The spontaneous generation of excess and its capitalist capture

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THE SPONTANEOUS GENERATION OF EXCESS AND ITS CAPITALIST CAPTURE

A Thesis

Submitted to the Graduate Faculty of the Louisiana State University and Agricultural and Mechanical College in partial fulfillment of the requirements for the degree of Master of Arts

in

The Department of Philosophy and Religious Studies

by

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B.S., The George Washington University, 2004
M.A., Louisiana State University, 2008
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To uncompromising radical thinkers everywhere, like Marx and Deleuze

The answer may have emerged in the *Manifesto* . . .
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I send my love to my family.
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Abstract

This thesis evaluates the economic and Marxist claims on excess. As its official science, economics takes the capitalist economy as a given and explains excess as savings on costs resulting from the strategic planning of capitalist agents, whose point of view, in studying economic phenomena, economics takes. Marx, in a historicist move, argues that capitalism is but one political economy among many, where the facts assumed by economics, such as savings, are, far from given, attributable to a particular systemic formation (a political event) of social relations and materials into an economy. This systemic social formation that comes to be called capitalism, Marx argues, involves at its core the exploitation of labor, in which capitalists expropriate the surplus value that laborers produce, appropriate it as their profits, which is then accumulated as additional capital.

While this thesis takes the view that something similar to what Marx refers to as exploitation takes place in the capitalist social formation, I argue that a further standpoint beyond historicism is called for to account for the contribution, in addition to that of labor (whose point of view Marx takes), of other elements to the system. Deleuze’s metaphysics provides this standpoint by describing the abstract process that underlies all political economies, namely the assemblage of different elements into a unified, consistent, and productive whole that is the social formation. Thereby exploitation is revealed as a concrete actualization of the virtual process that Deleuze calls capture, an actualization specific to capitalism.

More importantly, capitalist capture is revealed to presuppose a spontaneous generation of excess. As such, exploitation does not exhaust all the productive capacities of the system and is but one potential source of values among others. As Deleuze is quick to point out, however, all the (economic) potentials presupposed to be spontaneously generated are inseparable from the (political) process of capture that subordinates values to the dominant element in the system (e.g. to capital). Marx thus has some warrant to assert that exploitation is fundamental not only to the workings of the capitalist system but, more importantly, to the production of excess.
Introduction: Marx, Deleuze, and Political Economy

In his critique of political economy from the *Grundrisse* to *Capital*, Karl Marx presupposes abstraction and quantification. The process by which activity and its product are alienated from the human worker, which as independent existences are then measured and valued numerically, is in fact a pervasive phenomenon in the capitalist political economy. Equally widespread is excess, which economics, the political economy’s official science, records as *profit*. Marx thinks the phenomenon differently as *surplus value* resulting from the processes of alienation and valorization. Surplus value, in turn, is connected by Marx to the further but no less marked phenomenon of recurrent crises, recognized by economics as a structural feature of the capitalist system.

There is, in a sense, a consensus between Marx’s thought and mainstream economics, originating as this latter does from the political economy of Adam Smith, Thomas Malthus, and David Ricardo, which is precisely the target of Marx’s critique. In both strands of thinking about the economy, there is the recognition, taken almost for granted, that there is excess: there is more in the end than was there in the beginning. It is assumed, in other words, that the product has more value than what was put in its production. The disagreement lies rather on how this excess originates (where it comes from). This is a question worth raising not only because it clarifies the nature of the excess and its production (which then may have significant consequences over its distribution), but, more importantly, because this excess itself is that upon which the social formation is founded and rests (and as such sheds light on its rules and relations).

This thesis sets against each other the economic and Marxist claims on excess. As its official science, economics takes the capitalist economy as a given (as the ‘natural’ state of the economy, as it were) and explains excess as savings on costs resulting from the strategic planning of capitalist agents, whose point of view, in studying economic phenomena, modern economics takes. Marx, in a historicist move, argues that capitalism is but one political economy among many, where the facts assumed by the likes of Ricardo, such as the savings supposedly reaped by capitalist planning, are, far from given, attributable to a particular systemic formation (a political event) of social relations and materials into an economy. This systemic social formation that comes to be called *capitalism*, Marx argues, involves at its core the *exploitation* of labor, in which capitalists expropriate the surplus value that laborers produce, appropriate it as their profits, which is then accumulated as additional capital.

Initially these ideological claims seem irreconcilable and mutually exclusive. While this thesis takes the view that something similar to what Marx refers to as exploitation in fact takes place in the capitalist social formation, a fundamental mechanism covered over by the naturalizing mystifications of political economy and revealed only through a historicist stance like that of Marx, I argue that the roles implied by that power mechanism are not mutually exclusive and, as such, the acts of ‘exploitation’ are not rigidly designatable to either only capital or labor, as Marx claims. I argue that a further standpoint beyond historicism is called for to account for the contribution, in addition to that of labor (whose point of view, directly opposed to economics’, Marx takes), of capital to the system, not to mention those by other elements, including non-human ones.

The philosophy of Gilles Deleuze (sometimes with Félix Guattari), combined with insights from complexity and organization theory, provides this necessary standpoint. Refusing to take the capitalist ‘socius’ as natural, taking it, like Marx, as historical, Deleuze nonetheless provides some metaphysical grounding through the abstract process that he describes underlies all political economies, namely the assemblage of different elements into a unified, consistent,
and productive whole that is the social formation. Thereby exploitation is revealed as a concrete actualization of the virtual process that Deleuze calls capture, an actualization specific to the historical socius that is capitalism.

More importantly, exploitation or capitalist capture is revealed to presuppose a spontaneous generation of excess. As such, exploitation does not exhaust all the productive capacities of the system and is but one potential source of further values among others. As Deleuze is quick to point out, however, all the (economic) potentials presupposed to be spontaneously generated are inseparable from the (political) process of capture that subordinates values to the dominant element in the system (e.g. to capital). Marx thus has some warrant to assert that exploitation is fundamental not only to the workings of the capitalist system but, more importantly, to the production of excess.

My inquiry into the nature of excess in capitalism is thus both historical and metaphysical. A historical standpoint towards the social formation is assumed to avoid taking the structural arrangements that lead to certain economic phenomena (such as savings), often reified by economics, as natural. At the same time, certain abstract processes, such as the formation of the assemblage (that generates excess), are recognized for their virtual reality in all social formations, although they appear in historically different forms (e.g. as surplus value or profit in capitalism) in which the potentials actualized are different.

The approach I take, then, reverses that of traditional political economy (which has evolved into modern economics). Rather than taking the capitalist political economy and its historical phenomena as natural, what I recognize is the metaphysical (and thus universal and ‘eternal’) status of the virtual assemblage that generates excess. Taking the assemblage as the abstract structure or framework (‘abstract machine’ or ‘Idea’ in Deleuze’s terms) that underlies all concrete and historically specific political economies, I draw from Deleuze’s philosophy to show that capitalism is an assemblage that generates excess. The metaphysical conclusions derived from this insight, the processes that will be shown are the true givens of any study of the political economy, will then inform the second look at phenomena at work in the capitalist political economy, especially the savings and profit (and sometimes loss) that economics takes as given, even ‘natural’ (or as resulting from the system that economics takes is the ‘natural’ configuration of the economy).

In order to make the move back from metaphysical abstraction to historical specificity, concepts other than those provided by Deleuze in discussing the abstract assemblage are needed to connect its metaphysical mechanisms to their historical actualizations. Those provided by modern economics are of limited value because, even though specific to the capitalist social formation, they tend towards reification of the system. Marx, on the other hand, provides a general notion of value that does not necessarily contradict the concepts of economics.

In Marx’s thought, values result from the alienation/abstraction and quantification/values that, as established above, is a pervasive phenomenon in capitalism (itself admitted by economics). These processes manifest the way in which different human actors (more generally, different individual elements) are related in the workings of a political economy. As such, values (the expressions of the processes) are the valorized manifestations of relations in capitalism, which, Marx shows, are really but the relations of classes (themselves manifestations of the two forces mentioned above, labor and capital). The concept of value thus provides the necessary connect between the metaphysical, abstract assemblage (philosophized by Deleuze) and the historical and concrete social formation (critiqued by Marx).
I begin the thesis in the first chapter with a consideration of values and classes. Drawing from David Harvey’s reading of Marx’s ‘economics’ (supplemented in certain instances by Antonio Negri), I argue that values and classes are mirror images of each other (what is abstract in one is concrete in the other) that describe the workings of the social formation in general and of capitalism in particular. This sets up the more specific inquiry of the succeeding chapters that discuss the opposed claims on capitalistic excess, with an eye towards evaluating which claims are more valid and which parts can be reconciled.

In chapter 2, I provide the account of excess given by economics (specifically geographical economics). Economics refers to capitalistic excess as profit, which it explains as savings on costs. I argue that this is an ideological claim due in large part to the fact that, as Marx points out, economics takes the discursive position of capitalism’s official science (and is thereby its legitimation). In chapter 3, (again with the help of Harvey and Negri) I lay out Marx’s account of surplus value as the result of the exploitation of labor. I argue that Marx’s account is ideological as well (taking the point of view, this time, of labor), although, because of its historicist stance, is not quite politically complicit (this time, with the class of laborers) in the same way as economics. Because Deleuze provides the metaphysics for some parts of both claims, he is interwoven in the first two accounts to point out the elaborations he makes on them.

It is not until chapter 4, however, that a metaphysical account of the whole is constructed using Deleuzian philosophy, in which Marx’s historicist account is generalized to reconsider some of economics’ claims and, more importantly, to take into account other components in the assemblage not considered by both. I show how Marx’s account of exploitation historical to capitalism fits in Deleuze’s model of capture in the assemblage (which thereby testifies to the former’s presence) and, more importantly, I ‘enlarge upon’ Marx’s concept of primitive accumulation by drawing from Deleuze’s discussion of the stock, which gives insight as to how excess is ‘spontaneously generated’ in social assemblages. I conclude by raising the question of how the accounts given by Deleuze and Marx can be reconciled. More precisely, I ask how primitive accumulation and accumulation in general, or stockpiling and exploitative capture, are connected. The end is thus not so much an end as a signpost for further research.

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1 I also insert Moishe Postone’s sometimes differing interpretations in footnotes. While I agree with some of Postone’s assertions (which are mostly consistent with Harvey’s), in some places I find them wanting. As such, I don’t make use of the framework that he develops and discuss it instead in footnotes.
Chapter 1: Values and Classes

Core to the inquiry of surplus value or profit (the form that excess takes in capitalism) is the constitution of value itself. What is value, and under what different forms does it function such that, upon reaching a certain point, a surplus is produced? Constitution refers, of course, to both the ontological reality and the philosophical conception. The ontological reality is what is at work in the political economy that leads to surplus, while the philosophical conception is the result of attempts to capture that reality in theoretical terms, delineate it and track it down so as to make sense of what it is, how it works, and how it shapes and affects the political economy.2

The ontological reality has assumed a certain form in the historical formation of the political economy that we refer to as capitalism. In that re-constitution (in the first sense), value has acquired a uniquely capitalistic character and delivers capitalistic results, with Marx as one of the few thinkers to attempt to constitute it (in the second sense), in its capitalistic incarnation, as a philosophical conception.3 Marx’s project is distinguished by the fact that, unlike the study of political economy in his day, he probes value not from the point of view of (the smooth functioning of) the system but from outside, allowing him to call attention to those exploited in it. In the process, Marx allows for the possibility of changing the way that value is constituted by revolutionizing the social formation in which it works.

Marx articulates his mature conception of value in the first volume of Capital, a difficult and complex conception that could only delineate value as a dialectics between its different forms. Harvey, in The Limits to Capital, presents an accessible elucidation without reducing the concept’s complexity.4 The three primary forms that value takes in capitalism, Harvey clarifies, are (labor) value, use value, and exchange value. Briefly, use value is the satisfaction derived from some material (e.g. from a good); exchange value the amount (using a standard numéraire, i.e. money) whereby different materials (i.e. commodities) change hands (through transactions in an indirect economy5); and labor value is the labor power expended/required to produce the material (the product), the cost of production, as it were.6

To illustrate concretely, Harvey takes money as an example of a material that, by virtue of it assuming the form of a commodity (like all other materials in the capitalist economy), acquires the different forms of value mentioned.7 “The use value of money is that it facilitates the circulation of all other commodities”; its exchange value “the reflex, thrown upon a single commodity, of the value relations between all the rest,” i.e. the “worth [of] what it will buy”; and

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2 The terms used should not mislead. As Deleuze would say, both the ontological and the philosophical—the (actual) ‘reality’ and the (virtual) conception—are real.
3 David Ricardo precedes Marx in this attempt, but, unlike Marx, Ricardo never did take class into account, which, as the nexus between the forms of value, prices, and relations, is to Marx the pertinent axis. David Harvey, The Limits to Capital (London: Verso, 2006), 24.
4 Harvey extends Marx’s project as well, especially in areas Marx wasn’t able to explore systematically and in depth.
5 As is the case in the capitalist social formation, an indirect economy is one in which, because the individual does not directly produce for his own needs/wants, exchange mediates between production and consumption. Thence arise problems of measurement and distribution and the ‘commodity’ form.
6 Not exactly the ‘cost of production’ since the cost of production includes raw materials over and above labor, strictly speaking (the amount of human energy expended). Together, however, all the inputs or factors of production (labor and non-labor) are counted as necessary for the maintenance of labor (i.e. as ‘necessary labor’), for production to keep going; hence their conflation. For more on this, see chapters 3 and 4.
7 To Marx, “the riddle presented by money is but the riddle presented by commodities . . . in its most glaring form.” Cited from Capital in Harvey, 11.
its labor value “the socially necessary labour time taken up in its production.”

Capital, reaped at the end of the production process (which is then reinvested at another beginning), is another such example. As exchange value, it takes the physical form of money; as use value, it takes the physical form of commodities; whereas its labor value is the power that brought it about. Similarly, labor has three forms of value: its labor value is the power spent to produce or do something (i.e. labor power); its exchange value what is paid for the use of its power (i.e. wage); and its use value what was produced (i.e. labor’s product, or labor as product).

