

**Misrepresentations and Inaccuracies in
Jesse Lopes and Chris Bryon, “Phenomenology, Scientific Method and
the Transformation Problem” (*Historical Materialism*, 30:1, May 2022)**

Andrew Kliman

July 26, 2023; typos corrected on July 30, 2023

I have requested that the journal and the publisher (Brill) retract the article in question, because it contains serious misrepresentations and inaccuracies. The article’s content is flawed to such an extent that many of its findings and conclusions, including its main ones, cannot be relied upon. The present document lists and discusses the misrepresentations and inaccuracies in the article that I have identified.

This list may well be incomplete. I have refrained from listing statements in the article that pertain to matters about which I do not feel qualified to pass judgment, and those that put forward interpretations of Marx’s texts that are implausible but not clearly incorrect.

Citation key: Subsequent references to the article in question cite it by means of the acronym PSM&TP and page numbers. References to volumes 1 and 3 of Karl Marx’s *Capital* cite the page numbers in the Penguin editions. References to my Jan. 17, 2023 essay in *With Sober Senses*, “Value, Price & Prattle,”¹ in which I first made the request for retraction, cite section numbers.

* * *

1. PSM&TP, p. 209 (abstract): The authors say that Marx used “science and phenomenology”—but not mathematics as well—to resolve the “transformation problem,” that “Marx needs no amending,” and that a mathematical solution to the problem is a “misapprehension of the relation” between his theory and phenomena.

This central thesis is inaccurate. Marx presented his solution (in *Capital*, vol. 3, chap. 9) by means of numerical tables and discussion of them. His arguments referred repeatedly to magnitudes, quantitative differences between magnitudes, and equality of magnitudes. In the next chapter, which deals with the same issue, he called a key feature of this solution a “mathematically exact demonstration” (*Capital*, vol. 3, p. 300). (See section 2 of “Value, Price & Prattle” for further discussion.)

2. PSM&TP, p. 211 (2nd paragraph of main text of article): The authors refer to the “distinction between cost-price and price” that is supposedly “already present” at the start of *Capital*, vol. 3:

¹ Available at <https://www.marxisthumanistinitiative.org/economics/value-price-prattle-a-response-to-lopes-byron-and-historical-materialism.html> .

Capitalists, we are told, conflate cost-price with the true price of a commodity because they are not consciously aware of the unpaid labour (the surplus-value) that enters into the actual price of their product. As a result, “the cost price of the commodity *necessarily appears* to [the capitalist] as the actual cost of the commodity itself”. [emphasis and square brackets in original]

These claims are not accompanied by any qualifications, here or later.

By repeatedly substituting *price* for *value*, these claims misrepresent the text (*Capital*, vol. 3, pp. 117–118). The distinction that *Capital* discusses here is between cost price and value, not between cost price and price.² Marx argues that capitalists conflate a commodity’s cost price with its value, not with its price.³ He writes that surplus-value enters into the value, not the price, of the product.⁴ And he indicates that the commodity’s actual cost is its value, not its price (see note 2).

These misrepresentations are crucial to the article. Its claim that a mathematical solution is impossible is based on its contentions that value is “one *kind* of thing” while price is “another *kind* of thing,” and that this difference-in-kind was established at the start of *Capital*, vol. 3. “This heterogeneity means there will not be an equality between value and price in terms of which a transformation problem can be mathematically solved” (PSM&TP, p. 224, emphases in original). However, the alleged difference-in-kind is the result of the authors’ repeated substitutions of *price* for *value*, which obscure the fact that (in Marx’s text) *cost price* is not only a component of price; it is also a component of value.⁵ Given this fact, value and price are not heterogeneous in the authors’ sense. (See section 5 of “Value, Price & Prattle” for further discussion.)

3. PSM&TP, pp. 213, 214, 220: The “transformation problem” that the article discusses is about the relation between value and prices of production. The authors draw the following contrasts between them:

the transformation problem ... arises, precisely because *value is treated in the manner of price as a phenomenal-level datum*. But value is precisely *not a phenomenal-level datum*—it is ... an abstract origin intended to explain and unify various phenomenal-level appearances of prices, and prices are *data*. Value is not a datum but an explanatory force irreducible to data.

