

STRUCTURE AND ESSENCE IN *CAPITAL I*: EXTRA SURPLUS-VALUE AND THE STAGES OF CAPITALISM

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Abstract wealth, value, money, hence *abstract labour*, develop in the measure that concrete labour becomes a totality of different modes of labour embracing the world market (Marx, 1972: 253).

Is the Global Shift of Production ‘Beyond Capital’?

The global ‘race to the bottom’ is a fundamental challenge for Marxism, the scale of which we are still coming to terms with. The strategic point at issue is the significance of the shift of production to the ‘global South’ (China included). We are facing the full reality of capitalism as globalised imperialism. This issue concerns both the structure and the agency of the working class in its relation with capital. Rereading *Capital* with this in mind introduces the question of how *Capital* should be augmented with the mediating concepts of imperialism and underdevelopment to meet this reality. Is there a concept of imperialism already present in *Capital*, at least in embryo? How would such a reading inform the debate over what it means to go ‘beyond *Capital*’ in analysing contemporary capitalism?

In Marx’s discussion of the commodity’s form of value, its exchange value, he comments that Aristotle had realised that commodities must have a quality that makes them commensurable, ‘an *internal unity* of the two things rather than their *abstract identity*’ as Ilyenkov puts it (1982: 93). But, without any concept of value, Aristotle came to a halt in his

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analysis of what this internal unity might be. Marx explains why Aristotle had to stop where he did:

because Greek society was founded on the labour of slaves, hence had as its natural basis the inequality of men and of their labour-powers. The secret of the expression of value, namely the equality and equivalence of all kinds of labour because and in so far as they are human labour in general, could not be deciphered until the concept of human equality had already acquired the permanence of a fixed popular opinion. This however becomes possible only in a society where the commodity-form is the universal form of the product of labour, hence the dominant social relation is the relation between men as possessors of commodities (Marx, 1976:151-152).

There is a pronounced double effect of the latest phase of capitalism: on the one hand, and to a degree as never before, the commodity-form is the universal form of the products of labour, commodity production is in every sense globalised and yet the notion of human *inequality* has ‘acquired the permanence of a fixed popular opinion’. Within the human labour in general of contemporary capitalism some human labour-powers, those in the global South that are in fact the majority, are indeed worth less than others. There is once again a profound inequality of labour-powers. It would seem that globalisation is characterised by a historical reversion within capitalism. Yet, insofar as labour-power is expended in producing commodities for the world market, the statement that ‘all labour is expressed as equal human labour and therefore as labour of equal quality’ has never been more true. Thus, as a totality, contemporary capitalism is simultaneously diverging from and converging with the conditions of equality as presented by Marx. We can only understand this conundrum if we build on Marx’s discovery of the distinction between labour-power and living labour.

In this article I argue that whilst the depression of wages is noted by Marx as a persistently emerging empirical, historical fact it does not acquire theoretical expression as a concept alongside the prolongation of the working day (absolute surplus-value) or the increased productivity of labour (relative surplus-value). The orthodox answer to this challenge is that in *Capital 1* commodities sell at their value. But the tension recurs in *Capital 3* the analysis of the tendency of the rate of profit to fall, specifically the chapter on counteracting tendencies where Marx identifies foreign trade and ‘capital invested in the colonies’ using ‘slaves

and coolies' as measures to gain a higher rate of profit (Marx, 1981:345). He nonetheless comments that, while the reduction of wages below their value is 'one of the most important' counteracting factors, 'it has nothing to do with the general analysis of capital' (*ibid.*: 344). Yet the forcible reduction of wages has everything to do with the general analysis of contemporary capitalism. If needs be, then we have to disagree with Marx on this point. This may even pertain to the capitalism of Marx's day, with respect to recognising gender and race oppression by capitalism theoretically (Beechey, 1978; Tomich, 2003). Certainly the case has become overwhelming in respect of globalised capitalism where wage reduction is a driving force in the mode of production.

