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1

Why Marx? A Story of Capital

It is the ultimate aim of this work to reveal the economic law of motion of modern society ...

Karl Marx (1977: 92)

Why bother to talk about Marx or Marxism in the twenty-first century? Marx wrote in the nineteenth century, and a lot has changed since then – not the least of which is capitalism. So, rather than resurrect a long-dead economist who studied nineteenth-century capitalism in Western Europe, why not just look at what modern economists have to say, or, if we don't like that, why not do what Marx himself did – analyse the *modern* economic system?

These are legitimate questions to pose. For now, let me offer two answers. Firstly, Marxism is more than an economic theory. At its core, Marxism rejects any society based upon exploitation and any society that limits the full development of human potential. Thus, determination of fundamental social decisions in accordance with private profits rather than human needs is among the specific reasons that Marxists oppose capitalism. That resources and people can be underutilized and unemployed when they could be used to produce what people need; that our natural environment, the basic condition of human existence, can be rationally destroyed in the pursuit of private interests; that we can speak of justice when ownership of the means of production (our common heritage) permits a portion of society to compel people to work under conditions that violate their humanity; that people will be divided by gender, race, nationality, etc. because of the benefits accruing to capitalists when coalitions among the underlying population are thwarted – all these 'rational' characteristics of capitalism are viewed by

a Marxist as inherent in the very nature of capital and count among the reasons to struggle to go beyond capital.

My second answer relates specifically to Marxism as economic theory – there has never been an analysis of capitalism (past and present) as powerful and insightful as that of Marx. Nor is there an analysis of the system that is more important for people living within it *today* to understand. Perhaps the best way to begin to communicate this is to tell a story about capitalism drawn from Marx's *Capital* (supplemented by his notebooks and drafts for that work). My specific concern here is to describe 'the economic law of motion' of capitalism as developed in *Capital*. In my view, *Capital* provides a powerful account of the dynamics of the system; however, as we will see in subsequent chapters, I consider this tale problematical in significant respects and, indeed, to be only *part* of the story.

I Capitalist relations of production

If we want to understand a society, Marx stressed, we need to grasp the character of its relations of production. Accordingly, to understand capitalist society, we must focus upon its distinguishing characteristic, its unique relationship between capitalists and wage-labourers. Capitalism is a market economy but it requires as a historical condition not only the existence of commodities and money but also that the free worker is 'available, on the market, as the seller of his own labour-power' and is, indeed, 'compelled to offer for sale as a commodity that very labour-power which exists only in his living body' (Marx, 1977: 272–4). Further, central to capitalist relations of production is that the purchaser of the worker's ability to perform labour is the capitalist: 'the relations of capital are essentially concerned with controlling production and... therefore the worker constantly appears in the market as a seller and the capitalist as a buyer' (Marx, 1977: 1011).

These historical conditions do not drop from the sky. For them to be satisfied, there are several requirements. Two that Marx identified explicitly in *Capital* are: (1) that the worker is free (i.e., that she has property rights in her own labour-power, is its 'free proprietor'); and (2) that the means of production have been separated from producers and thus the worker is 'free' of all means of production that would permit her to produce and sell anything other than her labour-power (Marx, 1977: 271–2). A third requirement (implicit in *Capital*) is that capitalists are not indifferent as to whether they rent out means of production or purchase labour-power – that is, that capital has *seized possession of*

production, thereby compelling producers who are separated from the means of production to sell their labour-power.¹

Let us consider first the side of capital within this relation. It's no great insight to say that capitalists want profits. What Marx wanted to do, though, was to reveal what profits are and what capital is. Considering all forms of capital – both before and after the development of capitalist relations of production – he proposed that what is common to capitalists is that they enter the sphere of circulation with a certain value of capital in the form of money in order to purchase commodities and then sell commodities for *more* money. Their goal, in short, is to secure additional value, a surplus value: 'The value originally advanced, therefore, not only remains intact while in circulation, but increases its magnitude, adds to it a surplus value, or is valorized ...' (Marx, 1977: 252).

This is what Marx described as 'the general formula for capital': $M-C-M'$, that movement of value from money (M) to commodity (C) to more money (M'). While its purest manifestation is the case of the merchant capitalist who buys 'in order to sell dearer', Marx viewed the basic drive for surplus value as common to all forms of capital (1977: 256–7, 266). 'Capital', he commented, 'has one sole driving force, the drive to valorize itself, to create surplus value ...' (1977: 342).

