

Marxism Without Tears

Name: _____

My First Capital Reading

$m = c = m'$

money commodity money with surplus

Why Capital? Why now?

Since the economic crisis of 2007-2008 there has been a renewed interest in the theories and writings of Karl Marx. His critique of political economy in general and *Das Kapital* in particular have been renewed objects of re-visitation. Capitalism has seen many dissidents and critics over the course of its development, but none have left behind a theoretical analysis as well developed or influential. Today, the universal consensus seems to be that if the capitalist system has any tendencies toward crisis, these tendencies have been overcome naturally on their own. The notion that there will be a rising class struggle or economic cataclysm leading to a higher and better mode of society sounds strange and antiquated to many. Yet in the midst of this triumphalism, doubt mounts. Ecological indicators look ever more grim, wealth disparities grow, exploitation continues in the shadows of the world economy, and once in a while, as in 2008, the masters of this world flinch. When the stock markets plunged rapidly downward, no one other than George Bush put it so succinctly: "this sucker could go down."

Increasing skepticism on the left toward capitalism has led to the rise of a number of economic gurus, along with a handful of efforts at creating new toms to characterize the systemic problems we face and diagnose solutions. Richard Wolff has called for government investment in consumer co-ops, but never explains how these firms will manage while competing on a market. During the Occupy movement, David Graeber attempted to find a transhistorical explanation for the problem of debt with "Debt: the first 1000 years." This went on to influence a section of Occupy Wall Street in New York to attempt to organize around resistance to debt. Three years on, aside from a couple of high profile concerts and charitable purchases of junk medical debt, this has yet to gain any wider traction. Recently, Thomas Piketty has become something of a leftist darling through his supposedly unintentionally titled "Capital for the 21st Century." Piketty claims to find a structural tendency in Capitalism toward income inequality. His solution to this is a global wealth tax, yet neither he nor anyone else can seem to figure out who might be willing to implement this.

These would be critics of capitalism, like the system's boosters, severely underestimate the extent of the problem. Like mainstream economists, they all look for some kind of immediate magic bullet solution to the problem be it Co-ops, debt jubilee, or a wealth tax. This assumes that we can return to some kind of harmonious state, usually projected onto the past. For many left liberals (and some rightists) this roughly constitutes the period of Keynesian economic policy from the 1940s-60s. This ignores the fact that the period of Keynesianism was not affluent for everyone and was simply the result of political decisions and policy. Some point to even more recent problems like the repeal of the Glass-Steagall act or the allowance of certain forms of banking. But what if the problem goes deeper? What if there really was no golden age of capital? If that is the case, then we must instead try to grasp the functioning of capitalism as a totality. Such an analysis will not be easy, will not be accomplished quickly, or necessarily have instant mass appeal. But if accomplished correctly it can provide us with a correct basis for understanding. From this we stand to not only improve our perspective on the activity of the system, but of our own as well.

The Specter of Marx

Few works of theory whether political, economic, or philosophical, and the works of Marx traverse all three, have seen such influence, been subject to such contentious debate, or been victim to as much distortion. Combined with its massive length, theoretical rigor, and the dry nature of its material, *Capital* can be a forbidding and foreboding text to tackle.

But if you're reading this you either have begun the text or want to. Like any work of theory, there is no substitute for the original text, and the best thing to do is to tackle the text from start to finish. You will likely be confused. Learn to live with your confusion, take notes of questions you have and try to suspend judgement until the text is finished. There are more than a few companions to *Capital* some of which we will discuss later on.

Abstraction

Capitalism is a complex phenomenon. In order to understand it, Marx makes use of abstraction, simplifying variables into constants in order to examine certain relationships and components of capitalism in general. Because of this, there has developed some confusion regarding the nature of the categories that are developed between volumes 1 and 3. Critics of Marx, the Austrian school in particular, have charged that because the meaning of certain categories change as the analysis is expanded in the presentation, that Capital is inconsistent. Remember that Marx is using a process of abstraction in order to understand the relationships of different component parts of capitalism. The way that these parts operate will differ in different contexts, and in certain examples, especially early on, Marx deliberately ignores mitigating and complicating factors in order to make the relationships between certain elements more clear. This methodology is important and necessary in order to understand the interaction of forces in the real economy.

From Abstract to Concrete

In Volume 1, Marx begins with a highly set of abstract points about the nature of value, commodities, and exchange. This can give an early impression that the entire book is as dense and philosophical as this. These chapters are very important in that they both define the terms that Marx will use for the remainder of the text as well as demystifying a number of concepts from capitalist society that the reader may be conditioned to view differently.

