



Forever young? Marx's Critique of political economy after 200 years

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Abstract:

This article suggests a reconstruction of Marx's Critique of political economy as a macro-monetary theory of capitalist production. The first part of what follows will provide a sort of methodological introduction to Das Kapital. I am questioning the meaning of critique versus criticism, the distinction between fetish-character and fetishism, the role of dialectics, and the difference between reading, interpreting and reconstructing. I will focus especially on volume I. At the centre of the discussion are: the multiple meanings of abstract labour and socialization, the role of money as a commodity for the labour theory of value, the 'method of comparison' in grounding valorisation (the emergence of gross profits) as the constitution of capital from class struggle in production, the unity of absolute and relative surplus value extraction, the key notion of Technologie in the real subsumption of labour to capital, the law of the tendential fall in relative wage, Marx's two notions of competition, and the macro-monetary class perspective in capitalist reproduction crucial to Capital, volume I. Some considerations are devoted to the transformation problem, the so-called "New Interpretation", and crisis theory.

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Marx published the first edition of *Das Kapital* in 1867, roughly 150 years ago, and this year marks the bicentenary from his birth. I therefore think it is time to take stock of what is vital and enlightening in the Marxian legacy. I suggest a reconstruction of Marx's Critique of political economy as a macro-monetary theory of capitalist production. The first part of what follows will provide a sort of methodological introduction to *Das Kapital*. Afterward, I will focus especially on volume I: I will touch, however, on some of the topics treated in volume II and volume III. In particular, I will discuss some points relevant for the transformation problem and give my perspective on crisis theory.

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My generation – I began my studies of economic theories in 1973, but somehow had been introduced to Marxian theory already in the late 1960s – has been informed by the great tradition of Maurice Dobb and Paul M. Sweezy.¹ To be sure, we came of age by committing a sort of patricide towards these figures. I don't regret my intellectual path, which is evident in my teaching. My distance from the view about Marx in regards to economic theory that was dominant in the 1950s and 1960s is significant. However, as time goes by, I feel that my generation has lost something important: personally, I have always tried to stress not only the discontinuity, but also the continuity with Dobb and Sweezy. They were giants, within the larger conversation of economic theory: like Sraffa, they were respected and quoted by mainstream academics. More than that, they were able to understand the different languages of the contrasting theories, an art that seems to be lost today. With very few exceptions, the Marxists of my generation became insulated individuals, if not sects, creating an idiosyncratic world (many incommensurable worlds, actually), not knowledgeable of other theories, very often even unable to communicate among themselves.

But there is something more substantial which directly relates to the present work – one important factor. Maurice Dobb, in 1964, wrote an introduction to the reprint of the Italian translation by Delio Cantimori of *Das Kapital*; that essay was published in the original English in 1967 in *Science & Society*, on the occasion of the centenary of the publication of the first edition of *Capital I* (Dobb, 1967). There he puts forward an argument not too far from a point that is part of my argument here: values are introduced by Marx to show how exploitation depends on the conditions and relations of production in a class society like that of capitalism; and that the subsequent introduction of production prices is just a change in exchange ratios which does not question the logical structure going from class capital relations to individual pricing. The development of this argument, maintaining the crucial importance of values for the understanding of exploitation, is very different in my approach.² In Dobb we have a dual price system theory. In my approach there is a “macro” class and monetary foundation to a single price system theory. But my approach maintains an essentiality of values as the monetary expression of labour contained in commodities – and hence of the rate of surplus value expressed in labour contained – that is very difficult to find in contemporary approaches.

1. The meaning of Critique

My argument begins with an attempt to understand the meaning of the subtitle of *Das Kapital*: ‘A critique of political economy’. To begin, we have to understand what “political economy” means for Marx, and then to understand what ‘Critique’ means here.

Marx distinguished vulgar economics, or Vulgar political economy, on the one side, and (classical) political economy on the other side. Vulgar economics – a label which applies to large part of economic theory since the 1870s until today – stops at superficial appearances: these appearances are nothing but an (illusory) semblance. In the Marxian vocabulary they are instances of *Schein*. Vulgar economists focus on circulation, without referring circulation back to production.

(Classical) political economy is altogether a different thing. For Marx, it is made of true contributions to scientific knowledge of capital. According to Marx, political economy begins

¹ See especially Dobb (1937) and Sweezy ([1942] 1970).

² See also Dobb (1973).

with William Petty. Afterwards, its long theoretical development, with few exceptions, takes place under the sign of the labour theory of value. The main protagonists of this version were François Quesnay and the Physiocrats, Adam Smith, but especially David Ricardo. It was science (*Wissenschaft*). Though it was marked by a bourgeois imprinting, Classical political economy has provided essential elements for understanding capitalism. Ricardo especially linked value to the labour contained in commodities, and he did that in a way that was attempting to construct a coherent value theory as price theory, even though, according to Marx, this attempt ultimately failed.

The point here is that vulgar economics stops at the “semblance”, the superficial world of circulation, whereas Classical political economy makes it possible to discern the inner reality of capital, and goes behind circulation, reaching production. It is, however, an unfinished and limited scientific project. That is why Marx thinks political economy needs to be developed critically, to fully exploit its scientific potentiality: political economy, according to Marx, must become Critical political economy.

Critical political economy is not on the same conceptual level as Critique of political economy. But an essential moment in Marx’s discourse is the consideration that the scientific discourse of political economy must be improved and advanced, and this continued development is delivered by Marx himself in his Critical political economy, so that a Critique of political economy could be provided: science has to be undertaken, so that that science itself is put in question.

I will show, however, that it is also true that Critical political economy is possible only from the point of view of the Critique of political economy: the science of capital may be achieved only when its historical partiality and determination are considered.

Political economy, as well as Critical political economy, deals with the question: “how does capital produce?” The question which is more fundamental, and which is the starting point of the Critique of political economy is: “how is capital produced”? This means that the exposition does not begin with capital as already constituted but as something yet to be constituted: the main focus of volume I is thus exactly that *Konstitution*. Classical political economy, up to a point, goes beyond *semblance* (*Schein*), and approaches – although never quite reaching it fully – ‘appearance’ as *phenomenal manifestation* (*Erscheinung*). That is: the theory goes beyond the mere superficial layer of circulation, towards the layer of the inner reality; but it is unable to link the two moments in exposition (*Darstellung*).³ This is what is accomplished by the Critique of political economy. As I will show, Marx also argues that hidden within the *Darstellung* there is a movement from the inner to the outer: within the “exposition” of the totality, which appears as circular (capital producing capital), we have to discover an “expression”, which is linear (labour producing capital).

This method is, of course, the debt that Marx owes to Hegel, however with fundamental transformations which I will discuss later. For the moment rather, let me look at a sort of Kantian moment in the meaning of critique. In Marx, “critique” also refers to the enquiry about the “conditions of possibility” of political economy. It is not Kantian in the full sense, because in Marx’s critique is not transcendental, is not something abstract and general. The conditions of possibility to which he refers have a determinate historical dimension: they are related to a specific structure, to what Marx following Hegel refers to as “determination of form”. The conditions of possibility have something to do, first of all, with the market, or better with the

³ In this work I very often refer to the meaning Marx gave to some German words, most of them already present in Hegel. Translations quite always loose that meaning. On this, the reader may consult Bellofiore (2014a).

universalization of exchange, commodity exchange, in what is a monetary economy from the start. This is a point on which many interpreters of Marx insist: for example, Rubin ([1928] 1973), Adorno ([1966] 1990; [1968] 2002) and the *Neue Marx-Lektüre*, Colletti ([1969a] 1972; [1969b] 1973), Napoleoni ([1973b] 1975). This leads directly to the characterisation of Marx's value theory as a monetary value theory (of labour).

There is, however, a second point about the notion of critique that must be clarified from the beginning: I have already hinted at this. The Critique of political economy is not just an "advance" within political economy as a science (*Wissenschaft*), nor is it just a synonym for Critical political economy. Critical political economy is only part of the story in *Das Kapital*. To be sure, I am not among those who insist on such a strong separation between the Critique of political economy and Critical political economy that there is not any overlap between them. Rather, I think that these two moments of critique should be articulated together. Certainly, one loses all the innovation of Marx if s/he does not see that the Critique of political economy cannot be reduced to a particular version of political economy as Critical political economy. There is no doubt that we discover here something very strange for economists and social scientists: the fact that Marx, while deepening scientific knowledge of capital, at the same time, is critiquing that very scientific knowledge itself; and through this critique of the theoretical and epistemological terrain of political economy, at the same time he proposes a critique of its object, and in the last instance a critique of the reality of capital itself. Marx is in fact forging a new theoretical continent. From my point of view, it is important to understand that Marx does not break altogether with Classical political economy and with Ricardo, and the continuity is important. But the discontinuity too is important, and in a way even more important, because the discontinuity sheds light on the same scientific results. You cannot understand Marx's continuity with Classical political economy (culminating in Critical political economy) without looking at the latter by considering the discontinuity that Marx introduces.

A third important qualification : critique is not criticism, *Kritik* is not *Kritizismus*. In Italian, unfortunately, there is only one word, unlike in German and English: *critica*. In a nutshell: for criticism I mean the pointing out of errors, of category mistakes, of contradictions in an opponent's theory. Most of the Marxists, both economists and philosophers, understand the Critique of political economy in this way. This is wrong. Critique, contrary to criticism, recognises the inner truth of political economy; it does not merely criticise its shortcomings. In fact, if one reads Marx carefully, one sees that even while he was a forceful critic of Vulgar political economists, he also took them seriously, and was ready to learn from them (the first names that come to my mind are Malthus and Samuel Bailey).

After these first three points, let me move on to a more substantial question: why is a Critique of political economy necessary, what are the fundamental limits that political economy cannot cross? Marx's reasoning can be put forward in this way: the Critique of political economy has as its pivot point the duality of labour, concrete labour and abstract labour, corresponding to the duality of the commodity as use value and exchange value; Marx then sees in exchange value the form of value as such. Classical political economy, and especially Ricardo, hinted (though confusedly) at the notion of a substance of value, and hence at the notion of the magnitude of value, but could not develop the notion of the form of value. Thus, Classical political economy and Ricardo himself did not establish a proper notion of labour, nor of money, as preliminary to the inquiry of the universal monetary capitalist exchange of commodities. Behind these two flaws there is a third basic inadequacy: Classical political economy never adequately grasped the distinction between labour power and living labour.

This, of course, is well known – in a sense, familiar territory. What is less understood is that, for Marx, “labour” refers to three poles: labour power, living labour and – most crucially – the workers as living bearers of labour power. This triad is fundamental in the Critique of political economy as it deals with the constitution of capital as a social relation. I shall come back to this in detail in my commentary on volume I.

The fourth failure of Classical political economy is the absence of a theory of crisis as something unavoidable for capital. In a sense, there is, in fact, the idea that crisis is conceptually foreign to capital, which is fundamentally an “equilibrium” reality (this is the perspective of Ricardo and Jean-Baptiste Say), or alternatively there is the idea that crisis is so much the essence of capital that it is fundamentally a “non-equilibrium” reality (this is the perspective of Malthus and Sismondi), such that capitalism itself is actually impossible in its pure form. Therefore, there is never crisis in capitalism, properly speaking: capital can experience minor disturbances, immediately corrected by the market, or cannot exist altogether without immediately collapsing.

If this is, in fact, the Critique of political economy, it is clear why it is a critique of the science of capital as inherently bourgeois. Grasping the triad of “labour” – where labour power refers to workers as the living bearers of labour capacity, and the subjects who actually work are the actualisation of labour power – means understanding capital as an historically specific reality that exists under the sign of alienation, reification and exploitation. The Critique of political economy is not immediately a critique of capital itself. Marx thinks that reality can only be appropriated through theory, “object of knowledge”. At the same time, this theoretical/logical Critique of political economy offers the needed conceptual instruments for understanding capital, and then for practically subverting it.

