

MODULE 1:

MARX, CAPITAL, AND HISTORICAL MATERIALISM: AN INTRODUCTORY OVERVIEW

For the most part this series of modules deals with Marx and capitalism. His understanding of capitalism, however, was embedded within a much more universalistic understanding of the world. The assumptions about the nature of the world and about knowledge of it can be viewed outside of his work on capitalist development, while at the same time deepening our understanding of the latter and, obviously, how he approached it. In these introductory notes I first talk about his analysis of capitalism and then turn to historical materialism. But the two analyses are very closely related. Emphatically one cannot fully appreciate his writings on capitalism and why he made the claims that he did without an understanding of his broader viewpoint on history, its material basis, and how it unfolds over time.

Marx and Capital

The Commodity

For Marx production is a vital human activity. This means that our relation with nature is of central significance. Through production we produce ourselves: not just in the obvious way of producing the means of subsistence we need in order to reproduce ourselves but also as learning organisms we develop our capacities to produce and the understanding of nature that we must arrive at in order to do so. So people are both part of nature and in virtue of their peculiar abilities to produce and to develop themselves and so to act on nature in new ways, external to it: both in and out, therefore.

This relation to nature is mediated by social relations. It is always in and through our relations with others that we relate to nature and appropriate from it those use values essential to our physiological reproduction: food, shelter, and the instruments of labor with which we engage with natural substances. Some of these social relations are defined by the division of labor: we cooperate with others in production and exchange with others those things that we cannot produce ourselves. Other of these essential social relations are the relations of property: the relation of master to slave, the relation of the landlord to his/her land. It is relations of property

that define particular *modes of production* like the slave mode, feudalism and capitalism. We tend to think of property as things: mine and yours. But to assert ownership is also to appeal to the laws through which ownership is validated and enforced and the powers/responsibilities that go along with ownership defined. And to assert a relation to others in the application of that law: ownership of land means the power to exclude others; ownership of another as in slavery means that no-one else can call upon the labor of the slave but his/her owner. Accordingly property is an intensely social matter.

Under capitalism the essential property relation underlying production is that of the commodity. Commodities have values both in exchange and in use. An article or service could not be an exchange value if it was not also a use value for the person willing to pay for it. In capitalism people relate to each other as guardians of their respective commodities the use of which they can alienate to others through acts of exchange. These may be such commodities as instruments of labor, objects of labor [i.e. raw materials], or their own ability to labor: what Marx referred to as labor power, which is, emphatically not the same as labor. Capitalism is the production of commodities [use values for sale] with commodities [other use values which were purchased on markets].

Markets can exist without capitalism. Indeed they coexisted with feudalism in medieval Europe. But to the extent that labor power has become a commodity bought and sold on labor markets then, and only then, can production be rightfully referred to as ‘capitalist.’ So in order for capitalism to exist labor power as a commodity must exist. This is an absolutely essential precondition. In turn, the essential precondition for this is what Marx referred to ironically as the ‘double freedom of labor power.’

In order for people to present themselves for hire as wage workers two ‘freedoms’ must be satisfied:

- (1) The individual must have ownership in his/her labor power: it cannot be owned by another, as in slavery; nor can others have exclusive claims on it as in feudalism; the

worker, in other words, must be ‘free’ to alienate it to another, typically in exchange for a wage;

- (2) The individual must no longer enjoy rights of possession in the means of production: in objects of labor like the land, or in instruments of labor like draft animals, ploughs, seed corn, etc.; i.e. the worker must be ‘free’ of the means of production. This is the second and ironic sense of the ‘freedom’ of labor power.

Only if this ‘double freedom’ exists is it possible for people with accumulations of money to purchase the means of production – since they have been separated from those who used to use them in their own production –*and* to hire these now property-less people to work with and on those means of production. In other words, the property-less are placed in a situation where they have no alternative but to go and work for the capitalist for a wage. It is in short through the mediation of money capital that the immediate producers are reunited with the means of production from the ownership of which they have been separated. This view of the origins of labor power as a commodity contrasts with the sense of choice implied by mainstream views of labor supply: labor supply as the outcome of a tradeoff between tastes for labor and tastes for leisure.

The process through which workers become ‘free’ of the means of production was called by Marx *primitive accumulation*. The frequently bloody and tormented nature of the process through which workers will ultimately be converted into wage workers testifies to the resistance they put up and hence to the non-voluntary nature of their subsequent status, even if they eventually get used to it, the old struggles fade from memory, and they even come to see it as an unexceptional, normal condition.

