CHAPTER 2

What’s ‘Pure’ about Capitalism? Uno’s Three-Level Method and the Theory of Principles

The one-sidedness idealistically lamented as ‘economism’ ... is an abstraction not performed by the theorist, but by social reality.

ALFRED SCHMIDT

This chapter will interrogate the method of a theory that makes ‘pure capitalism’ (junsui shihonshugi) its object. Since the theory of ‘pure capitalism’ as the theory of principles or genriron is embedded into the so-called ‘three level-method’ (sandankairon no hōhō), we will first consider the extended framework of that method and with it, Uno’s methodological reflections regarding ‘political economy’ (keizaigaku) as a science. Only after addressing what we believe are the ‘Limits to the Three-Level-Method’ (Chapter 2.1.) will we move on to the heuristic framework of pure theory or the theory of principles, which Uno posits in the fundamental laws of capitalist reproduction, i.e. the law of population (Chapter 2.2.) – one of the ‘Three Great Economic Laws that Govern Capitalism’ – and the commodification of labour power (Chapter 2.3.). Chapter 2 will reflect the general methodological outlook of Uno’s approach. With the critical reflection of its framework, it will provide a discussion of the context in which Uno’s ‘pure theory’ is set. While ‘pure theory’ – Uno’s theory of value and money, social reproduction, capital, prices of production, crisis etc. – constitutes the main object of the present volume, the critical discussion of his general method is paramount to grasping Uno’s specific interpretation of Marx’s work. As we will see, the elimination of Marx’s specific Problemstellung from Uno’s method, i.e. the elimination of the problem of the autonomisation of

1 Schmidt 1968a, p. 33.
2 ‘Shihonshugi wo kisei suru sandaikeizai hōsoku’, the title of an essay in the 1969 collection The Political Economy of Capital (Shihonron no keizaigaku). The other two laws concern the Law of Value and the Law of the Equalisation of Profit Rates, which will become thematic in Chapters 3 and 4, respectively.
economic forms as empirically ‘given’ rather than socially mediated categories, or the method of the Critique of Political Economy as the critique of the fetishisms of bourgeois relations of production, leads to an impasse for an adequate understanding of the specificity of the capitalist mode of production. Hence, what is questioned in this chapter is the usefulness of the ‘purification’ of theory for adequately grasping what constitutes capitalist relations of production as a theoretical problem. We counter Uno’s approach that treats capitalist ‘commodity economy’ as a given with a set of problems whose implications directly relate to the epistemological dimension of the presentation of capital. The method of the presentation of the ‘pure mechanisms’ or principles of capitalist reproduction, we argue, is methodically counterfactual to its object – the capitalist mode of production – whose ‘operational mode’ is constituted by the antagonistic relation between essence and appearance mediating these ‘principles’, and which is therefore never ‘pure’: moreover, it is precisely the ‘impurity’ of the categories of political economy that is constitutive for capital’s actual modus operandi. What is lost in Uno’s theorisation therefore is precisely what is crucial to Marx’s project: not the ‘correct’ presentation of how capitalism ‘really works’, but the analysis and critique of the forms by which capitalism comes to appear as a social formation in which ‘everything happens above board’ – while its essential constitutive nexus becomes increasingly obscured in the progress from the category of the ‘commodity’ to that of ‘interest-bearing capital’. The attempts at the purification of capital’s principles therefore misses the crucial confrontation with the ‘deranged forms’ in which capital presents itself in conventional interpretations – not only Marx’s times, but also today. As we will see in later chapters moreover, the negligence of the critical dimension of Marx’s project, equivocal to its overall incentive, results in a method akin to that of political economists Marx predominantly criticised, e.g. Samuel Bailey or David Ricardo who both, despite their disputes, shared a common disinterestedness in the problem of conceptual abstraction, collapsing appearance and essence into one. Like them, Uno, by taking the immediate and ‘given’ forms of appearance for the ‘purified’ process of capitalist relations – as we will for instance see in his interpretation of ‘simple exchange’ – also digresses towards conventional bourgeois economism, including its apologetic character. It is therefore unsurprising that elements both of Bailey’s and Ricardo’s theories, consciously or unconsciously, supplement the framework of Uno’s ‘pure theory’ of principles. Hence, in Uno’s interpretation of the object of inquiry, the

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capitalist mode of production, Marx’s critical claim is lost. That Uno treats capitalist commodity economy as a ‘given’ can also be seen in the theoretical formation of the ‘three level-method’ from certain biographical and intellectual interests on Uno’s side. Especially the rejection of historical materialism as the foundation for the scientific reflection of the capitalist ‘commodity economy’ constituted a major trait of Uno’s theory-building. In the Foreword to the 1971 edition of *Types of Economic Policies under Capitalism* (Keizaiseisaku ron) (1936), Uno reflects on his time as a lecturer of economic policy at Tōhoku University before the war, immersed in such classics as Marx’s *Capital* and Lenin’s *Imperialism*:

> In my isolated reflection ... I was led to the conclusion that *Capital* essentially advanced what I would call *Genriron*, or a logically closed (and hence pure and general) theory of capitalism, and, in that light, I arrived at a dawning awareness of how I might solve many difficult problems which had previously perplexed me ... Since a fully transparent explication of the ‘economic’ base of a society, which the materialist conception claims to consist of the totality of its production-relations, could be accomplished only in the light of the *Genriron*, the pure theory of capitalism, it was economics that would validate the materialist conception of history (at least insofar as it pertained to capitalism), and not the other way round.4

The critical view of the ‘materialist conception of history’ accompanied Uno throughout his life. The challenge it presented for Uno would only be satisfactorily confronted with the conceptualisation of the three level-method, of which the earliest version was already formulated in the original version of the *Principles of Political Economy*, arguably Uno’s main work, in 1950. As such however, it has not yet become a thorough framework at this stage. The work that most systematically presents Uno’s own reflection on the three level-method – which he, as we will see, considered superior to Marx’s of the Critique of Political Economy – can be found in a later work, *The Methodology of Political Economy* (Keizaigaku hōhōron), published in 1962. This work should therefore introduce us to the three level-method, as conceived of by Uno.

*The Methodology of Political Economy*, or the *Methodology* in short, conceptualised as a monograph, is divided into four distinctive parts – Part I: ‘The

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4 Uno 2016 [1971], p. xiii. See Uno 1974 [1971], p. 5. Sekine’s translation in Uno 2016 [1971] is rather loose, e.g. the parentheses in the English rendition are added by the translator.
Object of Political Economy', Part II: 'The Analysis of the Study of Political Economy', Part III: 'Political Economy and Historical Materialism'; and Part IV: 'Some Problems Concerning the Methodology in Capital'. Part II also provides a supplementary discussion on (A), 'On the Refutation of the Claims of Bernstein’s Revisionist School in Kautsky’s Orthodox School of Marxism', divided into four subsections, and (B) 'The Conflation of the Theory of Principles and Stage Theory in Hilferding’s Finance Capital'. Of these, only Parts I and II (without the supplement) directly engage in a reflection of the three levels. Oddly, parts III and IV do not form a stringent argumentative whole with the beginning of the book; while they can be said to discuss methodological problems of stage theory and the theory of principles respectively – albeit on very distinct levels, one broadly philosophical, the other predominantly discussing minutiae in Capital’s value form analysis – they do not make Uno’s own overarching methodological structure culminating in his three levels-theory its specific object. However, the discussion in Part III on the ‘materialist view of history’ is one important original motivation for Uno’s conceptualisation of the three levels-approach. Seen this way, the themes and levels of the thematic discussed in this book are mildly disparate. In the discussion we will therefore concentrate on parts I and II of the Methodology, and draw instead on a later work by Uno, The Political Economy of Capital (Shihonron no keizaigaku), published in 1969. Indeed, while the bulk of Uno’s work is devoted to questions of method and the status of political economy as a science, the first part of The Political Economy of Capital is especially significant for the theme of our book, since here Uno attempts to shine a broader light on the relation between his own method and that of Capital. Here, the section in which Uno expounds the ‘Three Great Economic Laws that Govern Capitalism’ offers a comprehensive insight into the basic structure of the first level of the three level-method, that of the theory of the principles or genriron. This becomes especially clear in the ‘Law of Population’ which, next to the commodification of labour power with which it is closely connected, will be thematised as one of the axioms or ‘axes’ of pure theory. The remaining two ‘Great Economic Laws’, i.e. ‘The Law of Value’, and ‘The Law of the Equalisation of Profit Rates’ will be discussed in Chapters 3 and 4, respectively, while we draw on other texts in which Uno expounds on these matters at greater length, namely The Theory of Value (1947) in Chapter 3 and the Principles of Political Economy (Keizai Genron, subsequently Principles) (1964) in Chapter 4. As indicated above, in the original

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5 Uno calls the law of population one of the three ‘axes’ for the understanding of capitalism. See Uno 1974 [1969], p. 25.
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Edition of the *Principles* in two volumes (1950–2), we do not yet find a thorough systematisation of the three level-approach. Yet, at the end of part two of the Introduction, titled ‘The Method of Political Economy’ (*Keizaigaku no hōhō*), we find a quote that briefly refers to the threefold ‘fields of research’ of the method, but the different terminology used in this short passage shows that Uno has not yet settled on the principle of *sandankairon* which becomes eminent in the *Methodology* and then, more poignantly, in the abridged 1964 edition of the *Principles*. Here, in the 1951 Introduction, Uno already admits to the pioneering work – and influence – of Marx’s *Capital* as the ‘methodologically first road of completion’ (*hajimete kansei suru michi*) of political economy since the seventeenth century. Uno, however, insists that ‘the field of research’ of political economy must be divided into different parts:

The field of research of political economy becomes separated into, first, the purely theoretical system, second, the world-historical developmental stages of capitalism, third, the three stages of capitalism in each single country, or the concrete analysis of world capitalism. Furthermore, as against the economic analysis of capitalist societies, I want to show the economic history of pre-capitalist societies, or the individually appropriate method for the study of socialism.6

We can see here that the focus on a threefold system already existed. It was, however, not Uno’s primary concern when he worked on the *Principles* right after the debates on value theory of the late 1940s – debates that formed Uno’s primary interest in Marxian political economy at that time. Since this was the only ‘step’ or ‘part’ of the system he worked out the details of, it deserves a closer focus, even if it anachronistically predates the wider architecture Uno only conceptualised in the early 1960s. Accordingly, we first want to take a broad look at the sketch Uno draws of the three level-method in the *Methodology*. However, Part IV of The *Methodology*, ‘Some problems in the method of *Capital*’, will again become thematic in the discussion of Uno’s interpretation of the value form in Chapter 3, so that this work forms a valuable source for approaching the gist and intent of Uno’s theory in general.

The title of the work is not accidentally chosen by Uno.7 It coincides with Section 3 of Marx’s own methodological reflections in the 1857 introduction to

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6 Uno 1973 [1951], p. 18.

7 The term *hōhōron* could be translated both as ‘method’ and as ‘methodology’. The suffix -ron in Japanese means ‘theory’, a ‘debate’ a ‘system’, or simply the scientific treatment of a problem – hence, Marx’s *Capital* is translated not as *shihon*, which would be a literal translation of
the Grundrisse, the General Introduction to the Contribution to the Critique of Political Economy, which was discarded in Engels's later editions. As we will see, the significance of this section for Uno – the Methodenkapitel which like no other part of Marx's work discloses his own methodological reflections at the beginning of his economic-critical phase – is fundamental for the development of Uno's own three level-method. Because of the strong influence for Uno, it could be said to take the same position in Uno's work as the Methodenkapitel in that of Marx's, and it is on this basis that the Methodology serves as the main text of our analysis of Uno's three level-approach. In 'The Limits to the Three Level-Method' (Chapter 2.1.), we will examine the content and intent of Uno's three-level approach in light of Marx's method in Capital from the vantage point of our commentary conducted in Chapter 1. We will specifically counter Uno's claim that Marx's method insufficiently purified the 'theory of principles' or genriron from its illustrations in particular historical or empirical circumstances, as could be e.g. seen in the chapter on 'So-called Primitive Accumulation', delivering an insufficient basis for a thorough 'theory of principles'. We will show why the form analysis of value must logically precede the presentation of its historical generation, and also which critical function the historical and the empirical illustrations in Capital serve. In this context, Uno's insistence on 'uneven development' against Marx's conception of England as the denominator showing the less advanced countries 'the image of their own future', and Uno's critique of the illustrative example of nineteenth-century England, will be the object of critical examination. Critically targeted in particular will be Uno's insistence on the importance of communal exchange as a general economic principle – an insistence which pitches it in opposition to 'primitive accumulation' in their respective theorisations and in the empirical-historical approach to the concrete case of Japan. Rejecting the presentation of the violent process of primitive or original accumulation as part of the 'prin-

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8 For a meticulous commentary on the evolution of Marx's conceptualisation from the 'six book-plan' and 'capital in general' towards what we know today as Capital – of which, because of the strong interventions and restructuring in Engels's editing process, Michael Heinrich claims it was not Marx's, but Engels's, work – see Heinrich 2011, pp. 155–93.

9 Marx 1976, p. 91.
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Uno traces the formal origins of capital back to the form of merchant capital and commodity exchange. For Uno, the exchange process is the pivotal theoretical site in which the principles of a capitalist ‘commodity economy’, regardless of its individual generative process, must be situated. Commodity exchange as the ‘primordial’ principle of capitalist society accordingly functions as the explanatory and systematic basis for the frame joint of pure theory, the commodification of labour power and the formation of a relative surplus population as the sine qua non of the capitalist mode of production. In contrast, Marx imbeds the discussion of the commodification of labour power in the violence of primitive accumulation in which the sale and purchase of labour power becomes ‘a relation inherent in production itself’. Two aspects are crucial to the discussion: a) the viability of a method that places such emphasis on the formal aspects of capital, with the danger of succumbing to the fetishistic semblance of ‘simple exchange’ and disregarding the productive relations enabling it, and b) the viability of a method that nowhere formulates a ‘standard’ of the level of ‘purification’ demanded from its own theory. This relates to the problem of the structural unity of the three level-approach. We will ask whether this method can in and of itself answer to what we believe are sound criteria of method – criteria which necessarily presuppose the unity and the interrelation of the ‘three levels’ as their condition of possibility. In other words, we will ask on which encompassing ‘level’ the ‘three level-method’ must be situated in order to present meaningful ‘levels of abstraction’ at all. Only if each level can account for its own logical necessity in relation to the instance the levels are abstractions of, can we maintain that Uno has developed a valid and coherent systematic method.

Chapter 2.2, ‘Pure Theory’s X-Axis: The Law of Population’, and Chapter 2.3, ‘Pure Theory’s Y-Axis: The Commodification of Labour Power’, discusses Uno’s insistence on the pivotal function of the law of population specific to the capitalist relations of production and the commodification of labour power related to it, which both ground the theory of principles as the study of the modus operandi of the capitalist mode of pro-

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10 Marx 1978, p. 196.
11 In this context, it is useful to point out Uno’s denial of a ‘universal’ or ‘genus’ the three levels form abstractions of, and the subsequent critique of Mita. See Kakuta 2009, p. 188: ‘Mita argued that a denial of the concept of genus would fall into self-contradiction because to deny the concept of genus is only to create a new concept of genus. To take an instance, a concept of financial capital in general needs a concept of capital.’
12 This is also pointed out by Kakuta: ‘In Uno’s stage theory, there is nothing but the particular. Between the universal and the particular lies a crucial disjunction … Although Uno said that the stage theory forms the medium, the medium is not related to the universal theory’. Kakuta 2009, p. 283.
duction. What fundamentally characterises capitalist societies, for Uno, is that with the development of the forces of production, capital loses its grip on the supply of labour power, because the labour power commodity cannot be directly produced by capital itself. Being the only commodity that *capital itself cannot directly produce* (alongside land), it marks a ‘disruption’ to the valorisation cycle and generates a slump or ‘depression’ (or ‘contraction’) in the business cycle. Yet, capital finds ways to react to this cycle, producing a relative surplus population from which it is able to generate a new period of accumulation or growth, spurring the development of the forces of production afresh. Uno places this theory in opposition to what he calls the ‘law of immiseration’ within the discussion of the General Law of Capitalist Accumulation in *Capital*, Marx’s alleged misrecognition of labour power as a commodity capital cannot itself produce, and its effects on the business cycle. The central general assumption or ‘axiom’ of pure theory, however, is the problem of the commodification of labour power, assumed as the only commodity capital cannot ‘directly’ produce by its own means. In our structure, the reason for the separate discussion of the law of population (Chapter 2.2.) and the problem of labour power as a commodity (Chapter 2.3.), despite their entangled position in Uno’s interpretation, is to move from a more specific crisis-analytical framework of Uno’s interpretation of the business cycle in relation to the absorption of the ‘industrial reserve army’ towards the general theoretical framework underlying this view of accumulation and crisis, which also requires a more general response. This response, directly questioning Uno’s hypostasis of the aspect of use value in the private consumption process of workers as an ‘obstacle’ to the valorisation cycle, will lead us to the discussion of Uno’s theory of value in Chapter 3.

In the following, we will first take up Uno’s criticism of the ‘law of immiseration’ and the General Law of Capitalist Accumulation to show, with Marx, that the question of ‘too many or too few workers’ is beside the point of the capitalist reproduction process. Uno’s view of the centrality of the private consumption process of labourers as constitutive, yet uncontrollable by capital itself – the ‘savage outside’ of capital – does not yield a meaningful contextual analysis of the crisis tendencies of capitalist production as a whole. What primarily concerns our analysis here is Uno’s thesis of the structural necessity and simultaneous ‘impossibility’ of the commodification of labour power. Because Uno remains tacit or implicit on the structural reasons for capital’s alleged failure to directly produce the labour power commodity, we will draw on Gavin Walker’s recent elaborate attempt¹³ to give coherence to this thesis.

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The discussion of Walker’s commentary further enhances our diagnosis that the conceptual abstraction activated in Uno’s view of capitalist production and reproduction is limited to the realm of *use value* as the structuring principle and remains irresponsible to the predicament imposed by the *value* nexus. This is reflected in a, we believe, counterfactual positing of the consumption and reproduction process of labour power as an ‘outside’ to the commodity relation. In contrast, we will show that the real subsumption of labour under capital is expressed in the *monetary* mediation in which capital alone relates to itself as *capital*, and labour relates to itself as specifically capitalist labour. We believe that the disavowal of the monetary nexus constitutive for the real subsumption of labour under capital leads to a truncated view of the structuring force of value as a real abstraction, reproducing its fetish-character, and leaving the problems posed by the contradictory unity of capital as a theoretical object unaddressed.

2.1 The Limits to the Three Level-Method (sandankairon)

2.1.1 The ‘Capitalist Commodity Economy’ as Given Data

Uno conceptualises the method of political economy – as we have briefly seen in the 1950 Introduction to the *Principles* – as consisting of three levels of abstraction that serve to understand the ‘commodity economy’ of capitalist society, and which only in their totality deliver a complete understanding of capitalistically organised societies and simultaneously their prospective overcoming. On the first level of abstraction, we find the ‘purely theoretical system’, i.e. ‘pure theory’, the ‘principles’, or, in the most often used idiom, ‘the theory of principles’ (*genriron*). The theory of principles presents the lawfulness (*hōsokusei*) of a ‘purely capitalist society’ (*junsui no shihonshugi shakai*) as is represented in any ‘commodity economy’ in a logical system. The term ‘purity’ refers to an utmost level of abstraction, which addresses the most general categories as they are the result of non-empirical, i.e. strictly conceptual reflection, and which thus have validity for any concretely historical commodity-economic mode of production. On the second level of abstraction, ‘stage theory’ (*dankairon*) serves to present the concrete historical periods that form...
the history of commodity-economic, i.e. capitalist societies, in their temporal sequence: mercantilism from the fifteenth to the seventeenth century, liberalism from the seventeenth to the late nineteenth century and imperialism from the late nineteenth to the twentieth century, along with their corresponding forms of capital – merchant capital, industrial capital, and finance capital respectively. On the third and last level of the method of political economy, an ‘analysis of the actual phenomena’ (genjō bunseki) serves to evaluate the concrete political situation of different historical-economic epochs, as well as the present. The third level, which Uno also calls the ‘ultimate aim of the research of political economy’, prepares the stage of direct ‘socialist practical action’ which is not given in the principles and in the historical stages. However, it is the stages theory that connects the principles to the ‘analysis’ and mediates levels one and three: ‘The principles, mediated through the stage theoretical norms, become the standard for analysis.’

We here briefly digress to point to a terminological specificity in Uno’s theoretical writing. The term ‘commodity economy’ (shōhin keizai) is absolutely central for Uno, since the commodity and its form are the main characteristics of capitalist economy: ‘Our present economic life adopts the form of...’

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15 In his evaluation of finance capital as a qualitatively new period of capital accumulation, Uno leans on Hilferding and Lenin whose theory of imperialism (see Lenin 2010 [1917]) was directly influenced by Rudolf Hilferding’s Finance Capital (see Hilferding 1981 [1910]. For Hilferding’s influence, see Volume 39 of Lenin’s Collected Works, Lenin 1975). This evaluation is closely connected to what Uno perceives as one of the ‘Three Great Economic Laws Governing Capitalism’, namely the law of the equalisation of profit rates, which is no longer easily achieved following the centralisation and concentration of capital already occurring, and analysed by him, in Marx’s time. As Shaikh explains, ‘Hilferding argues that the rising scale and capital intensity of production makes it more difficult for capital to enter and to leave certain sectors, which impedes the mobility of capital needed to bring about equalization of profit rates’ to the disadvantage of small- and large-scale competitive industries. ‘But big capitals have the means to suppress competition and raise their rate of profit through cartels, combines, consortiums, mergers, and vertical integration. These capitals are also most closely linked to big banks that provide them with the credit needed to make large-scale investments, and it is in the interest of these banks to enhance the monopoly power of their clients. In the end, the big banks end up controlling even the monopoly industries they finance, which is why Hilferding calls this the phase of Finance Capital.’ Shaikh 2016, p. 353. Hilferding’s view is also shared by Baran and Sweezy which Uno, for reasons unknown, largely ignores (see Sweezy 1942 and 1981). Sweezy explicitly refers to finance capitalism as ‘a new stage’ (Sweezy 1981, p. 60).

16 For an overview of the overarching structure, see Uno 1974 [1962], p. 55 and pp. 60–1.

17 Uno 1974 [1962], p. 58.
the commodity-economy, or, more precisely, that of the capitalist commodity-economy’. At some points, Uno uses ‘commodity economy’ to indicate the ‘mechanism’ the capitalist mode of production ‘entails’, but ‘commodity economy’ and ‘capitalist mode of production’ are largely identified, while Uno rarely used the latter. Uno’s preference for the term ‘commodity economy’ over ‘capitalism’ and ‘capitalist relations of production’ is indicative of where Uno’s interest differs from Marx: while, for Marx, capital is mainly characterised by its contradictory relation to (wage) labour as a social relation, for Uno, the specificity of capital lies in its being a principally commodity-producing society, functioning according to commodity-economic principles. See his opening sentence to the 1964 Principles:

Political economy has developed as a science specifically designed to clarify the various phenomena peculiar to a commodity-economy ... political economy studies a capitalist society whose economic functioning is governed by the peculiarly commodity-economic forms.

