

# CONTRADICTION: ONLY IN CAPITALISM?

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For many years, one of my most prized possessions was a Chinese pamphlet (in English translation, of course) called *Serving the People with Dialectics*, which I acquired in London's Chinatown some time in the 1970s. Its purpose was to give practical advice, based on the maxims of Mao, to ordinary people, from farmers to mailmen, about problems they might encounter in their daily work. I have to confess that I never treated this historic document with the seriousness it deserved. My favourite bit was a chapter with the sublime title, 'Solving the Principal Contradiction of Onions'.

Still, this pamphlet was at least intended to mobilize the concept of contradiction to useful ends, and, if nothing else, it had the virtue of being intelligible. At about the same time, that concept was undergoing more tortuous elaborations at the hands of some prominent Western Marxist intellectuals. In their brand of scholasticism, distinctions such as that between 'principal' or 'dominant' and 'fundamental' contradictions could be the subject of positively Jesuitical disputation.

Against that background, it was not surprising, for instance, that a distinguished Marxist historian, G.E.M. de Ste. Croix, in his magisterial study of class struggle in the ancient Greek world, felt obliged to explain and defend his conception of 'class struggle' by emphatically dissociating it from 'contradiction'. 'The very existence of classes', he wrote,

in the sense in which (following Marx, as I believe) I have defined that term, inevitably involves tension and conflict between the classes. Marxists often speak of 'contradictions' in this context. As far as I can see, although Marx himself could speak of 'contradictions' between (for example) the relations of production and the forces of production, between the social character of production and private appropriation of its products by a few,

and between private landownership and rational agriculture, it is not at all characteristic of him to describe a situation of what I am calling class struggle as a 'contradiction': this terminology is more often found in Engels and especially in Lenin and Mao Tse-tung. I realise that Mao in particular has made some important contributions to this subject; but I am not myself satisfied with any discussion I have seen in English of the concept of 'contradiction' in a Marxist context, and I feel reluctant to employ the term in a peculiar sense which has not yet established itself in the English language and become accepted into normal usage, as it doubtless has in French, for instance. I therefore prefer to speak of class 'struggles', 'conflicts', 'antagonisms', 'oppositions' or 'tensions', arising as (in a sense) the *result* of 'contradictions'.<sup>1</sup>

I have to admit to a certain sympathy with Ste. Croix's approach to contradiction. In fact, it is tempting to go even further. The use of the concept by Marxists (with some notable exceptions, of course) has tended to oscillate between the absurd and the trivial, between pretentious and empty theoretical verbiage and ritual cliché, vague enough to cover almost anything we Marxists happen not to like. That would be reason enough to be nervous about using it, not only in relation to class struggle but altogether, and I have more than once been accused of ignoring 'contradiction' or at least of avoiding the word when clearly alluding to something that other Marxists would call a contradiction. Still, I have used the word, probably far too often, and my usage has been as vacuous as anyone else's. So, when asked to provide this theoretical overview, I agreed with some hesitation.

And yet, there is something in Ste. Croix's observations that demands closer scrutiny, which may help to salvage the concept of contradiction by identifying a specific meaning with a real explanatory value, capable of shedding light on our contemporary realities. The concept, as a key to social explanation, may in fact have more meaning today than at any other time in history.

### MARX ON CONTRADICTION

Consider, first, Ste. Croix's three examples of Marx's own usage: the contradiction between relations and forces of production, between the social character of production and private appropriation, and between private landownership and rational agriculture.

The contradiction between relations and forces of production as a mechanism of major social transformations has been a staple of Marxist theory ever since Marx himself, in a shorthand passage in his 1859 preface to *The Critique of Political Economy*, sketched out a historical (or transhistorical) process in which the development of productive forces, coming up against the barrier of the prevailing production relations, breaks through their restrictive integument and transforms them to allow further development.

In that passage, the formula is presented as a general law of history. But Marx himself never pursued this line of argument in any of his own more systematic

historical investigations, in particular, his account of the transition to capitalism.<sup>2</sup> His life's work, in fact, argues against the kind of technological determinism implied by this simple formula. Marx's critique of political economy, and the analysis of capitalism that lies at its heart, are intended precisely to repudiate the generalization of specifically capitalist laws of motion and their attribution to history in general. Yet the 'contradiction' between forces and relations of production as Marx elaborated it represents precisely an internal dynamic specific to capitalism, and *not* a general law of history.

Only capitalism is driven by the need constantly to revolutionize the forces of production, while capitalism's own relations of production, although they impel the development of productive forces, at the same time constitute a barrier to the fulfilment of that constant need:

The *real barrier* of capitalist production is *capital itself*. It is that capital and its self-expansion appear as the starting and the closing point, the motive and the purpose of production; that production is only production for *capital* and not vice versa, the means of production are not mere means for a constant expansion of the living process of the *society* of producers.... The means — unconditional development of the productive forces of society — comes continually into conflict with the limited purpose — the self-expansion of the existing capital.<sup>3</sup>

That contradiction, to be sure, propels a historically unique process of self-sustaining development, but at the same time, it repeatedly creates obstacles and tensions within capitalist society. Ultimately, that irreducible contradiction lays a foundation for the transition to socialism. It is in this sense, and only in this sense, that Marx himself ever elaborated in any detail the contradiction between forces and relations of production.