Values

Once labor power is commodified in this way, commodities come to have what Marx called values. The concept of *value*, however, is a highly disputed one. Marx had a very clear idea of what the value of a commodity was and how it was formed. This is the famous *labor theory of*

value. In order to appreciate the distinctiveness of Marx's contribution here, however, we have to keep in mind two other concepts of value: *use value* and *exchange value*.

Commodities always have *values in use*. These values are qualitative, rather than quantitative, in character and derive from an object's physical properties. Bread has a value in use deriving from its chemical composition which, in turn, performs nutritive functions. The use value of a car derives from its ability to move and to accommodate people as it moves. Clothing is useful because it helps to keep us warm, though it has other use values like helping to make us attractive to the opposite sex. Every commodity that is produced has to have a value in use since otherwise no one will want to buy it.

Commodities have values. Marx's concept of value is not an easy one to understand immediately. Very briefly values are proportional to what he called *socially necessary labor times*. To present the idea intuitively: The value of an ounce of gold is much higher than an ounce of coal since so much more labor time is embodied in the ounce of gold; consider, for example, the vast amounts of earth that have to be moved and sifted in order to retrieve its miniscule gold content and that after all the labor of locating the gold bearing rocks to begin with. 'Socially necessary' labor time is determined technologically. With technical revolutions in coal mining the amount of labor time embodied in the average lump of coal goes down and those adopting the new technology can undercut the laggards. Those producing with outmoded technology and hence taking longer to produce it will not, therefore, be producing coal that is more valuable: it will simply be of the same value as coal produced using the latest technique and will have to be sold at the same price in order to compete.

Exchange values are determined by fluctuations in supply and demand. If the demand for coal goes up due, perhaps, to a shortage of oil, then its exchange value will rise above its value. This will encourage capitalists to invest in more coalmines so that eventually supply will increase, exchange values will fall and eventually converge on values: on socially necessary labor times – the same value as previously so long as there have been no technical changes in its production in the interim. Exchange values or prices as we conventionally call them oscillate around values.

The value of a commodity is like a center of gravity for its (temporally and spatially) varying price. The center of gravity, however, is displaced by technological revolutions in the production of the commodity in question and the spread of the technique to most of the producers.

This approach is to be contrasted with that which prevails in mainstream economics. Although classical political economy, as in Adam Smith and Ricardo, assumed some version of the labor theory of value, neo-classical economics substituted for it a subjectivist notion: that the value of a commodity represented the evaluations of consumers of it. Marx's approach was to postulate relations of an objective sort; regardless of people's wishes or desires, values were forced on them by the impersonal workings of exchange relations, albeit ones constantly revolutionized by technical changes. We will return to the subjectivist notion shortly once we have discussed the idea of surplus value.

Surplus Value

Under capitalism, labor power is a commodity. Like other commodities it is produced by the expenditure of still other human labor power and so has a value. According to Marx the value of labor power is equivalent to the values of the commodities – means of subsistence, shelter, clothing, and what we call in an interesting expression 'recreation' – necessary to its production.¹ We will have cause to discuss some amplifications of this basic idea later on but for the present purpose this will suffice.

So like other commodities labor power has a value: there is a socially necessary labor time involved in its production. In the nineteenth century the socially necessary labor time for the production of bread went down as the virgin lands of the New World were opened up. This was the background to the debate in Britain over abolishing the [protectionist] Corn Laws. Manufacturers believed that the import of cheaper foreign grain would allow the price of bread to be reduced and subsequently the wages that they paid to their workers.

¹ Interestingly Marx was silent on the value of the labor power – that of the wage earner's wife – deployed in working up means of subsistence into edible food, in mending clothing, making beds, etc.

But labor power is also a unique commodity. Unlike the other commodities that enter into a product in the course of its production (cotton yarn, machines) labor power can embody more value in what it produces than it itself is worth: more value, that is, than the capitalist paid for it, assuming that commodities, including labor power, always exchange at their values. The capitalist can extend the workday long after the worker has produced value equivalent to her own wage; so the worker produces more value than what her own labor power is worth.