Following Marx, Harvey points out that none of these forms (of value) have value in themselves (intrinsically). Rather, they gain value by virtue of their dialectical relations with each other. The three forms of value are related to each other by the particular (capitalistic) way in which the economy works: the product is exchanged as a commodity considered as a good by the purchaser. It is not only that the material changes ‘identity’ (i.e. from a product, it becomes a commodity . . .). With the change of identity comes a shift in the form of value that the same material embodies. The product of a department of a company, for example, is considered in the production line by another laborer (from another department) as a raw material for his own production. Thus the product becomes a good for someone else in the production line, who, when he acquires the product as a commodity, transforms that good into a further product. In the process, the same material manifested not only labor value (the value of the initial labor put into making it) but also exchange value (what was recorded in inter-departmental accounting) and use value (the initial labor value and the potential that it has for enabling further labor value to be added to it).

The three forms of value are thus interdependent on each other. In determining their value, they have to take account of each other, and value is gained (in its three forms) only by virtue of the said interdependent relations. The relations are not merely structural, however. Since the material exhibiting value is the same (or, more precisely, it contains the same material kernel, to which value is added; or it is identified as a material undergoing different processes), each form, in gaining value, implies in itself the previous forms. Thus the use value of a good is affected by how much was exchanged for it and is only made possible by the labor value that was put into it.

This does not mean that all three forms of value are the same. Labor value, for example, even as it constitutes part of use value, does not exhaust the latter, since further values have been either added to or subtracted from that initial labor value in its transformation as use value. It does mean, however, that further forms are ‘syntheses’ of previous forms of value that

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8 Harvey, 11. In fact, money, Harvey argues, by becoming a commodity, acquires a double exchange value (i.e. the worth of what it will buy, its “reflex” value, and its labor value, which is the “inherent” value that, because of the unique status of the money commodity, as a yardstick measures how much other commodities are), a discrepancy that leads to the extraction of surplus value. I discuss this more in chapter 3.

9 Harvey, 20. I defer clarification of what “power” brought capital about to chapter 3.

10 Harvey, 2.

11 I put ‘capitalistic’ in parentheses because value is both historically specific and abstract. It can be argued, I think, that other forms of value are in existence in other (non-capitalistic) political economies.

12 For simplicity’s sake, all throughout the thesis, the standard indefinite he has been chosen when the pronoun does not refer to anyone in particular. It stands in for an abstract schematic functional subject, in no way essentially or primarily male.

13 Structuralism’s basic premise is that a thing, rather than possessing identity in itself, gains determination or becomes subjectivated only by virtue of its position in a network with other elements. For more on structuralism, see Ferdinand de Saussure, Course in General Linguistics, trans. Roy Harris (Chicago: Open Court, 1998).
contributed in constituting them. Thus not only does one form delimit its ‘identity’ by virtue of another form; resultant forms are syntheses of previous forms. The relations, in other words, are dialectical. These relations are by no means linear since what is a good can, in turn, be a raw material for another product or an unexpected commodity that is exchanged for something else. They are also not synchronic since a value gained has the potential to change in further transactions (e.g. once the ‘final’ product enters the market) that imply further dialectical relations.  

These forms of value, like value itself, are to be distinguished from price, with which they are associated but distinct. Harvey explains that “values [. . .] express an equilibrium point in an exchange ratios after supply and demand have been equilibrated in the market.” As such, values maintain constancy, attain some rigidity, and cannot fluctuate freely. This necessitates a system that can reflect and accommodate “the ebb and flow of commodity production for exchange,” a function suitably served by prices, which are not only more flexible than values but in fact “permit[] th[e] equilibration process to take place.” Prices are thus essential to the definition of values. The two categories remain distinct, however, as revealed by times when “price ceases altogether to express value.”

The dialectical relations that the forms of value sustain with each other entail a particular configuration of the economy, namely, the organization of its different activities (its distinct elements) into an organic (itself dialectical) unity (perhaps these different activities can be expressed, analogous to values, as different forms that human activity takes). After all, value morphs into its different forms by virtue of a material going through the different processes of the economy—namely production (in which case a material’s labor value is determined), distribution and exchange (in which exchange value emerges), and consumption (in which case a material becomes a use value)—that connect and are interrelated with each other.

Like the forms of value, then, the different economic activities themselves, Harvey (following Marx) reiterates, “all form members of a totality, differences within a unity [. . . whose] ‘reciprocal effects’ [. . . are determined] in the context of capitalist society considered as an ‘organic whole.’” This is not unexpected since it is this organic whole that, in the form of an abstract measure (due to alienation/abstraction and quantification/valorization), the forms of value express. In other words, the dialectical relations of the forms of value derive from the forms that human activity takes in the (capitalist) political economy, including the reciprocal effects that they entertain and the relations (between individual elements performing the said human activities) that they imply. For this reason, “value,” Harvey asserts, “must be understood

14 For more on dialectics, see the philosophy of G.W.F. Hegel. Needless to say, the version employed here is a loose interpretation of the Hegelian original. In particular, ‘thesis’ and ‘antithesis’ as I use it does not totally encapsulate and represent the ‘thesis’ and ‘antithesis.’ For one, there are not only two elements (e.g. labor value and exchange value) that lead to the third (e.g. use value), as is made clearer in the following paragraphs, to say nothing of the fact that for Hegel, thesis and antithesis are supposed to be large-scale, extreme oppositions. For another, use value (the ‘synthesis’), as explained above, does not exhaust previous forms (e.g. all of the labor power put into it) and contains bits of irreducible difference from a complex process (of production, exchange, further production . . .) unaccounted for by a strictly Hegelian framework. Thus while the Hegelian dialectic is a good starting framework for analysis, modifications to the model, such as the ones I’ve made, are called for.

15 Harvey, 18.

16 Harvey, 18.

17 Harvey, 18. In this regard, Harvey mentions commodities that are not products of human labor.

18 Harvey, 41.
in terms of the underlying unity of production and consumption, though broken by the separation [i.e. by distribution and exchange] between them.”

Thus, as with the forms of value, the separate forms that activity takes and the dialectical unity in which they consist are commonplace in the capitalist economy. The distinction between the activities consists in the specific ‘identity’ that each has taken in the economic process in which, as Marx describes it, “production creates the objects which correspond to the given needs; distribution divides them up according to social laws; exchange further parcels out already divided shares in accord with individual needs; and finally, in consumption, the product steps outside this social movement and becomes a direct object and servant of individual need, and satisfies it in being consumed.”

The unity, on the other hand, consists in the dialectical relations that give these activities ‘identity’ in the first place and in which these ‘identities’ mesh with and deconstruct each other. Production, for example, as seems obvious, “determines the forms of distribution” as what is produced is targeted towards the fulfillment of certain needs, thereby the activity of production itself determines (or at least affects) how products are to be distributed. Distribution, however, is not only necessitated by but is necessary to production, for without distribution, production would come to a halt.

Production, moreover, Harvey points out, is itself distributed. In contrast to how it appears, it is not only values or products that are distributed. The means of production themselves (what is used for production) are divided up among individual participants in the economy. This is apparent not only in the distribution of different raw materials or tasks in the production process (as in different departments of a company or different industries in an economy), but in the division between labor and capital itself (the fundamental distribution in the economy, a political act). As Harvey puts it, “an initial ‘production-determining’ distribution of means of production divides capital from labour, [in which] thereafter distribution relations [are] regarded as ‘merely the expression of the specific historical production relations.’”

Production and distribution thus mutually determine each other, enabling both to gain their respective ‘identities.’

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19 Harvey, 81.
20 Marx, Grundrisse, cited in Harvey, 80.
21 Harvey, 42.
22 Harvey, 42. This distribution includes the determination, through birth, of the place that individuals occupy in the social hierarchy among classes.
23 Harvey, 55. Similarly, Postone, in Time, Labor, and Social Domination, explains that “Marx’s notion of the mode of distribution [. . .] does not refer only to the way in which goods and labor are socially distributed [. . .]; he goes on to describe ‘the workers’ propertylessness, and the . . . appropriation of alien labour by capital,’ that is, capitalist property relations, as ‘modes of distribution [that] are the relations of production themselves, but sub specie distributionis.” Moishe Postone, Time, Labor, and Social Domination: A Reinterpretation of Marx’s Critical Theory (Cambridge: Cambridge University Press, 1993), 22. This is the context in which Marx writes that the “division of labour and private property are [. . . really] identical expressions: in the one the same thing is affirmed with reference to activity as is affirmed in the other with reference to the product of the activity.” Karl Marx, The German Ideology in Karl Marx: Selected Writings, 2nd ed., ed. David McLellan (Oxford: Oxford University Press, 2000), 185. For more on the distribution of the means of production as (capitalist) property (in contrast to labor), see the discussion of primitive accumulation in chapter 4.
Exchange, which is but distribution on a smaller (i.e. individual) scale, in turn links distribution (and thereby production) to consumption, and vice versa.²⁴ Production and consumption, the activities that seemingly occur at both ends of the process, themselves have a dialectical relation (thereby deconstructing the seemingly linear nature of the relations between the activities). “Consumption and production,” Harvey explains, “can constitute an immediate identity, [. . .] either as “productive consumption” when the act of production entails the consumption of raw materials, instruments of labour and labour power” (as when a department in a company further processes the products of another) or as “consumptive production” (e.g. the preparation, i.e. ‘production,’ of food at home, for immediate consumption).²⁵

More apparently, production and consumption also entertain relations in which they mediate each other. For one, “production creates the material for consumption, dictates [. . . the] mode of consumption, at the same time as it provides the motive for consumption through the creation [i.e. production] of new social wants.”²⁶ For another, “consumption [. . .] provides the motive for production through the representation of idealized human desires as specific human wants and needs,” without which production “is rendered entirely redundant.”²⁷

Most importantly, production and consumption, as “each of them creates the other in completing itself, and creates itself as the other,” constitute “reproduction,” in which, in consummating the economic activity (as production, through distribution and exchange, reaches its destination, consumption), the existing social configuration by which production (more precisely, human activity in general) takes place (including the social relations therein)—i.e. the economic system itself (and the politics inherent in it; i.e. the political economy)—is reproduced.²⁸ Production, distribution, exchange, and consumption thus not only form an organic unity of distinct elements; the organic unity that they compose—the particular way in which human activity is organized (in this context, the capitalist social formation)—as they function (as an organic unity), (like an organism) reproduces itself.²⁹

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²⁴ For this reason, the class struggle (not only for consumption but for all the four human activities) does not only take place in the marketplace (where exchange and distribution are determined), but in the production process itself. Harvey, 53.
²⁵ Harvey, 80.
²⁷ Harvey, 80.
²⁸ Harvey, 81.
²⁹ Postone formulates the dialectical unity of the different economic activities as the dialectical unity between the (historical) relations of production and the (historical) relations of distribution (contained in social relations in general), distinct from but related to the (transhistorical) productive forces. Distinguishing his position from what he calls ‘traditional Marxism’ that asserted (what it construed as) emancipatory relations of production over exploitative social relations (that imply certain relations of distribution), Postone writes that “production in capitalism is not a purely technical process; it is inextricably related to, and molded by, the basic social relations of that society.” Postone, 16. Quoting Marx as arguing that “the ‘laws and conditions’ of the production of wealth and the laws of the ‘distribution of wealth’ are the same laws under different forms, and both change, undergo the same historic process; are as such only moments of a historic process,” Postone argues, against ‘traditional Marxism,’ that it is not only the mode of distribution that has to be revolutionized, but the mode of production as well. Marx, *Grundrisse*, 832, cited in Postone, 22; Postone, 22. Thus the conflict between relations and forces that Marx talks about, Postone asserts, really refers to the contradiction not only between the forces of production and the relations of distribution but involve the relations (or mode) of production as well. Postone, 22. In other words, Marx,
The dialectical unity of the economic activities and of the forms of value are, in fact, but manifestations of their social character. After all, production (or human activity in general) in the capitalist political economy is undertaken not by individuals alone (not even for one’s own consumption) but by a group of individuals socially related to each other in existing material conditions. The existence of the market (i.e. the site of exchange and, to a lesser extent, of distribution) is perhaps the most glaring manifestation of this, but from the beginning—from production where materials and tasks are distributed among different individuals, from consumption in which individuals derive fulfillment of their needs from other individuals—human activity in capitalism is very social. Hence capitalism is, in a very real sense, a social formation. That is to say, the capitalist political economy is made up of all sorts of social relations between different individuals: between laborers (from different parts of the production process), between the laborer and the employer, between the producer and the consumer, etc.

More than the forms of value and the different activities simply being dialectically related to each other by virtue of relations that are social, however, value itself gains determination only within its social context. Labor value, for example, is not determined by the amount of time spent by the laborer in producing something. If such were the case, as Harvey points out, “the lazier the labourer, the more [the employer] should pay.” Rather, labor value is determined by the socially necessary labor time for producing something, i.e. the ‘normal’ amount of time that it takes an ‘average’ laborer to produce a certain good. What matters in the determination of labor value is thus, in Marx’s words, “the labour required to produce an article under the normal conditions of production and with the average degree of skill and intensity prevalent at the time.”

In other words, it is not that the laborer is paid for how much it takes him (individually) to produce something. It is that time is measured based on social averages of productivity, which is then used to calculate how much each unit of time is valued, which is the measure used in calculating the labor value that each laborer produces. Each laborer, then, is differentiated according to the amount of time that he spent at the workplace (and not by the amount of time that he produces). By rendering “an infinite variety of concrete labor activities” into “human labour in the abstract” (thereby making it “commensurable with the help of the money form), labor value thus measures not individual productivity but the performance of a laborer compared to others in what are normalizing workings of a social machine. The valuation of labor thus has less to do with individual worth or value as with abstract measurements necessitated by an economic system that is social.

Exchange value and use value are likewise determined by their social context. For exchange value to emerge, an exchange (or at least an assumed one)—a social transaction between individuals—is necessitated. Similarly, a use value, for it to have value at all, has to be a social use value. That is to say, “unless the commodity satisfies a social want or need [i.e. is

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30 Which implies that these different forms cannot be understood in isolation from each other
31 Harvey, 14
32 Cited in Harvey, 15.
33 Harvey, 15.
34 Harvey, 14.
35 This, as I discuss on chapter 3, leads to fetishism, which is key to the extraction of surplus. Also see Harvey, 17.
something of value to others], it can have neither exchange value nor [use] value.” 36 Thus “value has to be created in production and realized through exchange and consumption if it is to remain value.” 37 The determination and realization of value, then, in its different forms, presuppose the context of social relations of individuals that leads to the emergence of value in the first place.

