

Lecture Notes 10 : Chapter 25

Section 1

The technical, value and organic compositions of capital

$TCC = \frac{MP}{WG}$, where MP is the mass of the means of production, and WG the mass of wage-goods

$VCC = \frac{c}{v}$, and

$OCC = f(TCC) = VCC(\frac{MP}{WG})$

The tendency of the profit-rate to fall (or rise)

Define the profit rate as: $p = \frac{s}{c+v} = \frac{s/v}{c/v+1}$

Assuming that $s, \frac{c}{v}$, are constant: RSV reduces v , such that c falls. p unambiguously rises.

But, if $\frac{c}{v} \uparrow$, holding $\frac{s}{v} = \text{constant}$, then $p \downarrow$.

Rising (real) wages

If c and v increase at the same rate to keep $\frac{c}{v} = \text{constant}$, then wages will exhibit a secular increase. The living standards of workers will tend to rise.

But these things no more abolish the exploitation of the wage-labourer, and his situation of dependence, than do better clothing, food and treatment, and a larger *peculium*, in the case of a slave. A rise in the price of labour... only means... that the length and weight of the golden chain the wage-labourer has already forged for himself allow it to be loosened somewhat. (769)

Section 2

VCC grows, but at a significantly slower rate than TCC grows (is the assumption justified?). It follows that:

Whereas formerly an increase of capital by 20 per cent would have sufficed to raise the demand for labour by 20 per cent, now the original capital needs to be tripled to secure an increase of 20 per cent in the demand for labour. (774-5)

Section 3

First attempt to formulate the 'general law':

It is capitalist accumulation itself that constantly produces, and produces indeed in direct relation with its own energy and extent, a relatively redundant working population, i.e. a population which is superfluous to capital's average requirements for its own valorization, and is therefore a surplus population. (782)

Marx against Malthus

The Malthusian population theory: capital grows → demand for labour ↑ → wages ↑ → workers have more children → wages ↓

Marx's response:

Before the rise in wages could produce any positive increase of the population really fit for work, the deadline would long since have passed within which the industrial campaign would have to have been carried through, and the battle fought to a conclusive finish. (791)

The mechanism rather consists in the replacement of the worker by machinery: capital grows → demand for labour ↑ → pressure on wages ↑ → introduction of machinery → employment ↓ wages ↓

The dice are loaded (against the worker)

The demand for labour is not identical with increase of capital, nor is supply of labour identical with increase of the working class. It is not a case of two independent forces working on each other. Les dés sont pipés. Capital acts on both sides at once. If its accumulation on the one hand increases the demand for labour, it increases on the other the supply of workers by 'setting them free', while at the same time the pressure of the unemployed compels those who are employed to furnish more labour, and therefore makes the supply of labour to a certain extent independent of the supply of labour. (793)

Section 4

Different forms of the industrial reserve army: floating ('frictional unemployment'), latent (dispossessed petty bourgeois, women and children), stagnant (the 'hospital of the active labour army' (797)).

The general law of capitalist accumulation

The greater the social wealth, the functioning capital, the extent and energy of its growth, and therefore also the greater the absolute mass of the proletariat and the productivity of its labour, the greater is the industrial reserve army... But the greater this reserve army in proportion to the active labour-army, the greater is the mass of a consolidated surplus population, whose misery is in inverse ratio to the amount of torture it has to undergo in the form of labour. (798)

Absolute and relative immiseration

The remarkable passage on p. 799 has been read as statement of an *absolute* immiseration thesis. But note that Marx talks about wages being 'high or low'. A propos of Gladstone, he further notes:

If the working class has remained 'poor', only 'less poor' in proportion as it produces for the wealthy class an 'intoxicating augmentation of wealth and power', then it has remained relatively just as poor. If the extremes of poverty have not lessened they have increased, because the extremes of wealth have. (806)

Suggested Reading

Foley, D. (1986), *Understanding Capital*, ch. 9.

Harvey, D. (2010), *A Companion to Marx's Capital*, ch. 10.

Further Reading

Elster, J. (1983), *Making Sense of Marx*, ch. 3.