

In his analysis of the accumulation of individual capitals, Marx answers this question as follows:

Now in order that these components may actually function as capital, the capitalist class requires additional labor. If the exploitation of the workers already employed does not increase, either extensively or intensively, additional labor-powers must be enlisted. The mechanism of capitalist production has already provided for this in advance, by reproducing the working class as a class dependent on wages, a class whose ordinary wages suffice, not only to maintain itself, but also to increase its numbers. All capital needs to do is to incorporate this additional labor-power, annually supplied by the working class in the shape of labor-powers of all ages, with the additional means of production comprised in the annual product, and the transformation of surplus value into capital has been accomplished.²⁹²

Here the increase in variable capital is simply reduced directly to the growth through natural propagation of the working class that is already under the command of capital. This also corresponds precisely to the schema of expanded reproduction, which, according to Marx's assumptions, only recognizes two social classes—i.e. the capitalists and the workers—and a single and absolute mode of production—i.e. the capitalist one. Under these presuppositions, the natural propagation of the working class is the only source of the increase of the available labor-power under the command of capital. Yet this conception contradicts the laws of motion of accumulation. The natural propagation of the workers stands neither in a temporal, nor in a quantitative, relation to the requirements of the accumulating capital. In particular, such propagation is not able to keep pace with the suddenly expanding requirements of capital, as Marx himself brilliantly demonstrates. As the only basis of the movements of capital, the natural propagation of the working class would preclude the continuation of accumulation in its periodic oscillation between overexpansion and contraction, and in its sudden leaps in the extension of the productive sphere, thereby rendering accumulation itself impossible. The latter requires the same unrestricted freedom of movement in relation to the growth in variable capital as it does in relation to the elements of constant capital—i.e. it must be able to dispose over the supply of labor-power without restriction. According to Marx's analysis, this requirement finds its precise expression in the formation of an "industrial reserve army of workers." Marx's schema of expanded reproduction does not in fact recognize such a reserve army, nor does it leave any room for one—i.e. the industrial reserve army cannot be formed through the natural propagation of the capitalist waged proletariat. It must be able to draw on other social reservoirs of labor-power not previously under the command of capital, which are added to the wage proletariat as required. It is only from noncapitalist strata and countries that capitalist production can continuously draw this additional

labor-power. In his analysis of the industrial reserve army,²⁹³ Marx in fact only considers (a) the displacement of older workers by machinery, (b) an influx of rural workers into the towns as the consequence of the dominance of agriculture by capitalist production, (c) the workforce that has been discarded by industry and that has only irregular employment, and finally (d) the lowest sediment of the relative surplus population—pauperism. Each of these categories represents a different form of excretion from capitalist production and comprises wage proletarians who have in one form or another been used up and have become surplus to requirements. For Marx, the rural workers constantly migrating to the towns are wage proletarians who were previously under the command of agricultural capital and now simply come under the dominion of industrial capital. Here Marx is evidently drawing on the conditions in the U.K., which was at a high stage of capitalist development. In contrast, he does not deal in *this* connection with the question of the source of this urban and rural proletariat, nor does he consider what is, in the European context, the most important source of this stream of new proletarians: the constant proletarianization of the rural and urban middle strata, and the decline of the peasant economy and small-scale handicraft production. What Marx fails to take into account here, then, is precisely the constant transition of labor-power from noncapitalist relations to capitalist ones, as an excretion not from the capitalist mode of production, but from precapitalist ones as these undergo a progressive process of collapse and dissolution. It is not just the processes of the decomposition of the European peasant economy and handicraft production that are to be considered here, but also the dissolution of the most varied primitive forms of production and society in non-European countries.

Since capitalist production must have all territories and climes at its disposal in order for it to develop, it can no more be confined to the natural resources and productive forces of the temperate zone than it can make do with the labor-power of the white race alone. Capital needs other races to exploit territories where the white race is not capable of working, and in general it needs unrestricted disposal over all the labor-power in the world, in order to mobilize all of the Earth's productive forces to the extent that this is possible within the constraints of surplus value production. However, in most cases, as capital encounters this labor-power, the latter is rigidly bound by outmoded, precapitalist relations of production, from which it must first be "set free," in order to be enlisted in the active army of capital. The process of extricating labor-power from primitive social relations and absorbing it into the capitalist wage system is one of the indispensable historical foundations of capitalism. The British cotton industry, which was the first genuinely capitalist branch of production, would have been impossible not only without cotton from the southern states of the American Union, but also without the millions of Black Africans who were transported to America in order to provide labor-power for the plantations, and

who subsequently joined the ranks of the capitalist class of wage laborers as free proletarians after the American Civil War.²⁹⁴ The importance of acquiring the requisite labor-power from noncapitalist societies becomes very palpable for capital in the form of the so-called labor problem in the colonies. In order to solve this problem, all possible methods of “soft power” are employed to detach the labor-power that is subordinated to other social authorities and conditions of production from these and to place it under the command of capital. These endeavors give rise in the colonial countries to the most peculiar hybrid forms of the modern wage system and primitive relations of domination.²⁹⁵ These latter give a palpable demonstration of the fact that capitalist production is not feasible without labor-power from other social formations.

