



# On the periodisation of the capitalist class relation

## The right tools for the job: subsumption or reproduction?

The capitalist class relation is no static totality. It is a moving contradiction, a contradiction with a history, or even a contradiction which generates history. This text is a contribution to ongoing attempts to develop the categories adequate to the task of periodising the history of the capitalist epoch—i.e. for a periodisation of the capitalist class relation.<sup>1</sup>

It seems *prima facie* undeniable that the capitalist class relation has undergone significant structural changes through its history. Few would deny for example that there has been a capitalist restructuring (or better, a restructuring of the class relation) since the 1970s. However what is open to question is the theoretical basis on which the structural shifts in the capitalist class relation can be understood.<sup>2</sup> What follows is a preliminary

---

<sup>1</sup> This text was developed in the course of discussions within the Endnotes editorial collective. However, it is proposed to Sic on an individual basis, and the adherence to its theses and approach by the Endnotes editorial collective should not be assumed.

<sup>2</sup> Many competing periodisations of capitalist development have been proposed. We can compare, for example, neo-classical theories of growth dependent on rates of saving and population growth; theories of endogenous growth (with external economies or technological improvements the key variable); Kondratieff waves and other variants of long-wave theory, whether these are conceived in terms of cycles economic expansion and contraction related to the rhythm of technological innovation (as in Schumpeter for example), or in terms of credit cycles (for example, drawing on Minsky's 'Financial Instability Hypothesis'); Braudel, as precursor to the world-systems theory of Wallerstein, Arrighi, Silver, Gunder Frank et al.; Polanyi's 'great transformation'; Mandel's periods of 'market capitalism', 'monopoly capitalism' and 'late capitalism';

exploration of some criteria which might prove key for a periodisation of the capitalist class relation; the contours of such a periodisation will then be provisionally outlined.<sup>3</sup>

The periodisation developed by *Théorie Communiste* (TC) is the point of departure (and to an extent, critique) for this inquiry. The outlines of TC's periodisation are sketched in the 'Afterword' to *Endnotes* I, and a critique of the use of the categories of formal and real subsumption as the basis of this periodisation is developed in 'The History of Subsumption' in *Endnotes* no. 2.<sup>4</sup>

In their periodisation, TC theorise real subsumption in terms of capital becoming an organic system, constituting and reproducing itself as such. Real subsumption is defined by TC as 'capital becoming capitalist society', as the process whereby the two circuits of the *double moulinet* (the reproduction of capital and the reproduction of labour-power) become adequate to the production of relative surplus-value. This is true insofar as the structuring principle on which real subsumption of labour under capital is based is relative surplus-value, which itself is predicated upon the transformations of the modalities of the reproduction of the proletariat. These transformations are of course themselves mediated by the transformations of the labour-process, the capitalisation of branches of production of goods entering into workers' consumption,

---

Hilferding's phases of 'free trade', 'monopoly' and 'finance capitalism'; Sweezy's periods of 'concurrential' and 'monopoly/state monopoly capitalism'; the periods of 'early capitalism'/'primitive accumulation', 'colonialism' and 'imperialism' theorised by Hobson, Lenin and Bukharin; various left-communist versions of decadence theory; the periodisation developed by the so-called 'Regulation School' (Aglietta, Lipietz, Boyer and Mistral et al.) in which the interplay between 'modes of regulation' and 'regimes of accumulation' results in historical 'modes of development'; and the periodisations according to formal and real subsumption, and class compositions and modes of contestation theorised by Camatte and Negri respectively, discussed in 'The History of Subsumption', *Endnotes* no. 2.

<sup>3</sup> This text admittedly has a somewhat heuristic character, and is conceived at quite a high level of abstraction. It is necessarily schematic, as indeed is any proposal of criteria for a historical periodisation. Undoubtedly further criteria will need to be developed in order to theorise the qualitative determinants of the changing configuration of the capitalist class relation at a more concrete level.

<sup>4</sup> *Endnotes* no. 1, afterword, pp. 208–216; *Endnotes* no. 2, pp. 144–152.

the commodification of new areas of reproductive activity *and* by the transformations in social combinations and modes of class confrontation. Indeed in the current period the reproduction of the proletariat is mediated by the transformations in the circuit of reproduction of capital—namely all those fundamental changes in the way that surplus-value is transformed into additional capital (such as the increasing importance of finance capital, the interpenetration of global markets and the tendential dissolution of impediments to the global fluidity and mobility of capital). Capital and proletariat confront each other directly, not merely in the sphere of production, but at the level of their reproduction (or increasingly, as we shall see, *at the level of their non-reproduction*).

The subsumption of labour under capital is accorded a central place in TC's historical and systematic schema. On one level this is justified, as it is through the subsumption of labour under capital that the valorisation of capital proceeds (and this is the dominant directional historical dynamic in the capitalist epoch). However, while the subsumption of labour under capital might be at the heart of the system, it is not sufficient to characterise the historical development of the totality of capitalist social relations in terms of this category alone. Indeed, TC's analysis itself points towards a historico-systematic focus on the development of *the modalities of integration of the circuits of reproduction of capital and labour-power*. Accordingly, using TC's analysis as a point of critical departure, it might be possible to establish a periodisation of the class relation by distinguishing *phases of integration of the circuits of reproduction of capital and the proletariat*. These can be provisionally theorised systematically under the rubric of *the modalities of the reproduction of the relation between capital and proletariat*. By deploying the categories in this way we can establish the systematic interconnection between the subsumption of labour under capital and the modalities of the integration of the circuits of reproduction of capital and labour-power. This approach has the advantage that it foregrounds the systematico-historical development of the *reproduction of the class relation*, thus offering us a basis on which to theorise the history and actuality of the moving contradiction between capital and proletariat. Such a theoretical production escapes the Scylla and Charybdis of

subjectivist and objectivist approaches (which tend to a one-sided focus on, respectively, class struggle or the course of capitalist accumulation). Thus capital and proletariat can be grasped as being in a relation of reciprocal implication, and the historical course of the reproduction of this relation is understood as being at one and the same time both a history of class struggle *and* a history of the movement of objective economic categories—the history of the relation of exploitation.