Re-reading *Capital* needs to be in two dimensions: an expanded geographical and social inclusion of oppressed and exploited labour subjects, and to include new periods or stages of the mode of production. This article argues that theoretical development in both of these dimensions requires a methodological grasp of the dialectic between structure and essence. The article reviews approaches taken by Marxists on the categories of *Capital*, and poses the question of the adequacy of those categories. The article confirms surplus-value as the concept expressing the essential internal relation of capital, arguing that surplus-value is a contradictory, changing and not a fixed essence. The article identifies a triadic structure of *Capital 1* comprising the necessity of surplus-value, its determinations and conversion into capital.

There is a crucial section, concerning the transformation surplus-value into capital, where Marx relaxes his prevailing presupposition that wages are paid at the value of labour-power. Marx here posits the expansion of capital beyond its limits based on forms of surplus-value that are distinct from absolute and relative surplus-value, and thus provides in embryo the basis of a new stage of capitalism incorporating these new forms of surplus-value. The article concludes with a preliminary discussion of the consequences of a totality in which wages below the value of labour-power are part of the system-logic of the capitalist mode of production.

Contemporary Marxist Approaches

Confronting capitalism that has gone beyond *Capital* is not a new problem. The generation after Marx was already obliged to go beyond *Capital* to explain the rampant expansionist imperialism it was

witnessing. Luxemburg took issue with Marx's reproduction schema in *Capital 2*, she believed Marx had made a mistake in neglecting effective demand (1913: 128). Hilferding (1910) extended Marx's concept of fictitious capital to explain subsequent developments in the organisation of capital. Nonetheless, neither Luxemburg's challenge nor Hilferding's elaboration was directed at the fundamentals of Marx's system, in particular neither sought to amend the argument laid out in *Capital 1*. Bukharin reminds his readers that Marx knew that capital invested in the colonies procured a 'surplus profit' (1915: 86); and in his critique of Luxemburg emphasises that colonial labour was above all *cheaper* labour (1924: 249). The prevailing intellectual climate did not encourage that the consequences of these trenchant comments, or the implications of Lenin's theory of imperialism (1916a), be reflected on more fully with respect to Marx's own concepts. Although Lenin provides no explicit development of Marx's categories, he does explicitly posit capitalism as a world system of monopoly capitalism based on the plunder of the majority of nations by a minority, as well as a system of class exploitation. That Lenin's dual conceptualisation of imperialism as a new stage of capitalism requires a rethinking of *Capital* is mostly denied or ignored in contemporary Marxist approaches.

There are at least four broad approaches taken by contemporary Marxists writing in English on the rendering of the categories of *Capital* with the social class relations intersecting with the global North – South divide. The first approach argues that as there is no significant transfer of value from the poor countries to the rich, no meaningful redefinition of the categories is required. The approach is typified by recent studies (Callinicos, 2009; Milios and Sotiropoulos, 2009) that treat contemporary capitalism as similar to the developed capitalism of *Capital*, with relative surplus-value predominating over absolute surplus-value. In this approach workers in the rich countries are better paid because they are more productive, producing more surplus-value than lower paid workers in poor countries. The methodological orientation is that the abstract general laws of motion of the capitalist mode of production are sufficiently expressed in *Capital*, and what is needed is their concrete application. This effectively reduces imperialism to rivalry between the great powers and interventionism, rather than any systemic transfer of value between regions by processes embedded within the system. This approach to theorising capitalism as imperialism is 'northcentric', recalling Lenin's objection to the 'nascent trend of

imperialist economism' (1916b), that denied the systemic realities of national oppression; it moreover relies on ignoring strong evidence to the contrary, as John Smith's exceptional study (2010) demonstrates.

The second approach argues that the concept of the 'so-called primitive accumulation' can be developed to explain the new imperialism, as expounded in Harvey's influential theory of 'accumulation by dispossession' (2003). Harvey recognises transfers of value, and in that respect is more progressive than the blatant denial of the first approach, but sees value transfer as still primarily taking place as from pre-capitalist or non-capitalist modes to the capitalist mode of production. Harvey's commentary on *Capital* and his analysis of contemporary capitalism emphasize a definition of capital as the *flow* of value; that is capital-as-process (2010a: 88; 2010b: 40). However, pace Harvey's recent work, what is required is a concept that combines capital-as-process dialectically with the moment of its inner determination, capital as a *social relation* of production of surplus-value. As the first approach, Harvey's neo-Luxemburgian thesis underplays the significance of Lenin's theory of imperialism as a new stage transforming the character of capitalism.