People also become more productive. As a result of harnessing the powers of nature (falling water, the heating powers of coal, gravity as in the use of chutes in factories, the specialized skills of the worker, the division of labor) socially necessary labor times fall: a worker can produce more in a given period of time than before. To the extent that this revolution in productivity affects the value of those commodities entering into the value of labor power, like food and clothing, then the value of labor power will fall. It therefore takes a shorter and shorter workday for the worker to produce value equivalent to the value of his/her own means of subsistence. The workday does not end there, however. Rather it is prolonged. A worker may produce value equivalent to the value of his/her own labor power in just four hours but the length of the workday will almost certainly be longer. There is in other words a *surplus* value. This is the source of the capitalist's profit. The magnitude of the surplus value relative to the value of the worker's labor power is a measure of how much the worker is being exploited by the capitalist.

In short, the fact that a worker can produce more than the value of her own labor power means that she can be exploited. Furthermore, given the desire of the money owner to cover not only her own expenses of labor power, raw-materials and instruments of labor as well as replacing worn out instruments of labor, but also the necessity to meet her living costs, she will be. However, there is also an incentive to produce a surplus or a profit that covers more than those living costs, whatever they might amount to. This is that part of profit that is invested in *expanding* production as opposed to simply producing as much in the future as one produced before. In short: Surplus value = living costs of the money owner + savings for expanded investment in production. But in order to understand this drive to exploit further so as to invest in an expansion of production, we have to introduce the idea of competition.

Capitalists lay out values for production: money for labor power, for objects of labor and for instruments of production. The workers set the means of production in motion and commodities are produced for eventual sale. In order to start all over again the capitalist must find a market for the products and so retrieve the values originally laid out; plus a surplus for the capitalist's own consumption. There is, however, no guarantee of a market. Consumers may spend their money on the products of other firms since they are cheaper and /or they are producing goods that are more to their liking for various reasons. There is a good possibility, therefore, that either the products will not be sold so that the values laid out in their production will be lost; or that their prices will have to be reduced below their values. If the latter, then this may mean a loss of some profit – i.e. surplus value – or even some loss of the values originally laid out so that the capitalist has to go into debt to cover them. On the other hand, if the price of the commodity can be reduced, then the chance of making a sale increases. But in order to do this and at the same time retrieve the values laid out plus a surplus, costs have to be reduced. This means making workers produce more for the same wage, or the same for a lower wage. In either case, the wage worker is being squeezed. Capitalists decide what to produce without knowing what other capitalists are doing and without knowing ahead of time the precise magnitude of the market. In order to reduce this risk, capitalists have to try to make sure that it is not their product which will fail to find a market.

There are diverse competitive strategies. In the early years of capitalism Marx believed that capitalists had tried to reduce the risk of loss by increasing the length of the workday so that surplus value would be proportionally increased; if markets came up short then the capitalist had a large cushion of surplus value to be forfeited before he would have to forfeit the values originally laid out. Under mature capitalism, however, Marx emphasized competition through cheapening the product: through lowering the labor time socially necessary in its production. This would be done through technical innovation. We should note, however, that capitalists also compete through the development of supposedly improved products: products which, since nobody else is by definition producing them, can command an exchange value above their value.

So capitalism is technologically dynamic and competition is part of the answer. But only part. This is crucial. As a stimulus to innovation competition only makes sense if you have, as the shorthand puts it, ‘capitalist relations of production.’ This means that everything entering the labor process or process of production is bought on the market: labor power, raw-materials and instruments of labor. If they aren’t, then the sort of cost-minimizing, technologically dynamic competition that we associated with capitalism may not occur. If instead of wage labor, commodity producers draw on their own labor power and that of their own family, then instead of technical innovation to keep their heads above water, they can always increase the exploitation of their own labor power: working longer hours, for example. At the limit, and if a primary means of production is agricultural land, then they might decide to quit commodity production altogether and produce only for subsistence. So the sort of cost-competition at the center of the dynamic of capitalist production presupposes the separation of immediate producers from the means of production and their employment for a wage; without that the disciplines on the person producing at least something if not all, for the market, are reduced in their intensity and at the extreme, absent. The monetization of all inputs into the labor process is crucial if competition is to work in the way that Marx assumed.

Accumulation

What happens to surplus value? Part of it goes to landlords (rent) and to the state (taxes) and part is consumed by the capitalist. But for the capitalist, consumption, while a temptation, is also a threat. In order to retain possession of the means of production and the privileges that go with that, capitalists have to remain effective in competition and guard against declines in demand. This generates an interest in the appropriation of values on an increasing scale. This increased scale in turn provides the basis for a more effective cheapening of the product, so stealing a march on competitors. It also can provide a cushion for hard times. But in order to appropriate values on an increasing scale the surplus has to be laid out for more and more machinery, more and more labor power, and more and more raw-materials: as opposed, that is, to devoting the surplus to increased consumption. This increase in the values under the control of individual capitalists is known as *accumulation*.