It is Uno’s deep interest in the commodification of labour power as a problem that motivates his preference of ‘commodity economy’ over ‘capitalist relations of production’. Only when ‘workers are compelled to sell their labour-power in order to purchase their means of livelihood as commodities’, i.e. ‘only when this commodity-economic relation thus descends to the core of society, i.e. to the very process of reproduction of its direct producers, is the capitalist mode of production well established’. Accordingly, in ‘The Three Great Economic Laws Governing Capitalism’, he explains his choice of terminology:

Because I think that, in reality, the fundamental and general laws (hōsoku) that dominate a commodity economy have for the first time been proven

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18 Uno 2016 [1971], p. 2.
20 In some places, Uno argues that the interests of the workers were not necessarily opposed to that of ‘capitalist policies’: ‘Marxism cannot, of course, simply endorse an economic policy that contributes to the development of capitalism; but that does not mean that it should oppose any capitalist policy as automatically incompatible with the interests of the working class. Since the aim of a socialist party is to change society by means of an organised political movement, it should either support or oppose economic policies, depending on their usefulness to its strategic aim.’ Uno 2016 [1971], p. 24.
in the commodity exchange relations between capitalists and workers, they become the standard (kijun) of commodity exchange ...

The class antagonism, for Uno, is more fundamentally embedded in the laws of commodity exchange, so that 'commodity economy' as the Spezifikum of the capitalist mode of production becomes the preferred term. We will come back to this soon. To add to terminological specificities, Uno, unlike Marx, rarely speaks of 'the capitalist mode of production'. Instead, he uses 'capitalist society/societies' (shihonshugi shakai) or simply, 'capitalism' (shihonshugi), a concept Marx has used only a few times in Capital.24 As we learn from the Methodology, the three level-method serves a multiple function: to highlight the shortcomings of the inner Japanese 'debate on capitalism' of the 1920s–30s between the JCP’s Köza-ha and the Rōnō-ha,25 to demonstrate the methodologically deficient character of Hilferding's Finance Capital of 1910 and, last but not least, to provide the 'final judgment' on the relation of basis and superstructure in Marx's 'materialist view of history' as exemplified in The German Ideology of 1845–6 and the Preface to the Contribution to the Critique of Political Economy of 1859. For our purposes, not all of these functions are equally important. To understand the specific problematic of Uno's theory in light of Marx's Critique of Political Economy, the latter function is apparently the most instructive. Needless to say, the 'relation between basis and superstructure' as a substantial topic in Marx's early works and arguably a prerequisite to his turn towards the categorial analysis of political economy as a science from the 1850s, has not lost its methodological relevance in Capital.26 However, as

23 Uno 1974 [1969], p. 12. In the same passage, Uno does not miss the chance to point to the alleged deficiency of Marx's introduction of the labour theory of value: 'Because Marx proved the law of value – as the general law of the commodity economy – for the first time directly from the consideration of the 'commodity' and from the commodity exchange of two commodities, his labour theory of value could not escape various disputes'.

24 The reduction of the capital-relations to a 'commodity economy' has also been noticed by Kakuta: '[Uno] rejected the law of surplus value, too; for him, the law of value only exists because he reduced capitalist economy to commodity economy'. Kakuta 2009, p. 282.

25 Because for reasons of space, it is impossible to reproduce this now famous debate, further reading is advised. Arguably the best study in a Western language on the Köza-ha-Rōnō-ha debate is Germaine A. Hoston's Marxism and The Crisis of Development in Prewar Japan (Hoston 1986). For French and English language materials on the debate, see also Sugihara 1987, Itoh 1980, C.A. Gayle 2003.

26 The basis-superstructure model is mentioned once in the whole work in a footnote in the chapter on the 'Fetish Character of the Commodity and its Secret' where Marx quotes from the Preface to the Contribution: 'My view is that each particular mode of production, and the relations of production corresponding to it at each given moment, in short “the eco-
a critique of capitalist social relations – and not only bourgeois society and its ideology – the critical analysis of political economy’s basic categories as the fetish-characteristic forms of value has replaced the mere critique of ‘super-structural ideology’. In this sense, the method of *Capital* incorporates historical materialism as a tacit premise on which it builds. The materialism of the Preface to the *Contribution* is thus not discarded. But it has been taken over by a more fundamental problem consciousness. In his economy-critical works, starting with the manuscripts of what would later become *Capital* in the mid-1850s, Marx would grow more interested in the social form that labour assumes under the conditions of capitalist mode of production, forms that *themselves constitute* the ‘fetishistic’ approach, and in which the relation to its social conditions is obfuscated. Here, the fetish-character of value that infects the self-understanding of the capitalist mode of production and its ‘interpreters’ is itself the precise and foremost *expression* of ‘the mode of production of material life conditions’ to which corresponds a ‘definite form of social consciousness’. The conceptual heuristic of ‘basis’ and ‘superstructure’ is, in Adorno’s word, rendered ‘trite’ by the complex of fetishism as a structural law.27 The analysis and critique of the concepts of vulgar and classical political economy – ‘cost price’, ‘wage’, ‘capital’ or ‘profit’, etc. – that Marx performs in *Capital*, thoroughly outshines the previous framework of historical materialism, as to be found in, e.g., *The German Ideology* (1845–6), as it indicates a new terrain of critique. In *The German Ideology*, the critique of the superstructure merely asserts the existence of a *definite relation* between material conditions of production and its corresponding social ‘ideological’ consciousness – thereby leaving open the question of the *constitution* and the *reproduction* of the economic basis and the central mechanism by which it generates a ideology.28 Needless to say, when writing the *Grundrisse*, Marx has neither thoroughly developed his monetary

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27 Adorno et al. 1976, p. 116. Adorno also calls the fetish-character of the commodity the ‘proton pseudon’ and a ‘structural law’.

28 Other than Sohn-Rethel, who claims that ‘the basic law of historical materialism is the law of value’ (Sohn-Rethel 1970, p. 27), and ‘the law of value becomes the basic law of historical materialism over the epochs of class society’ (Sohn-Rethel 1970, p. 28), we hold that the law of value is not only specific to capitalist relations of production (and not just ‘class society’), but in its critical function surpasses the epistemological limitations of the basis-superstructure model.
labour theory of value nor his theory of surplus value, and it wouldn’t be until the second draft of *A Contribution to the Critique of Political Economy* in the late 1850s, which even then was yet an incomplete account.\(^\text{29}\) But to say, as Uno does – informed as he is on the content of *Capital* – that the relation between basis and superstructure still forms a vital problem for the method of political economy in *Capital* which can be circumvented by the three level-method, fundamentally disregards and misrepresents the critical potential of the method of *Capital* itself.\(^\text{30}\) It is evident also from the structure of the economic manuscripts since the late 1850s that the continuous criticism of the fetish-characteristic forms of value – from the critique of value theories of circulation or ‘simple exchange’ in the drafts to the *Contribution* to the critique of the ‘Trinity Formula’ in *The 1864–5 Economic Manuscripts* – constitute the golden thread to Marx’s process of inquiry. It is Uno’s theoretical disavowal of the fetish problematic that also impels us to question the function of the three-level approach. More fatally however, Uno’s approach, if viewed in light of Marx’s critique of the basic categories of classical political economy and the fetish-character they generate, fails to address the issue of critique in general. Hence, Uno’s attempt is exhausted in elucidating the ‘norms’ and ‘laws’ of a ‘commodity producing’ society to give coherence to the mechanism of reproduction, termed by Uno the ‘law of value’, as *a rightful object of science*. What is at stake therefore, for Uno, is not by which structural failures, gaps and blind spots the conventional categories of bourgeois political economy inform and constitute a *fetishistic view of capitalist reproduction* – a project that delivers a precise *critical* content – but how to formulate both ‘norms’ and ‘laws’ which scientifically represent capitalist commodity-economic activity. The epistemological problem of *object constitution*, which informs the Marxian project from its earliest stage is eschewed from Uno’s programme. This approach to the ‘commodity economy’ as given data, and therefore its positivistic implication, is

\(^\text{29}\) For a good overview of the different stages in the development of Marx’s economy-critical writings, see Heinrich 2011.

\(^\text{30}\) Paul Mattick Jr. already questions the prevalence of the basis-superstructure model in Marx’s early critique in the *Contribution*: ‘It is worth remembering that they [Marx’s remarks on the relation between basis and superstructure in the Preface to the *Contribution*] represent a highly abbreviated residue of (the last part of) Marx’s projected introduction to his critique of economic categories when we ask, as is rarely done, what is the significance of their presence at the head of the *Contribution*, beyond their announced purpose of demonstrating that Marx’s views “are the outcome of conscientious research carried on over many years” (ibid., 265)’. Mattick Jr. 1997, pp. 70–1. Mattick Jr. quotes from Marx 1987 [1857–61].
further substantiated in Uno’s crucial terminological distinction between the ‘norms’ (gensoku) and the ‘laws’ (hōsoku) of the ‘economy’:

In political economy, the economy’s general norms (keizai gensoku) and its specific laws (keizai hōsoku) must be clearly distinguished, while of course they are not unrelated. To the contrary: only in the laws specific to a commodity-economy, the general norms of an economy express themselves for the first time. For example, when an economically advantageous machine is adopted [in the production process], this machine itself technically employs natural-scientific laws that reduce human labour power (ningen no rōryoku). Its economically advantageous adoption is a general economic norm. However, in a capitalist commodity-economic society, this norm, bound to commodity-economically adapt this machine to its advantage, is restricted by commodity-economic laws. Its adaptation is not decided on the basis of human economic activity as a mere economic norm. Generally, as the norms that assume the basis of any [economic] activity, they rule as laws by force. As the same time that political economy as a science becomes possible at this point, it elucidates capitalism’s economic superiority against previous societies. Moreover, it demonstrates the emphatic basis of socialism, which should realise the conscious planning of direct producers as subjects, instead of the realisation of general norms as commodity-economic laws.31

While Uno admits the historically specific character of capitalism, he insists on its deeper embeddedness in the formalistic requirements of ‘economic life’, in the sense of a progressive development towards socialism. ‘Capitalism’ becomes a necessary stage of human development whose ‘laws’, at a certain point of its history, simply become the object of the ‘study’ of ‘a historical process in which the purposive and conscious activities of men form a social relation’.32 Not only does it not occur to Uno that the specificity of capitalist social relations is precisely not constituted by ‘the purposive and conscious activities of men’, but by the ‘logically unconscious’ (Reichelt) process of naturalisation and reification. The object constitution of capitalist social relations, too, is not ‘given’ in its categories: these ‘givens’ are only the beginning of the scientific inquiry that precisely seeks to expose what is inherently ‘not given’. More generally, the difference between Uno’s scientific interest and approaches invested

in a reconstruction of Marx’s critique must be noted. In his comparative study of Uno and Isaak Illich Rubin, Joe Hyeon-Soo contends:

In contrast to Uno’s conception of political economy as an independent social science and the examination of pure capitalism as a ‘self-sustaining scientific system’, as well as historical materialism as a merely hypothetical ideology, for Rubin, political economy means a ‘theoretical’ science subordinated to historical materialism while the latter provides a basis for the critical analysis of social relations in a commodity economy. What interests Marx in the ‘Critique of Political Economy’ [according to Rubin] is to reveal the social relations that find their fetishised expression in political economy. His intention is therefore not to ‘add to’ (bereichern) the science of economy (Wirtschaften). For Marx, the theory of value is not an empirical description of capitalist relations, but the scientific expression of these relations which are comprehended (begriffen) by theoretical abstraction.33

According to Hyeon-Soo, while Rubin’s theoretical interest lies in the social relations that constitute capitalist society as an object, undergirding their ‘fetishised expression in political economy’, Uno seeks to ‘purify’ political economy as a science, extracting the specific ‘economic laws’ that give coherence to the ‘capitalist commodity economy’ as an object of investigation. The crucial term of the ‘social form of labour’ in specifically capitalist relations of production, denoting the heuristic framework for the de-mystification of the forms that value assumes in this mode of production, remains anathematic in Uno’s approach. The question we should follow up on is the relevance and incentive of the claim to ‘purity’ for Uno’s overall method.

2.1.2 Purities and Impurities
At the beginning of the Methodology, Uno addresses what he presumes is the specific problem in Capital’s method of presentation: the insufficient reflection on the relation and tension between the pure principles and capitalism’s developmental history:

The hypothetical purity of capitalist society was a matter-of-fact (mochiron no koto) in Smith and Ricardo, and it was no less so in Marx’s own times. For Marx, the development of capitalist society in reality – more

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33 Hyeon-Soo 1995, p. 40.
than in Smith’s in Ricardo’s era – meant a continuous approximation towards a pure capitalist society which had to be theoretically assumed as a hypothesis. And as something that increasingly approaches purity, it was a justified hypothesis. This is how finally a systematisation of economic theory was possible, even if in actuality, the problem of the relation between theory and history remained the same. What Marx could not predict when he wrote *Capital* was the further development of capitalism, and that we no longer simply approach a pure capitalist society in capitalism’s development.\(^{34}\)

One fundamental point of critique for Uno is hence Marx’s alleged hypothesis of gradual approximation towards a ‘pure capitalist society’, which as a hypothesis could only be justified until the development showed other factors which no longer pertain to the hypothesis of purity. Marx’s lacuna to predict particular deviating developments – e.g., the evolution of finance capital in the age of imperialism – renders his theory ‘impure’, according to Uno. For if the principles of pure theory – or the theory of pure principles – are to be generally valid, one must assume an ‘ideal’, hyper-abstract object that can justify its ‘laws’ regardless of any specific historical formation. Uno insists throughout his critical discussion of Marx’s method that Marx insufficiently distinguished between the pure and the impure elements of presentation, referring to three crucial instances: the presentation of the ‘Working Day’, the presentation of ‘So-called Primitive Accumulation’, and the ‘theory of immiseration’, all of which we will refer to in the discussion below. Therefore, while Marx by and large managed to establish a system of pure principles, Uno advocates supplementing them by stage theoretical considerations that allow for the ‘impure’ factors leaving their mark on capitalist sociation in its actual historical and political development. We will come back to this point soon.

Another point of Uno’s critique is Marx’s alleged insufficient differentiation between the pure and general principles of his analysis on the one hand, and the concrete phenomena of capitalist economy and policy on the other, as they, for instance, occurred in England at the time of Marx’s writing. In Uno’s view, Marx conflated them, subordinating specific policies and historical restrictions to the ‘theory of principles’ in *Capital* that did not account for the uneven development taking place in late developing countries such as Japan. As is well known, in the *Preface* to the first edition of *Capital*, Marx contends that nineteenth-century England has been ‘the locus classicus’ of the

\(^{34}\) Uno 1974 [1962], p. 21.
‘capitalist mode of production, and the relations of production and forms of intercourse’, hence Marx’s decision to present it ‘as the main illustration of the theoretical developments’ he makes.\(^{35}\) Uno however does not consent to Marx’s following remark, namely that England shows the less developed countries only ‘the image of their own future’. Since the development of capitalism, e.g. in Germany, but also in Japan, has taken a different path than in England,\(^{36}\) Marx had underestimated the problem of uneven development and the non-capitalist factors that remained a constant condition in lesser developed societies, even as capitalism has begun to emerge. It therefore requires a stage theory that incorporates and theorises the hampering factors of capitalist development, and the different path to ‘primitive accumulation’ in these countries. This assessment is a core motivation of his three level-method. To proceed systematically, we shall first consider the motive for the first level, the theory of principles, or pure theory that makes a ‘pure capitalist society’ its object. First, we will see that ‘pure capitalism’ in Uno oscillates between a non-historical, ideal-typological and radically abstract object, in order to comply with its own claims, and a historical one most paradigmatically linked to the era of industrial or ‘laissez faire’ capitalism in the nineteenth century, the time of Marx’s writing. This oscillation in our view also vitiates Uno’s claim to purity and the ideal-typical standpoint of the principles. Rather than hold this against him,

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35 Marx 1976, p. 90.
36 Though Uno often compares Japan to the late-developing Germany, perhaps Japan’s comparison to Russia would be more appropriate. Russia’s Absolutism and Japan’s Tennōism is a case in point, while Germany’s ‘constitutional monarchy’ since 1871 had a different political structure, which also allowed for different economic functions of governmental institutions. In that sense, Trotsky, in his ‘Peculiarities of Russia’s development’, points out the role of European capital and Absolutism for the introduction of the particular form of Russian capitalism, both also crucial factors in Japan’s capitalist development. As Ashman notes, ‘European finance plays a central role in Russia’s development in two ways. First, in loans made to the state, which then lead European financiers, whilst supporting bourgeois democracy in Europe, to support Absolutism’s survival as it is the only force in Russia, which can guarantee their rate of interest. Second, European capital, in the form of large shareholding companies, provides funding for industry, attracted by Russia’s natural resources and its hitherto unorganized labour power. Heavy industry (metal, coal, oil) especially “was almost wholly under the control of foreign finance capital, which had created for itself an auxiliary and intermediate system of banks in Russia”. (Trotsky, History of the Russian Revolution, vol. 1, ch. 1). Ashman 2012, p. 63. Peter the Great’s modernisation of Russia (military, the forging of an Absolutist state, the establishment of a handicraft industry largely confined to rural areas) bears significant similarities with Japan’s Meiji-era Tennōism and the emphasis of handicraft production tied to agriculture, as against the division between town and country characteristic for eighteenth and nineteenth century Europe.
however, we will, second, follow up with a discussion of the rationale for the ‘limits to the dialectical presentation’ in Capital, and the arguments for Marx’s deliberately ‘impure’ employment of empirical and historical illustrations, e.g. in the presentation of ‘The Working Day’ (Chapter 10 of Capital Volume 1) and ‘So-called Primitive Accumulation’ (Part Eight of Capital Volume 1). Contrary to Uno’s beliefs, these serve a specific informational content as to the epistemological status of the law of value. Here we will be able to detect a first radical break of Uno’s method with Marx’s mode of presentation: while the hypostasation of ‘pure capitalism’ requires a theory of principles that does not comply with any specific historical formation, but assumes the capitalist productive system as a hyper-abstract ‘ideal’ without any correspondent in reality, Marx to the contrary presents the modus operandi of the capitalist exploitative and appropriative cycle as it happens in its concrete actuality, with the incentive of precisely illustrating the impact of an abstract ‘law’ – the law of value – i.e., its actual implementation, into a specific social formation. This, as one may suggest, is also the incentive behind the presentation of the violent process of ‘primitive’ (or ‘original’) accumulation, the historical birth of capitalism in the separation of the direct producers from the means of production in fifteenth-century England. Not only will we, against Uno, who excludes this presentation from the ‘principles’ of ‘pure capitalism’ as an ‘impure’ element, insist on its strategic locus within Marx’s work at the end of the first volume of Capital, but we will show, third, why Uno’s alternative framework, the beginning of commodity exchange between communities as the ‘point zero’ of capitalist accumulation, fails to address what is the linchpin of valorisation and the means by which the relation between capital and wage labour, and not that between different ‘traders’, becomes the defining relation of the capitalist mode of production. Uno’s preference for ‘modes of exchange’ over ‘modes of production’ for the presentation of the forms of capital also begs the claim to ‘purity’ as the heuristic framework for the theory of principles: by what criteria should commodity exchange signify a ‘pure’ approach to the formation of capitalism? Fourth, and more significantly, by what criteria do the theory of principles, the theory of developmental stages of capital accumulation, and the ‘conjunctural analysis’ (Walker) of the present – in a word, the three level-method – form a structurally complete whole? In the following four sections, we will address these topics separately.

37 As will be later re-applied as the interpretative framework for The Structure of World History (2014) by Uno’s student Karatani Kōjin. For a critique of this work, see Lange 2015.
2.1.3 The Paradox of Pure Capitalism Both as Historical and Non-historical Entity

Uno’s theory of principles (genriron) that takes the economic laws of a hypothetical ‘pure capitalist society’ as its object – and hence itself must be qualified as ‘pure’ – forms the structural basis of the method of political economy. Interestingly, Uno explains his motive for establishing the hypothesis of ‘pure capitalism’ with reference to an aside in Chapter 10 of Capital Volume III in which Marx discusses ‘The Equalisation of the General Rate of Profit through Competition’, a passage where the concept of competition is prepared as an analytical tool for explaining the equalisation of profit rates in the ‘real economy’.38 Ironically therefore, Uno orients himself toward a passage in which Marx has already departed from the abstract and general presentation of the ‘essential’ form determinations of capital that constitute the object of Volumes I and II and the first part of Volume III of Capital (including Chapter 7), as the critique of the conventional categories of (commodity) value, money, capital, wage, production price and profit. Beginning with ‘The Transformation of Profit into Average Profit’ (Part Two of Capital Volume III or Chapters 8–12), Marx’s text no longer takes the ‘hidden abode’ of the theoretical production of the categories underlying capitalist accumulation as his object, but the superficial self-presentations of capital itself, or the study of the ‘apparent movement of capital, in which interest capital, etc., and credit etc. will be examined in more detail’.39 These are designated in categories such as average profit, market (production) price, commercial profit, and the various forms of interest.40 However,

38 We will discuss Chapter 10 of Capital Volume III in further detail in the context of the value-price transformation in Chapter 4.3. It is needless also to point out that ‘competition’ as a heuristic tool for the explanation of the emergence of a general rate of profit has been problematised by Marx previously as early as in the Grundrisse: ‘Competition executes the inner laws of capital; makes them into compulsory laws towards the individual capital, but it does not invent them. It realizes them. To try to explain them simply as results of competition therefore means to concede that one does not understand them.’ Marx 1973, p. 752. For the fetishism of competition in Ricardo and Ramsay, see also ‘Competition generally, this essential locomotive force of the bourgeois economy, does not establish its laws, but is rather their executor. Unlimited competition is therefore not the presupposition for the truth of the economic laws, but rather the consequence – the form of appearance in which their necessity realizes itself’. Marx 1973, p. 552.


40 One may argue that ‘The Law of the Tendential Fall in the Rate of Profit’ in Part Three of Volume III belongs neither to the ‘essential’ nor the ‘superficial’ or ‘self-presentational’ categorical objects, but forms a category unto itself. This is true insofar as it is both non-empirical, as well as the result of a specific analysis, i.e. a ‘law’. But the systematic locus of the ‘Law’ has been questioned. For Heinrich, e.g., it is only a ‘large mass of remarks,
Uno is right to identify this passage as the only one in *Capital* in which Marx suggests capital’s historical approximation towards ‘purity’:

> In theory, we assume that the laws of the capitalist mode of production develop in their pure form. In reality, this is only an approximation; but the approximation is all the more exact, the more the capitalist mode of production is developed and the less it is adulterated by survivals of earlier economic relations with which it is amalgamated.\(^{41}\)

Other than Marx however, who does not further elaborate on this point, Uno draws an almost authoritative significance from this claim. It is adopted by Uno for his own view of capital’s historical formation in the course of its development towards an increasing level of ‘purity’. This movement towards purity – i.e. capital’s development towards a state in which the ‘law of value’ operates increasingly ‘unhampered’ by extra-economic forces, such as an e.g. mercantilist policy – also marks the point of the emergence of political economy as a science. For Uno, it is not a coincidence that classical political economy has only been able to establish itself from the second half of the eighteenth century. The development of productive forces during the lifetime (and time of writing) of classical economists William Petty (1623–87), Adam Smith (1723–90) and David Ricardo (1772–1823) led to an increasing ‘purity’ of capitalist production, progressively unrestrained by mercantilist policies, so that capitalism in and of itself could eliminate the ‘remnants’ of previous social modes of production. Accordingly, the continuous approximation towards capitalist society’s ‘purity’ was the condition of possibility for the ‘systematisation of political economy’ that was able to conceptualise the paradigms of its own economic reality.