### **Towards a periodisation of the modalities of reproduction of the capitalist class relation**

A provisional historical periodisation based on the changing modalities of reproduction of the class relation allows us to identify heuristically three broad historical periods. The relation between capital and the proletariat is always an internal one, in the sense that each pole of the relation implies and reproduces the other: it is a relation of reciprocal implication. However it might be possible to discern certain broad historical transformations in the way in which the circuits of reproduction of capital and the proletariat are configured in relation to each other, which correspond to shifting patterns of accumulation and qualitatively different dynamics in the class struggle. In the first issue of *Endnotes*, a periodisation was suggested derived from an interpretation and modification of the one proposed by TC as follows: a period where the circuits of reproduction of capital and labour-power are externally related; a period of the mediatedly internal relation between these circuits; and finally a period where these circuits are immediately internally related. This was termed a historical process of the ‘dialectic of integration of the circuits of reproduction of capital and labour-power’. However, the provisional schema for the periodisation of capitalist accumulation and class struggle according to the modalities of reproduction of the class relation is in need of modification. This doesn’t mean, however, that the basis for such a historical periodisation has been eliminated, or that the reproduction of the class relation is no longer the matrix for such a periodisation.

In the first issue of *Endnotes* the current period was characterised as being defined by the immediately internal relation between the circuits of reproduction of capital and labour-power. Now it is increasingly apparent that to some extent the current period is *also* characterised by a reverse tendency: the partial decoupling of these circuits. Alongside, or in contradiction with, the *centripetal* process of integration of the circuits of reproduction of capital and labour-power, we can identify the opposite tendency towards the *centrifugal* process of their disintegration, or their de-coupling. These contradictory tendencies within capitalist accumulation, based as it is on the exploitation of wage-labour, are arguably the realisation of those identified by Marx under the heading of the 'general law of capitalist accumulation'.<sup>5</sup>

### **The de-essentialisation of labour: rising organic composition of capital, the tendency of the rate of profit to fall**

The very internal dynamic of capitalist accumulation is one which tends toward the de-essentialisation of labour, and the expulsion of labour-power from production, with the development of the social powers of production. Marx theorises this tendency as the general law of capitalist accumulation, and the production of a relative surplus population. And yet wage-labour is the foundation of the capitalist mode of production; the exploitation of wage-labour is the basis of capitalist accumulation, as it is the living labour of wage-labourers which produces surplus-value. Thus capitalist accumulation tends to undermine its own foundation: wage-labour tends to vanish relative to capitalist accumulation. This tendency to the overaccumulation of capital is articulated by Marx in the 'fragment on machines' in the *Grundrisse*<sup>6</sup>, and further elaborated as the tendency of the rate of profit to fall (TRPF) owing to the rising organic composition of capital (i.e. a rising value composition of capital as the

---

<sup>5</sup> Marx, *Capital* vol. 1, ch. 25. See the discussion of the general law of capitalist accumulation in 'Misery and Debt', *Endnotes* no. 2, pp. 20–51.

<sup>6</sup> Marx, *Grundrisse*, pp. 690–712.

reflection of the rising technical composition of capital—the relation between means of production and labour-power) in the various drafts from which Engels collated volume 3 of *Capital* after Marx's death.<sup>7</sup> It should be noted that Marx theorised a number of 'counteracting factors', some endogenous and some exogenous, as follows: the intensification of labour which raises the rate of exploitation; the reduction of wages below the value of labour-power; the reduction of the value of constant capital through the increased productivity of labour; reduced turnover-time of capital; expansion into new branches of production with lower organic composition of capital and higher rates of exploitation; mercantilist relations of trade with colonies; and the increase in share capital. The two counteracting factors which can be considered to be endogenous are: reduced turn-over time of capital, insofar as technological improvements in the labour-process and transport industries and infrastructure reduce turn-over time of capital, which is a powerful counter to the falling rate of profit (although one which tends *asymptotically* towards zero—there can be no negative turnover time!); and the reduction of the value of constant capital through the increased productivity of labour. The question as to the relative force of this latter endogenous counter-tendency vis-à-vis the tendency is open. Marx considered that it tends to 'moderate the realisation of this tendency' rather than to negate it.<sup>8</sup>

## Cycles of valorisation and devalorisation

If the law of the tendency of the rate of profit to fall can be seen to assert itself in the history of capitalist accumulation, the result is periodic crises of overaccumulation of capital. This is always overaccumulation of capital vis-à-vis the conditions for its renewed valorisation (i.e. vis-à-vis the

---

<sup>7</sup> Marx, *Capital* vol. 3, chs. 13–15.

<sup>8</sup> Marx, *Capital* vol. 3, p. 343. More work is required to show that this is necessarily the case. Space is also limited here for any consideration of theories which seek to explain the falling rate of profit in terms of the increasing importance of unproductive labour (cf. Moseley, *The Falling Rate of Profit in the Postwar United States Economy*).

possibilities of extracting new surplus-value at a sufficient rate to valorise the accumulated capital).<sup>9</sup> Crises prove to be violent corrections to the problem of the overaccumulation of capital through the mechanism of devalorisation (i.e. the destruction of the value of means of production, thereby ‘correcting’ the ratio of constant to variable capital and permitting accumulation to recommence on the basis of a lower organic composition of capital).<sup>10</sup>

### **The importance of absolute and relative surplus value for capitalist accumulation**

Given this central tendency within capitalist accumulation, which is expressed as the rising productivity of labour, the rising organic composition of capital, the falling rate of profit, the production of a consolidated surplus population and the overaccumulation of capital, the relation between absolute and relative surplus value becomes crucial. Increases in absolute surplus-value increase profitability at an *exponentially* higher rate than increases in relative surplus-value, which tend *asymptotically* towards zero. As Marx argues, one of the fundamental counteracting factors to the tendency of the rate of profit to fall is the intensification of labour which raises the rate of exploitation—*i.e. increased absolute surplus-value vis-à-vis relative surplus-value extraction*. Of course absolute surplus-value extraction has absolute physiological and neurological limits inscribed in the need for down-time for the reproduction of labour-power, and in the maximum rate at which labour can be performed during the

---

<sup>9</sup> Roland Simon presents a compelling argument that for Marx, pace Paul Mattick (*Economic Crisis and Crisis Theory*), the theory of the tendency to the overaccumulation of capital is not opposed to a theory of the crisis as a tendency to underconsumption, i.e. as a problem of realisation. Simon argues that for Marx these are actually different aspects of the one dynamic—‘the scarcity of surplus-value in relation to accumulation is its plethora in relation to its realisation’. See ‘Crisis Theory/Theories’, *Radical Perspectives on the Crisis* website.