Marx does in fact deal in great detail with the process of the appropriation of noncapitalist means of production as well as that of the transformation of the peasantry into a capitalist proletariat. The whole of Chapter 28 of the first volume of *Capital* is given over to an account of the emergence of the British proletariat, of the agricultural capitalist tenant farmer class and of industrial capital. The looting of the colonial countries by European capital plays a prominent role in Marx’s portrayal of the last of these processes. It should be noted, however, that all this is merely treated from the point of view of so-called “primitive accumulation.” In Marx’s account, the processes specified here merely illustrate the genesis of capital, the moment that it comes into the world—they constitute the birth pangs as the capitalist mode of production emerges from the womb of feudal society. As soon as Marx begins his theoretical analysis of the process of capital (of production as well as circulation), he constantly returns to his presupposition of the universal and exclusive dominance of capitalist production.

However, it is evident that, even in its full maturity, capitalism depends in all of its relations on the simultaneous existence of noncapitalist strata and societies. This relation of dependence is not exhausted by the bare question of the market for the “excess product,” as the problem was posed by Sismondi and the later critics and skeptics of capitalist accumulation. The accumulation process of capital is tied to noncapitalist forms of production in all of its value relations and material relations—i.e. with regard to constant capital, variable capital, and surplus value. These noncapitalist forms of production form the given historical setting for this process. The accumulation of capital cannot adequately be presented under the presupposition of the exclusive and absolute dominance of the capitalist mode of production—in fact it is inconceivable in every respect without the noncapitalist spheres that form its milieu. Sismondi and his followers did in fact reveal a correct instinct for the conditions of existence of accumulation even if they reduced its difficulties to that of the realization of surplus value alone. There is a crucial difference between the conditions that determine this latter process and those that govern the expansion of constant

and variable capital in their material form: capital cannot do without the means of production and labor-power of the entire planet—it requires the natural resources and labor-power of all territories for its movement of accumulation to proceed unimpeded. Since these are *in actual fact* overwhelmingly bound by the precapitalist forms of production that constitute the historical milieu of capital accumulation, capital is characterized by a powerful drive to conquer these territories and societies. In itself, capitalist production would be just as well served by rubber plantations operating on capitalist lines, for example, as have already been established in India. However, the actual predominance of noncapitalist social relations in the countries of these branches of production spurs capital to strive to bring these countries and societies under its dominion; indeed, in so doing, the primitive relations facilitate such extraordinarily rapid and violent surges in accumulation as would be unthinkable under purely capitalist social relations.

The same cannot be said of the realization of surplus value. This is a priori bound up with noncapitalist producers and consumers. The existence of noncapitalist purchasers of surplus value is thus an immediate, vital condition for capital and its accumulation, and is as such the decisive factor in the problem of capital accumulation.

Be that as it may, the fact of the matter is that the accumulation of capital as a historical process, in all its relations, is contingent upon noncapitalist social strata and forms.

The solution of the problem that has been a bone of contention in economic theory for almost a century thus lies between the two extremes—i.e. between on the one side the petty-bourgeois skepticism of Sismondi, von Kirchmann, Vorontsov, and Danielson, who declared accumulation to be impossible, and on the other the crude optimism of Ricardo, Say, and Tugan-Baranovsky, for whom capitalism can fructify itself ad infinitum, hence the merely logical corollary that it is eternal. The solution as defined by Marx's theory lies in the dialectical contradiction that the movement of capitalist accumulation requires an environment of noncapitalist social formations, that it is in a constant process of metabolism with the latter as it proceeds, and that it can only exist for as long as it finds itself within this milieu.

On this basis, the concepts of internal and external markets, which have played such a prominent role in the theoretical disputes around the problem of accumulation, can be revised. Internal and external markets certainly each play a great and fundamentally differentiated role in the course of capitalist development—not as concepts of political geography, however, but rather as ones of social economy. From the standpoint of capitalist production, the internal market is the capitalist market, this production is itself the purchaser of its own products and the supplier of its own elements of production. The external market, from the point of view of capital, is the noncapitalist social

environment, which absorbs its products and supplies it with elements of production and labor-power. From this economic standpoint, Germany and the U.K. for the most part represent the internal, capitalist market for one another in terms of their reciprocal exchange of commodities, whereas the exchange between German industry and German peasants as both consumers and producers represents external market relations as far as German capital is concerned. As can be observed from the schema of reproduction, these are rigorous, precise concepts. In the internal capitalist trade, only certain components of the value of the total social product can be realized: the constant capital that has been used up, the variable capital and the part of surplus value that has been consumed; in contrast, the portion of surplus value that has been determined as being for capitalization must be realized “externally.” If the capitalization of surplus value is the actual purpose and driving motive of production on the one hand, then the renewal of constant and variable capital (along with the part of surplus value that is consumed) forms the broad basis and precondition for this capitalization on the other. Furthermore, as capitalism develops internationally, the capitalization of surplus value becomes ever more urgent and ever more precarious, the broad basis of constant and variable capital becomes ever more vast in absolute terms and in relation to surplus value. Hence the contradictory phenomenon that the old capitalist countries represent ever-greater markets for one another and become ever more indispensable for one another, even as they contend with each other ever more jealously as competitors vis-à-vis the noncapitalist countries.²⁹⁶ The conditions for the capitalization of surplus value are in ever greater contradiction with those for the renewal of the total social capital—a contradiction that, incidentally, is a mere reflection of the contradictory law of the falling rate of profit.