

INTRODUCTION

Capital is the all-dominating economic power of bourgeois society.
—Karl Marx, *Grundrisse* (G: 107)

If there is one word which sums up the last decade, it must be *crisis*. Eleven years ago the global economy was struck by one of the most violent crises in its history. The financial system, which is supposed to ensure a seamless circulation of money, suddenly choked; profits plunged, companies folded, panic abounded. All over the world, governments rushed to the rescue by socialising the costs through bailouts and austerity. Waves of protests questioned the legitimacy of an economic system which systematically makes life precarious in order to concentrate all wealth in the hands of an ever-smaller global elite. In 2017, the *eight* richest men owned the same amount of wealth as the poorest half of the global population (Oxfam, 2017). 780 million people live in chronic hunger, and more than a billion struggle to survive in the ever-growing slums of the Global South (M. Davis, 2017; Smolski, 2017). According to a global poll from 2013, only 13 percent of employees like their job. In 2017, more than half of European citizens between the age of 18 and 34 said that they were ready to ‘join a large-scale uprising against the government’ (Mohdin, 2017). A sense of impending collapse is omnipresent. ‘Something has ended, or should have ended; everyone can feel it,’ as Joshua Clover (2016, p. 31) recently put it.

Yet capitalism persists. In certain respects, it even seems stronger and more far-reaching than ever before. The neoliberal era has been an era of intense capitalist expansion. China and the former socialist countries of the Eastern bloc became fully integrated in the global capitalist economy, the

structural adjustment programmes of the 1980s made many low-income countries considerably more dependent upon global markets, and in the ‘old’ capitalist countries, neoliberal restructuring has handed over ever larger parts of social life to the vagaries of the market. Global supply chains and financialisation have accelerated the circulation of commodities and money and created a tightly integrated system subjecting every corner of the earth to the logic of capital.

So, despite crisis and resistance, capital somehow manages to sustain its grip on the life of society. The aim of this thesis is to contribute to our understanding of why this is so, or *how capitalism reproduces itself*. This thesis is not, however, a study of the reproduction of capitalism in a specific context. In what follows, I will rather be concerned with what Karl Marx referred to as the ‘core structure’ or the ‘ideal average’ (M: 376, 898)¹ of the capitalist mode of production, i.e., the logics, structures and dynamics that constitute the *essence* of capitalism across its historical and geographical variations. This is the level of abstraction on which I want to pose the question of the persistence of capitalism. To pose this question, I will argue, is essentially to pose the question of the *power of capital*, i.e., to ask how capital sustains its ability to shape social life. In chapter one, I will explain in detail why I believe it makes sense to speak of ‘the power of capital’. For now, the important thing is to clarify the concept of capital in order to be able to pose this question in a precise manner. In mainstream economics, capital is a transhistorical and rather vague concept which refers to a so-called factor of production, alongside labour and land. Marx subjected this ‘trinity formula’, which originates in classical political economy, to a scathing critique by demonstrating how the juxtaposition of land, labour and capital naturalised what is in fact ‘a definite *social* relation of production pertaining to a particular historical formation of society’ (M: 888). In opposition to the vague and apologetic concept of capital in political economy, Marx grasped capital as a determinate *social logic*—a logic in the sense that it refers not to a specific *class of things* but rather to a certain way of *using* things. Analogously to the discipline of philosophical logic, which (in its non-Hegelian sense) is concerned with *forms* of thought rather than their *content*, capital is a concept which refers to the social *form* of wealth, not its content. This social form is captured in Marx’s so-called general formula of capital, M-C-M', where M stands for money and C for commodity, and the mark (') next to the second M indicates that the

¹ In the English edition of Marx’s *1864-65 Manuscript*, the German ‘Kernstruktur’ is translated as ‘basic inner structure.’

second sum of money is larger than the first. The formula represents a ‘process’ or a ‘movement’ in which value—in its incarnations as money and commodities—is valorised (30: 11, 12, 17; 32, 490). Capital can, as Marx emphasises, ‘only be grasped as a movement, and not as a static thing’ (C2: 185). Everything that is capable of assuming the commodity form—be it coats, fantasies, humans, promises, land or abilities—can be integrated into this movement and thereby be transformed into the ‘body’ of the ‘processing value’ [*prozessierende Werth*] (II.11: 57).