The social character of value (which makes it possible) but betrays what is already apparent in the dialectical relations between its different forms (which gives them some determination). That is to say, value (the ontological reality) is nothing but the manifestation or expression—in abstract, numerical forms (mediated by money)—of the political economic formation (in this context, a capitalist one) as a social relationship between the individuals (performing activity) in that formation. True to its task as a philosophical conception, what “[Marx’s] value theory [. . . does is] to reflect and embody the essential social relations that lie at the heart of the capitalist mode of production.” 38 Marx’s move is of course made possible by the phenomenon of alienation/abstraction and quantification/valueization standard in the capitalist social formation itself.

Specifying what is meant by social relations, Marx asserts that the fundamental relation in the capitalist political economy is the division between labor and capital (the most general form that the division of labor takes). What gives the different economic activities in the social formation—and the forms of value that express them—the specifically capitalistic shape and configuration is, in Harvey’s words, “the separation of the labourer from the instruments of production [. . . and] the expropriation of the direct producers from the land”—means of production that are then taken over by the capitalist (in which they become the capitalist’s

36 Harvey, 8.
37 Harvey, 16.
38 Harvey, 15. Interpreting Marx’s statement that values “express the forms of being, the determinations of existence [. . .] of this specific society,” Postone reads values as “categories of a critical ethnography of capitalist society undertaken from within—categories that purportedly express the basic forms of social objectivity and subjectivity that structure the social, economic, historical, and cultural dimensions of life in that society, and are themselves constituted by determinate forms of social practice.” Postone, 18. This is in line with Harvey’s interpretation. However, while Postone does state that “the category of value expresses that basic relations of production of capitalism—those social relations that specifically characterize capitalism as a mode of social life—[. . . just] as production in capitalism is based on value” and that “value [is] the social form of wealth, which, in turn [. . . corresponds to] the determinate mode of producing developed under capitalism,” Postone’s relation of (ontological) value to (material social) relations falls short. Postone, 24, 27. This is because he does not link ontological categories (that, according to him, due to the alienating capitalist conditions of labor, acquire “a peculiar, quasi-objective character”) to subjective class relations from which they are alienated and that personify them. Postone, 29. While asserting that “relations are [. . .] constituted by labor itself, [. . . Postone nonetheless concludes that the objective categories emanating from those relations] cannot be grasped fully in terms of class relations.” Postone, 29. This leads Postone to a “categorial” rather than a “class-centered” interpretation of capitalist social relations that makes him posit an “abstract domination” not by one class of another but by “abstract social structures that people themselves constitute” in which “a form of social wealth [. . .] confronts living labor (the workers) as structurally alien and dominant power.” Postone, 30. While abstraction and alienation do in fact take place in the capitalist political economy (and while Postone’s characterizations of abstract domination are very pointed), what Postone neglects is that this abstract domination, the abstract structure, is caused by the particular structuring of the political economy in which one class dominates over the other, of which the ontological categories of value, as he says, are manifestations of that very relationship of unequal power. In effect, by separating categories from classes, Postone empties out abstract (objective) categories of their material (subjective) content. This leads him to focus on the “opposition between individuals and society, which is constituted [through alienation] as an abstract structure,” without taking account of the power relations that caused that alienation/abstraction in the first place and that perpetuate it. Postone, 30. In contrast, my approach, inspired by Harvey and Negri, links the objective categories (as forces) and the subjective social relations (personified by the classes). I elaborate on the paragraphs that follow.
property), referring to them as capital. Thus labor is separated from all other means of production (at least in terms of ownership) as capital is divided from labor. The result of this is not only to divide labor and capital from each other; as forces labor and capital become, in a further alienation, separate and distinct from the human beings that ‘work’ them, from which they derive. These alienated forces, then, divided from each other, fulfill structural roles in the political economy that are fundamentally different from each other, which defines their relation, their division—and human relations.

The two main social forces of labor and capital, Marx asserts, are concretized in the social formation in the form of classes: the class of laborers and the class of capitalists. There are, it seems, more than just two classes in society. Marx points out, however, that despite the seeming variety, the different groupings tend to concentrate and ultimately belong to either labor or capital. This is because, as is manifested in mechanisms such as alienation, exploitation, and accumulation, the various groupings in society share what work the forces perform (depending on with which force they are aligned), premised as the relationship between the forces (and hence between the classes) is on power. Hence other, different groupings in society (including groupings that have their origin from past social formations), due to the structural function that they fulfill, in the end belong to one class or the other. As the main forces in the dominant organization of activity in the political economy, labor and capital are able to align the multifarious divisions in society (especially as the capitalist form of activity becomes more and more pervasive) into the two main classes that are their embodiments.

This renders the divisions within the classes less important than the division between the forces. As Harvey points out, despite the divisions within the classes, “the class relation between capital and labour is of an entirely different sort compared with the social relations holding between different fractions of the capitalist class (industrialists, merchants, rentiers and money capitalists, landlords, etc.)” and between classifications within the class of laborers. This is made apparent in the fundamental difference between, on the one hand, the gap in remuneration between the laborers and the capitalists; and, on the other, the division of returns that fractions of the capitalist class negotiate with each other.

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39 Harvey, 42. I elaborate on the relation between labor and capital and what defines them in the paragraphs that follow and especially in chapter 3, which further specifies the definition of the capitalist social formation. I elaborate on the division of capital from labor in chapter 4 when I discuss what Marx calls primitive accumulation.
40 Harvey points out that in the The Eighteenth Brumaire of Louis Bonaparte, Marx himself breaks down that particular society into “lumpenproletariat, industrial proletariat, a petite bourgeoisie, a capitalist class factionalized into industrialists and financiers, a landed aristocracy and a peasant class.” Harvey, 26.
42 Harvey, 43.
43 Harvey explains that “total variable capital” is divided among heterogeneous individual laborers depending on “degree of skill, extent of union power, customary structures of remuneration, age and seniority, individual productivity, relative scarcity in particular labour markets (sectoral or geographical) and so on.” (Heterogeneous labor does, however, as I explain in chapter 3, have the tendency to be turned into abstract labor, thereby reducing skilled to simple labor. See Harvey, 57-61.) This is the problem of the division of “the variable capital (or total wage bill) [. . .] among the various individuals within the working class” that Marx does not seem to have discussed, which Harvey, in accordance with Marx’s principles, elaborates on. Harvey, 44.
44 Harvey, 43. Harvey explains that surplus value is distributed among individual capitalists (in the form of interest, rent, merchant profit, profit of enterprise, taxes, etc.) (after having deducted the wage paid to labor) “according to
As the relation that is key to the workings of the capitalist political economy, the structural relation between labor and capital is thus the focus of Marx’s critique. Marx asserts that the embodiment of these forces are classes—individual and relational groups rather than isolated individual persons—because, following his argument, no individual capitalist or laborer performs everything that capital and/or labor do such that he exhausts how the forces define the shape and workings of the political economy. The forces, to put it crudely, are much bigger than individual (real-life) persons functioning or working by them, seeing as these forces, operating autonomously (separate from particular individuals), affect the social formation in a way that no one individual (especially if acting alone) can. The forces of labor and capital, after all, are social forces.

To illustrate, Harvey argues (following Marx argues) that it takes a group (either the whole group, a part of it that dominates, or a subsection, as in those belonging to a particular industry, depending on what is being enacted) of capitalists—i.e. the class—to organize production in a certain way such that it—again, the class—is able to do capital’s work (i.e. ensure that it ever increases). Similarly, it takes groups of laborers—ideally, the class as a whole—to potently bargain with the capitalist class not only to ensure better conditions for itself but so as to prevent labor, in capital’s unbridled drive to accumulation, from being liquidated. This prevention is, paradoxically, also part of the task of the capitalist class in organizing production, labor being an essential part of capital’s operation. Thus, ironically enough, both the capitalist and the laboring classes, together and despite fundamental difference, ensure that the capitalist system (like a reproductive organism) continues its work.

The emphasis on classes is the advance that Marx makes over traditional political economy, that of Ricardo in particular (whose labor theory of value is the basis for Marx's own theory of value). While traditional political economy is content to take as its unit of analysis the individual capitalist and the individual laborer (as schematic figures), Marx recognizes that alone (i.e. as a sole individual), the capitalist and the laborer are powerless—or at least ineffective in effecting the much touted supply and demand equilibrium that is at the core of all analyses by traditional political economy (and modern economics).

In emphasizing forces as they are embodied by classes, Marx did not, however, mean to say that leaders within the classes do not emerge or that no exceptional individual can serve at the helm of structural functioning or as lever for structural change. It has to be recognized, however, that individual leaders themselves come from a social context (in which their emergence was made possible by relations with other individuals, not to mention other social

the rules of competition” such that the average rate of profit is equalized, which “has nothing necessarily to do with maximizing the aggregate output of surplus value in society.” Harvey, 45, 61, 68. Marx describes this division of surplus value as a “capitalist communism” that goes by the rule, “From each capitalist according to his total workforce and to each capitalist according to his total investment.” Marx, Selected Correspondence (with Engels), 206, cited in Harvey, 63. This is the problem of the transformation of values into prices of production, which determines “the manner in which surplus value is distributed among capitalist producers,” another area that Marx does not elaborate on, which Harvey does. Harvey, 44. For a more elaborate discussion, see Harvey, 61-74. Interestingly enough, Morishima, using modern mathematical techniques to make sense of Marx’s calculations in the second volume of Capital, shows that “the equalization of the rate of profit under competition will disrupt the balance required for equilibrium growth.” Morishima, Marx’s Economics, 125-127, cited in Harvey, 171.

45 See Harvey’s more detailed discussion on, 28-35.
46 As opposed to particular individuals or real-life persons.
factors) and that exceptional push does require collective following and support (as with great generals and their army).\(^{47}\)

In order to discern, then, the workings labor and capital (forces), it is the dynamic between classes (social groupings embodying them) that Marx probes into. Marx, however, does also employ the terms laborer and capitalist. As with traditional political economy, these schematic figures are to be distinguished from particular, real-life, individual persons. The laborer and the capitalist are individual, structural personifications of the economic forces of labor and capital (respectively). These personifications are really positions occupied by real-life persons depending on the role that they play in the political economy, i.e. depending on which function of which force they are performing.

In other words, forces (labor, capital) have corresponding personifications (the laborer, the capitalist), of which there are many instances (e.g. factory laborer, industrial farmer, salesperson, branch manager; chief executive officer, chief financial officer, venture capitalist) fulfilling different roles (although ultimately they perform the work of the force that they instantiate). Real-life individual persons live out—personify—these particular roles, in which they (provided that the material conditions are there) can and sometimes must switch from one role to another (as when a local business is bought out by a chain and the former owner is made to work for the buyer), or play more than one simultaneously (as with employees who own stocks of the company that they work for).

The individual, schematic figures of the laborer and the capitalist provide insight as to how the dynamic of forces is worked out among individuals, especially when it comes to differences within and changes in the classes. Like value itself, however, the laborer and the capitalist must be put in their social contexts, i.e. as belonging to their respective groups (the class of laborers and the capitalist class) of which the schematic personifications and the real-life persons that personify them are a part. For this reason, it is perhaps better, when referring to the personifications, to use the terms collective laborer and collective capitalist.\(^{48}\) The collective that the laborer and the capitalist belong to, it must further be remembered, are the potent and effective units in the social formation since it is these classes (rather than individuals) that are capable of performing the forces’ work (and of disrupting it).

Thus if there is ‘equilibrium’ in the economy as traditional political economy likes to portray it, it is brought about not by individual actors exercising free will in a self-regulating market. If anything, individual personifications (and, more so, actual persons) are brought along by the collective groupings—the classes—in the social context where they belong. The structural functioning of the capitalist system, Marx argues, is really determined by the necessary but antithetical relationship (i.e. dialectical) between the capitalist class and the class of laborers.\(^{49}\) These classes, it must be remembered, are the concrete manifestations of economic forces that,

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\(^{47}\) Just as the class exerts enormous influence and pressure on the individual, so is an individual (or, more precisely, some individuals), for good or bad, able to take charge of the class. To cushion the dangers of “intuitive vanguardism” that is a hallmark of totalitarian variants of actually existing communism, Marxist Antonio Negri espouses “mass action,” or, more precisely, the combination of “the vanguard and the mass process, Lenin and Luxemburg.” Negri, 192, 198. See Michael Ryan’s epilogue to Antonio Negri, Marx Beyond Marx: Lessons on the Grundrisse, trans. Harry Cleaver, Michael Ryan, and Maurizio Viano, ed. Jim Fleming (Brooklyn: Autonomedia, 1991).

\(^{48}\) This is what Negri does in Marx Beyond Marx, although instead of collective laborer, Negri uses collective worker. See Negri, 71. I make a subtle distinction between work and labor in chapter 4.

\(^{49}\) As is illustrated above by the mechanism by which the capitalists and laborers, negotiating with each other as classes, preserve—reproduce—the capitalist system.
while indeed deriving from human subjects, are derived socially—i.e. derived from human individuals working together, socially—and as such are able to be—with force—(re)directed also only socially, by social collectives—by the classes.

Even the term ‘equilibrium,’ however, is misleading. The quasi-stable state that the class relation settles on, which reproduces the system, is, as Marx’s critique shows, hardly an equal relationship between the capitalist class and the class of laborers. If anything, it is a dialectical power relation in which both classes constantly struggle (as with their negotiations). The assumption that individuals act on their own, exercising rationality and free will, does not take into account differences in their power (social, economic, intellectual, etc.), not to mention the class in which they belong.

Marx’s critique goes beyond this, however. Zeroing in on exchange itself, supposedly the activity in which equilibrium is most manifest, Marx questions the equality of the values being exchanged, taken by traditional political economy and modern economics as a given. Technically, exchange as an activity rests on the principle of equivalence in the market. This, however, as Harvey explains, relies on an underlying mechanism in which “diverse use values produced under diverse concrete conditions of human labour are all reduced in the course of market exchange to the same standard,” thanks to the process of abstraction (from qualities) (products become commodities) and their measurement (in quantity) according to a common standard, money (itself a commodity). This enables the process by which one “would not exchange one use value for another under conditions of free exchange unless [one] valued the two at least equally well,” these values being recorded, it must be remembered, in the money commodity. Hence the assumption that what happens in market exchange is a changing of hands of equal values (as measured by money). Hence supply and demand equilibrium.

