciousness of being somewhat worthy, and rising to that force of logic whose sacrifice in favor of belief in the absurd seemed to the schoolmen an extreme religious merit. If we observe which human achievements attain to the highest honors and appraisals, we find it to be always those which betray a maximum of humility, effort, persistent concentration of the whole being, or at least seem to betray these. In other words, they seem to manifest the most self-denial, sacrifice of all that is subsidiary, and of devotion of the subjective to the objective ideal. And if, in

contrast with all this, aesthetic production and everything easy, inviting, springing from the naturalness of impulse, unfolds an incomparable charm, this owes its special quality still to the undefined feeling of the burdens and sacrifices which are usually the condition of gaining such things. The mobility and inexhaustible power of combination of our mental content frequently brings it about that the significance of a correlation is carried over to its direct converse, somewhat as the association between two ideas occurs equally when they are asserted or denied of each other. The specific value of anything which we gain without conquered difficulty and as the gift of fortunate accident is felt by us only on the ground of the significance which the things have for us that are gained with difficulty and measured by sacrifice. It is the same value, but with the negative sign, and this is the primary from which the other may be derived; but the reverse is not the case.

If we look for an occurrence of this relationship within the economic realm, it seems to be demanded, in the first place, that we shall in thought separate the economic element, as a specific difference or form, from the fact of value as the universality or the substance of the same. If for the present we take value as a datum, and not now to be discussed, it is at least, in accordance with all the foregoing, not doubtful that economic value as such does not accrue to an object in its isolated self-existence, but only through the employment of another object which is given for it. Wild fruit picked without effort, and not given in exchange, but immediately consumed, is no economic good. It can count as such only when its consumption saves some other sort of economic expense. If, however, all the demands of life were to be satisfied in this fashion, so that no sacrifice was at any point necessary, men would simply not engage in industry, any more than do the birds or the fishes, or the denizens of fairy-land. Whatever be the way in which the two objects, A and B, came to have value, A came to have an economic value only through the fact that I must give B for it, B only through the fact that I can receive A for it. In this case, as above stated, it is in principle indifferent whether the sacrifice takes place by means of the transfer of a thing of value to another person, that is, through inter-individual exchange, or within the circle of the individual's own interests, through a balancing of efforts and results. In the articles of commerce there is nothing to be found but the significance which each has, directly or indirectly, for our need to consume, and the give-and-take that occurs between them. Since, now, as we have seen, the former does not of itself suffice to make the given object an object of economic activity, it follows that the latter alone can supply to it the specific difference which we call economic.

If thus, under the preliminary assumption of an existing value, the economic character of the same coincides with the offer of another object for it, and of it for the other object, there arises the further question whether this separation between the value and its economic form is necessary and possible. As a matter of fact, this artificially dividing abstraction finds in reality no counterpart. In the economic value the economic is as little sundered from the value as in the economic man the economist is sundered from the man. To be sure, man is possible in times and relations in which he does not pursue economic activity. The latter, however, is not possible without being accomplished by men, in absolute unity with them, and only in unreal conceptual abstraction is it to be sundered from them. Thus there are enough objects of value which are not economic,

but there are no objects of economic value which are not also valuable in every relation in which they are economic. What is true of the industry, as economic as such is, therefore, true of the values of every condition or quality or function is necessarily a condition or quality or function of that general object to which this quality or function pertains. The economic form of the value stands between two boundaries: on the one hand, the desire for the object, which attaches itself to the anticipated feeling of satisfaction from its possession and enjoyment; on the other hand, to this enjoyment itself, which, exactly considered, is not an economic act. That is, so soon as we concede, as is universally the case, what was just now discussed, namely, that the immediate consumption of wild fruits is not an economic procedure, and therefore the fruits themselves have no economic value (except in so far as they save the production of economic values), then the consumption of values properly economic is no longer economic, for the act of consumption, in this last case, is not to be distinguished absolutely from that in the first case. Whether the fruit which one eats has been found accidentally, or stolen or bought, makes not the slightest difference in the act of eating itself, and in its direct consequences for the eater. Between desire and consumption lies the economic realm in unnumbered interrelationships. Now, economic activity appears to be an equalization of sacrifices and gains (of forces or objects), a mere form in the sense that it presupposes values as its content, in order to be able to draw them into the equalizing movement. But this appearance is not invincible. It will rather appear that the same process which constructs into an industrial system the values given as presuppositions itself produces the economic values.

To see this we need only remind ourselves in principle of the fact that the object is for us not a thing of value, so long as it is dissolved in the subjective process as an immediate stimulator of feelings, and thus at the same time is a self-evident competence of our sensibility. The object must first be detached from this sensibility, in order to acquire for our understanding the peculiar significance which we call value. For it is not only sure that desire, in and of itself, can never establish a value if it does not encounter obstacles. But if every desire could find its satisfaction without struggle and without diminution, an economic exchange of values would never come into existence. Indeed, desire itself would never have arisen to any considerable height if it could satisfy itself thus. It is only the postponement of the satisfaction through obstacles, the anxiety lest the object may escape, the tension of struggle for it, which brings into existence that aggregate of desire elements which may be designated as intensity or passion of volition. If, however, even the highest energy of desire were generated wholly from within, yet we would not accord value to the object which satisfies the desire if it came to us in unlimited abundance. The important thing, in that case, would be the total enjoyment, the existence of which guarantees to us the satisfaction of our wishes, but not that particular quantum of which we actually take possession, because this could be replaced quite as easily by another. Our consciousness would in this case simply be filled with the rhythm of the subjective desires and satisfactions, without attaching any significance to the object mediating the satisfaction. The desire, therefore, which on its part came into existence only through an absence of feelings of satisfaction, a condition of want or limitation, is the

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