

*Reasons for why "relations between persons acquire the fantastic form of a social relation between things:"*

1. Workers are scattered and cannot coordinate production as a self-conscious collectivity.
2. This means that to satisfy her needs, a worker must first exchange her labor power for money and then exchange money for the commodities that she wants.
3. This is just really a roundabout way of exchanging the value of the commodities that she produces for the capitalist for the commodities that she needs.
4. The process of exchange leads the worker to compare the respective values of different commodities as *ratios* of the quantity of one commodity to the quantity of the other (mediated by the medium of money).
5. This creates the illusion that commodities share some abstract quality referred to as value and that this value is inherent in their status as commodities. This is "commodity fetishism."
6. However, what the consumer is doing when comparing the ratio of one commodity to another is *really* comparing ratios of the value of labor power responsible for the existence of that commodity to the value of labor power responsible for the existence of the other commodity.
7. Because the value (not the price!\*) of labor power is determined by a *relation between persons* (the arrangement of the forces of production between the capitalist and the worker) the value of labor comes to appear as a relation between things (the ratio of the quantity of a commodity as compared to another).

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\* The *price* of labor (or the wage) is determined by the usual "vulgar economic" (read neoclassical) mechanism of supply and demand. This is to be kept strictly distinct from the *value* of labor. The value of labor, rather than being determined by the "superficial" process of supply and demand is instead *inherently* connected to the way in which the worker changes raw materials into commodities that have the potential to become a use value for another person and which acquire an exchange value when a (legal, institutional, etc.) framework exists in which ratios of different commodities can be compared to one another.

8. If workers/consumers would not be scattered and fragmented they could easily see that a commodity's "value" is simply the value of their own labor power as compared to the value of other people's labor power.
9. This means that under capitalism and the system of exchange values, anybody's labor power is comparable to anybody else's. This is the notion of "abstract labor."
10. The existence of abstract labor is something that is only possible in a capitalist system in which workers are allowed to "freely" exchange their labor power with any capitalist. In all previous systems (feudal, petty capitalist, slavery, etc.) workers' respective labor powers were not commensurable and therefore abstract labor did not exist.
11. Because the value of the labor power of all worker under capitalism is set by the arrangement of productive forces (including the "frozen" labor of other workers embodied in "fixed" capital), then this value is not an inherent and unchangeable property of things ("commodity fetishism"), but a contingent and changeable property of human social arrangements.