<sup>10</sup> The devalorisation of capital can take the form of write-downs, firesales, or even the physical destruction of means of production, including through war.

working-day.<sup>11</sup> Given the importance of the relation between relative and absolute surplus-value for the course of capitalist accumulation (i.e. for the course of the relation of exploitation between capital and proletariat and thus for the course of the class struggle), it is plausible that it could serve as a central criterion for the periodisation of the class relation. The hypothesis to be investigated here is that the relation between absolute and relative surplus-value extraction undergoes historical shifts, and that these shifts correspond to mutations in the way that the class relation is reproduced (i.e. in the way that the circuits of reproduction of capital and proletariat are configured vis-à-vis each other); such a periodisation of the structural configuration of the class relation, or of the modalities of its reproduction, should allow us to identify corresponding periods according to the changing character of the class struggle, or *cycles of struggle*.

### **Problems with the periodisation: its schematicity and scope**

The criteria suggested here for a provisional periodisation are not exhaustive, and the phenomena described here are undoubtedly overdetermined, and as such need to be theorised at a higher level of concretion and complexity. At this level of abstraction the suggested periodisation is necessarily schematic. A related problem is that of the geographical scope and validity of the periodisation. Whereas a more sophisticated periodisation might need to take into account a ‘combined and uneven theory’ of the development of the capitalist class relation, the approach here is to consider the dominant poles of capitalist accumulation—i.e. Britain, the USA and Germany—in the nineteenth century and the first half of the twentieth century,<sup>12</sup> with the subsequent extension of the geographical scope of the periodisation to the rest of Western Europe, Japan, then to ‘Newly Industrialising Countries’ (NICs) and ultimately to ‘emerging

---

<sup>11</sup> There is of course a certain trade-off between these two limits, but this does not change the fact that there are absolute limits to surplus-value extraction.

<sup>12</sup> The American economy overtook the British one in terms of size in the latter quarter of the 19<sup>th</sup> century.

economies' (e.g. Brazil, Russia, India, China or BRICs) and the rest of the world thereafter.<sup>13</sup>

### **First period: external relation between the circuits of reproduction of capital and the proletariat**

Capitalist accumulation is crisis-ridden from its early stages, with speculative bubbles and financial crashes and panics occurring in the 17<sup>th</sup> and 18<sup>th</sup> centuries, and something like a 10-year boom and bust cycle occurring through a large part of the 19<sup>th</sup> century. Serious depressions and financial crises occur in Britain and the USA between 1873 and 1896 (particularly in Britain where this period is known as the 'Long Depression'), with important financial crises recurring in the USA in 1907 and 1929, the latter preceding the 'Great Depression' of the early 1930s. In between these crises, crashes and depressions, there are periods of strong growth. It is an open question as to whether each of these crises can ultimately be explained in terms of the tendency to the overaccumulation of capital, or whether some of them merely correspond to speculative episodes, the creation and elimination of fictitious capital, to currency crises or to problems of realisation (commercial crises), independent of the tendency of the rate of profit to fall.

Certainly it would seem that the expanded reproduction of capital hits the buffers of overaccumulation around the early twentieth century. According to TC, this is the point at which the real subsumption of agricultural production and the production of the basic goods necessary for the reproduction of labour-power has properly taken hold in a systematic fashion, i.e. the point at which capitalist expansion takes place *predominantly* on the basis of relative surplus-value extraction. However

---

<sup>13</sup> The 'world systems' character of capitalist accumulation dates from the formation of a world market; relations between centres and peripheries of accumulation would need to be taken into account in a more sophisticated periodisation of the capitalist class relation. It should also be noted that the character of the world market and the internationalisation of capitalist accumulation (and thus of the class relation) is an important criterion for the periodisation itself, as we will see below.

we should note here that TC's designation of a phase of formal subsumption until this point is questionable insofar as any transformation and re-organisation of the labour-process already implies real subsumption. If it is TC's argument that systematic and sustained productivity increases through the real subsumption (industrialisation and mechanisation) of agricultural production do not occur until the latter part of the 19<sup>th</sup> Century, this would seem to be unsustainable: as pointed out by Brenner, the roots of European capitalism are agrarian, and the transition to the capitalist mode of production occurs largely through the transformation of agricultural production.<sup>14</sup> To the extent that the goods entering workers' consumption are predominantly produced as capitalist commodities already through the 19<sup>th</sup> century in the dominant centres of capitalist production, this would seem to militate against TC's designation of a *phase of formal subsumption*, based predominantly on absolute surplus-value extraction, and by extension against their designation of *two subsequent phases of real subsumption*.

Indeed, from a cursory look at the empirical evidence on real wages and productivity in some of the advanced centres of capitalist accumulation, the following picture emerges: in the UK, between 1800 and 1840, productivity increased, the profit rate doubled, and real wages stagnated; real wages only began to increase after 1850, and particularly after 1871.<sup>15</sup> In the USA, between 1871 and 1914 both real wages and productivity rose significantly, with real wages only lagging slightly behind productivity.<sup>16</sup> In Germany real wages also rose in this period in tandem

---

<sup>14</sup> See Aston and Philpin (eds.) *The Brenner Debate: Agrarian Class Structure and Economic Development in Pre-Industrial Europe*. Brenner and Glick also criticise a similar (mis)conception of the Regulation School (formulated in the idea of a 'regime of extensive accumulation'): see Brenner and Glick, 'The Regulation Approach: Theory and History', *New Left Review* no. 188, July–August 1991.