There is, however, as both modern economics and Marx’s critique concede, an anomaly in the exchange (or more broadly, the circulation). At the end of the exchange, supposedly an equal change of hands, someone makes a (monetary) profit. Admittedly, not all capitalists succeed. Instead of profits, some businesses do suffer losses, in which case they may go bankrupt. If this happens, however, (this is one of the instances in which the distinction between the individual personifications and the classes prove useful) the particular, individual capitalist is taken out of his place in the economic system. More precisely, the owner of the business changes personification as larger firms take over his business (usually raising prices) and the former capitalist becomes a laborer. This is the process that Marx refers to as increasing proletarianization or the tendency towards monopolization in what is a highly competitive capitalist economy. Thus, even as individual capitalists come and go, the capitalist class—so long as the social formation is capitalist (at the same time that the class perpetuates it)—remains. The class is able to do so because overall, profits are, indeed, made, which allows the collective

50 I demonstrate more of this in chapter 3.
51 Modern economics does take into account delay and imperfections in the market—but as qualifications to the assumption of equilibrium.
52 This relies on the tacit assumption of private property and the ability to enforce contracts (usually by the State). Harvey, 18.
53 Harvey, 20. This is related to the phenomenon of fetishism that I discuss in chapter 3.
54 Harvey, 19.
55 It is in fact the case that some commodities are sold at a discount, but this is usually outweighed by the volume of the commodity sold or by the sale of other commodities (e.g. accessories).
capitalist from being proletarianized, i.e. enables him to separate himself from the collective laborer.

Profit, according to Marx, roots from the fundamental exchange that underlies all transactions of exchange in the economy: namely, the exchange of labor for wage. In the capitalist economy, the collective laborer sells his labor power to the collective capitalist, exchanging the product of his work (in the form of material) for wage (in the form of money). In other words, labor, in a political relationship, is employed by capital to produce a good, which is the commodity that then goes out to the market to be exchanged (to fulfill use values). As the exchange on which all other exchanges in the capitalist political economy is based, the exchange of labor for wage is thus the first instance in which profit (or something like it) materializes.

Marx represents exchange in general through the C-M-C and M-C-M schemas (whereby C stands for commodities and M for money), illustrating the exchange process from its two (mirror) sides, the standpoint of the buyer and of the seller. Through this schema, the anomaly is revealed. Whereas C-M-C is characterized by a qualitative difference in the commodities being exchanged (e.g. labor power that earns the laborer money, which the laborer then uses to buy some commodity already in its final form and which targets his needs), which is what motivates the process (hence the schema really stands for C-M-C), on the seller’s side of the circulation, M-C-M, one ends up with the exact same commodity (money) as one began with. There is thus no reason why the individual in possession of money would want to participate in exchange—except if the exchange is unequal, i.e. except if (since there is no qualitative difference) there is a quantitative difference involved in the process. Thus, M-C-M takes place if, in reality (or at least presumably), it is M-C-M’, where M’ > M, or where M’ = M + something more.

Thus what makes possible exchange (which follows production and distribution as the next step at the same time as, in leading to consumption, it feeds further production) is the fact that there is one commodity—money—that seemingly makes more of itself—automatically produces, as it were—by simply being thrown into circulation (and not even the production process where all other commodities are produced). “Money is thrown into circulation to make more money—a profit,” in which case (if it succeeds) money (the commodity) becomes capital. Capital is of course driven by a force of the same name, a magical, as it were, purely exchange-based expansion of value through the emergence of a fourth form of value: surplus value. This is the something more of the M-C-M’ schema, the Mehrwert. This surplus value is then reinvested as surplus capital (becomes the new starting point of activity, buys up new resources for production), enabling capital to repeat the cycle (M’-C-M’ . . .) in a surplus-generating process whose excess, each time, capital accumulates to itself.

Surplus value, then, is what drives the system, what sets into course not only exchange but production, distribution, and consumption in the capitalist political economy, of which exchange is the link. In other words, the production and extraction of something more—surplus
value—is the presupposition on which the capitalist political economy relies, which gives shape—organizes—economic activity in the political economy such that the social formation—capitalism—is historically constructed and maintains itself (ideally, into perpetuity). Along with the system is maintained the class which is the personification of its dominant force, the capitalist class, and the other subordinate class, the class of laborers, which is equally essential as it provides the political economy’s first, fundamental exchange, and much more (being as capitalists and laborers are in a dialectical relation). Surplus value is thus what leads to, drives, and keeps the capitalist political economy going.

It must be noted that surplus value, as the presupposition, as illustrated in its emergence in the M-C-M’ schema, goes beyond any individual human will or desire. As Harvey points out, “even in the absence of diverse human motivations (the lust for gold, the greed for social power and the desire to dominate),” surplus value would have to emerge because it is the lever that the whole system is premised on. As such, the emergence of surplus value and the extraction of profit is a structural feature of the system, a necessary presupposition without which the system would not be constituted, a systemic principle beyond any characteristic or ability of the human, or any other individual element in the political economy.

In being driven by an anomaly structural to it, capitalism reveals a basic contradiction at the heart of the system. As Harvey puts it, while exchange “rests on the principle of equivalence,” ultimately “the capitalist form of circulation rests upon an inequality because capitalists possess more money (values) at the end of the process than they did at the beginning.” This happens as, in its morphing into its different forms, something goes terribly amiss with value—out of nowhere, a new form emerges, a surplus is derived!—which, ironically enough, fuels the system. The concrete, material incarnation of capitalism’s contradictory premise is thus surplus value, which, in displacing the contradiction (of equivalence and inequality), allows the system to continue to move in both senses that it hides the contradiction, thus maintaining the stability of the system; and in being hidden, it is consummated as fuel for further movement.

Surplus value is of course but one form of the more general ontological reality that is value, which, as Marx shows, is but the abstract expression of concrete power relations manifested by the two classes—capital and labor—in the social political economy. Like all other forms of value, then, surplus value is indicative of the social relations in the system. By looking at value, we can get a glimpse of how capitalism works and its inherent and unique features (e.g. innovation, inequality, crises, etc.). Specifically, the dynamics between labor value, use value, and exchange value shed light on the social relations in the political economy.

By looking at surplus value, however, we can go even further. Surplus value is unique in that it is the direct manifestation of the system’s fundamental contradiction, a contradiction from which, as in all such social relations, power is derived (played out as this politics is in capitalism between the classes), which assures the smooth—economic (in the sense of efficient and effective)—working of the system. As the crux of the different value forms and of social power relations.
relations in the political economy in general, surplus value thus intimates something about the power that informs the said relations and the ultimate fate of the capitalist social formation as a whole. It is precisely this—surplus value, its origin, its mechanisms, and its systemic consequences—that I set out to investigate in this thesis.

It is important, however, that in the inquiry, both the metaphysical and historical dimensions of value be taken into account (and distinguished from each other). Just as the historical incarnation of value will clarify the specificity of social relations under capitalism, so will its metaphysical concept enlighten its universal mechanisms (from which the particular historical form draws). Just as the metaphysical may reify what are historical constructions (which, as historical, can be changed), so must the conditional specificity and time constraints (i.e. relative short-sightedness) of the historical be cushioned to see what are universal workings (hence universally applicable) of the virtual reality. With that, I begin my inquiry into (metaphysical) excess in the historical form (profit or surplus value) that it takes in the capitalist social formation.

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65 This distinction between the metaphysical and historical has been specified thanks to a similar distinction that Postone makes in *Time, Labor, and Social Domination*, where he distinguishes his historical approach that critiques labor in its form in capitalism from the metaphysical approach of traditional Marxism that performs a critique of capitalism from the point of view of labor. See Postone, chapter 1. While Postone, however, equates the metaphysical approach with an undue focus on distribution as opposed to his historical approach that tackles the problem from the perspective of production, my approach is both historical (chapters 2 and 3) and metaphysical (chapter 4) and I see production and distribution (along with exchange and distribution) as (similar to Harvey) distinct activities forming an organic unity.
Chapter 2: The Ideological Claim on Surplus

Marx complains of Ricardo’s political economy that it determines the value of labor based on the law of supply and demand. This, Marx argues in the *Theories of Surplus Value*, reduces labor value to its means of subsistence, which reflects merely “what is necessary for the maintenance and reproduction of laborers” and not the full value of what labor produces. This is but one symptom of Ricardo’s whole economic approach. “Ricardo,” Marx continues, “starts out from the actual fact of capitalist production,” considering “commodities of a given value [. . . that already contain] a given quantity of labor” rather than the production process where labor is still dynamic (or, in Deleuze’s terms, *intensive*), actively involved in the process. Because of this, Ricardo, Marx assesses, “investigates neither the origin of surplus value nor [of] absolute surplus value.” By starting out with a whole set of givens (what Deleuze, following Marx, would refer to as the *actual*)—such as the assumption that labor composition and the working day are constant—Ricardo overlooks certain parts of the (intensive) production process, leading him to an economics that misconstrues the workings of the capitalist political economy.

This critique of Ricardo is but an instance of Marx’s more extensive critique of the study of political economy in general. As Marx asserts, “political economy starts with the fact of private property,” “the separation of labor and capital,” competition, etc.—i.e. the (actual) fact of capitalism—calculating how the system works (as it takes the stance of the capitalist) without explaining how it (intensively) came to be and acknowledging that it is but one economic system (in Deleuzian terms, one *idea* in the *virtual*) (albeit currently the dominant one) among many. Classical or orthodox economics, then, by simply demonstrating the workings of capitalism, obscures certain processes from view. One of these processes, as Marx mentions, is the generation of surplus value.

True enough, modern economics (which political economy has evolved into)—whether Keynesian, neoclassical, or neoliberal—does not discuss surplus value. Textbooks in

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68 Marx, *Surplus Value*, 442.
70 Within mainstream economics it can be argued that Keynesian economics is exempted from Marx’s critique.
71 Responding to the *laissez-faire* tendencies of Smith and Ricardo’s classical economics (that argued that the economy is composed of free, equal, and rational individuals in a self-regulating market), Keynesian or Liberal economics was developed by John Maynard Keynes during the Great Depression to argue that, over and above the ‘free individuals’ of the classical model, the State has a role to play in the economy in speeding up the process by which it reaches equilibrium (hence its interventionist implications). Neoclassical economics, in turn, was a response to Keynesian economics in the crises of the seventies and eighties when presidents like Ronald Reagan and Margaret Thatcher enacted policies that called for low taxes, ‘balanced’ budgets, the reversal of New Deal welfare policies, and the removal of government constraints on private business in general. The neo- in neoclassical signals that the new economics is no mere return to the past but is an advance. True enough, there was in neoclassical economics tacit acceptance that the State would (and should) intervene—if only to make sure it wouldn’t (and that businesses are duly represented). Neoliberal economics is, in many ways, the consummation of the neoclassical model as ‘liberal’ governments of the West (especially the United States) sought to transform developing economies (through institutions like the World Bank and the International Monetary Fund) according to its own model (systematized by the Chicago School of economists, foremost of which was Milton Friedman). In essentially enforcing policies of deregulation and privatization around the world, neoliberal economics is thus a monstrous combination of classical and Keynesian economics in that a ‘liberal’ State intervenes to enforce classical, orthodox economic principles around the world: a new liberalism, indeed. Despite the seeming variety, then, among the supposedly different
introductory and intermediate economics, for example, do not mention the concept. Instead, the basic framework offered, as Marx points out, is the law of supply and demand, which, as two linear curves that meet at some equilibrium point, is used to find in virtually all economic phenomena the level of activity at which the economy is at its optimum (and is hence the desirable level). In the process, not only are the forces of supply and demand presented as natural, substantive, and “freely” determining (directed by the market’s “invisible hand”), more importantly, in the very notion that optimality is reached through an equilibrating process, the notion that there is something extra, something more—i.e. surplus value—is concealed.

As with all systematic, well-constituted, and dogmatic bodies of knowledge, however, light peers through in some holes, presenting opportunities for some unveiling. In industrial organization, for example, a core economic science that focuses on the behavior of firms, by fitting in numbers in the sale and cost equations (curves distinct from each other), the economist can compute how much profit a firm may make, implying a gap between two processes (or two steps in a process), which concretely leads to something extra for the producer or seller. The level at which the firm is in operation, however, is still determined by an equilibrium point, although there are at least two graphs involved—that pertaining to the supply and demand of the product, which is what is recorded by the sale; and that recorded by the cost, which involves the supply and demand of labor and raw materials needed to produce the product, a previous ‘sale,’ as it were—in which the latter is deducted from the former.

The point of view taken in this operation is always that of the capitalist (i.e. the question asked is “How do I make more profits?”). The term profit is perhaps symptomatic of the whole operation. Implying a return on investment, a gain (by someone), someone (by virtue of what he did) profiting from something, profit is attributed to who supposedly gained it—the capitalist—in the process concealing the structural relations between social individuals involved in the economic process.

strands, economics maintains the core assumption of equilibrium. For more on Keynesian economics and its potentials and problems for progressive politics, see footnote 89 of this chapter.

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strands of economic phenomena (and the branch of economics that analyzes them) include: the level of local production (microeconomics), long-run economic performance (macroeconomics), a firm’s productive capacity (industrial organization), interest rates (monetary economics), taxation and welfare policies (public economics), wage (labor economics), the housing market and public utilities (urban and regional economics), underdeveloped economies (development economics), and the dynamic between markets (international economics). In all of this, the economist uses the one tool at his disposal: the drawing (thanks to statistics) of the X of the supply and demand of a commodity, which, at the point where these two ‘natural’ forces meet, is supposedly the ‘optimum’ point at which commodities should be produced. Commodities can be of all types, e.g. basic individual necessities such as food and shelter; a firm’s product (what, how many, at what price) or the labor assigned to produce it; public utilities such as roads, amenities (that lead to the construction of city zones), and the police; welfare goods such as unemployment benefits and public housing; charitable donations (to people and governments); customers to let in to a bar, students to be provided loans; etc.

74 The reference is of course to Adam Smith.
Not all holes in the system are as easily covered up, however. In urban and regional economics, another subfield that focuses on location choice and geographical differences in economic activity, inequality demands that it be confronted directly. When one looks at the economic map of the United States, for example, if one were to graph on the map (with the map serving as the x axis) the economic activity (e.g. the amount of output produced) of specific regions (traced in the y axis), a glaring discrepancy makes itself noticed. The superimposed graph on the map would trace mountains (unequal) of economic activity in California, Chicago, and the Northeast (perhaps a hill in Texas) as it slumps (again, unequal) in all other regions.