History

Though Marx situates capitalism historically, and draws on examples and data from material existing when he wrote it, his use of abstraction leads him to write about capitalism at "its ideal average." Because Marx analyses the general categories of capitalism at different levels of abstraction, we argue that his analysis holds in a number of different historical contexts. Furthermore, since capitalism has continued to develop since and now controls an even wider section of humans civilization than the time it was written, some have even argued that Capital describes the world today even better than at the time it was written. However, we should not deny or try to minimize the limitations of this work. Marx simply didn't have the kind of theoretical or empirical tools available to economists today, nor was he able to observe or explicitly predict subsequent developments of the system, and so his work is necessarily dated. Like any other classical text, Marx's work should be used as a basis for further development, both theoretically and empirically.

A Critique

The term for economics in the early development of the field was Political Economy. The giants of classical political economy were Adam Smith and David Ricardo. Both worked to develop the Labor Theory of Value. The Labor Theory of Value argues that labor forms the common substance between different commodities and so serves to have a determining effect on the prices that they trade at. In a sense Marx ascribes to this theory and develops it. Marx spills a good deal of ink in Capital directly reacting to the theories and writings of the aforementioned figures and he writes very much like them. This should not deceive us. Marx referred to his project here as a "Critique of Political Economy." Marx historicizes Capitalism, and by extension capitalist theory. This means that the categories conventionally used to understand capitalism are like capitalism itself: products of history. These categories should not and cannot be used to understand the functioning of previous modes of production. Similarly, they will not apply to society when capitalism has been transcended. Because they are historically specific, they are limited, and thus subject to critique.

Socialism

Marx also criticizes the notions of other socialists. Often read as an attack on capitalism (and sometimes as an advance on classical value theory) the real purpose was to develop a theory of capitalism for the proletariat, and the real movement of the 19th century to abolish capitalism. In addition to the notions of classical political economists, Marx was reacting to the numerous socialist counterproposals which claimed to negate the current system, but which Marx saw as simply variations on or untenable mutations of capitalism. For the proletariat to transcend capitalism it is necessary to understand it. This was what Marx sought to accomplish, and I submit that his work here amounts to the best existing theoretical basis from which to do so.

Companions

Reading groups

The best companions to studying capital are in our experience human ones. Reading capital in a group setting, whether academic or private, in person or online, can help students to work through common problems, share insights and generally stay on track throughout the book.

Guidebooks

As well researched, meticulous, and scientific as Capital is, because it concerns the social in general, it is inescapably political. This is true also of the numerous companion works that help readers to interpret the text, generally along the lines of the interpretation of the author of the guide. While some claim that there is only one correct logical reading of Marx (and in a certain respect this may be true) because the text can serve different functions, and because there are different sets of interest to those reading it, there will inevitably be different interpretations. We present here a set of various renowned supplementary literature and guides to Capital, along with a brief description of the positions of their authors. We will also indicate which guides we prefer and why.

David Harvey

A Companion to Marx's Capital

David Harvey is one of the most famous scholars and lecturers on Marx's critique of political economy in the English speaking world. Through his website, downloadable lectures, and various books on the subject, Harvey has been on the forefront of the renewed interest in Marx in recent years. There are a couple of things that concern us in his analysis however. Politically, Harvey seems to subscribe pretty strongly to the notion that neoliberalism constitutes an attack on the working class undertaken by the ruling class and their representatives in government. There is much truth to this, but the period of neoliberalism cannot simply be reduced to the political. Harvey has also made statements unnervingly close to currency crankery:

“Representation of value in the money form is a perversion of what value is about, it's a contradiction. [...] What this would suggest is that if you want to prevent class formation, if you want to prevent the individual appropriation of social value, then you would have to come up with a money form that is anti-accumulation. Marx says that gold and silver are the money commodities because they are not oxidisable. [...] They maintain their character. You can accumulate value, social power. And we see what happens in societies. But if you had a money form that dissolved, that is oxidisable, we would end up with a very different kind of society. You would have a money form that would aid circulation but that would not facilitate accumulation.”

In his positions on value, money, and crisis, Harvey seems to demonstrate a rather skewed grasp of Capital for someone who has taught it for decades. His writings and lectures can still be useful in many respects, but for a better introduction, we suggest looking elsewhere.

Michael Heinrich

An Introduction to the Three Volumes of Capital

A part of the “Neue Marx-Lektüre” (“Marx New Reading”) a semi-academic re-examination of Marx instigated after the entirety of his writings were released. Heinrich represents the “value-form” approach to capital that focuses on value as an abstract form of domination that fetishizes social relations. The value-form approach stresses value as a social form rather than a ‘substantialist’ approach that sees Marx’s value theory as a continuation of Ricardo. Heinrich puts forth a reading of Marx which stresses that labor under capitalism takes the “form of value” because of the nature of production oriented toward exchange. The work that countless workers put into creating commodities can only express itself as an “objective magnitude”, that is, the value of objects. This is a result of the nature of social relations. Though elsewhere, he has perhaps given short shrift to some of Marxism’s more political and historical expressions, as well as crisis theory, Heinrich displays a firmer grasp of value theory than most (his work, the Science of Value, is in the process of translation and is eagerly awaited by members of this group). The upside of his approach is that he offers a fresh critical perspective, free of hyperbole or hagiography. Lucid and at 220 pages, highly digestible, Heinrich provides here what is probably the best introductory text on Capital available in English.