<sup>15</sup> R. Allen, 'Capital Accumulation, Technological Change, and the Distribution of Income during the British Industrial Revolution' <<http://economics.ouls.ox.ac.uk/12120/>>.

<sup>16</sup> Sources cited in Brenner and Glick, 'The Regulation Approach: Theory and History', pp. 67–72. It should be noted that official economic statistics on productivity of course do not make a distinction between the Marxian categories of the productivity of labour and the intensity of labour. However from the growth in gross fixed non-residential investment, it is possible to surmise that

with accelerated industrialisation and rising productivity.<sup>17</sup> It would seem clear that accumulation in these centres is already characterised in this period by the real subsumption of labour under capital and by relative surplus-value extraction, with a systematic link already established between rising real wages and the increasing productivity of labour.<sup>18</sup> Hence it is difficult to argue that the class relation in this period is characterised by the external relation between the circuits of reproduction of capital and the proletariat. If such a period exists, it must be shifted back in time, to at least before 1850 (in the case of Britain, and to at least before 1871 in Germany and the USA).<sup>19</sup>

Now, if we accept that the categories of formal and real subsumption are not best suited for a historical periodisation, still it might be instructive to consider the relation between the different modes of surplus-value extraction (i.e. different modes of capital accumulation) in relation to the different modalities of reproduction of the class relation. Both absolute and relative surplus-value production traverse the entire history of the capitalist mode of production that we are considering. However we can say, very broadly and very schematically, that the limits to the working-day in the main centres of capitalist production were established by fierce class struggles by the end of the 19<sup>th</sup> and the beginning of

---

the productivity of labour (in Marxian terms) was rising during this period.

<sup>17</sup> Vögele, *Urban Mortality Change in England and Germany, 1870–1913*, p. 132.

<sup>18</sup> Logically it might be thought that relative surplus value extraction requires falling real wages, however this is not the case, as long as the rate of increase of the productivity of labour exceeds that of real wages.

<sup>19</sup> It would be interesting to consider the many struggles of British (and European) workers against the introduction of new machinery in the 17<sup>th</sup>, 18<sup>th</sup> and early 19<sup>th</sup> centuries (as documented by Marx in the section entitled ‘The struggle between worker and machine’, *Capital* vol. 1 pp. 553–564) in the context of a putative period of the external relation between the circuits of reproduction of capital and the proletariat lasting until 1850. Similarly we could examine the history of the Poor Laws in this regard, and agitation against them. Finally the Chartist movement, the repeal of the Corn Laws, and the European revolutionary movements of 1848 could perhaps be thrown into relief by such a periodisation; it might be possible to argue that these movements together comprise a cycle of struggles corresponding to this early configuration of the class relation, or to this modality of its reproduction.

the 20<sup>th</sup> century (these struggles first being given legal expression in the succession of Factory Acts in Britain from 1802 onwards), and that accordingly, from this point on, relative-surplus value extraction acquires a *heightened importance* for capitalist accumulation vis-à-vis absolute surplus-value extraction. Absolute surplus-value extraction of course persists alongside relative surplus value extraction after this point—indeed one of the functions of increased productivity through mechanisation, etc. is also to intensify the labour-process, i.e. to speed up the rate at which workers work, which results in increased absolute surplus-value production. However the intensification of labour also has intrinsic limits. It should be emphasised that the argument here is *not* that absolute surplus-value is eradicated after the class struggle has imposed limits to working hours—absolute surplus-value remains the basis on which relative surplus-value extraction can proceed. However the scope for increases in absolute surplus-value is somewhat reduced after this point, providing an extra impetus to relative surplus-value extraction through the development of the productivity of labour.

Thus struggles over absolute surplus-value have a *systemic significance* until the end of the 19<sup>th</sup> Century or the beginning of the 20<sup>th</sup> century. The systemic significance of absolute surplus-value production before this point is that it is able to maintain rates of profitability and act as a motor of capitalist accumulation alongside relative surplus-value extraction. With the decreasing scope for absolute surplus-value production after this point, relative surplus-value now assumes a heightened systemic significance, as crucially accumulation on this basis tends toward overaccumulation.

We have seen that in Britain, the USA and Germany, accumulation would appear to proceed on the basis of a systematic connection between rising real wages and the rising productivity of labour, particularly after 1871. Arguably, then, this period is already characterised by an internal relation between the circuits of reproduction of capital and the proletariat.

In a previous draft of this article, the first period of the class relation, and its corresponding cycle of struggles, was taken to extend to the first two decades of the 20<sup>th</sup> century:

In this first period, that of the external relation between the circuits of reproduction of capital and labour-power, where the class composition of the proletariat in the major centres of production is dominated by the figure of the skilled craftsman, the poles of the class relation relate to each other as external antagonists in the struggle over the division between wages and profits and over the limits of the working day. The working-class, as the class of productive labour, is able to assert its autonomy *against* capital even as the organised institutions of the workers' movement are empowered *within* the capitalist mode of production. The revolutionary wave at the end of the first world war, and the counter-revolutions they bring in their wake, are the fullest expression of this contradictory configuration of the class relation, and the culmination of a cycle of struggles with this configuration of the class relation as its basis.

It should be noted that the above characterisation also derives in part from Sergio Bologna's thesis as to the relation between class composition and forms of revolutionary organisation in Germany and the USA in the early 20<sup>th</sup> century in 'Class Composition and the Theory of the Party at the Origins of the Workers' Council Movement'.<sup>20</sup> It now appears, however, that this assessment must be partially revised, if we accept that the circuits of reproduction of capital and proletariat are already internally related after 1850 (or 1871) in the main centres of capitalist accumulation.<sup>21</sup> Certainly 1917–21 marks a watershed in the history of the capitalist class relation, and the culmination of a cycle of struggles. If the circuits of reproduction of capital and the proletariat are internally related before this wave of revolution and counter-revolution, then the character of this internal relation arguably undergoes a qualitative shift thereafter: it becomes progressively institutionalised and systematised, on the terrain

---

<sup>20</sup> *Telos* no. 13, 1972.