[To eliminate all the mixtures and impurities of the capitalist mode of production emerging from the remnants of previous economic conditions] is what the developmental process of capitalist society shows. For the development of theoretical economy as a science, this was of utmost importance. It forms the historical foundations of the development

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\(^{41}\) Marx 1981, 275.
of economic theory as a science, represented in Petty, Smith and Ricardo. Commodity economy, as capitalistic commodity economy (shōhinkateki shōhin keizai), by showing the gradual approximation towards a pure capitalist society which is an absolutely necessary hypothesis in theoretical research, clarifies in this point the specific character of the method of political economy and the special emphasis we must put on it.42

 Uno views Marx as an 'heir' to Smith and Ricardo who has ‘further elaborated the progress of classical political economy as the systematisation of their theoretical insights’. However, he sees a distinction, albeit a mild one: ‘But where the classics understand capitalism itself as an ultimate society, Marx sees it as a historical process and critically absorbs classical political economy itself’.43 One feature that justifies the hypothesis of ‘pure’ capitalism is that the ‘tendency for purification in the developmental stages (hasseiki) of capitalism is given an objective basis in which commodity economy is developed as a logic which completely dominates society’.44 The commodity form of capitalist society is therefore its distinctive feature which justifies its being ‘pure’. Moreover, without the hypothesis of purity demarcated by the logic of commodity economy, we would not be able to explain the principles of capitalist society at all, according to Uno, even if in reality, the pure commodity economic logic does not occur:

... for us who know the era of finance capital, as it was for Marx, the development of capitalism cannot be taken as a historical process that increasingly approximates towards a pure capitalist society. The principles of a historical process-forming society must be clarified. This society emerges at a certain epoch, and at another epoch yet again, its purification is obstructed. In other words, it is definitely not realised in reality (genjitsuteki ni ha kesshite jitsugen shienai), and it cannot be more than just an ever-increasing approximation, but if we don't make pure capitalist society a theoretically necessary hypothesis, we cannot explain the principles of capitalist society.45

But if it is not realised in reality, what do we take as the model we can abstract from? For Uno, the era of industrial capitalism marks the model, and yet, as

43 Uno 1974 [1962], p. 35.
44 Uno 1974 [1962], p. 28.
45 Uno 1974 [1962], p. 27.
we will see, and against which his principal objection against Marx's method in *Capital* is directed, it *does not*. On the one hand, Uno emphasises the character of pure theory as 'nothing but the elimination of factors which hamper the development of the principles', but on the other hand, he includes non-commodity economic and 'impure phenomena' which are part of a particular country's capitalist economy in a particular time.\(^46\) That is because the performance of abstraction should not be carried out 'mechanistically'.\(^47\) The model for pure theory should therefore not abstract 'away' the perturbing factors, even in industrial capitalism, which 'is the closest to the theory of principles of pure capitalism'.\(^48\) Marx however 'exaggerates' the meaning of industrial capitalism, because if the principles should be universally valid as principles that explain all forms of commodity-economy, regardless of historical epoch and region, we cannot assume industrial capitalism, least of all the way it developed in mid-nineteenth century, post-industrial revolution England, will serve as the theoretical model.

If, according to Uno, the principles of political economy become the principles of industrial capital as one of the developmental periods of capitalism, and the era of industrial capitalism becomes hypothesised as the object of the principles, the fact of the closest approximation to a pure capitalist society will be exaggerated, and the meaning of the principles misunderstood.\(^49\)

In other words, pure theory does not coincide with the era of industrial capitalism. At the same time, however, industrial capitalism 'enables' the purification of theory as an abstraction:

The demonstration of the conditions (*jōtai*) which have increasingly approximated a pure capitalist society that makes the theory of principles its hyposthesis presents nothing but the elimination of factors which hamper the development of the principles ... This is the purification process (*junka no katei*) as the formation of a uniform, commodity-economic society. There can therefore be no doubt that for the first time, a systematic development has been enabled by the so-called era of industrial capital of eighteenth- and nineteenth-century England.

The model-like character of industrial capital, serving as the 'blueprint' for the commodity-economic principles, may be close to a pure capitalist society, but it

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\(^{46}\) Uno 1974 [1962], p. 41.

\(^{47}\) Uno 1974 [1962], p. 41.

\(^{48}\) Uno 1974 [1962], p. 51.

\(^{49}\) Uno 1974 [1962], p. 33.
also contains various ‘phenomena’ that cannot be simply idealistically abstracted from:

However, this is not simply an abstraction from the various phenomena of this era. These are recognised within the processual development of the capitalist commodity economy since the 17th century, and they are abstracted as the tendency of commodity-economic purification. Assuming the various commodity-economic phenomena of the era of so-called industrial capital, the principles are not arrived at in such a way as to hold on to the elimination of perturbing factors or to the so-called ‘average’. In the era of industrial capital, the so-called ‘ideal average’ of the various phenomena, by its tendency of commodity-economic purification, discloses the principles, generally speaking, in their details as well as their general outline. But when it comes to the era of financial capital, the tendency to developmental purification is repeatedly obstructed.\footnote{Uno 1974 [1962], pp. 40–1.}

Uno nowhere convincingly argues by which criteria industrial capital should indicate an (approximate) level of ‘purity’. As a historical society, it should mark the most appropriate model, but why and how the commodity-economic principles should best conform to industrial capital, we do not hear. Since Uno surely does not negate the historical ‘impurities’ of this era – phases of class struggles, the formation of workers’ organisations and unions in the mid-nineteenth century – one wonders why this era should most accurately describe a model in which ‘capitalists have it their way’. Furthermore, if the \textit{genriron} do not simply ‘eliminate the perturbing factors’, what is their function? How do we even discriminate the ‘pure’ from the ‘perturbing’ factors? Accordingly, the theory of principles is suspended in mid-air. On the one hand, they indicate a general abstraction from any particular commodity-economy social formation. On the other hand, it is the era of industrial capitalism, of all possible periods, which marks the most distinctive level, without providing a convincing argument for either this decision, or the criteria or standard that define its relative ‘purity’ as against other periods. Not only is a solution to that paradox missing; so too are the very \textit{criteria} for ‘purity’\footnote{Among other theoretical gaps in the ‘pure’ principles, i.e. the missing explanation of the contradiction of the relations with the forces of production, and the non-existing reference to the capitalist mode of production as a system of the appropriation of unpaid human labour, Mita Sekisuke (1906–75) has criticised the non-explanation of the standard for ‘purity’ of the principles. The work dealing most critically with Uno’s method and} – and this is a funda-
mental problem we can detect also in the ‘stages theory’ of the Anglophone Uno School (see Chapter 5.2.). More important for Uno’s theoretical formation however is the critique of Marx. According to Uno, Marx was wrong to assume that ‘capitalism in its development would gradually approach a theoretically supposed increasingly pure capitalist society’ that ‘would be given as the objective basis of economic research’. But Uno does at no point argue whether Marx has ever made claims to any ‘pure’ understanding of capitalism in its industrial phase or whether Marx had ever claimed ‘pure’ theory as bearing a specific Erkenntnisinteresse on his theory at all. To complicate matters further, in the 1970 Introduction to The Types of Economic Policies Under Capitalism [1936], Uno argues that ‘the idea of a purely capitalist society ... is an objective reality’. There seems to lurk a pervasive indecisiveness as to the epistemological status of the object of his theory, whether as a tentative approximation, or ‘ideal-type’ model of a particular historical society, or an actually existing ‘logic’ manifesting itself in the ‘objective reality’ workings of capitalist society itself. The ambiguity is further extended to sentences such as that from the same Introduction: ‘... the conceptual framework of economic theory is fundamentally determined by the purely capitalist society towards which the actual process of development of capitalism pointed ...’, thereby suggesting that the theory of principles does not merely hypostasise economic laws without empirical equivalent, but addresses the actual workings of a capitalist economy. However, the ambiguity is remarkable for someone so interested in questions of economic method. In the following, we shall investigate Uno’s accusation that Marx had ‘insufficiently’ separated the ‘pure’ presentation from specific empirical and historical instances occurring in Marx’s time and in the specific locus of England. We shall take a closer look at Marx’s radically different approach to the capitalist mode of production as an object of cognition in which not their ‘purity’, but their semantic ‘impurity’ with regard to the informational content they obscure, becomes the standard of analysis. By deliberately transcending the ‘pure’ presentation of the capitalist mode of production into the realm of the ‘real’, Marx also indicates a new terrain of the inquiry: from the theoretical to the practical.

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54 While Uno rejects the idea that this is the case for ‘pure theory’, he accepts a Weberian framework for the stages-theory. See Uno 2016 [1971], p. 31.
55 Uno 2016 [1971], p. 31.

2.1.4 The ‘Limit to the Dialectical Presentation’: The Irruption of the Real

In a letter to Ferdinand Lassalle in early 1858, Marx famously declared that ‘[the] work i am presently concerned with is a Critique of Economic Categories or, if you like, a critical exposé of the system of the bourgeois economy. It is at once an exposé and, by the same token, a critique of the system’.\(^56\) What does ‘by the same token’ (zugleich) mean here? To answer this, we should refer to the correspondences, but also the crucial differences between Marx’s and Hegel’s method of presentation. First, we shall preliminarily draw on the Hegelian presumptions according to which Marx, like Hegel in his critique of metaphysics, saw the unfolding of the system as the critique of approaches that apply a particular method onto an ‘external object’. Next, we will investigate the ‘limit to the dialectical presentation’ that separates Marx’s method from Hegel’s – with grave political consequences, as we will see. As Michael Theunissen points out in his seminal Sein und Schein – Zur kritischen Funktion der Hegelschen Logik (1980), Hegel, like Marx after him, proposed that the Logic is, ‘according to the methodological idea that constitutes it, the unity of critique and presentation of metaphysics’;\(^57\) Michael Heinrich stresses in this context that the legacy of Hegel should not be so much sought for in the ‘adoption’ of a vague concept of ‘dialectic’ into Marx’s method in Capital, but rather in a particular ‘level of problem setting’ (Stand der Problemstellung)\(^58\) that can be found both in Hegel and in Marx. This particular Problemstellung, as I will argue, consists not only in the ascending method of retrieving the ‘inner cord’ that gives coherence to the capitalist mode of production as an object of thought, while it acknowledges its basic contradiction, but necessarily presupposes that the reconstruction of the system must permeate the forms of appearance of its categories, e.g. money, toward their essence – and only a fundamentally critical method can perform such a task. What, then, is the systematic function of conceptual critique for both Marx and Hegel? Generally, it consists not so much in the demonstration of particular ‘contradictions’ in the basic concepts that characterise the capitalist mode of production in general, the observation of which automatically leads to their solution in a ‘higher’ concept\(^59\) – e.g. the contradiction of use value and value that ‘necessitates’ money – but rather in that the critique of the categories

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\(^56\) Marx 1983, p. 268. English phrase in the original.

\(^57\) Theunissen 1980, p. 16.

\(^58\) Heinrich 1999, p. 170.

\(^59\) This trivialising understanding of an ‘applied dialectic’ in Marx’s method can be found almost without exception in all Anglophone interpretations that thematise the relation between Marx and Hegel, predominantly however in Sekine and Albritton, to which we will come in Chapter 5.2.
of classical political economy is *not externally* applied: it must result from the conceptual-dialectical *presentation* of these categories *itself*. In other words, the critique of the categories of bourgeois economics *cannot be separated* from the critique of the capitalist mode of production itself.60 Hence, what is valuable in this estimation for the critique of categories is *not* that e.g. money is the ‘solution to a contradiction’, but that the money form to the contrary *presents* the ‘fundamental contradiction’ in the capitalist mode of production, a contradiction that is necessarily obfuscated or ‘extinguished’:

It is not at all apparent on its face that its character of being money is merely the result of social processes; it *is* money. This is all the more difficult since its immediate use value for the living individual stands in no relation whatever to this role, and because, in general, the memory of use value, as distinct from exchange value, has become entirely extinguished in this incarnation of pure exchange value. Thus the fundamental contradiction contained in exchange value, and in the social mode of production corresponding to it, here emerges in all its purity.61

By virtue of bringing the fundamental contradiction of the social mode of production dominated by (exchange) value to the fore ‘in all its purity’, the derivation of the concept of money from the ‘fetishistic semblance’ of simple exchange itself becomes paradigmatic for disclosing the relation between this social mode of production’s essence and appearance. In this sense, it makes for a conceptually strong and ‘instructive’ beginning of Marx’s analytical enterprise, ‘ordering’ the intent and character of the succeeding presentation of the value forms. In the constellation of simple commodity exchange and money, the problem of e.g. how value ‘necessitates’ a type of commodity ‘existing outside and alongside it’, money, receives a new dimension, performed by Marx in his analysis of the value form: money is disclosed as the mystification of value, while value relates to a category that originally *appeared* to bear no relation to it at all, namely (abstract) labour. The fetishistic semblance of ‘simple exchange’ disappears. The real beginning of *Capital* therefore assumes fully fledged capitalist relations of production, relations that form the basis to the appearance of free and individual ‘commodity owners’ as a theoretical subject in the first place, as the ‘premiss’ to its critical deconstruction. In Marx’s words:

60 ‘The critique of the *bourgeois categories* is no abstract scientific business, but inseparable from the *presentation of the relations of production*’. Heinrich 2005, p. 74. Original emphasis.
An analysis of the specific form of the division of labour, the conditions of production on which it is based, and the economic relationships of the members of the society to which these conditions of production are reduced, would show that the whole system of bourgeois production is the premiss for exchange value appearing on its surface as a mere point of departure, and the process of exchange, as it unfolds in the simple circulation, as a social exchange of matter, simple but encompassing both the whole of production and the whole of consumption. It would transpire, therefore, that already other, more complicated relations of production, more or less conflicting with the liberty and independence of individuals, their economic relationships, are the premiss that, as free private producers in simple relations of purchase and sale, they should confront each other in the process of circulation and should figure as its independent subjects. But from the standpoint of the simple circulation, these relationships are obliterated.62

That the first chapter could only be a positing (Setzung) of presuppositions – albeit presuppositions that supplement each other – as a structural necessity makes its understanding so difficult. However this structural necessity of presuppositions is not a defect of Marx’s method, as most traditional and recent criticisms of the labour theory of value assume, including Uno, but a merit, since it delivers ‘a particular grounding nexus (Begründungszusammenhang)’ that shows how the ‘succession of categories, the “transition” from one category to the next, is not a result of didactics, but has in itself a specific informative content’.63 Marx moves from complex units to simple ones – from the commodity via money to capital – to show how their presuppositions are not only contained in them, but their specific presupposed content is also denied: their appearance is taken for their essence (see e.g. Ricardo’s identification of sur-

63 Heinrich 1999, p. 173. Emphasis added. While it must be noted that ‘transition’ (Übergang), at the level of the Hegelian dialectic, only accounts for the Logic of Being, the theoretical claim of Marx’s project is much rather embedded in The Logic of Essence that holds the category of reflection as the mode of categorial development. This is where the concept of contradiction finds its theoretical locus of discussion. What is significant is its relation to totality that indicates both Hegel’s and Marx’s methodological sophistication: ‘To naive everyday thought, respectively to the philosophers before Hegel, the different and antagonistic determinations and their presupposed objects seem to exist as independent, existing in-themselves, as though the determinations themselves were merely determined by their [immediate] content, and not by the total structure (Gesamtstruktur) of their objective reflection’. Brentel 1989, p. 334.
plus value and profit\textsuperscript{64} or Bailey’s identification of value with its form).\textsuperscript{65} Marx paradigmatically demonstrates this in his theoretical unfolding of the concept of surplus value in the production process \textit{via ex negationis} of value theories of exchange or circulation. ‘Buy cheap and sell dear’ – theories of surplus value suppose money as a means of exchange. At this stage, however, it remains only an assertion. Only after we have analysed money as a means of exchange (in Chapter 5), can we see why money in capitalist relations essentially differs from the ‘obvious’ (apparent) view: it secures the formal dominance of capital over labour. But this remains only a assertion until we have seen the \textit{complete} process, in which capital assumes \textit{dominance} over labour as a social relation. In this sense, the ‘impurity’, or rather, the \textit{inaccuracy} of the concepts becomes a structural \textit{necessity}, not to move to increasingly ‘purer’ ones, but to follow the movement of thought (\textit{Bewegung der Gedanken}) from misconceptions at the level of appearance to a growing comprehension at their essence. This is also why the ‘impure’ concepts are not simply invalid: in and by themselves they deliver the \textit{key} to their ‘real’ understanding – but only in correlation with other, more developed categories. This is why the commodity and money, self-explaining as they may seem, are only disclosed in \textit{correlation} with the substance of their value, abstract human labour. With this in mind, it is a matter of course that ‘\textit{w}ith the exception on the section on the form of value ... this volume cannot stand accused on the score of difficulty’.\textsuperscript{66} But the ‘labour of the concept’ – the movement which value assumes in its various fetishistic expressions – is what has to be tackled if we want to understand the \textit{complete mechanism} by which the capitalist mode of production generates not only itself, but the way it \textit{conceals} its relation to value as its objective structuring nexus – and that can only be grasped by the \textit{totality of the exposition}. In this way, \textit{Capital} presents a ‘conceptual developmental relation’ (\textit{begriffliches Entwicklungsverhältnis}),\textsuperscript{67} but one that in its procession toward completion retroactively constitutes the former, the previously insufficiently determined concepts. Here, the opposition of essence as against appearance in our view still proves useful for a heuristic approach to the categories ‘as they appear on the surface’, even though, as Heinrich has emphasised, Marx does not hypothesise any ‘philosophy of essence’ (\textit{Wesensphilosophie}): ‘What it meant by essence (\textit{Wesen}) are not \textit{normative} standards (\textit{Vorstellungen}) which oppose empirical reality, but \textit{non-empirical conceptual formations} which make the comprehen-

\textsuperscript{64} Marx 1973, p. 753.  
\textsuperscript{65} See Marx 1976, p. 141, footnote.  
\textsuperscript{66} Marx 1976, p. 90. Emphasis added.  
\textsuperscript{67} Heinrich 1999, p. 175.
sion of the empirically given (des empirisch Erscheinenden) possible in the first place'.\textsuperscript{68} Uno’s adherence to the empirically ‘given’, that is likewise the result of an abstractive performance, should precisely present the object of critique, not an absolutised reservoir for constructing an ideal-type presentation of ‘pure capitalism’. Needless to say, however, Marx’s object of critique, the capitalist mode of production and the fetishised forms of value on which it is based, does not coincide with Hegel’s object, the forms of thought themselves. Moreover, this is the precise sense in which Marx’s categories cannot, and are not supposed to correspond to the standard of purity that Uno demands for the sake of ‘scientificity’. The ‘limits to the dialectical presentation’ are taken very seriously by Marx, as we will see soon. To introduce this crucial point at which Marx’s project methodically differs from Hegel’s, we shall briefly refer to Marx’s conceptual differentiation between the conditions (Bedingungen) and the presuppositions (Voraussetzungen) for scientific presentation. In a much overlooked passage in the Grundrisse, where he discusses the ‘Original Accumulation of Capital’, Marx argues for the differentiation between the conditions of a certain fact which are logical or given qua the requirements of that fact itself and the presuppositions of that fact which are always historical:

While e.g. the flight of serfs to the cities is one of the historic conditions and presuppositions of urbanism, it is not a condition, not a moment of the reality of developed cities, but belongs rather to their past presuppositions, to the presuppositions of their becoming which are suspended in their being ... Therefore, the conditions which preceded the creation of surplus capital i, or which express the becoming of capital, do not fall into the sphere of that mode of production for which capital serves as the presupposition; the historic preludes of its becoming, they lie behind it, just as the processes by means of which the earth made the transition from a liquid sea of fire and vapour to its present form now lie beyond its life as finished earth.\textsuperscript{69}

That does not mean that the historical has a subaltern position in the exposition of the facts. Quite to the contrary: ‘... our method indicates the points where historical investigation must enter in, or where bourgeois economy as a merely historical form of the production process points beyond itself to earlier historical modes of production’.\textsuperscript{70} Hence the necessity to incorporate the pro-

\begin{itemize}
\item[68] Heinrich 1999, p. 175. Original emphasis.
\item[70] Marx 1973, p. 460.
\end{itemize}
cess of ‘So-called Primitive Accumulation’ in the main text of Capital. Simultaneously, the presentation of the historical process that led to the generation of the free wage worker ‘in the double sense’ – the expropriation of the direct producers from the means of production in fifteenth- and sixteenth-century England – cannot occur in a strict categorial and deductive, ‘dialectical’ manner: ‘His (the free labourer’s) existence’, Marx writes in the Urtext, ‘is the result of a protracted historical process in the economic formation of society. It shows at this point decisively how the dialectical form of presentation is correct only when it knows its own limits’. Therefore, while the historical narrative is an essential ingredient for the total grasp of the object in question, it has no critical relevance in separation from the categorial analysis preceding it. It is thus the latter that gives the former its specific significance for analysing the historical emergence of the capital relation at all. For example, only when the reproduction process of capital is explicated to necessarily depend on the quantitative difference between the use value and value of labour power and not, e.g., on the employment of specific machines, can the adequate historical sequence be presented which indicates the ‘beginning’ of the ‘original sin’, namely the separation of the direct producers from their means of production in the violent process of accumulation (in the form of the Enclosures Act, the Blood Legislation, etc.) – and not, e.g., the introduction of the steam engine in industrial production in the 1740s. With regard to the methodological setting of ‘So-called Primitive Accumulation’ at the end of Capital 1 therefore, the historical in its presentation strategically requires the previous analytical content of the object of research – in this case, the capital relation as the dominance of capital over labour – as a prerequisite for determining the central historical process which has led to the capital relation in the first place.

Only on the basis of the analysis of the capitalist mode of production it becomes therefore clear that the separation of direct producers from their means of production (and not, as could be assumed, the hoarding

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72 This also conforms to Reichelt’s view that ‘Marx relates to the process of original accumulation, by which the free labouring force is produced in the first place, while the systematic treatment of this process is determined by the immanent logic (immanente Logizität) of the categorial presentation. In order to specifically set this “actual history of the relations of production” apart from the categorial presentation, we must not only be clear about the structure of the categorial architecture, into which this “actual history” extends at particular junctions, but the exact conceptual grasp of this “history of the relations of production” can only proceed on the basis of the knowledge of the inner logic of the movement of value. The concept of capital is therefore presupposed in order to reconstruct the his-
of money treasures in the hands of few [or the introduction of specific means of production, e.l.l.] is the central historical precondition for the capitalist mode of production ... only after the analysis of the basic structure of the capital relation, it becomes clear which historical processes have to be presented when the generation of the capital relation is thematic.73

Determining the expropriation process of the peasants as the crucial historical factor that brought about the central condition for the capital relation therefore requires the previous categorial analysis Marx presents us with in the chapters that precede ‘So-called Primitive Accumulation’. The previous conceptual analysis is the prerequisite for organising the empirical material we are confronted with. Were this not the case, the material would present us with indeed a ‘palimpsest’ of manifold information, which cannot simultaneously deliver the means by which to evaluate it. As Heinrich observes, historical or ‘empirical’ presentations of the material belong to the object of research precisely only if a further conceptual deduction is impossible. It is true that Marx’s presentation of, e.g., the ‘The Working Day’ (Chapter 10 of Capital Volume i) and its limits can only be understood on the basis of historical and factual evidence. Yet again, this presentation is preceded by a conceptual analysis, namely the insight that the demand of the capitalist and the demand of the wage labourer are ‘equal rights’: the first has the right to consume the full use value of the labour power commodity, the latter has the right to demand a higher price for the one commodity he has to offer.