To be more precise: Marx is neither a traditional materialist nor an idealist thinker; his approach is that of a practical materialist (this was a key point in Alfred Schmidt⁴). The term practical takes us back to the *Theses on Feuerbach*, and especially the second thesis: “[t]he question whether objective truth can be attributed to human thinking is not a question of theory but is a practical question. The human being must prove the truth, i.e., the reality and power, the this-sidedness of his thinking, in practice.”⁵ This means that the exposition (*Darstellung*) can be accomplished critically only from the perspective of an emancipatory radical transformation of reality. Praxis is not only the horizon of critique: it is also, in part, its precondition, since Marx could construct his theoretical Critique of political economy because in practice workers’ struggles had begun to put in question the naturalness of capitalist social relations, but they also put into question capitalist technology (this point was very well argued by Wal Suchting, and from a different point of view by Edward P. Thompson).⁶

I have already outlined that Marx’s exposition (*Darstellung*) is dialectical. This dialectical method includes *Forschung*, an analytical enquiry, through which Marx arrived at the point that the whole can be exhibited (*dargestellt*) as a structural system, seemingly closed in itself. This method, as I said, goes back to Hegel (it is what Finelli, 1987, labels the method of positing the presupposition). In a very different but comparable conceptual setting, something similar can be found in *Lire le Capital* (Althusser et al., 2016; an essay by Jacques Rancière (2016) in the first edition of this book is especially important here, and it is a sort of bridge towards Hegelian terminology). The Althusserians speak however of “structure” rather than “form

⁴ Cf. Schmidt ([1962] 1971; [1971] 1981).

⁵ <https://www.marxists.org/archive/marx/works/1845/theses/theses.htm> [last consulted, Dec. 4, 2018].

⁶ See Suchting (1995) and Thompson ([1963] 1991).

determination". In both cases we have "a process without subject[s]". The point in Althusser is epistemological, and somehow ahistorical. In the Frankfurt constellation of thinkers it is the mark of the specific capitalist totality, the Whole as the Untrue, and its validity is limited to that historical reality. In Marx's use of Hegel, there is a Subject behind the process without the subjects, and this Subject is Capital (homologous to Hegel's *Geist*).

A few more words are in order here since we are touching on the deepest meaning of Critique of political economy. According to Marx, capital is a Fetish, but an automatic Fetish, turning into a dominating Subject that overgrasps all the moments of the totality (*das übergreifende Subjekt*, in chapter 4 of volume 1). A key ingredient to understand *Das Kapital* is to comprehend the distinction between *Fetisch-Charakter* and *Fetischismus*: fetish character and fetishism. Capital as a thing (actually, as the Thing, the automatic Fetish, the Subject), exactly like value and money, truly possesses social powers. Hence, the attribution of social powers to capital (to money, to value) is not illusory: it is an appearance, meaning the phenomenal manifestation (*Erscheinung*) of "things as they are", but only in the specific capitalist historical determination. The mystification, the illusion, the fetishism, are the naturalisations of these social powers, as they refer to things as things: this is a semblance (*Schein*), which is of course produced by the same fetish-character nature of value, money, capital. From here, it follows that relations between people appear (*erscheint*: manifest phenomenally) as relations between things, as in fact they are.

This is, however, only half of the truth. The Critique of political economy answers not only the question "how capital?", i.e. its self-valorising feature, but also the question "why capital?", i.e. from where this valorisation originates. Non-human capital reality is brought back to some kind of human practice hidden behind capital as a thing: capital as a social relation, which has at its core class struggle, and more specifically class struggle in production (a point rightly stressed by Balibar, [1993] 1995). Most of *Das Kapital*, volume I, is devoted to this idea.

Last but not least, systematic dialectics for Marx is a method which is not universal: it can be properly applied only to capital: this is what Helmut Reichelt ([1970] 2001) calls the "method of withdrawal" (*Methode auf Wiederruf*). There is no *Diamat* in Marx: no dialectical materialism of the Stalinist/Leninist variety. There is not even Hegel's logic of the positing of the presupposition as a universal ahistorical method. Dialectics pertains to those quite strange and paradoxical objects – Hans-Georg Backhaus (1997) calls these objects deranged, displaced and perverted (the *Verrückte Formen*) – that are capital, money and value. In other words, the reference to dialectics is not only epistemological, it is also ontological: it is the ontology of Capital as homologous to Absolute Spirit. Dialectics disappears when capital disappears.

2. Reading, interpreting and reconstructing

Let us move on to *Das Kapital*, volume I. To do that in a proper and useful way, we must make clear the difference between reading, interpreting and reconstructing. In relation to "reading" I mean an appraisal of the text that does not hide the ambivalences and ambiguities, and sometimes incoherencies, of the book. A more sophisticated stage is what I call "interpretation". For "interpretation" I mean the attempt to rebuild the Marxian system staying close to what is recognised as its inner logic: re-reading Marx according to Marx, to quote the

title of an essay by Cesare Luporini.⁷ In relation to this, there is an idea that ambivalences, ambiguities, incoherencies can be solved and overcome without any break from or revision of Marx. I became convinced long ago that neither reading nor interpretation are able to dissolve the difficulties and contradictions of the Critique of political economy as we inherited it. A third move must be undertaken: “reconstruction”. Reconstruction very often means – using the relevant expression by Backhaus – going with Marx against Marx. Ambiguities and ambivalences, difficulties and contradictions can be overcome only in going against some of Marx’s propositions, but *with* Marx in the sense of applying the method he proposes: exploiting in full, as Marx did not, the uniqueness of his monetary (labour) theory of value, turning it into a macro-monetary theory of capitalist production of (surplus) value. I thus use the expression in a very different way than Fred Moseley (2015).⁸ What this actually means will become clearer toward the end of this article. My discussion is aimed at the intersection of interpretation and reconstruction, and it presupposes a careful reading.

In my understanding, going with Marx against Marx is the contemporary way to be a Marxian, and not a Marxist. This distinction was originally formulated by Maximilien Rubel ([1974] 2000), who thought that all Marxists were distorting Marx’s message. The exception were Marxians like Rosa Luxemburg, Henryk Grossmann, Paul Mattick, Karl Korsch.⁹ In my view, as I said, being Marxian means to provide a Critique of political economy after Marx, and to deal with contemporary capitalism. Hence, Marxians cannot only confine themselves to what Marx wrote – a conceptual innovation beyond Marx is needed. Marx was the first to do something similar, constantly revising the same volume I, and not publishing the sequel because, as he said, he still had to learn and digest the lessons of the changes in 1870s capitalism.

I agree with Karl Korsch that Marx’s theory must be “historicised” – must be read backwards through the questions of today. I will not go into detail here, but the attentive reader will recognise that my points of entry for my ‘reconstruction’ are the crisis of the 1960s and 1970s (in particular, what I learned from the workers in the years of the class struggle at FIAT), i.e. the Social Crisis or the Great Stagflation, and the current structural crisis, i.e. the so-called Great Recession (or, better, Lesser Depression). This is actually a very Marxian standpoint: reading the authors of the past backwards, from their own questions distilled from assessment of the scientific debate, in order to go forward, as Marx did in *The Theories of Surplus Value* (the same method we find in Schumpeter’s *History of Economic Analysis*, in Böhm-Bawerk’s *Capital and Interest*, and also in Sraffa’s *Lectures on the Advanced Theory of Value*). One does not go to the *1861-1863 Manuscripts* to know what exactly Smith or Ricardo actually said. However, in my case, mine is not an arbitrary reading: it extracts what is already there in the texts, and this can be shown rigorously.

The paradox is this: in proceeding this way, what I am able to provide – I am once more paraphrasing Hans-Georg Backhaus – are just fragments of a systematic reasoning. I think that the reason for this outcome is that Marx intended to be systematic, but didn’t actually succeed. The intention is important, as is its failure. I have seen the best minds amongst Hegelian Marxists, some of them my friends, engage in attempts to “rewrite” Marx in Hegelian fashion, mainly by mimicking the *Science of Logic*. One can count, however, just as many Hegelian

⁷ See in particular Luporini (1974).

⁸ As summarised in his last book: Moseley (2015). See Bellofiore (2004).

⁹ The most representative references are Luxemburg ([1925] 2013); Grossmann ([1941] 1977); Mattick (1969); Korsch (1938).

readings of *Das Kapital* as there are authors: indeed more, as some self-criticise their previous attempts and produce other and more refined versions of their Hegelian Marx. Here I part company with them because I feel that we are forced to remain in a fragmentary reading of Marx. The point is that this fragment of systematic reasoning is essential to understanding capital, and to fighting against it.

3. Commodity and money. The essential role of “money as a commodity” in Marx’s dialectical exposition

Das Kapital begins with “the commodity”. Recall that the commodity is structured by an inner duality: “use value” and “exchange value”. When we look at exchange value, it seems that this reduces the quantitative ratios in which the “physical” use values are exchanged on the market, and that these ratios may be quite arbitrary, according to supply and demand. This is exactly the point of view of Vulgar political economy, according to which there is no absolute (or intrinsic) value behind exchange value. Marx clearly points out that the denial of absolute value is due to taking at face value what is the semblance in circulation. But this is the first definition of exchange value. To obtain a more appropriate definition of exchange value we need to look at the “value” hidden within the commodity – value here meaning the power of universal exchangeability in the general exchange of commodities. Labour as activity, living labour, at the same time produces use value as concrete labour and value as abstract labour. Chris Arthur puts a question mark over this framing: he thinks that Marx introduces labour too early in the theoretical system, and that value is merely an ideal form. I confess that I am not so brave as to agree, and I prefer to remain close to Marx’s own exposition.¹⁰

Within this context, Marx argues that most of the commodities are produced by labour, that they are reproducible, and thus at the outset he simplifies his argument by not considering the (scarce) commodities which are not produced by labour. We are therefore looking at the universal exchange of commodities as the universal exchange of products of labour to be exchanged on the market. However, a problem arises: if one takes the single commodity, and scrutinises it carefully, one cannot detect value anywhere, one only sees the body of its use value. Until now, Marx has told us, value is just a “ghost”. To put it bluntly: strictly speaking, at this stage of the exposition, value does not exist; it is an ethereal entity. But Marx is a materialist: he argues that, to exist, the ghost must “take possession” of a body. One might ask where are we now –in a ghost story? Yes, we find ourselves precisely in the middle of a gothic novel. I suggest reading the wonderful essay by the Italian literary theorist Franco Moretti, “The Dialectics of Fear”.¹¹ I do not wish to interpret these gothic elements as metaphors, they actually portray things as they are: the scientific categories needed to grasp the specific, strange and deranged object that Marx is studying.

The German verb used here for taking possession of a body is *verkörpern*. It is the first meaning of “embodiment” relevant for Marx: we will meet another meaning later on. So, does value succeed in taking possession of a body? Yes, already in the first chapter of *Das Kapital*. “Value as a ghost” takes possession of a body through its embodiment in “money as a commodity”. I prefer the expression “money as a commodity” to commodity-money, to differentiate Marx’s non-quantity theory of money (whereby gold or silver as commodities are

¹⁰ See especially Arthur (2002).

¹¹ Moretti (1983). On all this, see Bellofiore (2008).

money, “excluded” from the world of commodities) from Ricardo’s quantity theory of money (whereby gold or silver are money since they are a commodity like any other). In a universalised exchange of commodities money is gold, while gold is not money by itself in general, outside this historically specific situation: this is a particularly clear example of the distinction between the fetish character (gold as a thing that has real social powers, as long as it is money in capitalism, which is characterised by the universal exchange of commodities) and fetishism (the attribution of the social powers to gold as a metal outside this determinate society is a semblance, it is an illusion). Considered, then, from this point of view money is “value embodied”.

In the first chapter Marx moves from “value as content”, which he discusses in Section one and two of chapter 1, to “value as form” and the “form of value” (and the second definition of exchange value), in Section three. In fact, if you stop at Sections one and two, as many Marxists do, you may be justified in thinking that value is simply labour contained. Most, if not all, authors speak of “labour embodied”: but Marx never used this expression, so widespread in translations all over the world, for abstract labour. Only concrete labour ends up being “embodied” in the use value which is its output (the German verb here is *verkörpern*). For abstract labour rather, Marx uses the expression “labour contained” (the German verb here is *enthalten*).¹² So if one has money as a commodity, as value embodied, and the concrete labour producing gold as its use value, this mirrors the abstract labour of the commodities exchanged with gold as money.

As a consequence, though Marxists who stick to the first two sections of the first chapter may be excused for thinking that the labour which is the substance of commodities (value-as-content) is reduced to physiological labour, when we move to section three of the chapter on the form of value and the dialectical derivation of the equivalent – the single, total and eventually universal equivalent – we find a definitively richer argument, and abstract labour cannot be condensed, so to speak, into physiological labour altogether.

Value as a ghost is now “exhibited” (another way to translate *darstellen* other than “to expose” is “to exhibit”) in the use value of gold as a commodity. What then is the abstract labour of commodities? It presents itself at this stage of the argument as a labour which is not immediately social. As an immediately private labour, the labour spent by individual producers selling on the market becomes social in commodity circulation, in the monetary exchange of commodities. Note that it is a progressive coming into being of abstract labour and value: abstract labour as not-yet-social becomes abstract labour as immediately social labour. Looking backwards, abstract labour is that labour which has become social on the market through the metamorphosis of commodities with gold as a use value (embodying value): that is, through the equalisation in monetary exchange with the concrete labour producing gold (as the universal equivalent). This part of Marx’s argument is totally dialectical and Hegelian.