<sup>21</sup> Of course it is possible that this might not apply to Russia.

of national areas of accumulation, as a relation between an organised working class and the conglomerates which constitute an increasingly concentrated and centralised capital, along with the increasing intervention of the capitalist state in the reproduction of this relation.<sup>22</sup>

## **Second period: the mediated integration of the circuits of reproduction of capital and the proletariat**

As we have seen, real wages and productivity increases characterise the relation between circuits of reproduction of capital and the proletariat post 1850/1871 in Britain, Germany and the USA. The shift to this modality of the reproduction of the class relation in the dominant centres of capitalist accumulation occurs in the context of ongoing struggles over the limits of the working day (these struggles span the 19<sup>th</sup> century and early 20<sup>th</sup> century). Arguably these transformations must be understood in relation to each other, as constituting a new configuration of the class relation, a new cycle of struggles and a new pattern of capitalist accumulation in which relative surplus-value production assumes a new systemic significance vis-à-vis absolute surplus-value. The diminished scope for absolute surplus-value extraction increasingly acts as a spur to the development of new production techniques: this process already characterises capitalist accumulation in the main centres of capitalist accumulation in the latter stages of the 19<sup>th</sup> century, but arguably it acquires a new level of

---

<sup>22</sup> It might be that we have to explain the shift more in terms of the institutions of the class struggle, modes of organisation and struggle, also the institutional forms taken by intercapitalist relations which takes into account the tendency towards the concentration and centralisation of capital (but being wary of an overly schematic periodisation on the basis of 'competitive' and 'monopoly capitalism'). A periodisation of the capitalist class relation might then have to comprise four periods rather than three, to reflect this qualitative shift to an internal relation between the circuits of reproduction of capital and the proletariat which is increasingly institutionalised, systematised and increasingly mediated by state intervention. Such a periodisation of the relation between the circuits of reproduction of capital and the proletariat might run as follows (normal caveats apply): 1) external relation (until 1850); 2) spontaneous (or non-institutionalised) integration (1850–1914/1917); 3) mediated (or institutionalised) integration (1914/1917–1973); 4) immediate integration and disintegration (after 1973).

systematisation and institutionalisation after the wave of revolution and counter-revolution at the end of the first world war. Broadly, and schematically, Taylorist scientific management and Fordist techniques transform the production process and gradually give rise to a new industrial class composition around the hegemonic figure of the semi- or unskilled mass worker on the assembly-line. The accumulation of capital becomes tied to the industrial mass-production of consumer goods to be consumed by the working-class.

By the 1920s, which are characterised by economic stagnation, the overaccumulation of capital is already making itself felt. In the 1920s and particularly the 1930s (in Roosevelt's New Deal), the capitalist state in the new emerging centre of capital accumulation—the USA—begins to implement strategies to manage the twin surpluses which are the manifestation of overaccumulation (surplus capital and surplus population): direct subsidies to the productive sector and direct transfers to workers in the form of retirement and welfare payments. This 'Keynesian' management of the twin surpluses (surplus capital and surplus population) facilitates the post-war boom, which was also made possible on the basis of the massive devalorisation of capital in the second world war.<sup>23</sup> Capital is exported to Western Europe, Japan, Brazil, etc. In each of these advanced capitalist countries we see a configuration of the class relation where the wage (and more broadly the social wage) is bound to productivity increases—i.e. the reproduction of the proletariat is harnessed to the accumulation of capital. In this period, then, the circuits of reproduction of capital and labour-power are integrated through the mediation of the workers' movement and the regulation of the state in nationally delimited areas of accumulation.<sup>24</sup> The relation of exploitation is transformed in such a way that the class struggle largely takes the form of industrial collective bargaining processes; capital and proletariat confront each other as antagonists in the class conflict over the terms of the trade-off between

---

<sup>23</sup> Of course war also has the effect of 'managing' the problem of surplus population in a particularly brutal way.

<sup>24</sup> Of course an important dimension of the division of the world economy in these national areas of accumulation is the geopolitical division of the world into blocs, East and West.

productivity and the social wage within a social compact mediated by the capitalist state. In this configuration of the circuits of reproduction of capital and labour-power, each of the circuits is propelled by the force of the other. Wage increases, while tied to productivity increases, provide for the expanded reproduction of proletarian needs; the real value of wages increases absolutely, while the accumulation of capital proceeds on the basis of the *relative* immiseration of the proletariat (relative to total social value produced).

If it is true that in this period, which we are provisionally calling the period of the mediated integration of the circuits of reproduction of capital and the proletariat, relative surplus value is systemically significant vis-à-vis absolute surplus value for the accumulation of capital, this does not mean that absolute surplus-value has disappeared from the equation. Indeed, the rising productivity of labour through the introduction of new production techniques is often accompanied by a rising intensity of labour. The 'productivity deals' struck in collective bargains between unions and the management of firms undoubtedly comprise, in Marxian terms, both a productivity of labour and an intensity of labour component, as the rhythm of the labour-process is sped up. Thus the tendency to the overaccumulation of capital is mitigated to some extent by increases in absolute surplus-value ('the filling-up of the pores in the working-day'). This mitigating factor might explain some of the prolonged dynamism of the post-war boom. However, as we have seen, the intensity of labour cannot be increased indefinitely, and indeed, with the rising power of the proletariat within the 'worker-fortresses' of Fordism, the increasing intensity of labour is itself increasingly liable to be put in question by practices of the refusal of work.

The forms of class struggle in this period, as well as the horizon of a revolutionary overcoming of the capitalist class relation, reflect the rising power of the proletariat *within* the capitalist mode of production. At the high point of this cycle of struggles (which is also its end), the revolutionary overcoming of capital is posed contradictorily both as the generalisation of proletarian autonomy and its capacity to dictate the terms of social reproduction, *and* as the refusal of work and of the condition of

worker. These contradictory tendencies represent the limit of the revolutionary dynamic based on the mediated integration of the circuits of reproduction of capital and labour-power.