Ste. Croix's second contradiction is just another aspect of the contradiction between capital's need to develop the productive forces and the obstacles its own self-expansion puts in the way of that development. Capitalism creates the conditions for the transformation of the labour-process into a social process. The imperatives of self-expansion and the development of productive forces to meet the requirements of competition and profit-maximization have transformed 'the conditions of production into general, common, social conditions'.<sup>4</sup> Capitalist production tends to be a collective, cooperative process with a highly refined and interdependent division of labour, creating the most socialized system of production the world has ever known.

Paradoxically, the *disunity* of capitalism, its fragmentation into competing capitals obliged to act independently of one another, itself acts as a socializing force: capitalist enterprises, in an integrated competitive market, are compelled to transform the labour process because they have to adapt to certain common social conditions, in particular the social average of labour productivity or the 'socially necessary labour time', that set the conditions of survival and profitability. Yet the independence and disunity of these competing capitals is itself in constant tension

with the socialization of production; and capitalism remains a system of private appropriation in which the needs of individual capitals for relentless self-expansion are constantly thwarted by other capitals, as well as by their own exploitation of labour (about which more in moment). So '[t]he contradiction between the general social power into which capital develops, on the one hand, and the private power of the individual capitalist over these social conditions of production, on the other, becomes ever more irreconcilable...'.<sup>5</sup> Again, the only final resolution of this contradiction would be socialism.

These examples have two essential things in common. The first is that they apply specifically to capitalism, identifying certain relations and processes that distinguish it from other social forms. The second is that these relations and processes are internal to the system and that both sides of the contradiction are equally essential to it. They represent a contradiction in the sense that the very forces that produce an irreducible systemic need at the same time constitute a barrier to the fulfilment of that need. The imperative to overcome that self-imposed barrier drives capital relentlessly forward, only to throw up another obstacle in its place. Capital is driven to break down all barriers to its own self-expansion, to the development of productive forces and to the universalization of the capitalist system, its extension across all geographic boundaries and its penetration into every human practice and the natural environment. Yet the same imperatives that drive it forward constantly recreate the barriers that stand in their way. These contradictions 'are constantly suspended in the system of production resting on capital, but also constantly created again'.<sup>6</sup> Contradiction, in this sense, is capitalism's basic operating principle, in a way that is true of no other social form. It is the source, at one and the same time, of both the capitalist system's unique dynamism and its constant self-subversion.

Ste. Croix's third contradiction, between private landownership and 'rational' agriculture, is more complicated. This one seems to apply not only to capitalism but to any system of production based on private landed property, 'the general contradiction between private land-ownership and a rational agriculture, the normal social utilisation of the soil'.<sup>7</sup> The passage appears in Marx's discussion of the genesis of capitalist ground rent, where he identifies the various ways in which different forms of private landed property erect barriers to 'rational' cultivation.

On the one hand, according to Marx, small landed property, specifically peasant property in which 'not social, but isolated labour predominates', 'excludes the development of social productive forces of labour, social forms of labour', and thereby rules out 'wealth and development of reproduction, both of its material and spiritual prerequisites'.<sup>8</sup> On the other hand, large — and specifically capitalist — landed property thwarts development in a completely different way:

...large landed property reduces the agricultural population to a constantly falling minimum, and confronts it with a constantly growing industrial population crowded together in large cities. It thereby creates conditions which cause an irreparable break in the coherence of social interchange

prescribed by the natural laws of life. As a result, the vitality of the soil is squandered, and this prodigality is carried by commerce far beyond the borders of a particular state....<sup>9</sup>

So, concludes, Marx,

While small landed property creates a class of barbarians standing halfway outside of society, a class combining all the crudeness of primitive forms of society with the anguish and misery of civilised countries, large landed property undermines labour-power in the last region, where its prime energy seeks refuge and stores up its strength as a reserve fund for the regeneration of the vital force of nations — on the land itself. Large-scale industry and large-scale mechanised agriculture work together. If originally distinguished by the fact that the former lays waste and destroys principally labour-power, hence the natural force of human beings, whereas the latter more directly exhausts the natural vitality of the soil, they join hands in the further course of development in that the industrial system in the countryside also enervates the labourers, and industry and commerce on their part supply agriculture with the means for exhausting the soil.<sup>10</sup>

At first glance, then, in the ‘contradiction’ between private property and rational agriculture, we seem to have a contradiction different from the others, which applies to other historical forms and not just to capitalism, even if it works in various ways. Yet on closer inspection, it appears that the ‘contradiction’ of small or non-capitalist landed property may not be a contradiction at all, at least not in any sense specific enough to give the concept real explanatory weight. Peasant property, argues Marx, thwarts ‘rational’ agriculture and human development only in the simple sense that it provides no adequate foundation for the development of productive forces. There is no *contradiction* here. There is a simple linear relation between cause and effect: insufficiency breeds insufficiency.

The case of large, or more precisely, capitalist landed property is very different. Here, according to Marx, the conditions are present for a more than adequate development of social productive forces, sufficient to provide the ‘material and spiritual prerequisites’ not only of rational agriculture but of human emancipation in general. Yet those very same conditions, the imperatives of capital accumulation that drive the advance of productive forces, at the same time destroy the foundations of rational production and human development, indeed the ecological conditions of life itself.

