Book Review of Capital : A Critical Analysis of Capitalist Production, Volume 1

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Abstract

The present book review is of the book - *Capital, Volume 1* written by Karl Marx. The book offers a critical analysis of capitalist production. From the process of its creation till its possibilities of downfall, everything is discussed at great length. It describes the laws governing the capitalist process of production and the different tendencies that distinguish it from other modes of production. The book has proven to be a milestone in understanding the basic structure of capitalism and problems of the working class under it.

Keywords: **capitalist production, surplus value, primitive accumulation, labor power**

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Book:	***Capital: A Critical Analysis of Capitalist Production, Volume 1***
Author:	**Karl Marx, Translated by Samuel Moore and Edward Aveling, Edited by Frederick Engels**
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The publication of the first volume of *Capital* in 1867 unfolded a new chapter in the history of economic thought and revolutionized the theory of development of capitalist structure. The book envisages the insufficiencies of classical political economy and explains the laws governing the motion of a capitalist mode of production by pointing out the contradictions inherent in the system hidden behind the veil of economic harmonies. By the middle of the eighteenth-century, industrial revolution brought about many fundamental changes in the capitalist structure. The conflict of interests between landlords and capitalists remained no longer relevant, and the struggle between workers and capitalists gained shape. This was the time when Karl Marx came up with his book, which became fundamental in analyzing the struggle of the working class. The inevitable tendencies of capitalist production clearly bought to the scene by Marx led many thinkers to foretell the downfall of the system.

Part One : Primitive Accumulation

The process of "primitive accumulation," which Marx discusses extensively in the last chapter of the book, was

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the necessary precursor of capitalist accumulation. It led to the division of society into two classes - on the one hand, a class of "free" labourers forming the basis of capitalist mode, who were separated from all kinds of means of production in which they could realize their labour power and on the other hand, a class of owners of means of production and capital who were able to command labour power of many. While Adam Smith believed that the whole process happened in a peaceful manner, Marx's analysis pointed to the opposite. According to Marx, the process asserted itself through colonization, slave trade, and forcible expropriation of land that helped in creating landless gentry left with the only option of selling its labour power for livelihood.

Primitive accumulation thus explains the evolution of the initial M in the circuit M-C-M' where money becomes capital as it is not consumed or spent in buying use value, but is merely advanced to get it back in a greater magnitude by moving through the circuit. A capitalist in this sense is a social miser who does not accumulate wealth by withdrawing money from the chain of circulation, but instead, puts money in the circulation process and derives a surplus over it.

Part Two : Creation of Absolute and Relative Surplus Value

In order to explain the creation of surplus value in the circumstances where law of value operates, that is, every commodity is exchanged at its value and only equivalents are exchanged in the market, Marx introduces the characteristic feature of capitalist economy- commodification of labour power. Unlike physiocrats, who attributed the generation of surplus value to excess product of land, for Marx, surplus product of labour was central for its creation. Marx treats labour power like any other commodity whose value is determined by the "socially necessary" labour time required for its production (ch-2, pp. 46 - 47). However, the feature that distinguishes this commodity from others is its ability to produce a value greater than its own value. Marx shows that under capitalism, it appears that the value of labour power is the price of labour power or that the labour is paid for the whole working day, the fact that surplus value is extracted from labour that is not paid for does not show up. In fact, the brilliance of the capitalist structure lies in exploitation of labour without using brutal force.

Surplus value can be increased either by increasing the length of the working day, which Marx calls as absolute surplus value or by reducing the necessary component of the working day, which he calls as the relative surplus value. Absolute surplus value is necessary for capitalism as the length of the working day should be greater than the necessary labour time. Relative surplus value demands a fall in the value of labour power or a fall in the value of the consumption basket of a worker necessary to maintain himself. For this, a capitalist brings about technical changes in the production method to increase productiveness of labour and intensify their capacity to work through improved organization.

However, surplus value is made possible in different stages of manufacturing because of operation of economies of cooperation that enable workers to produce more by bringing them together under a single roof and taking advantage of the most admired process of division of labour by Adam Smith, economizing and specializing on the means of production and thereby, allowing for greater productivity of workers. Cooperation alongside also narrows down the skill requirement and further diminishes the capacity of an individual worker to produce independent of the capitalist. Discipline and coordination among workers requires the supervision of capitalists ; hence, the institution of cooperation further subordinates labour to capital and intensifies the antagonism between the two classes but remains the pivot around which the structure of modern manufacturing revolves.

The next stage after the transformation of organization of labour is a revolution in the instruments of labour, a conversion of tools into machines, the starting point of modern industry. The Volume 1 has an elaborate discussion on the role of machinery in various stages of manufacturing. For Marx, an increased use of machinery, on the one hand, increases the productivity of labour and intensifies work, and on the other hand, it takes the process of deskilling of labour force one step further and reinforces the compulsion of selling labour power to the capitalist. Like Ricardo, Marx also analyses the tendency of falling rate of profit in a capitalist system, but for Marx, the point of reference becomes industrial production rather than agriculture. With increased mechanization, the proportion of constant to variable capital, that is, the organic composition of capital ($c/c + v$) rises, from here evolves the tendency of falling rate of profit ($s/c + v$) if the percentage increase in organic composition is greater than the rate of surplus value (s/v). This inherent contradiction can endanger the whole system.

Part Three: Accumulation of Capital

According to Marx, the use value or profit out of a single transaction is never the aim of a greedy capitalist. Accumulation is , therefore, a continuous on-going process. The surplus derived out of M-C-M' circuit is converted again into additional capital, which requires a continuous search for new investment opportunities. The development of giant corporations, elaborate financial structures, and interlinked world markets in today's world is a consequence of this expansion of capital, its centralization, and concentration. We can, therefore, say that the book can laudably provide reasons for the current economic processes at work along with theorizing the tendencies of the capitalist mode of production. *Das Kapital* is often called “the bible of the working class” as it puts forth the ways in which conflict between the working class and the capitalist class gains strength and sets the stage for its inevitable demise and emergence of its successor - the socialist mode of production.

Methodology of Karl Marx

Karl Marx, being a methodological holist, always laid emphasis on a class or a society as a whole. Though there are abstractions in his theory, for example, when he talks about homogenous “simple labour” congealed in all commodities, for which he has been widely criticized, but such abstractions are also present in the theories of Smith and Ricardo. Like other classical political economists, Marx is also not infallible, but his powerful vision has given an entirely new dimension to the discussion on the future of capitalism ; unravelling those secret tendencies which were unsuspected by his predecessors.

Conclusion

According to Robert Heilbroner (1983), “the book describes with fury, but it analyses with cold logic.” The important problem that a reader might face while reading the book is essentially what Frederick Engels pointed out in the preface of the English edition of *Capital, Volume 1*, that certain terms are used in a completely different sense in political economy from what they mean in day to day life. Since beginnings are always very difficult according to Marx, the first chapter of this book - that describes the two- fold character of commodities and labour power and analyses every minute detail of the value-form - is definitely too dense to grasp for a reader. Other than this and some of the detailed extensions of examples in certain chapters, there is nothing in the book that an enthusiastic reader may not find fascinating.

The book is a must read not only for the students of economics to understand the system prevailing in the world, but also for the students of sociology to understand some basic relationships existing between different classes in the society. In the end, it would be right to say that the book will continue to command an unprecedented attention throughout the world in all spheres of life and would remain vital in order to get an in-depth understanding of the nature of capitalism obscured by the veil of economics.

References

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