In contrast to what is seen in all other economics subfields, then, in geographical economics, the assumption that economic activities (production, exchange, consumption) occur on a level playing field, at the optimum supply-and-demand meeting point where things are equalized, starts to break apart (as another economic activity, distribution, reveals its importance). For the assumption to hold that supply and demand are indeed determinant and that the market functions in a state of equilibrium, at the very least supply and demand curves would have to be extended over space, and there would have to be many of them. This would fail, however, to cover up the fact that, in the end, the equilibrium points reached (if they are reached at all) by many such curves are different from each other. Similarly, new questions arise: “Why is there more there than here?” “Why is this bigger than that?” “Why do things seem to concentrate in here when over there, it’s empty?”

Economic activity is thus, unlike the equilibrium state painted by the infamous X of supply and demand, shown to be an unbalanced complexity of irreducible differences. Mainstream economics taken out of its Ideal state and spread over concrete geographical space cannot help but reveal irreducible inequalities among individual entities (spatially separate from each other). The disequilibrium revealed, like a hole that cannot be covered, a hole that only leads to bigger openings, thereby breaks a core assumption of economics: namely, the assumption of “all things being equal.” This then leads to even more curious things as economics now has to take into account inequality, concentration, and amalgamation, which it has to confront not from the perspective of returns (i.e. the profits that they lead to) but from their origin. Thereby the issue of excess is raised. Granted, it does this only geographically/comparatively, as it asks the questions, “Why is there more there than here?” “Where is the greater activity there coming from?” Nonetheless, surplus value (albeit unnamed) is, if only directly, posited as a theoretical entity.

To account for excess, geographical economics invokes the concept of scale economies, which explains inequality over space (as in the construction of cities in a country) made possible by excess (in some way or other) through savings. Briefly, scale economies refer to savings on costs that accrue to the different individual elements of the economy (e.g. firms, households,

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75 In another discipline, geography, the subfield of economic geography has strong affinities with the economic science of location. Interestingly enough, David Harvey, whose book Limits to Capital is used extensively in this thesis, made his reputation in economic geography.

76 For this image, I am indebted to Anthony Yezer, professor of economics at The George Washington University, whose class on Urban and Regional Economics I took in the fall of 2003. Needless to say, the conclusions I came up with are very different from his.

77 It is unclear whether the excess that geographical economics hits upon is produced or merely redistributed from one place to another. It is certain, however, that there is excess, which are the profits that the capitalist gets credit for.
etc.) by virtue of structuring production a certain way.\textsuperscript{78} Specifically, this structure is developed in a series of (interrelated) stages, which correspond to the way that Deleuze explains the structuration—the capture—of space in “Apparatus of Capture” from \textit{A Thousand Plateaus}.

According to geographical economics, producers begin exploiting potential savings by specializing on certain goods, which leads to savings on opportunity cost. The rationale behind this is that, in specializing in what an element produces most efficiently, the cost of not producing another good is less than the cost of not producing the good that the producer is most efficient at.\textsuperscript{79} As such, it befits different producers to specialize. This allows each element to save on opportunity cost.

Opportunity cost, however, is merely potential. Producers need to go one step further to reap tangible savings. As such, producers relate to other producers to actualize the potential savings. This leads to a variety of tangible products in the economy in which producers are producing what they are most efficient at. Thus, after specializing, producers take a further step: they concentrate in a central location. Closer to each other, producers not only are able to exchange inputs and outputs with each other, saving on opportunity cost; they, in addition, save on transportation costs.\textsuperscript{80} This leads to the rise of what geographical economics refers to as \textit{market cities}.

The market city is what Deleuze, in his philosophy, calls the \textit{town}. This change in terms, however, is not a mere analogy. In describing the phenomenon philosophically, Deleuze is able to explain that which geographical economics merely names. That is to say, Deleuze, through his philosophy, is able to show what mechanisms are at work in the emergence of the market city that lead to the savings on costs referred to by geographical economics.

In Deleuze’s description,

> The town exists only as a function of circulation, and of circuits; it is a remarkable point on the circuits that create it, and which it creates. It is defined by entries and exits; something must enter it and exit from it [e.g. the commodities exchanged, the producers transacting business, etc.]. It imposes a frequency. It effects a polarization of matter, inert, living or human; it causes the phylum, the flow, [roughly anything that moves, unconstrained by some form, e.g. laborers, producers, goods, etc.] to pass through specific places, along horizontal lines [i.e. to follow a certain form].\textsuperscript{81}

In Deleuze’s interpretation, in other words, through the town, materials that flow (or are exchanged from one individual element to another) go through a hylomorphic process such that they gain a certain form. The resulting imposed form, I argue, is what causes the savings on costs. To put this back in the terminology of geographical economics, when different human activities (that lead to the production of different goods by the different elements)—i.e. the flow—passes through the market city—the town—a form is imposed on these activities and they are concentrated in a central location. The producers, then, due to the organization and efficiency imposed by the form, reap savings on transportation costs.

It becomes apparent here that, in the case of the market city, the imposed form is none other than the urban form itself—the town—which concentrates different productions in a central location.

\textsuperscript{79} O’Sullivan, 20-22.
\textsuperscript{80} O’Sullivan, 22-23.
\textsuperscript{81} Gilles Deleuze and Félix Guattari, \textit{A Thousand Plateaus}, trans. Brian Massumi (Minneapolis: University of Minnesota Press, 1987), 432.
location, thus leading to savings on costs. Through Deleuze’s concept of the town, then, the phenomenon that geographical economics takes for granted (“transportation costs” in the market city) are more clearly explained (as the result of hylomorphism, i.e. of the imposition of the town form).

The imposition of the town form is but one way to achieve scale economies. Geographical economics schematizes another possibility in which, instead of the market city, what rise are factory cities. This happens, geographical economics explains, by virtue of producers agglomerating the production of the different productive elements. In agglomerating, geographical economics argues, producers are able to take full advantage of their productive capacity and thus save on production costs. Small-scale producers, e.g. households, are then subsumed by larger-scale producers (who have lower production cost per unit), the firms, combining their productive power into a larger scale, leading to lower costs for both. In this case, savings are achieved through merging or incorporation.

The factory city is analogous to what Deleuze calls the state (form of city) (in contrast to the town). In Deleuze’s description,

[The state] makes points [i.e. the different activities of the different producers] resonate together [i.e. be subsumed under one system, in this case the factory system headed by the firms]. [. . .] It operates by stratification [or a certain organization imposed where the firms are in charge and the households work for the firms]; in other words, it forms a vertical, hierarchized aggregate that spans the horizontal lines in a dimension of depth. In retaining given elements, it necessarily cuts off their relations with other elements, which become exterior, it inhibits, slows down, or controls those relations [so as to make dominate its system of production, i.e. the factory system, capitalism itself].

As the factory system becomes dominant, as the other elements (e.g. the households) end up working (as labor) for the firms (the capitalists), the different elements and the whole system, by producing on a larger scale and in a systematic fashion, are able to save on production costs.

Deleuze argues that there is then a further process in which the town and the state are connected, leading to further savings. In “mak[ing] the town resonate with the countryside,” the state, Deleuze narrates, is then taken over by the State, which is not the state type of city but the state as we know it, i.e. a government and a people, a territory with a central authority. The town (i.e. the market city mentioned above), according to Deleuze, struggles against the State, but the State appropriates the town (although the town does not completely disappear)—and from there emerges further savings.

Translating this into geographical economics terminology, market cities are incorporated into factory cities that then form the State, a centralized power, one unified economy (that has a particular form, e.g. the capitalist political economy). This integration into an economy, according to geographical economics, is another source of scale economies since, once integrated, the different elements in the economy are able to share certain resources (e.g. security, research, etc.) and jointly determine the level of costs (through so-called ‘competitive’ principles), lowering maintenance costs. While market and factory cities then see the emergence

83 Deleuze and Guattari, Plateaus, 433.
84 Deleuze and Guattari, Plateaus, 433, 434.
of internal scale economies, the integrated economy, the State, sees the emergence of external economies. This whole mechanism (that geographical economics calls scale economies) allows not only the individual elements but the whole economy to save more as it produces more, leading to more goods at lower costs per unit, enlarging the discrepancy between the two, generating an increasing extra—which economics calls profit. These savings on costs leading to larger profits are then attributed to the great strategic or managerial skills of the capitalist leader. It is insightful that even geographical economics (like other economic sciences) thinks of this process as a saving on costs rather than the generation of surplus value, as though thinking about it negatively allows it to give credit to the one presumably doing the saving—the capitalist—hiding the positive actuality of what is generated so as not to account for where it was obtained.

To put this in Deleuzian terms, what economics does is to impose a tracing relationship between the production process and its products (including the surplus value produced). In one of A Thousand Plateaus, the “Rhizomes,” Deleuze describes a tracing relationship as one that follows a hylomorphic schema in which form is imposed on matter (or matter is made to exemplify form), leaving no room for difference (or the singularity of the material), hence resulting in a product that is exactly the same as what was planned in the production process. In such a relationship, what was planned in the production process is thought to account for the product in its totality. Even the surplus value produced, in other words, is thought to be accounted for by the production plan(ner). Economics extends this structural tracing relationship by positing a human entity—the capitalist—that does the planning, thereby attributing surplus value to the individual capitalist agent.

So-called form, however, like the one imposed on the economy, is by no means ‘natural.’ There is no reason why this particular form (e.g. the town or the factory system) and not some other (e.g. production by artisans) is imposed on the production of material. There is no inherent connection, in other words, between form and the matter on which it is imposed. Rather, as the narrative above shows, form results out of dynamics of economy (the efficiency and effectiveness by which things are done or produced) in which individual elements organize themselves in their activity. In a later political act, these individual elements are taken over from above by a force that, indeed, results from their interaction, but is nonetheless external from and independent of them—the State, which, along with the state or social formation in general, is dominated by a class, the capitalist class. This State then consolidates from the unruly and tentative arrangements of the individual elements a determinate political economy: e.g. capitalism.

Form—in this context the capitalist political economy as the form of human activity—even though sketched by the economy of individual elements, is an imposition by a central authority, the State, in a political act. This same hylomorphic authority then uses the form it has imposed to perform further political acts, such as the determination of what productive element surplus value is attributed to—i.e. to the capitalist—thereby distributing its benefits. Reminiscent of Marxist discourse, the State, as it turns out, is an organ of the dominant class. Not only does it organize and unify production (or activity in general) in the economy; it ensures, in a political

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86 Deleuze and Guattari, Plateaus, 12.
87 For more on Marx’s writings on the State, see German Ideology. Also see Louis Althusser, “Ideology and Ideological State Apparatuses,” in Lenin and Philosophy and Other Essays (New York: Monthly Review Press, 2001).
act, that surplus is appropriated by the economy’s dominant class, the capitalists.\textsuperscript{88} In emerging from the whole economy composed not only of capitalists but also of other individual elements (especially laborers), the political act moreover appears to have an official sanction, as though it was representative of the general interest. ‘Official’ sciences then, like economics, overlay the legitimation of the political act with presumption of objectivity (as when it separates the political from \textit{economics}).

Geographical economics, however, does deserve some credit for taking into account the structural relations in the political economy. After all, what leads to the generation of surplus in its account is the combination of the different productive elements—the firms, the laborers, the suppliers of intermediate goods, the public sector, etc.—and their particular arrangement in the system. Then again, what determines that particular arrangement are, according to economics, individual agents—i.e. the firms, the capitalists—with their ability to decide where to locate and how to organize such arrangement. What geographical economics posits, in other words, is a structure organized by the transcendent genius of capitalist planning. Thereby the capitalist claim on surplus value—profit—by virtue of the capitalist making the decision that leads to savings on costs—is legitimated.\textsuperscript{89} For this reason, geographical economics has limited value in performing

\textsuperscript{88} I don’t mean to imply that the political and the economic are separate: relationships of efficiency and effectiveness are relations of power.

\textsuperscript{89} It should be noted that there are economists who attempt to evade some of these ‘conservative’ tendencies of the discipline. The work of Liberal economist Paul Krugman is an example. Briefly, what Krugman has done is to extend the notion of scale economies into international trade, arguing that because of scale economies, production tends to concentrate in certain regions. This is balanced by diverse consumption preferences that ensure the presence of different versions of the same product (which are produced from and consumed at different places) in the world market. Departing from the frameworks offered by Ricardo and twentieth-century economists Eli Heckscher, Bertil Ohlin, and Paul Samuelson, Krugman’s framework has come to be called new trade theory, which argues that since trade is shaped by scale economies, economic regions with the most production will be most profitable and, leading to even larger scale economies, attract further production. This leads to an uneven economic geography. What Krugman has done, in other words, is, like geographical economics in general, to incorporate scale economies (which attempt to account for inequality) in the classical equilibrium models, extending this into international economics (wherein lies Krugman’s advance). For more on Krugman’s work, see Krugman’s 1991 Journal of Political Economy paper, “Increasing Returns and Economic Geography.” An overview to Krugman’s work is provided by economist Edward Glaeser in “Honoring Paul Krugman,” \textit{The New York Times}, 13 October 2008, <http://economix.blogs.nytimes.com/2008/10/13/honoring-paul-krugman/>. Despite attempts like Krugman’s, however, the dominant strand of economics—especially its core values, methodology, and position in the political economy—does exert much pressure on its different schools, especially the outliers. Krugman tells the story of how, after publishing a major work, he had been left out of gatherings of professional economists headed by Alan Greenspan. The dominant strand of economics, moreover, carries much weight, despite the different political orientations of its practitioners. More importantly, no matter how different its schools may seem, by sharing some core doctrines (especially the notion of equilibrium), economics as a whole (more some of its practitioners than others) has the tendency of official science to reproduce the state that it is a discourse of. Krugman himself shares the some of these fundamental economic doctrines. After all, despite the complications that he incorporates into the model, in the end Krugman integrates them into the model of general equilibrium, although his orientation towards it is Keynesian. Michael Ryan illustrates how even Keynesian economics is an official State science when he discusses Negri’s critique of Keynesian economics in the epilogue to \textit{Marx Beyond Marx}. Negri points out that Keynesianism, despite its Liberal stance, in assuming the norm of equilibrium (which is the goal of its interventionism) only allowed capital to “merge[] the economic and juridical, and made out any working class action which disturbed equilibrium to be illegal. [Thus] the Keynesian instruments of state interventionism and the management of circulation turned all of society into a factory. And economic development was assured by an alliance between the bourgeoisie and the socialists.” Negri, 193. In other words, all that Keynesianism accomplished (or tried to accomplish) was—through raised benefits, more job security, supposedly egalitarian policies, etc., i.e. by displacing the contradictions of the system—the utilization of the working class for further development of capital. Negri, 193.
a critique of the political economy, specifically in figuring out the mechanisms of a phenomenon key to it—excess—in which, as official State science, it has a stake.

