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Marx's Biggest Idea, or Six Features of Capital (On the 150th anniversary of the publication of the first volume of *Das Kapital*)

Abstract:

150th anniversary of Marx's *Das Kapital* calls for yet another contemporary evaluation of Karl Marx's legacy. The article argues that Marx's most important and the longest standing contribution to social science is not "historical materialism" nor any particular form of "critical theory" – it is the concept of capital as a specific mode of creating value. The article seeks to extract the six major features of capital as described by Marx and demonstrate their conceptual originality and novelty. It also shows how numerous contemporary social scientist borrow and apply this category to the fields quite remote from Marx's own research terrain. But the fact of multiplicity of capitals and quite remarkable homologies between them should not lead us to premature conclusion namely that the social world can be adequately represented as a system or hierarchy of capitals.

Key Words:

Karl Marx, Capital, Social Relation, Social Resource, Division of Labor, Exploitation, Symbolic Capital. Production, Political Economy, Theory of Value, Social Science, Valorization

It is hardly controversial to argue that the concept of capital is central to Marxian social science. Some might perhaps oppose the very idea that it is a social science at all. Let us suspend this question for a moment. In any case, the central position of the concept of capital in Marx's theory seems to be acknowledged both by his critics and ardent defenders. Critics would argue that, since it patently falls victim to criticism, the whole of the Marxian enterprise also collapses. Defenders believe that it withstands criticism well, and it is in fact

a key concept that allows us to capture the quasi-totality of social dynamics under capitalism, (but not necessarily to explain all social phenomena). Others would take the middle ground: the Marxian law of value may be wrong, inaccurate, or even obsolete, yet we find in Marx a remarkable model of historical analysis rooted in the idea of the class struggle, and considerable sociological input based on the very idea of class. This enduring apology of Marx would subsequently emphasize his contributions as a political scientist or as a historian. Even if the concepts of capital and class are supposed to be closely connected in Marx, there is a long tradition of reading Marx through “the class struggle” understood as a subjective antagonism determining objective social relations. But even before this tendency grew into prominence, the pivot of Marxian theory was sought elsewhere: namely in the concept of “historical materialism,” understood as the objective socio-economic relations determining subjective social antagonisms.¹ Yet it is important to note that in its development, Marx’s own research tends to focus on the elaboration of the very concept of capital, and the project of a systematic analysis of historical materialism as an all-encompassing theory is largely abandoned. Marx himself admitted (*Letter to Engels 24 August 1867*²) that he considered the theory of surplus value his most important contribution to the “progress of economic analysis.” It proved to be an extremely wise choice, at least from the point of view of social science. While all of the “all-inclusive” theories of society and history developed in the 19th century are today obsolete, the concept of capital seems to flourish. Without it Marx would have become what Foucault once wrote of him: “a fish in water: that is unable [...] to breathe anywhere else”.³ To be precise, Foucault was referring to Marxism, more than Marx himself, and obviously claimed what he did for quite different reasons. (Foucault never embraced or applied the notion of capital.)

I will have to disappoint the Marxist reader: I will not take any position or propose any argument concerning the validity of the Marxian “law of value” in contemporary capitalism. Neither do I consider this question irrelevant or conclusively resolved. I will simply desist from this heated debate. What I aim to do is to explore the genealogy and structure of capital as an epistemological category, and to partially disclose its cognitive strength and vigor. I happily admit it would be a great irony if this splendid category would cease to apply to the realm for which it has been conceived—capitalist economy. I personally doubt this to be the case. Yet this investigation concerns quite a different topic. Since we want to trace the genealogy and structure of capital as a concept, I will try to avoid the discussion on the range and scope of its application to social reality.

Some relevant pre-Marxian concepts

It is uncontroversial to seek the origins of the notion of capital precisely at the moment of the historical birth of capitalism itself. From this time on the question will no longer concern what has value and for whom (which we can call the Aristotelian paradigm) but rather what gives value and, consequently, how value may grow. In *The Second Treatise of Government* John Locke quintessentially exposed what was to become the labor theory of value. For our argument at this stage, more important than involving labor into the whole affair, is the fact that it entails the very idea of growth:

It isn’t as strange as it may seem at first glance that the property of labour should be able to outweigh the community of land, for labour affects the value of everything. Think of how an acre of land planted with tobacco or sugar, sown with wheat or barley, differs from an acre of the same land

1) It has been a long-lasting tradition from Engels and Kautsky up to most prominent of contemporary Marxists.