Capital's impulse, its 'ought', however, is more than just the search for profit from a single transaction. The simple formula of $M-C-M'$ illustrates what is at the core of the concept of capital – *growth*. 'The goal-determining activity of capital', Marx declared, 'can only be that of growing wealthier, i.e. of magnification, of increasing itself.' By its very nature, capital is always searching and striving to expand. Whatever its initial starting point, the initial sum of capital, capital must drive beyond it – there is 'the constant drive to go beyond its quantitative limit: an endless process' (Marx, 1973: 270). The capitalist, he proposed, 'represents the absolute drive for self-enrichment, and any definite limit to his capital is a barrier which must be overcome' (Marx and Engels, 1994: 179). Indeed, every quantitative limit is contrary to the nature, the quality, of capital: 'it is therefore inherent in its nature constantly to drive beyond its own barrier' (Marx, 1973: 270).

As we will see, the *essence* of this story is that capital by its very nature has an impulse to grow which constantly comes up against barriers – both those external to it and those inherent within it – and that capital constantly drives beyond those barriers, positing growth again. Its movement is that of Growth–Barrier–Growth. 'Capital is the endless and limitless drive to go beyond its limiting barrier. Every boundary [*Grenze*] is and has to be a barrier [*Schranke*] for it' (Marx, 1973: 334).

But what is capital? Marx believed that in order to understand capital, we need to understand money. Commenting that bourgeois economists had never even attempted to solve 'the riddle of money' (1977: 139, 187), Marx demonstrated in his opening chapter, 'The Commodity', that the secret of money is that, as the universal equivalent of the labour in all commodities, it represents the social labour of a commodity-producing society.² By this logic, then, $M-C-M'$ represents a process whereby capitalists, who own the representative of a certain portion of society's labour, are able to obtain a claim on *more* of that labour via exchange.

How? Where does it come from? Marx was clear that, in the case of *pre*-capitalist relations, it came at the expense of the independent producers – for example, 'from the twofold advantage gained, over both the selling and the buying producers, by the merchant who parasitically inserts himself between them' (Marx, 1977: 267). Buying low to sell dearer here means that the merchant captures an additional portion of society's labour through a process of unequal exchange. Exploitation by capital here occurs outside capitalist relations of production.

Consider, however, capitalist relations, where the worker sells her ability to perform labour to the capitalist. Because she lacks the means of production to combine with her labour-power, her labour-power is not a use-value for her; accordingly, she offers her labour-power as a commodity in order to acquire the social equivalent of the labour within it – its value in the form of money. She is able to secure that equivalent because her labour-power is a use-value for someone else, the capitalist. Thus, the worker gets money (which she can use to purchase the articles of consumption she requires), and the capitalist gets to use her labour-power. Finally, for the purpose of analysis, Marx assumes that labour-power, like all other commodities, receives its equivalent; thus, unequal exchange is precluded as the explanation of the existence of surplus value. In these respects, labour-power is like other commodities.

There is something different, however, about the sale and purchase of labour-power. Unlike other commodities, that ability to perform labour is not separable from its seller – labour-power exists, after all, only in the living body of the worker. One effect is that the labour necessary to produce this commodity is the labour necessary to produce the worker herself, the sum of social labour (as represented by money) that enters into the worker's consumption. The other effect is that the worker must be present when the commodity she has parted with is consumed by its purchaser. Thus, rather than a separable commodity, what the worker really has sold is a specific property right, the right to dispose of her ability to perform labour for a specified period.

There is another difference concerning this particular transaction – the purchaser. The reason why the capitalist buys labour-power is not simply to consume it. His interest is not in the performance of labour itself (as in the case of an individual consumer for whom specific services are a use-value). After all, recall the concept of capital: $M-C-M'$. What the capitalist wants is added value, surplus value. 'The only use value, i.e. usefulness,' Marx commented, 'which can stand opposite capital as such is that which increases, multiplies and hence preserves it as capital' (Marx, 1973: 271). Thus, what the capitalist wants from the worker is surplus labour; and because (and only because) he anticipates that he will be able to compel the performance of surplus labour and that this surplus labour will be a source of enrichment, the worker's labour-power is a use-value for him.