Marx’s argument here is vitiated by his tendency to conflate the size of landholdings with the social property relations that constitute particular forms of landholding irrespective of size (not to mention his prejudices about ‘rural idiocy’ and peasants as ‘undifferentiated potatoes’). There is, of course, no reason to accept, and much reason to reject, the notion that smallholding, just by virtue of its size, can never be productive, or that ‘rational’ agriculture requires some kind of (albeit non-capitalist) large-scale enterprise. But let us not be deflected from his principal point: that the way in which capitalism militates against ‘rational’

agriculture is very different from the limits imposed on it by insufficient resources or inadequate productive capacities. Capitalist agriculture is 'contradictory' not because of its scale but because of the logic of its property relations, which create a dynamic inimical to 'rational' agriculture despite, or precisely because of, the specific imperatives that enable, indeed compel, it to develop the productive forces.

In this case, then, we do have something more like, and inextricably bound up with, the other contradictions, those internal and self-generated barriers that constitute a systemic contradiction, which both propels development and at the same time undermines it; and here too this contradiction is specific to capitalism. In capitalism, argues Marx in the *Grundrisse*, 'For the first time, nature becomes purely an object for humankind, purely a matter of utility.'<sup>11</sup> Capital is destructive toward nature as to all other obstacles that stand in its way, 'tearing down all barriers which hem in the development of the forces of production, the expansion of needs, the all-sided development of production, and the exploitation and exchange of natural and mental forces'. Capital, in the process of its self-expansion, devours its own human and natural substance.

#### IS CLASS A CONTRADICTION?

If we now revisit Ste. Croix's objection to the usage that applies the term 'contradiction' to class relations, we may begin to see it in a different light. We may be inclined to ask whether there is here too a difference between capitalism and every other system, and whether capitalist class relations uniquely represent a 'contradiction'.

Let me state the case baldly: although I have myself in careless moments described class relations as a 'fundamental contradiction' in any class society, I would, on reflection, insist that class is not, in itself, a 'contradiction' in any but the most vague and general sense, which could just as easily, and for the most part with greater precision, be denoted by 'opposition', 'antagonism', 'conflict' and 'struggle'.

These terms need not be understood as synonymous and may be taken to refer to different aspects of the class relation. Two classes, which stand in opposition to each other as exploiters and exploited, may have antagonistic interests — such that what benefits the one is to the detriment of the other — without any open conflict between them, at least for a time, and without active struggle. Class oppositions and antagonisms, with or without conflict and struggle, manifest themselves in any form of class society, and certainly class struggle can lead to major social transformations. But none of these relations, or even all of them together, necessarily entail a contradiction.

All precapitalist class societies, as varied as they were, had in common the appropriation of surplus labour by 'extra-economic' means, the use of direct coercive force to extract surplus labour from direct producers. This was true in a wide range of different forms: the master-slave relation, the relation between landlord and peasant (in all its varied forms), or the relation between appropriating states

and subject producers. As complex as all these relations are, and as fraught with oppression, suffering, conflict, and struggle, their logic is fairly straightforward: the exploited producer produces, and the exploiting appropriator takes part of the product, whether in kind, labour services, or monetary rent. There is a direct, as it were linear, relation between appropriator and producer, and the relation is fairly transparent — requiring quite elaborate ideological mystifications to disguise. The gain of one class is indeed the other's loss, but that kind of relation is, so to speak, more complementary than contradictory. There is nothing in this world so simple and straightforward as a zero-sum game.

To be sure, these precapitalist forms of exploitation are generally not conducive to the development of productive forces. The lord may even squeeze his peasants to the limit of their physical capacity, and if he goes too far, he will, of course, undermine his own source of wealth and self-reproduction (unless there are, as there have so often been, land-hungry peasants waiting in the wings). But there is nothing inherent in that class relation that requires the lord constantly to go to a self-undermining extreme. Needless to say, these systems can come to an end when resistance by the producers to exploitation by the appropriators forces a change in their relations. But it is hard to see what the concept of contradiction adds to our understanding of such processes that is not adequately covered by other nouns denoting the oppositional relations between the two classes.

Consider now the class relation between capital and labour. Here is what Marx himself says about it:

To each capitalist, the total mass of all workers, with the exception of his own workers, appear not as workers, but as consumers, possessors of exchange values (wages), money, which they exchange for his commodity.... The greater their number — the number of the industrial population — and the mass of money at their disposal, the greater the sphere of exchange for capital.... Every capitalist knows this about his worker, that he does not relate to him as producer to consumer, and [he therefore] wishes to restrict his consumption, i.e. his ability to exchange, his wage, as much as possible. Of course he would like the workers of *other* capitalists to be the greatest consumers possible of *his own* commodity. But the relation of *every* capitalist to *his own* workers is the *relation as such of capital and labour*, the essential relation.... Capital itself then regards *demand by the worker* — i.e. the payment of the wages on which this demand rests — not as a gain but as a loss.... *Here again it is the competition among capitals*, their indifference to and independence of one another, which brings it about that the individual capital relates to the workers of the entire remaining capital *not as to workers*: hence is driven beyond the right proportion.<sup>12</sup> [Original emphasis.]

So here we do have a situation not adequately covered by words that are meant to describe the social relations between exploiting and exploited classes, words like 'opposition', 'antagonism', 'conflict', or 'struggle'. Here, we can indeed apply the concept of 'contradiction' with some degree of specificity, in a way that fits no other system of class relations. In capitalism, as in any other form

of class society, there are antagonisms, conflicts, and struggles between the two opposing classes, which have to do with exploitation by one class and resistance by the other. But there is something else too: a self-negating process in the interaction between classes, which is governed by mutually subverting but equally essential principles.