A third approach within contemporary Marxism sees the quantitative increases in the exploitation of workers in the global south as denoting qualitative changes in social relations within the world capitalist system. Marxists from the broader dependency tradition use concepts of 'unequal exchange', 'imperialist rent', 'globalised value' and most especially the 'super-exploitation' of labour to explain contemporary realities (see: Marini, 1973; 1978), also (Amin, 2010; Nwoke, 1981; Veltmeyer, 1983). The approach originates from Latin America and the tri-continental global South, with a resonance corresponding to the chronic realities of underdevelopment. Of sources in the English language, *Monthly Review* published two early articles by Marini (1965; 1972), see also the literature review by Kay (1989). The concept of super-exploitation is undergoing a welcome renaissance (Foster *et al.*, 2011). Readily available in Spanish, as yet little of Marini's work is available in English. This is beginning to change (see: Chilcote, 2009; Higginbottom, 2010; Latimer, 2012).

The potential impact of dependency ideas has been fought off by another school of influential academic Marxists that, for want of a better term, I identify by their institutional affiliation as the 'SOAS school' (Fine and

Harris, 1979; Weeks and Dore, 1979; Saad-Filho, 2005). Disappointingly, these critiques of dependency target its weak points rather than acknowledge its stronger arguments, especially those advanced by Marini that position the working-class as fundamental to explaining dependent capitalism.

The notion of super-exploitation has resurfaced, probably due to the turn to global platforms located to take maximum advantage of oppressive social relations to exploit labour-power (Fröbel *et al.*, 1980), including especially young women workers (Elson and Pearson, 1981), designed to attract manufactures producing for world markets. Two prominent writers have used the term to depict the conditions of the working class in England before 1850 (Harvey, 2010a: 155) and to highlight the specific subjugations of women and black people by capitalism (Davis, 2011).

What then would be the connection of super-exploitation with the categories of *Capital* in a theory of imperialism that both admits of a systematic transfer of value from one region of the world to another, and explains the transfer in terms of the more oppressive class relations in the first region? How are we to conceive of the transition of capitalism through stages? Are stages of capitalism also more concrete incarnations of capitalism in general, or are they new totalities whose system-logic must therefore be theorised anew?

Such questions throw the inquiry into the deep waters of methodological debate concerning history and system-logic in Marx's *Capital*. Briefly, the system-dialectic trend advocates a rereading of Marx's *Capital* equipped with fuller awareness of Hegelian dialectics (see: Arthur, 2002; Murray, 1988; Smith, T., 1991). The SOAS school counterpose their 'materialist dialectics' to the idealism of system-dialectics (Saad-Filho, 2002; Milonakis and Fine, 2009). Whereas the debate has up to now focused on the coming-into-being of capital, our concern is the mature capitalist mode of production. Insofar as the debate bears on our topic we come back to it shortly, once we have established the dialectic of structure and essence of capital based on the theory of internal relations.

The Structure and Essence of Capital

Jameson asks, why return to Marx? He gives two answers. Firstly, 'the reason lies in the identity and difference between the stages of capitalism,

each one remaining true to the latter's essence and structure (the profit motive, accumulation, expansion, exploitation of wage labour) at the same time that it marks a mutation in culture and everyday life, in social institutions and human relationships' (2012: 9). Secondly, and distinctly, Jameson affirms the issue has already been solved by Mandel: that as real capitalism discards its archaic forms it approximates ever more closely to the 'functional abstraction of the system built by Marx'. Mandel writes:

One could even contend that, from a structural point of view, the 'concrete' capitalism of the final quarter of the twentieth century is much closer to the 'abstract' model of *Capital* than was the 'concrete' capitalism of 1867, when Marx finished correcting the proofs of Volume 1 (1976: 82).