It is important to note that the concrete labour producing gold, which here is “money as a commodity”, is the only immediately social labour. Thus we have to carefully distinguish the abstract labour hidden within the commodities as not-immediately-social-labour and the concrete labour producing money as a commodity as an immediately-social-labour. It is also

¹² As I insist in this text, it is only labour with its concrete properties that originates the *body* of the commodity, and hence it is ‘embodied’ in the use value produced. Value, the result of abstract labour as activity, is the *soul* of the commodity, ‘contained’ in the latter, but not at once with its body. There is rather an *opposition*, even a *contradiction*, between concrete and abstract labour, and between use value and value. Value in the single commodity is immaterial, and it needs to take possession of a body through exchange value, i.e. money, which is ‘value embodied’. More on that later in the text.

important to understand that Marx is referring not to some generic ahistorical exchange, but to a universal “commodity exchange” (*Waren Austausch*), which for him cannot but be immediately monetary. Marx is putting forward a perspective that was completely new at the time, and which stays quite unique afterwards (there are some hints in this direction in Keynes and some Post-Keynesians¹³, but their argument is pretty rudimentary): a monetary analysis parting with real analysis (I borrow this distinction from Schumpeter's *History of Economic Analysis*), where money is introduced at the very beginning of the theory, with the universal exchange of commodities being immediately monetary, and where, most importantly, not only money is exhibiting value, but also the very category of value is deficient without integrating money from the start in its fuller definition.

In the history of economic doctrines there are a lot of non-monetary or pre-monetary value theories. Before and especially after Marx we meet monetary heretics, but in general those who focus on money do that against value (a pretty radical view here is that of Benetti and Cartelier (1980), but a similar conclusion could be reached from Aglietta since the early 1980s in his works with Orlèan, cf. Aglietta and Orlèan, 1982).

At this point of the argument, covering the entire first part of *Capital I*, abstract labour and value are categories that, looking at the single commodity, have a ghostly nature. They actually come fully into being through a process which implicates the whole “world of commodities” and it may give the impression that the social objectivity of value and abstract labour exists only in the final circulation of commodities. This is certainly part of Marx's argument: what Michael Heinrich (1999) calls the ex-post socialisation, *Nachträgliche Vergesellschaftung*,¹⁴ of commodities' abstract labour. But this ex-post *Vergesellschaftung* needs to be looked at more carefully in this first part, since it is more complex than usually understood. And I will show that the *Vergesellschaftung* of labour will take a further determination at the stage of the real subsumption of labour under capital: so much so that the same notions of abstract labour and value are fundamentally enriched.

What is for sure is that we have witnessed a miracle: the ghost has really taken possession of a body. This “embodiment” is also pictured by Marx as an incarnation (*Inkarnation*) and even as a “transubstantiation”. The theological terminology, exactly like the gothic novel terminology, is essential to understand Marx as a social scientist. As in the Christian religion, the value hidden as a ghost in the commodity can be thought of as God, the use value with its bodily nature as the human being, and money the unity of human being and godly nature, like Jesus. Especially in chapter 3 Marx shows that this “taking possession of a body”, the Gothic novel about an embodiment which corresponds to the theological discourse about incarnation, parallels the notion of “money as money”.

Marx defines money as money as a chrysalis: at this moment, having met Marx the gothic novelist and Marx the Christian theologian, we meet Marx the entomologist. The embodiment of abstract wealth is “frozen” and taken aside by the possessor of money as the “miser”. The miser would like to own more abstract wealth, accumulating gold in an endless fashion. But this process destroys itself. Accordingly, one can gain more money only by not consuming it. The challenge for theory is to develop “money as money” into “money as capital”, the chrysalis

¹³ Like Vicky Chick, who has several times reminded me in debates how in *The General Theory* Keynes endorsed a sort of labour theory of value. In a long tradition, going back to Dudley Dillard, probably the best paper proposing a reading of Marx's labour theory of value connecting Marx with PostKeynesian (specifically, Minskian) themes is the one by Wray (1998).

¹⁴ On all this, see Bellofiore (2018a). The argument of this essay is developed in a much longer Italian book: cf. Bellofiore (2018b).

into a butterfly: money as advanced money, as capital begetting more money, value valorising itself begetting surplus value, in a continuous spiral. But how is this process possible?

Before answering this last question, we have to consider the double perspective that Marx is pursuing, and which escapes most interpreters. For reasons of time and space, let me explain only briefly. Let me just say that Marx in the first part of the volume, and already in the first chapter, is presenting two arguments at once, arguments which may seem contradictory, but they are not. The first argument is that abstract labour and value exist not only in the union of production and circulation but in fact in the moment of exchange of commodities. The second argument is that abstract labour, and the value that is, so to speak, “materialised” in final commodity circulation, expresses a movement from the inner to the outer. The actual German word that Marx uses is *Materiatatur*, rather obsolete at the time of Marx’s, and even Hegel’s, writing: it means that the material exhibiting value (remember: money is value embodied), must possess some particular features making it suitable to adequately express value itself, to be a proper phenomenal manifestation of value (appearance as *Erscheinung*). Here we have an “expression” (*Ausdruck*) with strong meaning: the exteriorisation of something internal, and – most important – something that according to Marx is already commensurable, at least tentatively social, before final exchange. And that it is a social objectivity, one that somehow must exist as such, not just within but also before final exchange.

The apparent contradiction disappears when we recognise that, contrary to most interpreters, “money as a commodity” must be seen not as a dispensable assumption due to historical contingencies (because of the monetary system of his time), but as an essential moment in his value theory of labour, as a crucial notion linking value to a determinate social form of labour. Money has to be a commodity because it is the unique external incarnation of the real universal in the form of gold, which is opposed to, and excluded from, the world of commodities.

If this is accepted, we understand that when commodities are produced for universal exchange they come to the market with a price tag, a “money-name”: this money-name already (ex-ante) socially homogenises commodities. Marx adds in chapters two and three that this money-name goes together with an *already given* value of money: the given value of money is fixed at the point of production of gold as a commodity. When gold is sold against all the other commodities - this is Marx’s position, presented without ambiguity in his book – the exchange of commodities and gold is not yet monetary, it is properly speaking “barter”, because at the hole that is the point of entrance of gold in the monetary circuit, money is a commodity. We are dealing with a *unmittelbare Produkten-austausch*; yes, it is an exchange, but rigorously speaking it is an exchange of products, not of commodities: because to be a commodity means to be exchanged with money, and here the exchange is not yet mediated by money. It is a sale without a purchase, which “fixes” the exchange ratios that enables the price-tag to give a quantitative determination of value before final exchange. As Marx says, because of the *unmediated* exchange of products when commodities are sold against gold, the latter *becomes* money: from then on, gold as money exhibits the (already!) “realised” price of some commodity.

Let me conclude on this first part. The great and unique accomplishment by Marx was to present a monetary value theory. From my point of view, the weakness is that this monetary value theory is grounded on an original barter (paradoxically, this is a possible point of contact with Ludwig von Mises: but don’t tell Marxists, they would not understand). In fact, Marx’s argument is legitimate, up to a point. In the first three chapters, and actually until chapter 7,

Marx deals with commodities that are already produced. After chapter seven, however, he deals with the (capitalist) process of production of commodities: hence, we have to consider a monetary theory of production of (surplus) value, based on the determinate form of labour, which is historically specific, and this specificity is also affecting the notion of abstract labour. That is why I very much prefer the expression “value theory of labour”, as alluding to the fact that the labour theory of value in Marx, unlike that of Ricardo, only refers to a historical determination of abstract labour, so specific that, in my view, the theory and the same abstract labour only pertains to capitalism.

The expression “value theory of labour” was introduced by Diane Elson, who unfortunately maintains an ahistorical or metahistorical view of abstract labour.¹⁵ When the inquiry moves to commodities which have to be produced, it has to be considered that in a truly monetary economy that production has to be monetarily financed ex-ante. I will come back to this ex-ante monetary social validation (a point stressed, in different ways, by de Brunhoff and Graziani.¹⁶) It is clear that if we take that path, which is only hinted at by Marx, we have to reconstruct Marxian theory as a (macro-)monetary theory of (value and surplus value): a production of commodities by means of commodities, *through labour*. If money is a commodity, gold, as a commodity, must be produced, and hence its production must be financed ex-ante. This is a vicious circle. In capitalism, which is the only true monetary economy of universal circulation of commodities, the monetary theory of credit must be rejected in favour of a credit theory of money – this is again a reference to Schumpeter’s terminology. Money is essentially credit-money, a trilateral debt-credit relationship, and the financier acts like a bank.¹⁷

4. Valorisation as the emergence of originary (gross) profits: the method of comparison and the constitution of capital

We now resume with the question: how does the chrysalis turn into a butterfly? I use the English translation, based on the third German edition, therefore the numbering of chapters differs from those translations which, like the Italian one, follow the fourth German edition. The question is: how does the “transition” from “money as money” to “money as capital” take place? Money as money, we know, is value embodied: gold is a *Wertkörper*, a body that is the incarnation of value, the real existence of the value-ghosts of the commodities in the universal equivalent “money as a commodity”. But money as capital is not just a store of value,¹⁸ it is money that begets money, or better: money begetting more money. How is this possible at all?

Marx, especially in chapter 4, pictures capital as a gigantic Fetish which is also a gigantic Subject, or *Subjekt*. I know that the German nouns require the capital letter, so Subjekt is customarily translated as “subject”, without the capital S. But in this case the capital letter in Subject is appropriate. Marx is talking about capital as a Subject in the same sense that Hegel’s

¹⁵ Elson (2016) was originally published in 1979, and it is one of the best answers to Steedman’s book *Marx after Sraffa* (Steedman, 1977).

¹⁶ See de Brunhoff ([1967] 2016; [1976] 1978) and Graziani ([1986] 1997b).

¹⁷ The reference here is to Graziani’s views about money in capitalism as a monetary production economy.

¹⁸ In Marx probably the term should be a ‘depository’ of value, with reference to ‘money as money’. As I show in the text, money as money – as the result (and yet the presupposition) of universal exchange in monetary economy – is a chrysalis, as long as it is the ‘incarnation’ of value as a ghost. The chrysalis has to turn into a butterfly, money as money has to develop into ‘money as capital’. This however may systematically happen only when the ghost of value becomes a vampire, capital (or rather, Capital!) ‘sucking’ living labour in the ‘immediate’ valorisation process.

Geist is a Subjekt.¹⁹ The reference to Hegel is ontological, not just epistemological. Marx uses the expression *übergreifenden Subjekt*: We are dealing with an “overgrasping and dominating Subject”. Overgrasping is the new English term proposed for *übergreifen* by T.F. Geraets, W.A. Suchting and H.S. Harris in their translation of the *Encyclopaedia Logic* (Hegel, [1830] 1991). It is the Subject that “comprehends”, “reaches back” and “overgrasps” the opposition within the moments of the totality. I would add that in Marx’s materialistic (not just speculative) use of *übergreifen*, a “violence” proper to this Subject towards the moments is implicit: there is an element of domination.

For Marx, in value valorising itself, in money as capital, capital is a “circulating” value: value-in-process. It is a point very well grasped by Backhaus following in Adorno’s footsteps: capital as value-in-process is absolute value in motion. As such, though ethereal in itself, absolute value in production – though strictly speaking, not yet a monetary reality, but just a monetary ideality – is like the *ens realissimum*, the most real thing of all capital. Being “circulating”, capital is neither just value nor just money, it is both: changing from one form into the other. That is why the purely physicalist/substantialist reading of Marx is wrong, as it is the purely monetary/formalist reading. This overgrasping/dominating Subject, as I outlined, is positing its own presupposition. In this new reality, emerging but very different from commodity as such and money as such, the destination of the production process is not use value (like in simple circulation) anymore, it is not concrete wealth (*Reichtum*) anymore. It is value (*Wert*): or if you like, abstract wealth, the opposite of *Reichtum*. So value-in-process is encompassed by the word “valorisation” (*Verwertung*).