Consider, first, the situation described by Marx in the passage just quoted. The capitalist relates to his own workers — in the ‘essential relation’ between capital and labour — as exploiter to exploited: the more surplus he can extract from them, the better for him. In that respect, this class relation is much like any other. At the same time, in order to realize the benefit of the workers’ labour, the capitalist has to be able to sell the products of that labour, and workers constitute a large part of the market. Yet every other capitalist relates to his own workers in the same way, not as consumers but as producers, and the producers’ gain — which constitutes their power as consumers — is the capitalist’s loss. So capital is driven at one and the same time by two contradictory needs, and the relation among independent and competing capitals inevitably creates a tendency to overshoot in production what can be realized in consumption. It should probably be added here that these contradictions may apply even where appropriator and direct producer are the same person, subjected to ‘self-exploitation’ by generalized conditions of capitalist competition.

But there is, of course, a more fundamental contradiction here. In every relation of class exploitation, there is a distinction between necessary and surplus labour: the direct producers must, in one way or another, labour for their own subsistence, and transfer surplus to the exploiter. In capitalism, the relation between necessary and surplus labour is more complicated. Capital can realize itself only by pushing the worker beyond necessary labour, the labour needed to reproduce the direct producer. At the same time, capitalism is a system in which direct producers have no access to the means of labour at all except by selling their labour-power to capital, and their labour must be set in motion by capital. But capital has no interest in necessary labour, unless it produces surplus labour and can be realized in the market as surplus value. In contrast to other systems, where the direct producers must, in effect, produce for their own necessary consumption before their surplus is appropriated by an exploiting class, in capitalism no labour is performed at all unless the capitalist anticipates the production of a surplus that he can realize in the market.

The problem is that, in the conditions of capitalist competition, no capitalist can know in advance whether realization will succeed. He cannot determine the price at which his commodity will sell, nor can he be sure what conditions of production are required for realization. To put it another way, using a distinction that figures centrally in Marx’s account of capitalist contradictions, the market is indifferent to the amount of actual or ‘concrete’ labour that goes into any given commodity, and the possibility of profitable sale is, instead, determined by a certain quantity of ‘abstract’ labour, a social average of productivity or ‘socially necessary labour time’, which is not within any individual capitalist’s

control. This uncertainty compels capitalists to pursue ‘maximizing’ strategies, which will achieve an optimal price/cost ratio and increase surplus value by increasing labour productivity. So capital both requires and restricts labour and the creation of value:

By its nature, therefore, it posits a barrier to labour and value-creation, in contradiction to its tendency to expand them boundlessly. And in as much as it both posits a barrier specific to itself, and on the other side equally drives over and beyond every barrier, it is the living contradiction.<sup>13</sup>

### THE CONTRADICTIONS OF MARKET DEPENDENCE

The class relation between capital and labour, then, is a contradiction in the same sense and for the same reasons as the other contradictions that constitute capitalism. But more needs to be said about what those reasons are and about the underlying common source of all these contradictions. We can, again, begin with Marx, and the comment that introduces his remarks on the contradictory relation between capitalists and workers:

But in production based on capital, consumption is mediated at all points by exchange, and labour never has a direct use value for those who are working. Its entire basis is labour as exchange value and as the creation of exchange value.<sup>14</sup>

The capitalist class relation is mediated by exchange, and that is what makes it a ‘contradiction’ in a distinctive way. This mediation is, among other things, what makes class relations in capitalism less transparent than the direct opposition of precapitalist exploitation. While the exploitative relation between lord and peasant may require elaborate ideological constructs to disguise it, the relation between capital and labour presents a contrary challenge: capital certainly needs ideological mystifications and supports, but it may be harder to *reveal* than to conceal the exploitative nature of the capitalist relation, or to conceptualize and capture it in theory.

At any rate, the mediation that makes this class relation contradictory applies to every capitalist relation and process, in production, appropriation, and distribution. There are no use values in capitalism that are not first and above all exchange values, and there is no relation or process that is not determined by that fact. This is the bottom line: that the whole capitalist system of social reproduction is mediated by the market, and this mediation is what makes contradiction the operating principle of capitalism as it is in no other social form.

The contradiction between use value and exchange value in a system where social reproduction is ‘mediated at all points by exchange’, with all the dynamic contradictions that proceed from this most basic one, is hardly news to anyone persuaded by the Marxist analysis of capitalism. But the implications of this proposition are not consistently pursued. To say, for instance, as Marxists typically do, that the market is merely ‘the sphere of circulation’, a surface

appearance beneath which lie more fundamental social property relations, is to miss the point that, in capitalism as in no other system, the market is something more than that. The fundamental property relations of capitalism are themselves mediated, indeed defined, by the compulsions of the market. The specifically capitalist contradictions of class are what they are because — indeed, they are *contradictions* only because — they are rooted in the contradictions of market dependence and the imperatives that follow from it. Market dependence is not something that just happens in the sphere of circulation. It has to do with the conditions of access to the means of survival and self-reproduction. Market dependence in capitalism constitutes a *fundamental* contradiction because, as in no other social form, it is a fundamental condition of survival and social reproduction, on which it imposes its imperatives of competition and profit-maximization.