How the capitalist gets that surplus value, though, is not in the sphere of exchange (as in the case of pre-capitalist relations). Rather, it occurs outside of the market transaction. Now that this transaction in which there was the exchange of equivalents is over, Marx noted, something has happened to each of the two parties. 'He who was previously the money-owner now strides out in front as a capitalist; the possessor of labour-power follows as his worker' (Marx, 1977: 280). And where are they going? They are entering the sphere of production, the place of work where the capitalist now has the opportunity to *use* that property right which he purchased.

II The sphere of capitalist production

So, what happens in production after labour-power has been purchased as a commodity by the capitalist? 'Firstly, the worker works under the control of the capitalist to whom his labour belongs' (Marx, 1977: 291). The goal of the capitalist determines the nature and purpose of production. And, *why* does the capitalist have this power over workers? Because this is the property right he purchased – the right to dispose of their ability to perform labour.

'Secondly, the product is the property of the capitalist and not that of the worker, its immediate producer' (Marx, 1977: 292). Workers, in short, have no property rights in the product that results from their activity. They have sold to the capitalist the only thing that might have given them a claim, their capacity to perform labour. The capitalist, accordingly, is the residual claimant – he is in the position both to compel the performance of surplus labour and also to reap its reward.

How does this occur? Come back to the question of the value of labour-power, to what the capitalist pays for the labour-power at his

disposal. ‘The value of labour-power’, Marx proposed, ‘can be resolved into the value of a definite quantity of the means of subsistence. It therefore varies with the value of the means of subsistence, i.e. with the quantity of labour-time required to produce them’ (Marx, 1977: 276). Thus, at any given time, there is a set of commodities that comprises the worker’s daily consumption bundle. If we know the general productivity of labour, the output per hour of labour, then we can calculate the hours of labour necessary to produce these requirements (which Marx called *necessary labour*):

$$w = U/q \quad (1.1),$$

where w , U and q are necessary labour, the worker’s consumption bundle and the productivity of labour, respectively. For any given standard of living (U), the higher the level of productivity (q) the lower will be the level of necessary labour (and its value-form, the value of labour-power).

It is simple, then, to identify the condition for capital to satisfy its drive for surplus value. Capital must find a way to compel workers to perform surplus labour, labour over and above necessary labour. We can represent this condition as follows:

$$s = d - w \quad (1.2),$$

where s and d are hours of surplus labour and the workday (in terms of length and intensity), respectively.³ If the worker provides more labour to the capitalist than is necessary to reproduce her at the given standard of necessity, then she performs surplus labour, ‘unpaid’ labour. The ratio of surplus to necessary labour (s/w) measures the degree of exploitation (and underlies the rate of surplus value, its value-form).

So, how does capital compel the performance of surplus labour? The story, of course, begins with that transaction in the sphere of circulation – where the worker has no alternative but to sell her labour-power and the capitalist only purchases labour-power if it can be a source of surplus value. However, the deed is done only in the sphere of capitalist production, where the worker works under the control of the capitalist. By using its power to extend or intensify the workday (d) and by increasing the level of productivity (q), capital can increase surplus labour, the rate of exploitation and the rate of surplus value.⁴ The story Marx proceeded to tell about developments in the capitalist sphere of production focused in turn upon these two variables – the workday and the level of productivity.

Capitalist production begins once capital formally subsumes workers by purchasing their labour-power. The capitalist now commands the

worker within this 'coercive relation' (Marx, 1977: 424). Since, however, this production initially occurs on the basis of the old, pre-existing mode of production (a labour process characterized, for example, by handicraft), the capitalist is initially limited to using this new relation of domination and subordination (the 'formal subsumption' of labour under capital) to increase the amount of labour performed by the worker:

The work may become more intensive, its duration may be extended, it may become more continuous or orderly under the eye of the interested capitalist, but in themselves these changes do not affect the character of the actual labour process, the actual mode of working (Marx, 1977: 1021).

The surplus value that results from an increase in the workday, Marx designated as *absolute surplus value* 'because its very increase, its rate of growth, and its every increase is at the same time an absolute increase of created value (of produced value)' (Marx and Engels, 1988b: 233).