2) Karl Marx, Frederick Engels *Collected Works*, Vol. 42, (London: Lawrence & Wishart Electric Book, 2010), 408.

3) Michel Foucault, *The Order of Things. An Archaeology of the Human Sciences*, (London – New York: Routledge, 1989), 262.

lying in common without being cultivated; you will see the improvement brought about by labour creates most of the extra value of the former.⁴

Value being affected is value being worked upon for both the purpose of sustaining and yielding it. Like Newtonian physics, one could argue, a body at rest, and a body in constant movement are both in the state of inertia – what makes a difference is a force that causes acceleration. In quite a similar way, the value of a thing without laboring upon it is essentially inert – next to nothing, at least from a capitalistic point of view. But this is probably a remote analogy.

Physiocracy is often viewed as conceptually, more antiquated than Locke's theory due to its attachment to farming as the basis and model of all production. Yet, as it often happens, there is some strength in this archaism. Said strength resides precisely in this unique resource among other resources that is able to enhance itself by producing, reproducing and yielding a surplus. It was perhaps due to a bureaucratic perspective (both of the main proponents of physiocracy Quesnay and Turgot were high ranking civil servants) that this resource of arable land is in fact a form of supply or stock. Labor is productive solely when it is applied to the land. Consequently, Physiocrats introduce a distinction between productive and non-productive labor into the complex system of social division of labor, including the institution of rent that allows for consumption without production. This idea is essential: the philosopher's stone the Holy Grail of a nascent economy is growth and the secret to it lies in the social division of labor. Yet it is not unproblematic – it seems that not just any kind of such division would be beneficial for growth. The division of labor distinguishes between productive and non-productive work, and, consequently, it is the productive work that is both empowering, and should be empowered even further. And, we might add that the idea according to which the life-giving force residing in cultivated land is transformed into economic value resonates strangely with the Marxian account of the commodified labor power, springing despite of everything, out of living labor.

In order to formulate his concept of capital, Marx has to overcome one more difficulty. He seeks to preserve labor as the source of value and yet give justice to the fact that, in the real world, it is the stock of money that yields surplus value. The solution, however, is not merely that wealth hides behind labor (namely accumulated labor), it is also that the material component of capital conceals its social and relational character.

Six properties of capital

Let us deploy, in a way somewhat simplistic but also hopefully a little controversial, the main features of capital as they appear in Marx's conception. Of course, as long as we present capital, not as a substance, but as a social relation, those properties appear as social modes of construction, which must be combined or work together in order to constitute capital.

1. Capital is a social resource with a tendency towards growth. By social resource, I broadly understand any asset or property socially recognized as valuable.
2. Capital is materialized, embodied, institutionalized, or measurable, or in any other way objectified. In this sense, capital is a thing.
3. Capital, as social relation, has a substantial character parallel to a relational one. It can therefore be quite adequately represented, both as stock, or volume, as well as a relation between people.
4. Capital, as a productive social relation, yields some socially recognized value.
5. Capital contains the means of its own reproduction: it is capable of stabilization and reproduction in time.

4) John Locke, *Second Treatise of the Government*, (Cambridge, Indianapolis: Hackett Publishing Company 1980), 25.

6. Capital is a privative relation: in other words, it relies upon exploitation. There is an objective deprivation of at least one of the essential participants within the “capitalistic” division of labor (or social exchange) on behalf of another. The capitalistic relation is inherently non-egalitarian, even if it appears as egalitarian.

Why capital is a growing resource is uncontroversial in our perspective. However, this resource can grow only when it takes the shape of a social relation, namely a particular kind of social division of labor: a socially productive relation. At the same time, capital cannot be understood as a simple relation between subjects, whether consensual or imposed. Capital is also (as I have mentioned) a volume of something – it is always materialized or objectivized. From this point of view, it appears to be a thing, and this appearance is not a mere illusion: that is, if we assume that this thing never rests. It is always money in motion. At the same time, the capital relies entirely on external social relations that precede it. To put it simply: the relations between people. At the end of the first volume of *Capital* Marx quotes an anecdote about one ambitious “capitalist to be” who launched himself into a colonial venture