In chapter 5 Marx is asking: but exactly how does this strange butterfly, which is capital, come to life, how does it evolve from the chrysalis? He goes through the apologist arguments of vulgar economics which assert that there is “naturally” a profit accruing to capital, and debunks them one by one. In chapter 6 he moves towards his answer. Capital was lucky enough to find a very special commodity, the labour power “attached” to the workers as living human bearers of labour power, workers that perform living labour in the immediate process of production. I will come back to this point in a moment. Now, I would like to jump to chapter 7, because my interpretation (and reconstruction) is very much centred on the second section of chapter 7. In the first section of that chapter you find Marx’s general discourse on the labour process as such. In the second section the theme is the valorisation process. Here Marx provides the answer to the question that Vulgar political economy did not pose and that Classical political economy was not able to resolve: where does surplus value, gross profits, spring from? This is a kind of “genetic” argument about the origin of surplus value. In my view, there isn’t a dialectical derivation, nor is Marx’s argument in continuity with Hegel’s method.

We have here a break with the “closed” totality able to smoothly posit its own presuppositions, which is what we saw in chapter 4. In chapter 7 we rather have a “constitutive” process [*Konstitution*] that breaks the closed totality,²⁰ and is grounded in class struggle within production: this “opens” the totality, and makes the determination of the productive configuration (what Sraffa calls the methods of production, the given inputs and outputs: which is legitimate since he looked at the capitalist process “after the harvest” and

¹⁹ On this point, the interpretations by Arthur (2002), Postone (1993), and my own converge.

²⁰ It could be argued, though, that “Hegel is very keen on the point that Spirit reproduces itself through permanent struggle, but it is somehow guaranteed equally always to prevail against its otherness”, as Chris Arthur wrote to me in personal correspondence. The question of overcoming recalcitrance is key, though not exhaustive of the “*problématique*” of the constitution. The point is unfortunately underdeveloped in Marxian thinking.

before the selling of the commodity product) ex-ante, not-yet-determinate. This point was very well understood by Rosa Luxemburg ([1925] 2013) in the chapter on wages in her *Introduction to Political Economy*; Bob Rowthorn (1974) rightly made this a crucial point in his criticism of the Neo-Ricardians. The theme of the “constitution” was posited in the 1960s by the German students’ movement and by the German theoreticians related to it. In my understanding, the constitution refers not only to the human practice behind the universal exchange (as in Adorno and the *Neue Marx-Lektüre*), but to what is happening within the capitalist labour process.

The second section of chapter 7 must be read taking careful consideration of Marx’s “method of comparison”. In that chapter, Marx compares two configurations. The first one seems to be hypothetical, but in fact it depicts something very important about the actual capitalist reality. The second introduces a dynamic change. In the philosophy of science, this is often understood as a counterfactual argument, a hypothetical reasoning; but the point is that it is not really hypothetical; both configurations are real and immanent to capitalist reality. I am not the first to use the expression “method of comparison”. If you read Isaak Ilich Rubin’s *Essay on Marx’s Theory of Value*,²¹ and look at his chapter on the transformation of values into prices, you can find a reference to the method of comparison. Indeed, something similar can be found in the work of Benedetto Croce ([1900] 1914), and also in Sraffa’s *Production of Commodities by Means of Commodities* (1960). Though I borrow the expression from Rubin, my meaning is quite different from his, Croce’s or Sraffa’s. Let us see why.

Benedetto Croce reads Marx’s explanation of surplus value through what he calls an “elliptical comparison”. Imagine a society of pure workers without capital: all income goes to workers, so there is no surplus value, no exploitation. Then alter this pure “economic” picture of an imaginary or ideal society without exploitation, by inserting a “sociological” element: a deduction from the wage, so that gross profits arise. We are comparing an hypothetical non-capitalist economy versus a capitalist economy. According to Croce, marginalist economics is appropriate for the non-capitalist economy. The novelty of Marx is thus seen in the “sociological” analysis of the origin of surplus value, the minus-wage allowing the understanding of the genesis of surplus value.

The method of comparison in Rubin’s “sociological” perspective is quite different, but still not enough. From the first chapters of his book, Rubin argues that there is a social relation in capitalism as a society with universal commodity exchange: it is the relation among the producers of commodities. But, Rubin says, at the beginning of the inquiry we do not yet know that they are capitalists. Therefore commodity-exchange happens at ratios of exchange where profit is not yet conceptualised: at “values”. We are in the same situation depicted by Croce, though the first term of the comparison is not a meta-historical generic economy, it is a universal exchange economy. Still, in the latter, all income is going entirely to the workers. Afterwards, there is a deduction from the wage of the workers, and this minus-wage accounts for the origin of gross profits. The rate of profit is of course different in the various industries. Taking into account the different conditions of production – the unequal compositions of capital – the ruling prices with an equal rate of profit cannot be the simple or direct prices, proportional to the labour contained in the commodities; they should be the capitalist prices of production (simple or direct prices are the terms employed by Anwar Shaikh (1977) and Michel de Vroey (1979), respectively, for prices proportional to the labour contained in the commodities exchanged). Marx, however, sticks to the simple or direct prices. Why? Because

²¹ See Rubin (1973), unfortunately only a partial translation of the third edition (1928).

he wants, at first, to undertake the logical inquiry about the origin of surplus value as a whole; only later he shows how the capitalist pricing goes together with the splitting of the surplus value in profit-of-enterprise, interest, rent, etc.

I object not only to Croce's elliptical comparison but also to Rubin's method of comparison. In my view, Marx's method of comparison is different, and not really counterfactual. He starts from an economy where the "would-be" capitalists advance money in the hope of getting more money. They buy labour power, paying the wage (variable capital), and they buy the means of production (constant capital), but extract from the workers a living labour equal to necessary labour, i.e. the labour needed to produce their subsistence. In this situation, of course, there would be no profits: it is a configuration akin to Schumpeter's circular flow (a simple reproduction where surplus value is absent), where prices cannot but be proportional to values (simple or direct prices). Note that this supposedly hypothetical situation is in fact depicting something very real; that is an economic system able to reproduce the workers according to the "necessary labour", as a definite quantitative magnitude. Then Marx puts forwards all the apologetic and vulgar arguments capitalists employ to claim positive profits: they abstained from consumption, organised the productive process, and so on. Marx dismantles all these arguments one by one, revealing it was all a joke of the "would be" capitalist. Capitalists know very well that they can extract from the human bearers of labour power more living-labour than necessary labour, lengthening the former beyond the latter.²²

The key point of Marx's method of comparison, against Croce's or Rubin's, or Sraffa's in his 1960 book, is that the second step of the comparison is based not on a Smithian deduction from the wages, but from the actual lengthening of working time beyond the configuration imagined in the first step. It may come as a surprise to most interpreters, and surely to Marxists, but one of the very few authors who saw quite clearly the nature of Marx's method of comparison and its originality was the same Sraffa, in 1940, in a note on the *Use of the Notion of Surplus-Value*.²³ It was also to my surprise in the mid-1990s when I consulted the Sraffa papers at the Wren

²² In order to understand what we are talking about, it is enough to look at the sentence which caught Sraffa's attention in 1940, as I shall describe below, from chapter 16 of *Capital*, volume I: "The *prolongation* of the working day *beyond* the point at which the labour would have produced just an equivalent for the value of his labour power [...]". This of course corresponds to a *lengthening* of living labour *beyond* [paid] necessary labour. The sentence continues: "[...] and the appropriation of that surplus-labour by capital, this is production of absolute surplus-value". The definition just given, however, encompasses in fact *both* absolute and relative surplus value. With relative surplus value the rate of surplus value may rise due to a *curtailment* of necessary labour determined by higher intensity of effort or higher productive power of labour, which again amounts to a *prolonged* living labour *over and above* (paid) necessary labour. In one case the prolongation is *actual* or *absolute*, in the other *virtual* or *relative*. Indeed, Marx himself writes, a few lines below: "[f]rom one standpoint, any distinction between absolute and relative surplus-value appears illusory. *Relative surplus-value is absolute*, since it compels the *absolute prolongation* of the working-day beyond the labour-time necessary to the existence of the labourer himself. *Absolute surplus-value is relative*, since it makes necessary such a development of the productiveness of labour, as will allow of the necessary labour-time being *confined to a portion of the working-day*. But if we keep in mind the behaviour of surplus-value, this appearance of identity vanishes. Once the capitalist mode of production is established and become general, the difference between absolute and relative surplus-value makes itself felt, whenever there is a question of raising the rate of surplus-value. Assuming that labour power is paid for at its value, we are confronted by this alternative: given the productiveness of labour and its normal intensity, the rate of surplus-value can be raised only by the *actual prolongation* of the working-day; on the other hand, given the length of the working-day, that rise can be effected only by a *change in the relative magnitudes* of the components of the working-day, viz., necessary labour and surplus-labour; a change which, if the wages are not to fall below the value of labour power, presupposes a change either in the productiveness or in the intensity of the labour." For the quotes I am referring to, see (the Italics are mine): <https://www.marxists.org/archive/marx/works/1867-c1/ch16.htm>.

²³ See my chapter in Bellofiore and Carter (Bellofiore, 2014b). The note is archived as: D3/12/46:57-63.

Library in Cambridge. Sraffa was interned in the Isle of Man: since he didn't know for how long he would have to be there, he took with him two huge books, Tolstoy's *War and Peace* and *Capital*, volume I. Reading the latter he detected Marx's method of comparison exactly along the lines I am suggesting, and in exactly the same way, he understands that both sides of the comparison portray real situations (an economy reproducing the workers actually employed, and the actual economy exploiting those workers). Marx shows later in chapter 10 how the length of the working day (and the same is true for the real subsistence wage) is determined by class struggle. Now, in chapter 7, he hints at the fact that the living labour made liquid from workers depends on class struggle within the immediate process of production, and it is (as I said before) indeterminate ex-ante.

Marx insists that capital faces a historically new state of affairs. Workers, the subjects (with a lower case s) in capitalism are 'free and equal'. Though there is much ideology behind this expression, the fiction of equality is powerful and real. Capital has to extract living labour from potentially recalcitrant workers.²⁴ Capital produces only if it is able to "use" workers. There is no ambiguity here in Marx: as he wrote in chapter 7, in capitalism production is nothing but the "consumption" of workers: the new value within the period strictly depends on the living labour extracted from the human bearers of labour power. The only other author I know putting the same stress on this point as I do today is Massimiliano Tomba.²⁵ No peanut theory of surplus value is possible. This, and nothing else, is Marx's explanation of the origin of surplus value. This is the ground of the value theory of labour, tracing back (new) value to (living) labour. The new value must be exhibited in money, and comes only from the objectification of living labour. The "fluid" of living labour, when it becomes objective and "fixed" in the commodity, may be called "direct labour" (what is mistaken for living labour in the literature on Marx). Direct labour, of course, is itself dead labour: living labour, in Marx, as worker's activity (*Arbeit*) is variable (this is again the point raised by Rowthorn).

This is the first meaning of exploitation: the quantitative and qualitative determination of the actual working time within the working day. Quantitative: how much labour time is extorted from workers. Qualitative: to allow that extortion, capital has to enter into the organisation and technological determination of the labour process (see later): again, this is something which constitutes an absolute historical novelty. There is a distributive notion of exploitation, which is typical of the Neoricardians: surplus product, on the one hand; the wage, on the other hand. But the typical Marxists' notion is a no less distributive notion of exploitation: surplus labour versus necessary labour. There is a distributive notion typical of the monetary approaches to Marx, too: surplus money gross profits versus the money-wage-bill. There is, after all, not a big difference in principle. The distributive notion of exploitation is derived from and secondary to the fundamental and primary notion, which insists on the conflictual or even antagonistic struggle over living labour. In each period, logically, the "consumption" of the living bearers of labour power can never be taken for granted by capital: the social preconditions of the "use" of labour power must be constantly reproduced. From this point of view there is a real "transformation" of values into prices, which is historical but within the period, and has to be logically conceived, as Marx does, and as we see constructed in *Capital*,

²⁴ This point is very well seen also by Yanis Varoufakis, in the fourth chapter ("The Trouble with Humans: The source of radical indeterminacy and the touchstone of value") of his textbook with Joseph Halevi and Nicholas Theocarakis. Cf. Varoufakis et al. (2011). Unfortunately, Marx's argument is misunderstood there as a humanist argument along the lines of the Feuerbachian early Marx.

²⁵ Cf. Tomba (2011).

volume I. In up to two thirds of that book, Marx looks at the determination of the “givens” of the determination of prices of production by class struggle; at the same time he is also looking at the social determination of direct labour through the extraction of living labour, and to the social determination of necessary labour.

Contrary to what Fred Moseley thinks, surplus value and surplus labour are not a given in *Das Kapital*, volume I,²⁶ they are the result: Marx determines as the outcome of his inquiry, on the one hand, the total new value added (springing from total living labour and extracted by capital as a whole) and, on the other hand, the value of the labour power for the working class (the labour contained in the means of subsistence). Surplus value (and hence surplus labour) is the difference between the two variables, once they are fixed.