Capital, in the simple sense of a process of exchange undertaken with the aim of pocketing a profit, has existed for thousands of years prior to the advent of capitalism. Aristotle called it *chrematistics* and condemned it as unnatural, Saint Paul warned that the ‘love of money is the root of all evil’ (I Timothy 6:10), and throughout the middle ages the church consistently looked upon profit-seeking activities with suspicion. What distinguishes capitalism from pre-capitalist societies is not the existence of capital as such, but rather its social function. In pre-capitalist societies, the processes and social activities governed by the logic of capital were always marginal; they were never the basis of social reproduction on a wide scale. From the 16th century onwards, a fundamental transformation took place: the logic of capital began to weave itself into the fabric of social life to the point where people became dependent upon it for their survival. Capital became the ‘the all-dominating economic power’ (G: 107), or put differently: society became *capitalist*. From its origin in early modern English agriculture, this process has relentlessly engulfed the world in the circuits of valorisation. Contrary to a common assumption, the emergence of capitalism was not the outcome of an inherently expansive commercial drive and did not follow automatically from the removal of barriers to trade (R. Brenner, 1987a, 1987b, 2007; Dimmock, 2014; Wood, 2002). Capital’s move from the periphery to the centre of social life was premised on profound changes in social property relations, established with the help of the state. This required the dispossession of peasants, the enclosure of the commons, colonial subjugation, draconian punishment of vagabonds and beggars and similar violent excesses. ‘[C]onquest, enslavement, robbery, murder, in short, violence, play[ed] the greatest part’, as Marx puts it (C1: 874). Here, I want to introduce the important distinction between the forms of power required for the *creation* of capitalism and those required for its *reproduction*. There is no necessary relation between these two forms, and in this thesis, I am exclusively concerned with the *reproduction* of capitalism. The history of the origin of capitalism is a

history of *violence*, emanating mostly from state authorities. This does not, however, necessarily tell us anything about how the rule of capital is *reproduced* once it has been established.

Previous attempts to answer the question of how capitalism reproduces itself have tended to remain within the boundaries of what Nicos Poulantzas (2014, p. 78) once called ‘the couplet violence-consent or repression-ideology’ (see also Foucault, 1991, p. 28). The (often implicit) assumption at work in this conceptual scheme is that there are two fundamental forms of power to which all exercise of power can be reduced: on the one hand, *violence* or the direct, physical coercion of the body, and, on the other hand, *ideology* or the formation of systems of representations, pictures, concepts, symbols and forms of thought that shape the ways in which people perceive social reality, including themselves. Alternative versions of this duality include coercion and consent, hard and soft power, dominance and hegemony, and repression and discourse. One of the clearest examples of this tendency to think of power in terms of such couplets can be found in Louis Althusser’s analysis of the reproduction of capitalist relations of production. According to him, this reproduction ‘*is ensured by the superstructure, by the legal-political superstructure and the ideological superstructure*’. Capitalism is, in other words, reproduced by the state-apparatuses, which are divided into two sets according to the form of power they primarily rely on: the *repressive* state-apparatuses (violence) and the *ideological* state-apparatuses (ideology) (Althusser, 2014, pp. 140, 244).

The perhaps most fundamental claim of this thesis is that *the couplet violence-ideology leaves an important form of power unexamined*, namely what I will refer to as *economic power*. This form of power has its roots in *the ability to re-organise the material conditions of social reproduction*. By *social reproduction*, I mean the processes and activities involved in securing the continuous existence of a given society. Whereas violence and ideology directly address the subject, economic power addresses it only indirectly through the manipulation of its socio-material environment. Economic power thus has to do with *the way in which social relations of domination reproduce themselves by being inscribed in the environment of the subject*.

Another equally important claim of this thesis is that Marx’s critique of political economy contains an indispensable basis for a theory of the economic power of capital, and that it is impossible to explain the paradoxical persistence of capitalism without such a theory. In a decisive passage in the

first volume of *Capital* from which this thesis derives its title, Marx argues that once capitalism has been established,

the mute compulsion of economic relations seals the domination of the capitalist over the worker [*der stumme Zwang der ökonomischen Verhältnisse besiegelt die Herrschaft des Kapitalisten über den Arbeiter*]. Extra-economic, immediate violence [*Außerökonomische, unmittelbare Gewalt*] is still of course used, but only in exceptional cases. In the ordinary run of things, the worker can be left to the “natural laws of production,” i.e., it is possible to rely on his dependence on capital, which springs from the conditions of production themselves, and is guaranteed in perpetuity by them. (C1: 899)

What Marx points to in this passage is that capitalism has a unique ability to reproduce itself by means of a form of impersonal, anonymous and abstract power embedded in the economic processes themselves. The social relations of domination involved in the economy is thus not sustained only by processes ‘external’ to the economy, as in Althusser’s theory where the *reproduction* of the property relations in the economic ‘base’ occurs ‘outside’ of this base. The characteristic thing about the power of capital is precisely that it has an ability to reproduce itself through economic processes, or, put differently, that the organisation of social reproduction on the basis of capital gives rise to a set of powerful structural mechanisms which ensure its reproduction all by itself, as it were. Here, we see the significance of the distinction between the original *creation* of capitalist relations of production and their *reproduction*. Marx’s claim is that, while the historical creation of capitalism was premised on massive amounts of violence, the reproduction of those relations also—though not exclusively—relies on the ‘mute compulsion of economic relations’, or what I referred to as economic power.²

ECONOMY AND POWER

Marx’s critique of political economy is not an alternative or a critical political economy, but a critique of the entire theoretical (or rather ideological) field of political economy (Heinrich, 1999a, pts 1, 2, 2012a, p. 32ff). Economists are engaged in the business of transforming social relations into

² In some (especially older) translations, Marx’s *stumme Zwang* is rendered as ‘dull compulsion’.