

If you don't understand the Second Product, you understand nothing about *Capital*

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One hundred and fifty years since the publication of Marx's *Capital*, it is long past time for revolutionaries to talk seriously about its limitations. Unfortunately, Marx has suffered a fate that he understood very well – the disciple problem. As he noted with respect to the disciples of Ricardo and Hegel, the disintegration of a theory begins when the point of departure is “no longer reality, but the new theoretical form in which the master had sublimated it”. Some inconsistencies in a theory, Marx noted, may originate with the master himself for whom “the science was not something received, but something in the process of becoming”. However, “crass empiricism”, “phrases in a scholastic way” and “cunning argument” (in Marx's words) are the result when the goal of disciples is to demonstrate that the theory of the master is correct.

Is it credible that, unlike his present-day disciples, Marx today would be proclaiming triumphantly that history has proved that the theory he presented a century and a half ago is correct? On the contrary, rather than crass empiricism and cunning argument, would he not be studying what went wrong?

I want to focus here on a central problem in *Capital* – its one-sidedness, a subject I first explored over 30 years ago and which was the central theme in my book, *Beyond Capital: Marx's Political Economy of the Working Class*. As I concluded in that book, missing from *Capital* is the side of the worker; missing is what Marx called in *Capital* “the worker's own need for development”; missing is the worker who produces herself through her activity; missing is what I call Marx's “key link”: human development and practice. And, precisely because this side is missing, the whole presented in *Capital* is inherently flawed.

Let us begin at the beginning, a beginning to be found in Hegel's *Phenomenology*: every activity in which people engage forms them. The outstanding achievement of *Phenomenology*, Marx announced, is that “Hegel conceives the self-creation of man as a process”; thus, Hegel grasps real human beings “as the outcome of man's own labour”. Precisely because Marx understood this key link between practice and human development, he rejected the idea that we change people by changing circumstances for them. On the contrary, the concept of revolutionary practice (articulated so clearly in the *Theses on Feuerbach*) stresses that people change themselves through their own activity – through that “coincidence of the changing of circumstances and of human activity or self-change”.

And that insight is a red thread that runs throughout Marx's work. From his stress on the way the struggles of workers against capital transform “circumstances and men”, expanding their capabilities and making them fit to create a new world, to his understanding that in the very act of producing, “the producers change, too, in that they bring out new qualities in themselves, develop themselves in production, transform themselves, develop new powers and new ideas, new modes of intercourse, new needs and new language”, Marx was aware that every human activity generates a double product. There are always two products of human activity – the change in circumstances and the change in human beings.

Unfortunately, for many who have followed Marx in name and others who never pretended to do so, there is only one product – the change in circumstances, the change in the object of labour. The second product – the change in human beings, the change in the subjects of labour – is ignored. The political effects of this blindness can be seen everywhere: in the countries of “real socialism”, where the absence of self-government and self-management produced a working class with neither the capacity nor the will to prevent the restoration of capitalism. In the social democrats who, convinced that they are cleverer than capital, use the strength of the working class as a credible threat in their negotiations rather than as a force to be built and built and, accordingly, emerge from the most disgraceful defeats as immaculate as they were innocent. In political parties of the left which, rather than treating social movements as multiple sites for developing the capacities of the working class, view them as fertile ground for the recruitment of cadres for their disciplined phalanxes and celebrate in their solitary gatherings the distilled purity of their brands and their preparedness for the next October.

It is not only political practice, however, that has suffered from the eclipse of the second product. The missing focus on the second product, however, is definitely not limited to political practice. Without an understanding of the centrality of the key link between human activity and human capacity, we are blind to the limitations of Marx’s *Capital*.

Capitalism as an organic system

In considering Marx’s *Capital*, it is essential to recognise that Marx analysed capitalism as an organic system – as a system of reproduction in which the premises of capitalism were results of the system itself. That, he stressed, is the character of every organic system. As he indicated in the *Grundrisse*, in capitalism as developed, “every economic relation presupposes every other in its bourgeois economic form, and everything posited is thus also a presupposition, this is the case with every organic system”.¹ That is what Marx wanted to demonstrate – in *Capital* – that the premises of capitalism as an organic system, capital and wage labour, were also its results.

Thus, in chapter 23 of volume one of *Capital*, Marx summed up his exposition in the preceding chapters by explaining that capitalism is a system which contains within itself the conditions for its own reproduction – one which, when viewed “as a connected whole, and in the constant flux of its incessant renewal”, is understood as “a process of reproduction”. To underline this point, he concluded the chapter by stressing that the capitalist process of production “produces and reproduces the capital-relation itself; on the one hand the capitalist, on the other the wage labourer” – in short, by producing the essential premises of capitalism.

But what does it mean to say these premises are results? On the one hand, we see that, in capitalism as an organic system, capital is the result of the exploitation of workers. In that organic system, capital comes from nowhere else. Marx had no patience with bourgeois economists who confused original sources of capital such as savings with the source of capital within capitalism. And we should not hesitate to correct Marxists who, unfortunately, fail to distinguish between the reproduction of capital within the system and

the original (or “primitive”) formation of capital based on premises from outside the system – that is, do not differentiate between the “being” of a system and the multiple contingencies of its “becoming”. What is our understanding and critique of capitalism if we do not recognise that capital is the workers’ own product turned against them? When Marx declared that capitalism produces and reproduces the capitalist, he was stressing that capital is a premise produced within the system itself.