Given capital's impulse to grow, it follows that capital will attempt to extend the workday without limit; its drive is to 'absorb the greatest possible amount of surplus labour'. Capital, Marx declared, is 'dead labour which, vampire-like, lives only by sucking living labour, and lives the more, the more labour it sucks' (Marx, 1977: 342). He describes how capital's 'werewolf-like hunger for surplus labour' (Marx, 1977: 353), its 'vampire thirst for the living blood of labour' (Marx, 1977: 367), means that it attempts to turn every part of the day into working time, 'to be devoted to the self-valorization of capital' (Marx, 1977: 375).

Yet, there are obvious barriers to capital's attempt to grow in this way. The day is only 24 hours long and can never be extended beyond that. Further, the worker needs time within those 24 hours to rest and to revive and, indeed, 'to feed, wash and clothe himself' (Marx, 1977: 341). Clearly, this checks capital's ability to generate absolute surplus value. Further, Marx notes that there are moral and social obstacles – 'the worker needs time in which to satisfy his intellectual and social requirements' (Marx, 1977: 341). Nevertheless, capital's tendency is to drive beyond all these: 'in its blind and measureless drive, its insatiable appetite for surplus labour, capital oversteps not only the moral but even the merely physical limits of the working day' (Marx, 1977: 375).

Left to itself, capital thus would usurp 'the time for growth, development and healthy maintenance of the body' in order to ensure 'the greatest possible daily expenditure of labour-power, no matter how

diseased, compulsory and painful it may be'; accordingly, it 'not only produces a deterioration of human labour-power by robbing it of its normal moral and physical conditions of development and activity, but also produces the premature exhaustion and death of this labour-power itself' (Marx, 1977: 375–6). In short, 'capital therefore takes no account of the health and length of life of the worker, unless society forces it to do so' (Marx, 1977: 381).

And, as Marx recounts about the limits placed upon the workday in nineteenth-century England, 'society' *did* force capital to find another way to grow. He describes the resistance of workers to the extension of the workday, the long period of class struggle in which workers attempted to maintain a 'normal' workday (Marx, 1977: 382, 389, 412) and, finally (with the support of representatives of landed property), the passage of the Ten Hours' Bill, 'an all-powerful social barrier by which they can be prevented from selling themselves and their families into slavery and death by voluntary contract with capital' (Marx, 1977: 416).

Under such circumstances, capital's 'insatiable appetite for surplus labour' compels it to attempt to grow in another way – by reducing necessary labour through increases in the productivity of labour. The growth of surplus value on this basis, one in which the necessary portion of the workday is 'shortened by methods for producing the equivalent of the wages of labour in a shorter time', Marx designated as *relative surplus value*. To generate this, however, capital must transform the mode of production that it has inherited, creating in the process 'a specifically capitalist mode of production'. More than just a social relation of domination and subordination increasingly emerges. Now, the worker is dominated technically by means of production, by fixed capital, in the production process. The formal subsumption of labour under capital is 'replaced by a real subsumption' (Marx, 1977: 645).

Initially, capital altered the mode of production by introducing manufacture – the development of new divisions of labour within the capitalist workplace. As the result of new forms of cooperation and individual specialization within the organism that became the capitalist workshop, productivity of labour advanced substantially. Yet, Marx pointed out that there were inherent limits to the growth of capital upon this basis. In particular, production remained dependent upon skilled craftsmen whose period of training was lengthy and who insisted upon retaining long periods of apprenticeship (Marx, 1977: 489). Manufacture (making by hand) as a method of production restricted the growth of capital because it was based upon the historical presupposition of the 'handicraftsman as the regulating principle of social production'.

With the introduction of machines, however, 'the barriers placed in the way of domination of capital by this same regulating principle' fell (Marx, 1977: 490–1).

Thus, capital's further alteration of the mode of production was based upon machinery and the factory system. Initially, its advance was limited because machine-builders themselves were 'a class of workers who, owing to the semi-artistic nature of their employment, could increase their numbers only gradually, and not by leaps and bounds' (Marx, 1977: 504). With the development of production of machines by machines, however, capital now created for itself 'an adequate technical foundation' (Marx, 1977: 506). Characteristic of the new factory system is its 'tremendous capacity for expanding with sudden immense leaps'; indeed, 'this mode of production acquires an elasticity, a capacity for sudden extension by leaps and bounds' (Marx, 1977: 579–80). This change, clearly, was not a random development – it was the way capital drove beyond a specific barrier; it is 'not an accidental moment of capital, but is rather the historical reshaping of the traditional, inherited means of labour into a form adequate to capital' (Marx, 1973: 694).