To put it in another way, geographical economics demonstrates the classic hallmarks of what in Marxist thought is called ideology. In “Ideology and Ideological State Apparatuses,” Louis Althusser defines ideology as the representation of the imaginary relationship of individuals to their real conditions of existence. As soon as an individual is constituted as a subject (someone with some sense of himself and his relation with others), some representation of the subject’s relatedness or situatedness is constituted (or the subject enters the realm of representation), which is what is called ideology. In the sense that this representation is not the real relation itself but is an imaginary representation in the form of ideas, ideology is said to be an illusion, something imaginary. At the same time, it does have as its content reality (the real, material conditions of existence), to which it refers or alludes to. Ideology is thus both and at the same time an (imaginary) illusion/allusion (to reality).90

Nonetheless, there remains in ideology, despite its double functioning as illusion and allusion, a gap between representation and reality. This, Althusser claims, allows for the possibility of further imaginary distortions. A particular ideology (as opposed to ideology as a concept, or the workings of ideology in general, as defined above)—usually the ideology of the ruling class, the class-specific ideology dominant in society—is able to be presented, through institutions supposedly neutral, invoking value judgments supposedly objective, as the universal ideology: the ideology of one and all. Thus ideology is, in a second and more direct sense, an illusion (i.e. not only a representation but a misrepresentation). This illusion, as mentioned above, at the same time constitutes an allusion. Being as the ‘real’ content of ideology are the material conditions of existence, which it is the ruling ideology’s function to reproduce, the effect is that, in the mechanism of an allusion that is but an illusion, subjects in society, despite their different class positions, consider it their ‘general’ interest that the established mode of production and the relations deriving from them be reproduced.91

The same ideological mechanism is at work in the conception of profits offered by economics. The conception (profit) is a representation of a fundamental mechanism in the economy (excess). Presenting itself as an ‘objective’ science providing universally-valid explanations of phenomena in the capitalist economy while at the same time taking the point of view of the capitalist, economics, in a political move, is able to provide a misrepresentation of excess such that the capitalist class gets to claim, with the assent of non-capitalists, the excess as its own, as the profits that members of its class, the capitalist, has made. Being as the reaping of surplus is crucial to the workings of the capitalist political economy, at the same time the established capitalist social formation (and the material conditions therein) is, in being unquestioned and reinforced ideologically, reproduced. The economic claim on profits thus constitutes an ideological claim on surplus.

For this reason, geographical economics, like mainstream economics in general, is of limited value. Even as it broaches the issue of excess, in the end it still covers it over by

When these policies don’t work, “crisis is wielded [by Keynesian “socialism”] to put limits on the productive force of labor [where] destruction serves the self-conservation [if not further development or accumulation] of capital.” Negri, 194. These palliatives (in order to make the system more tolerable) contrast with the Marxist strategy of changing the structure of the system altogether. I discuss the Marxist attempt to deconstruct the notion of equilibrium more fully in chapter 3.

90 See Althusser, esp. 107-124.
91 See Althusser.
discussing savings and profits instead of surplus value. In order to fully reveal what this ideological claim does and the mechanisms of excess that are concealed, including the role of different individual elements, an alternative account must be found, one that confronts surplus value directly and positively. This is offered by Marx’s critique of political economy.
Chapter 3: The Fetishism of Exploitation

Underlying economics’ assumption of equilibrium in the capitalist political economy, as explained in chapter 1, rather than the exchange of equal values by free individuals in a self-regulating market, is the antithetical but necessary relationship between labor and capital, social forces embodied in the struggle between the classes. As Michael Ryan puts it in the epilogue to Negri’s *Marx Beyond Marx*, “what seems, in purely economic terms, an equilibrium is in fact a relation of antagonistic forces; what seems an objective structure is in fact the product of subjective activity. The economy is not a system of ‘objective’ laws operating independently of social agents. It is, rather, an antagonistic relation between subjects [i.e. between the capitalist class and the class of laborers].” 92

This (intensive) antagonistic political relation does, however, reach a quasi-stable state. The classes, like in a truce (or better yet, a stalemate), come to some determined and fixed ‘agreement’ in which the relation between the two is (to use a term by Deleuze) stratified, gaining limits and characteristics (i.e. is territorialized and coded) with regards to certain things (e.g. the wage level, working conditions, etc., which always includes the acceptance of capitalist authority and direction, if not domination) up to a certain point. 93 This stratification of the class relation/struggle is a particular state or status of the capitalist political economy (itself a historically specific social formation)—economics’ state of ‘equilibrium’—which Negri argues is a median or accident able to deflate and defer capitalist crisis (due to the displacement of capitalism’s contradictions). 94 The most important constant in such states of ‘equilibrium,’ Negri points out, is surplus value or, more precisely, the relation between surplus value and wage, which is but the expression of the class relation that has been stratified.

Surplus value, as explained in chapter 2, is posited by economics as profit, (ideologically) accounted for as savings on cost reaped through the political imposition of form on the economy by the State (which includes not only the government but also its territory and the economy it has unified) dominated by the capitalist class (posed as planners of the system). There is an important distinction, then, between surplus value and profit. Profit is surplus value as it is stratified in a quasi-stable state (economics’ equilibrium point, again not a point freely determined by equals but rather a temporary stalemate in the class struggle). As Negri puts it, profit is “generalized and socialized surplus value, [surplus value,] originally a category of production, [. . . that] has become a social category” 95 as it is “detached from the conditions of its production and [made] capable of self-valorization.” 96

Separated from its production (which presumably is still apparent in the ‘identity’ of excess as surplus value), profit (the stratified or socialized form or ‘identity’ of excess) appears as what Negri calls a “social form, as form of the social relations.” 97 As social form, profit

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92 Negri, 191.
93 To put it briefly, Deleuze defines stratification as the delimiting or fixing of the quantity (into a ‘territory’ or habit) and quality (into a ‘code’ or function) of material as it occupies space and gains characteristics (e.g. the stratification of the political economy as the capitalist political economy encompassing a certain region of the world with characteristic forces performing certain functions). For more on stratification, see chapter 4.
94 Reaching this (or some) equilibrium is the aim of the interventionism that economics, in the form of Keynesianism, sometimes resorts to, which Negri warns is the precursor and expression of the “planning State” in its three guises: planning, reformism, and command. See Negri, 192-197. For more on Keynesianism, see chapter 2 of this thesis, footnote 89.
95 Negri, 85.
96 Negri, 86.
97 Negri, 86.
appears natural and hence unchangeable, but the ‘natural’ result of the form that the social has taken (the social formation). Thus profit legitimates the stratified arrangement between the classes (the quasi-stable state, the point of ‘equilibrium’) (and the capitalist social formation itself), including to whom it accrues (the capitalists, the planners of the state of affairs). In “extend[ing] socially the contradiction of surplus value,” profit, Negri warns, “is the tendency towards the most aggressive and productive expansion [of capital].”

In focusing on and staying at the level of stratified profit (and savings), economics demonstrates the crux of Marx’s critique of it: the fact that it starts with the (actual) fact of capitalist phenomena (such as profit) without explaining how it (intensively) came to be and acknowledging that the social formation in which it is in (albeit dominant) is but one possible (i.e. not natural) arrangement of the social among many. In other words, following Marx (in what he says about Ricardo), we can say that mainstream modern economics shows that there are savings in costs, as, rightly, there are; it does not, however, explain where they come from.

Marx’s critique of the political economy, in contrast, attempts to examine the forces underneath the stratified system (thereby asking the questions that economics does not). That is to say, not content with statements such as, “By virtue of larger scales of production, capitalists are able to save on costs,” Marx asks, “Where do these savings come from? From what (positive) source?” In order to do this, beyond the actuality of economic and political phenomena already stratified, Marx probes into the intensive processes that produce or lead to them. Specifically, he looks at the unique nature of the capitalist production process, looking at capitalism itself as an intensive social formation. Thus Marx, going beyond critique, develops an economic theory of surplus value much closer than economics proper to the political economy’s intensive processes.

In a capitalist economic system, Marx explains, workers do not own the (most efficient) means of production, the ‘property’ of capitalists. As such, workers, in a process analogous to household members being employed by firms described in chapter 2, sell their labor—i.e. their abilities, skills, training, and energy in general (to do or produce something, i.e. to work)—to those who own the means of production, the capitalists. Just like with buying any other commodity, once paid for (with its exchange value), the buyer—in this context, the capitalist—owns the commodity bought—labor, or, more specifically, (since commodities in general are valorized and labor power in particular is measured in time) labor time, the amount of time in which work is performed. Thus, as the worker becomes a laborer, work/labor, although coming from and performed by him, is alienated from the laborer, ceasing to be his. Labor becomes a commodity whose use value (its force and the work it performs) is owned by the capitalist, who, as owner, has the right to direct it and to its results.

As part of the social economy and as personification of the other social force in it, the capitalist combines human labor with other productive forces (e.g. raw materials coming from nature; land, including the space in which activity takes place; other products of human labor such as technology, etc.) that he (supposedly) owns (as capital), leading to the transformation of material, producing goods demanded and circulating in the economy. Through this process, the

98 For the sake of clarity, the social is the field (and its content) in which individual elements relate to each other or constitute social relations.
99 Negri, 86.
100 Negri, 91.
101 I discuss in more depth the actual and the intensive in chapter 4, when I delve into the virtual assemblage of the historical social formation.
102 This is due to the primitive accumulation I’ve touched upon in chapter 1, discussed in more depth in chapter 4.
economy is constituted as capitalist, with its interrelated and organized activities (production, distribution, exchange, consumption) that reproduce themselves and the different forms of value (labor value, exchange value, use value) that are the expressions of materials that go through them. These activities and values that give determination to the capitalist economy, as narrated in the previous paragraph, emanate from and are the result of the political relationship between labor and capital, forces that are themselves (through alienation) the result of the antagonistic relation between the classes and are, in turn, personified by the collective laborer and the collective capitalist. 103

In this capitalist political economy, human labor, Marx argues, is a unique factor of production, a unique productive force. For one, human labor is needed to work on all the other factors of production without which nothing will be produced (at least no use value demanded by the human political economy, the social formation in which human beings demand that their needs and wants be fulfilled). Even plucking fruit from a tree (or picking it from the ground, or consuming it), after all, requires human energy to do so. This is all the more true for more complex activities and demands in which human energies function as labor (as in a capitalist political economy where production and consumption are mediated). For another, as a direct consequence of this ‘natural’ state of affairs and, more importantly, as efflux of how human activity is organized in its capitalist state, labor is separated from all other productive forces and, in fact, set against them as they are designated or (through primitive accumulation 104) appropriated as capital.

The antagonistic relation constituted (through primitive accumulation) between labor and capital leads to further appropriations (that in turn lead to accumulation in general, i.e. further accumulations of capital), specifically the appropriation of surplus value, which reveals further the uniqueness of human labor as productive force. In the Grundrisse, Marx describes the process by which this happens:

Within the production process itself, surplus value—the surplus value solicited as a result of the constraint of capital—appeared as surplus labour and even as living labour, which, however, since it cannot produce anything from nothing [since it does not own the means of production], finds its own objective conditions in advance. Now this surplus labour appears objectified as surplus product, and this surplus product, in order to valorize itself as capital, divides itself into a double form: as objective labour conditions (material and instrument) and as subjective labour conditions (food) for the living labour now to be put to work. The general form of value—objectified labor—and objectified labour arising from circulation is, naturally, the general and self-evident presupposition. Further: the surplus product in its totality—which objectifies surplus labour in its totality—now appears as surplus capital (as compared with the original capital, before it had undertaken this circulation), i.e. as autonomous exchange value, which is opposed to the living labour power as its specific use value. All the factors that were opposed to the living labour power as forces which were alien, external, and which consumed and utilized the

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103 There is a dialectical relation, then, between the forces and the classes (and the personifications). The nature of the relation between the classes alienates the forces from them, while classes and personifications in turn embody the forces, performing their function.
104 Primitive accumulation, as adumbrated in chapter 1, is the appropriation of the means of production (other than labor) by/as capital. I provide a further elaboration in chapter 4.
living labour under definite conditions which were themselves independent of it, are now established as its own product and result.\footnote{Karl Marx, \textit{Grundrisse}, in \textit{Karl Marx: Selected Writings}, 2nd ed., ed. David McLellan (Oxford: Oxford University Press, 2000), 400.}

There is, in other words, due to how the system is arranged (how activity is organized) in the capitalist political economy, over and above the appropriation of the (other) means of production (i.e. primitive accumulation), a redistribution of the productive force of labor itself.\footnote{This is analogous to Postone’s critique of traditional Marxism as he deconstructs the distinction between production and distribution.} Since during the production process the collective capitalist owns the labor time and the work/labor being performed therein—since, in effect, at work labor (in a further redistribution of the means of production) belongs to capital—the collective capitalist (in a redistribution of labor) owns as well the production results, the results of activity (organized/invested by capital) in which labor is the primary productive force. Everything that comes out of the production process, then, first and foremost belongs to the collective capitalist (or at least to the capitalist class as a whole).\footnote{Hence activity in the political economy is truly capitalist.}

In its appropriation of production results (due to the redistribution of productive forces, including labor), the collective capitalist does need to provide the collective laborer with something in exchange. The arrangement between the two is, after all, an exchange in which not only the collective capitalist but the collective laborer needs to be motivated to participate. The terms of the stratification of the political economy or of the truce between the two classes has to be agreed upon by both sides (although they do not exercise equal power). As described in chapter 1, capital is driven (on the M-C-M’ side) by its further accumulation. The collective laborer, on the other hand (on the C$_1$-M-C$_2$ side), is motivated by a remuneration that will allow him to buy a commodity other than (the products of) his own labor. The collective capitalist, in charge of the production process, provides this remuneration in the form of the wage. In the process, Marx argues, capital, itself needing to be motivated, creates a split, a gap, in labor, from which capital derives the resource for its accumulation, its own motivation. The value of this gap is what Marx calls \textit{surplus value}.\footnote{Of course not all capitalist enterprises succeed. Not all individual capitalist persons are able to make a profit that they can then reinvest as further (surplus) capital. There is, in other words, a risk involved in the process undertaken by capitalists. As explained in chapter 1, however, the mechanism that Marx describes attains when we consider, instead of individual persons, the capitalist class as a whole (hence the terms \textit{collective capitalist} and \textit{collective laborer}). Otherwise, it would no longer be a capitalist political economy, or, faced with a crisis of the capitalist class as a whole, the State resorts to Keynesian tactics, ensuring that the risk undertaken by its dominant class pays. See chapter 1 and (for more on Keynesianism) chapter 2, footnote 89.}

Thus for Marx, as he explains in the passage above, surplus value is really nothing but \textit{objectified labor}. That is to say, surplus value, Marx argues, is nothing but the surplus labor produced by the collective laborer in a production cycle, that is then expropriated from the total value of labor and appropriated (like the other means of production) as (profit, which is then reinvested as) capital in a succeeding production cycle in which capital accumulates (more of) itself.\footnote{In other words, since surplus value is the product of labor—which the collective capitalist, in the capitalist political economy, owns—the collective capitalist, at the end of a production cycle, claims surplus as his own—appropriates it as \textit{capital}—which is then put back into the production process (reinvested) for the next production cycle under the assumption that...}
it will lead to further appropriations of productive forces (especially labor), thereby accumulating more capital.