² “The capitalist cost price of the commodity is thus quantitatively distinct from its value or its actual cost price” (*Capital*, vol. 3, p. 118).

³ “This part of the value ... is therefore the cost price of the commodity, as far as he [the capitalist] is concerned” (*ibid.*).

⁴ “The portion of the commodity’s value that consists of surplus-value ...” (*ibid.*).

⁵ See, e.g., *Capital*, vol. 3, p. 118: “This part of the value of the commodity... is therefore the cost price ... If we call the cost price *k*, the formula $C = c + v + s$ is transformed into the formula $C = k + s$, or commodity value = cost price + surplus-value.”

The production price of a commodity ... is the *appearance*—the descriptive *datum*—resulting from, and expressive of, a properly *unobservable* value.

Phenomenologically, what is seen are ... prices of production (what it takes to get a normal rate of profit back on a commodity). Value, however, is *not* seen: it is an invisible theoretical hypothesis [emphases in original]

Thus, they contend that prices of production, unlike values, are seen (observable, visible) and non-hypothetical. This contention reinforces and makes more concrete the claim (discussed in point 2, above) that a mathematical solution to the “transformation problem” is impossible because prices of production and values are different *kinds* of things.

However, the contrast that the authors draw is incorrect. The particular prices that Marx called *prices of production* are not observable or otherwise perceptible by our senses. They are hypothetical magnitudes. *If* the rate of profit that businesses obtained *were* equal to the average rate of profit in the economy as a whole, *then* the prices at which they *would* sell their products *would be* prices of production (see the authors’ parenthetical statement in the last of the three quotations above). These are not the prices we encounter (“see”) in everyday life. (See section 4.2 of “Value, Price & Prattle” for further discussion.)

4. PSM&TP, p. 217: The authors contend that prices and values are incommensurable; they “do *not* have a common measure” (emphasis in original). This contention is important to their central thesis that the “transformation problem” has no mathematical solution. If prices and values were incommensurable, a mathematical solution would not be possible.

Since the paragraph on p. 217 says (twice) that the contrary view reflects a misunderstanding of “Marx’s scientific method,” it implies or at least strongly suggests that Marx’s theory itself regards value and price as incommensurable. That is not the case. The numerical tables in chapter 9 of *Capital*, vol. 3, chap. 9 and the fact that cost price is a component of both price and value (discussed in points 1 and 2, above, respectively) are just two of many pieces of evidence that Marx’s theory regards values and prices as commensurable and that Marx’s text treated them as such. In addition, money serves throughout *Capital* as a measure of value (see., e.g., *Capital*, vol. 1, chap. 3, sect. 1) and money is also the standard measure of price. Thus, in Marx’s theory, value and price have a common measure.

5. PSM&TP, pp. 218–228: This section of the article presents the authors’ interpretation of Marx’s solution to the “transformation problem.” It does not make sense. What the authors call a solution (and represent as a genuine solution) is merely a restatement of the problem.

They begin by noting, correctly, that “Marx is interested in squaring a well-known economic fact with his theory: the various spheres of production of a capitalist economy tend to return the same amounts of profit ... despite exploiting very different amounts of labour-power” (p. 218). Marx’s theory seems to contradict this fact.

Their interpretation of his solution begins by recognizing that the amount of profit a business receives generally differs from the amount of surplus-value it extracts in production. The authors then write,

In this case, surplus-value and profit are not identical. But this does not make any sense according to the theory because surplus-value and profit *are* identical. Therefore, they are both not identical *and* identical. This is a contradiction for the theory. The solution is of course that they really are identical *in theory*, but there is no way to prove this *in appearance* (a fortiori, no way to prove this *in terms of price*), beyond generally appealing to scientific method (as Marx does) [PSM&TP, p. 228, emphases in original]

The upshot is that the well-known economic fact that surplus-value and profit are not identical *has not been squared* with (the authors' version of) the theory, which says that they are identical. The supposed solution—they really are identical in theory, but there is no way to prove this in appearance—merely restates the problem at hand, the (apparent) contradiction between Marx's theory and the well-known economic fact.