5. About the New Interpretation

Before moving on, let me share a few points about where we have landed. In the previous pages, I moved from interpretation to reconstruction, as I defined the two processes. From the point of view of interpretation, the argument in chapter 7 of volume I is stated in terms of single capitalists and single workers. From the point of view of reconstruction, it must be rewritten in terms of macro-foundations of individual behaviour. In a macro setting, we have the capitalist class as a whole on one side and the working class as a whole on the other side. It is actually what Marx does in the same volume I of *Das Kapital*, in the seventh part on “Reproduction”, to which I shall return later in the essay.

The second point that I would like to add is about how what I am proposing relates to the interpretation of Marx proposed by the so-called “New Interpretation”.²⁷ My interpretation/reconstruction establishes the ground for what Foley and Mohun (although Duménil’s, 1980, book in French was more articulated) call the “postulate” of the equality between the money value-added, on the one hand, and the direct labour multiplied by the monetary expression of labour time, on the other hand. Thus, up to a point, I am on the same page with the New Interpretation. The key proposition for Marxian value theory is that all the new value exhibited in money is originated by living labour. The point is that according to these authors this is not a theoretical proposition but an assumption. Thus, these authors, like Neo-Ricardians and most Marxists, end up abandoning the inquiry about *Arbeit*, properly speaking, that is, labour as activity: living labour cannot but be variable, as it is in most of *Das Kapital*, volume I. In this way, I would argue the (surplus) value theory of labour actually disappears from view. This theory is indeed the same as the theory of exploitation as highlighted by the method of comparison in chapter 7.

There is a third point to add, as a clarification that unfortunately I cannot elaborate further here. Direct labour must be measured not with the clock, but according to “socially necessary labour time”. This opens a number of problems. How must we understand “socially necessary”? There is what we may label a “technical” definition: the labour that is “contained” in commodities according to some technical average. At this point we must address the issue of how to construct this technical average. There is however a second meaning of “socially necessary labour time”, a second meaning already present in the last part of chapter one in

²⁶ See, again, Moseley (2015).

²⁷ The reference is to the interpretation advanced by Duncan Foley (1986), Gérard Duménil (1980), and Simon Mohun (1994).

volume I. The commodity has value and use value: to be a commodity it must have use value “for others”. If the commodity is not sold it is not, properly speaking, a commodity: the product does not have value. When we are speaking of socially necessary labour time we are speaking of the labour time which has been expended according to some “social need”. In this second definition, demand drives production. This point was stressed by Rosa Luxemburg, and it is explicit in the *Introduction to Political Economy*: capitalist production depends on the market, and must follow demand. After chapter 3 in volume I, Marx is assuming that all commodities produced are sold: he has clarified, however, in the first three chapters that there is no reason for that to be true. Say's Law does not work. The problem of the possibility of an effective demand failure comes back again in volume II (equilibrium as a “chance” possibility, in the chapters on the schemes of reproduction) and in volume III (in the same chapters on the falling rate of profit).

There is an important consequence of this second way of understanding the “socially necessary labour time”. If the latter is not simply defined by the average technique but also by the satisfaction of the social need within the given branch of production, and if we add that the average technique itself is not defined independently from demand, a radical conclusion may be drawn. It is true that the concept of capital as a totality is re-defined at the different layers of the argument in *Capital*. However, once “ordinary demand” – a very crucial concept introduced by Marx in the third volume of *Das Kapital* – is given, the “value” macro-class analysis of the extraction of living labour and of its distribution between the entire capitalist class and the working class remains unaffected in volume I and volume III. In *Capital* (surplus-)value production is demand-driven, while the actual extraction of living labour depends on class struggle in production (and on all the factors affecting it). Once the analysis is framed so that the capitalist firms' short-term expectations on effective demand are assumed to be realised, expected value is entirely actualised value. We have here something very near to Keynes' first modelling of expectations in the *General Theory* according to which the short-term forecasts about the selling of output are confirmed on the market. This, of course, is quite compatible with radical long-term shifts in effective demand, and with the periodical eruption of crises. Again in this sense, the Marxian analysis of the immediate process of surplus value production in volume I of *Capital* remains the fundamental core of the economic analysis of capitalism. I shall come back to this point in section 7.

The fourth point to add is that in the supposed identity of the new value (the money value-added), with the direct labour expended, what you have on the left and what you have on the right are not homogeneous. What you have on the left are monetary magnitudes, what you have on the right are labour hours. The New Interpretation of Marx is right when it insists that the identity, as already in Marx's work, is based on the monetary expression of labour time (a point already anticipated in 1978, in Italian, by Marcello Messori).²⁸ The monetary expression of labour time is given by the money value added, divided by direct labour: hence, how much new money value has been produced by one unit of direct labour. If all the workers employed are “productive”, it amounts to the ratio of national income over the hours spent by employed workers. That is, if you like, a measure of the “productivity” of direct labour in money terms.

If you invert the “monetary expression of labour time”, the numerator is the direct labour expressed in some unit, let us say hours, and the denominator is the money value added, a

²⁸ Cf. Messori (1978).

monetary magnitude. Hence, the ratio gives how much direct labour is “contained” in one unit of money. This is what the New Interpretation calls the value of money.

Let me add a first consideration on the (in)famous “transformation problem” from (exchange) values (simple or direct prices) to prices of production – I will not discuss the issue explicitly here, but will advance three digressions on it as consequences of what I am discussing.²⁹ My way of grounding the “postulate” connecting the new value back to living labour – through the constitution of the capital relation in the immediate process of valorisation – in fact cancels the relevance of the transformation problem. Of course, if the new value goes back to nothing but the consumption of the living bearers of labour power within the immediate production process, this new value must be identical regardless of the price form expressing it. There simply cannot be a “problem” of transformation, by definition: it is just a “metamorphosis” of the form of value. The point is not to “demonstrate” the law of value, it is to understand what are the data in this transformation and what are its implications. It is far from certain that Marx himself fully understood these implications.

6. The working day, the manufacturing division of labour, and the real subsumption of labour to capital in production: *Technologie* and the law of the tendential fall in the relative wage

Chapter 10 is devoted to the establishment, by law, of the working day. On the basis of equal exchange of commodities, workers have a right to make their claims, and capital has its right to make its claims: between equal rights only force (*Gewalt*) can decide. Social conflict determines the limits and the legal length of the working day (as well as how much living labour is made *liquid* from the living human bearers of labour power).³⁰ And it is a social conflict between classes: here the “macro” perspective emerges fully.

Let us look at the following chapters, especially 9, 11 and 12. In these chapters, Marx analyses the extraction of the absolute surplus value and the extraction of relative surplus value. In the inquiry about the extraction of absolute surplus value it is assumed that the real wage of the workers and the methods of production are given. The labour contained in the value of labour power is then a known magnitude, and so it is necessary labour (which, in volume I, is usually the labour required to produce wage earners’ means of subsistence). Let us follow Marx’s quantitative example: the initial length of the working day is 12 hours, whereas necessary labour is 6 hours. In this situation, if the capitalist wants to extract more surplus value he has to “absolutely” lengthen the working day, the number of hours that the

²⁹ On the transformation, see Desai (1998a).

³⁰ According to Marx “human labor-power in its *fluid* state (*flüssigen Zustand*) creates value, but it is not in itself value”, as he writes in chapter 1. “The working day is not a fixed but a *fluid* quantity (*fließende Größe*)”, as he writes in chapter 10. “Capital cares nothing for the length of life of labor-power. All that concerns it is simply and solely the maximum of labor-power that *can be rendered fluent* in one working day (*flüssig gemacht*)”, as he writes again in that same chapter. This ‘fluidity’ is exactly related to how much living labour can be made ‘liquid’ from the labour power attached to the workers as the human bearers of the capacity to work. Without this dimension of ‘fluidity’, and variable liquidity of the labour extracted from workers, the access to the specificity of Marx’s labour theory of value is lost, and the latter becomes redundant. That is why Sraffa’s ‘photograph’ in his 1960 book could have been read as a criticism of Marx, although it is not, if the photograph is reinstated in the whole theoretical setting. As I show in the text, Sraffa knew better, and actually never juxtaposed his results to Marx’s labour theory of value or Marx’s view about the origin of surplus value. Note that the reasoning here does not have to do with arguments coming from volume II or volume III, but rather from volume I, and cannot be reduced to the line in Dobb-Meek as some interpreters have done. On this again, see my paper in Bellofiore and Carter (Bellofiore, 2014b).

worker works. If the length of the working day jumps from 12 to 15, there is a rise in the ratio of surplus value (the amount of surplus value over the value of labour power). The individual interest of the single capitalist to increase surplus labour in a direct manner is clear and evident. The legal fixity of the length of the working day blocks this means to gain surplus value. If pursued relentlessly, it would lead to the holocaust of the working class, and the end of capital itself. For this reason, Rosa Luxemburg argued that trade unions are essential to actually enforce the labour theory of value. They prevent capital from permanently lowering the price of labour power below the value of labour power, through the conflict on the working day and on the wage.

The extraction of relative surplus value may come from a higher intensity of labour: in the same hours more labour is *rendered fluent* from living labour power; one hour of living labour, doubling the effort, that is to say with double intensity, amounts to two hours of labour at the old intensity. If the real wage does not change, the capitalist can produce in three hours the same amount of means of subsistence that s/he produced in six hours before the doubling of the intensity of labour. Even though the length of the working day is fixed, there is a "relative" rise in surplus value: relative, because this time, with a given legal length of the working day, necessary labour goes down. The other means for an extraction of relative surplus value is a change of techniques through innovation and technological change. In this instance, there is a rise in the productive power of labour (*Arbeitsproduktivkraft*). In my understanding, a change in the productive power of labour must be distinguished from a change in the productivity of labour (*Arbeitsproduktivität*): a higher surplus value, and therefore more "productive" labour in the working day (labour producing more surplus value), may be the result also of a higher intensity or a longer working day. It is possible then to have higher productivity even with constant productive power. Marx, however, is not always consistent with the distinction I suggest. A higher productive power of labour means that more use values are produced in the unit of time considered. As before, starting from the same initial situation, consider a doubling of the productive power of labour, 6 hours of necessary labour, are once again cut to 3 hours of necessary labour.³¹

In Italian *operaismo* (workerism) the idea that absolute surplus value pertains to a past historical stage is widespread, and this is the way the so-called formal subsumption of labour to capital is interpreted. According to this view, the transition to the real subsumption of labour to capital goes together with the extraction of relative surplus value. It is a sort of philosophy of history, based on a dubious historical sequence.³² In my view, the formal subsumption of labour to capital does not pertain mainly or exclusively to early capitalism. It is, first of all, the subjection of workers to the money-wage form, which allows the command of capital within production. This point is stressed in *Relire Le Capital* by Tran Hai-Hac (2003). Moreover, in relation to the real subsumption of labour to capital, Maria Turchetto rightly pointed out long ago that this has to be understood as the deepening of the specific capitalist mode of production which capital must periodically undertake after a technological era has stabilised.³³ In fact, the extraction of absolute surplus value is alive and kicking in our time: think of the pension system reforms since the 1980s, lengthening systematically the life-course of working time.

³¹ Marx observes that he employs the term "necessary labour-time" to designate the time which is *necessary for the production of any commodity* under given social conditions. But he also used it to designate the time necessary *for the "production" of the particular commodity labour power*. In chapter 9, he notes that the use of the same technical term in different meanings is inevitable though inconvenient, and in no science can it be altogether avoided.

³² Negri ([1979] 1984) is representative here.

³³ Turchetto (1981; 1991) is an essential reading on this matter.

Another issue about which Marx is crystal clear (despite the confusions of Marxists and interpreters) is that absolute surplus value and relative surplus value are not alternative to each other as means to increase surplus value; nor are the two ways of extraction of relative surplus value alternative to one another. Quite the contrary: when capital introduces new machines, to maximise the benefits of higher productive power, capital tries to increase the working day, and the intensity of labour in any possible way. Absolute surplus value and relative surplus value go together with relative surplus value, and the same can be said of higher intensity of labour with the higher productive power of labour. This theoretical point helps to clarify why the standard narrative about Taylorism and Fordism, which sees them as the former preceding the latter, and which we find in Benjamin Coriat (1979) or again within the *operaismo*, is misleading. Also Maria Turchetto's (1991) interpretation of the introduction of machines as successive to the division of labour can be accepted only up to a point. The idea is that capital fragments job performance as carried out by individual workers in distinct tasks, making their work more "mechanical"; afterwards, capital puts these distinct tasks together via machines, now being used by many workers, as in mechanisation/automation. This is actually Adam Smith's perspective, not Marx's: at least, not the Marx who has reached the real subsumption of labour to capital in the development of his argument. In the real subsumption of labour to capital, technological change comes first. That is why I see Fordism rather as preceding the successful introduction of Taylorism (and similar organisational innovations), and this is what happened historically. The movable assembly line made Taylorism effective; before that, as work historians know well, the early introduction of "scientific management" in the USA was a failure, spreading social conflict, and of course the Marxian logic helps to explain why: a higher intensity of labour within the same technological setting renders exploitation transparent, leading to workers' unrest (within a composition of the working class mainly constituted by "*operai di mestiere*", craft workers). Taylorism (in fact, together with other contemporary organisational innovations) eventually won out for two reasons: the War, which imposed a sort of national unity; but also, precisely, the introduction of Fordist technology. The pressure on work effort, and the higher intensity of labour, appeared as "scientific" progress, not only something inflicted by the "timing and methods office" through supervisory timekeepers. This technique, introduced through technological innovation, went together with the new organisation of labour.