This also means that production is constantly increasing. What meanwhile is happening to demand for the products? And what does that portend for the intensity of competition and therefore for capitalism's technical dynamism? In their desire to maximize surplus value so as to stay ahead of competitors by putting it back into production, purchasing machinery that will make their employees more productive, or even buying out their competitors, the wage bill has to be minimized.² Each and every capitalist treats his workers as a cost, and the employees of other firms as the market for his products. But since each capitalist only has control of the wages of his own employees, this means a constant undermining of the market. At the same time, as we will see, capitalism cannot reproduce itself without some unemployment and the presence of the unemployed acts as a further drag on wages. The result is a chronic tendency to overproduction. Capitalists have to produce more and more but their own logics of operation also mean a deficiency of the purchasing power necessary to soak up that increased production. In other words, capital in the sense of the totality of all capitalists is constantly encountering the limits to its own market. It tries to go beyond those limits through (e.g.) the granting of credit, the invasion of international markets, and so on. But the limits will once again be reached; they can only be suspended and not abolished. This, of course, increases the pressure on the capitalist to stay ahead of competitors even more, unleashing bouts of savage competition and new feats of technological prowess. These are all expressions of capital's contradictory character: the way in which increasing production seems to create barriers to further increases, though barriers which historically have been suspended in various ways.

Relations and Forces of Production

Capitalism is one of the *modes of production* identified by Marx. A mode of production is an articulated combination of *relations* and *forces* of production under the domination of the relations of production. Under capitalism the relations of production are commodity relations. For production to occur all the necessary preconditions must be purchased as commodities. The forces of production are the skill of the worker, the instrument of labor, the object of labor, and their configuration in the labor process as a whole, including the division of labor shared with

² Note that this is *not* the same as saying that there is a zero-sum relation between wages and profits. Wage increases *do* occur, but usually on the assumption of the capitalist that what has been granted can be recouped through productivity increases that will restore profits to at least their earlier absolute level if not higher.

other workers. All other things being equal, more skilled workers are more productive if they work with machinery that more effectively mobilizes the laws of nature,³ with raw-materials that are more uniform in character, and in the context of a more divided division of labor, including the specialization of the machines the workers labor with. It is the relations of production under capitalism, the commodity relations into which the capitalist must repeatedly enter, which continually press him/her in the direction of developing ever more productive configurations, ever more productive machinery and skills, discovering and exploiting objects of labor that in their form lend themselves more effectively to the action of the worker, or whose processing requires less waste⁴, so revolutionizing the forces of production.

This process of capitalist development, however, is an antagonistic one. In the early phases of capitalist development the ability of the capitalist to appropriate more and more surplus value depends on a lengthening of the workday; something in which the workers are unlikely to acquiesce easily. One of the major political conflicts in the early history of capitalism is that over the length of the workday.

Once limits to the workday are instituted then capitalists have to expand surplus value by shortening that part of the workday in which workers produce sufficient value to pay for their own value; i.e., the values necessary to reproduce themselves. For the capitalist this means revolutionizing the production process. This in turn engenders new sources of antagonism. Transformation of the labor process is in its immediate form a technical matter which depends on treating the worker as a replaceable object. Those with the old skills must go or be moved to new tasks within the workplace. The process of revolutionizing the labor process proceeds unevenly. Some firms are forced out of business by more progressive firms resulting in unemployment. Alternatively wages may have to be reduced if the firm is to stay in business.

³ A stimulus, therefore, to the exploration of those laws of nature and in consequence to the development of the natural sciences.

⁴ For example: workers attending blast furnaces will produce more pig iron per worker in a given period of time with iron ore that has higher iron content than where it has less. A more macabre example of developing the forces of production through attention to the form of the object of labor comes from the interest of meat packing firms in genetic intervention to as raise animals of a physiognomy that is as uniform as possible.