Here we can detect another, altogether different, but no less crucial function of Marx’s method in Capital, namely the ‘translation’ of the failure of ‘sublating’ conceptual contradictions within the terrain of speculation, and its overcoming in the practical realm. By insisting on the limits of the dialectical presentation, Marx’s method, we contend, in and out of itself generates the practical and political terrain that political economy shuns to address: the openness and ‘decisive indecisiveness’ of class struggle. In this sense, Nikolaos Tzanakis Papadakis suggests that

Marx uses the dialectic of the basic economic categories, i.e. their necessary and inner contrariness, in order to translate the political-economic

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73 Heinrich 1999, p. 178.
discourse with exact conceptual necessity ... into a different one. This performance of translation ... takes its vantage point from the failure of the processing of contradictions of the economic categories.74

What could this mean – and what political relevance does it indicate? It is clear from the lengthy elaborations on the conditions of the working class, including the frequent reference to empirical sources, factory inspectors’ reports, etc. that Marx, in the chapter on ‘The Working Day’, parts from the presentation of conceptual development and supplements it by an illustration of the actual, the ‘violent’ history that accompanies the determination of the length of the working day. Because, in theory, both the capitalist and the labourer insist on their respective rights – the one to consume the full use-value of the commodity he purchased on the market, the other to receive the equivalent for the value she produces – Marx contends: ‘Between equal rights, force decides’.75 Here is where the real irrupts as the transformation from the theoretical presentation of the categories towards its practical content: not reflection will undermine the capital relation, only the insistence of the right of the worker to demand the full equivalent of her labour power, i.e. class struggle. By transcending the terrain of theory, Marx deliberately leaves the ‘sublation’ of the contradiction between capital and wage labour open, breaking down the false comfort of dialectical speculation. ‘The contingent elements, which Marx necessarily integrates into his immanent presentation by means of their rupture, therefore refer to systematic places of indeterminacy and contingency, situations of historical openness, in which it is freshly decided how and if the society of capital will continue to exist’.76 This is Marx’s call to arms – a crucial motive directly informing his presentation that is completely evaded and even rejected by Uno. It is precisely the indeterminateness of the value of labour power and the indefiniteness of the implementation of the working day that motivates Marx to ‘digress’ to historical and empirical material, indicating the moment in which theoretical deduction hits its limits, in which history has to be made. Papadakis is therefore right to say that the ‘excursus’ on the working day is wrongly termed an ‘illustration’,

[because] illustrations in the strict sense ‘visualise’ a fixed and conceptually determinate fact. But if Marx’s historiography really ‘illustrates’ something at this point, it is the indeterminateness, which evolves from a

74 Papadakis 2017, p. 50.
75 Marx 1976, p. 344.
76 Papadakis 2017, p. 51.
contradiction that can no longer process merely in the realm of thought, a contradiction that – precisely because it can no longer process – can no longer be thought. At this point, the active class struggle occurs as something contingent and singular, which is why it cannot be thought of in the framework of purely economic discourse.77

This method in its critical claim towards the practical dimension completely surpasses Uno’s fixation on ‘purity’ and ‘principles’ that systematically eschews the political by virtue of its positivist framework. We will return to its problematisation in Chapter 5.3.

To acknowledge ‘the limits to the dialectical presentation’ however does not mean a conflation of the levels, since the limits themselves owe to the conceptual determinations that organise the empirical material. This correlation between the logical-systematical and the historical has nothing to do with a ‘constant mixing’ of conceptual deduction and empirical material or ‘incommensurate temporalities’, as, e.g., Harry Harootunian suggests: ‘The tension [between ‘capital’s abstract categories’ and ‘the materiality of contemporary history’ as presented e.g. in the chapter of The Working Day in Capital Volume I] shows that the structure of capitalism is not reducible to a ‘categorial beginning’ but instead constitutes a constant mixing of the historical material and the conceptual expositions from the start, which points to incommensurate temporalities’.78 The ignorance of the critical function related to the presentation of the material in this manner is astonishing: the historical itself marks the translation from the speculative to the realm of openness, to where the purely economic discourse is transferred to the level of human collective, and by necessity contingent, action. However, with regard to Marx’s deliberate abandonment of the categorial presentation, there is a third ‘irruption of the real’ that delivers a critical informational content to the presentation of the categories: the ‘Transformation of Money into Capital’. In order to adequately differentiate the concept of capital from that of the commodity and money, the presentation of ‘self-valorising value’ in the formula M-C-M’ is not only not enough, its insufficiency bears the symptom of the mode of presentation of conventional political economy itself. By deliberately ‘running up the score’ of the tautological form of valorisation – hence M-C-M’ is only a formula, i.e. without content – Marx indicates that the actual process of valorisation requires the disclosure of that which is not strictly confined to conceptual reflection. In order

77 Papadakis 2017, p. 54.
78 Harootunian 2015, p. 32.
for ‘Moneybags’ to be able to purchase his fantastic, and very useful, source of value, a complex set of historical productive relations must be presupposed. However, that the presentation of this presupposition only occurs at the end of the conceptual presentation is, as we have seen, owed to the necessity for the explanation which precisely determines the subsumption of labour under capital as the specificity of the historical formation that manifests as capitalist relations of production – and not, as we have seen, the employment of the steam engine or the hoarding of riches in the hands of the few. With regard to the methodological setting of ‘So-called Primitive Accumulation’ at the end of *Capital* Volume I, therefore, the historical in its presentation strategically requires the previous analytical content of the object of research – in this case, the capital relation as the dominance of capital over labour – as a prerequisite for determining the central historical process which has led to the capital relation. Brentel concludes:

The relation between the ‘logical’ and the ‘historical’ is neither to be grasped with the ‘illustration thesis’, nor the ‘historisation thesis’. By no means does Marx perform a ‘historisation of the logical’. Rather, he reformulates the ‘logical’ in a specific way, so that now, to the contrary, historical formations can be understood, categorised and differentiated from the point of view of the ‘purely logical’ problematic of the value form, from the ‘logic’ of the facts.79

Alfred Schmidt, in his ‘On the Concept of Cognition in the Critique of Political Economy’ (1968), argues in this context that Marx’s mode of presentation strictly sets itself apart from the Hegelian identity of object and method. This is clear from Marx’s own insistence on the ‘formal’ differentiation between the mode of inquiry (*Forschungsweise*) and the mode of presentation (*Darstellungswweise*) in the postface to the second edition of the first volume of *Capital.*80 Schmidt argues that

while the ‘inquiry’ orients itself toward the actual process of the history of theory (*Theorie-Geschichte*), the ‘presentation’ takes the opposite path: it advances from the immediate ‘being’ towards the mediating ‘essence’, i.e., in the sense of the Hegelian Logic: it proceeds from Being towards Essence, returning to the ‘Ground’ of Being. Marx, in other words, brings

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80 See Marx 1976, p. 102.
to life (*verlebendigt*) the historical process of the past which has sedimented itself in the thing-like concepts of an (empirically inhibited) bourgeois economy ... Only the 24th chapter, which treats the centuries of ‘original accumulation’, debates the historical presuppositions of all that which is already constitutive for the commodity and its analysis (as well as everything following from it).81

In the following, we shall see how the violence of original accumulation is abstracted away in Uno’s account which relegates and limits the beginnings of capital to the realm of *commodity exchange*.

### 2.1.5 Beyond Uneven Development: Commodity Circulation as the Origin of Capitalism

In the following, we will address how Uno prepares his own theoretical setting of the theory of principles that brings forward early commodity circulation as the founding principle of the capital relation. Uno follows a radically different evaluation of the historical origins of capitalism, one that abstracts from the history of the expropriation of the peasantry and the Bloody Legislation in the era of merchant capitalism in England, as described by Marx in both *Capital* and in the *Grundrisse*, and focuses on the purely formal category of exchange.

As we will see and discuss in Chapter 3, the theory of principles that takes a ‘pure capitalist society’ as hypothesis will give up on the necessarily correlating and interdependent determinations of abstract labour and value which structurally undergirds the concept of capital. Instead, Uno’s reshifting of the focus emphasises the predominant *form* in which abstract labour appears, money and exchange, discarding the analysis of its conditions of possibility, to become a theory of ‘value without fetish’ in the strict sense.

As for all the criticism of Marx’s method, Uno largely orients himself time and again in the *Methodology* towards the *Methodenkapitel* in the 1857 Preface to the *Grundrisse*, and here, especially to the preliminary plan for the prospective *Critique of Political Economy* that has been discarded in the 1859 edition:

The order obviously has to be (1) the general, abstract determinants which obtain in more or less all forms of society, but in the above-explained sense. (2) The categories which make up the inner structure of bourgeois society and on which the fundamental classes rest. Capital, wage labour, and landed property. Their interrelation. Town and country. The three

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81 Schmidt 1968a, p. 38.

Uno begins his own elaboration on method by referring to Marx’s self-reflection ‘of rising from the abstract to the concrete’, sidestepping Marx’s criticism of Hegel, continuing that the ‘most abstract determination of capitalist economy’ is the commodity. The correct presentation should therefore begin with it. Yet, as prefigured by Marx, ‘capitalist society, made up by the three classes of workers, capitalists, and land owners, is reproduced as something concrete’,83 that is, as a society which is systematically developed as the logic of commodity economy itself. ‘Insofar as in this society the economic principles are carried out by the commodity form, it has to follow it, and the lawfulness (hōsokusei) of the principles of the commodity should thus be clarified’.84 According to Uno, this ‘principle’ of the commodity form alone serves as the basis for Marx’s plan accomplished – however imperfectly – in Capital. In other words, for Uno, only point (2) qualifies as the content of Marx’s mature work.

Marx did not differentiate between the theory of principles and stage theory in his supplement (sic) in the Introduction to the Critique of Political Economy. What corresponds to the theory of principles are (2) ..., while (3), ... (4), ... and (5) ... are merely given. The purification of Marx’s Capital,

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82 Marx 1973, p. 108. This is, however, only the first rudimentary sketch, further illustrated as the 6-book-plan in the 1859 introduction to the Contribution. As Rolf Hecker says, ‘In mid-1857, Marx drafted the structure of his planned work in the “Introduction” mentioned by him, which he – in a letter to Ferdinand Lassalle on Feb 22nd, 1858 – extended towards a six-book-plan: capital, landed property, wage labour, the state, foreign trade, the world market. The first volume, according to a letter written to Engels on April 2nd, 1858, was supposed to cover “capital in general”, competition, credit and stock market capital.’ (See the Introduction to the Marx-Engels-Werke (Works of Karl Marx and Friedrich Engels), Volume 13, Berlin: Dietz. p. xv). Heinrich argues that Marx had entirely given up on the six-book-plan and conceptualised a completely new structure while drafting the second instance of the formation of the Critique of Political Economy in the early 1860s, resulting in the manuscripts to Capital. See Heinrich 2002.

83 Uno 1974 [1962], p. 28.
too, as a theory of principles, is obstructed. What is left is an inconsistent theoretical development.\textsuperscript{85}

In hoping to complete Marx’s initial plan and to give a more coherent method to the manifold assignment that the Critique of Political Economy represents, Uno develops his stage-theoretical methodological approach – not without claiming that neither ‘taxes and state debt’, just like finance and the ‘international relations of production’ cannot become a part of the theory of principles.\textsuperscript{86} In order therefore to move to the topic of, e.g. international trade, a stage theory is necessary. There is, however, an even stronger motivation for Uno to make stage theory a distinct methodological approach. As mentioned earlier, Uno objects to Marx’s understanding of England at the historical present of Marx’s own writing in the mid-nineteenth century as the model for the development of world capitalist formation, a development according to which England would only show the less developed country ‘the image of its own future’\textsuperscript{87}. As a methodological approach, it was therefore wrong of Marx to use England as a model, when it did not strictly belong to the theory of principles that abstracts from all given historical and empirical realities. A stage theoretical approach is needed:

For example, when Germany and other late developing countries (kōshinkoku) introduced capitalism (shihonshugika suru), they generated various discrepancies, dependent on whatever world historical developmental stage of advanced capitalism they occupy, brought forward by an advanced country like England. These discrepancies according to the development of capital, if they uniformly draw near a pure capitalist society which hypostatises the theory of principles, are already extinguished ...

If we assume a stage theory that clarifies the stages of world historical development of a capitalism that makes England an advanced and Germany a late developing country, we can for the first time clarify whether we can reconstruct the way in which the developmental stages that the advanced country has experienced are abbreviated, changed, or doubled. In the case of Germany where capitalism was introduced belatedly, our country and others, there occurred various and even more complicated problems regarding this point.\textsuperscript{88}

\textsuperscript{85} Uno 1974 [1962], p. 54.
\textsuperscript{86} Uno 1974 [1962], p. 43.
\textsuperscript{87} Marx 1976, p. 91.
\textsuperscript{88} Uno 1974 [1962], pp. 38–9.
In other words, for Uno, the principles Marx identifies in *Capital* as general, account only for England’s particular history, notably the history of ‘primitive accumulation’ characterising the emergence of the English proletariat, the ‘free worker in the double sense’. It should be recalled though that, for Marx, the presentation in *Capital* does not indicate a ‘higher’ or ‘lower’ grade of development of social antagonisms, which ‘spring from the natural laws of capitalist production’. Rather, the presentation in *Capital*, as we learn from the Preface to the first edition, focuses on ‘these laws themselves, of these tendencies winning their way through and working themselves out with iron necessity’. By choosing England as the model of presentation, Marx aims to deliver an informative and pragmatic content to this methodical decision: ‘If, however, the German reader pharasaically shrugs his shoulders at the condition of the English industrial and agricultural workers, or optimistically comforts himself with the thought that in Germany, things are not nearly so bad, I must plainly tell him: *De te fabula narratur!*’ What scandalises Uno is that the process of primitive accumulation that accompanies the introduction of the capitalist mode of production in different areas, has been realised in different ways. The expropriation of the direct producers, as it took place in fifteenth- to sixteenth-century England, cannot therefore be generalised as the basic mechanism enabling the implementation of capitalist relations of production, according to Uno.

One cannot say that ‘The country that is more developed industrially only shows, to the less developed, the image of its own future.’ The process of the primitive accumulation of capital is different everywhere. As long as the disintegration of the rural villages isn’t thoroughly executed, we may observe the advancement of capitalist large-scale industries. If it reaches an ever closer approximation to pure capitalism as it is hypostatised by the theory of principles, it is because, along with the development of capitalism, after all both the late and the advanced countries present the same image (よそ). But *in fact* this is not the case. Especially in the era of finance capital, every single county presents a different image.

We will show in the following that Uno doubly errs in his evaluation. The first error concerns Uno’s strict separation of the ‘logic’ of the ‘pure principles’ and

89 Marx 1976, p. 91.
90 Marx 1976, p. 91.
91 Marx 1976, p. 90.
92 Uno 1974 [1962], p. 43.
the stages-developmental presentation resulting from this claim. The second error follows from the devaluation of the emergence of the capital-labour relation and its substitution for the emphasis on the ‘commodity form’.

Indeed, that the history of the origins of capitalism evolved differently in different global regions is a truism with no analytical cognitive gain as to the specific mechanism by which capitalism is in effect as a social and historical fact. ‘The Explanatory Value of the Theory of Uneven and Combined Development’ as we can find it, e.g. in Trotsky, may lie in explaining deviations of regional, but mostly national, economic development – but it can only do so on the basis of assessing the common features of the different regions, the basis of which explains the ‘deviations’ in the first place, and without which the thesis of ‘uneven development’ would remain tautological. This not only holds for the assessment of the relation between theory and history whose strict separation Uno advocates on a logical level. This has also been confirmed by geographers and historians of uneven development. A case in point is Neil Smith, whose Uneven Development. Nature, Capital and the Production of Space (1984) takes a less schematic approach than Uno’s, arguing that uneven development, far from being an ‘obstruction’ to the conception of a ‘pure capitalist’ development, is one of the structural conditions of possibility for capital’s claim to ‘levelling’ and universality. Uneven development precisely consolidates capital’s inherent contradiction in the process of production of abstract wealth and the conditions of its realisation, an inherent contradiction not only logically, but also geographically and historically, implemented in the character of the law of accumulation. In that sense, Smith argues that uneven development ‘is the geographical expression of the contradictions of capital’. This contradiction however must be manifest in the relation that constitutes the capitalist of production as a historically specific economic formation, i.e. the relation between capital and labour, not only as the common basis of all capitalist societies, also as the discernible locus of geographical difference, so that ‘[as] uneven development becomes an increasing necessity in order to stave off crises, geographical differentiation becomes less and less a by-product, more an inner necessity for capital’. Uneven development, in other words, ‘acts out’ the contradictory character of the logic of accumulation (in e.g. a national economy) in its global and developmental implementation:

94 See David Harvey’s The Limits to Capital (1982).
96 Smith 2008 [1984], p. 203.
If the equalisation of global space results from the universal tendency of the wage-labor relation, then the main axis of geographical differentiation at this scale is the differential determination of the value of labour power, and the geographical pattern of wages thus effected ... Capital has no choice whether to expand into pre-capitalist societies, but it does have a ‘choice’ about how it does this. On the one hand, the developed, highly centralized capitals must constantly search not just for the physical elements of production – the necessary use-values – but for cheaper and cheaper sources of these materials, especially new materials and labor power. In the expanding search for relative surplus value, capital is driven to convert these external, relatively undeveloped spaces into places of production and accumulation. On the other hand, driven by the constant threat of over-accumulation, capital attempts to convert these places into markets for its goods, places for consumption. But it cannot do both, because it can convert these undeveloped societies into places of consumption only by developing them and by raising wages to facilitate consumption. There is a contradiction between the means of accumulation and the conditions necessary for accumulation to proceed, and it has a trenchant geographical shape.\footnote{Smith 2008 [1984], pp. 187–8. However, whether this is capital’s ‘choice’ is dubious. Just as little as capital ‘decides’ to develop the forces of production and expand globally, does it ‘decide’ to aim at both maximum profitability and the devaluation of labour to a minimum.}

This diagnosis lies behind the ‘development of underdevelopment’ that forms the basis for uneven development and accumulation. For the present discussion, the insight that capital’s drive towards accumulation precisely requires a ‘non-linear’, ‘uneven’ state of various global regions and hence in its very logic expresses or ‘acts out’ a ‘stage developmental’ theorisation, is key. Uno’s objection to Marx’s ‘insufficient’ differentiation between the two errs in failing to see the capital-relation as a basically contradictory social formation, both in its logic and its historical implementation. The ‘purity’ aimed at by Uno – which, as we will see, is extended to social reproduction as the production of general equilibrium – fails to grasp what is essential about the capitalist mode of production, for which the production of non-equilibrium and unevenness is a constant condition.

With this in mind we shall come to Uno’s second error, the rejection of ‘primitive accumulation’ as a generalisable heuristic framework for the emergence of the capital relation and its substitution by the ‘commodity form’.
For Uno, since the history of primitive accumulation as included by Marx at the end of *Capital* does not only not represent a global phenomenon, but has no bearing on pure theory either, it must be substituted for a different scenario: rather than expropriation, *commodity exchange between communities* exemplifies the *formal roots* of capitalism in a hitherto non-capitalist society. In its formal purity, this scenario legitimises its incorporation into the theory of principles. Indeed, the first part of the *Principles* (both the 1950–2 and the 1964 edition) thematises ‘The Doctrine of Circulation’, not Production, as the most abstract and generally valid form of the ‘commodity economy’, since ‘the primary concept in political economy is neither a product not production; it is the form of the commodity’.\(^98\) The first part hence thematises the commodity, money and capital, without once referring to abstract human labour, hence disavowing the fetish-critical dimension of Marx’s conceptualisation of the ‘commodity form’ from the outset, as we will discuss in Chapter 4. For now, we shall reconstruct Uno’s justification of commodity exchange as the appropriate theoretical locus for the conceptualisation of capital. Commodity exchange between rural communities at the periphery of commodity exchange – historically to be set at the beginning of merchant capitalism in the early fifteenth century – signifies the principal mechanism by which capitalism as a commodity economy entered the social edifice for Uno. Marx’s quote in ‘The Exchange Process’ of *Capital* Volume 1, *succeeding* the analysis of the value form and the thematic introduction of the fetishism-problematic, here serves as a buttress for Uno’s view that capitalism has taken its beginning in inter-communal exchange: ‘The exchange of commodities begins where communities have their boundaries, at their points of contact with other communities, or with members of the latter’,\(^99\) and comments:

> Whatever the fact of the emergence of commodity exchange, I think in these words the fundamental side to the character of commodity economy is revealed. Regardless of methods of production and the system dominating inside the community, the fact that their products are exchanged as commodities with other communities develops the specific commodity relation.\(^100\)

In a striking move, Uno evaluates this ephemeral remark in Marx’s evaluation of exchange as an explanatory framework of commodity exchange as the most

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98 Uno 1980 [1964], p. 3.
99 Marx 1976, p. 182.
100 Uno 1974 [1962], p. 11.
basic and general rule of human social behaviour, strongly reminiscent of the axioms of classical political economy and their methodological individualism functionalised for the determination of transhistorical and transsocial human characteristics. At length, Uno reproduces Marx’s argument why general commodity exchange presupposes the liberation from extra-economic constraints we find in ancient communalities:

The first way in which an object of utility attains the possibility of becoming an exchange-value is to exist as a non-use-value, as a quantum of use-value superfluous to the immediate needs of its owner. Things are in themselves external to man, and therefore alienable. In order that this alienation (Veräusserung) may be reciprocal, it is only necessary for men to agree tacitly to each other as the private owners of those alienable things, and, precisely for that reason, as persons who are independent of each other. But this relationship of reciprocal isolation and foreignness does not exist for the members of a primitive community of natural origin, whether it takes the form of a patriarchal family, an ancient Indian commune, or an inca state.101

Instead of being faithful to Marx’s intent, namely explaining why liberty, equality, and private property serve as preconditions for commodity exchange – which Marx without further ado ascribes to individual and ‘private owners’ of commodities, again presupposing we have read the previous chapter in which this constellation is disclosed as a fetishistic semblance – Uno reads something strikingly different, if not contrary, to Marx’s purpose: first of all, for Uno, as is clear from the quote, the principal condition for commodity exchange is in the production of non-use values for oneself (surplus production) that becomes a ‘use value for others’, a principle that can be generalised for whenever different communities emerged as against others. ‘Direct need (chokusetsuteki yokubō)’ becomes the ‘object of commodity exchange.’102 Hence, private ownership of the means of production may serve as an accompanying condition of commodity exchange, but not its cause. ‘It is right to say that commodity exchange at least directly eliminated the inner norms from a community. At the same time, the parties of exchange have tacitly agreed “to each other as private owners” and as “persons who are independent of each other”. In this relation, the

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102 Uno 1974 [1962], p. 11.
community already has some kind of extra-economic norms which have no relation to the produced product, and are connected to pure economic form.\textsuperscript{103} However, Uno says that

this purely economic character of commodity exchange forms nothing but the passive requirements of economic analysis. The active provision for the motif of economic analysis, as seen previously, is the phenomenon of the discovery of the specific lawfulness that the commodity form contains. The use value of a product is not directly the object of the satisfaction of a need. It is so only indirectly, that is, when it receives commodity-social control (\textit{shōhin shakaitekina kisei}), that it becomes the aim of the original satisfaction of needs for the first time. But that necessitates a specific analysis.