In the long-run this configuration of the class relation proves unsustainable. The tendency of the overaccumulation of capital would seem to reassert itself on a world scale by the end of the 1960s and early 1970s, as the eruption of the new revolutionary wave of struggles and the ensuing counter-revolution brings another cycle of struggles to a close.

### **Third period: a dialectic of immediate integration and disintegration of the circuits of reproduction of capital and the proletariat**

The counter-revolution takes the form of the defeat of the working-class and the *restructuring of the class relation* on a world-wide scale; thus the integration of the circuits of reproduction of capital and labour-power, with all the mediations of 'Keynesian' management of the twin surpluses by the capitalist state in antagonistic partnership with the organised industrial working-class, which forms the basis of the post-war boom in the advanced capitalist countries, is transformed by the restructuring which sweeps aside these mediations.

The restructuring is, to some extent, the *decoupling* of the circuits of reproduction of capital and labour-power: capitalist accumulation is no longer characterised by a conflictual series of settlements and collective bargains over wages and productivity—the restructuring of the class relation has meant that the proletariat is in no position *structurally* to assert itself in its confrontation with capital, to tie real wage and productivity increases. Since the restructuring there has been a de-linking between productivity increases and real wage-levels in most advanced capitalist countries; real wages have tended to stagnate almost across the board. An exception to this tendency has been China; it is doubtful whether other 'emerging economies' also have this exceptional status to anything like the same extent or even at all.<sup>25</sup> The restructuring has altered the

---

<sup>25</sup> Chinese workers received real wage rises averaging 12.6 per cent a year from

conditions in which the proletariat and capital meet each other in the labour-market, which, from the point of view of capital, is tending towards unification on the global scale, especially with the increasingly fluid mediation of finance and the liberalisation of markets, permitting capital investment flows to move more or less freely across the globe.<sup>26</sup> This has had the effect that capitalist accumulation can proceed to an extent independently of the constraints it previously experienced in relation to the necessity to ensure the reproduction of the proletariat at certain levels of historically developed needs, or indeed the expanded reproduction of proletarian needs. In short the circuit of capital accumulation has tended in a certain sense to become relatively *autonomised* (or, perhaps better, partially decoupled) from the circuit of reproduction of labour-power.

This decoupling of the circuits of reproduction of capital and the proletariat is the result of the restructuring and the defeat of the workers' movement as well as the consequence of the fundamental tendency towards overaccumulation at the heart of the capital-relation; indeed these are moments of the same historical process. Since 1974, the expansion of financialised forms of capital investment on the basis of the dollar standard is synonymous with the tendency to overaccumulation and the restructuring of the class-relation; debt crises and financial bubbles, asset-price Keynesianism (together with the attack on the working-class and increases in the rate of exploitation) represent different moments of the deferral of the crisis of overaccumulation on a global scale.

On one level the wage seems to have been increasingly decentered—increasingly displaced from its central role at the interface of the circuits of reproduction of capital and labour-power. Proletarian consumption has been increasingly debt-financed, and to an extent mediated through mortgage equity withdrawals made possible by housing price escalation,

---

2000 to 2009, compared with 1.5 per cent in Indonesia and zero in Thailand, according to the ILO. See Kevin Brown, 'Rising Chinese wages pose relocation risk', *Financial Times*, 15 February 2011.

<sup>26</sup> An important part of this process has been the dissolution of the Cold war division of the world into geopolitical blocs, each with their competing programs of sponsoring national development programs in states on the periphery of capital accumulation.

and dependent upon the financial performance of pension funds; these processes seemingly break the link between consumption and the sale of labour-power. Similarly profit-making has been increasingly driven by rising asset prices, by financial speculation, rather than returns on productive investment. It might seem, then, that there has been a tendency for the two circuits of reproduction of capital and labour-power to become totally decoupled, rather than increasingly integrated (or increasingly internally related). Or the argument might be made that the integration of the two circuits tends to be mediated less through the wage, as we see for example in the increasingly prevalent phenomenon whereby financial institutions directly appropriate a part of workers' revenue in the form of charges and fees.<sup>27</sup> *However this would miss the extent to which both debt-financed consumption on the one hand, and asset-price inflation on the other, are predicated on the future extraction of surplus-value—which can have no other basis than the wage (the exploitation of proletarians selling their labour-power).*

Thus it can be argued that in fact the restructuring has implied an accelerated integration of the circuits of reproduction of capital and labour-power, even a *hyper-integration*. The wage assumes a heightened significance for the reproduction of the class-relation even as it is tendentially de-centered. The rise of consumer credit can perhaps be considered as a short-circuiting of the circuits of reproduction of capital and the proletariat: fractions of capital directly appropriate a part of workers' revenue, and workers' consumption tends to become de-linked from their active participation in production. However it is perhaps more accurate to see that credit will ultimately have to be paid back out of workers' revenue, i.e. principally out of the wage; direct appropriation and work-free consumption are in fact merely forms of anticipating future streams of income—the problem of the actual creation of value to match these anticipated claims on wealth is deferred to such a time when this dislocation asserts itself violently in the form of crisis. Consumer credit reveals itself as a disguised and a distorted (or displaced) form of the wage. As crisis lays bare

---

<sup>27</sup> See Costas Lapavistas, 'Financialised Capitalism: Direct Exploitation and Periodic Bubbles', *Historical Materialism* Vol. 17, Issue 2, 2009, pp. 114–148.

the tendency to the overaccumulation of capital, the decisive significance of the wage at the heart of the class contradiction is then shown through the illegitimation of the wage demand, police repression of attempts to maintain the wage or even to obtain redundancy payments, and the attempts to alter the terms of exploitation in favour of capital.