Brendan Cooney

kapitalism101.wordpress.com

Through a series of articles and YouTube video essays, Brendan Cooney works through various key concepts in Capital and attempts to clear up a few common misunderstandings about the work.

An autodidact and jazz pianist, Cooney is affiliated with the Marxist-Humanist Initiative. He is also a student of Andrew Kliman and subscribes to the Temporal Single System Interpretation of Capital, a theory developed to refute charges of logical inconsistency in Marx's work. Cooney doesn't claim to be an expert in the subject, and that he started his blog in order to work through, develop and test his own understanding. This makes it well suited material for people approaching Marx's work for the first time.

Harry Cleaver

Reading Capital Politically

A part of the autonomist wave of the 1970's Cleaver reasserted the political dimension of Marx, reminding readers that it was written primarily for a rising working class movement. Focusing primarily on chapter one, Cleaver works to tie the abstract categories covered in chapter one to their concrete manifestations in class struggle.

PolyluxMarx

This guide is put together by the Rosa Luxemburg Foundation. Rosa Luxemburg wrote "the Accumulation of Capital" which attempted to correct some perceived theoretical problems in Marx's capital regarding the realization of surplus. Luxemburg attempted to explain the functioning of imperialism and the recurrence of crisis through the lens of consumption.

PolyluxMarx is an overall guide to capital consisting series of slides explaining and illustrating the concepts of Capital. Designed for reading groups and classes, PolyluxMarx provides a pretty good heterodox guide through the first volume of capital. It's also available online for free. PolyluxMarx is distinguished from other introductory guides primarily by its graphic approach, and resembles what a teacher's textbook might if Marx were taught in primary school. Though never used by our group, it could prove highly useful for group study or informal classes.

Glossary

I am a bit hesitant to put together a rough glossary of Marx's terms. The dialectical component of Marx's method, the fact that he often defines his categories in terms of their interrelationship, means that in a sense the entirety of capital consists of a definition of Marx's terms and categories. As Marx puts it near the beginning: "A commodity appears, at first sight, a very trivial thing, and easily understood. Its analysis shows that it is, in reality, a very queer thing, abounding in metaphysical subtleties and theological niceties." The subtleties of these concepts and their interrelationship give capital a complexity that we don't want to bowdlerize or reduce. Still there are consistencies and most of these categories have roughly the same meaning in every instance. I offer then, these definitions and ask the reader to bear in mind that they stand more as rough (approximations) for ready reference, than precise elucidations of their (philosophical) forms.

Value

Marx defines Value in capitalist society historically. Value is a social category. In capitalism, the value of a commodity is determined by the socially necessary labor time needed to produce it.

Use Value

Consists of the social utility of a commodity

Exchange Value

Consists of the value that the market places on a commodity.

Socially Necessary Labor Time

The average amount of time that it takes for a commodity to be produced. In capitalism whoever produces a commodity the most efficiently will have an advantage over their competitors, and so there is a drive to a certain kind of standardization of production.

Money

For Marx, money is a medium of exchange. Initially it is a commodity which stands for the equivalence of other commodities, but eventually acquires a more purely symbolic role due to its function in exchange.

Subsumption

The molding of a process to the needs of capitalist reproduction

Formal Subsumption

In which pre or non-capitalist production techniques become subjected to capitalist social relations

Real Subsumption

In which capitalist social relations alter production processes according to its needs

Fixed Capital

Constant capital in which the value produced by the expenditure will not pay for itself for numerous business cycles, transferring its value piecemeal for the duration of its function through numerous production cycles.

Circulating Capital

Constant capital that pays for itself in a single cycle transferring its value into the product immediately in that production cycle.

Constant Capital

Abbreviated C. The productive expenditure on components which are not labor (e.g. Fuel, machinery, buildings etc.)

Variable Capital

Abbreviated V. The expenditure on human labor.

Surplus Value

The result of labor time for which the worker is not remunerated. Value which is kept by the capitalist. Abbreviated S.

Absolute Surplus Value

Surplus Value obtained by raising the total amount of time worked in a period.

Relative Surplus Value

Surplus Value produced through increasing technical efficiency

Commodity

An object of exchange. Don't get me started on this one.

Capitalist

In most of Marx's examples, the capitalist is the owner of the means of production who manages the worker's labor. In early Capitalist development it was often the case that this was the same person, and this helps to simplify the schemas for the purposes of illustration and example. However, given the development of capitalist relations, it is less often the case that the manager of workers and the owners are the same person, or that they even relate to each other without several layers of mediation. I like to say that the capitalist is anyone who has formal command over labor power and holds legal claim to the surplus value of others.

Proletarian

The class which is forced to rent its labor at a wage rate in order to survive. The proletariat consists of all those whose only "commodity" through which they can reproduce themselves is their own labor power.