The antagonistic nature of capitalism can be understood in part by considering what it means to treat labor power as a commodity and how it differs from other commodities. Commodities like machinery, raw materials can be separated from their previous owners and be placed entirely at the disposal of the capitalist. Labor power is different. The capitalist obtains the use of that labor power for a specified period of time but it cannot be separated from its owner, the worker him/herself. When a capitalist purchases a ton of coal she knows what she is getting. When she purchases the right to use the labor power of a worker she doesn't. Coal will not resist the extraction of its caloric value but workers will resist the capitalist's use of their labor power and, for example, the latter's desire to squeeze more value out of the worker by increasing the length of the workday. Likewise lumps of coal do not object to being treated as substitutable objects, nor yet do they object if they are unemployed. To treat a person as an object, which is necessary if the person's labor power is to be treated as a commodity is, moreover, to threaten that person's personhood. And the owners of labor power certainly object if they are unemployed.⁵

Historical Materialism

“The fact is, therefore, that definite individuals who are productively active in a definite way enter into these definite social and political relations. Empirical observation must in each separate instance bring out empirically, and without any mystification and speculation, the connection of the social and political structure with production. The social structure and the State are continually evolving out of the life-process of definite individuals, but of individuals, not as they may appear in their own or other people's imagination, but as they *really* are; i.e. as they operate, produce materially, and hence as they work under definite material limits, presuppositions and conditions independent of their will.” (*German Ideology*, pp.46-47)⁶

And:

“Morality, religion, metaphysics, all the rest of ideology and their corresponding forms of consciousness ... no longer retain the semblance of independence. They have no

⁵ For a good discussion of the distinctive character of labor power as a commodity see Claus Offe, *Disorganized Capitalism*, Chapter 1.

⁶ International Publishers edition (1978) edited by C H Arthur.y

history, no development; but men, developing their material production and their material intercourse, alter, along with this their real existence, their thinking and the products of their thinking. Life is not determined by consciousness but consciousness by life” (*German Ideology*, p.47)

Marx’s understanding of capitalism is part of a broader intellectual program, that of historical materialism: an interpretation of history which assigns causal primacy to people’s socially mediated relation with nature: i.e., production under definite social conditions. It is in this context that, Marx argues, we can, and should, understand the form of the state, dominant forms of consciousness, family structures and other aspects of social relations. It is this belief that has led many critics to identify Marx as ‘an economic determinist’ though in so doing they reveal the inadequacies of their own understanding of Marx. Marx was neither a determinist nor did he see the economic as having any *universal* relevance since only under capitalism did people differentiate in their consciousness – and as a result of the social relations characteristic of capitalism – between the economic and the political and the cultural, for that matter.

These are not easy ideas to understand for someone coming to Marx for the first time. Let it be said for the time being that Marx understood social life in terms of a unity; a unity between individuals and others (as in the division of labor), between the individual and nature (as in the labor process), between the political and the economic (as in the need for leadership in any labor process, given its social character). This unity differentiated itself over time so that the different parts came into contradiction one with another. It was through the posing of those contradictions and their suspension that society developed. But there was nothing automatic about the character of their suspension, just that, to paraphrase Marx, ‘People make history but not under conditions of their own choosing’. Marx’s conception of the world is totalizing. But totalization, the subordination of the state to the purposes of capitalist development, for example, always has to be seen historically. Unities – of the economic and the political in that instance – are reasserted through processes of intervention, through intentional action that is historical and by no means predictable in its form or automatic.

A major early source on historical materialism actually predates his more mature writings on capitalism (in particular the three volumes of *Capital*). This is the book or polemic, call it what you will, that he wrote with Engels entitled *The German Ideology* and I draw on it extensively in what follows. The notes he developed prior to writing *Capital – The Grundrisse* – are also useful.

So what at this stage of our learning process should we know about Marx's wider assumptions about the world and how we should understand it? Several key propositions:

1. The centrality of production. It is through production that people produce themselves and each other (as in a division of labor, for example). As Marx and Engels state in *The German Ideology*:

“... life involves before everything else eating and drinking, a habitation, clothing and many other things. The first historical act is thus the production of the means to satisfy these needs, the production of material life itself. And indeed this is an historical act, a fundamental condition of all history, which today, as thousands of years ago, must daily and hourly be fulfilled merely in order to sustain human life.”

Two things about production:

- It is *a relation to nature*, both that external to us and our own nature. We appropriate naturally occurring substances to satisfy our needs for food, shelter and the like. In that appropriation we draw on our own naturally given capacities for concept development and understanding of the world around us, and the articulation of mind and instrument of labor. We intervene in our own nature, developing our skills, altering our fertility and hence the production of future generations of labor power.
- Production is always *social*. We always produce through other people, as in a division of labor, but also through the knowledge and set of instruments of labor (machines, knives, etc) handed on by previous generations, and through a set of rules governing possession of the essential physical conditions of production: objects of labor and instruments of labor, and labor power.