The other premise of capitalist production is the wage labourer. But, it is essential to understand that in capitalism as an organic system, wage labourers do not fall from the sky. Nor, in a system of reproduction, are they the result of the disintegration of other, precapitalist systems. Rather, these wage labourers are people who have been produced within capitalist relations of production; and, this second side, the human product of capitalist production, must be grasped. After all, workers are not only exploited within capitalist relations – they are also deformed. If we forget this second result of capitalist production (as so many do), we will never understand why workers fail to rise up spontaneously when capital enters into one of its many crises.

Accordingly, consider the nature of the workers produced by capital. While capital develops productive forces to achieve its preconceived goal (the growth of profits and capital), Marx pointed out that “all means for the development of production” under capitalism “distort the worker into a fragment of a man”, degrade him and “alienate him from the intellectual potentialities of the labour process”.² *Capital* explains the mutilation, the impoverishment, the “crippling of body and mind” of the worker “bound hand and foot for life to a single specialised operation” that occurs in the division of labour characteristic of the capitalist process of manufacturing. But did the development of machinery end that crippling of workers? Marx’s response was that under capitalist relations such developments completed the “separation of the intellectual faculties of the production process from manual labour”.³ Thinking and doing become separate and hostile, and “every atom of freedom, both in bodily and in intellectual activity” is lost.

A particular type of person is produced within capitalism. Producing within capitalist relations is what Marx called a process of a “complete emptying-out,” “total alienation,” the “sacrifice of the human end-in-itself to an entirely external end”.⁴ How else then but with money, the true need that capitalism creates, can we fill the vacuum? We fill the vacuum of our lives with things – we are driven to consume. In addition to producing commodities and capital itself, thus, capitalism produces a fragmented, crippled human being, whose enjoyment consists in possessing and consuming things. More and more things. Consumerism, in short, is not an accident within capitalism. Capital constantly generates new needs for workers and it is upon this, Marx noted, that “the contemporary power of capital rests”; in short, every new need for capitalist commodities is a new link in the golden chain that links workers to capital.⁵

This is the other premise of capitalism as a system of reproduction – a particular person available to be exploited by capital. Under capitalist relations of production, the link between activity and human development is negative; its product is the destruction of human capacity, “both in bodily and in intellectual

activity”. Is it likely that people produced within capitalism can spontaneously grasp the nature of this destructive system? On the contrary, the workers produced by capital believe that there is no alternative. Capital, Marx understood, tends to produce the working class it needs, workers who treat capitalism as common sense. As he explained in *Capital*:

The advance of capitalist production develops a working class, which by education, tradition and habit, looks upon the requirements of that mode of production as self-evident natural laws. The organisation of the capitalist process of production, once it is fully developed, breaks down all resistance.⁶

To this, Marx added that capital’s generation of a reserve army of the unemployed “sets the seal on the domination of the capitalist over the worker”.⁷ That constant generation of a relative surplus population of workers means, he argued, that wages are “confined within limits satisfactory to capitalist exploitation, and lastly, the social dependence of the worker on the capitalist, which is indispensable, is secured”.⁸ Accordingly, Marx concluded that the capitalist can rely on the worker’s “dependence on capital, which springs from the conditions of production themselves, and is guaranteed in perpetuity by them”.⁹

Guaranteed in perpetuity! The tendency of capitalism to produce a working class that looks on capital’s requirements as self-evident natural laws, capital’s ability to break down all resistance, the perpetual reproduction of the worker’s social dependence on capital – these unequivocal passages are not aberrations or outliers that may be ignored; rather, they flow logically from the picture of the working class presented in *Capital*. This prognosis (however it may correspond to concrete circumstances) should come as a surprise only to those who have ignored Marx’s analysis of the second product of capitalist production or who have treated it as a mere footnote to the production of capital.

Of course, these conclusions are not at all what we understand to be Marx’s position. Did he not expect the working class to reject capitalism and to ensure its non-reproduction? Something essential, thus, must be missing from Marx’s *Capital*. Yes, capital produces a working class that looks on capital’s needs as common sense. However, there is something else that enters into the production of workers. And that something is missing from *Capital* because workers are missing as subjects from *Capital*. “Ah,” but you say, “how can you claim this?” Look at Marx’s account of the workday! Look at the resistance offered by workers in the struggle over the workday. Look at the long class struggle he described. How could we deny that workers are subjects in *Capital*?

It is true that, in his discussion of the workday, Marx allows us to hear “the voice of the worker which had previously been stifled”.¹⁰ But *that* is the aberration in *Capital*. The “protracted and more or less concealed civil war between the capitalist class and the working class” over the workday is certainly not to be found when it comes to the determination of wages. On the contrary, the worker’s voice is stifled, stifled not by the power of capital but by *assumption*. In place of the worker as subject, in place of class struggle over wages,

Capital employs an assumption inherited from classical political economy that treats the worker as an instrument of production without a voice, indeed, as a more or less well-fed instrument of production.