Adequate to capital insofar as barriers within production to the development of productivity and the generation of relative surplus value are transcended. Production is transformed into 'a process of the technological application of science' (Marx, 1977: 775). Now, necessary labour can be driven further and further downward (and relative surplus value up) as 'the accumulation of knowledge and of skill, of the general productive forces of the social brain, is thus absorbed into capital'.⁵ Thus, Marx proposed that 'capital has posited the mode of production corresponding to it,' once 'the entire production process appears as not subsumed under the direct skilfulness of the worker, but rather as the technological application of science' (Marx, 1973: 694, 699).

This is a mode of production adequate to capital, though, in another sense. In addition to increasing productivity, the machine permits the intensification of the workday, provides capital with 'the most powerful weapon for suppressing strikes, those periodic revolts of the working class against the autocracy of capital' (Marx, 1977: 562), solidifies the despotism of the capitalist workplace with the development of 'a barrack-like discipline' (Marx, 1977: 549), abolishes thinking in the workplace 'in the same proportion as science is incorporated in it as an independent power' (Marx, 1977: 799), and produces 'a surplus working population, which is compelled to submit to capital's dictates' (Marx, 1977: 532).

Thus, the story of capital within the sphere of production is that of its tendency to drive beyond all barriers. Capital's 'ceaseless striving' to

grow reveals its universalizing tendency, its historic mission in that it 'strives toward the universal development of the forces of production' (Marx, 1973: 325, 540). What can hold back capital?

III The capitalist sphere of circulation

One of the mistakes of classical political economy, Marx noted, was that it conceived of 'production as directly identical with the self-realization of capital', a view that fails to grasp that capitalist production is a unity of production and circulation (Marx, 1973: 410, 620). So far, all that we have been considering is the production of surplus value. Yet, as Marx pointed out, this is only 'the first act':

As soon as the amount of surplus labour it has proved possible to extort has been objectified in commodities, the surplus-value has been produced. But this production of surplus-value is only the first act in the capitalist production process ... Now comes the second act in the process (Marx, 1981b: 352).

In that second act, the commodities must be sold. The circuit that capital must pass through may be described as:

$$M-C \dots P \dots C'-M'$$

Beginning from its money-form (M), capital has purchased labour-power (C) and put it to work alongside means of production, generating within that production process (P) commodities pregnant with surplus value (C'). But, capital's goal is not C' – those commodities must make the mortal leap from C' to M' if that potential surplus value is to be made real.

Thus, whereas it looked previously as if the only obstacles to the growth of capital were in the sphere of production, it now transpires that capital by its very nature faces additional barriers to its growth – this time in the sphere of circulation. It encounters one 'in the available magnitude of *consumption* – of consumption capacity' (Marx, 1973: 405). If capital is to grow, it must drive beyond this barrier: 'a precondition of production based on capital is therefore the production of a *constantly widening sphere of circulation*' (Marx, 1973: 407). Accordingly, 'just as capital has the tendency on the one side to create ever more surplus labour, so it has the complementary tendency to create more points of exchange'. In short, the drive of capital to expand is present in the sphere of circulation as well as within production: 'the tendency to

create the *world market* is directly given in the concept of capital itself'. For capital, 'every limit appears as a barrier to be overcome' (Marx, 1973: 408).

Inherent in this concept of capital, this expanding, growing capital, is that it requires 'the production of new consumption'. And, it pursues this in three ways: (1) 'quantitative expansion of existing consumption', (2) 'creation of new needs by propagating existing ones in a wide circle' and (3) 'production of *new* needs and discovery and creation of new use values' (Marx, 1973: 408). All this is part of capital's 'civilizing' aspect; in its drive to expand, capital treats what were the inherent limits of earlier modes of production as mere barriers to be dissolved:

Capital drives beyond natural barriers and prejudices as much as beyond nature worship, as well as all traditional, confined, complacent, encrusted satisfactions of personal needs, and reproductions of old ways of life. It is destructive towards all of this and constantly revolutionizes it, tearing down all the barriers which hem in the development of the productive forces, the expansion of needs, the all-sided development of production, and the exploitation and exchange of natural and mental forces (Marx, 1973: 409–10, 650).