Note parenthetically, that both of these propositions open up prospects of converting historical materialism into historical *geographical* materialism: the relation to nature is an obvious one; every social relationship has a geographic expression, as in spatial divisions of labor; and the relation to nature is also a spatial one, as in the current idea of food-miles.

It is in the context of this socially mediated relation to nature that we develop other aspects of our social life: our consciousness, our needs (always social, as in diet or the automobile), our institutions, including state forms, our technologies, modes of cooperation with others (kinship? contract?). When trying to understand history and geography production should be our starting point. Compare Marx and Engels in *The German Ideology*:

“This conception of history depends on our ability to expound the real process of production, starting out from the material production of life itself, and to comprehend the form of intercourse connected with this and created by this mode of production (i.e. civil society in its various stages), as the basis of all history; and to show it in its action as State, to explain all the different theoretical products and forms of consciousness, religion, philosophy, ethics, etc. etc. and trace their origins and growth from that basis; by which means, of course, the whole thing can be depicted in its totality (and therefore, too, the reciprocal action of these various sides on one another).”

2. People are necessarily social beings. They produce themselves, their capacities, their substance, but only within the context of relations with others. Consider this lengthy quote from the Introduction to *The Grundrisse*:

“Individuals producing in Society—hence socially determined individual production—is, of course, the point of departure. The individual and isolated hunter and fisherman, with whom Smith and Ricardo begin, belongs among the unimaginative conceits of the eighteenth-century Robinsonades, which in no way express merely a reaction against over-sophistication and a return to a misunderstood natural life, as cultural historians imagine. As little as Rousseau's *contrat social*, which brings naturally independent, autonomous subjects into relation and connection by contract, rests on such naturalism. This is the semblance, the merely aesthetic semblance, of the Robinsonades, great and

small. It is, rather, the anticipation of 'civil society', in preparation since the sixteenth century and making giant strides towards maturity in the eighteenth. In this society of free competition, the individual appears detached from the natural bonds etc. which in earlier historical periods make him the accessory of a definite and limited human conglomerate. Smith and Ricardo still stand with both feet on the shoulders of the eighteenth-century prophets, in whose imaginations this eighteenth-century individual—the product on one side of the dissolution of the feudal forms of society, on the other side of the new forces of production developed since the sixteenth century—appears as an ideal, whose existence they project into the past. Not as a historic result but as history's point of departure. As the Natural Individual appropriate to their notion of human nature, not arising historically, but posited by nature. This illusion has been common to each new epoch to this day. Steuart avoided this simple-mindedness because as an aristocrat and in antithesis to the eighteenth century, he had in some respects a more historical footing.

The more deeply we go back into history, the more does the individual, and hence also the producing individual, appear as dependent, as belonging to a greater whole: in a still quite natural way in the family and in the family expanded into the clan [*Stamm*]; then later in the various forms of communal society arising out of the antitheses and fusions of the clan. Only in the eighteenth century, in 'civil society', do the various forms of social connectedness confront the individual as a mere means towards his private purposes, as external necessity. But the epoch which produces this standpoint, that of the isolated individual, is also precisely that of the hitherto most developed social (from this standpoint, general) relations. The human being is in the most literal sense a Ζῷον πολιτικόν not merely a gregarious animal, but an animal which can individuate itself only in the midst of society. Production by an isolated individual outside society—a rare exception which may well occur when a civilized person in whom the social forces are already dynamically present is cast by accident into the wilderness—is as much of an absurdity as is the development of language without individuals living *together* and talking to each other. There is no point in dwelling on this any longer. ”

This is a very important quotation and provides insight beyond the individual-society relationship. Obviously Marx is saying that people only produce through other people. And in the course of production they produce themselves (“The human being is in the most literal sense a Ζωον πολιτικον not merely a gregarious animal, but an animal which can individuate itself only in the midst of society.”). What he is also saying, however, is that how people conceive themselves under capitalism isn’t necessarily how they really are. People think of themselves as individuals, relating to other people on a contingent rather than necessary basis, and indeed, they can pick and choose between different products, different employers. But as Marx points out, it is “Only in the eighteenth century, in ‘civil society’, (that) the various forms of social connectedness confront the individual as a mere means towards his private purposes, as external necessity. But the epoch which produces this standpoint, that of the isolated individual, is also precisely that of the hitherto most developed social (from this standpoint, general) relations.”