The fearful symmetry of hats and men

Consider the worker's wage. As explained in *Capital*, since labour-power is bought and sold as a commodity, its value is "determined, as in the case of every other commodity, by the labour-time necessary for the production, and consequently also the reproduction, of this specific article".¹¹ Accordingly, as in the case of every other commodity, its value will fall with reductions in the labour-time necessary for its production – that is, with increases in productivity.

Ricardo, whom Marx credited as the first to formulate accurately the relations ("laws") he elaborated in *Capital*, articulated this principle of the symmetry of labour-power and other commodities clearly in his *Principles of Political Economy*.¹² Quoting Ricardo, in *Poverty of Philosophy* Marx explained that this symmetry between things and human beings was simply "the facts" in capitalism:

Diminish the cost of production of hats, and their price will ultimately fall to their new natural price, although the demand should be doubled, trebled, or quadrupled. Diminish the cost of subsistence of men, by diminishing the natural price of the food and clothing by which life is sustained, and wages will ultimately fall, notwithstanding that the demand for labourers may very greatly increase.¹³

"Doubtless, Ricardo's language is as cynical as can be," Marx commented. "To put the cost of manufacture of hats and the cost of maintenance of men on the same plane is to turn men into hats. But do not make an outcry at the cynicism of it. The cynicism is in the facts and not in the words which express the facts."¹⁴

So, what was that cost of subsistence of workers that determined the value of labour-power? It "can be resolved," Marx explained in *Capital*, "into the value of a definite quantity of the means of subsistence", and we can assume that set of use-values to be constant: "the quantity of the means of subsistence required is given at any particular epoch in any particular society, and can therefore be treated as a constant magnitude."¹⁵ But, what precisely was that definite quantity of means of subsistence? For Marx, that was irrelevant: "whether one assumes the level of workers' needs to be higher or lower is completely irrelevant to the end result. The only thing of importance is that it should be viewed as given, determinate."¹⁶

This was an assumption that Marx took from classical political economy. Precisely because the Physiocrats had made the "strict nécessaire," the "minimum of wages", "the equivalent of the necessary means of subsistence", the pivotal point in their theory, Marx praised them as "the true fathers of modern political economy". By treating the minimum of wages as fixed and a given magnitude, "the Physiocrats transferred the inquiry into the origin of surplus-value from the sphere of circulation into the sphere of direct production, and thereby laid the foundation for the analysis of capitalist production".¹⁷

With their assumption of a fixed set of necessities, of a given subsistence wage (a lead followed by Adam Smith "like all economists worth speaking of", Marx commented), the Physiocrats provided the foundation

for what I have called the “Ricardian Default”, the particular link between productivity and surplus value which underlies the explanation of relative surplus value in *Capital*.¹⁸ The argument is simple. If we assume a given set of necessities, productivity increases for those use-values mean less labour is required to produce the worker and, thus, the value of labour-power “varies with the value of the means of subsistence”.¹⁹ Further, as Marx explained in chapter 16, since “the value of labour-power and surplus-value vary in opposite directions”, an increase or decrease in the productivity of labour means that “surplus-value moves in the same direction”.²⁰

The effect of productivity increases upon surplus value was, of course, Marx’s general explanation of the generation of relative surplus value, and it is the basis for what he called capital’s “immanent drive, and a constant tendency, towards increasing the productivity of labour”.²¹ However, the Ricardian Default was also at the core of Ricardo’s falling rate of profit tendency (more accurately, a falling rate of surplus value). In this case, the change moved in the opposite direction: the reduction in productivity (as the result of diminishing returns in agriculture) generated an increase in necessary labour and thus reduced surplus labour and his explanation of a falling rate of profit. Both arguments have as their foundation the assumption of a given quantity of the means of subsistence. As the result of this assumption, in the one case, workers cannot gain as the result of increases in productivity and, in the other case, cannot lose as the result of decreases in productivity. In both cases, it is only by assumption that capital alone benefits or loses.

Shouldn’t we wonder, though, about the importance of this premise of classical political economy in Marx’s discussion of relative surplus value? Two matters require our attention: firstly, the appropriateness of the symmetry of hats and men and, secondly, the effect of basing the discussion of relative surplus value on the classical assumption.

How can we treat symmetrically the process of producing hats and labour-power? The first is a vertically integrated process of production extending from primary products (which contingently may be interrupted by the equivalent exchange of intermediary inputs); the second is a sequence containing (a) the moment of production of articles of consumption, (b) a moment of circulation in which money is exchanged for those articles of consumption, and (c) a second moment of production in which those use-values (as well as concrete, uncounted labour) are consumed in order to prepare labour-power for exchange. By treating the two processes symmetrically, only the first of these moments is considered: the production of the worker is a footnote to the production of the consumption bundle; the worker disappears and is represented by things. As labelled by a disciple of Ricardo, it is the production of commodities by commodities.