Asset-price inflation and debt-fuelled consumption can both appear to be self-propelling, to be self-fulfilling prophecies—for a while. But the turn to financialised forms of capital investment, as is pointed out in 'Misery and Debt', is the index of overaccumulation. The relationship also works in the other direction, however, which is to say that finance capital acts as a disciplining factor on exploitation in production. The rising rate of exploitation is a consequence of the demands placed on productive capital by finance capital. Financialised forms of investment also facilitate the mobility of capital in its confrontation with labour-power in the global market-place. Thus the processes of financial liberalisation and intermediation mediation can defer the crisis of overaccumulation for a limited time in this respect too. Ultimately the course of capital accumulation in this period is one of alternating 'strategies' of deferral of the crisis of overaccumulation: financial and asset-price bubbles; increases in the rate of exploitation; massive devalorisations. In the face of the looming crisis of overaccumulation, capital and proletarians short-circuit the normal processes of reproduction; the necessity, and yet tendential undermining of these normal processes, soon reasserts itself. Thus we see in tandem *the contradictory processes of heightened centripetal integration and centrifugal disintegration of the circuits of reproduction of capital and labour-power*.

On a global level, the production of a consolidated absolute surplus population is testament to the crisis of overaccumulation. This can be expressed in the paradox that the reproduction of the class relation increasingly signifies *non-reproduction* for large swathes of the proletariat, whose labour-power no longer has any use-value for capital. The reproduction of the proletariat can be understood as the way in which the labour-power of proletarians is reproduced, or alternatively as the reproduction of the proletariat *qua* proletariat—i.e. the reproduction of the proletarian condition—propertyless class; those with nothing to sell but their

labour-power; doubly free workers; those whom capital does not hesitate to throw out onto the street once it has no need of their surplus labour. We have, then, an increasing integration of the circuits of reproduction of capital and proletariat throughout a relatively shrinking core, and the concomitant production of a relatively increasing surplus population on the periphery and even in the core itself.<sup>28</sup>

Thus we can identify a dialectic of integration and disintegration of the circuits of reproduction. Overaccumulation and the production of a surplus population occur at the same time as, and even through, the integration of the circuits of reproduction. Or another way of putting it is to say that the very process of integration of the circuits of reproduction of capital and labour-power engenders its opposite—the expulsion of workers from production and the ‘normal’ circuits of reproduction mediated through the wage/ the social wage. The centripetal and centrifugal tendencies co-exist—indeed the one is a function of the other. Overaccumulation and the production of a surplus population is a function of the integration of circuits of reproduction of capital and the proletariat; equally overaccumulation creates a renewed drive to intensify the integration of the circuits of class reproduction, now increasingly in the form of increases in absolute surplus-value extraction through the intensification of labour and the lengthening of the working-week and increases in the rate of exploitation through downward pressure on wages and the further dismantling of welfare and other forms of the social wage. Part of this picture of a return to absolute surplus-value extraction (or rather its greater systemic significance in countering the tendency to the

---

<sup>28</sup> Actually the picture is a little more complicated than this. Following TC we can identify a new tripartite zonal pattern of global relations of production:

1. Zones of hi-tech and finance.
2. Manufacturing zones with a large degree of subcontracting and outsourcing, export-processing zones, maquiladoras.
3. Garbage zones—surplus population.

These three elements to the spatial zoning of global relations of production are distributed unevenly across and within the territories of the world’s surface. See TC’s ‘A Fair Amount of Killing’, and ‘The Present Moment’ in this issue.

overaccumulation of capital) in the current period is of course the relocation of production to countries and regions with vast reservoirs of cheap labour-power, with little labour legislation, and the shift to investment in industries and branches which are labour-intensive and thus have a lower organic composition of capital.<sup>29</sup>

It seems, then, that we have a complex dynamic: the restructuring is the tendential partial decoupling of the circuit of reproduction of capital from the circuit of reproduction of labour-power, simply by virtue of the altered terms in which capital and labour-power confront each other on the global labour-market; capital is freed from the constraint of maintaining a certain expansion in the level of reproduction of the proletariat, or more accurately, the link between the expanded reproduction of needs of the proletariat and the expanded reproduction of capital has been broken; this was a previous mode of accumulation or configuration of the class relation. We now have a mode of accumulation based on relative surplus value (and increasingly on a return to absolute surplus value) where wage increases have been reversed or have at best stagnated, and where increasingly on a global scale the price of labour-power is driven below its value.

The integration of the circuits of reproduction in the current period is such that the valorisation of capital tends absolutely to impoverish the proletariat on a global level, whereas before the proletariat, at least in the advanced capitalist countries, although relatively impoverished, was in absolute terms the beneficiary of a rising 'standard of living' (measured by the value of commodities entering into the consumption of the working-class).<sup>30</sup>

Thus there are several different ways in which we can characterise the current period in terms of a dialectic of integration and disintegration of the circuits of reproduction of capital and the proletariat. One which needs to be highlighted is the effect that the expulsion of labour-power from production as capital accumulation proceeds—the tendency towards the creation of a consolidated surplus population—has on the

---

<sup>29</sup> For example the growing importance of textile production in Bangladesh, Vietnam, Cambodia and elsewhere.

<sup>30</sup> Of course this statement needs to be qualified to reflect the stratification (or fractalisation) of the international proletariat. See footnote 28.

relation between capital and proletarians in the global labour-market. We need only reference Marx's discussion of the formation of an industrial reserve army here and the erosion of workers' power and the downward pressure on wages. In this dialectic of integration and disintegration, the integrated are vulnerable to their expulsion (also through the erosion of welfare). The formation of the surplus population reacts back on the working population through the formation or transformation of the industrial reserve army which is a migrant army—capitalist states can control the flows of migration according to the requirements of the global labour-market.