Counterfactually to the Marxian analysis, Uno relates the emergence of ‘commodity-social control’ as centred around the provision of use values aimed for the satisfaction of social needs. In a later passage, Uno adds how the commodification of labour power, first and foremost, required a particular way of the exchange of \textit{use values}, rather than a particular way of their production, oriented toward value. Without making an explicit reference, Uno sees the ‘direct need’ for use value as the main cause for general exchange on a social scale, starting with communities. The principle of exchange therefore has to be characterised as the most abstract determination of how capitalism became the dominant principle:

In the various pre-capitalist societies, a society close to increasing purification as in the development of that which enables the theory of principles of political economy, is probably unlikely. But also capitalism has only shown this tendency until a particular stage of its development. I’ve come to think that by the emergence of a commodity economy between communities, by permeating them, and by commodifying labour power, for the first time a nexus was established in which a capitalist society became the dominant social form. Here, the specific abstractness (\textit{toku-yūnaru chūshōsei}) and generality of the principles of political economy is shown.\textsuperscript{104}

\textsuperscript{103} Uno 1974 [1962], pp. 11–12.
\textsuperscript{104} Uno 1974 [1962], p. 40.
For Uno, contrary to Marx’s analysis, the commodification of labour power becomes a specific feature of commodity exchange, not vice versa. With that implication, he can argue that, since the universal principle of commodity economy characterises capitalist societies as a totality, all criteria that do not belong to it should be eliminated. As we have seen before, the labour power commodity for Uno is the pivot of industrial capital, but it cannot be directly produced by it. Therefore, even the commodification of labour power presupposes the principal structure of an original society of exchange. One must not forget however that for Uno, too, the separation of the producers from their means of production is a historical fact that, even if it cannot be universalised at all historical times to mark the foundation of capitalism, was tantamount to a particular development, as, e.g., taking place in England. But even this process of expropriation was based on the principle of exchange, as we can see in the quote above. At the level of his stage theory, Uno therefore sees capitalism’s first stage in that of exchange that characterised the era of merchant capital, accompanied by the policy of mercantilism. Here is also why we find in Uno’s theory of genriron, the only level in his three-level method he worked out, that the pure forms of movement of merchant capital – the commodity, money and capital – should be theorised before the character of production is taken into account. The forms of circulation, unlike those of production, are already existent both historically and theoretically. This is a fundamental departure from Marx, who, as Schmidt correctly notes, presents in the history of primitive accumulation the ‘historical presuppositions of all that which is already constitutive for the commodity and its analysis (as well as everything following from it)’. Uno however misses the point of the chapter on primitive accumulation, its precise Begründungszusammenhang from the previous analysis of the real subsumption of labour under capital in the form of wage labour that explains which historical ‘event’ is responsible for the emergence of the capital relation in the first place. Neither the industrial revolution of the early eighteenth century, nor the hoarding of wealth, nor the emergence of colonies and world trade can sufficiently explain the mechanism of the commodification of labour power underlying the total production and reproduction process of capital. It is therefore quite counterfactual that, as Uno believes, the commodification of labour power was owed to a specific relation of exchange. To the contrary:

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105 Uno 1974 [1962], p. 45. After stating that sheep wool industries were a specificity of the developmental stage of capitalism in merchant capital, Uno says it was based on the separation of direct producers from their land.

106 Schmidt 1968a, p. 38.
In point of fact, capitalist production is commodity production as the general form of production, but it is only so, and becomes ever more so in its development, because labour itself here appears as a commodity, because the worker sells labour, i.e. the function of his labour-power, and moreover, as we have assumed, at a value determined by the costs of its reproduction. The producer becomes an industrial capitalist to the same extent that labour becomes wage labour; hence capitalist production (and thus also commodity production) appears in its full extent only when the direct agricultural producer is also a wage-labourer. In the relation between capitalist and wage-labourer, the money relation, the relation of buyer and seller, becomes a *relation inherent in production itself*. But this relation rests fundamentally on the social character of production, not on the mode of commerce; the latter rather derives from the former. It is typical of the bourgeois horizon, moreover, where business deals fill the whole of people’s minds, to see the foundation of the mode of production in the mode of commerce corresponding to it, rather than the other way around.107

When in the *Principles*, Uno contends that ‘Marx’s *Capital*, for the first time in the history of political economy, consciously begins ... with the concept of the commodity’,108 he completely misrecognises Marx’s intent to begin with the commodity *in order to deconstruct* the fetishistic semblance of the commodity and its form, which presents itself to us as though it were the predominant form of capitalist sociation. In reality however, in the commodity, the relation between capital and labour is already, however ‘latent’, contained. With a clear awareness of this, Marx says, ‘it would transpire, therefore, that already other, more complicated relations of production, more or less conflicting with the liberty and independence of individuals, their economic relationships, are the premiss that, as free private producers in simple relations of purchase and sale, they should confront each other in the process of circulation and should

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108 Uno’s assessment, however, is inaccurate. Marx ‘at first’ consciously *reproduces* the English economists’ view of the commodity, before he deliberately demonstrates its systematic blindness towards the productive relations that constitute the ‘commodity form’, i.e. their systematic blindness of value, as against use value. In the *Contribution*, Marx says: ‘A commodity is first of all, *in the language of English economists*, anything necessary, useful, or pleasant in life; an object of human wants, a means of existence in the broadest sense of the word’; Marx 1904 [1859], pp. 19–20. Emphasis added. In *Capital*, Marx refers the broader passage to Nicholas Barbon’s (1640–98) ‘A Discourse on coining the new money lighter. In answer to Mr. Locke’s Considerations etc.’, London 1696.
figure as its independent subjects'. From the standpoint of commodity circulation that Uno holds, however, ‘these relationships are obliterated’. It may be useful at this point to recall Robert Brenner’s seminal ‘Critique of Neo-Smithian Marxism’ in his influential ‘Origins of Capitalist Development’ (1977). In his critique of Immanuel Wallerstein’s, Paul Sweezy’s, and André Gunder Frank’s theories of ‘commercial networks’ grounding the emergence of capitalism within the ‘world system’ between core and periphery, we find a similar constellation as discussed here, although what interests us is not so much the explanation for uneven development, but Uno’s and Wallerstein/Sweezy/Frank’s congruent view of the origins of capitalism. Wallerstein argues that the capitalist mode of production and the unevenness that characterises it derive from a ‘trade-induced world division of labour’ and, like Uno, sees this development originating in merchant capital. ‘The trade-induced world division of labour will, in turn, give rise to an international structure of unequally powerful nation states: a structure which, through maintaining and consolidating the world division of labour, determines an accelerated process of accumulation in certain regions (the core), while enforcing a cycle of backwardness in other (the periphery),’ as Brenner paraphrases. Frank takes a similar outlook on the impact of mercantilism and world trade: ‘... a commercial network spread out from Italian cities such as Venice and later Iberian and Northwestern European towns to incorporate the Mediterranean world and sub-Saharan Africa and the adjacent Atlantic Islands in the fifteenth century ... until the entire face of the globe had been incorporated into a single organic mercantilist or mercantile capitalist, and later also industrial and financial, system ...’ Brenner’s crucial objection lies in his understanding of the capitalist mode of production as primarily based on the class character of the society in which it operates, and not on forms of trade. Economic development – or, more precisely, the development of the forces of production – Brenner argues, can neither originate from ‘the expansion of trade ... nor the transfer of surplus ... nor the specialization of labour control systems leading to a more effective ruling-class surplus extraction’, because none of these can determine ‘the rise of a system which “develops itself spontaneously”, which can and must continually “revolution-

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110 Ibid. Original emphasis.
111 Comparisons between Uno and Wallerstein’s/Frank’s positions shall not prove to be very fertile, not least because the latter clearly recognise the capital relation as a problematic one, i.e. assume a different theoretical position than Uno.
ize out and out the technical processes of labour and composition of society”.

The latter, for Brenner, is only guaranteed by the specific form of surplus value accumulation assumed by the capitalist mode of production, namely the production of relative surplus value and the reproduction of the class structure. This form of production entails. Trade, therefore, ‘is not at the origin of capitalist economic development, because trade cannot determine the transformation of class relations of production’. Like Uno, Wallerstein et al. ‘assume away’ the transformation of the class relation of production in the transformation from the serf-lord feudal relations to capitalist wage labour. They, as Brenner argues, no longer see the rise of ‘distinctively capitalist class relations’ as the ‘basis for capitalist development, but as its result’. In a trenchant analysis of the feudal state’s economic disposition, i.e. the simultaneity of serfdom with merchant capital and a beginning world market (which is impossible to reproduce in detail), Brenner demonstrates that in feudal states, trade at no point formed an incentive to develop the productive forces: ‘For the serf-lords’ survival simply did not depend on their relationship to the market’. Indeed, ‘the serf social relations, under the impact of trade, tended to entrain a stagnant, often regressive, pattern of overall societal development, making a mockery of the optimistic Smithian model …’ Decisive factors hampering the development of productive forces were a) the immobility of land and labour deriving from serfdom b) the self-lords’ interest in short-term surplus extraction over long-term growing productivity, c) that demand, not being a category of the market, was confined to the realm of the landlords’ wants for ‘limited numbers of expensive luxury products, goods which could in no way enhance rural production’. In this economic climate, the highly restrictive economic policies of the guilds, which came to dominate manufacturing, could flourish, as could trade. But neither the guild system nor the establishment and widening of the world market could change the class composition of feudal society. In his pungent critique of Sweezy, who, like Uno, wrongly identifies the ‘development of trade’ with the ‘emergence of capitalism’, Brenner observes:

115 For a more detailed discussion of the function of the production of relative surplus value in relation to the real subsumption of labour under capital, see Chapter 5.3.
118 Brenner 1977, p. 45.
119 Brenner 1977, p. 45.
120 Brenner 1977, p. 47.
... Sweezy’s error is two-fold. It is to posit that the producers’ relationship to the market determines their operation and development and, ultimately, their relationship to one another – rather than vice versa. Correlatively, it is to locate the system’s potential for development in the capacities of its component individual units ... rather than in the system as a whole – specifically, in the overall system of class relations of production which determine/condition the nature of the interrelationships between the individual units and, in this manner, their operation and development.

We will see in the next chapter how the dismissal of the standpoint of the system as a whole, like in Sweezy, informs Uno’s methodologically individualistic commentary on Marx’s value form analysis. The insight to be gained here is that Uno’s emphasis on inter-communal commodity exchange and mercantilism as the Urform of capitalist relations – and the first level in the stages theory of capitalist development – disregards the evolution of specifically capitalistic relations of production as the condition of this Urform, in other words, the dependence of the market on a mode of production in which the surplus is produced as surplus value, and is thus given a specific social form originating with the emergence of wages or the freedom from the ‘objective conditions’ of their labour. Merchant capital, in this sense, only becomes capital proper when it encounters ‘the conditions where free labour can be purchased only when this labour has been released from its objective conditions of existence through the process of history’.121 Moreover, the question how Uno’s alternative approach to the ‘point zero’ of capitalist social relations in commodity exchange exalts a ‘purer’, i.e. ‘more general’ level of abstraction, remains completely open. As we have shown, it fixes the immediate semblance of simple commodity exchange as the essential feature of the capital relation, and hence imitates the methodological approach of bourgeois political economy, endorsing its use value-centred understanding of the function of the commodity as ‘the satisfaction of needs’. Similar to the transhistorical presentations of classical bourgeois interpreters, Uno excludes the savage history of the emergence of capitalistic relations of production from the general and ‘pure’ principles, cleansing its seemingly innocuous concepts – the commodity, money, capital – from the structural embeddedness of their violent historical genesis. Contrary to what Uno thinks, history is not an ‘external’, ‘contingent’ accompanying theme which has no place in the theory of principles (nor in stages

121 Marx 1973, p. 505.
theory) – it is constitutive for the theory of principles themselves. By hypo-
stasising the ‘lawfulness’ of the commodity form, and therefore the priority of
forms of exchange over forms of production, ignoring the critical function of the
presentation of the relations of production for the fetish-characteristic form of
the commodity that Uno, like conventional political economy, ‘sticks fast to’,
Uno assumes a position close to bourgeois political economy and its disavowal
of the fetish problematic in toto. In order to wrap up the ‘Limits of the Three-
Level Method’, we should reconsider its overall function and briefly turn to a
more general evaluation of its methodological persuasiveness.

2.1.6 A Theory of Levels of What? The Question of the Object of Cognition
Before embarking on the ‘axes’ or ‘frame joints’ as regards the thematic con-
tent of pure theory – the law of population and the commodification of labour
power – we should reconsider the overall methodological function of the three-
level method or sandankairon. What is of interest in this context is the persuas-
iveness of the three-level method for the evaluation of the historical advance-
ment of capitalism, especially, as we have seen, as the process of primitive
accumulation is anathematic to its schema.

Uno did not fully theorise Marx’s ‘omissions’ of what Uno saw as the stages –
thoretical points in Marx’s plan in the 1857 Introduction. For Uno, the point of
Marx’s plan to work out how the ‘Concentration of Bourgeois Society in the
Form of the State’ should incorporate the different epochs of ‘each and every
country’ with their respective conditions, and the influence of the develop-
ment of capitalism in the advanced countries on the emergence of capitalism
in the late developers. Stage theory however does not exhaust the task of cla-
rifying the ‘beginning, emerging, developmental stage and stage of demise’ of
world capitalism, individually for every country in every situation ‘and in their
mutual conditions and relation’. Uno insists on the necessity of the supplement
with the ‘analysis of the actual conditions’, and pure theory, together
forming the three level-method:

The world-historical significance of the countries who occupy the ‘lead-
ing position’, presenting ‘the Concentration of Bourgeois Society in the
Form of the State’ with their industry, is rather embedded in the analysis
of the actual phenomena (genjō bunseki), instead of the stage theoreti-
cal norms that explain their leading influence. In the same way as they
do not present the principal-theoretical norms, they cannot be stand-

122 Uno 1962, p. 49.
ardised as the analysis of the actual conditions. Of course, the historical process of the emergence, development, and demise of capitalism is to be developed by a specific lawfulness. The advanced countries’ process forms the model (tenkei) as against that of the late developer. However, this is the object of the theory of principles. In contrast to the laws of movement of a pure capitalist society, [stage theory] forms the development as the process of the permeation of capitalist society against a more or less non-commodity economic, non-capitalist economy realised through domination over the so-called heterogeneous things.\textsuperscript{123}

The information stage theory therefore delivers remains limited to the ‘purification’ process. In its concrete formulation, it does not present more than a more or less arbitrary division of historical epochs without any information on the social significance of capitalism’s development. This lacuna becomes crucial in the missing evaluation of real subsumption. Along with the historical process of capital’s original formation in the separation between capital and labour as two distinctive social classes, the dynamic of the development of the forces of production is bizarrely excluded from Uno’s legitimate interest in the relations and specific individual developments of capitalism’s developmental stages.\textsuperscript{124} We are therefore equally legitimised to ask what theoretical insights we do gain from Uno’s periodical compartmentalisation of capitalism’s world-historical stages. Who would doubt that merchant capitalism developed in the sixteenth to seventeenth century and subsumed the production process, accompanied by the stage of mercantilism, with the sheep wool industry as its main product? Or that, after the industrial revolution of the eighteenth century, industrial capitalism came to dominate in the era of liberalism, focussing on the production of cotton goods? How is the claim that it was followed by the nineteenth-century ‘late developer’ Germany’s, as well as England’s, imperialism, standing on the firm basis of finance capital and its heavy industries, a particularly controversial one, delivering critical insights to a probably dated conventional view? More promising would be an elucidation of the interrelation between pure theory, stage theory and the analysis of the actual conditions, i.e. their common denominator. This would both throw a light on how the principles can account for the general development ‘in each and every country’ and also rationalise the elimination of ‘impurities’ that find their way into stage theory. However, such a common ground for both levels of abstraction is

\textsuperscript{123} Uno 1974 [1962], pp. 49–50.
\textsuperscript{124} However, neither do we find that the theorisation of the capital-labour relation was central even to pure theory. This will become thematic in Chapter 4.
missing in Uno’s methodological reflections, and so is their relation to the ‘analysis of the actual conditions’. To be sure, where Uno sees his stage theory as a ‘supplement’ or further theoretisation of the basis-superstructure metaphor that constitutes historical materialism, it could enhance the determination of the specific material content to particular stages. But the fact that merchant, industrial and finance capital form the economic basis, while mercantilism, liberalism and imperialism form the respective forms of superstructure, ends up in a tautology. In sum, Uno’s theory of stages elucidating the specific role of late developers in the historical progress of capitalism’s self-expansion does no more than assert stages while leaving open their connection to capital’s logic that forms the object of the theory of principles. In other words, the historical stages Uno determines stand without correlation to the insights of the theory of principles, aside from presenting the denominator of their respective levels of ‘purity’, for which the theory of principles in turn delivers the level of conceptual abstraction. This fatal inconclusiveness of the Three Level-Method was also noted by Simon Clarke: 

... the Uno approach remains formalistic, since the basis of this abstraction, and the corresponding division of levels between the basic theory, the stages theory, and historical analysis, is essentially arbitrary. The demarcation and specification of the basic theory is determined by purely analytical criteria, which define which historical tendencies correspond to the inner logic of capitalism, and which correspond to contingent factors introduced at the level of the stages theory or at the level of historical analysis. The result is that the pure theory is insulated from contact with the real world by stages theory, which provides the link between theory and history. However, the stages theory derives neither from the pure theory nor from historical abstraction, but essentially from the need to build a bridge between the two, so that the only escape from a scholastic formalism is provided by a stages theory which is at best undeveloped, and at worst arbitrary ... the result is that the theory provides no coherent purchase on the historical process of capitalist development, on the one hand, and no political guidance, on the other.125

Over and above Clarke’s evaluation however, the deliberate disavowal of Marx’s specific Problemstellung from the three level-method is to be problematised in Uno’s approach. Against Uno, we have seen that the mere commodity form and

125 Clarke 1989, 134.
mere commodity circulation are never constitutive of economic form determination, and hence can neither mark the beginning of capitalism's historical origin, nor the purely theoretical vantage point by which capitalist relations of production are considered. To the contrary: hypostatising the 'lawfulness' of the commodity form as the theoretical point of departure imitates classical bourgeois economists' view of the commodity as the natural(ised) vantage point, in which its relation to the specific relations of production, especially the relation between capital and labour, is extinguished. Marx's presentation of the historical origins of the process which made the emergence of the commodity form possible at all critically inverts the unproven presuppositions, the naturalistic fallacies, and the ideological hypostatisations of the 'commodity form' as the point of departure of political economy. In this critical presentation, any refuge in 'different levels of abstraction', which do not coherently demonstrate by their own exposition as to what instance they are abstractions of, is superfluous. Rather than that Marx's historical account of primitive accumulation 'stands outside of the pure principles', as Uno argues, Uno's historical stages of mercantilism, liberalism and imperialism bear no relation to the constellation that structures the capital relation in the first place. This is not to say that 'different historical stages' are secondary to understanding the present capital relation and the 'uneven way' it has subsumed labour under capital. They indeed show how capital has incorporated different material relations – and concretely, different kind of products under different production methods, accompanied by their corresponding different political interventions – in each case. But it raises the question what insights we get for understanding the present predicament of capital – e.g. children's labour in vast parts of the southern hemisphere even in the twenty-first century, poverty, the rise of a new 'surplus' precariat, and the eradication of civil liberties – if a formalistic ideal-type theory of 'pure' principles of capitalist commodity-economy is assumed as the methodological vantage point for which a no less schematic stage theory assumes a chromatic of increasing/decreasing levels of 'purity'. Indeed, as Clarke observes, 'pure theory is insulated from contact with the real world'. Acknowledging this, we can however point to a more general epistemological, and hence, fundamental misrecognition of Marx's method in Uno's sandankairon. This concerns the problem of Uno's 'pre-critical' (vorkritischer) standpoint. So strong is Uno's rejection of Marx's 'meshing' of different levels of analysis that Uno fails to see its critical function. It consists precisely in demonstrating the grip of the law of value and the valorisation postulate over the real life of humans, the production and the reproduction process, as a reality-structuring force. In Uno's method, the capital relation is never problematised because sandankairon is systematically obstructed from determining what the
law of value ‘has to do’ with the actual world, with the actual society we live in. The law of value is restricted to a hyper-abstract ‘pure theory’ in which ‘equal exchange’ and an ‘equilibrium of supply and demand’ prevails. It is therefore banned from its theoretical extrapolation in the actual economy. This is quite to the contrary of Marx’s project. Instead of the mutual externality of pure theory and stage theory, Marx deliberately presents the actual cruelty, the actual violence, the actual devastation in effect by a society that subordinates all social exchange to the law of value. Marx’s project in Capital was to show how the law of value prevails precisely in a historically real economy – and his elaborations of ‘The Working Day’ are a formidable example. The methodological objection and resentment against demonstrating the intrinsically devastating effects of the law of value, or rather surplus value, in a real historical situation, which was Marx’s incentive for many of his elaborations in Capital, bears a significant symptom of the inherently apologetic character of Uno’s and the Uno School’s contribution. This however is closely related to Uno’s insufficient grasp of the epistemological status of value. As a real abstraction, it is not merely the result of a thought process about an object called ‘the capitalist economy’, but in effect structures the actual workings, the real mechanisms by which people live and work and organise their daily survival, and, among the more privileged, think and thematise the concept of society itself. It is the autonomisation of value as a real process, and no longer – if it ever was – value as a mere ‘thought-abstraction’ that is the primary cause for the subordination of human needs to the value nexus. As Marx famously stated: ‘Those who consider the autonomization [Verselbständigung] of value as a mere abstraction forget that the movement of industrial capital is this abstraction in action’. Needless to say, in its hyper-abstract ideal-type formalisation, the theory of principles founding the three level-method may be considered the ‘internal dream or fantasy of capital’, a state which can never materialise concretely, but must nevertheless be assumed, and which may well be merely the idealisation of capital by capital itself. For Uno therefore, this conceptualisation may indicate a ‘dream’. For Marx, it is a nightmare.

127 Walker 2016, p. 164.
2.2 Pure Theory’s X-Axis: The Law of Population

Uno’s re-conceptualisation of the law of population serves two functions that imply each other: an intervention against Marx’s theory of ‘immiseration of the working class’ (rōdōsha kaikyū no kyūbōka) and, more specifically, the explanation of labour power shortage in the long term, and the operations of the industrial cycle (boom, crisis, recession) in the short term. Labour power shortage is a vital problem in Uno’s theory of the business cycle. For Uno, it should be addressed through the ‘law of population’, one of the ‘Three Great Economic Laws that Govern Capitalism’, as his 1969 text contends (along with the Law of Value and the Law of the Equalisation of Profit Rates). The law of population, for Uno, explains the necessity of crisis. We will see how this view of crisis, steering away from the inherent contradiction in the laws of the creation of surplus value with the laws of its realisation, and resetting it in the realm of workers’ reproduction as independent variable, significantly leaves unaddressed the insights drawn from Marx’s ‘General Law of Capitalist Accumulation’.

With the development of the productive forces and the rise of the organic composition of capital, Uno contends, we do not merely confront a growing relative surplus population, but also a relative surplus of capital:

> Of course, because a higher organic composition of capital forms a relative surplus population against capital, capital does not always need to directly improve its forthcoming production methods. In other words, the improvement of capital’s production methods may lead to an increase of the production of means of production and means of subsistence along with the advance of capital accumulation, but because this is not accompanied by an increase in the labouring population ... this leads to a relative surplus in capital as means of production and means of subsistence, as against labour power.¹²⁸

Not only the formation of a relative surplus population, but its absorption in times of boom, and the concomitant production of surplus capital relative to the working class, forms a problem of accumulation and one of the ‘contradictory’ tendencies of capital. According to Uno, capital reacts to labour power shortage with a crisis, triggered by the wage rise resulting from labour power shortage in times of boom, which fluctuates back into capital’s necessity to expel labour power in times of depression. This tight relation between fluc-

tuations in the availability of labour power and the economic cycle was in Uno’s view too perfunctorily analysed by Marx. Especially, in this context, the concept of the value of labour power is reconsidered by Uno, as a dependent variable considerably modified by the law of population itself. Towards the end of this chapter (2.2.), revisiting Marx’s ‘General Law of Accumulation’, we will see on what grounds Uno’s critique is justified, and whether the ‘availability of labour power’ – a ‘commodity that cannot be directly produced by capital’ – forms an adequate angle by which to meaningfully address capital’s contradiction. Before we come to Uno’s reconceptualisation of the ‘law of population’ as regulating the value of labour power through the cyclical process of capitalist accumulation, we shall first consider Uno’s critique of Marx’s law of population as a ‘law of immiseration’.