What happens with an increase in productivity? In the case of hats, an increase in productivity at any stage will disrupt the equivalence of embodied social labour and money and will lead to a fall in the value of hats (“Diminish the cost of production of hats, and their price will ultimately fall to their new natural price”). In the case of labour-power, similarly, increased productivity in the production of articles of consumption leads

directly to a reduction in their value. *And then?* “Diminish the cost of subsistence of men”, and the immediate effect is not a fall in the value of labour-power but a rise in real wages.

How, in short, do we go from the fall in the value of articles of consumption to a fall in the value of labour-power? *Capital*, we know, did so by assuming the premise inherited from classical political economy that the standard of necessity is a constant magnitude. However, by accepting the Ricardian Default here, Marx brought with him the baggage of classical political economy – in particular, the treatment of money as a veil. Abstracting from money allowed him to move directly from productivity gains to increased surplus value, but it also abstracts from the moment of circulation in which workers purchase the use-values they want; thus, it obscures specific characteristics of a wage labourer – in particular, the difference between a wage labourer and an instrument of production or a slave.

The slave, Marx explained in the “Results of the Immediate Process of Production”, receives the means of subsistence he requires “which are fixed both in kind and quantity – that is, he receives use-value”. In contrast, the wage labourer receives the means of subsistence in the shape of money, and “it is the worker himself who converts the money into whatever use-values he desires; it is he who buys commodities as he wishes and, as the owner of money, as the buyer of goods, he stands in precisely the same relationship to the sellers of goods as any other buyer.”²² Rather than the product of a fixed set of use-values, the wage labourer here appears as a subject with money and with her own goals. Accordingly, if productivity gains lower the value of articles of consumption and thereby increase the real value of the quantity of money that workers possess, what will workers do? Will they choose to purchase more or different use-values or will they be indifferent? One would not ask this question, of course, in relation to the slave. By accepting the classical assumption of a fixed set of use-values, the discussion of relative surplus value in *Capital*, rather than turning men into hats, turns wage labourers into slaves.

Marx’s plan

Outside the confines of his theoretical presentation of the concept of relative surplus value, however, Marx consistently stressed the ability of workers to expand their consumption of means of subsistence under the appropriate conditions. The fixed character of workers’ needs, he indicated in volume three of *Capital*, “is mere illusion. If means of subsistence were cheaper or money-wages higher, the workers would buy more of them.”²³ Similarly, in volume two, he explained that with rising real wages, “the demand of the workers for necessary means of subsistence will grow. Their demand for luxury articles will increase to a smaller degree, or else a demand will arise for articles that previously did not enter the area of their consumption.”²⁴ Further, he pointed out in volume one that, with higher wages, workers “can extend the circle of their enjoyments, make additions to their consumption fund of clothes, furniture, etc., and lay by a small reserve fund of money”.²⁵

Not only did Marx insist that in practice there was not a fixed set of necessities for workers but he also recognised explicitly that rising productivity did not necessarily lead to the development of relative surplus

value. Indeed, he pointed out that the scenario offered in his discussion of the concept of relative surplus value in *Capital* was only one of several possibilities. In his *1861–63 Economic Manuscripts*, Marx explained that, assuming an increase in productivity, there were three possible cases. In the first case, the worker “receives same quantity of use values as before. In this case there is a fall in the value of his labour capacity or his wage. For there has been a fall in the value of this quantity, which has remained constant.” In the second case, “there is a rise in the amount, the quantity, of the means of subsistence ... but not in the same proportion as in the worker’s productivity.” Accordingly, the real wage rises but its value falls – that is, there is both rising real wages and relative surplus value.

“Finally the third CASE,” Marx continued, where productivity and the standard of necessity rise at the same rate:

The worker continues to receive the same value – or the objectification of the same part of the working day – as before. In this case, because the productivity of labour has risen, the quantity of use values he receives, his real wage, has risen, but its value has remained constant, since it continues to represent the same quantity of realised labour time as before. In this case, however, the surplus value too remains unchanged, there is no change in the ratio between the wage and the surplus value, hence the proportion [of surplus value] to the wage remains unchanged.²⁶

In this case, Marx explained, “there would be no CHANGE in surplus value, although the latter would represent, just as wages would, a greater quantity of use values than before”.²⁷

Despite Marx’s clear understanding that rising productivity could lead to increasing real wages and no relative surplus value at all (including this possibility in chapter 16 of volume one of *Capital*), we see that his explanation of the concept of relative surplus value considered only the first case where workers were limited to a fixed set of use-values.²⁸ More was involved here than simply following in the footsteps of the classical economists. From the time that he formulated his projected six-book plan in the *Grundrisse*, he explained to Engels that this assumption was necessary to explore the nature of capital: throughout the section on capital in general, he indicated, “wages are invariably assumed to be at their minimum”.²⁹ Similarly, he was explicit in the *Grundrisse*: “For the time being, necessary labour supposed as such; i.e., that the worker always obtains only the minimum of wages.”³⁰

By assuming this “minimum”, Marx subsequently explained, he meant “not the extreme limit of physical necessity but the average daily wage over e.g. one year”.³¹ However, it was also always Marx’s intention to *remove* that assumption. Thus, in his letter to Engels he indicated that “the rise or fall of that minimum will be considered under wage labour”; and in the *Grundrisse* he explained that the standard of necessary labour, while treated as fixed, may change and that “to consider those changes themselves belongs altogether to the chapter treating of wage labour”.