Thus surplus value—*surplus labor*—that was produced by labor (referred to as *living labor*) confronts the laborer in the next production cycle as *capital*, as though it was produced by the collective capitalist, although in truth it is nothing but *objectified labor, materialized labor*, which now confronts the laborer as something different from him, *alien labor*. To reiterate Marx’s words, “The *surplus product* in its totality—which objectifies *surplus labor* in its totality—now appears as *surplus capital* (as compared with the original capital [. . .]), i.e. as autonomous *exchange value*, which is opposed to the *living labor* power as its specific *use value*.”109 All the other factors of production then that confront the collective laborer as something alien, as properties of the collective capitalist, are really nothing but the objectified surplus of living labor—of itself—from the previous production cycle, since they are its own products or (as in the case with raw materials from nature, land, etc.) it itself is the force needed to derive from them certain use values.

Surplus value appropriated as profit, accumulated as capital, drives the capitalist class to organize and participate in the political economy (on the side of M-C-M’). Labor expropriated (by capital) of surplus value, on the other hand, is referred to as *necessary labor*, which, in the form of wage, is paid to the collective laborer, motivating a class of laborers to participate in the economy, working for capitalists (on the side of C1-M-C2). Living labor is necessary in two ways. First, the compensation for labor, which Marx points out is computed by Ricardo using the law of supply and demand, is merely that which is necessary for the collective laborer to ‘maintain’ himself, so that he can continually reproduce labor. Wage, in other words, only accounts for ‘subjective’ necessity, which is merely “the means of subsistence of living labor” and not what it actually produces (which includes surplus value).110

Secondly, the value attributed as having been produced by labor is merely the minimal value required to keep the production process going. As all surplus value generated in the process is attributed as surplus capital, the value of living labor is designated as the same value each time (each production cycle), which is but the value necessary to maintain the ‘objective’ conditions of the production process. Thus labor is rendered merely necessary in, as Marx says, a ‘double form’: it is valued (recorded in the wage level) as merely the value necessary to maintain the collective laborer—so that he can keep coming to work, participating in the production process—in which his labor is considered to produce a constant value that but maintains the
production process (maintenance labor). Thereby labor is posited as producing only what is necessary without producing anything in excess of its current energy/productivity and of the current level of production in which it is employed.

In The Limits to Capital, Harvey clarifies that necessary labor, or the cost of maintaining production (both the collective laborer and the production process)—roughly, the cost of production (since labor is the primary ‘cost’ that the collective capitalist compensates, thereby making production possible)—includes not only the wage per se but also various benefits and certain working and living conditions (in other words, social wage). The goal is not only to ensure the participation of labor in the production process but, more importantly, its reproduction (labor being, like capital, a fundamental force in the political economy). To be reproduced, laborers are provided a “commodity bundle” of use values “necessary to maintain and reproduce labouring individuals in their ‘normal state.’” This includes basic necessities (e.g. food, shelter, clothing) determined, like labor value itself, as a social average, thereby mediating the variation from person to person, taking into account not only the individual laborer but also those whom he has to support (e.g. the family). It does vary, however, according to the demands of the occupation (necessitating ‘education’) and the physical conditions under which it takes place (e.g. the exertion required, the climate). The goal, moreover, is to reproduce not only the present laborers but also their replacements (i.e. their children). That is to say, laborers as a class (performing the function of labor; from which labor is derived) need to be reproduced.

Marx moreover clarifies that the definition of what is ‘necessary’ is conditioned by historical, moral, and/or cultural factors. In Wages, Price and Profit, Marx emphasizes how “the standard of living of labour [. . .] varies greatly according to historical, geographical, and ‘moral’ circumstances,” determining “needs as relative rather than absolute.” The historical and moral “conditions under which [. . .] the class of free labourers has been formed,” for example, as Harvey notes, determines what a particular group of such laborers belonging in a society consider as ‘needs’ (to maintain themselves) and what value they regard as adequate compensation to continue participating in the capitalist political economy (otherwise they may revert to other economic forms, such as previous ones). In Wage Labour and Capital, Marx elaborates that “our wants and pleasures have their origin in society; we therefore measure them in relation to society; we do not measure them in relation to the objects which serve for their gratification. Since they are of a social nature, they are of a relative nature.” That is to say, what ‘need’ consists in is not determined solely by the ‘standards’ set by the laborers themselves (which varies according to the particular group of laborers and the culture in which they belong). The laborers’ conception of need is affected by what goes by the name of ‘need’ in society in general, the social formation in which capitalists are also present, whose ‘needs’ may be (wanted to be) emulated by non-capitalists.

111 Harvey, 46.
112 This is explained in chapter 1.
113 Harvey, 46.
114 Harvey, 46.
115 Cited in Harvey, 48.
116 Harvey, 46.
117 Marx, Wage Labour and Capital, 33, cited in Harvey, 48.
118 This of course does not even mention the wide variation within the class of laborers, their different economic standings, and hence the different levels of ‘need’ conceived. For more on capitalism stimulating its own needs, the work of the Frankfurt School of Critical Theory (especially on the culture industry) offers many pointed insights. See, for example, Theodor Adorno, The Culture Industry.
What is considered a ‘necessity’ (by both laborers and capitalists) also changes through time, as society itself and expectations change. This is due in large part to the dynamics between labor and capital. As Harvey explains, “The value of labour power [. . . is] a perpetually moving datum point [. . .] defined [. . .] as the socially necessary remuneration of labour power [. . .] from the standpoint of the continued accumulation of capital.”119 As capital accumulates more and more value, even as most of it is reinvested, capitalists are able to spend more and more of that value (even though the ratio of what is spent to what is invested may stay the same) to fulfill their ‘needs.’ Laborers would not be left behind. As the ‘need quotient’ in society increases, so does the expectation of laborers, and the desired—‘needed’—social wage. Labor being fundamental to capital’s own accumulation, as the value of capital increases, so does the value of labor.120

Despite the complex and social process by which the value of necessary labor is determined, however, Marx insists that necessary labor still does not include surplus labor, or that some surplus labor would always be separated from necessary labor, however ‘necessary’ is defined. In fact, by definition what is ‘necessary’ cannot include ‘surplus’ for then no further value would accumulate to capital, which is what drives the capitalist political economy. Thus the value attributed to necessary labor, Marx argues, always falls short of the full value that labor actually produces. In other words, when in fact labor = living labor + objectified labor, or what amounts to the same thing, labor = necessary labor + surplus labor or labor = what it produces, capital expropriates surplus value from labor such that labor = only necessary labor or labor = means of labor’s subsistence or labor = means of maintaining production, with all additional value (produced by and put into the production process) appropriated by and thought to originate from capital.

In Capital, Marx explains the same mechanism from the perspective of exchange, where the forms of value express the expropriation of surplus labor and its appropriation as surplus capital in production. The basic argument is that actual work/labor (the force) is greater than the potential labor power (the commodity) that was (planned to be) used to produce it, at least since the potential of labor power is valued (by the collective capitalist) based not on its product (what it results into) but on its ‘needs’ (what maintains it). The exchange value attributed to labor (based on the potential of its labor power, which is abstract), in other words, is less than the use value that is derived from it by capital (the actual and concrete labor produced).121 Inversely, the actual work put in by the collective laborer (labor value), along with its product (labor power’s use value), has greater value than the wage (based on labor power’s exchange value) paid him by the collective capitalist.122

The gap between labor and labor power, or between use value and exchange value (of labor power), is premised on the exchange between the collective capitalist and the collective laborer, which, as explained in chapter 1, is the basic exchange in which all other exchanges in the economy are based. Harvey explains that in exchange in general, “labour as a measure of

119 Harvey, 56.
120 The strategy of socialist capitalist democracies, in fact, consists in raising the standard of ‘necessity’ over time so as to bridge the gap between labor and capital.
121 Even as a sharp distinction is made between labor and labor power, Harvey notes that Marx never did perform a systematic study of “the production and reproduction of labour power itself, [. . .] the one commodity that is fundamental to the whole system of capitalist production [. . . yet] is not produced directly under capitalist relations of production.” Harvey, 163.
122 Marx, Capital, 505.
value,” i.e. \((labor)\) value, “is the substance, and the immanent measure of value, \(but\ has\ itself\ no\ value\).”\(^{123}\) Labor is the substance of value because, as Harvey notes, “the only attribute that all commodities have in common is that they are products of human labour.”\(^{124}\) As such, the amount of labor (e.g. work, energy, time) \((labor\ value)\) expended that leads to the production of commodities (with their different use values) is the common measure by which commodities are exchanged in the market (with their exchange values). Labor, strictly speaking, has no value because it is the basis and measure of value itself: \((labor)\) value. More precisely, labor has no \(fixed\ or\ determinable\) value because it is the \((labor)\) value that is put into commodities that is the kernel or basis of all other values (e.g. exchange value, use value) that commodities, as they go through the different activities in the economy, acquire.

In the particular exchange between the collective capitalist and the collective laborer, Harvey argues that labor, the substance of value that has no fixed value, is confused with “labor power, […] a commodity traded on the market” with an \(exchange\ value\).\(^{125}\) Labor power and labor are related but not the same. Labor power is the commodity from which labor (force, energy, work) is derived. That is to say, labor power is a commodity whose use value is the labor underlying it, extracted from it, or that it is capable of bringing about. Labor power is unique among commodities. It is, in Harvey’s words, “fundamental to the whole system of capitalist production […] even as it] is not produced directly under capitalist relations of production” but instead contains the force (labor) that makes production possible in the first place.\(^{126}\) Labor power is different from labor, however, in that labor power, like any other commodity, has (a fixable and determinable) value: its exchange value. Unlike other commodities (the commodities that are the products of the labor derived from labor power), however, the (exchange) value of labor power “is fixed by its costs of production.”\(^{127}\) That is to say, the (exchange) value of labor power is equal to its original labor value, the value of the labor (force, energy, work) \(necessary\) to be put into it, or, more precisely, the value or energy (labor) necessary to maintain the collective laborer who offers his labor power as a commodity.

Thus labor power (the commodity), as it is exchanged for wage, is valued based on its cost of production. The \(exchange\ value\) of labor power, which is the value assigned to labor power as a commodity, is only the value needed to maintain it, necessary labor. In contrast, labor, the substance of all values \((labor\ 'value')\) that has no fixed value, the force derived from labor power, in working (expend its force through time), does something, produces further commodities, whose use values (other commodities) are first and foremost (before they are sold) owned by the collective capitalist (as owner of the business, of the means of production other than labor). The \(use\ value\) of labor power (the fact that it expends labor, which leads to further use values), in effect, by virtue of the way that production is organized (by virtue of the arrangement between the collective laborer and the collective capitalist), belongs to the collective capitalist (to whom it accrues as capital).

\(^{123}\) Harvey, 23.
\(^{124}\) Harvey, 14.
\(^{125}\) Harvey, 23.
\(^{126}\) Harvey, 163.
\(^{127}\) The quote is from Harvey, although the full quote reads, “The value of labor power […] \(like\) any other commodity, is fixed by its costs of production.” Harvey, 45, my emphasis. Due to the confusions that may arise from this, I opted to change the formulation to differentiate labor power from all other commodities. I explain more in one of the paragraphs that follow.
In actual fact, then, “what the labourer sells to the capitalist [in exchange for wage],” Harvey clarifies, “is not labour [. . .] but labour power—the capacity to realize in commodity form a certain quantity of socially necessary labour time.”\textsuperscript{128} That is to say, the collective laborer, in the exchange between him and the collective capitalist, is paid only the exchange value of labor power, which is only what is necessary to produce (and maintain) labor (or the collective laborer expending labor)—when the value that the collective capitalist appropriates is the use value that labor power brings about, labor (the work that it does and its product). In other words, while the exchange is really between labor power (potential or capability) and wage (what is necessary to maintain it), the collective capitalist exchanges wage (subsistence so as to be able to do work) for labor itself (actual work and its product).

In this fundamental exchange between the collective laborer and the collective capitalist, labor reveals yet again what a unique productive force it is since what it produces (use value, labor) has greater value than what is necessary for it to produce (exchange value, labor power). That is to say, labor is unique because, in Marx’s account, some extra value—surplus value—is created or produced by labor (despite its dialectical relation with capital) because labor needs but a minimum ‘necessary’ value to produce, with which it then creates all sorts of values over and above that minimum. This, as explained above, is due to the fact that labor (the force) has more value than the labor power (its potential, its maintenance) of a laborer (the person).

Containing or expending labor, the unique productive force that produces further commodities (that have more value than what is necessary for labor to be maintained), is labor power, a unique commodity. The further commodities that labor produces are none other than the commodities that are exchanged in the market, founded as these are, as explained above, on the basic exchange between labor (power) and wage. It would seem, then, that just as the collective capitalist (on the M-C-M’ side) derives from the commodity it buys (labor power) a use value greater than what he exchanges for it, the laborers (on the C\textsubscript{1}-M-C\textsubscript{2} side) would get that surplus value back by deriving from the commodities (C\textsubscript{2}) that they buy a greater use value than C\textsubscript{2}’s exchange value (M). Unlike labor power, however, the exchange value of other commodities, while influenced (like labor power) by their cost of production (the labor value), are also, as economics’ supply and demand curve show, influenced by the use value derived from them by the consumer (the laborers). Its tie to its cost of production, its original (labor) value, thus differentiates labor power from all other commodities, whose values experience more fluctuations, if only because they are further away from the original (labor) value.\textsuperscript{129}

If anything, capitalists as sellers may actually raise the exchange value of the commodity that the collective laborer wants/needs (C\textsubscript{2}), setting it even further apart from the exchange value that the collective capitalist as buyer had to pay for the commodity that he needed (labor power), enabling him to extract even more surplus value—from the collective laborer. The collective capitalist (as seller) is able to do this to the collective laborer (as buyer) because the collective laborer is, in exchange in general, motivated by a change in quality (C\textsubscript{1}-M-C\textsubscript{2}). The collective laborer (as seller), in contrast, (except for certain demands on the social wage) cannot raise the exchange value of labor power (the only commodity that he sells) because the use value derived by the collective capitalist from the basic exchange (M-C-M’) is precisely the fact that the

\textsuperscript{128} Harvey, 23.