So there is a false belief, even while it facilitates those of the ruling class to achieve their goals while frustrating others and condemning them to exploitation; what Marx defines as an ideology. Worse yet, contemporary observers, like Adam Smith, projected this conclusion of a pre-social individual back into the past, into pre-capitalist times, in an attempt to understand the past and the transition to capitalism. According to Adam Smith, for example, people have a natural ‘propensity to truck, barter and exchange.’ The institutions of pre-capitalist times then made it impossible for this impulse to flourish and transform production. Only when various restraints on trade were lifted – he doesn’t say why they were lifted – was this impulse able to be realized, allowing the intensification of the division of labor and hence the growth of production.

3. In thinking about the social character of production an important distinction that Marx makes is between the relations of production on the one hand and the forces of production on the other. What Marx came to call *the relations of production* can be understood in terms of property relations. This is the basis of the distinctions that Marx draws between antiquity (slavery), feudalism, capitalism, and the more contentious case of those corresponding to what he called the Asiatic mode of production. Production relations are important because:

- They structure the dynamic of production – in particular whether it shows strong or weak tendencies towards the development of technologies, human skills, the development of the division of labor both within and between producing units, etc.: what Marx called the productive forces. So the production relations of capitalism – ones in which immediate producers have rights of possession in their labor power (cf. slaves) but who do not own the means of production (have in fact been separated from them) and can only be reunited with them via the ability of people of money to hire them and to buy the means of production – are especially propitious to the development of the productive abilities of individuals. In the first instance this is because of the way in which they result in the formation of markets and therefore in relations of a competitive character.⁷
- They define a set of social classes and relations of exploitation. The necessary condition for exploitation is people producing their means of subsistence rather than hunting it down or gathering it. This occurs with the Neolithic revolution. The Neolithic revolution conditioned exploitation for two reasons. First it meant that a surplus product could be produced by the intensification of labor (irrigation, application of human and animal waste to the fields). Second, the lengthy maturation periods for crops made producers vulnerable to predators, human and otherwise, but who could also offer to protect against other human predators in exchange for a share of the product. This means that it is then possible to have an exploiting class and an exploited class, with the exploiting class appropriating the surplus product of the exploited (i.e. of the immediate producers) as per Table 1. Class relations structure the division of the product, therefore. Note, however, that this division of the product is not between two classes conceived in their roles as consumers. The division of the product also reproduces the production relations. The feudal lord gets a surplus product which he can use to feed a retinue of enforcers to ensure that the surplus product gets transferred in the first place and also to drive out other feudal lords through the warfare that is such a feature of feudal society, and take over their respective serfs. Likewise some of the capitalist's profit will be consumed but a large fraction of it will go to replace means of production used up and to expand

⁷ But emphatically competition in markets for inputs, including labor power, and not just in the products produced.

production; note here that the expansion of production is a social compulsion under capitalism but not under pre-capitalist modes of production.

Table 1

	EXPLOITING CLASS	EXPLOITED CLASS	FORM OF THE SURPLUS APPROPRIATED
SLAVERY	Slave owners	Slaves	What is left over after the slaves have been fed and housed
FEUDALISM	Feudal lords	Serfs	Compulsory labor services on the lords land or compulsory transfers of product from their own land
CAPITALISM	Capitalists	Working class	Profit or what Marx also called ‘unpaid labor’

4. The productive forces: These are the conditions for the productivity of the immediate producer. They include her skills and understandings, the nature of the raw-materials she works on (you can’t be as productive with low grade iron ore as you can with higher grade), the instruments of labor she works with (ploughs, machinery, hammers, etc), and their articulation one with another: e.g., she’ll be more productive if she has equipment that she understands. These conditions in turn are affected by the division of labor: more finely divided labor is typically more productive, not least because less complex labor processes take a shorter time to learn and involve less downtime putting one tool, like a saw, down and picking up another like a chisel. So the division of labor is sometimes identified as a force of production. The development of the productive forces is conditioned by the relations of production. In consequence of its production relations and the stimulus to cost competition, capitalism has resulted in levels of productivity on the part of immediate producers hitherto unknown.