Nor was Marx’s intention to explore such matters subsequently in a separate study a passing fancy (as is often suggested by some). For example, in his *Economic Manuscript of 1861–63*, Marx indicated that the

question of “movements in the level of the workers’ needs” was not to be explored here “but in the doctrine of the wages of labour”. For now, he insisted that it was essential that the level of workers’ needs be viewed as “given, determinate. All questions relating to it as not a given but a variable magnitude belong to the investigation of wage labour in particular.”³² Further in that manuscript, Marx noted that his investigation proceeded from the assumption that wages are “only reduced by the DEPRECIATION of that labour capacity, or what is the same thing, by the cheapening of the means of subsistence entering into the workers’ consumption” and that any other reason for a reduction in wages was “not part of our task” and “belongs to the theory of wages”.³³

A few years later, Marx repeated the same point. In “The Results of the Immediate Process of Production”, he explained that “The level of the necessaries of life whose total value constitutes the value of labour-power can itself rise or fall. The analysis of these variations, however, belongs not here but in the theory of wages.”³⁴ That, though, was not his last reference to the book on wage labour. In chapter 20 of volume one of *Capital*, Marx noted that “the special study of wage labour, and not, therefore, to this work” is where an exposition of the forms of the wage belonged.³⁵

But *why* did he postpone his “special study of wage labour”? Very simply, because, first, the “general capital-relation” had to be developed. Variations in the standard of necessity, he indicated in his *Economic Manuscript of 1861–63*, “do not touch its general relationship to capital”. To understand the nature of capital and the capital-relation, determining the value of labour-power was essential and “the only thing of importance” for this was to treat the standard of necessity “as given, determinate,” since its variations do not “alter anything in the general relationship”.³⁶ As he had indicated in the *Grundrisse*, his letter to Engels and his comments on the Physiocrats, all that was needed for the study of capital was to assume that “the worker always obtains only the minimum of wages”; changes in the standard of necessity are not part of the study of capital and “belong to the investigation of wage labour in particular.”

In continuing to stress the place of that special study of wage labour, though, Marx went beyond the limits of classical political economy. As he explained to Engels, his acceptance of that fixed set of necessities as the starting point was based on methodological considerations. “Only by this procedure,” he proposed, “is it possible to discuss one relation without discussing all the rest.” He made the same point in the *Grundrisse*: “all of these fixed suppositions themselves become fluid in the further course of development. But only by holding them fast at the beginning is their development possible without confounding everything.” As is characteristic of a dialectical presentation, all relevant categories could not be incorporated at the outset but needed to be introduced logically at the appropriate point in the further course of development. That is why it was only “for the time being” that it was assumed that “the worker always obtains only the minimum of wages”, and that was why this fixed supposition was held “fast at the beginning”. Of course, a beginning is not the end, and Marx (unlike his disciples) understood that a beginning is invariably revealed in a

dialectical presentation to be deficient and one-sided.

Characteristic of a dialectical perspective is the understanding that the properties of parts come from the particular whole in which they are parts. Thus, in the course of a dialectical presentation, our understanding of the properties of the part changes as we proceed logically in the further course of development of the whole. In Marx's *Capital*, we are introduced to the commodity at the beginning but we gain a new understanding of the commodity once we have developed the concept of money logically from it. Similarly, our understanding of commodity and money changes once the concept of capital has been developed; and our understanding of commodity, money and capital further changes as we proceed from capital in the sphere of circulation to capital in the sphere of production to the sale of commodities containing surplus value (that is, capital as the unity of production and circulation).

In Marx's six-book plan for his Economics, it is only with the last of those books (the world market and crises) that we are meant to understand all of the parts within this developed whole. He made this point explicitly in his description of that plan:

the world market [forms] the conclusion, in which production is posited as a totality together with all its moments, but within which, at the same time, all contradictions come into play. The world market then, again, forms the presupposition of the whole as well as its substratum.³⁷

From this perspective, the recognition that there was a missing side of the worker (and a missing book on wage labour) should make us sensitive to the question of what belongs in that book and how it must affect our understanding of what is contained in the book on capital.

The missing second product

In *Beyond Capital*, I explored several aspects related to the question of the missing book – the one-sidedness of *Capital*, one-sided categories (such as wealth and productive labour), the importance of the degree of separation of workers, the place of patriarchy and racism, the dimensions of class struggle, the workers' state, etc. Here I want to focus particularly on the question of the missing second product.

Recall the second product of capital that Marx revealed in *Capital*. Those crippled human beings who look on capital's needs as self-evident natural laws and on whom capital can rely in perpetuity are consistent with Marx's 1853 description of workers not engaged in the struggle over wages – “apathetic, thoughtless, more or less well-fed instruments of production”. That working class, Marx predicted, “would be a heart-broken, a weak-minded, a worn-out, unresisting mass”.³⁸ And, he made the same point in 1865: workers who do not struggle over wages are “degraded to one level mass of broken wretches past salvation”. They thereby “disqualify themselves for the initiating of any larger movement”.³⁹ They are, indeed, the products of capital, the workers that capital needs.