What, then, follows from perceiving the capitalist market as a social property relation? The point I am making here could, I suppose, be put provocatively by saying that class is not the ‘fundamental contradiction’ of capitalism. It would be possible to say that this distinction belongs to the contradictions of market dependence, of which class contradictions are only one manifestation. Yet this observation by itself would tell us nothing about the ways the class relation between capital and labour affects and intensifies the contradictions of market dependence, nor would it tell us anything about the importance of class struggle in the operations of capitalism, and even less about its role in the transition to socialism (though it might tell us a great deal about the *possibilities* of class struggle, and the terrain on which it can be fruitfully pursued). It would simply mean, again, that capitalist class relations are what they are because both classes are market-dependent — dependent on the market for the most basic conditions of their self-reproduction — in a way that is true of no other class relations.

This means not only that every transaction between capital and labour is ‘mediated at every point by exchange’ but also that the relation of each to the means of production and appropriation is mediated by the market from the start. The moment access to the means of production and appropriation becomes market-dependent — and even before market dependence takes the form of the general commodification of labour power — the ‘fundamental contradiction’ of capitalism is already at work, and the market’s imperatives of competition and profit-maximization come into play.

It is certainly true, as a historical proposition, that once these imperatives were set in motion, the complete commodification of labour power and the mature class relation between capital and labour were inevitable consequences of market dependence. It is also certainly true that the contradictions of market dependence were transformed and intensified (even if they were not, in the first instance, caused) by that class relation. But it is equally important to acknowledge that even in a fully developed capitalism, with all its contradictory relations between capital and labour, there are still irreducible contradictions among competing capitals, which remain intractable irrespective of the class regime and however much the working class restrains its struggles in the interests of ‘compet-

itiveness'. That is why, for instance, it is an illusion to believe that working-class restraint, or social-democratic policies of 'progressive competitiveness', whatever else they may achieve, will eliminate the instabilities of capitalism or its tendency to crisis and more prolonged downturns.<sup>15</sup>

Let us then look more closely at exactly what it means to talk about market-dependent access to the means of production and appropriation. Here again the point can be made by contrast with non-capitalist societies, especially those where producers and appropriators have direct, unmediated access to the means of production and/or appropriation. In precapitalist societies direct producers (above all, peasants) have typically been in direct possession of the means of production, in particular land. Producers deprived of non-market access to the means of subsistence, and especially those who are obliged to enter the market not only to obtain the most basic means of subsistence but even access to the means of production, have been a historical rarity. Where producers have direct, non-market access to the means of production, exploiting appropriators — whether landlords or states — must possess the means of direct coercion, in the form of military, political, and legal power, which allow them to extract surplus labour from producers, in the form of labour services, rent, tribute, or tax. These 'extra-economic' powers of appropriation are not mediated by the market.

It should be emphasized, too, that the existence of markets and even a highly developed system of trade does not by itself entail market-dependent appropriation, nor does wealth derived from commercial activity necessarily imply market-dependent access to the means of appropriation.<sup>16</sup> For instance, urban patriciates or merchant elites in commercial centres in medieval and early modern Europe often extracted great wealth from commercial activities, but they relied in large part on the privileges and powers associated with their status in the city. The success of these commercial centres was dependent less on competitive production than on 'extra-economic' factors such as military superiority, command of trade routes, monopoly privileges, superior shipping, together with sophisticated commercial methods and instruments, elaborate trading networks, and far-flung trading posts. Ruling elites in these centres depended on their civic status not only for privileged access to such commercial advantages but typically also, as officeholders, for exploitation of domestic producers by means of direct extra-economic surplus extraction in the form of dues and taxes of one kind or another. It is not for nothing that these commercial cities have been described as collective lordships. Great wealth, in other words, still depended here on what has been called 'politically constituted property'; and this form of appropriation shaped the particular and self-limiting course of economic development in these non-capitalist commercial centres.

In early modern England, by contrast, there emerged a dominant appropriating class — a landlord class — which, generally lacking extra-economic powers of appropriation, increasingly depended on purely *economic* relations with tenants, and on their tenants' success in competitive production, instead of on surplus extraction by direct extra-economic coercion. The tenant paying economic rents, in a

system of competitive leases, was effectively dependent on the market for access to land, and that access presupposed the producer's success in competitive production. By the same token, the landlord's access to wealth and the means of self-reproduction was mediated by the market and depended on the producer's competitive success, rather than on politically constituted property, on extra-economic privilege or direct political, legal, or military coercion. The landlord's rents entailed the tenant's profit, derived from competitive, cost-effective production.

These social property relations set in motion a historically unique process of self-sustaining economic development, but it also brought the system's contradictions to the fore. The end result of the market imperatives entailed by these property relations — in which competitive failure meant complete loss of access to the means of production and self-reproduction — was the complete commodification of labour power, the mature relation between capital and labour, and a system of appropriation 'mediated at every point by exchange'.

From its inception, the system of market-dependent appropriation had another significant consequence. In precapitalist societies, extra-economic powers of appropriation entailed the performance of certain public functions — judicial, political, or military. In capitalism, private appropriation is completely detached from the performance of such public functions. Capitalism certainly needs enforcement by the state to maintain the system of social property relations, but, just as the capitalist can exploit workers without directly wielding extra-economic power himself, his exploitative power does not entail public responsibilities. To be sure, a system of private appropriation by public means entails problems of its own, which could even be called 'contradictions', contradictions that the complete privatization of appropriation in capitalism appears to have resolved.<sup>17</sup> But the capitalist dissociation of private appropriation from any public responsibility represents a contradiction in an even deeper sense.