To my knowledge, this “solution” is unique and unprecedented. It is certainly one of the article's main findings. But this finding is unreliable, since the “solution” is not a solution. (See section 3 of “Value, Price & Prattle” for further discussion.)

6. PSM&TP, p. 224: The article states,

Marx explicitly calls this transformation—the *primordial transformation of surplus-value into profit*—“qualitative”. He calls it “qualitative” arguably because the transformation here (the original transformation problem) is *not quantitative*—not a matter of an appearance transforming into an appearance but of an essence transforming into an appearance—a true qualitative transformation, from one *kind* of thing to another *kind* of thing. [emphases in original]

Perhaps the qualification “arguably” rescues this statement from being flat-out incorrect. But when the term “qualitative” is read in context, its import is the opposite of what the authors suggest. That is, Marx was not arguing that the “primordial” transformation altered the substance or essence of value, turning surplus-value into a completely different kind of thing, profit, with which it cannot be quantitatively compared. He was arguing that it was merely a qualitative transformation, one that did not affect the quantity of value in existence.⁶ The magnitude of profit remained equal to the magnitude of surplus-value. That equality is possible only because profit remains the same “kind of thing” as surplus-value—an amount of value. (See section 5 of “Value, Price & Prattle” for further discussion.)

⁶ “We saw in the first Part how surplus-value and profit were identical, seen from the point of view of their mass. ... [There was no] difference in magnitude ... between surplus-value and profit themselves. ... [U]p to this point, the distinction between profit and surplus-value simply involved a qualitative change, a change of form, [without] any actual difference in magnitude” (*Capital*, vol. 3, p. 267).

7. PSM&TP, pp. 227–228. The article claims that, in Marx’s theory, surplus-value and profit are “identical.” This claim plays a key role in the novel “solution” to the “transformation problem” it puts forward (see point 5 above). But the authors provide no textual evidence to support the claim, and I know of none. Provisionally, in the initial stages of his analysis in *Capital*, vol. 3, Marx did treat surplus-value and profit *as if* they were identical,⁷ but in the theory as fully expounded, they are clearly not identical. For example, chapter 9 of *Capital*, vol. 3, is premised on the fact that surplus-value and profit are not identical. In the chapter’s numerical tables, the amount of surplus-value extracted in each branch of production differs from the amount of profit it receives; only in the aggregate economy are the amounts of surplus-value and profit equal (but still non-identical).

8. PSM&TP, p. 229: The authors claim to support the interpretation that values and prices in Marx’s theory constitute a single system, not two discordant systems: “*Capital* is about a single system,” not “a system of prices and another system of values.” However, they actually do not support the single-system interpretation, because they misuse the terms *single system*, and its opposite, *dual system*. That is, they employ idiosyncratic definitions that are not identified as such. I know that their definitions are idiosyncratic, not the standard definitions, because I am the originator of the terms.

In *Reclaiming Marx’s “Capital”* (pp. 24–25, emphases in original),⁸ I noted that

Marx distinguishes between price and value in two different ways. ...

One distinction is between two ways of *measuring* value. Marx ... holds that value has two measures, money and labor-time. ...

The other distinction between “value” and “price” is *quantitative*. In this context, if we are speaking of a firm’s or industry’s output, “value” refers to the sum of **value produced** within a firm or industry—the value transferred plus the new value added—while “price” refers to the sum of **value received** by the firm or industry.

The terms *single system* and *dual system* refer (only) to the latter, quantitative, distinction between value and price. When introducing the terms in *Reclaiming Marx’s “Capital”* (p. 32, emphasis in original), I emphasized that “[t]he relevant distinction between values and prices here is the *quantitative* one.”