In contrast, consider the worker as a subject, as a person with her own needs who struggles to realise those needs. For success in their struggle to reduce the capitalist workday in length and intensity (in order to have

time and energy for themselves) and their struggle for higher wages (in order to satisfy more of their socially generated needs) – and, certainly, to succeed in defeating capital’s efforts pressing in the opposite direction, workers must fight against their separation, their competition as sellers of labour-power.

As the General Council of the First International declared: “What the lot of the labouring population would be if everything were left to isolated, individual bargaining, may be easily foreseen. The iron rule of supply and demand, if left unchecked, would speedily reduce the producers of all wealth to a starvation level.”⁴⁰ Workers, in short, must organise. In “trades without organisation of the work-people,” Engels argued, “wages tend constantly to fall and the working hours tend constantly to increase ... While the length of working day more and more approaches the possible maximum, the wages come nearer and nearer to their absolute minimum.”⁴¹

Marx made the point in *Capital* as well: the struggle over the workday proves that “the isolated worker, the worker as ‘free’ seller of his labour-power, succumbs without resistance once capitalist production has reached a certain stage of maturity”.⁴² Workers thus succeed in achieving their goals only to the extent that they are able to negate competition among them, only by infringing on the “sacred” law of supply and demand and engaging in “planned co-operation”.⁴³ Indeed, commenting in 1868 about the struggles of workers in New York over the eight-hour day, Marx observed that “all serious success of the proletariat depends on an organisation that unites and concentrates its forces”. He also stressed the need to struggle against the international competition of workers: “Nothing but an international bond of the working classes can ever ensure their definitive triumph.”⁴⁴

Insofar as workers do struggle for themselves and break down the divisions among them, they are not simply the products of capital. Class struggle is a process of production; and that process is necessary, Marx told workers, “not only in order to bring about a change in society but also to change yourselves, and prepare yourselves for the exercise of political power.”⁴⁵ Human beings, as Hegel observed, are the outcome of their own activity – and, no more so than workers in struggle. Even though they had lost the battle over the Ten Hours’ Bill, Engels argued, workers had changed significantly in the course of that struggle:

The working classes, in this agitation, found a mighty means to get acquainted with each other, to come to a knowledge of their social position and interests, to organise themselves and to know their strength. The working man, who has passed through such an agitation, is no longer the same as he was before; and the whole working class, after passing through it, is a hundred times stronger, more enlightened, and better organised than it was at the outset.⁴⁶

What happens, then, when capital faces a working class no longer stifled by assumption but, rather, one that has developed its capacity through its struggles? All other things equal, that unified and organised working class will be the beneficiary of the fall in the value of the means of subsistence brought about by productivity increases. To secure relative surplus value, capital must ensure that all other things are *not* equal. Capital must defeat the working class. As discussed in *Beyond Capital*, just as workers struggle to

realise their own goals by combining, capital must *divide* workers. If money values are falling, so too must money wages – and the extent to which capital can succeed in preventing a rise in real wages will determine its ability to secure relative surplus value.

Divide the working class becomes the watchword. And every individual capitalist and the class as a whole knows that “the workers’ power of resistance declines with their dispersal”.⁴⁷ Encouraging antagonism between different groups of workers (which Marx, describing the hostility between English and Irish workers, called “the secret by which the capitalist class maintains its power”); making changes in the labour process which, rather than strengthening the capacities of workers and opening up a world of “productive drives and inclinations”, separates the intellectual potentialities of the labour process from the worker and turns the relation of head and hand into a hostile antagonism;⁴⁸ introducing the machine not as an extension of the power of workers but as their competitor and thus as a weapon used against them⁴⁹ – all these have the effect of increasing the degree of separation of workers; and the last, in particular, expands the competition of employed and unemployed that pushes money wages down.

It is not the increase in productivity that reduces necessary labour but the extent to which the reserve army of labour (reproduced by the displacement of workers) ensures that workers are not the beneficiaries of productivity gains. That question, however, Marx explicitly put aside until the book on wage labour, when he chose to assume the standard of necessity constant: “In so far as machinery brings about a direct reduction of wages for the workers employed by it, by e.g. using the demand of those rendered unemployed to force down the wages of those in employment, it is not part of our task to deal with this CASE. It belongs to the theory of wages.”⁵⁰

Further, if the effect of the reserve army is not enough in itself to prevent real wages from rising when productivity increases, capital will not hesitate to resort to “the bloody discipline”, the “police methods”, and “state compulsion to confine the struggle between capital and labour within limits convenient for capital” that is always part of its arsenal. It is not only “the rising bourgeoisie [that] needs the power of the state” and uses it as necessary.⁵¹

Returning to the argument that Marx presented in his discussion of relative surplus value, if we exclude the effect of machinery on the supply and demand for labour, what prevents workers who have developed their capacities and organisation from capturing the benefits of productivity increases via real wage gains? If productivity increases were to drop from the sky, what would ensure the generation of relative surplus value? From Marx’s identification of productivity increases as the sole source of relative surplus value followed the inference that capital’s “immanent drive, and a constant tendency” is that of “increasing the productivity of labour in order to cheapen commodities and, by cheapening commodities, to cheapen the worker himself”. Once we understand, however, that productivity increases in themselves do *not* reduce necessary labour, we can see that the “immanent drive, and a constant tendency” of capital is to divide and separate workers.