There is certainly no system of appropriation more private than the capitalist one. Yet there is no system that implicates the whole of society in the way that private appropriation in capitalism does. The mediations of the market make the realization of capitalist profit a uniquely social business. At the same time, while public institutions exist uniquely apart from private appropriation, they must all be mobilized to sustain this system of private property which carries no public responsibilities. Since use values in capitalism must first be exchange values, and since the condition of necessary labour is surplus labour, or the creation and realization of surplus value, even the most basic needs of society, insofar as their provision is organized under the auspices of capital, cannot be met without satisfying the conditions of capitalist profit and the self-expansion of capital. This means that social reproduction in general is here always subject to the requirements of private appropriation. Yet at the same time, the process of private appropriation is at every point subject to social processes — not, of course, to the needs of society at large but to the social conditions that determine the imperatives of competition and the possibilities of realization. It is difficult to think of a system more riddled with contradictions than this.

## CAPITALIST CONTRADICTIONS TODAY

I: *Ecological Degradation*

There is bound to be a temptation to dismiss ‘contradiction’ as a theoretical abstraction with no tangible manifestations ‘on the ground’. But even a brief overview of capitalism as it is today will illustrate its very concrete meaning. Take just two of the most salient characteristics of our current capitalist moment: ecological degradation and globalization.

In his remarks on the incompatibility between capitalist property and rational agriculture, Marx already identified the contradiction that inevitably leads capitalism to ecological destruction. It is surely self-evident that the relentless drive for unlimited accumulation is inimical to sustainable development. Human practices have always impinged on the environment, and even the most basic exploitation of the soil has often had some damaging effects. But, even setting aside the unprecedented technological capabilities of industrial capitalism to destroy no less than to produce (capabilities that, for better or worse, have themselves been a product of capitalist imperatives), no other system has been required constantly to drive production beyond the limits of human consumption.

Aristotle long ago pointed out the difference between production for use and production for exchange. Above all, he stressed the absence of *limits* in production which has profit as its object. There is, in principle, no end to it. But in no other system before capitalism was this limitless production a presupposition of necessary labour, a necessary condition of basic survival and social reproduction. More particularly, no system has ever so completely detached the requirements of profit from the benefits of use. Of course, realization requires consumption. But use value in capitalism is never a guarantee of exchange value, while production for exchange value can produce both inadequate provision of the most basic use values (for instance, affordable housing) and wasteful excess at the same time (such as new and obsolescent models of cars or mobile phones every year) — to say nothing of all the other ways in which considerations of quality, or even safety, are subordinated to the requirements of profit.

Even while capitalism has brought with it unprecedented productive capacities which have for the first time in history made possible a fairly consistent freedom from scarcity and have provided the material means of looking beyond tomorrow, the system is nonetheless driven by short-term imperatives that override the possibility of planning in advance. The short-term needs of profit consistently subvert the long-term strategies required to ensure ecological sustainability — the kind of planning, for instance, required for safe and energy-efficient public transportation. Yet the needs of profit at the same time come in conflict with themselves, as capital consumes its own substance; and the more it erects barriers to its own realization, the more it destroys its own human and natural foundations.

In earlier systems, preservation of the means of production, and conservation of their material foundations, were basic survival strategies and conditions of social reproduction, especially for direct producers. Needless to say, strategies of preser-

vation were often impossible, and they surely often failed. But those failures were indeed failures — as, indeed, was ecological destruction in the old Communist regimes. And, to be sure, precapitalist modes of predatory exploitation often had destructive effects. But only in capitalism are constant waste and destruction requirements of systemic reproduction and emblems of success.

It should be emphasized here that capitalism poses a unique ecological threat not simply because it has created technologies with an unprecedented capacity to strain the earth's resources. No doubt the same technological advances that have made capitalism uniquely capable of waste and destruction are also capable of *conserving* resources by means of enhanced productivity and more efficient use. Nor is it impossible for capital itself to benefit from using energy-efficient technologies and even from producing and marketing them. The point is rather that the relentless imperatives of capitalist self-expansion are dissociated from the production and consumption of use values. This means that the logic of capitalism, just as it inevitably drives production beyond the limits of use, also requires destruction long before the possibilities of use are exhausted. Whatever capitalism may do to enable the efficient use of resources, its own imperatives will always drive it further. Without constantly breaching the limits of conservation, without constantly moving forward the boundaries of waste and destruction, there can be no capital accumulation.

## II: *Globalization*

Our historical moment is marked by the *universality* of such contradictions, with the universal and complete subordination of use value to exchange value in the commodification of all human life and the natural environment. The contradictory imperatives of market dependence have penetrated to the depths of social life in advanced capitalist societies, into every human practice and social relation. At the same time, these imperatives have expanded spatially, around the globe, as the drive for accumulation seeks to break down (as Marx said it would) every spatial barrier as well as every natural, material, and human one, every obstacle presented to capitalist self-expansion by the physical and social limitations of human labour and the natural environment. It is in this sense — as the universalization of market dependence — that we should understand the process of 'globalization'.

To say this is not to deny that globalization, whatever else it may be, is a specific set of conscious policies undertaken by advanced capitalist powers, and by one in particular, to impose their will on the world. But this new imperialism is different from the old, and it is different largely because it operates in a different context. That context is defined above all by the universalization of capitalism and its contradictory imperatives, which, on the one hand, gives capital new capabilities and, on the other, new weaknesses and vulnerabilities.