For a correct understanding of these points I think the papers by Guido Frison on *Technologie* as distinct from *Technik* in Marx are very useful.³⁴ The principle which "modern industry" pursued is that of resolving each process into its constituent phases without regard to the execution by the hands of man. The notion of *Technologie* goes back to Cameralism. The technological description of production is given from the point of view of the rulers of the process, but according to Marx they are "character-masks". *Technologie* defines the potential relationships between labour power and its means, so it is strictly related to innovation. Technological design treats labour power and its bearers as a "thing" among others. We witness here a further example of a naturalistic perspective: it is one of the many examples of the fetish character of capital (in this case, in the immediate process of production), leading to fetishism: the social powers created by capital, which are effective, are attributed to things as such (here, the means of production), and not to a specific social relation. *Technik* concerns instead the relations between labour power and the means of production, it is about the

³⁴ Cf. in particular Frison (1993).

prescriptions of use related to the means of production. The organisation of labour has to deal with the relations among workers in the labour process. Then, employing Frison's own words, technology is a potential need that becomes a probable reality thanks to the conflict between labour power and entrepreneur, and to the competition between entrepreneurs.

Before continuing, let me stress, against a long-standing interpretative tradition which has been resurrected in contemporary tradition but which is still wrong, that in *Marx's Capital* we don't find any prophecy about the absolute immiserisation of the working class. Quite the contrary. Imagine, as before, a situation where the value of labour power is the monetary expression of 6 hours (necessary labour), and surplus value is the monetary expression of 6 hours (surplus labour); and as before we have a doubling of the productive power of labour. Following Marx's logic it is possible to show that in a case like this it is possible to have an increase of the real wage and/or a reduction of the working day (conquered by workers' conflict) which leaves room for a rise in the share of surplus value within the new value produced. Looking at capitalism from the use value point of view, reformist policies (more equitable distribution of income, shorter working hours) are possible. This is not true if one looks at capitalism from the value point of view, according to which what capital wins (in terms of the division of the working day in terms of surplus labour and necessary labour) is lost by workers as workers. This point, once again, was captured by Rosa Luxemburg in her book, *Introduction to political economy*, in the chapter on wages. She was not convinced by the law of the tendential fall in the profit rate. Instead, she recognized another law in Marx, the law of the tendential fall of the "relative wage".

What is the relative wage? You do not find the expression in *Capital*, volume I, but you find it in *Waged Labour and Capital*. There, the relative wage is a Ricardian category. It is the ratio of the wages going to workers divided by gross profits, or better the value of labour power relative to the whole new value. It is clear that relative surplus value extraction means that a lower share of the working day is going to wage earners. If there is a higher real wage or if there is a reduction in the working day, the reduction in the share of the new value going to workers will be less than what it would be if the real wage, or the length of the working day, remained unchanged. What Marx underlines is that under capital it is very unlikely that all the advances in the productive power of labour are proportionally distributed to workers. The relative wage must fall. But this is not a prophecy about the absolute immiserisation of the working class, it is rather a tendency toward the *relative* immiserisation of the working class.

According to many authors, critics of Marx or even Marxists, secularly the wage grew more or less in step with use value productivity until the 1960s/1970s: this conclusion however cannot be accepted, because it assumes that all the employment was "productive" in a Marxian sense. Part of these wages (supposedly rising together with the use value productivity) in fact went to unproductive workers.

7. The "micro" dynamic of competition between industries, machines, and capital as an automatic monster

Chapter 12 is another of my favourite chapters, together with chapter 7. In this chapter, Marx provides an answer to a vital question. As I outlined before, the "microeconomic" mechanism leading to the "macro" result of the extraction of absolute surplus value is easy to understand. It is in the interest of the single capitalist to "absolutely" lengthen the working day,

because the more he forces on the worker a surplus labour, the more he obtains profits. It is not so with relative surplus value, because relative surplus value is something determined only at the systemic level, from the lowering of the value of labour power. If there is a rise in the productive power of labour which is generalised in the economy, what will follow is a reduction of the prices of wage goods: when the value of labour power goes down, the surplus value in the new value goes up “relatively”. The same can be argued about a rise in the intensity of labour. This macro result, this new equilibrium following a technological innovation and/or an organisational innovation, is not pursued intentionally by the single capitalist, nor is it driving their individual behaviour.

Marx originally intended to approach the logic of capital in two distinct and successive moments the first step was the inquiry about “capital in general” (all that it is common to capitals); the second step was the inquiry about the “many capitals” (competition among capitals). The second step should have been dealt with only after he had completed the first: but he eventually included competition already in volume I, in this chapter 12 that I am discussing. To understand why, let us ask: what is “competition” for Marx?

Competition has two meanings in Marx, and these two meanings are not well understood by interpreters, or are conflated. I think they need to be distinguished, and this distinction may become in some cases even an opposition. On the one hand, Marx took the notion of competition prevalent in Ricardo and in the Classics: it refers to the tendency of the rate of profit to be equalised among the different branches of production, because of the mobility of capital. A similar though not identical notion of competition can be found in Walras, and even more in Marshall. This kind of competition gives rise to the discrepancy between simple or direct prices (the prices proportional to the labour contained in commodities) and production prices (the capitalist prices embodying an equal rate of profit). This competition is discussed in volume III. In volume I, we find a dissimilar notion of competition: the competition within industries, or within branches of production, where many capitals are struggling in a fight to the death through the introduction of innovations.

Price (also the simple or direct prices) is established as a social value or as a market value – these are the two terms used by Marx, the former in volume I and the latter in volume III – as the monetary expression of the socially necessary labour time, which may well be different from the individual value determined by the individual labour time contained. Those who introduce a new machine, a new organisation of labour, etc., lower their individual labour time below the socially necessary labour time: as a consequence, their individual value drops below the social (or market) value, and they beget an extra surplus value. The same process can be replicated for the prices of production. Innovators can wage a war against the other firms producing the same use value by beginning to decrease the selling price, and thereby stealing the market from other capitalists. This kind of competition is a cut-throat competition. It is a competition of the many capitals struggling so that they can win an extra surplus value: and they cannot avoid this competition lest they be thrown out of the market.

As I will show, in part 7 on reproduction, Marx highlights the macro-social (class and monetary) foundation of the capitalist process as the pumping out of new value from workers (and thus of the extraction of surplus value). Here, in chapter 12, Marx discusses the “micro” mechanism grounding the “macro” outcome of the extraction of relative surplus value. Competition within industry causes rational individual behaviour leading to the prevalence of what Marx calls the specific capitalist mode of production, grounded in the interaction between the “relative” and the “absolute” extractions of surplus value. There were certainly

antecedents of this in Classicals, but these were asides with respect to the main line of argumentation, the view of competition as the equality of the rate of profits between industries. In Marxian theory, the author who most understood the originality of Marx and even his break from other theories based on this view of competition within the industry as struggle for surplus value, was Henryk Grossmann ([1941] 1977) in his *Marx, Classical Political Economy and the Problem of Dynamics*.

As Grossmann knew, there was another author who borrowed this second view of competition from Marx and made it the founding principle, together with the credit theory of money, of his own system: Joseph Alois Schumpeter. His debt to Marx was openly recognised in the introduction to the Japanese translation of his 1911 *The Theory of Economic Development*, and in *Capitalism, Socialism and Democracy*. There is of course a disconnection between Marx and Schumpeter, as well as a connection.³⁵ Schumpeter attributes his “dynamic” competition only to the rivalry among single capitals, plus (especially in the first edition of the 1911 book) a sort of Nietzschean vitalistic impulse to leadership. For Marx it comes from the capital relation itself, that is from the intrinsic antagonism between capital as a whole and the working class, not just as the reaction of capital to workers’ conflicts, but also and primarily as capital’s need to control the human bearers of labour power and its primary nature as “vampire”, i.e. the endless drive to extract living labour. This is the theme of chapters 13 to 15.

Before going on to discuss them, let me introduce a second digression on the “transformation problem”. A reference to Anwar Shaikh (2016) may be useful, here. Shaikh in his recent book rightly juxtaposes “real competition” to neoclassical abstract theoretical perfect competition and the allegedly realistic imperfect competition. But Shaikh maintains a strict connection between the two kinds of competition, so that his advance over so-called Sraffian arguments may risk being reduced to the fact that Garegnani’s prices of production as centers of gravitation (Garegnani, 1984) simply become “shifting” centers of gravitation.

Moreover, Shaikh seems to accept a quite traditional reading of Schumpeter as a theorist providing an explanation for the temporary departures from some Walrasian equilibrium of perfect competition. I think that Schumpeter is much more than that. In fact, the Austrian economist shows that dynamic competition (the rivalry among firms within the industry), that is the tendency to differentiate the rate of profit, may be so strong as to dominate over the tendency to equalise the rate of profit (among the industries). Schumpeter goes so far as to argue that in some period the same tendency to equalise the rate of profit is not simply there to be found. It is only when the innovation push is halted that the tendency towards an equal rate of profit becomes operative, and the system approaches a new equilibrium (a new circular flow): that equilibrium is the result of the out-of-equilibrium path. If this picture is essential to understand real capitalism, perhaps it is more interesting to see prices of production as an ideal (almost Platonic) point of reference, like in Pasinetti (1977), rather than as centers of gravitation, as in Garegnani. The value dynamics captured by class struggle and innovation defines the “methods of production”, the given inputs and outputs from which the prices of production are determined, without necessarily passing through an operative dimension of these same prices of production.

Chapters 13 to 15 are about simple cooperation, division of labour in manufacturing, and machinofacture. With machines we have a real subsumption of labour to capital, the peculiar capitalist mode of production where techniques and the same nature of labour – the actual

³⁵ On this point, see also Messori (1985).

capitalist labour processes – are form-determined. Where, that is, use value is shaped by value, and the duality internal to the commodity is recomposed under the dominance of the value-form. This moment of conceptual development in *Das Kapital* is too often missing in the *Neue Marx-Lektüre*. With machinofacture, workers become the appendage of the material conditions of production. It is true that one cannot find the 1844 notion of alienation in Marx's *Capital*: but from *Capital* one can “read backwards” the alienation of *The 1844 Paris Economic Manuscripts*.³⁶ The commodity is the product of the socialised worker: the single worker is a worker whose labour is not concrete anymore, because the single worker does not produce a commodity anymore: the commodity is the product of the immediately socialised labour in the immediate labour process. Abstract labour is now the living labour of the wage workers within the units of collective labour organised and planned by firms in competition, that is within the immediately private labour of capitalist producers who have to *become* social on the commodity market.