The dialectic of integration and disintegration of the circuits of reproduction of capital and labour-power is such that the contradiction between classes occurs at the level of their reproduction. In this new configuration of the class relation, proletarians are nothing outside of their existence for capital. The trade-offs between antagonistic social partners on productivity, employment and wages that were the *modus operandi* of the reproduction of the class contradiction in the cycle which ended in the late 1960s and early 1970s have given way to the situation in which there are no longer bargains to be struck in determining the pace of accumulation and the distribution of its spoils<sup>31</sup>; the defence of the wage (i.e. not merely the level of the wage, but the wage per se as access to the means of reproduction) in some countries increasingly takes the form of guerilla warfare against the repressive powers of the state. Some regions are experiencing something of a resurgence of intermittent wildcat forms of action, boss-napping, threats to blow up factories, threatened or actual pollution of rivers, factory occupations (not with a view to restarting or self-managing production, but as a desperate and often futile attempt to hold on to some bargaining chips).<sup>32</sup> Violent struggles here are paralleled by resignation and the apparent absence of struggle in many of the

---

<sup>31</sup> Or the terms of such bargains that are struck are very much dictated by capital. The collective bargain has tended to be eroded, both as form and in its content.

<sup>32</sup> It would be interesting to see how the level of current class conflicts compares with the high point at the end of the previous cycle (i.e. between 1968–73).

advanced capitalist economies as workers contemplate the futility of attempting to maintain previously acquired levels of reproduction (of the social wage). Arguably both desperate struggles and apparent resignation are the index of a shift from relative to absolute immiseration—they are the product of a configuration of the class relation without perspective, without prospects, without a future.

The contradiction between classes is now at the level of their reproduction. What does this mean? On one level this means that the reproduction of the proletariat (i.e. the reproduction of its labour-power) can no longer be guaranteed through the assertion of its power in its conflictual accommodation with capital. The bases of its power, and this accommodation, have long since been undermined. For increasing swathes of the proletariat, non-reproduction looms large. For the sections of the proletariat which remain integrated in the core of capitalist accumulation, the integration of the circuits of reproduction, such that the contradiction between classes is displaced to the level of their reproduction, does not merely occur through the interface of production, but throughout the circuits. Hence the reproduction of capital in each of its three moments (the sale and purchase of labour-power, the production of surplus-value, and the realisation of surplus-value and its transformation into additional capital) now impacts, or is in contradiction with the reproduction of the proletariat at the level of each of these three moments.

The disappearance of the workers' movement and collective-bargaining, the rolling back of the welfare state in the restructuring in advanced capitalist countries affect the terms of the first moment, the sale and purchase of labour-power (and ultimately the third moment—the transformation of surplus-value into additional capital). The defeat of the workers' movement and the restructuring of production relations also has an impact on the immediate process of production and hence on the production of surplus-value; an important aspect of the capitalist restructuring as counter-revolution is the re-imposition of work (i.e. the intensification of labour after the outmanoeuvring and undermining of struggles oriented around the refusal of work). Geopolitical and world economic developments such as the expansion of financialised forms of capital investment, the removal of constraints to capital mobility, trade liberalisation, in short

the tendency to remove barriers to the operation of the world market, transform the conditions for the transformation of surplus-value into additional capital (which also reacts back on the other two moments).

If we look at the restructuring of the class relation from the point of view of transformations in the circuit of reproduction of the proletariat, we see that more and more aspects of reproductive labour are commodified and turned into goods or services (e.g. fast-food, child-care, privatisation/commodification of education)—i.e. into industries in which reproductive labour is made productive for capital; meanwhile the family-wage has increasingly given way to the double wage (many family units have two wage-earners). The reproduction of labour-power for those sections of the proletariat which remain integrated within the core dynamic of capitalist accumulation is now increasingly immediately integrated *throughout its circuit* with the circuit of reproduction of capital.

The dialectic of integration and disintegration of the circuits of reproduction of capital and proletariat gives rise to new modalities and a new dynamic of class struggle involving proletarians within and without the core of capitalist accumulation as the crisis of the class relation intensifies; similarly transformed is the horizon of supersession of the class relation. Such a supersession can no longer have as its basis the political or economic conquest of power by the proletariat, nor any vision of the alternative management of production or of the economy. The exclusion of proletarians from the core dynamic of capitalist accumulation on the one hand, and on the other their total integration within this dynamic, via the elimination of the foundations of proletarian autonomy, are two sides of the same coin, two aspects of the same truth: the proletariat is nothing without capital. There is no longer any perspective of the class antagonism giving rise to a new mode of accumulation. Proletarian antagonism can now only have a negative expression—it can do nothing else than put in question the class relation itself.<sup>33</sup>

---

<sup>33</sup> In the current period (post 1973) the proletariat relates negatively to itself in its relation to capital; it no longer has the affirmative self-relation in its relation to capital which characterised the earlier configurations of the class relation and hence the earlier cycles of struggle.

The periodisation we have provisionally outlined, very schematically and at the level of broad developments and tendencies in the modalities of reproduction of the class relation (i.e. according to the varying modalities of integration of the circuits of reproduction of capital and the proletariat), can be considered from the perspective of the course of accumulation and overaccumulation of capital; from this perspective it can be considered a periodisation of different modes of accumulation or 'strategies' to defer overaccumulation. At the same time it can be seen as a periodisation of cycles of struggles corresponding to these transformations in the way the class relation is reproduced. In this way we see that the changing modalities of the reproduction of the class-relation and the changing shape of the class struggle are predicated on the course of capitalist accumulation and vice-versa.<sup>34</sup>

The periodisation can be thematised according to the rise and fall of the power of the proletariat *within* the capitalist mode of production. The class struggle of an increasingly concentrated and empowered industrial proletariat first limits the length of working day, and then plays the role of antagonistic partner or player in the mode of accumulation geared around the harnessing of the (social) wage and productivity increases. The dissolution of this mode of accumulation through the restructuring of the class relation leaves the proletariat increasingly disempowered vis-à-vis capital and precarised within and without the relation of exploitation, and forced to call into question its own existence as proletariat in its struggles against capital.

Screamin' Alice, March 2011

---

<sup>34</sup> This approach might be considered something akin to a structuralist historiography of the capitalist class relation: the historical process of this contradictory relation is one of the shifting configurations of the circuits of reproduction of capital and the proletariat, with each configuration corresponding to a cycle of struggles and a pattern of accumulation.