Productive forces do not drop from the sky. They are never neutral but always reflect the particular relations of production within which they emerge. Within capitalism, the impulse to defeat workers is present in everything that capital does. When capital reorganises the workplace or introduces new productive forces, its purpose is not efficiency as such but embodies the need to defeat workers in order to increase surplus value. Given his conclusion that, within the capitalist system, “all means for the development of production undergo a dialectical inversion so that they become means of domination and exploitation of the producers”, Marx certainly did not view as neutral those productive forces which degrade the worker “to the level of an appendage of a machine”.⁵²

Generations of Marx’s disciples, however, have been determined to prove by “crass empiricism”, “phrases in a scholastic way” and “cunning argument” that Marx got it right in *Capital*. For them, the “Two Whatevers” (whatever is in *Capital* is right and whatever is *not* in *Capital* is wrong or trivial) are the starting point; and one of many results has been the tendency to substitute autonomous development of productive forces, the neutrality of technology and deterministic and automatic objective laws (all conceptions characteristic of economism) for the class-struggle perspective of Marx. But, the disciples are not alone at fault. The roots of the problem can be found in the master himself, for whom “the science was not something received, but something in the process of becoming”.

After all, after having introduced workers as subjects in his discussion of the struggle over the workday, why did Marx silence the voice of the worker in his succeeding chapter on the concept of relative surplus value? Why wasn’t this chapter framed by the same “antinomy, of right against right”, the struggle between collective capital and collective labour which produced the norm for the workday?⁵³ Why, in short, wasn’t the determination of the historical and moral elements in the standard of necessity explained by class struggle?

The answer, I suggest, is that when it came to the discussion of the standard of necessity, Marx abandoned (or, rather, postponed) his critique of political economy and accepted instead the premise of that political economy – the assumption of the given minimum wage that underlies the Ricardian Default. There can be no surprise, then, that the productive forces introduced in that discussion were treated as neutral; after all, they were for Ricardo. In this tradition, *any* increase in productive forces will have the same effect – to “cheapen commodities and, by cheapening commodities, to cheapen the worker himself.” *Let us be absolutely clear: the critique of the categories of classical political economy requires the demonstration that underlying those categories is class struggle.*

Had chapter 12 presented relative surplus value as dependent on class struggle, the conceptual chapter on cooperation which follows could have highlighted not only capital’s role in bringing about cooperation in production (with resulting increases in social productivity) but *also* capital’s need to divide workers in order to ensure that collective capital (and not collective labour) captures the “gift” of social labour. In short, the necessity of a particular form of cooperation “peculiar to and characteristic of capitalist production” would have been explicit theoretically. As it stands, Marx’s theoretical discussion in chapter 12 generates a focus on

the growth of neutral and abstract productive forces; however, his discussion of “the real relations” (that is, his historical account) confirms the centrality of class struggle and capital’s need to divide workers. With class struggle introduced explicitly into the theoretical discussion of relative surplus value, the theoretical conclusions would have been “fully confirmed by the FACTS”.⁵⁴

All these problems can be traced back to the problem of the missing second product. Had Marx seriously considered in volume one of *Capital* the side of workers, the struggle to satisfy their needs and the development of their capabilities and organisation as a product of those struggles, he could not have accepted unquestioningly the classical premise of the constant set of necessities. He could not have acquiesced in the classical symmetry of men and hats – and, in particular, could not have treated wage labourers theoretically as slaves dependent on a constant set of use-values.

When we add the side of workers missing from *Capital*, our understanding of the whole changes; and, within that further developed whole, capital as a part takes on new sides itself (for example, the need to divide and separate workers as part of its essence). Further, with the incorporation of the second product produced by workers themselves, the organic system is not one characterised only by that second product of capital “which by education, tradition and habit looks on the requirements of that [capitalist] mode of production as self-evident natural laws”. We can now see clearly what alone drives beyond the tendency for the reproduction of capitalist relations in perpetuity. It is not the *deus ex machina* of the falling rate of profit and crises so celebrated by Marx’s disciples but, rather, the development of the capacities of the working class, capacities built in the course of its struggles.

Let me conclude then by quoting from the preface (written in 2002) to the second edition of *Beyond Capital*:

Beyond Capital stresses the manner in which the worker’s dependence upon capital, within existing relations, is reproduced under normal circumstances; and, thus, it points to the critical importance not only of that demystification of capital upon which Marx himself laboured but also of the process of struggle by which workers produce themselves as subjects capable of altering their world.

This essential point about the centrality of revolutionary practice for going beyond capital affords me the opportunity to close with the quotation from George Sand with which Marx concluded his *Poverty of Philosophy*.⁵⁵ (In the context of capital’s demonstrated tendency to destroy both human beings and Nature, the statement has taken on added meaning.) Until “there are no more classes and class antagonisms . . . , the last word of social science will always be . . . Combat or death, bloody struggle or extinction. Thus the question is inexorably put.”

¹ Karl Marx, *Grundrisse* (New York: Vintage, 1973), 278.