Mr. Peel, he complains, took with him from England to the Swan River district of Western Australia means of subsistence and of production to the amount of £50,000. This Mr. Peel even had the foresight to bring besides, 3,000 persons of the working class, men, women and children. Once he arrived at his destination, ‘Mr Peel was left without a servant to make his bed or fetch him water from the river. ‘Unhappy Mr Peel, who provided for everything except the export of English relations of production to Swan River!’⁵

From this perspective, capital appears as extremely fragile, dependent on both its human creators and various natural circumstances. At the same time, to put it in philosophical terms, capital acts as if it had its own *conatus essendi* or, (this time in sociological terms) it assures for itself means of stabilization. Marx exposes this self-referential nature of capital: “The product of capitalist production is not only surplus-value; it is also capital.”⁶ Capital constantly works towards maintaining or recreating the initial conditions that brought it into being. In other words it reproduces “specifically capitalistic relations of production” (so as to prevent the circumstances which occurred with Mr. Peel’s crew).

The productive character of capital is twofold. On the one hand it is represented as the accumulation, or simultaneous yielding and seizing, of surplus-value. Capital is therefore productive for its own sake and according to its own measure of value. On the other hand, productivity of the capitalistic relation cannot be reduced to this. In the capitalistic relation “labor is held to be productive only if it results in a product.”⁷ This product is both objective and material – it includes the use of values carried within commodities and consumed by laborers, but it also includes the wealth of the bourgeoisie. Even so, the productivity of capital can be seen in more general, historical terms just as young Marx and Engels presented it in the Manifesto:

The bourgeoisie, during its rule of scarce one hundred years, has created more massive and more colossal productive forces than have all preceding generations together. Subjection of Nature’s forces to man, machinery, application of chemistry to industry and agriculture, steam-navigation,

5) Karl Marx, *Capital. A Critique of Political Economy*, Volume 1, trans. Ben Fowkes, (London: Penguin Books, 1976), 933.

6) *Ibid.*, 1060.

7) *Ibid.*, 1046.

railways, electric telegraphs, clearing of whole continents for cultivation, canalization of rivers, whole populations conjured out of the ground – what earlier century had even a presentiment that such productive forces slumbered in the lap of social labor?⁸

Capital then is productive well beyond the measure of its own self-valorization: it transforms the world. Yet, the productive character of capital is by no means an apology of its exploitative nature. Rather, it stresses what seems too paradoxical to the modern progressive taste, which gladly embraces the sociodicy of productivity. Capital as a productive social relation is inherently in egalitarian, violent, and arbitrary. Marx chose a beautiful epigram of Ferdinando Galiani to illustrate this “Dove è egualità non è lucro”⁹ (with equality there is no profit). Profit conditions productivity and is, in turn, conditioned by exploitation. Exploitation may be of different degree but has to remain in place. In a capitalistic social relation social resources are distributed in a reversed proportion to labor and toil. That necessarily produces the bourgeois and proletarians (or their respective social equivalents) as constitutive components of capital.

Heterodox vs. vulgar use of “capital”

Of course, almost everything that Marx had to say about the features of capital concerned a specific and limited social field that he himself identified as capitalism, or the socioeconomic system of production of surplus value. Usually orthodox Marxists would consider any departure from that field as heterodoxy. They may be right. Yet, it is worth distinguishing between a heterodox and a vulgar use of the concept. It is true that in the contemporary language of economics, management, and journalism the term capital has become almost vernacular. “Human capital”, “social capital”, “intellectual capital,” are all understood in a vulgar or reductionist manner: they simply mean assets capable of self-valorization, production, and growth. However, heterodox uses are not the same as vulgar uses. Even if they pertain to social relations that are very remote from labor relations of factory production they carry with them all the features of the capital as listed above. If we can be permitted a bold generalization about contemporary social science, we can say that these uses are not materialistic, insofar as they usually reject the unconditional primacy of material or economic resources in explaining social facts. They do remain quite Marxian in what concerns the “capitalist” character of many of those facts. Let us use Pierre Bourdieu as a prominent example of this. Bourdieu’s “symbolic capital”, and many other forms of capital that he employs in his sociological exploration, fit the Marxian schema. In fact “symbolic capital” follows the Marxian outline in a rigorous manner, even if it changes its scope quite dramatically.