One way of defining the difference is to say that the new imperialism, especially in the form of globalization, is not a simple matter of military conquest or direct political domination but a new form of hegemony by economic means.<sup>18</sup> In this respect, we can draw an analogy between globalization and class domina-

tion in capitalist society. Unlike class domination in precapitalist societies, which depended on direct ‘extra-economic’ coercion, capital dominates labour by ‘economic’ means, by means of the economic imperatives that come with market dependence. Workers must forfeit their surplus labour in advance (indeed their necessary labour too, in exchange for a wage) just to gain access to the means of labour itself.

This is, among other things, what it means to talk about the specific separation of the ‘economic’ and the ‘political’ in capitalism. That separation, as well as the detachment of private appropriation from public responsibility, gives capital a unique capacity to dominate without exercising direct extra-economic power. Needless to say, capitalism’s economic imperatives still have to be sustained by state coercion, but capitalists themselves have no need for direct political rule or a monopoly on political rights. Where workers have lost complete non-market access to the means of their self-reproduction, and even to the means of their own labour, capitalist classes have been able to exercise power over them even where political rights have become universal.

Much the same can be said about capitalist imperialism. The separation of the ‘economic’ and the ‘political’, the detachment of economic power from political coercion, and private appropriation from public responsibility, gives capital a unique capacity not only to dominate without direct coercive power but also to extend its spatial reach. Market imperatives can far exceed the scope of direct political or military rule. The major capitalist powers can exercise their imperial hegemony by subjecting subordinate peoples to market imperatives, even while permitting them — in fact, often compelling them — to develop as more or less sovereign states. It is, in fact, only under capitalism that the nation state has become the universal political form. Capitalist imperialism is uniquely capable of extending its hegemony over those states without direct coercive extra-economic power, by imposing and manipulating market imperatives; and globalization (with the help, for example, of ‘structural adjustment’) represents the universalization of this distinctively capitalist form of imperial rule.

But here we come again to contradictions. We have seen how the mediations in the relation between capital and labour introduce a historically specific element of contradiction into age-old class oppositions, antagonisms, conflicts, and struggles. The same is true of capitalist imperialism in general, and globalization in particular. This form of mediated imperial domination carries with it all the contradictions of market dependence, for exploiters no less than exploited. It introduces into the relations between them all the familiar instabilities of capitalism, and all the constant self-subversion of capitalist accumulation, not least the crises of overcapacity that come with capitalist competition, now infinitely expanded and intensified as they are raised onto a global plane.

The increasing polarization between rich and poor which is by now a familiar mark of globalization — a tendency that far outstrips whatever capacity the rising capitalist tide may have to lift all boats — is no longer a simple matter of the rich robbing the poor. That effect is now produced by subjecting subordinate

economies to market imperatives, while the dominant powers manipulate those forces to their own advantage. This kind of exploitation can be achieved without surplus appropriation by direct, coercive means. All that is needed is to make the subordinate economy dependent on the market and subject to its 'laws' — in much the same way that direct producers in the early days of capitalist development, expropriated by market imperatives, were subjected to exploitation by purely 'economic' means.

In some cases, this kind of imperial exploitation can have the effect of pushing subordinate economies to the very margins of poverty — as, for instance, when the agencies of capital have compelled developing economies to replace subsistence farming with cash-crop production for the export market, or forced them to specialize in one or another form of resource extraction. Inevitably, as the global market for their commodities declines, and as rich capitalist economies subsidize their own agricultural producers, such economies are completely marginalized in the world economy, while having lost the means to sustain themselves at home. In other cases, where developing economies have been more or less successfully integrated into the global economy, the condition of relative success has typically been the exploitation — both by foreign and domestic capital — of low-cost production in the interests of 'competitiveness'. To put it simply, capital profits from uneven development, the differentiation of social conditions among national economies, the preservation of low-cost labour regimes, and hence the reproduction of relative poverty.

Yet, as in every process mediated by the capitalist market, this is also a deeply contradictory process not wholly different in its logic from the capitalist class relations described by Marx, in which capital's exploitation of producers undermines its own need for realization in consumption. One difference is that here, on the global plane, it is much harder to operate the corrective measures that have evolved in advanced capitalist societies to compensate, to some degree, for the tendency of capitalism to undermine its own human and material foundations, the economic policies designed to stabilize the contradictions of the market and social policies intended to pick up the pieces when, inevitably, that balancing act fails.

At the same time, when subordinate economies do succeed in generating capitalist 'growth', they simply deepen the contradictions of overcapacity; while a universal equality of capitalist development, if it were even remotely conceivable in the contradictory conditions of uneven development, would spell ecological doom. Capitalism produces this ultimate contradiction not because the earth cannot in principle sustain an equitable distribution of material comfort and even prosperity but because the logic of the system has nothing to do with the distribution of use values and everything to do with the wastefully unlimited and destructive imperatives of capital accumulation.

There is one contradiction specific to the globalization of market dependence, which does not manifest itself in the same way in local class relations. The economic imperatives of capitalism do indeed permit the reach of capital to extend far beyond the scope of direct political and military domination. Yet at

the same time, capital can never dispense with the enforcement of market imperatives, and the system of property relations in which they are rooted, by legal and political means. If anything, capitalism more than any other system needs a stable and predictable political and legal order. That kind of order is, for all practical purposes, impossible on a global scale, and capital has hitherto found no better instrument of social order than the nation state, nor is it likely to find one in the foreseeable future. If US military power is the closest thing the world has ever seen to a global power of coercion, it is completely unsuited to provide the daily regulation and stability required by capital accumulation. That is why, in an era that is supposed to be marked by the decline of the nation state, the eclipse of the state by 'global' capital and its transnational agencies, the nation state is more than ever before the world's universal political form and the indispensable medium of global capital.