We have here the paradox of an ex-ante immediately socialised labour which must still become social labour ex-post. This does not mean, as Roberto Finelli (2014) affirms, that abstract labour erases the dimension of concrete labour. Capitalists have to sell the commodities as “use value to others”: as such, commodities have to possess concrete properties (*Eigenschaften*), and the labour producing them must have concrete properties. These concrete properties, however, are realised within the collective worker, and come to individual workers from outside: they come from the will and knowledge that is capital's will and knowledge, from capital itself promoting cooperation amongst workers. Once again the argument by *post-operaismo*, especially in Hardt and Negri, according to which capital steals a sort of “natural” workers' social cooperation is wrong. Under the real subsumption of labour to capital, *Reichtum*, wealth as concrete wealth is actually produced only by capital, and capital alone: not by labour. Capital designs the technology, puts in action the techniques, builds an organisation of labour: labour as concrete labour is just a cog of this mechanism. But this Fetish does not produce anything, unless it becomes a vampire, unless it is able to extract living labour from the workers. This living labour, generating abstract wealth, value and surplus value, is abstract labour, a labour as generic as the money and surplus money it produces. While the use value productivity goes back entirely to capital, the value productivity goes back entirely to (abstract) living labour: more precisely, to capital's success in winning the class struggle in production. Here I agree with Chris Arthur: capital must incorporate workers (living labour power), as an internal other.³⁷ This is the second meaning of the “embodiment” we find in Marx: it is not taking possession of a body (we saw that Marx uses the German verb *verkörpern* for this); rather, it is being made internal as part of capital's “body” (the German verb employed by Marx is different, *einverleiben*). What is this capital's “body”, which is of course also the labouring body, the body of the collective “immediately socialised” worker? Thanks to the buying and selling of labour power, capital inserts human living labour power bearers (workers) into an automatic “monstrous” machine, and puts them to work. Marx writes that the capitalists transform value, i.e. past labour in an objectified and lifeless form: that is,

³⁶ I am adopting here Sraffa's style of reading past authors backwards (*a ritroso*), that is, from the point of view of (later) questioning. Actually, the same method of doing history of economic analysis can be found in such diverse economists as Marx, Schumpeter, Böhm-Bawerk, Keynes, and others. A backwards-reading approach is appropriate to the evolution of Marx's thought also because it shows how certain notions were neither simply maintained or simply abandoned, but rather they were radically transformed: the sterile opposition between continuism and discontinuism among Marx's interpreters is thus overcome.

³⁷ Once again, the reference is to Arthur (2002).

properly speaking, into capital. Capital is value performing its own valorisation process, a Subject which, once it has internalised living labour powers, begins to “work” like an animated monster, “as if it were by love possessed”. The expression in quotation marks comes from Goethe’s *Faust*, from Auerbach’s Cellar chapter in part 1. A mouse is poisoned: the physical spasms are likened to somebody who “were by love possessed” (*Als hätte sie Lieb im Leibe*). The mouse, as labour, is passing from life (living labour as a fluid, during production) to death (direct labour as already dead labour in the commodity output, after production).

The inspiration for this analogy of capital to a monster comes, of course, from Mary Shelley’s *Frankenstein*. We can, as Franco Moretti does in his already quoted essay, read *Das Kapital* referring also to Bram Stoker’s *Dracula*, though it was written at the end of nineteenth century. We saw, however, that the reference to the “vampire”, as well as the one to “werewolf”, is already there in Marx’s work. Actually, capital is an “undead”, who can only live as long as it sucks living labour from workers: it is a zombie. These, I insist, are not meant by Marx as brilliant literary metaphors: they are apt to depict *die Sache selbst*, the matter itself under scrutiny.

8. The “macro-monetary” class perspective on capitalist (re)production

Concerning section 7, I focus mainly, though not only, on chapter 25, “the General Law of Capitalist Accumulation”, which is where Marx introduces the concept of the “industrial reserve army” of workers. This has been understood by interpreters as a theory of the cycle, or even as a crisis theory. Capital grows with a given composition of capital: capitalists invest always in the same proportion in constant capital and variable capital, buying the same means of production and the same labour force. At a certain point, the workers’ reserve army is exhausted, and wages go up. Capital reacts with innovations, introducing machines, and increasing the ratio of constant capital to variable capital. What follows is the expulsion, or at least the potential expulsion, of workers from the production process. The industrial reserve army is like a lung that inflates and deflates during the cycle. This may become a theory of crisis, as it was interpreted in the late 1960s and early 1970s, based on the “profit squeeze”. There are social situations, due to the trade unions’ strength on the labour market, where wages are going up so much that gross profits are compressed; and then there is a crisis.

In fact, the chapter was not meant as a theory of crisis, let alone a theory of the cycle. The law of accumulation embedded what was the alternative that Marx gave against Malthus’ law of population. Capital is able to reproduce everything except the internal other (the bearers of labour power) and the external other (nature). Marx focuses here on the former: the capacity to work turns into living labour, human activity in production, and labour power is “attached” to workers as living human bearers of labour power. Marx shows that capital is, however, able to posit its own presupposition, because it is able to create the industrial reserve army, and to refurbish it when needed. Once again Marx introduces something completely new in economic theory: he is arguing that in the labour market, capital acts on both the demand side and the supply side. Of course, there is the social reproduction of workers on which feminism is rightly insisting: necessary labour is not only paid but also unpaid, consisting also of domestic labour, and of care labour.³⁸ But in a sense, due to its influence via the change in the industrial reserve

³⁸ According to Marx, the *value* of labour power is ultimately determined by the bundle of use values necessary for the reproduction of labour power. In this way, the commodities bought by workers, and the (paid) necessary labour

army, capital determines the supply of workers. Les dés sont pipés: the dices are rigged, the game is a tricky one.

Claudio Napoleoni (1973a) noticed that, in certain social conditions, the dependence of labour supply on capital's labour demand could be inverted, and proposed a non-distributional view of the social crisis of the 1960s-early 1970s. The profit squeeze was real, but it came mainly from the struggles within the immediate process of production.³⁹ There are situations in which workers may control the living labour "fluid" that capital extracts from them. This is something that crucially contributed to the crisis of Fordism (this time understood according to the Regulationist school). I agree with the idea that this is a key factor to understand the Great Stagflation: an idea which must be read in strict continuity with Rosa Luxemburg's point that the law of the tendential fall in the relative wage can be systematically countered only through revolutionary activity.⁴⁰ The interpretation proposed by some Sraffians according to which the "wage" can be seen as the independent variable, and any distribution can be imposed to capitalists, is impossible to accept from a Marxian point of view. Indeed, in the same chapter 25 Marx insists that the wage is the dependent variable, and the rate of accumulation is the independent one.

Let me stress two more things in this section 7. The first is the need to deepen the idea of "reconstruction" that I described, according to which in Marx we find a macro-social and monetary foundation of the inquiry of the capitalist process. Here, I am committing the mortal sin of anachronism: macroeconomics, strictly speaking, did not exist when Marx wrote, it was invented by Keynes in the 1930s. The point is that in the Section on reproduction, Marx was looking at capital relations from a point of view where at the centre of the analysis was the whole of the capitalist class, on one side, and the whole of the working class, on the other. This point was grasped very well by Maurice Dobb, as I commented at the beginning of this piece: but the macro perspective is so powerful that it goes beyond what Dobb himself intended to argue.

A first quite explicit consequence of Marx's new viewpoint – a consequence which, once again, is missed in most readings – is that the "macro" logic (the logic of the "totality") – is not only different, but unique, prior and opposite to the "micro" logic: what "appears" from the "micro" logic, the logic of "individuals", what more properly speaking was a phenomenal manifestation (an *Erscheinung*) in the earlier sections, is now revealed as an illusory semblance (a *Schein*). At this point we have to look back down the path we have travelled, we must read *Capital I* backwards.

Marx began with money and the commodity, then he moved to capital and how it is produced. The single capitalist was taken to be an average representative of total capital. On the labour market, the phenomenal manifestation means that workers and capitalists are free and equal subjects. This is not false, at that layer of the inquiry. With reproduction and

entering into their production, are taken into account: Marx's 'necessary labour' ultimately reduces the socially necessary labour time needed to produce the commodities which are subsistence goods. However, 'social reproduction' of labour power requires domestic labour and care labour, which very often constitutes (unpaid) necessary labour. We deal here with non-capitalist or non-commodity processes. This unpaid necessary labour, though (directly) 'unproductive' (of value and surplus value) is essential to capitalism, as long as it 'produces' the human bearers of labour power. 'Necessary labour' must therefore be defined in a larger way than is apparent in *Capital*, Volume I, allowing for its division into paid and unpaid parts.

³⁹ This stress on a *productivity slowdown* rather than wage struggles can be found also in Aglietta (1976) and the early *école de la régulation*, as well as in Andrew Glyn (2006).

⁴⁰ Napoleoni wrote in those years about the need to construct a "political way out" from capitalism: see Napoleoni (1974).

assuming the standpoint of the totality, the inquiry is transposed into a directly social, macro, monetary, class perspective. This is a very different outlook than the one taken by the so-called "macro-monetary" approaches within Marxism today: their logic is a logic of "aggregation". The macro foundation leads to opposite conclusions compared to the micro logic. This is apparent in the fact that the working class is tied to capital as a whole by a relation of slavery: the free and equal bargaining of the individual worker was just a necessary objective illusion. When reading Marx, one must be warned that the meaning of categories changes along the way in his *Darstellung*, in exposition. This does not mean that the previous meaning of a category is cancelled; it is rather a deeper understanding leading to a "sublation" (*Aufhebung*), where the prior sense is conserved and overcome.

The second consequence concerns the wage, and this is especially relevant for the current debates on Marx in general, and for an assessment of the transformation of values into production prices in particular. To understand what follows it is necessary to appreciate how much in section 7 Marx is anticipating the heretical monetary macroeconomics of the twentieth century. I am referring to Wicksell, Schumpeter, the Keynes of the *Treatise on Money*, and later to the French-Italian contemporary circuit theory of money. The difference between Marx and these authors being that, as de Brunhoff insisted, Marx was mostly writing within the tradition of the monetary theory of credit, and these "heretics" were and are (like me) committed to the alternative view of the credit theory of money. The similarity is that the reasoning about the class relation and divide is explicitly set within an initial macro-monetary setting. Capital, as a whole, advances the money wage-bill as finance for production in order to buy workers' labour power. In chapter 23, Marx writes that to have a clear understanding of what is really going on we have to abandon the perspective of the single capitalist and the single worker, and look instead at the capitalist class and the working class. The capitalist class advances money drafts to workers, order notes, that are given back by the latter to the former to get their share of what they have produced. In this transaction, the money "veil" performs an essential function: capital includes in its own mechanism workers as its internal other, and the means of subsistence (as the variable capital buying labour power) are the means to get living labour power.

In fact, in the *Results of the Immediate Process of Production*, Marx writes that it is not the workers that acquire the means of subsistence, but that the means of subsistence buy the workers. Marx has no ambiguity here in clarifying that what has to be taken as given is the real wage of the working class as a whole. Individual workers may have freedom of choice about their individual basket of consumption goods. But that is definitely not true for workers as a class: they have to buy what the capitalist class leave them. This is the same conclusion that the monetary heretics reach, but also the same conclusion that follows from Keynes' view of the investments as the autonomous driving component in private effective demand; and, even more so, the same conclusion as Kalecki. It is, without doubt, a macro-monetary theory of the capitalist production and distribution of new value and surplus value.

The point I am making about the wage is actually a very contested one. The New Interpretation, as many other Marxian approaches, claims that what is given in the transformation is the money wage, and not the real wage. They are right to go against the traditional position, but they do not consider that in Marx's truly macro-monetary foundation the point is not that the individual real wage is given and then aggregated; it is rather that the real wage for the working class is given, and thereby in the first approximation to capitalist prices this must be considered in the computation. In 2000, Foley referred to an unpublished

paper by Robert F. Brinkmann, where the author – taking into account the allocation of the labour time confirmed as social on the commodity market, that is the composition of the net output, as I do – proposes a distinction parallel to mine, between “labour values” (that I rather prefer to translate conceptually as simple or direct prices) and “essential prices” (prices of production) (Foley, 2000). This distinction allows us to assume, as I do, a difference between “necessary labour” (as the labour contained in the wage goods) and “paid labour” (as the labour commanded on the market by the money wage bill).

Most of the new approaches to the “transformation” of values into production prices are trying to avoid the consequent discrepancy between, on the one hand, surplus value and the value of labour power conceptualised in terms of the labour contained within the commodities going to capitalists and workers and, on the other hand, the labour commanded (obtained on the market) by gross profits and money wages. The point, however, is that this discrepancy – not to be found in Marx’s truncated/incomplete transformation – reveals an important feature of the capitalist process. Individual pricing does not affect the macro-social inquiry of exploitation (and this was Maurice Dobb’s argument!): that is, the discrepancy does not affect the total living labour that total capital has been able to extract from total living labour power (and hence the direct labour contained in the new value), winning class struggle in production; and it does not affect the share of that direct labour that total capital has to give back to the workers as a whole to reproduce their capacity to work (i.e. the labour contained in the commodities going back to the working class), because of the conflict on the wage. Total living labour and total necessary labour are the given factors that Marx determines in volume I, and that remain unchanged in the following volumes: but their money expression in more concrete value-forms may change. Individual pricing instead affects the labour that single capitals in competition are able to “command” on the market, i.e. extract in circulation through the commodities they produce. The discrepancy between necessary labour and paid labour is just a further stage of the mystification of the capital relation: but, as Graziani ([1983] 1997a) wrote, the microeconomic dimension of individual pricing (only partially spelled out in volume III) does not directly influence the macro-social class inquiry of exploitation (fully expounded in volume I).