Capital, which, in its objectified or embodied forms, takes time to accumulate and which, as a potential capacity to produce profits and to reproduce itself in identical or expanded form, contains a tendency to persist in its being, is a force inscribed in the objectivity of things so that everything is not equally possible or impossible. And the structure of the distribution of the different types and subtypes of capital at a given moment in time represents the immanent structure of the social world [...] It is in fact impossible to account for the structure and functioning of the social world unless one reintroduces capital in all its forms and not solely in the one form recognized by economic theory.¹⁰

8) Karl Marx and Frederick Engels, *Manifesto of the Communist Party, Marx/Engels Selected Works*, Vol. One, trans. Richard Dixon et al., (Moscow: Progress Publishers, 1969), 115.

9) Marx, *Capital*, 261.

10) Pierre Bourdieu, “The forms of capital”, in *Handbook of Theory and Research for the Sociology of Education*, ed. John Richardson (New York-Westport-London, Greenwood Press, 1986), 242.

With a closer inspection we discover that Bourdiesian capital is structured exactly like its Marxian counterpart: it is 1) accumulating 2) embodied, or, objectified, 3) relational, 4) productive (so enabling its holder to exercise power and transform the social and material worlds) 5) reproducing in time, and, 6) privative, or exploitative. Bourdieu's contribution to contemporary social science is enormous, but more or less explicit concepts of capital are at work in several other significant social theories.

Manuel Castells' distinction between generic and intellectual labor within network society betrays a strongly "capitalistic" character. Eva Illouz talks about erotic capital, and, more generally, the idea of the "masculine dividend" traverses various feminist accounts of the social world. Immanuel Wallerstein's "center – periphery relations" are quite explicitly thought of as an extension of the original Marxian concept. We could quite easily multiply such examples of legitimate heterodox uses of capital as a cognitive category in social science. They uncover the entire spectrum of various local "political economies" with a Marxian ancestry. In fact, the idea of such extension appears very early and very close to Marx himself. None other than Friedrich Engels in his famous *Origins of the Family, the Private Property and the State* claims that "Within a family he is the bourgeois and the wife represents the proletariat"¹¹ thus directly applying the category of capitalistic division of labor to a new social reality.¹² Because this is what the notion of capital really amounts to: not a philosopher's stone of sorts, but an applicable tool to discover some relatively stable relations between social facts. It allows us to capture important modalities of social valorization, division of labor, and distribution of social resources. No doubt this concept remains both politically and morally disturbing, mainly because it contradicts many of our socially legitimate beliefs about the origins, and distribution of value in our societies. Yet, the concept itself is analytical and empirically oriented rather than moral or political.

If the hypothesis of this article is true, if the original scheme of Marxian capital in fact applies to other realms, we still need to beware of some tempting but hasty conclusions. First of all, we deal here with a very general scheme that is extracted from Marx's broader theory: Marx had much more to say about the capital and this stands in no relation to sociological reproductions of this concept. It would be unwise to believe Marx holds some hidden secret. Secondly we shall not assume any kind of automatic causal relations between various kinds of capital or, for that matter, their hierarchy. Certainly, they stand in various mutual relations as they belong to one social world: they coexist and interact. That does not imply the existence of any centralized "system of capitals". Thirdly, and perhaps most importantly, the capital-shaped mode of yielding value should not be understood as universal and exclusive one. In the social world value is produced in many other ways. Capital is not the only productive force. (There was some misunderstanding about Marx's alleged claim that, under capitalism, the only productive work is the one engaged in capitalist production of commodities: in fact, he considered other forms of work, like care and schooling, as productive.) Also, not all forms of social domination or exploitation can be grasped by this notion. There are many of quite a different nature. Even if we take these precautions, the concept is powerful in description and its wide range of application can remain puzzling. In any case, it invites further research.¹³

11) Frederick Engels, *Origins of Family The Origin of the Family, Private Property and the State*, alternate translation (New York: International Publishers, 1933).

12) Perhaps it can be argued that young Marx himself applied the notion long before it was fully elaborated particularly in his analysis of the place of the proletariat within the liberal political order. It would be interesting to enquire this issue from a more "Marxological Standpoint".

13) I would like to thank prof. Riccardo Bellofiore, who, although sceptical towards the idea of "extension" of Marxian concept of capital, have none the less contributed significantly to improving my argument.

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