Yet, the barriers capital faces in the sphere of circulation are not only external – they are also inherent in its own nature. Capital must not only sell its products as commodities (which means that they must be use-values for purchasers who possess their equivalent in the form of money), but it also must return (this time as seller) to a sphere of circulation that is marked by capitalist relations of production. Thus, the realization of surplus value takes place:

within a given framework of antagonistic conditions of distribution, which reduce the consumption of the vast majority of society to a minimum level, only capable of varying within more or less narrow limits. It is further restricted by the drive for accumulation, the drive to expand capital and produce surplus-value on a larger scale (Marx, 1981b: 352–3).

Accordingly, Marx (1981b: 365) observed, there is a 'constant tension between the restricted dimensions of consumption on the capitalist basis, and a production that is constantly striving to overcome these immanent barriers'. And, here we see an additional characteristic of capitalist production. Capital's problem in the sphere of circulation is not

simply that it must expand the sphere of circulation but that it tends to expand the production of surplus value *beyond* its ability to realize that surplus value. The result is the tendency towards '*overproduction*, the fundamental contradiction of developed capital' (Marx, 1973: 415).

To describe overproduction as 'the fundamental contradiction' indicates the importance that Marx attributed to it. For Marx, the inherent tendency of capital for overproduction flows directly from capital's successes in the sphere of production – in particular, its success in driving up the rate of exploitation. What capital does in the sphere of production comes back to haunt it in the sphere of circulation. By striving 'to reduce the relation of this necessary labour to surplus labour to the minimum', capital simultaneously creates 'barriers to the sphere of exchange, i.e. the possibility of realization – the realization of the value posited in the production process' (Marx, 1973: 422). Overproduction, Marx (1968: 468) commented, arises precisely because the consumption of workers 'does not grow correspondingly with the productivity of labour'. And, the result? Periodic crises, those 'momentary, violent solutions for the existing contradictions, violent eruptions that re-establish the disturbed balance for the time being' (Marx, 1981b: 357):

The bourgeois mode of production contains within itself a barrier to the free development of the productive forces, a barrier which comes to the surface in crises and, in particular, in *overproduction* – the basic phenomenon in crises (Marx, 1968: 528).

Thus, capital produces its own specific barrier. It is not interested in production unless it is profitable production, production of surplus value that can be realized. If it succeeds too well in increasing surplus labour, 'then it suffers from surplus production, and then necessary labour is interrupted, because *no surplus labour can be realized by capital*'. Here we have a barrier unique to capitalist relations of production: 'capital contains a *particular* restriction – which contradicts its general tendency to drive beyond every barrier to production' (Marx, 1973: 421, 415). In this respect, 'the *true barrier* to capitalist production is *capital itself*' (Marx, 1981b: 358).

IV Barriers and limits

So, what is the story of capital we have developed so far? We see that capital contains within it both the tendency to grow and the tendency to erect barriers to growth. Unlike Ricardo (who saw only the side of

growth, thereby grasping ‘the positive essence of capital’) and Sismondi (who, seeing only the barriers, had ‘better grasped the limited nature of production based on capital, its negative one-sidedness’), Marx understood that capital by its very nature embraced both aspects and moved ‘in contradictions which are constantly overcome but just as constantly posited’ (Marx, 1973: 410–1). Indeed, he commented about capital that ‘in as much as it both posits a barrier *specific* to itself, and on the other side equally drives over and beyond *every* barrier, it is the living contradiction’ (Marx, 1973: 421).

Yet, the story is about more than the contradiction within capital. Critically, it is that capital *succeeds* in driving beyond all barriers and that its development occurs through this very process. This contradiction within capital, in short, is an essential part of its movement, impulse and activity.⁶ Thus, the creation of the specifically capitalist mode of production, the growing place of fixed capital, the growth of large firms, increasing centralization of capital, development of new needs and of the world market – all these critical developments emerge as the result of capital’s effort to transcend its barriers, to negate its negation. Even crises are ‘not permanent’ and are part of this process of development:

Capitalist production, on the one hand, has this driving force; on the other hand, it only tolerates production commensurate with the profitable employment of existing capital. Hence crises arise, which simultaneously drive it onward and beyond [its own limits] and force it to put on seven-league boots, in order to reach a development of the productive forces which could only be achieved very slowly within its own limits (Marx, 1968: 497n; 1971: 122).