But Mandel's claim of immanent convergence misses out that *Capital 1* interacts between different levels of abstraction, its historical content is quite concrete in many chapters and chapter sections. The work expresses far more than an abstract model, rather it incorporates historical experience in a developing system of concepts. Compare for example Chapter 10 on 'The Working Day' and Chapter 11 on 'The Rate and Mass of Surplus Value', both of which contribute content to the concept of absolute surplus-value.

Jameson finds resonances between Marx's general law of accumulation and many phenomena of capitalism today, and he is right. But then Harvey detects resonances with the original accumulation of capital, and he is right too, within limits. That contemporary capitalism can be converging with both laws simultaneously indicates the need for a new explanation that synthesizes both laws. Jameson's first response, that each stage of capitalism must remain true to its essence and structure, offers a methodological insight for our investigation. If *Capital* needs re-reading, modifying or extending, to incorporate later stages of capitalism, at what level of abstraction and where in its structure is the starting point for such an exercise? We need to identify clearly both the structure and essential relations of *Capital*. Awareness of the structure of *Capital* the work is needed for developing contentful theory, not just as a formal or meta-theoretical exercise, but for what the structure of *Capital* tells us about the structure of capital.

Let us here recover key observations on methodology from the work of Bertell Ollman, according to which Marx's dialectical method stands on the two legs of internal relations and abstraction. Ollman stresses that for

Marx the concept of capital includes both flow and social relation (2003: 13). He points out that Marx uses abstraction skilfully, altering the modes of extent, level of generality and vantage point with regards to his subject material, the phenomena of capitalism. He highlights:

what is most distinctive about Marx's abstractions ... is that they focus on and incorporate both change and interaction (or system) in the particular forms in which these occur in the capitalist era (Ollman, 2003: 63).

Marx's use of abstraction allows analysis of 'the double movement of the capitalist mode of production' as *both* systemic inter-relations and historical process grounded in the ontological conception of capitalism as a system of connected internal relations (*ibid.*: 64). The dual logics are abstracted from one reality, and it is Marx's dialectical use of abstraction that controls what aspects are brought to the fore (*ibid.*: 190). Ollman's argument connects with the work of Ilyenkov, who spells out that in Marx abstraction takes place in reality as well as in consciousness. As well as abstraction *from* reality to thought, there is abstraction *in* reality, one-sidedly taking a single element that nonetheless forms part of a whole. Marx's concept of the concrete is the unity of real abstractions. The unity of abstractions is contradictory, and contradiction is built into the very essence of being. Internal contradiction is the motor of self-movement, and contradictions are the essential motor of development (Ilyenkov, 1977, 1982).

We should be clear that this use of the dialectical method does not render either Marx or generations of largely male Marxists infallible, as is illustrated by our marked tendency to gender blindness when it comes to theoretical abstraction in identifying the internal relations. Comparing again Chapters 10 and 11 with this in mind, the struggles over the Factory Acts detailed in Chapter 10 are as much to do with the differentiation that capitalists made between sections of the workforce as they are about the length of the working day. Women, young people and children are identified through the legislation as distinct layers of the working class that are employed at lower wage rates and often worse conditions, yet Marx rules out this differentiation in Chapter 11 when he assumes that the value of labour-power 'to be a given, constant magnitude' (1976: 417) as the basis of four laws of surplus-value. These laws of surplus-value's relationships are laws of essence that express the determinations of the mode of production, yet there is no general

statement as a law of the essentially oppressive treatment of women workers and its relation to increasing the rate of surplus-value. Although this is not an inherent fault of Marx's method, in this respect the laws are incomplete, the system-logic is incomplete.

Marx's dialectical method is designed to recognise and represent change that is driven by internal contradictions, in that 'capital's conditions of existence as they have evolved over the years and its potential for future development are also viewed as parts of what it is' (Ollman, 2003: 69). This standpoint incorporating the unity of opposites as the poles of relations within a system is itself indispensable theoretically to incorporate movement as springing from within the internal contradictions of capital. A risk associated with the view is that of a conceptual mode of presentation being perceived idealistically; the real contradictions of the mode of production appear simply as the unfolding of its initial concepts, that all future developments are already inherent in the initial statement of the concept (Ollman, 2003: Chapter 11).