In contrast, the authors of the article use the terms *single system* and *dual system* to refer to the former distinction, between money and labor-time measures of value. In other words, they characterize the existence of two measures of value as the existence of two “systems”—a “price”

⁷ See Marx’s comment about this later in the volume (*Capital*, vol. 3, p. 267).

⁸ Andrew Kliman, *Reclaiming Marx’s “Capital”: A Refutation of the Myth of Inconsistency*. Lanham, MD: Lexington Books, 2007.

(i.e., money) system and a “value” (i.e., labor-time) system.⁹ This is just a misapplication of what the term *system* means in the present context. Single- and dual-system interpretations are about systems of value and price determination, but the authors are instead talking about “systems” of measurement. (See sections 6.1 and 6.2 of “Value, Price & Prattle” for further discussion.)

9. PSM&TP, p. 230: The authors mischaracterize certain single-system interpretations of Marx’s value theory, claiming that these interpretations are in fact dual-system ones (see note 9). This claim is a direct consequence of the article’s employment of idiosyncratic definitions that are not identified as such (see point 8 above). On the standard definitions of the terms, the fact that the authors point to, about quantification of values, has no bearing on whether an interpretation is a single- or dual-system one.

10. PSM&TP, p. 230: The authors challenge my statement that “Marx ... holds that value has two measures, money and labor-time” (*Reclaiming Marx’s “Capital,”* p. 24), and the evidence I cited to support it, a passage on the first page of chapter 3 of *Capital*, vol. 1. They write, “[a]ll Marx claims in that section is that ‘money as a measure of value is the necessary *form of appearance* of the measure of value which is immanent in commodities, namely labour time’. Yet, he *never* states that labour-time *is also a measure*” (emphases in original). Thus, the authors conclude that a sentence in which Marx states that labor-time *is* a measure (the measure of value which is immanent in commodities) *does not* state that labor-time is a measure. This conclusion is clearly untenable.

Other passages in *Capital* also contradict the statement that Marx never stated that labor-time is a measure. He affirmed from the outset, in the first section of the entire work, that labor is a measure of value.¹⁰ In chapter 19 of that volume, he reiterated this point, writing that “[l]abour is the substance, and the immanent measure of value, but it has no value itself” (*Capital*, vol. 1, p. 677). (See section 6.3 of “Value, Price & Prattle” for further discussion.)

11. PSM&TP, p. 231: The article questions the existence of other evidence I cited to support the claim that Marx holds that value has two measures. On p. 24 of *Reclaiming Marx’s “Capital,”* I wrote that Marx “generally measures commodities’ values in terms of money, but he sometimes measures them in terms of labor-time, and occasionally he compares the two.” I then cited

⁹For example, they write, “in identifying values with quantitative labour-times, Kliman and Moseley are referring us to a second system under the guise of a reduction. That is, ... they ... quantify values, which gives us a ‘system’ of ‘values’” (PSM&TP, p. 230). And, in response to my statement that “Marx ... holds that value has two measures, money and labor-time,” they allege: “So, according to Kliman, Marx seemingly *does* have two quantified systems” (*ibid.*, emphasis in original).

¹⁰ “A use-value, or useful article, therefore, has value only because abstract human labour is objectified or materialized in it. How, then, is the magnitude of this value to be measured? By means of the quantity of the value-forming substance, the labour, contained in the article. This quantity is measured by its duration, and the labour-time is itself measured on the particular scale of hours, days[,] etc.” (*Capital*, vol. 1, p. 129).

Capital, vol. 3, p. 266 as evidence for the claim made in my final clause. The authors respond that they “have referenced that page numerous times, and the reader is asked to examine it carefully, because we have no idea what Kliman is talking about. Based on textual evidence alone we believe Kliman is *imposing* labour-time as a measure” (PSM&TP, p. 231, emphasis in original).

The relevant passage on *Capital*, vol. 3, p. 266 is:

In all periods shorter than this, therefore, and even then leaving aside fluctuations in market prices, a change in prices of production is always to be explained *prima facie* by an actual change in commodity values, i.e. by a change in the total sum of labour-time needed to produce the commodities. We are not referring here, of course, to a mere change in the monetary expression of these values. [Bloßer Wechsel im Geldausdruck derselben Werte kommt hier selbstredend gar nicht in Betracht: Mere changes in the monetary expression of the same values are of course not considered here.]