The result is, yet again, a contradiction. The very detachment of economic domination from political rule that makes it possible for capital to extend its reach beyond the capacity of any other imperial power in history is also the source of a fundamental weakness. On the one hand, global capital relies not only on the state in its own domestic base, particularly in the US, but also on local states elsewhere to enforce its imperatives. It has not only promoted the nation state as the universal political form but has sought to reconstruct all states to serve the interests of foreign capital as well as domestic. On the other hand, in so doing, it has opened up new spaces for resistance. As long as relations of exploitation remain relatively localized, political powers of coercion can more or less keep up with economic domination. But the economic reach of capital is increasingly extending beyond its extra-economic grasp, and the distance between them is growing — with everything this implies for oppositional struggles. In that sense, the separation of the 'economic' and the 'political', which is one of capital's great strengths, may also prove to be a growing weakness.

This is one of the deepest contradictions in today's global capitalism: that the nation state is more than ever the point of concentration of capitalist power, the indispensable medium without which capital cannot navigate, let alone dominate, the global economy. National states implement and enforce the global economy, and they remain the most effective means of intervening in it. This means that the state is also the point at which global capital is most vulnerable, both as a target of opposition in the dominant economies and as a lever of resistance elsewhere. It also means that now more than ever, much depends on the particular class forces embodied in the state, and that now more than ever, there is scope, as well as need, for class struggle.

That, then, is the lesson to be drawn from the contradictions of capitalism: while they give it an unprecedented strength and dynamism, they are also the source of vulnerabilities. The system's strengths are at the same time its weaknesses, creating the terrain on which opposition and class struggle can take place.

## NOTES

I would like to thank David McNally for his comments and suggestions.

- 1 G.E.M. de Ste. Croix, *The Class Struggle in the Ancient Greek World*, Ithaca: Cornell University Press, 1981, pp. 49-50.
- 2 This point is developed at greater length in my *Democracy Against Capitalism: Renewing Historical Materialism*, Cambridge: Cambridge University Press, 1995, chap. 4.
- 3 Karl Marx, *Capital III*, Moscow: Progress Books, 1974, p. 250. Emphasis in this quotation, as in all others in Marx, is in the original.
- 4 *Ibid.*, p. 264.
- 5 *Ibid.*
- 6 Marx, *Grundrisse*, Harmondsworth: Penguin, 1973, p. 406.
- 7 *Capital III*, p. 812.
- 8 *Ibid.* p. 813.
- 9 *Ibid.*
- 10 *Ibid.*
- 11 *Grundrisse*, p. 410.
- 12 *Ibid.*, pp. 419-20.
- 13 *Ibid.*, p. 421.
- 14 *Ibid.*, p. 419.
- 15 For this reason, I was very puzzled by Sam Gindin's account of my argument, as well as his critique of Robert Brenner, in last year's *Register*, and even more puzzled when we engaged in an email debate after I had seen the article just before it went to press. I was mystified, among other things, by a question Sam asked me, about whether I had ever before the debate on Brenner's economic analysis treated competition as a 'fundamental contradiction', suggesting that this was a dangerous new departure in my work (I wonder, by the way, whether he would react in the same way to Marx's observation in the *Grundrisse* that '*competition is nothing other than the inner nature of capital, its essential character*' [p. 414]). In fact, it was this exchange that obliged me to consider more carefully the failure of Marxists to think through the implications of the contradictions rooted in market dependence. Although this is not the place to reproduce our lengthy exchange, I will say, regretfully, that it made no difference to the final product and that, in the published version, Sam still attributes to me positions I decidedly do not hold — such as, for instance, that 'the nature of capitalism in its earliest stage remains the same *after* a full-fledged working class has entered history'. (346) Or that competition is 'pre-eminent' over class (n. 11). Or that workers can happily engage in militant adventurism without fear of consequences (though he does concede that this seems 'uncharacteristic' of me). And so on. In one of my letters to Sam, I spelled out my argument about the contradictions of market dependence, more or less as it is laid out here. My

purpose, in the specific context of that discussion, was simply to emphasize that ‘there’s a difference between saying, as you seem to think I am, that only competition, and not class struggle, has anything to do with economic trends, and saying that there is a fundamental source of crisis in the relations of competition that’s there whatever the specific configuration of class power, and in a wide variety of class regimes’.

I wanted to emphasize that, while class struggle can certainly affect profitability, and while capital certainly seeks to counteract that effect by squeezing labour harder, there is a fundamental contradiction in the relation among capitals (which, according to Brenner, lay at the heart of the long downturn after the postwar boom) that is not caused by class struggle and cannot be corrected by the absence of class struggle — and that this has political consequences. What puzzled me about Sam’s response more than anything else is that the politics that seems to me to follow inevitably from a failure to recognize this fundamental contradiction is the politics that Sam himself has most powerfully repudiated.

- 16 This argument is based on my ‘The Question of Market Dependence’, forthcoming in the *Journal of Agrarian Change*.
- 17 I owe this suggestion about the contradictions of precapitalist societies to George Comninel.
- 18 Some of the arguments that follow here are developed at greater length in my ‘Global Capital, National States’, in eds. Mark Rupert and Hazel Smith, *Now More than Ever: Historical Materialism and Globalization* (London: Routledge, forthcoming).