This brings us to the system-dialectics school's reading of *Capital*, within which I distinguish between the arguments of Arthur (2002) and Murray (1988). While both concentrate on the first four chapters of *Capital 1*, Arthur sees 'a striking homology between the structure of Hegel's *Logic* and Marx's *Capital*' (2002: 7). Arthur sees capital as abstract and idealised, and above all a self-acting social form. In contrast, Murray (1998) argues that the homology in *Capital* is not with Hegel's philosophy per se, but with Marx's own early critique of Hegel's idealism, which should be seen as the philosophical counterpart of classical political economy. For Murray, Marx's critique of Hegel's thought is that it reflects *uncritically* the spirit of capital. Hence *Capital* is not only a critique of classical political-economy, it is simultaneously a critique of its philosophical wingman. But the second critique is surreptitious, *en passant*. Marx's critique of Hegelian philosophy has to be indirect, for it will only succeed insofar as it shifts the terrain away from philosophy as such and onto the ground of a philosophically informed, consciously dialectical critical political-economy, and so to reveal the exploitative class relations on which capitalism depends.

A merit of the system-dialectics school is the attention it draws to the importance for Marx of Hegel's logic of essence, that essence does not appear as itself but has the necessary characteristic of 'appearing in something else' (Murray, 1988: 158) which Marx both adopts and

transforms in his dialectical reconstruction of the essence and appearance of capitalist relations. This dialectic is not fixed in *Capital 1*, but is driven by content as it moves from one internal relation to another (Smith, 1991: 44)¹. We will see how the dialectic of essence and appearance shifts significantly through the structure of *Capital 1*.

***Capital 1* as Three Movements²**

The structure of *Capital 1* can be considered as three broad movements. Marx's combination of systemic relations and historical process is different in each movement, as is the dialectic between essence and appearance.

The first movement concerns the becoming of capital, its necessary conditions of existence. This movement consists of Part One and Part Two up to Chapter 5. System-logic predominates over history in the exposition of this first movement. The movement is conceptual, to arrive at value as the essence of commodity exchange, and to show how the essence appears in exchange, that commodity fetishism arises as a confusion of appearance with essence. The exposition begins with the commodity and is centred on the determinate relations connecting value and its necessary forms – the commodity-money-capital. The leitmotif of this movement is the law of value regulating commodity exchange, that socially necessary abstract labour is the substance of value. The capital form of value is introduced quietly, as an inversion of the transaction sequence between commodities and money, M-C-M' instead of C-M-C, yet upon that break an epoch hangs. Capital is here at first sight all about flow, but it is underpinned by an immanent social relation which asserts itself through the logic of essence. The essence must come to the surface, but in a peculiar way:

To appreciate fully Marx's point that the logic of value is the logic of essence, we must realize that *the logic of essence is a logic of alienation*. Essence appears only by giving itself over to something that is not itself—through alienation. Essence (value)

1 Tony Smith uses the term 'essence structure' that aligns well with the concept of 'internal relation'.

2 This section is an appreciative response to Arthur (2005).

can recognize itself only in its reflection in another object
(Murray, 1988: 158).

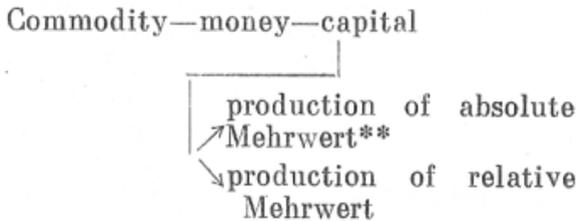
The first of the two major inflexions in *Capital 1* takes place in Part Two, ‘The Transformation of Money into Capital’. In the general formula for capital, money capital is engaged in circulation as an apparently self-expanding, self-moving spirit; but through the contradictions of the general formula capital Marx guides us to the essential relation, that is, that the self-expansion and movement of capital is and must be based on the extraction of surplus-value from wage-labour. Marx proves the necessity of surplus-value, and in Chapter 6 shows the unique quality of labour-power as a commodity. Labour-power’s special use value is that it is the source of surplus-value. This is a move from the first appearance of capital in circulation to its essence in production.