2.2.1 Against ‘The Law of Immiseration’...

One of the two main incentives for Uno’s re-conceptualisation of Marx’s theory of population in the wider context of general accumulation theory is to counter the theory of immiseration.\(^{129}\) For Uno, while the ‘law of population’ belongs to the framework of the principles, it must be ‘purified’ from the historical contingencies of immiseration theory. As we have seen, Uno’s conceptualisation of pure theory or the theory of principles builds upon a level of abstraction in which the historical tendencies of capital should be excluded. In contrast to Marx, who deliberately includes these processes into the logic of the abstract rule of value, Uno demands separate spheres of capital’s theorisation. We should therefore first present a problematisation of this view, before turning to what we believe is Marx’s original motivation for the central, if not single most crucial theorem in Capital, the General Law of Capitalist Accumulation and crisis. In the Methodology, Uno quotes from the 1864–5 Economic Manuscripts:

In theory, we assume that the laws of the capitalist mode of production develop in their pure form. In reality, this is only an approximation; but the approximation is all the more exact, the more the capitalist mode of production is developed and the less it is adulterated by survivals of earlier economic relations with which it is amalgamated.\(^{130}\)

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\(^{129}\) Also see the article originally published in Keizai Kenkyū (Studies in Political Economy) in 1957, ‘On the So-called Law of Immiseration’ (‘Kyūbōka no hōsoku ni tsuite’), in Uno 1974 [1957], pp. 111–21.

Uno strongly emphasises this small passage, and it occurs repeatedly over his theoretical writings. As what Uno thinks forms the basis to Marx’s general method, on the one hand, it serves to justify Uno’s own approach – capitalism’s development toward increasing ‘purity’ – and on the other hand forms the basis of his critique of the ‘purity’ of the era of industrial capitalism. Yet, Uno assumes that Marx could not help being wrong: ‘At the end of the 19th century, it became clear that this development [of an increasing approximation towards pure capitalism] would not take place. The systematic purity of the theory of principles could not be fully completed’. The weakness of Marx’s method was the failure to grasp the extent to which the law of population had penetrated the principles, and, within it, Marx’s failure to understand the significance of the commodification of labour power as capital’s crisis-inducing ‘impossibility’. Instead, Marx, according to Uno, had developed a theory of ‘immiseration’ that not only did not meet the requirements of pure principles, but would be proven wrong precisely because Marx did not attribute sufficient importance to the law of a relative surplus population and the leverage function it can have in economic cyclical crisis. Here, in the context of the three levels, Uno gives only a brief sketch of the importance he ascribes to the law of population for pure theory. In the present context, we will briefly reproduce his argument while keeping in mind Uno’s specific law which will be discussed in the context of the reconstruction of Capital (Chapter 4.1.) and the theory of crisis (Chapter 4.4.). At the bottom of Uno’s argument lies the contention that Marx’s theory of immiseration, discussed in the context of Marx’s own theory of population in Chapter 25 of Capital Volume I, ‘The Progressive Production of a Relative Surplus Population or Industrial Reserve Army’, was faulty since it did not and could not take into account the era of finance capital and its different trajectories towards outer spheres, the incorporation of an as yet non-capitalist periphery that would render the theory of immiseration redundant – since capitalism would not produce misery in one country necessarily and logically, but instead produce an uneven development of the standard of living, according to the level of capitalist reproduction. It is true, Uno admits, that Marx’s theory of a relative surplus population could be held accountable for England at a specific stage of capital accumulation – the nineteenth century – but as such it does not stand as a pure principle. ‘Therefore’, Uno writes, ‘the theory of principles in Capital as the developmental stage of capitalism [i.e. in which capitalism has overcome the previous non-commodity economic forms of small-scale production, etc.] can be thought of as the principles of industrial

capitalism. But a systematic purification of the theory of principle does not take place'.\textsuperscript{132} In the case of finance capital, ‘mechanic heavy industry based on the stock exchange system and the relatively frequent improvement of capitalist production methods are always shown in the application of surplus population’. For Uno, it is ‘the special feature of this era’.\textsuperscript{133} For late developers, such as Japan, finance capital, stock markets and heavy industries played a more important role than in England, so that the capitalist law of population received an increasing importance for understanding the trajectories determining such a case as Japan:

Through the law of population, capitalism comes into possession of mechanisms or apparatuses which allow the (im)possibility of the commodification of labour power to pass through (‘muri’ wo tōsu kikō). This is precisely the point on which capitalism historically forms itself into a determinate form of society, and further, is what makes it independent in pure-economic terms. Like land, it is a so-called given for capitalism, one that is given from its exterior, but unlike land it can be reproduced, and by means of this reproduction becomes capable of responding to the demands of capital put forward through the specific phenomenon of capitalism called crisis.\textsuperscript{134}

The law of population, for Uno, generates stages of development of capitalism by the extended reproduction of the labour power commodity. Uno also contrasts this with the narrative of primitive or original accumulation: once the labour power commodity has been established and can be reproduced by its own means, it is able to determine the development of capitalism, as well as the speed of higher development of the productive forces by itself.\textsuperscript{135}

\textsuperscript{132} Ibid. Emphasis added.
\textsuperscript{133} Uno 1974 [1962], p. 46.
\textsuperscript{135} Uno 1974 [1962], p. 36.
solidation of capital and the formation of a relative surplus population. As a deliverer of labour power, capitalism itself becomes autonomous. However, with increasing speed, higher development accompanies the growth of productive forces and at all times allocates the additionally necessary surplus population by itself.\textsuperscript{136}

In ‘The Three Great Economic Laws’, Uno adds another aspect to the law of population overlooked by Marx, which would render its pessimistic, immiseration-theoretical impetus obsolete: original consumption. Because ‘the consumption and production of labour power is of course to be thought of on the basis of its difference to the consumption and production of “things”’,\textsuperscript{137} it is ‘strange’ to omit the original consumption of things for the daily reproduction of labour power as an ‘economic object’.\textsuperscript{138} The strange ‘externality’ of the reproduction of labour power both constitutes and withdraws itself from the law of population, as the angle from which the ‘peculiar’ norms of a capitalist society must be viewed. We will return to this point soon. As we have seen, the problem of the method in Capital, as Uno sees it, is that Marx conflates the levels of the presentation of pure theory with historical contingencies so that they do not stand to the requirements of the principles of pure capitalist society. This allegedly also renders his ‘law of immiseration’ problematic, as it is reflected in Marx’s alleged conflation of the theory of relative surplus population with the historical situation in mid-nineteenth-century England – a conflation, which brings about a ‘theory of immiseration’ and the concept of the ‘industrial reserve army’ of labour as an ‘absolute general law’. Though Uno does not quote the full passage, he specifically refers to a passage in the section on ‘Different Forms of Existence of the Relative Surplus Population. The General Law of Capitalist Accumulation’ in Chapter 25 of Capital Volume I:

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. The same causes which develop the expansive power of capital, also develop the labour power at its disposal. The relative mass of the industrial reserve army thus increases with the potential energy of wealth. But the greater this reserve army in proportion to the active labour-army, the greater is the mass of a consolidated surplus population,

\textsuperscript{136} Uno 1974 [1962], p. 28.
\textsuperscript{137} Uno 1974 [1969], p. 21.
\textsuperscript{138} Uno 1974 [1969], p. 21.
whose misery is in reverse ratio to the amount of torture it has to undergo in the form of labour. The more extensive, finally, the pauperized sections of the working class and the industrial reserve army, the greater is official pauperism. *This is the absolute general law of capitalist accumulation.* Like all other laws, it is modified in its working by many circumstances, the analysis of which does not concern us here.\(^{139}\)

It is however precisely the ‘modifications’ by ‘many circumstances’ that interest Uno here. According to Uno, Marx places insufficient emphasis on the ‘renewal of constant capital, so that the law of population as the special leverage of modern industry [serves as] the basis for the range of economic boom’.\(^{140}\) It is clear from this observation that Uno is more interested in the ‘positive’ effect – positive for the intents of capital to accumulate a surplus – of the dynamics of population than he is in the prospects for poverty on a general scale. The accumulation of wealth ‘at one pole’ that is ‘at the same time accumulation of misery, the torment of labour, slavery, ignorance, brutalization and moral degradation at the opposite pole, i.e. on the side of the class that produces its own product as capital’\(^{141}\) plays an insignificant role for the law of population within the pure principles. In Uno’s view, this cannot be generalised for late developing countries with their stronger emphasis on great industry, steel production and the absorption of greater masses of the working population. Quite to the contrary: the law of population can of its own accord determine the extent of capitalist accumulation via extended reproduction at a certain level of capitalist development. Two aspects go unnoticed in Uno’s refutation of Marx’s law of accumulation as an explanation for general impoverishment: a) that extended reproduction does not denote a ‘step’ taken at a certain stage of the development of capital, but that, under the condition of the capitalist mode of production, ‘simple reproduction’ already presents ‘extended reproduction’;

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\(^{140}\) Uno 1962, p. 23. It is interesting to see how this observation is directly informed by Hilferding’s assessment of the business cycle in connection with population growth: ‘The cycle begins with the renewal and growth of fixed capital, which is the main source of the incipient prosperity, stimulated by such factors as ‘the opening of new markets, the establishment of new branches of production, the introduction of new technology, and the expansion of needs resulting from population growth. The boom in demand and the shortening of the turnover time of capital raises the rate of profit as the result of ‘improved conditions for the valorisation of capital’. Clarke 1994, p. 35. Clarke quotes from Hilferding 1910 [1907], pp. 258–61.

and b) that, to the contrary, the ‘stage’ of production on a greater scale historically and empirically was not able to absorb a greater mass of the working population. To begin with the latter: as Marx presents in Chapter 15 of *Capital Volume I*, at the beginning of the introduction of new technologies in transport and communication – Marx counts ‘gas-works, telegraphs, photography, steam navigation, and railways’ among the ‘chief industries’ of this kind – ‘the total number of persons ... employed in these five new industries amounts to 94,145’.[142] As Aaron Benanav and John Clegg point out, they were all ‘highly mechanised and relatively automated processes’. With the total employment in these lines amounting to less than 100,000 workers, ‘compared to over a million in the textile and metal industries whose workforce was then shrinking as a result of the introduction of machinery’, they continue:

From these statistics alone it is clear that the industries of the second industrial revolution had not absorbed anything like as much labour as those of the first in the moment of their initial appearance. In chapter 25 Marx provides additional statistical evidence that, from 1851 to 1871, employment continued to grow substantially only in those older industries in which machinery had not yet been successfully introduced. Thus Marx’s expectation of a secular trajectory of a first relative then absolute decline in the demand for labour was born out by the available evidence in his time.[143]

Grasping this contradictory secular development of the production of a permanent relative surplus population on the one hand and higher shares in profitability (concentration and centralisation of capital), i.e. greater accumulation on the other hand, in terms of the ‘cyclical demand’ for labour, in the sense of a ‘compensation’[144] for a previous phase of higher unemploy-

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142 Marx 1996 [1867], p. 449.
143 Benanav and Clegg 2014, p. 592. For the statistical evidence, see Marx 1976, pp. 802 ff. For more statistical evidence of the most recent trajectory, see Benanav and Clegg’s theorisation of deindustrialisation of the last decades, theoretically building on Marx’s theory of immiseration, in Benanav and Clegg 2018.
144 In fact, Marx directs his critique of ‘business cycle’-style understandings of capitalist reproduction and accumulation directly against its aspect of ‘compensation’: ‘Although machinery necessarily throws men out of work in those industries into which it is introduced, yet it may, notwithstanding this, bring about an increase of employment in other industries. This effect, however, has nothing in common with the so-called theory of compensation. Since every article produced by a machine is cheaper than a similar article produced by hand, we deduce the following infallible law: If the total quantity of the
ment, falls short of understanding what Benanav and Clegg term ‘the crisis of the reproduction of the capital-labour relation’,\textsuperscript{145} and what we would term capital’s crisis of \textit{valorisation}. The crisis of valorisation is conditioned by its own contradictory incentive of minimising labour inputs, while holding fast to (abstract) labour as the only source of value. In this sense, simple reproduction, conditioned by the wage form, is already extended reproduction: ‘Just as labour must return to the labour market to replenish its fund of wages, so too capital must return to the capital market to reinvest its profits in an expansion of production’\textsuperscript{146} The extended reproduction of labour power as a commodity at no point denotes the independent variable enabling different scales of capitalist accumulation and development. Wages, that component of productive capital which alone enables valorisation, and hence, the capitalist form of production, forms the \textit{quantitatively dependent} variable, which is crucially shown in capital’s indifference to the accumulation of poverty ‘at the opposite pole’\textsuperscript{147} In fact, the quantitative ratio of the working population to the industrial reserve army at no point indicates a problem for the valorisation and profitability needs of capital. We will return to this in more detail in our conclusion at the end of the section. Uno however reduces Marx’s notion of the industrial reserve army and the ‘specifically capitalist law of population’ to a theory of the fluctuation of the working populace in relation to the accumulative demands of capital. If this were the whole story, Marx’s ideas would be easily adjustable to the Schumpeterian theory of cyclic growth (which Uno, in fact, adopts). But business cycles can never explain the general secular and especially \textit{irreversible} tendency of capitalist accumulation, in that times of ‘recovery’ mean a recovery for capital, but not a general recovery for every article produced by machinery, be equal to the total quantity of the article previously produced by a handicraft or by manufacture, and now made by machinery, then the total labour expended is diminished. The new labour spent on the instruments of labour, on the machinery, on the coal, and so on, must necessarily be less than the labour displaced by the use of the machinery; otherwise the product of the machine would be as dear, or dearer, than the product of the manual labour. But, as a matter of fact, the total quantity of the article produced by machinery with a diminished number of workmen, instead of remaining equal to, by far exceeds the total quantity of the hand-made article that has been displaced’. Marx 1996 [1867], p. 445.\textsuperscript{145} Benanav and Clegg 2014, p. 586.\textsuperscript{146} Benanav and Clegg 2014, p. 587.\textsuperscript{147} Marx 1976, p. 799. See also Marx 1976, p. 773: ‘To put it mathematically: the rate of accumulation is the independent, not the dependent variable; the rate of wages is the dependent, not the independent variable’. We will come back to this important passage at the end of this chapter, and discuss it in more detail in the context of Uno’s theory of crisis in Chapter 4.4.

\textsuperscript{145} Benanav and Clegg 2014, p. 586.
\textsuperscript{146} Benanav and Clegg 2014, p. 587.
\textsuperscript{147} Marx 1976, p. 799. See also Marx 1976, p. 773: ‘To put it mathematically: the rate of accumulation is the independent, not the dependent variable; the rate of wages is the dependent, not the independent variable’. We will come back to this important passage at the end of this chapter, and discuss it in more detail in the context of Uno’s theory of crisis in Chapter 4.4.
employment. The industrial reserve army is not a ‘pool’, which can be potentially exhausted, as Uno thinks. Its constitution is based on its inexhaustability, i.e. on the development of an absolute redundancy of labour against capital in the course of concentrated accumulation. As Marx makes clearer in the French edition of Capital Volume I, ‘the higher the organic composition of capital, the more rapidly must accumulation proceed to maintain employment’. However, the effect of accelerated accumulation itself is the growing redundancy of labour, lesser demand for it. Because capital cannot invert its level of the development of the productive forces, it cannot invert its repulsion of labour. The ‘renewal of constant capital’ that Uno holds as a leverage factor in the phase of depression is not revoked as soon as profitability is restored: the workers ‘set free’ in this phase do not return to their workplace, once capital valorises its invested share. One does not have to recall the ‘digital revolution’, platform capitalism, full automation, etc., to see this manifestation of the redundancy of labour expended in the production process. Hence, the establishment of a permanent industrial reserve army is an irreversible tendency inherently constituting the contradiction in the law of valorisation. ‘Labour power shortage’, which Uno identifies as the primary cause for crisis, has, in fact, nothing to do with it. In this sense, Anwar Shaikh reminds us that, incidentally, ‘[the] labor supply is not the ultimate limiting factor for production precisely because involuntary unemployment is normal’. But in the course of its chronic manifestation, the redundancy of labour expresses itself also as the redundancy of the unemployed. In other words, the working class produces its own conditions of possibility as the conditions of its impossibility. It therefore reproduces its own abolition as the working class and, hence, its conditions as paupers, as surplus proletariat, or in short, as the proletariat. Marx concludes:

Finally, the law which always holds the relative surplus population or industrial reserve army in equilibrium with the extent and energy of accumulation rivets the worker to capital more firmly than the wedges of Hephaestus held Prometheus to the rock. It makes an accumulation

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149 Shaikh 2016, p. 639.
150 ‘Proletarian’ must be understood to mean, economically speaking, nothing other than ‘wage labourer, the man who produced and valorizes “capital”; and is thrown onto the street as soon as he becomes superfluous to the need for valorization possessed by “Monsieur Capital”, as Pecquer calls this person’. Marx 1976, p. 764, footnote.
of misery a necessary condition, corresponding to the accumulation of wealth. Accumulation of wealth at one pole is, therefore, at the same time accumulation of misery, the torment of labour, slavery, ignorance, brutalization and moral degradation at the opposite pole, i.e. on the side of the class that produces its own product as capital.\textsuperscript{151}

The stakes of Marx’s argument lie in the fact that it is on the side of the class that ‘produces its own product as capital’ that the ‘accumulation of misery’ takes place. The emphasis lies on the claim that if there exists a class which ‘produces its own product as capital’, i.e. which, by virtue of selling its labour power, renounces all property titles to the final product it has created, which has always-already withdrawn its ‘natural right’ to the use value of the product, the aggravation, intensification and extension of misery and pauperism becomes a general social and historical fact. Theoretically, therefore, the process of the working class’s own ‘superfluous-rendering’ (as surplus proletariat, as paupers, as ‘Lumpenproletariat’) must be understood from the wage relation as the relation between capital and labour itself, even though, strictly speaking, the unemployed ‘surplus proletariat’ no longer exists in this relation. Indeed, one cannot understand the formation of the surplus proletariat in abstraction from the wage form. Here, Benanav and Clegg make the important observation that ‘[wage] labour is inseparable from the accumulation of capital, from the accretion of labour-saving innovations, which, over time, reduce the demand for labour’.

It might seem that the abundance of goods, which results from labour-saving innovations, must lead to an abundance of jobs. But in a society based on wage-labour, the reduction of socially necessary labour-time – which makes goods so abundant – can only express itself in a scarcity of jobs, in a multiplication of forms of precarious employment.\textsuperscript{152}

Michael Heinrich in this context thematises the intensity vs. the extensity of immiseration in the course of the capitalist accumulation process. Against the traditional understanding of immiseration theory (\textit{Verelendungstheorie}) of an either absolute or relative immiseration of the working class\textsuperscript{153} in terms of

\textsuperscript{151} Marx 1976, p. 799.
\textsuperscript{152} Benanav and Clegg 2014, p. 593.
\textsuperscript{153} An absolute immiseration would imply wage reduction and the general deterioration of the living conditions of the working class, while a relative immiseration theory would argue that despite wage rises and the improvement of the living conditions of the work-
intensity – i.e., in terms of the scale or level of the deterioration of its reproductive conditions – he posits the interpretation of the general law of capitalist accumulation indicating a greater extensity of pauperisation. With regard to the Marx quote, he argues that ‘whether the misery of these “pauperized sections of the working class” (Lazarusschichten der Arbeiterklasse) increases in the long run, is not addressed by Marx at all. In this sense, it is not an “immiseration theory” in the above sense [as a theory of the intensification of the misery of the working class, ell]. The “general law of capitalist accumulation” much rather signifies the extensity of these poorest layers of the proletariat as a result of the extension of the industrial reserve army’. Hence, Marx’s notion of the ‘accumulation of misery’ refers to the expansion of the industrial reserve army in the course of accumulation. It is this process, the increasing extensity or expansion (quantity, not quality) of the relative superfluousness of the working class produced by the working class itself, that Marx identifies as the ‘law of population peculiar to the capitalist mode of production’, namely, that the working population ‘produces both the accumulation of capital and the means by which it is itself made relatively superfluous; and it does this to an extent which is always increasing’. Pure theory’s ‘business cycle’ approach, which Uno mobilises against the general law of capitalist accumulation, excludes the insights drawn from Marx’s elaborations not as a ‘contingent’ historical manifestation of the capital relation, but its logical consequence – which manifests itself concretely and historically. This however is not an effect of the historical tendencies of capitalism’s actual manifestations, but rather an effect of the implementation of a social form of production directed solely at (surplus) value, not at use value. Uno underestimates the contradictory character of the accumulation of wealth that necessitates the accumulation of the irreversibility of poverty – ‘Accumulation of capital is therefore multiplication of the proletariat’ – and its theoretical significance for evaluating the empirical evidence of mass poverty, regardless of its geographical and historical embeddedness. In sum, Uno, fatally ignoring the purpose and aim of the capitalist mode of production and the growing redundancy of labour indicated by the wage form itself, rejects the general law of capitalist accumulation as a faulty ‘law of immiseration’, pointing to the leverage function of fluctuations in the working population determined around the wage as an independent variable. This latter point will now receive

154 Heinrich 1999, p. 325.
greater attention. In the following, we shall therefore examine the second function of the law of population in Uno’s interpretation in more detail: the new determination of the value of labour power. Because, for Uno, the capitalist (re)production process hinges on the fact that the commodification of labour power (as the consumption process of workers) cannot be performed by capital itself, labour power shortage presents an impediment to valorisation, leading to crisis. For Uno, this is the more general framework to the law of population. From here, we can elaborate in more detail on our objection to Uno’s claim that labour power shortage should play a role in the crisis tendencies of capital by pointing to its truncated grasp of the contradiction of the law of value itself, which is not located in the sphere of consumption. It is located in the direct contradiction of the laws of the creation of surplus value with the laws of its realisation.