This statement discusses commodities’ values measured in terms of money (“the monetary expression of these values”) and measured in terms of labor-time (“the total sum of labour-time needed to produce the commodities”). It also compares the two measures. First, “an actual change in commodity values” is defined as a change in values measured in terms of labor-time, not as a change in values measured in terms of money. Second, Marx says that short-term changes in prices of production are almost always the result of changes in values measured in terms of labor-time, while changes in values measured in terms of money are not relevant in the present context.

12. PSM&TP, p. 231–2: The authors assert that Marx did not convert quantities of labor-time into equivalent quantities of money or vice versa. After noting that many theorists employ “a ‘conversion factor’ dubbed MELT (The Monetary Expression of Labour Time),” they write,

We believe that MELT has no basis in Marx’s work, despite their claims to the contrary.

Kliman argues that Marx “frequently employed such a [conversion] factor” and cites Part 2 of Chapter 7 of *Capital* Volume I. No such conversion factor exists in that chapter To be blunt, the chapter has absolutely nothing to do with employing some conversion factor. ...

If Marx “frequently” used such a conversion factor as MELT, why is only one inaccurate citation provided? [parenthetical expression in original]

Marx did not use the term monetary expression of labor-time, and he generally did not explicitly state its numerical value. However, my citation is accurate—he did *employ* this conversion factor throughout the second section of chapter 7 of *Capital*, vol. 1; it does *exist* there. See section 6.5 of “Value, Price & Prattle,” which shows that many of Marx’s numerical results in the second section follow from his employment of a MELT that is equal to one-half shilling per labor-hour.

Marx's employment of this conversion factor was indeed frequent. In *Reclaiming Marx's "Capital,"* I provided only one citation because I didn't feel the need to belabor the obvious. In section 6.6 of "Value, Price & Prattle," I discussed a second passage (the start of *Capital*, vol. 3, chap. 13) in which Marx employed the conversion factor. Many additional instances could be cited.

13. PSM&TP, p. 232: The authors write,

Kliman also argues that once one accepts MELT, and Marx's usage of these conversion factors, we can see that Marx also has implicit in his work a second rate of profit, giving us the "value rate of profit" and the "price rate of profit." How is this not two systems? A mistake that started out as a snowflake, a misreading of a certain section, is quickly turning into a snowballing avalanche.

I have never suggested that one needs to "accept" the MELT to recognize that there are two rates of profit implicit in Marx's work, and the article provides no evidence for that claim. The MELT is relevant to the measurement of value. It is not relevant to the existence of two rates of profit in Marx's work, or to the difference between them, because that difference is quantitative.

Although the authors deny that "Marx also has implicit in his work a second rate of profit," one only needs to look at the second and third tables in chapter 9 of *Capital*, vol. 3 to see that two different sets of rates of profit are reported in these tables. Since their article discussed these tables at some length (PSM&TP, pp. 218ff), the evidence was right before the authors' eyes. The "value rates of profit" are reported in the fourth column of the second table; the "price rates of profit" are reported in the sixth column of the third table. These two sets of rates of profit are the rates of profit of the same set of branches of production, I through V. Yet each branch's "value rate of profit" differs from its "price rate of profit."

* * *

Points 8 through 13 all pertain to inaccuracies in the article associated with its attempt to deny that commodities' values are measurable (in the same sense in which their prices are measurable). If this denial were successful, it would lend crucial support to the article's key claims that value and price are different kinds of things and not commensurable and that a mathematical solution to the "transformation problem" is therefore impossible (see points 1, 3, and 4 above).

As I have indicated above, the inaccuracies identified in points 1 through 4 and point 6 also pertain to the article's main thesis that such a solution is impossible. The remaining two points, 5 and 7, discussed the unreliability of another main finding of the article, its novel "solution" to the "transformation problem."