The debate between logical and historical readings of the contradictions in the general formula of capital is well rehearsed in the literature (Murray, 1988; Saad-Filho, 2002) so I will not dwell on it here, except to emphasise the interpenetration of structure and agency in this essential relation. Capital’s relation with wage-labour both is and is not subsumed as an internal relation of capital for, as Murray rightly emphasises, ‘the logic of essence is a logic of unreconciled opposition, a logic of alienation, and such is the logic of value for Marx’ (1988: 108).

Moving on, the middle movement of *Capital 1* concerns the actuality of surplus-value, and consists of Parts Three to Six. The starting point is the purchase and sale of labour-power. The subject is what use capital makes of the labour-power it has purchased, and puts under its command in the labour process and the production of surplus-value. This is the ‘capitalist mode of production’ in a literal sense, the impact of the factory system. Surplus-value is the focus, the laws that Marx investigates in this middle movement are the laws of surplus-value. Surplus-value as a concept emerges at the general level as the essential determination of universal capital. The production of surplus-value is not fixed, nor could it be for, as Tony Smith observes, even ‘in the initial stages of the theory the inner nature of capital is defined in terms of the unrestricted drive to accumulate surplus value’ (1991: 50). Marx identifies distinctly characterised stages as the mode of production moves from handicraft, to manufacture and large scale industry. While these forms of capitalist production can and do coexist, the latter develops out of the former and there is a historical sequence. The corresponding conceptual (system-

logic) movement is from absolute surplus-value to relative surplus-value, and in their combination. While there are clear shifts in the levels of abstraction between chapters, the dialectical transition is driven by class struggle to limit the working day pushing the system as a whole from one totality to another. History and system-logic largely correspond in this middle movement, which is concerned with change within the capitalist mode of production, indeed the correspondence is deepened by the inclusion of Marx's extra chapter on capitalism's transition from formal subsumption to real subsumption (Marx, 1976 : 941-1084).

The structure of *Capital I* so far can be summarised as:



Source: Lenin, 1915: 319³

Lenin's diagram is drawn from his notes on Hegel. Lenin succinctly presents the first two of the three movements of *Capital I*, highlighting the significance of the turn to the production of surplus-value. Surplus-value connects the realms of circulation and production of commodities.

We proceed now to the third movement in *Capital I*, concerning the conversion of surplus-value into capital, the accumulation of capital and the historical conditions of the mode of production. The subject is the reproduction and expansion of capitalism. The level of abstraction shifts from the individual capital in production to the accumulation and reproduction of social capital. Marx gives full sway to history and capitalism's broader class social relations, and the law-like movement of capital as a whole. In this movement the logic of capital, springing from the essential relation of surplus-value entering capital through accumulation, is expressed through systemic 'laws of motion'. There is a movement from internal relation to external relations. The system-logic

3 *Mehrwert* = surplus-value.

is built from relative surplus-value to the rising organic composition of capital to the reserve army of labour. The laws are tendential aggregates, they are determinate but not absolute, leaving open the action of the working class as a second subject (Jameson, 2012: 62-63).

One could expect that the contradictions of the system, its tendency to crisis would be developed primarily out of the general law of capital accumulation, and Marx does indeed return to this but not until *Capital 3* in the part on the falling rate of profit, after he has brought in the necessary time dimension of capital turnover in *Capital 2*. So crucial questions are left hanging, can capital in expansion overcome its tendency to crisis? Or does an expanded capitalism change the nature of capitalist crises? To begin to address these questions we need to retrace our steps and consider what it is that made capital's expansion possible, which takes us back to significance of the second turning point.

The Second Turning Point in *Capital 1*

The second key turning point in the overall structure of *Capital 1* has not attracted debate, although it is crucial to a fuller understanding of the mode of applicability of *Capital* to capitalism today.