2.2.2 ... For the ‘Law of Population’ as a New Determinant of the Value of Labour Power

As the methodological reference point for the theory of principles, the ‘law of population’ as a rejection of the theory of immiseration and the new determination of the value of labour power are closely related. For example, in the section on ‘The Three Great Economic Laws that Govern Capitalism’ in The Political Economy of Capital (Shihonron no Keizaigaku), Uno notes that the realm of consumption has been treated ‘external to the objects of political economy’.157 Uno is here primarily motivated by an objection to Marx’s determination of the value of labour power as ‘the labour-time necessary for the production, and consequently also reproduction, of this specific article’.158

Marx ... determined the value of the labour power commodity by the labour time required for its reproduction, but while doing it, as if to add, corrected it by saying that this resulted in the labour time needed for the production of the workers’ means of subsistence. However, the workers’ means of subsistence are neither qualitatively nor quantitatively constant. For Marx, they are on the one hand determined by natural circumstances, and on the other formed by historical ones. But I think that these historically formed circumstances are determined by the law of population.159

158 Marx 1976, p. 274.
The latter point is decisive: Marx has pointed to the ‘historical and moral element’ of the value of labour power determining various levels of ‘need’ of the workers throughout the history of civilisation (and also due to natural, i.e. ‘climatic’ conditions). But according to Uno, Marx has never successfully managed to determine this very level, or indeed, the nature of the modifications of the wage level itself. For Marx,

[the worker's] natural needs, such as food, clothing, fuel and housing vary accordingly to the climatic and other physical particularities of his country. On the other hand, the number and extent of his so-called necessary requirements, as also the manner in which they are satisfied, are themselves products of history, and depend therefore to a great extent on the level of civilisation attained by a country; in particular they depend on the conditions in which, and consequently on the habits and expectations with which, the class of free workers has been formed. In contrast, therefore, with the case of other commodities, the determination of the value of labour-power contains a historical and moral element.160

Uno sees a blind spot at work in Marx's determination of the level of the value of labour-power or the wage, which Uno's theorisation of the law of population can supposedly fill. As for the fluctuations in the emergence of a relative surplus population adjusted to capital's accumulative demands, the essay ‘The Value and Price of Labour Power. On the Specificity of the Labour Power Commodity’ (Rōdōryoku no kachi to kakaku. Rōdōryoku shōhin no tokushusei ni tsuite), published in 1958, provides further speculation:

Capital is something that cannot directly produce the labour power commodity, but through the formation of a relative surplus population in its accumulation process, it can indirectly produce it, so to speak. [By the formation of a relative surplus population], the demand for the labour power commodity is released from the constraints of the natural populace. This is the development of what Marx called the law of population specific to capitalism.161

We have seen that what Uno refers to as the ‘adjustment’ of the flows in the availability of labour power to the demands of capital is not what Marx refers

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to as the ‘law of population’, but the irreversible tendency of the redundancy of labour in the development of the forces of production. Uno however insists on the wage as independent variable ‘accustomed’ to the accumulation demands of capital through the law of population. To understand and subsequently comment on this, let us briefly recapitulate the previous. Above, we have seen how, for Uno, the development of the forces of production leads not only to surplus capital, but to labour power shortage, because the labouring population cannot absorb the ‘relative surplus of the means of production and means of subsistence’.\footnote{Uno 1974 [1969], p. 22.} He relates this phenomenon to the cyclical flows of accumulation, in which the wage level acts as determinant, and which alone can induce a ‘crisis’, or rather depression. With the relative surplus of capital against labour power, labour power shortage (hitode busoku) in the so-called boom period leads to a wage rise. This eventually forms a surplus of capital (shihon no kajō) in the original sense. Because just as the accumulation of capital progresses, the surplus value earned as profit diminishes, and this is the fundamental element of the specific phenomenon of the capitalist commodity economy known as crisis. It is usually thought that crises occur because capital has produced too many commodities it is unable to sell. But even though such things may occur, in the anarchistic production that is the production of capital, still the price of abundantly produced commodities falls, whereas the price of commodities not sufficiently produced, rises. In between the two, capitalist production is socially regulated through the movement of price, so that at this point, it is regulated by the law of value.\footnote{Uno 1974 [1969], p. 23.}

The ‘anarchist’ production of capital, for Uno, still must obey some rules, e.g. the law of value. Behind this is Uno’s assumption of equilibrium price ‘forging’ the law of value as one of the ‘Three Great Economics Laws Governing Capitalism’. Hence, Uno directly rejects what he discerns as a contradiction, as formulated by Engels in the \textit{Anti-Dühring}, between the social and the private character of production, in that what the capitalist mode of production produces socially is privately appropriated by the capitalist class:\footnote{‘The means of production, and production itself had become in essence socialised. But they were subjected to a form of appropriation which presupposes the private production of individuals, under which, therefore, everyone owns his own product and brings it to market. The mode of production is subjected to this form of appropriation, although...’} ‘This explanation fails to

\footnote{162 Uno 1974 [1969], p. 22.}
\footnote{163 Uno 1974 [1969], p. 23.}
\footnote{164 ‘The means of production, and production itself had become in essence socialised. But they were subjected to a form of appropriation which presupposes the private production of individuals, under which, therefore, everyone owns his own product and brings it to market. The mode of production is subjected to this form of appropriation, although...’}
explain why periods of boom and periods of crisis occur repetitively.\textsuperscript{165} While we will return to the conception of the law of value as the law of equilibrium price at a later point,\textsuperscript{166} here, the problem of labour shortage and crisis interests us: because contrary to Marx’s view, the development from formal to real subsumption is accompanied by unabsorbable surplus capital, rather than an unabsorbable ‘industrial reserve army’, high wages can squeeze profits, so that capital is obliged to readjust its production techniques. What is crucial to Uno is that the incentive to technological innovation is not given by capital’s drive to accumulation as the independent variable, but by the pressures a diminishing working population can place on the valorisation postulate. These pressures, then, are wage pressures, which manifest themselves as the ‘historical element’ of successful social reproduction imposed \textit{from the outside of the direct production process}. The wage, in other words, presents the independent variable for Uno. It is the reproduction of labour-power as the ‘outside’ of capital’s valorisation need that imposes a structural challenge to successful extended reproduction, and hence, valorisation. Moreover, because capital cannot ‘directly’ produce the labour power commodity, Uno sees a non-capitalist factor at work that infiltrates capitalist reproduction to an extent that can generate cyclical crisis. It is here that the commodity economy in the strict sense, namely a commodity economy in which labour power is forced to reproduce itself, thereby presupposing and continuously re-activating a sphere that allegedly lacks subsumption by the capital relation, governs and ‘dominates’ capitalist societies:

Both the commodification of labour power and the de-skilling of labour, forming the internal basis to the law of population specific to capitalism that is the formation of an industrial reserve army, at last does not suffice for one social system. From the outset, labor power, which cannot be a product of the commodity economy itself, is passing through an ‘impossibility’ in order to be commodified like any other product. The basis of this passing through is given to a certain degree. In other words, as something historically limited, the commodity economy can by no means concretely ‘commodity-economise’ (\textit{shōhin keizaika suru}) the whole of society ...\textsuperscript{167}

\begin{itemize}
  \item[165] Uno 1974 [1969], p. 23.
  \item[166] In Chapter 4.2. of this volume.
  \item[167] Uno 1974 [1959], p. 12.
\end{itemize}
From here, Uno develops a general theory of business cycles directly from the relation between the fact that labour power is not produced by capital and the formation of a relative surplus population:

... the basis of the establishment of capitalist society, the fact that the commodification of labour power is not a product of capital, as a contradiction that develops the crisis phenomenon from capital itself, clarifies the process by which capital, through forming a relative surplus population by the improvement of production methods during times of recession (ふくようき) actually leads to a solution. Here the necessity (of crisis) can be proven for the first time.\(^{168}\)

The nexus between labour power as a non-product of capital, capital’s accumulation process, labour shortage, and, ultimately, crisis, hence constitutes the ‘historical element’ of the determination of wage level:

The relation between workers and capitalists determined within the industrial cycles of boom, depression, and recession, in other words, within the movement of the wage, now also clarifies the historical element of the determination of the wage itself. The value of the labour power commodity, even if reduced to one fixed amount of the value of the means of subsistence, is quantitatively and qualitatively determined by changes within the process of the industrial cycle. As such, for the first time, as Marx has said, the average circumference of the necessary means of production is determined.\(^{169}\)

Marx, according to Uno, hadn’t sufficiently considered the industrial cycle and its initial dependence on the availability of labour power, as well as the wage pressure accompanied by it. In this sense, Uno identifies the primary source of crisis in the fact of ‘too few’ labourers, in what capital cannot immediately influence by its own means. Instead, Marx had resorted to the ‘theory of immiseration’, which had no bearing on the mechanism of capital that pure theory sets out to designate. To the contrary: it may have had some relevance for 1830s–40s England, but it could not provide a general scheme of the actual significance of the law of population, in that it explains the origin, occurrence, and repetitive schema of the business cycle.


However, does labour power shortage, which Uno identifies as the ultimate source of crisis, really pose an obstacle to capital’s valorisation needs? Before we return in more detail to this question in the context of Marx’s theory of crisis, we shall draw a general outline of The General Law of Capitalist Accumulation, which Uno rejects as the general framework of accumulation, as well as theoretically underlying the more ‘specific law’ of the Law of the Tendential Fall in the Rate of Profit. The General Law of Capitalist Accumulation, we believe, provides not only a more convincing and thorough answer, but conceptually traces the contradictory mode of the appropriation of surplus value – and not the static conception of business cycles and ‘internal dynamics’ and ‘external limits’ – to its general founding principle, namely the law of value and its disposition to quantification of increasing levels of abstract wealth.

The general take of Marx’s analysis is that *neither the shortage of labour power nor wage rises present an impediment to accumulation*. In fact, the view of accumulation as dependent on ‘the numbers of the working population’ presents a fetishism with regard to what enables accumulation in the first place. It is not an ‘external relation between capital and the supply of labour-power’, but ‘only the relation between the unpaid and the paid labour of the same working population’, the first of which capital appropriates as surplus value. Therefore, Marx explains the wage rise phenomenon in completely different terms than Uno, not as a consequence of labour shortage induced by the formation of ‘surplus capital’, but as an adjustment mechanism bringing labour power supply back into line with capital’s accumulation needs, as labour is displaced by the displacement of dated technologies in favour of more advanced productive methods. The accumulation process therefore does not meet an obstacle in the form of rising wages, but on the contrary, *rising wages meet an obstacle in the form of capital’s accumulation needs*:

If the quantity of unpaid labour supplied by the working class and accumulated by the capitalist class increases so rapidly that its transformation into capital requires an extraordinary addition of paid labour, then wages rise and, all other circumstances remaining equal, the unpaid labour diminishes in proportion. But as soon as this diminution touches the point at which the surplus labour that nourishes capital is no longer supplied in normal quantity, a reaction sets in; a smaller part of revenue is capitalized, accumulation slows down, and the rising movement of wages

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comes up against an obstacle. The rise of wages is therefore confined within limits that not only leave intact the foundations of the capitalist system, but also secure its reproduction on an increasing scale.\footnote{Marx 1976, p. 771.}

In the context of Smith’s concept of the effect of different wage rates on profit, Marx discusses two alternative scenarios implied by a ‘rise in the price of labour’, i.e., a diminishing supply of labour power and its effects on accumulation, to show that the former does not interfere with the latter. First, the price of labour keeps on rising, but the progress of accumulation is intact. Marx quotes Smith to show that ‘there is nothing remarkable in this’, for after the profits are diminished, ‘stock may not only continue to increase, but increase much faster than before … A great stock, though with small profits, generally increases faster than a small stock with great profits’.\footnote{Marx quotes from the French translation, Smith 1802 [1776], p. 189. Quoted in Marx 1976, p. 770. ‘Stock’ = ‘capital’. E.g., some capitals make short-term ‘profits’ by selling below its average rate, but above the initial price of their productive capital.} The second scenario would be slackened accumulation as a result of the rise in the price of labour, because ‘the stimulus of gain is blunted’. Here, accumulation lessens, but this simultaneously implies that the cause of that lessening itself vanishes, ‘i.e. the disproportion between capital and exploitable labour-power’,\footnote{Marx 1976, p. 770.} through the introduction of labour-disposing techniques. Marx contends that neither of the two scenarios implies changes in the availability of labour-power or the working population:

We see therefore that in the first case it was not the diminished rate, either of the absolute or of the proportional increase in labour-power, or the working population, which caused the excess quantity of capital, but rather the converse; the increase in capital made the exploitable labour-power insufficient. In the second case, it was not the increased rate, either of the absolute or the proportional increase in labour-power, or the working population, that made the capital insufficient, but rather the converse; the relative reduction in the amount of capital caused the exploitable labour-power, or rather its price, to be in excess.\footnote{Marx 1976, p. 770.} 

Marx follows that ‘the rate of accumulation is the independent, not the dependent variable; the rate of wages is the dependent, not the independent vari-
able'. Marx however develops this from the more basic insight that ‘the aim of capital’ is never to produce use value, but value, and more specifically surplus value, and that it is this specific mechanism of the quantification of the ‘working population’ for its own valorisation needs, that undergirds its ‘hunger’ for profit. Wage rises or the ‘profit squeeze’ mechanism, as Marx notes twice in this passage, ‘can never go so far as to threaten the system itself’. In consequence, ‘[the] mechanism of the capitalist production process removes the very obstacles it temporarily creates’. Crisis is therefore at no point induced by an ‘external’ or ‘outside’ realm to the valorisation postulate – the ‘precarious’ supply of labour power, the allegation that the reproduction of labour power was an ‘element that capital itself cannot in essence control’ – but by its inner mechanism itself: in that abstract labour remains the only source of value while disposing of it in the search for maximum profitability. In this context, Clarke reminds us that theories of the ‘absolute overaccumulation of capital’, as the ‘outline of a theory of crisis based on overaccumulation with respect to the supply of labour power’, fall short of determining the primary pattern of accumulation. Uno’s assessment that ‘unless this industrial reserve army is formed by capital itself, capitalism cannot posit the social foundations of its own establishment as one historical form of society’, equally misrecognises the form and function of the industrial reserve army, not as a ‘pool’ presenting the sine qua non of accumulation, but an effect of the immediate process of accumulation that has no bearing on capital’s drive to lower production costs and input levels, particularly labour, ‘at all costs’. In a direct comment to Uno’s thesis, Gavin Walker contends that ‘[t]he fact that capital cannot itself produce the additional supply of labour power demanded for progressive accumulation places a restraint on its internal development’. This view, too, derives from a truncated reading of capital’s crisis tendency that we have discussed: the availability of labour power – ‘too few’ here or ‘too many wage-workers in existence’ there – cannot present a limit to valorisation, because the only limit to valorisation is the limit to surplus value that capital places upon itself in its drive towards maximum profitability. This notably happens in the intra-sectoral competition forcing down the market price of productive capital

177 Marx 1976, p. 770.
178 Marx 1976, p. 769.
180 Walker 2016, p. 115.
184 Marx 1976, p. 771.
under its real value, forcing new productive methods that further accelerate the downward spiral. The barrier to the capitalist mode of production presents itself as both the falling rate of profit, conditioned by the crisis tendency analysed in the ‘General Law of Capitalist Accumulation’, and the very *mode of the appropriation of surplus value* itself. For capital, everything stands and falls with the question of *not* how much labour-power capital can absorb in terms of the absolute working population, but how much unpaid labour it can absorb in the immediate process of production. Because capital’s sole interest is in the proportion of paid to unpaid labour and not that between ‘production and social needs, the needs of socially developed human beings’, the conditions of the *production* of surplus-value collide with that of its *realisation*, i.e. the barrier to the realisation in the form of *money*. Yet, capital’s movement shows that it is forced to absorb less and less labour power, and therefore systematically produces a surplus population it cannot absorb. In other words: capital’s drive to extended reproduction finds a limit in extended reproduction itself. Nevertheless, the inability of capital to ‘control’ the reproduction, availability, and supply of labour power, remains the main axis of Uno’s theorisation of pure theory. In the following, we shall discuss in a more epistemologically framed context the thesis of the commodification of labour power as the ‘savage outside of capital’, of that which is ‘not really subsumed’ under the commodifying and totalising structure of capital’s drive to valorisation. The focus will be on the epistemological status of the notion of ‘externality’ in relation to the capitalist mode of production. Especially targeted will be the thesis, recently brought forward by Gavin Walker, of Uno’s ‘pure capitalism’ as an abstract, unreal ‘closed circle’ that, because of the externality of labour power reproduction, has no bearing on reality, but must nevertheless pretend to posit a ‘perfect smooth circle’ for its self-functioning. This will allow us to *invert* this diagnosis of the capitalist predicament: it is not the ‘closed logic’ of capital that is the illusion, but the idea that it is ‘open’ – that there exists a use value-mediated realm which is not yet subordinated to the capital relation and therefore ‘opens up’ the ‘space’ for resistance. We term this a use value fetishism emerging from the conditions of capitalist mediation itself. This rough sketch of our argument will now be addressed in more detail.

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2.3 Pure Theory’s Y-Axis: The Commodification of Labour Power

2.3.1 Production and Consumption

... in 1956, after more than thirty years of intensive research into Marx’s *Capital*, Uno Kōzō argued that he had discovered its theoretical essence, its microscopic expression, in the form of its fundamental ‘mantra’ or pure axiomatic distillation: ‘the impossibility of the commodification of labour power’ (*rōdōryoku shōhinka no muri*). This ‘mantra’ theoretically concretizes the problem that lurks behind every aspect of capitalist society, the essential and foundational moment that distinguishes Marx’s advances in the critique of political economy put forward by Ricardo, Smith, Quesnay, and others.¹⁸⁶

In the light of the previous, this seems like a strange proposition indeed. Not only has Marx at no point made this argument, but to the contrary: for Marx, this commodification is not only not impossible, but the basis to the actual modus operandi of capital. Neither has Marx therefore used the term of ‘the impossibility’ of the commodification of labour power, but instead rejected views in his critique of the ‘economists’ who interpret the phenomena of accumulation in terms of the availability of the labour power commodity.¹⁸⁷

From where, then, does Uno draw the alleged importance of the conditions of the reproduction of labour power as a theoretical problem for Marx? For Uno, this problem was rather insufficiently scrutinised in *Capital*, which precisely gave Uno the incentive to reassess the ‘historical element’ in the level of the value of labour power through the law of population, at once also declaring the redundancy of the ‘law of immiseration’. Yet, the question arises whether this alleged omission is an omission caused by the insufficient emphasis on the reproduction of labour power as an ‘impossibility’ for capital, or its basic necessity. For Uno, as we will see, it presents an omission of the interrelatedness of the two. In Chapter 2.1., we have seen that the ‘remnants’ of previous societies will be eliminated with the development and increase of the forces of production. This is crucial for Uno, because it provides the objective basis to capitalist society as an ‘established fact’ in and out of itself. However, for an autonomous economy commodity to be established as a historical society,

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¹⁸⁶ Walker 2016, p. 115.
it is neither simply the fact that products are exchanged as commodities, nor the fact that, as commodities, they are produced for exchange, but the fact that labour power becomes a commodity and production itself becomes organised through capital, that commodities produce commodities,\footnote{Uno 1974 [1962], p. 27.} which is decisive. It is only with such a kind of society that all the previous social relations have been eliminated. The ‘total grasp of the reproduction process’,\footnote{Uno 1974 [1962], p. 44.} which the theory of the commodity economic principles must show puts the emphasis on the commodification of labour power as the ‘basis’ and the ‘presupposition’ of capitalist society.\footnote{Uno 1974 [1962], p. 46.}


The production process of capital is not merely the purchase of the so-called means of production that are raw materials, instruments, machinery etc. as commodities. Through capital, the production process of things (*mono*) itself becomes the production process, because labour as such cannot be purchased as a commodity, and ‘the power to work’, or, in Marx’s dictum, labour power is also purchased as a commodity.\footnote{Uno 1974 [1969], p. 13.}

On the other hand, what constitutes a ‘commodity economy’ for Uno is the relation between workers and capitalists: ‘I think that the fundamental and general law also governing a commodity economy is for the first time proven in the exchange process of commodities between the workers and the capitalists. As a standard for commodity exchange, the so-called law of value, too, forms one of the three great laws of capitalist society ...’\footnote{Uno 1974 [1969], p. 12.} Uno derives the ‘fundamental
What’s ‘pure’ about capitalism? 137

contradiction of capital’ not from the law of value, but ‘from the conversion of labour-power into a commodity’.194 Here however, Uno conceptualises a twist in the determination of the labour power commodity as the ‘angle’ from which the capitalist nexus has to be viewed. What is matter-of-factly behind the sustenance of labour power, the source of surplus value which is the ‘main objective of capital’, are the means of subsistence needed to reproduce labour power. The substantial requirement for the appropriation and accumulation of surplus value – to which Uno mysteriously does not refer to in these passages – is not production as such, neither its vicissitudes, nor its continuing process of optimising the extraction and appropriation of living labour, but the acquisition of necessaries (food etc.) and other means of subsistence that guarantees the allocation of labour power:

This point has certainly been neglected in political economy before. The production of labour power, the consumption of the daily necessaries, depends on consumption in the original sense (honrai no imi de no shōhi ni yoru mono) and surpasses the realm of commodity relations. By virtue of this point, the commodification of labour power is the commodification of something that originally should not have been commodified. Capitalism thereby becomes a strange thing that integrates the totality of the production process into commodity relations.195

The capitalist process of production, for Uno, therefore hinges on the ‘original’ consumption process of labour power as a commodity that is not directly produced by capital!196

196 ‘As a matter of fact, labour power is not originally produced as a commodity. It is not a commodity directly produced by capital, it is not a product of capital. In order for labour power to be sold as a commodity, it must be produced through buyable means of subsistence (seikatsu shiryō), so that the production of labour power in contrast to the production of commodities is nothing but the result of the original consumption process (honrai no shōhi katei). This point becomes clear in extended reproduction.’ Uno 1974 [1962], p. 26.
Labour power turns into a commodity, but even so it is not a product of capital. Generally, it is not a product (seisanbutsu) produced by the production process. Rather, by the consumption process of things (mono) we reproduce in our own human lives. Of course, as with other products and the means of production and labour power produced by the consumption process, Marx was right to say that production is also immediately consumption. However, I think that the difference between the production and the consumption of things must as a matter of course be considered in contrast to the consumption and the production of labour power.\textsuperscript{197}

Uno’s brief reference to Marx’s reflections of the nexus of production, distribution, and consumption in the Introduction to the Grundrisse is useful here, as it arguably presents the longest and most coherent passage in Marx’s oeuvre discussing the nature of consumption. However, the point of the whole passage, disguised as a Hegelian ‘unfolding of moments’ of the reproductive totality, is to designate production as the primary locus of the mediation.\textsuperscript{198} Hence, the ‘simple identity’ between production and consumption is not that easily stated, not least because the ‘consumption of labour power’ denotes the actual production process of capital, as the specifically capitalist labour process. The identity of production and consumption is therefore a Hegelian fallacy for Marx, posited both ‘by socialist belletrists’ and ‘prosaic economists’ like J.B. Say, ‘in the form that when one looks at an entire people, its production is its consumption. Or, indeed, at humanity in the abstract’.\textsuperscript{199} But this abstract, or, more precisely, transhistorical view, disregarding the specific social form of production implied by the capital relation, crucially misses that consumption or the realm of use value is never the aim of capitalist production. Again and again, Marx emphasises this, a point to which we will return again as the differentia specifica of Uno’s conception of the capitalist production process. For Marx, consumption in the private lives of workers is subsumed to the form determination of the production process. Hence, even the form of consumption is ultimately determined by the form of production. This is the actual significance

\textsuperscript{197} Uno 1974 [1969], p. 21.

\textsuperscript{198} This is not to say that Hegel’s dialectics sublates the conceptual moments ‘as equals’. Being and Nothingness, e.g., are not sublated into ‘Becoming’ as equals: it is Being that receives a ‘stronger’ semantics here in the form of further determined ‘Being’. In this sense, the first book of the Logic is the Logic of Being, not the Logic of Nothingness, giving predominance of the former over the latter. This semantic predominance of one moment of the contradiction over the latter is precisely the motif for the conceptual movement. Were they merely ‘equal’, no conceptual movement could take place.

\textsuperscript{199} Marx 1973, pp. 93–4.
of Marx’s famous statement that ‘[hunger] is hunger, but the hunger gratified by cooked meat eaten with a knife and fork is a different hunger from that which bolts down raw meat with the aid of hand, nail and tooth. Production thus produces not only the object, but also the manner of consumption, not only objectively, but also subjectively’, to conclude: ‘Production thus creates the consumer’. In an economic mode of production that draws the legitimacy of its modus operandi from the single objective of maximum profitability, workers’ consumption cannot form any kind of incentive. They cannot consume more than they earn in the form of the monetary wage, which presents only a fraction of the productive capital at the initial production cycle. Though this is not the place to discuss the question of the origin of surplus (we will return to it in Chapter 4.2.), what is important here is that consumption presents a moment, albeit a necessary moment, in the cycle of valorisation – but it cannot unsettle or undermine it. Here is where Marx emphasises production as ‘predominating’ not only ‘over itself … but over the other moments [consumption, distribution] as well’. Consumption’s subordination to the form of production, in which the latter is the ‘actual point of departure and hence also the predominant moment (das übergreifende Moment)’ is however not only confined to the capitalist mode of production, although here, it is wholly removed from the realm of this mode’s incentive. Long before any form of organised production, in periods of conquest and pillage, production subordinated consumption or distribution and thus goes back as far as human societies existed:

It is a received opinion (althergebrachte Vorstellung) that in certain periods people lived from pillage alone. But, for pillage to be possible, there must be something to be pillaged, hence production. And the mode of pillage it itself in turn determined by the mode of production. A stock-jobbing nation, for example, cannot be pillaged in the same manner as a nation of cow-herds.