Be careful, however, not to equate the relations / forces distinction with the social / nature distinction. The forces of production are natural in a sense – instruments of labor are

transformations of iron, wood, etc., and labor power is something that is naturally given to people; but they are always social in character. Instruments of labor can only be what they are – more or less specialized – in terms of a division of labor; i.e., in terms of relations between people. The skills of a worker are in part socially acquired. Means of production and labor power are socially defined in other ways as well: as productive capital and wage labor respectively. Likewise the division of labor assumes different forms under capitalism so that we can refer to the specifically *capitalist* division of labor; in particular, the detail division of labor – the division within the unit of production, whether it be farm or workshop – makes very little sense in pre-capitalist times.

5. As I indicated earlier, it is in the context of a particular ensemble⁸ of production relations and forces of production that we should understand other social forms: states, other institutions, beliefs and imaginaries. Some examples:

- It is impossible to imagine the cult of the individual, the notion of human rights, of individuals having *inherent* rights, outside of the individualizing tendencies of capitalist production relations and their initial condition in defining immediate producers as exclusive owners of their own labor power.
- Likewise the notion of democracy as we experience it, and as its institutional forms developed over the course of the nineteenth and twentieth century – extension of the franchise, the displacement of power from the legislative to the executive branch, for example – only make sense in the context of the pressures of capitalist development: the *demand* for the extension of the franchise from the organized working class; the threat that its presence in the legislative chamber poses to the state.

6. The social relations of production get transformed over time. Once there was feudalism in Western Europe; now there is capitalism. Quite how those transformations occur is a contentious matter. In some instances, as in the colonies, capitalism replaced pre-capitalist forms by the administrative fiat of the colonial state. Marx actually oscillates between two conceptions of this change. On the one hand, there is a teleological conception in which, as a result of their internal

⁸ This ensemble is what Marx referred to as the ‘mode of production’: an articulated combination of relations and forces of production.

contradictions, feudalism gives way to capitalism and capitalism gives way to socialism. This very rigid historical determinism is often used in criticism of Marx. There are however other textual materials that point to more subtle understandings of change; change as having its necessary preconditions but as more contingent in character. His discussion in the last Part of *Capital Vol 1* of the separation of immediate producers from the means of production that prefaced the emergence of capitalism is devoid of references to the contradictions of feudalism, for example. But obviously the process of transformation is an important concern for all students of historical materialism.

7. Marx's conception is materialist. He assumes that people's practical engagement with the world of matter, including nature and other people, practical engagement conceived as labor with some purpose in mind is primary. He contrasts this critically with an idealist view of the world in which change, history, are a result of people's ideas; ideas that develop independently of their material activities. Of course we can say that ideas and practice develop together; it is in the context of practice that we develop understandings that can facilitate that practice (better ways of digging a well, etc) and Marx would accept this, while insisting at the same time that the act of production is primary. Hence in the German Ideology:

“The production of ideas, of conceptions, of consciousness, is at first directly interwoven with the material activity and the material intercourse of men, the language of real life. Conceiving, thinking, the mental intercourse of men, appear at this stage as the direct efflux of their material behavior. The same applies to mental production as expressed in the language of politics, laws, morality, religion, metaphysics, etc., of a people. Men are the producers of their conceptions, ideas, etc. – real, active men, *as they are conditioned by a definite development of their productive forces and of the intercourse corresponding to these, up to its furthest forms* (my emphasis). Consciousness can never be anything else than conscious existence, and the existence of men is their actual life-process. If in all ideology men and their circumstances appear upside-down as in a *camera obscura*, this phenomenon arises just as much from their historical life-process as the inversion of objects on the retina does from their physical life-process.

In direct contrast to German philosophy which descends from heaven to earth, here we ascend from earth to heaven. That is to say, we do not set out from what men say, imagine, conceive, nor from men as narrated, thought of, imagined, conceived, in order to arrive at men in the flesh. *We set out from real, active men, and on the basis of their real life-process we demonstrate the development of the ideological reflexes and echoes of this life-process* (my emphasis). The phantoms formed in the human brain are also, necessarily, sublimates of their material life-process, which is empirically verifiable and bound to material premises. Morality, religion, metaphysics, all the rest of ideology and their corresponding forms of consciousness, thus no longer retain the semblance of independence. They have no history, no development; but men, developing their material production and their material intercourse, alter, along with this their real existence, their thinking and the products of their thinking. *Life is not determined by consciousness, but consciousness by life* (my emphasis). In the first method of approach the starting-point is consciousness taken as the living individual; in the second method, which conforms to real life, it is the real living individuals themselves, and consciousness is considered solely as their consciousness.”

Brilliant!