To describe capital’s motion as the result of this impulse to drive ‘over and beyond *every* barrier’ is, of course, to suggest an endless, limitless process, an *infinite* process. Given what we know about Marx, though, how can we possibly present this as his story of capital? Capitalism as infinite? Yet, this is not at all a misreading. It was not accidental that Marx used these terms, distinguishing clearly between barriers, on the one hand, and limits and boundaries, on the other. The meaning of statements such as ‘every limit appears as a barrier to be overcome’ and ‘every boundary [*Grenze*] is and has to be a barrier [*Schranke*] for it’ is perfectly clear once one grasps the distinction between Barrier and Limit in Hegel’s *Science of Logic* (Marx, 1973: 408, 334).⁷

This is not the place for an extended discussion of the relation of Marx to Hegel.⁸ However, this particular point needs to be stressed here: for

Hegel, for something to be finite, it must be incapable of surpassing a particular barrier. One barrier must, in fact, be its Limit. That which has a Boundary or Limit is finite and thus must perish.⁹ In contrast to Limit, the concept of Barrier by definition *can* be negated: ‘by the very fact that something has been determined as barrier, it has already been surpassed’ (Hegel, 1961, I: 146). Here, too, the surpassing of barriers is the way in which a thing develops: ‘the plant passes over the barrier of existing as seed, and over the barrier of existing as blossom, fruit or leaf’ (Hegel, 1961, I: 147).

It is obvious that Marx repeatedly uses the term, barrier, in its Hegelian sense. For example, having described the development of the specifically capitalist mode of production, he noted in *Capital* (in remarks cited partially above) that ‘this mode of production acquires an elasticity, a capacity to grow by leaps and bounds, which comes up against no barriers but those presented by the availability of raw materials and the extent of sales outlets’ (Marx, 1977: 579). Yet, it was very clear that Marx did not view those barriers as limits. He immediately proceeded to discuss the way in which machinery (for example, the cotton gin) increased the supply of raw materials and the part played by large-scale industry in the conquest of foreign markets and the transformation of foreign countries into suppliers of raw materials: ‘a new and international division of labour springs up, one suited to the requirements of the main industrial countries ...’ (Marx, 1977: 579–80).

Thus, here again, we see not a limit but mere barriers – the suggestion of an infinite process, one corresponding to the concepts in Hegel’s *Logic*. Underlying Marx’s discussion of Growth–Barrier–Growth is Hegel’s exploration of the concepts of Ought and Barrier. For Hegel, that which drives beyond Barrier is Ought, and it was in the course of exploring the Ought–Barrier relationship that he demonstrated the manner in which the concept of the Finite passed into that of Infinity: ‘The finite in perishing has not perished; so far it has only become another finite, which, however, in turn perishes in the sense of passing over into another finite, and so on, perhaps ad infinitum’ (Hegel, 1961, I: 149).

In conclusion, as long as we talk about mere barriers to capital, we are discussing an infinite process. Obviously, then, something very critical is missing from the story we’ve told here of capital. Marx did not think of capitalism as an endless, infinite system. *So, what is the Limit that makes capital finite?* It’s not that capital gets tired or senile, unable at a certain point to drive beyond those barriers any more.¹⁰ Rather, the answer that Marx and Frederick Engels offered throughout their lives was consistent – the working class is capital’s Limit. What capital

produces, they argued, 'above all, is its own grave-diggers. Its fall and the victory of the proletariat are equally inevitable' (Marx and Engels, 1848: 496). And, that is the same story Marx tells in *Capital*. With the development of the specifically capitalist mode of production, capital is more and more centralized, 'the international character of the capitalist regime' increases, and the mass of misery and exploitation grows, but 'there also grows the revolt of the working class, a class constantly increasing in numbers, and trained, united and organized by the very mechanism of the capitalist process of production'. And, the result of this revolt? 'The knell of capitalist private property sounds. The expropriators are expropriated' (Marx, 1977: 929). The conclusion: workers end capital's story.

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