The turning point occurs between Part Five on the production of absolute and relative surplus-value, and Part Seven, Chapter 25, Marx's 'general law of capitalist accumulation'. If anywhere in the text is to be specifically located it is in Chapter 24, on the transformation of surplus-value into capital, and most especially in section 4 which evaluates various circumstances that determine the extent of accumulation. Marx notes that, independently of how surplus-value is split between revenue and accumulated capital, the two main determinates of the amount of accumulation are the productivity of labour and *the degree of exploitation of labour-power*. Marx here foregrounds the limitedness of the presuppositions running through his previous chapters on the production of surplus-value.

In the chapters on the production of surplus-value it was constantly presupposed that wages are at least equal to the value of labour-power. Forcible reduction of wages below this value plays, however, in practice too important a part, for us not to pause upon it for a moment. It, in fact, transforms, within certain

limits, the labourer's necessary consumption fund into a fund for the accumulation of capital (Marx, 1976: 747-8).

The pause for a moment has of course turned out to be somewhat longer. Subsequent developments in practice mean that we have to investigate and theorise this 'forcible reduction of wages' quite fully.

A second presupposition that Marx relaxes in this section is that of capitalism as factory production, removed from the extractive industries. Marx here recognises the special effects of the 'direct action' of the workers on nature. Marx is opening a whole area (that he returns to with the theory of differential rent in *Capital 3*) with the idea that workers' productivity, the volume of use-values produced as commodities in a given period, can be augmented by working upon nature as well as by using machines. This is a second huge breakthrough. Although as yet formative, both of these circumstances turn out to be principal, defining characteristics of the expansion of capitalist production and its development into a new stage. In his still quite preliminary but path breaking discussion Marx considers how these two factors can separately and in combination significantly increase the amount of accumulation. Marx sums this up with what he terms the 'general result' that:

...by incorporating with itself the two primary creators of wealth, labour-power and land, capital *acquires a power of expansion* that permits it to augment the elements of its accumulation *beyond the limits* apparently fixed by its own magnitude, or by the value and the mass of the means of production, already produced, in which it has its being (1976: 752, emphasis added).

The implications of this apparently simple observation are enormous. What Marx offers here is, in the moment of accumulation, a possible route *for capital to expand itself beyond its own apparent limits*, and that by using mechanisms *other* than increasing relative surplus-value, i.e. other than by increasing labour productivity as usually understood.

Marx posits here in embryonic form our main thesis: *contemporary capitalism depends on forms of surplus-value production beyond the categories of absolute and relative surplus-value*. Capital is able to acquire the power of expansion through the twofold incorporation into itself of labour-power (incorporated as we have seen at depressed wages) and land (natural resources). This expanded capital is imperialism in-the-making, it becomes qualitatively a new system totality, a mode of

accumulation converting sources not just of surplus-value but sources of *extra* surplus-value converted into capital that become the determinations *in the labour process* of capitalism in its new stage.

Marx has in his explanation of relative surplus-value already identified one instance of ‘extra surplus-value’. In any given sector whichever individual capital first employs new machinery able to sell their commodities at a price lower than the social value but higher than the individual value. In this case the necessary labour time to produce the commodity is less than the social average. The individual capitalist, Marx points out:

squeezes an extra surplus-value ... This augmentation of surplus-value is pocketed by the capitalist himself, whether or not his commodities belong to the class of necessary means of subsistence, and therefore participate in determining the general value of labour-power. Hence, quite independently of this, there is a motive for each individual capitalist to cheapen his commodities by increasing the productivity of labour (1976: 434-5).