² Karl Marx, *Capital*, vol. 1 (New York: Vintage, 1977), 548, 643, 799.

³ *Ibid.*, 482–84, 548, 607–8, 614.

⁴ Marx, *Grundrisse*, 488.

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- ⁵ Marx, *Grundrisse*, 287; Michael A. Lebowitz, *Beyond Capital: Marx's Political Economy of the Working Class* (New York: Palgrave Macmillan, 2003), 32–44.
- ⁶ Marx, *Capital*, vol. 1, 899.
- ⁷ *Ibid.*, 899.
- ⁸ *Ibid.*, 935.
- ⁹ *Ibid.*, 899.
- ¹⁰ *Ibid.*, 342.
- ¹¹ *Ibid.*, 274.
- ¹² *Ibid.*, 660.
- ¹³ David Ricardo, *The Principles of Political Economy and Taxation*, vol. 2 (London: Dent, 1969), 253.
- ¹⁴ Karl Marx, “Poverty of Philosophy,” in *MECW*, vol. 7 (New York: International Publishers, 1976), 124–25.
- ¹⁵ Marx, *Capital*, vol. 1, 275–76, 655.
- ¹⁶ Karl Marx, “Economic Manuscripts of 1861–63,” *MECW*, vol. 30 (New York: International Publishers, 1988), 45–46.
- ¹⁷ Karl Marx, *Theories of Surplus Value*, vol. 1 (Moscow: Foreign Languages Publishing House, n.d.), 44–45.
- ¹⁸ *Ibid.*, 44, 68, 296.
- ¹⁹ Marx, *Capital*, vol. 1, 276.
- ²⁰ *Ibid.*, 656.
- ²¹ *Ibid.*, 436–37.
- ²² *Ibid.*, 1033.
- ²³ Karl Marx, *Capital*, vol. 3 (New York: Vintage, 1981), 289–90.
- ²⁴ Karl Marx, *Capital*, vol. 2 (New York: Vintage, 1981), 414.
- ²⁵ Marx, *Capital*, vol. 1, 769.
- ²⁶ Karl Marx, “Economic Manuscript of 1861–63 (Conclusion),” *MECW*, vol. 34 (New York: International Publishers, 1994), 65–66. Capitals in the original.
- ²⁷ *Ibid.*, 66.
- ²⁸ Marx, *Capital*, vol. 1, 659.
- ²⁹ *MECW*, vol. 40 (New York: International Publishers, 1983), 298.
- ³⁰ Marx, *Grundrisse*, 817.
- ³¹ Marx, “Economic Manuscripts,” 52.
- ³² Marx, “Economic Manuscripts,” 44–45.
- ³³ Marx, “Economic Manuscript of 1861–63 (Conclusion),” 23.
- ³⁴ Marx, *Capital*, vol. 1, 1068–69.
- ³⁵ *Ibid.*, 683.
- ³⁶ Marx, “Economic Manuscripts,” 44–47.
- ³⁷ Marx, *Grundrisse*, 227–28, 264.
- ³⁸ *MECW*, vol. 12 (New York: International Publishers, 1979), 169.
- ³⁹ Karl Marx, “Value, Price and Profit,” in *MECW*, vol. 20 (New York: International Publishers, 1985), 148.
- ⁴⁰ Karl Marx, “Address of the General Council of the International Working Men’s Association to the Members and Affiliated Societies,” 9 Jul. 1867, in *The General Council of the First International, 1866–1868: Minutes* (Moscow: Progress, 1964), 137.
- ⁴¹ Friedrich Engels, “Trade Unions, I.” *The Labour Standard*, 28 May 1881. Quoted in W.O. Henderson. *Engels: Selected Writings* (London: Penguin, 1967), 104.
- ⁴² Marx, *Capital*, vol. 1, 412.
- ⁴³ *Ibid.*, 793.

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- ⁴⁴ Karl Marx, “The fourth annual report of the General Council of the International Working Men’s Association,” 1 Sept. 1868, in *The General Council of the First International, 1866–1868: Minutes* (Moscow: Progress, 1964), 329.
- ⁴⁵ Karl Marx, “Revelations concerning the communist trial in Cologne,” in *MECW*, vol. 11 (New York: International Publishers, 1979), 403.
- ⁴⁶ Friedrich Engels, “The Ten Hours’ Question” (1850), *MECW*, vol. 10 (New York: International Publishers, 1978), 275.
- ⁴⁷ Marx, *Capital*, vol. 1, 591.
- ⁴⁸ *Ibid.*, 481, 548, 643, 799.
- ⁴⁹ *Ibid.*, 526, 557, 562–63.
- ⁵⁰ Marx, “Economic Manuscript of 1861–63 (Conclusion),” 23.
- ⁵¹ Marx, *Capital*, vol. 1, 899, 904, 905.
- ⁵² *Ibid.*, 799.
- ⁵³ *Ibid.*, 344.
- ⁵⁴ Marx to Engels, 24 Aug. 1867, *MECW*, vol. 42 (New York: International Publishers, 1987), 407–8.
- ⁵⁵ *MECW*, vol. 6 (New York: International Publishers, 1976), 212.