Simon Mohun (1994) argues that the notion of subsistence real wage, which we actually find in Marx on the grounds that labour power would be a commodity, is inconsistent. Labour power is not produced like commodities, it is reproduced within the household, within what Giovanna Vertova (2016) calls the private welfare system: a reference should be made to social reproduction and domestic (unpaid) labour. Personally, I think that the macro view I am putting forward may be seen as independent from a subsistence wage: what is needed is a Keynesian-Kaleckian argument stating that capitalist investments determine the composition of net product. And I think that it is right to complement Marx’s theorisation of living labour power with the theory of social reproduction. But Marx’s statement according to which labour power is a commodity must be understood as taking into consideration a looser notion of commodity: not as something produced by labour within a capitalist labour process, but as something which is bought and sold.

9. Crisis theory

So far I have focused on volume I with some allusions to volume III's transformation of values into prices. I want to end with some considerations on crisis theory.⁴¹ There are some clues about crises already in volume I. In the first three chapters, Marx argues that already in simple circulation – C-M-C': Commodity, Money, Commodity – selling may not be followed by buying. The formal possibility of crisis is already there from the beginning of *Das Kapital*, and it is simply “frozen” there after chapter III (thanks to the assumption that commodities produced are sold on the commodity market) until much later in the argument.

For further developments on crisis we have to go to volume II and volume III (a reading which must be supplemented with the *Theories of Surplus Value*). At the end of *Capital II* Marx sketches his own peculiar *Tableau Économique*. For Marx, Quesnay's *Tableau Économique* was the most brilliant idea of political economy: such a brilliant idea that it was immediately forgotten, and nowhere to be found in Smith and Ricardo. Marx rediscovered it a century after Quesnay, introducing important changes in his schemes of reproduction. It is important, however, to realise, contrary to a long interpretative tradition, that in Marx the schemes of reproduction have nothing to do with a picture of a “balanced equilibrium growth”. The problem Marx was tackling is quite different.

As I have discussed, Say and Ricardo argued before Marx about the impossibility of a general glut of commodities, whereas Malthus and Sismondi argued that profits implied savings and, therefore, savings being income not consumed, income must be higher than demand, which is interpreted by them as nothing but consumption. This amounts to an under-consumptionist collapse theory. For Say and Ricardo, an effective demand crisis is impossible, for Malthus and Sismondi capitalism is impossible. Marx shows that equilibrium between supply and demand is possible but it is a “chance possibility”. The schemes of reproduction illustrate that each item of supply is also an item of demand; then, in a sense, capital really creates its own demand, but there is no guarantee that the proportions of the latter match the proportions of the former. In the *Grundrisse* this point is expressed with even greater clarity than in *Capital II*. The conditions of the production of value are not the conditions of the realisation of value. Thus, once again, the schemes of reproduction deal with the theory of crisis only in a very preliminary way, as a further development of the inquiry about the possibility of crisis.

Marx's theory of value turns into a theory of crisis in volume III, along the chapters on the theory of the tendential fall in the rate of profit and through the discussion of some elements of the realisation crisis. I agree with Michael Heinrich that Marx probably had abandoned the falling rate of profit view when writing *Capital I*, and with Peter Thomas and Geert Reuten that the tendency for the rate of profit to fall was expressed in a much more mechanical way, as a collapse theory and not as a theory of the cycle, in the *Grundrisse*.⁴² At the same time I think that, going with Marx beyond Marx, it is quite interesting to rephrase the tendential fall in the rate of profit as a meta-theory of the crisis: a crisis theory which progressively includes within itself the other tendencies towards crisis, because when countertendencies win out over the tendency, the nature of the crisis changes. Thus Marx ends up with what may appear although is not, the most un-Marxian of the propositions: that in the twentieth century, countertendencies systematically won over the tendency.

⁴¹ See Bellofiore (2011) and Desai (1998b).

⁴² See Reuten (2004) and Thomas and Reuten (2013).

Following this train of reasoning, my “reconstruction” of Marx converts his crisis theory into a stage theory of capitalism. The Long Depression at the end of the nineteenth century can be interpreted according to the canonical theory of the tendential fall in the rate of profit: the composition of capital goes up so much that surplus value becomes insufficient to valorise capital. This was a crisis of profitability because “too little” surplus value was extracted. The transformation of capitalism from fully competitive to trustified capitalism, and the introduction of Fordism and Taylorism, plus other factors (including imperialism) determined a rise in the rate of surplus value exceeding the rise in the composition of capital. The tendency of the rate of profit to fall is metamorphosed into the realisation crisis of the 1930s, a crisis due to “too much” (potential) surplus value. Note, however, that the realisation crisis must not be read through the lenses of under-consumption: Marx, and even more Rosa Luxemburg, moved towards a crisis theory built upon under-investment. The Great Crash following 1929 was overcome, first, thanks to the destruction of capital, where WWII was a crucial factor, and second through actually-existing Keynesianism. In truth, the so-called Golden Age of capitalism was driven by what Kalecki ([1967] 1991) called “domestic exports”, leading to militarism and waste.

This line of thought shows that Keynesianism was effective for a while in pushing up profitability and production. Paul Mattick Sr. (1969) was right, however, when he stressed that during *les Trente Glorieuses* a larger share of production was devoted not to the production of capital but to production as such, the production of use values. This means that the share of workers non-directly-productive of surplus value was increasing. The crisis could be avoided as long as the rate of surplus value was rising and exploitation of the relatively decreasing share of productive employment was intensified. For historical and social reasons, this was not possible after the mid-1960s. The coming crisis was evident in the late 1960s-early 1970s, before the increase in oil prices. As I outlined previously, struggles within the immediate production process, though they were not the only factor, were the key factor leading to the Great Stagflation. Once again it was a crisis due to “too little” surplus value: but the main factor was not a rising composition of capital, it was the slowdown (and in some instances, like in Italy, the reversal) of the positive dynamics of the rate of surplus value.

Neoliberalism must be understood as a reaction to this crisis of Fordism (in the Regulationist meaning of the word).⁴³ The way out from the crisis proceeded in two veins. The first was the deconstruction of labour and the casualization of work: what Greenspan called the “traumatization of workers”, according to some anecdotes. The second was what I have labelled as the “real subsumption of labour to finance and debt”: which is related to Minsky’s “money manager capitalism”. The two processes were intertwined with a “centralisation without concentration” of non-financial businesses and Jim Crotty’s “destructive competition” (Crotty, 2000). I have presented my own analysis of this capitalist stage in many writings: here I will just remind that these phenomena produced “manic-depressive savers” pushing up capital-value assets in the stock exchange and prices in the housing market. The inflation of capital assets engendered a situation where savings (the value of accumulated assets) were pushed up, but current saving (as a proportion of disposable income) went down and became negative. Jan Toporowski (2010) rightly noted that capital market inflation and inflated property acted as a substitute for the welfare state sedating the middle classes. The view of this capitalist configuration as a return to the *laissez faire* era is quite misleading. Actually existing

⁴³ On what follows see my chapter in Bellofiore and Vertova (Bellofiore, 2014c).

neoliberalism was a quite active configuration of capitalism, with politics (including central banks) providing the rise of effective demand through the establishment of a paradoxical “financial and privatised Keynesianism”.

The subsequent crisis, the Great Recession or Lesser Depression, was again a crisis due to “too much” surplus value. As always, the crisis became evident first as a financial crisis. This time, however, it is meaningless to separate a real crisis and a financial crisis. Financial factors were essential in the ascent and in the collapse of that form of capitalism: the real economy could not prosper without the bubbles, and without this perverse finance. Fictitious capital fashioned a non-fictitious reality: it forced workers and households to work longer and more intensely, in some areas it financed innovations leading to higher productive power of labour, it lifted up demand through indebted consumption, and so on.

10. The untimely Marx

A centenary – and of course even more so a bicentenary – is the opportunity to draw a sort of balance sheet of an author. Marx, we all know, has been at the judgement bar since the fall of the Berlin Wall and the collapse of the USSR. Talk about a “crisis of Marxism” is recurrent since the end of nineteenth century. And rightly so: the reason is straightforward, and it has to do with Marx's practical materialism. The most forceful expression of the latter is in the second thesis on Feuerbach, where Marx argues that “[t]he question whether objective truth can be attributed to human thinking is not a question of theory but is a practical question. Man must prove the truth – i.e. the reality and power, the this-sidedness of his thinking in practice. The dispute over the reality or non-reality of thinking that is isolated from practice is a purely scholastic question”.⁴⁴ And Marx is an instance where the failure(s) of his project of “liberation” and “exit” from the capital relation puts in question his oeuvre. It is not Marxism to be in a crisis. It is Marx himself, and since long. The reference to Marx is possible only as long as the Critique of political economy is also the critique of the present.

If the above outline of contemporary capitalism is valid, the challenge to Marxian theory is extreme. Let me put it in this way. According to Marx, capital – better, Capital – produces an increasing concentration that goes hand in hand with increasing centralisation. I argued, however, that in current capitalism we witness centralisation without concentration. In Marx's views, concentration with centralisation also meant that, in order to exploit the social productive power of workers that capital itself generates, it has to coalesce a collective worker that is “immediately socialised” in production. This immediate socialisation not only indicates that capital is obliged to put workers together to extract living labour, obtain new value, and gain gross profits; it also reveals that it is forced to create a possibility of collective resistance, opposition, and antagonism: a reality where the labour process becomes a contested terrain (so much so that Paolo Sylos Labini viewed workers' struggles and their effects on profits as a positive force leading to innovation and development). Only from a point of view such as this one, the pretence of naturalness and immortality of capitalism can be doubted, and the

⁴⁴ <https://www.marxists.org/archive/marx/works/1845/theses/theses.htm>. In this view, the ideas that in the production of knowledge there are a subject and an object, separate and prior to science, and that science can be divorced from experimentation, is radically contested. Science, as Ian Hacking would say, is representing *and* intervening. With all their differences, such attack against the traditional epistemology trap is common to such diverse authors as Hegel, Marx, Freud, and Wittgenstein.

interrogation about a different social relation – let us call it “socialism” – could be advanced. Otherwise, a history beyond capitalism is just a utopian dream.

Contemporary capitalism seems to break the unity between these two moments, which are united in Marx: the productive side and the conflictual side of the immediate socialisation of labour within production. If one wishes to move toward a serious understanding of this reality, the newspaper to read is not a Bolshevik or Luxemburghian one: it is the Financial Times. On September 8th of 2016 it published an article by Sarah O’ Connor, titled “When your boss is an alorytm”.⁴⁵ According to Jeremias Prassl, a law professor at Oxford university, interviewed by Sarah O’Connor, the algorithmic management techniques of Uber and Deliveroo, champions of the so-called gig economy, are “Taylorism 2.0”: algorithms provide a degree of control and oversight that even the most hardened Taylorists could never have dreamt of. Workers are dubbed as self-employed people. The connection among them is made extremely difficult, exactly as it is in the reality of in-house-outsourcing, depicted in movies like *The Navigators*, by Ken Loach. In the new “neoliberal” capitalism, opportunities of rapacious exploitation, like the ones depicted in the article, are everywhere.

As Sarah O’Connor reports, “[i]t’s hard to spread the word when you don’t even know who your colleagues are. But the couriers [of Uber] have an idea. They open their apps as customers and order food to be delivered to them. As UberEats couriers arrive with pizzas at the place their app has sent them, the strikers tell them about the protest and urge them to join in. Algorithmic management, meet algorithmic rebellion.” In the UK the struggle went to court, and workers are nowadays again winning battles. In fact, with the new technologies, we are in a twenty-first century economic reality, resembling an early nineteenth century social configuration. This is something that is going on also in much more advanced productive realities, not only in the gig economy. That early nineteenth century was the period marking the making of the English working class. This early twenty-first century marks the making of the global working class. We are not witnessing the end of history, we are rather facing a challenge. No ready-made answer can be found in the complex layered conceptual architecture of *Das Kapital*: it has always been too abstract to provide recipes, exactly the reason for it can still be useful today, as long as we live within capital social relations. But to understand, and struggle against, this new shape of the “automatic Fetish” and of the “mechanic monster”, Marx remains, as French would say, *incontournable*.

To the question if Marx is timely, the answer can therefore only be: no. Marx is very “untimely”, in the meaning attributed to this term by Friedrich Nietzsche. Untimely: that is, acting counter to our own time, and thereby acting on our time and, let us hope, for the benefit of a time to come.

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⁴⁵ <https://www.ft.com/content/88fdc58e-754f-11e6-b60a-de4532d5ea35>

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