For Uno however, the realm of consumption counterfactually becomes the primary locus of the ‘possibility’ of capital, namely as its ‘impossibility’, its ‘outside’, or that which threatens to disconnect or unsettle the ‘smooth circuit’ of accumulation. In the following, we will show why this view is mistaken.
2.3.2 The Reproduction of Labour Power as the ‘Savage Outside of Capital’?

While Uno leaves the reader in the dark as to the reasons for the ‘impossibility’ that labour power should be a product of capital – he merely asserts it – it is quite useful at this point to draw on Gavin Walker’s extensive study, because it presents a far-reaching attempt at a political conceptualisation and theoretical explanation of labour power’s ominous status of ‘impossibility’ or ‘muri’. As early as in ‘The Specificity of The Labour Power Commodity’ (1948), Uno imperturbably asserts:

Labour power cannot be produced as an original commodity (honrai shōhin). This is because, according to Marx, labour power is ‘the aggregate of those mental and physical capabilities existing in the physical form, the living personality, of a human being, capabilities which he sets in motion whenever he produces a use-value of any kind.’

The labourer must sell it as a commodity, because he cannot himself ‘produce a use-value of any kind’. That what the labourer himself once used is no longer useful to him and has instead turned into a commodity, is the ultimate standpoint from which the development of the commodity society has to be grasped. What is decisive for Uno is that labour power, a sum of physical and mental capabilities, cannot be produced by capital, but only by the worker herself. But the specific, and indeed fascinating, capability of the specifically capitalist form of production, as we will counter, is that only in capitalism, these ‘physical and mental capabilities’, by being quantified in the form of monetary wage, become a product of capital itself. In the face of Uno’s omission of a theoretical elaboration of his thesis, in the course of the following argument, we will proceed on the basis of the arguments presented by Walker in defense of Uno’s crucial thesis.

For Uno, ‘the goal of the selling of labor power is the acquisition of the necessary means of subsistence, i.e. the process of C-M-C.’ For Walker however, it is still impossible to argue that, in C-M-C, ‘this initial C itself is produced as a commodity; here, what the laborer attempts to obtain, means of subsistence, are repeatedly cyclically consumed in order to nourish the body, that is, in order

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204 Walker 2016. We will return to a more in-depth discussion in Chapter 5.3.
205 Marx 1976, p. 270.
206 Uno 1973 [1952], p. 486.
to live’.208 So much is true. But on what grounds does Walker insist that the initial C is not produced as a commodity? Is ‘C’ (or ‘W’ [Ware] both in the German original and Japanese rendition) not precisely the symbol for the commodity, indicating that the products of the immediate process of capitalist production which is the object of Marx’s analysis obtain commodity form, possessing both use value and value? Counterfactually, Walker argues that means of subsistence ‘cannot already exist as value’.209 He continues:

Unlike any other commodity, the value of the means of subsistence that the labourer consumes is not at all converted into and retained as valorized in the form of labor power as a commodity as it appears in the production process. In other words, Uno argues, ‘the exchange process between C’ and C is interrupted, not by the production process, but by the consumption process’.210

But saying that production is both temporally and spatially ‘interrupted’ by consumption is trivial: workers eat in the cafeteria during their lunch break, they shop for groceries when they do not operate machines, sell medicine, teach schoolchildren, or write books, simply because it is physically (and probably also physiologically) impossible, not to say dangerous, to operate a belt loader or fly a passenger plane and shop for groceries at the same time. More importantly however, what does this ‘mutual externality’ of production and consumption prove? On this, we hear little from either Uno or Walker. What is decisive however is that the means of subsistence the workers consume are primarily produced as values:211 as a particular product share in a national economy which Marx in Volume II of Capital calls Department II, the Means of Consumption,212 that is exchanged for money, and therefore presents an irreducible share in the rate of profit for the capitalists of Department II. In other words, it is crucial to this discussion that capitalist mediation is a monetary one: the means of subsistence or consumption, like that of production, are monetarily mediated, i.e. exchanged for money, not for other use values. This understanding of the capitalist circuit is imperative for grasping Marx’s intervention

208 Walker 2016, p. 117.
209 Walker 2016, p. 117. Original emphasis.
210 Walker 2016, p. 117.
211 Marx even suggests that the means of subsistence ‘are a particular form of material existence in which capital confronts the worker before he acquires them through the sale of this labour-power’. Marx 1976, p. 1004.
212 Marx 1978, p. 471.
against classical political economy, as it is sadly missing from both Uno’s and Walker’s elaborations. In this vein, Walker continues: ‘Even if it appears this way to the capitalist, who purchases labor power as if it were a commodity like any other, who consumes or uses up this labor power as if it were a commodity input in the production process, labor power is itself “the embodiment [Inbegriff] of those mental and physical capabilities existing in the corporeality [Leiblichkeit] and living personality of the human being”’.213 True – but this conceptualisation of labour power in no way contradicts or even contests that ‘those mental and physical capabilities existing in the corporeality and living personality of the human being’ can – and indeed must – be bought with money, and hence quantified for its use in the production of surplus value. This is the whole point of Marx’s double determination of the value of labour power as both the ‘socially necessary labour time’ needed to (re)produce the labour power commodity, as well as the ‘socially necessary labour time’ needed to produce its means of subsistence: in a form of social production based on monetary exchange, the former cannot be produced in abstraction from the latter. The latter however is only appropriated through money, and it is money alone that at once quantifies the means of subsistence needed for the production of the labour power commodity, and, by the same token, quantifies its input into the production-as-valorisation process as variable capital. By consuming the means of subsistence, the worker does not only reproduce herself, she reproduces capital. In this sense, the whole point of the wage form as the monetary expression of the value of labour power is that the quantification of reproduction simultaneously quantifies production, and that this is its capitalist monetary form: ‘If production has a capitalist form, so too will reproduction’.214 There is no ‘baffling paradox’ or ‘circular logical moment’215 in this determination of the reproduction of labour power, as Walker would have us believe. To the contrary: leaving aside the monetary form particular use values assume by necessity in their fetishistic mode of existence as their common expression – which alone gives them their particular capitalist form – is to misrecognise the specificity of the capitalist form of production:

Money is the crucial mediating form through which the order of value is actualised concretely and penetrates into the order of use value in its ‘self-sufficiency’, which is why for the Marx of 1844 it signals the ‘corporeal existence’ of alienation. In practical terms, the social autonomisation of the value-abstraction in money is expressed in the fact that, in the capitalist ‘stage of

214 Marx 1976, p. 710.
production’, it is money that mediates all commodity exchanges (in the metamorphoses, C-M, M-C, etc.), acts as the nexus through which the essential elements of the reproduction process are brought into relation, ‘forms the starting point and the conclusion of every valorisation process’, and, crucially, schematizes future and past (or abstract and concrete) labour in the exchange of labour-power for wages.216

Leaving aside money also means to regress behind the use value-centric conceptualisations of social reproduction we find e.g. in Malthus and Say, but also in Ricardo’s ‘corn-model’ of reproduction in which wages are not paid in money, but exclusively in corn as a direct means of subsistence.217 As a result, with the separation of the means of production and the emergence of the free wage labourer – in other words, the emergence of the capital relation – social validation is tantamount to monetary exchange. Nothing that capital, in its drive for surplus value, can commodify, is exempt form this law – in fact, if there is something that capital cannot commodify, it has no social value, neither objectively nor subjectively. As Andrés Sáenz de Sicilia emphasises: ‘Under capitalist social conditions, all things stand in relation to one another as values, and being such a thing is the condition for “social” existence’.218 Walker further insists that what the form of labour power shows us is that capital’s essence consists in this ‘as if’, this fundamental expression of its ‘putative’ or ‘presupposed’ character, because capital must treat labour power ‘as if’ it were a commodity like any other. To this we answer that capital at no point ‘treats’ labour power ‘as if’ it were a commodity – labour power, in its very form determination, is in fact a commodity. If the relation between capital and labour is constituted by an ‘as if’, what would be the ‘actual’ essence of that ‘as if’? It is only on the basis of this actual, and by no means ‘putative’ or ‘presupposed’ existence, that its capitalist form determination can be made both the object of analysis and critique. But Walker insists on the presupposition problem:

... the individual’s life-existence depends fundamentally on the means of subsistence, which in capitalist society already ‘presupposes’ that the production of this means of subsistence is undertaken by means of the commodity labour power.219

But where is there a problem of presupposition? Without labour inputs in the form of the source of value in exploitable labour power, there would be no capitalist social relation to speak of. This is precisely the key structure of the real subsumption of labour under capital and the ‘formalisation’ of labour taking place under the conditions of the capitalist mode of production. Walker’s contention that labour power is ‘retrospectively made to have existed only during the process of production itself’ is not a logical ‘impasse’, but has practical, and therefore very rational reasons: the labourer, when contracted for a particular kind of work, usually provides an advance on the consumption of her own labour power in the process of production, because the wage is paid only after a particular unit of time (usually a month) has passed in which she has already expended her labour power. Most wage workers receive their pay check for January in February. This is neither a ‘gap’, a ‘void element’, an ‘impossibility’, nor an ‘impasse’ in the labour power commodity, not to speak of ‘lacking a stable presence’, or any kind of ‘interruption’ to the process of production, but its conventional form. Here, Walker also mentions ‘the existence of sufficient inputs of labor power’ as yet another ‘impossibility’, ‘the creation of a circuit of reproduction in which no outside, no space of slippage, remains’, and which is characterised precisely by that ‘slippage’ or ‘outside’, namely ‘the existence of excess labour that can be employed in future rising levels of production’. But we have seen that the question of ‘too many’ or ‘too few workers’ is beside the point of capitalist valorisation, because what interests capital alone is the ratio between paid and unpaid labour, not the ratio between the working population and the industrial reserve army. Bizarrely, Walker leaves the production of relative surplus value completely unaddressed in this context, and hence also capital’s need not to employ, but to expel as much living labour as possible from the production process, substituting it for technology etc. As a general diagnosis for Uno’s conceptualisation of the ‘impossibility’ of the reproduction of labour power and Walker’s subsequent commentary, we therefore detect a blind spot of money and, following from it, the specific quality of the capitalist form of social (re)production precisely consisting in the quantification of its relation to labour as wage labour that is missing from both Uno’s and Walker’s views.

But is this necessity of inner coherence, as Walker insists, really only an illusion? At least if we consult Marx’s work, nowhere is the consumption process

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220 Walker 2016, p. 119.
221 All of these expressions, see Walker 2016, p. 114; 118–20.
222 Walker 2016, p. 128.
of labourers addressed as an obstacle that may or may not undermine capital's appropriation of surplus value (which is ultimately capital's only interest), simply because the consumption process of labourers itself depends on the moneyed mediation enabling valorisation. For Marx, this is a consequence of the capitalist reproduction process itself. The internality of the reproduction process to the process of valorisation is the great strength of Marx's analysis. Walker's view that 'the means of subsistence – which would include not only food, clothing, and shelter but also necessary regimes of training, medical care, education, forms of subjectivation (sic), and so forth – must contain or encompass numerous qualitative aspects that exceed or cannot be reduced purely to quantity' is quite mistaken. For it is precisely the direct expression of the dominance of law of value that it quantifies all social relations as 'relations among things'. The value abstraction as an objective, and simultaneously purely social real abstraction imposes itself on the qualitative (i.e. use value) to transform it into 'units of measure' (i.e. money) in which alone capital can relate to itself as capital. This imposition of value in its specific monetary expression onto the qualitative, i.e., use value aspect of social relations is precisely what characterises the capitalist production and circulation mode – and the latter cannot be separated from the former. We therefore argue against Walker that the diagnosis of the predicament must be inverted: the 'illusion' does not consist in the 'smooth circuit of capitalist accumulation' or capital's 'uninterruption interiority', but to the contrary: it exists in the hypostatisation of a 'realm' that 'cannot be reduced purely to quantity'. Indeed, this is the 'dream' or 'fantasy' that capital fosters of itself – that it does not hinge on the pure quan-

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224 Though Walker's theorisation is far from consistent: a shift from the presumption of the 'outside', 'excess', or impossibility (muri) of capital as form or 'site' of resistance – '... this impossibility [of the commodification of labour power] points us toward the field of resistance, a resistance-to-come that demands an endless and repeating production of the commons' (Walker 2016, p. 140) – towards the promotion of the self-abolition of the proletariat, which must assume capital as a contradictory unity, can be noticed: 'The “limit point” of this boundary is precisely the commodification of labour power, and therefore we can see directly that the self-elimination of the labour power commodity is the essential and ultimate aim of revolutionary politics'. Walker 2016, p. 150. While we present here our objection to the first view, we agree with the latter. It must be confirmed however that the first and the latter imply very different, if not oppositional conceptualisations of capital.
225 Walker 2016, p. 141.
227 Walker 2016, p. 140.
tification of all social relations, that there is a ‘savage outside’ which would exempt ‘life’ from the valorisation imperative, in short: that the fetish-character of capital was an accidental moment, not the very instance enabling the circle of valorisation. Regimes of training, medical care, education – why not mention the recreation and entertainment of the working class – are however exchanged as units of commodities, exchanged for units of money. To claim, as Walker does, that the ‘indirect’ production of the labour power commodity ‘is located paradoxically outside commodity relations’, is absurd. Quantification, as we have seen, is the only way that capitalist society relates to itself, namely through the value form of money. It is the qualitative or use value dimension evoked by both Uno and Walker, the ‘savage outside’ of capital, that should rather be diagnosed as grounding reductionist (i.e. circulationist) critiques of the capital relation that, to borrow Walker’s term, ‘paradoxically’ prolong the existence of value as the structuring modus operandi of the economic form of the society we inhabit. The ‘illusion’, in other words, consists in the non-recognition of the deadly totality the value nexus enforces. The romantic desideratum of hypostatising an ‘excess’ or a ‘rupture’ to the monetary nexus instead marks a regressive standpoint with regard to the actual predicament, a predicament more fatal than Uno’s critique of Marx’s dares to suspect. In this context, a certain common objection to the real subsumption of labour under capital, or concrete under abstract labour, can be noted. In humor, social reproduction feminist Tithi Bhattaracharya comments that ‘[if] this were the whole story of Capital, then celebrations of its 150th birthday would be held at Wall Street’. She probably does not realise just how humorous this comment is, especially for people reading Capital as a Critique of Political Economy, and not, as she obviously does, as Political Economy’s Apologetic. The actual and real subsumption of use value under the quantifying real abstraction of value and socially necessary labour time is formulated as a critique by Marx, not as a cause for celebration. Although we will come back to the analysis of social reproduction, comparing Uno’s and Marx’s views in Chapter 4, as well as to problematising the supposed ‘resistance’ labour’s private consumption process yields against capital in Chapter 5, we shall here briefly recapitulate and summarise Marx’s view of consumption and the reproduction of workers, so as to posit it against Uno’s (and Walker’s) view that counterfactually transforms capitalist

229 Walker 2016, p. 146.  
230 This is also the main thesis of Engster’s groundbreaking, as well as groundbreakingly extensive, study of money as ‘measure, means, and method’. See Engster 2014.  
231 Bhattaracharya 2019, p. 113.
reproduction into the reproduction of use values. It not only forgets that the production of use values as the theoretical site of analysis is beside the point for the specifically capitalist relations of production – i.e. for a historically determined form of production whose raison d’être is the ‘limitless appropriation of abstract wealth’, i.e. value – but that labour power as the source of surplus value itself becomes a formalised function of labour, with the effect that its own use value precisely consists in producing value, subordinating a form of production directed at needs to a form of production directed at the class-conditioned appropriation of profit. Therefore, there is no such thing as an ‘independent existence of living labour’ under capitalist relations of production. The muri of the commodification of labour power cannot be upheld as the site of ‘rupture’ or ‘break’ (much less ‘resistance’) to the law of value, because it is itself constitutive of this very law. To briefly discuss this point and thus sum up the previous critique using Marx’s own text, we will draw on the notion of the formalisation of labour constituting the labour power commodity in its essence.

As we have seen, the problem of quantification is precisely the problem of capital’s measure, as that which makes capital relate to itself as a specifically historical form of production. This is the primary insight from Marx’s critique of the fetish-character of the value form of money, that it quantifies what ‘by nature’ is impossible to quantify: the metabolism and the mental regeneration of humans. Under capital, this ‘capacity’, as the use value of labour power, receives a social form determination as the quantifiable labour power commodity, thereby serving its only function to become capital’s source of profit. In this sense, the use value of labour power, the ratio of which to its value marks the direct source of surplus value, appearing as ‘natural’ and use value mediated, is directly mediated by capital’s valorisation needs. What here appears as ‘external’ to capitalist valorisation (the workers’ consumption) is the same as that which makes the exchange between capital and labour appear as ‘equal’, as though the use value of labour power were an aspect exempt from commodification, a contradictio in adiecto. Just because the capitalist pays for the value, not the use value of labour power, does not indicate that the site of the reproduction of that use value were ‘outside’ the valorisation nexus. The use value of labour power is reproduced by market commodities, purchased with the monetary equivalent of the labour power commodity’s value. Sáenz de Sicilia here points to a ‘double subsumption’ of labour under capital, the ‘generalized subsumption of use-value to exchange value’ and the commodi-
fication of labour power as ‘the primary mode of socialisation’.\textsuperscript{233} Because of this double nature to subsumption, ‘rather than consumption needs and productive capacities directly constituting the unity of the social process ... they now become “universally mediated” and unified by the abstraction of value.’\textsuperscript{234} The formalisation of labour as the labour power commodity therefore precisely consists in its wage form: ‘It is what enables the transition from labour’s subsumption under commodity-value to its subsumption under capital, because the purchase of labour-power is the basis for its subsequent determination as activity ... [it] is the means by which the worker, qua living labour ... is incorporated into capital, functionally determined as one of the elements (the essential element in fact) of its life-process: variable capital.’\textsuperscript{235} In Uno, the monetary expression of the value of labour power is structurally and epistemologically misrecognised and counterfactually substituted for ‘original consumption’ in the use value-nexus. He thus posits what is strictly internal and constitutive to the capital relation (the wage) as an ‘outside’ phenomenon, something ‘out of the scope’ of capital. Against this, Marx has time and again emphasised the wage system’s centrality, also against the trivialising attempts of Bastiat to declare the wage as ‘irrelevant’ to the capital relation,\textsuperscript{236} as the ‘same-self’ of capital:

Capital and wage labour (this is what we call the labour of the worker who sells his own labour capacity) merely express two factors in the same relation. Money cannot become capital without being exchanged for labour capacity as a commodity sold by the worker himself. Labour, on the other hand, can only appear as wage labour when its own objective conditions meet it as egoistical powers, as alien property, value existing for itself and holding fast to itself, in short as capital. So if capital can only consist from the material point of view – or from the point of view of the use values in which it exists – of the objective conditions of labour itself, these objective conditions must from the formal point of view confront labour as alien, independent powers, as value – objectified labour – to which

\textsuperscript{233} Sáenz de Sicilia 2016, p. 138.
\textsuperscript{234} Sáenz de Sicilia 2016, p. 140.
\textsuperscript{235} Sáenz de Sicilia 2016, pp. 144–5.
\textsuperscript{236} As Marx notices in a footnote: ‘One can therefore conclude from this what an F. Bastiat understands of the essence of capitalist production when he declares the wage system to be a formality, external to capitalist production and irrelevant to it, and makes the discovery “that it is not the form of the remuneration which creates this dependence for him (for the worker) ...”’ Marx 1994 [1861–4], p. 414.
living labour is the mere means of its own preservation and expansion. Wage labour, or the wage system, is therefore a necessary social form of labour for capitalist production, just as capital, potentiated value, is a necessary social form which the objective conditions of labour must assume for the labour to be wage labour. Wage labour is therefore a necessary condition for the formation of capital, and it remains the constantly necessary presupposition for capitalist production. So although the first process, the exchange of money for labour capacity, or the sale of labour capacity, does not enter as such into the direct production process, it does in contrast enter into the production of the relation as a whole.237

Already under the conditions of the formal subsumption of labour, the buyer of labour power confronts the seller as the owner of the objective conditions of labour (objektive Arbeitsbedingungen). As such however, as Marx says in the Results, the ‘objective conditions of labour (the means of production) and the subjective conditions of labour (the means of subsistence) confront [the labourer] as capital, as the monopoly of the buyer of his labour power.’238 The means of subsistence, as the subjective conditions of labour confronting the labourer as capital, are never exempted from the value nexus. Arguably the most radical formulation of the inherent ‘incorporation’ of the ‘natural conditions’ for the reproduction of labour power into the valorisation nexus is to be found in Marx’s remark that

[it] is not a case of the worker buying means of subsistence and means of production, but of the means of subsistence buying the worker, in order to incorporate him into the means of production.239

In this sense, the conventional allegorical notion that ‘at no point a labour power [sic] rolls off the assembly line’240 shows a deep misrecognition of the

240 Gonzales and Neton 2014, p. 152.
monetary function of the wage form, as that moment in the production process ‘as a whole’, which directly incorporates (einverleibt) and ties the worker into the labour-as-valorisation process that is the specifically capitalist form of social production. We should here also note that the category of use value (as ‘original consumption’), being essentially mediated as a form determination of capital by its real subsumption under (exchange) value, is inadequate for ‘opening up’ a ‘space of resistance’ to capital. ⁵ Yet, in Uno, through the law of population and the ‘impossibility’ of the commodification of labour power, the category of use value presents the axis from which the ‘pure theory’ or the theory of principles of a ‘pure capitalist society’ should be comprehended. In the following, we should therefore turn more precisely to the central notion this volume critically analyses, and which had hitherto formed a constant shadow in the background of our investigation: Uno’s theory of value. So far, we have noticed certain aspects of its theoretically inadequate treatment in Uno: first, in the dismissiveness of value’s epistemological status in Uno’s ‘three-level-method’, which we have shown is inconsistent with regard to its own object of inquiry. Second, as the ‘axis’ of the theory of principles, Uno’s treatment of the law of population as the explicatory framework of crisis fundamentally misrecognises the primary pattern of accumulation and the logic of valorisation. Third, our analysis has shown that the diagnosis of the consumption process as capital’s outside must be inverted – capital’s illusion or ‘fetishism’ consists precisely in hypostatising this ‘outside’, where the sphere of consumption is presented as independent of the direct capital relation. The monetary expression of the value of labour power or the wage however ‘always-already’ subsumes the means of subsistence which confront the labourer as capital, as well as the means by which they are appropriated to the functioning of valorisation. We named this the ‘formalisation’ of labour under capital. Uno’s use value-oriented view of the capital relation, in contrast, presents a fatal misrecognition of value as the at once objective and social nexus that is constitutive of the exchange relations under capitalist relations of production. In the next chapter, we will demonstrate how Uno further mobilises the sphere of use value against value in his examination of simple circulation. We will see how the apotheosis of the use value aspect of the commodity is exacerbated with regard to his basic theory of value, omitting what is crucial about Marx’s own theory: the critique of the fetish character of the value forms. In our view, Uno’s subalternisation of the analysis of the value forms of the commodity, money, and capital constitutes a theory of ‘value without fetish’, a theory of value disposing

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⁵ We will return to this discussion, and Walker’s conceptualisation of it, in Chapter 5.3.
of the critique of the capitalist relations of production. We will argue that it is precisely this disavowal of the fetish problematic which not only leads to a truncated and distorted reading of Marx’s crucial criticisms of bourgeois political economy, but itself regresses to the bourgeois theoretical framework that Marx dedicated his conceptual vigour and theoretical pungency to overturning.