There is no reason why capital should limit itself to one means of cheapening commodities, increasing productivity, and not others. Marx begins to explore this in the discussion of general law of capital accumulation, where he allows for wider changes in social relations than in the more analytical chapters on the production variables affecting surplus-value. Compare Chapters 24 and 25, which give manifold examples of the depression of wages; with Chapter 17, where the depression of wages is firmly ruled out. In this sense, there is a contradiction between system-logic theory and history emerging within *Capital 1* itself. To recognise this in no way detracts from the coherence of Marx’s theory, rather it is a matter of critical thought, even of an outright genius, lagging behind the dynamics of social reality. In Chapters 24 and 25, Marx prefigures the movement of the system to a new totality. In Chapter 33 on Wakefield’s theory of colonialism he posits the pre-conditions of capital’s expansion as a *social relation* into new territories. It turns out that in the next phase of capitalist expansion there was a further twist, capital’s relation is not with the settlers socially engineered into staying a working class by pricing up the land, but with Africans forced through dispossession and taxation to become super-exploited migrant workers; that is, the inner relation changes.

Conclusion: a New Totality

Working with history to extend the logic of *Capital* we have now arrived at the site or starting point of a theoretical reconstruction. Surplus-value is the common essence common to all stages of capitalism, yet that essence is modified as a condition of expansion into imperialism. Imperialism is a change in the essential relations of capitalist production in the extraction of surplus-value, and not only the forms of its distribution. The drive to extra-surplus value through the super-exploitation of labour-power is a general and necessary tendency of capitalism that becomes predominant in the imperialist stage of capitalism.

Imperialism is a transformation of capitalism's internal relations as well as its external relations. At the root of the super-profits of imperialism are forms of extra surplus-value derived from 'different modes of labour embracing the world market' and especially oppressive forms of labour exploitation. Extra surplus-value as surplus-value extracted at a higher rate of exploitation than would otherwise be achieved by competitive capitalism is tied to qualitative changes that are associated in one way or another with the formation of monopoly or, to put it conversely, exclusion. Extra surplus-value can be extracted through mechanisms acting separately or in combination: the super-exploitation of labour through low wages and exhaustion of labour; the extractive exhaustion of non-renewable natural resources; and through the capture of technological knowhow as private property. The unity of these apparently quite diverse mechanisms is that they generate surplus-profits. The first two take advantage of and reinforce social oppression and national inequality. Extra surplus-value is here not only an economic concept, rather it is underpinned by extra-economic levers in capitalist social relations.

Capital seeks the optimum combination of the productivity of labour (broadly understood) and the degree of exploitation of labour-power as sources of extra surplus-value, with all permutations possible historically, geographically, socially. Labour super-exploitation in the mid-nineteenth century, whether under conditions of 'informal empire' where Latin American exporters suppressed wages in commodity production (Marini, 1973) or in colonial Ireland (Higginbottom, 2011b), was a coercive lever compensating for low productivity. Conversely, Tomich (2003) reports

increased labour productivity in a second wave of capitalist slavery. The export of capital at the end of the nineteenth century saw a proliferation of plantations and mines, harnessing labour super-exploitation combined with natural fertility and the application of science and machines, as for example the gold mines of South Africa (Higginbottom, 2011a). Then there are the ‘world market factories’ of contemporary globalisation where the combination of hi-tech with low wages is the norm, and decisively so.

Responding to the insightful contribution of (Arthur, 2006) on the inner totality of capitalism, completing Marx’s theoretical project cannot proceed by extension, by completing the missing books on wage-labour and landed property as missing parts of the whole, without recognising changes in that whole. To do otherwise is to expect too much of Marx and too little from Marxism. Historical change overtook Marx’s publication strategy. Lenin recognised imperialism as a *new totality of capitalism as a system*. Imperialism brings national oppression along with the long unrecognised gender oppression into the ‘inner totality’ of the capitalist mode of production and reproduction, and in so doing transforms that totality. Our challenge is not just to concretise Marx’s categories, but to rethink them at the systemic level.

The globalization of the law of value seizes upon inequalities of labour-power just as fiercely as it drives productivity and the intensification of labour. The processes are interconnected, through commodity exchange, living labour as the substance of value is systemically equalised, and yet the commodity labour-power that is the source of value is systematically un-equalised. The driver of this contradiction is the capitalist production of commodities dominated by the production of surplus-value, ‘the unrestricted drive to accumulate surplus value’. This is a game changer politically as well as theoretically; for the oppressed and exploited labour subjects of capital are the new subjects of revolution.

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