\textsuperscript{129} The value of labor power fluctuates, too, of course, as when, as discussed above, what is defined as ‘necessary’ changes. The fact that labor power’s value is tied to what is ‘necessary,’ however, indicates that, unlike other commodities, its value is in fact more or less fixed by its cost of production.
exchange value (labor power) is lower than the use value (labor) he can derive from it. This gap, after all, is what allows the collective capitalist to derive capital, i.e. what makes him a collective capitalist to begin with. As Harvey describes it, “The conditions of general commodity exchange make the capitalist form of circulation [characterized as it is by inequality] socially necessary.”

The structural roles that the collective capitalist and the collective laborer occupy (opposite sides of M-C-M’ and C₁-M-C₂) thus necessarily attribute and distribute surplus value to capital.

This (re)distributive mechanism is the direct effect of the arrangement of the economy in which the collective capitalist and the collective laborer are engaged in a political relationship characterized structurally by unequal power. The basic premise of the economic arrangement, as Harvey explains, is that “the labourer [upon working for the capitalist] gives up rights to control over the process of production, to the product and to the [use] value incorporated in the product in return for the [exchange] value of labour power.” Unlike the collective capitalist, the collective laborer does not receive his “distributive share” of the value derived from the production process. Rather, he is paid merely the value that is necessary for him to maintain his labor power.

The value (as expressed by its exchange value) necessary for labor to be maintained, even as it is conditioned by physiological and cultural factors (social wage), has, as Harvey points out, “nothing directly to do with the contribution of labour to the [use] value of the product.” Thus, no matter what value the collective laborer produces—which, labor being a unique productive force, is higher than what is necessary for it to produce—the collective laborer is given merely sufficient value—the necessary value—so that he can keep coming back to work, offering his labor power, using his labor, to produce (use) value that first and foremost belongs to the collective capitalist by virtue of the latter’s role as owner of the other means of production and planner of the productive enterprise.

The uniqueness of labor as a productive force compounded by its structural role in the system is what, underneath the magical M-C-M’ schema, feeds the political economy. Upon payment to the collective laborer of the exchange value of labor power (= necessary labor = potential of labor power), the collective capitalist appropriates its use value, which includes the surplus value that labor produced (= necessary labor + surplus labor = actual labor produced). From this surplus value, capital emerges which, in repeating cycles, is then reinvested and—thanks to labor’s continued production of surplus—accumulates more of itself (which, as explained in chapter 1, is what defines the capitalist political economy). The fact that the collective laborer occupies this role, that labor performs the function of enabling capital to derive from itself (more) surplus value (each time), makes labor a unique factor of production indeed. Hence Marx calls capital’s expropriation and appropriation of surplus value—which labor, by itself (despite its dialectical relation with capital), produced—the exploitation of labor, a phenomenon structurally ingrained in the capitalist system.

Exploitation is precisely what economics as a discourse, including geographical economics, covers over with all its talk of profit. By emphasizing savings, economics’ primary

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130 Harvey, 13.
131 Harvey, 42.
132 Harvey, 42.
133 Harvey, 42.
134 Harvey describes capitalism as “powered by the engine of accumulation for accumulation’s sake and fuelled by the exploitation of labour power.” Harvey, 156.
goal (along with strategic planning and operations research) becomes the reduction of costs. While this is indeed desirable for the collective capitalist (whose point of view economics takes), it does not occur to economics that those costs aimed to be cut are the necessary value by which labor produces itself, on which the collective laborer lives. Thus by focusing on negative costs, the capitalist class, through economics, is able to enact its program of ever accumulating capital without having to bother with its source—labor—and its exploitation.

This is why discourse on profit—rather than surplus value—is very important to economics. Profit is not only stratified surplus value: it is, as explained above, surplus value separated from its production or source (labor), which, by virtue of that separation, is legitimately redistributed—made desirable to be redistributed—to the dominant class, the capitalists, through exploitation. As Negri describes it, surplus value and profit are essentially the same thing—only that profit extends and legitimates the exploitation of surplus value in a ‘social’ (or socially acceptable) form. In Negri’s words:

Surplus value is the exploitation of living labor, the increase of its productivity, the exasperation of the intensity of labor, a total and totalizing drainage of working capacity; profit is the consolidation and fixation of surplus value, it is non-multiplying labor consolidated in a stable form, the theft of the productivity of labor, the indifference to living labor. But the distinction does not touch the nature of exploitation: both surplus value and profit are based on the subjugation of living labor—but in the case of surplus value living labor is considered within the production relation, while in the case of profit it is set against the conditions of production, to the totality of accumulation.

In *Theories of Surplus Value*, Marx examines Ricardo’s explanations of how savings on costs are reaped, which are the ways in which political economy does not talk about exploitation. Ricardo, Marx explains, assumes that the labor time needed to reproduce the collective laborer’s means of subsistence (the value of necessary labor) is equal to the full length of the working day. This is what Ricardo’s framework, the law of supply and demand, assumes as it takes the working day as constant. Necessary labor, however, Marx points out, is reproduced in but a part (not all) of the working day. The remainder of the day is thus, since the collective laborer continues working, spent on the production of surplus value. In other words, in failing to consider labor a unique force of production that produces more than what it needs to maintain itself (to produce), the working day is thought to produce only necessary value. The concept of surplus value is thus foreclosed, replaced by savings and profit.

Ricardo moreover, Marx notes, looks only at capital. As such, all that becomes apparent in Ricardo’s approach is the rate of surplus value, which depends on the proportion of the length of the working day to necessary labor time, an amount discernable through the composition of...

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135 Note that exploitation does not produce surplus value strictly speaking, but rather redistributes it from labor to capital. That redistribution, however, (since the ‘identity’ of the different activities deconstruct themselves, as explained in chapter 1) feeds further production as capital is reinvested for the maintenance of labor and the further redistribution of surplus value (i.e. the maintenance and accumulation of capital). Perhaps a distinction between the *production* and *exploitation* of surplus value would prove helpful. The creation or production of surplus value is, in Marx’s account, a sole activity of labor, a unique productive force in that it needs but a minimum value to produce, with which it then creates all sorts of values over and above that minimum. Exploitation, on the other hand, is capital entering the mix in which it redistributes the surplus value produced to produce or accumulate more of itself, in which the capitalist political economy runs.

136 Negri, 90.

137 Marx, *Surplus Value*, 440.
capital. Surplus value itself, however, is not discerned, because it can only be gleaned by also looking at labor composition.\textsuperscript{138} Political economy makes a crucial mistake when, by merely looking at commodities already produced, it considers labor composition as constant (thereby invisible in its equations) and bases its analysis solely on capital. This, Marx explains, leads economics to the conclusion that relative surplus value (due to increased productivity, as with improvements in technology) is the same as absolute surplus value (due to the lengthening of the working day).\textsuperscript{139}

Because of this focus on capital, whose point of view it takes, political economy then attributes all extra value produced in the system, if it detects any (separate from savings on costs), to increases in productivity, which merely increase the rate of surplus value and not surplus value itself. This increased rate, then, which leads to savings, is attributed to the strategic planning of capitalists competing with each other within the same class. Thus political economy misses, along with surplus value itself, surplus value’s true source, labor, the truly unique productive force derived from the other class, the class of laborers. Capital of course, as explained above, exploits whatever surplus value is produced in the system, in which, in this act, lies capital’s uniqueness. That is to say, capital, unlike labor, is unique not primarily as a productive force but as a primarily redistributive one. This redistribution then allows capital to further production, which allows it, like labor (and the other means of production that, via primitive accumulation, it has appropriated) to finally become a productive force, and increasingly (because of its continued accumulation of surplus value) the dominant one.

In taking the point of view of capital and taking its phenomena as given, Marx further argues that political economy misses yet other ways in which surplus value is produced (since, in the first place, it does not discern it). Even if the working day is shortened, for example, it cannot necessarily be said that surplus value is not produced, that there is no surplus value. This is because, Marx points out, aside from increased productivity (which increase the rate of surplus value, producing relative surplus value), surplus value can also be increased by manipulating labor composition, i.e. by hiring more laborers.\textsuperscript{140} More labor power brings about more labor, which correspondingly produces more surplus value (even as the working day has become shorter).\textsuperscript{141} This is what can be called the external expansion of capitalism (as opposed to the internal expansion of absolute and relative surplus values).

Even as political economy’s official discourse already makes it difficult to discern surplus value (and thereby its production and exploitation), it is not the only thing that conceals it. A phenomenon that fetishizes exploitation as an independent, natural mechanism (beyond human control; therefore discourse about it amounts to nothing) is built into the system. Labor, as mentioned above, is the substance of value. As such, labor undergoes a process of abstraction by which it is separated from its qualities, i.e. from the concrete work that it performs (which is of many different kinds) and the particular characteristics it takes on (according to what work, as a force, it is employed). This process, Harvey explains, enables labor to become the measure of

\begin{footnotesize}
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\item[139] Marx, \textit{Surplus Value}, 440.
\item[140] Marx, \textit{Surplus Value}, 440.
\item[141] This has limits, however. There is, as both Marx and Ricardo tried to prove, the tendency for the rate of profit to fall.
\end{itemize}
\end{footnotesize}
value, the common standard by which the value of commodities is measured, at least “to the degree that [. . .] wage labour becomes general.”\textsuperscript{142}

For it to “regulate commodity production and exchange,” however, labor (made abstract) has to be “represented materially” in what is after all an economy of material commodities (or at least of commodities tied to some material).\textsuperscript{143} Abstract labor, the measure of value, is therefore itself represented by an equally abstract albeit material form: the money form. In a phenomenon that Marx calls the \textit{fetishism of commodity}, this leads to the domination of social relations in the political economy by the cash or money nexus. Social relations in the capitalist political economy, Marx narrates, increasingly become the relation between commodities (things) since they have values related and comparable to each other, and since human beings themselves (both laborers and capitalists) relate to each other by virtue of commodities, those which they produce, consume, and provide each other, with their specific values. Hence, as Marx describes it, social relations in capitalism become “material relations between persons and social relations between things.”\textsuperscript{144}

The relation between commodities that seem independent of their human producers are moreover expressed or measured in terms of money, itself a material commodity, albeit an abstract one. While money does imply the value behind it, however, Harvey notes that, by virtue of its very representation, money covers over the substance of the value represented, i.e. labor. Labor, like money, is indeed abstract, but it is nonetheless directly related to actual and concrete labor (the concrete work that the force performs). Thereby labor still shows the social meaning of value and the social relations between human beings it implies. Money, as abstract material representation, in its very representing, conceals what is represented (labor), along with its implications (e.g. its social and productive nature). Thus, as Harvey puts it, “the existence of money—the form of value—conceals the social meaning of value itself.”\textsuperscript{145} Money becomes fetishized, becoming independent from and determinant of human relations. In fact, due to its key role as a commodity, it becomes perhaps the most fetishized of commodities. As Marx says, “the riddle presented by money is but the riddle presented by commodities . . . in its most glaring form.”\textsuperscript{146}

\textsuperscript{142} Harvey, 15. “All labour is concrete in the sense that it involves the material transformation of nature. But market exchange tends to obliterate individual differences both in the conditions of production and on the part of those doing the labouring.” Harvey, 14. Harvey makes the distinction between human labor in general and wage labor specifically. I, on the other hand, equate (human) labor with wage labor, distinguishing it from work instead. For more, see chapter 4.

\textsuperscript{143} Harvey, 16.

\textsuperscript{144} Marx, \textit{Capital}, vol. 1, 73, cited in Harvey, 17. See also Marx, \textit{Capital}, 472-480.

\textsuperscript{145} Harvey, 17.

\textsuperscript{146} Marx, \textit{Capital}, vol. 1, 93, cited in Harvey, 11. Harvey explains a further process that Marks talks about in which the fetishism is compounded, namely the transformation of value (forms) into prices (of production) (distinguished from fluctuating market price), in which the two terms are related respectively to surplus value and profits, which are different from each other. The result of this, in Marx’s words, is that “normal average profits themselves seem immanent in capital and independent of exploitation.” Marx, \textit{Capital}, vol. 3, 829, cited in Harvey, 67. Harvey, like previous interpreters, never did get around to explaining fully this process and the mathematical inconsistencies made by Marx in his own explanations of it in the third volume of \textit{Capital}. I leave this process out in the thesis and make my own distinction between surplus value and profit instead as a nominal, ideological process (see chapter 2). See Harvey, 61-68. Harvey notes that while in the second volume of \textit{Capital}, “money is treated [merely] as a means of payment [. . .] there are innumerable statements in the text that indicate that the production and circulation of money are not as simple as they seem.” Harvey, 173.
Aside from its key role in facilitating the exchange of commodities, money is a unique commodity in terms of the forms of value that it acquires. As explained in chapter 1, money, like any other commodity, has a labor value (the labor power that went into printing money) and a use value (the costs saved as money facilitates the circulation of commodities). Unlike other commodities, however, money, in playing the dual role of standard of exchange and common measure, has two exchange values: (like other commodities) what one is willing to exchange for it (provided one doesn’t know what denomination it is), which is determined by its conditions of production (its labor value) and its use (as facilitator of exchange); and (since money has a value marked on it, its denomination) what it is worth as the measure of value (its designated exchange value, as it were, unconnected to its labor and use values). Thus money, as Harvey describes it, “acquires a dual exchange value—that dictated by its own conditions of production (its ‘inherent’ exchange value), and that dictated by what it will buy (its ‘reflex’ value),” which is purely determined by exchange.\(^{147}\)

This duplicitous nature of the exchange value of money (itself a commodity) allows—and conceals—the gap between labor power’s exchange value and its use value, labor. That is to say, the gap between labor power and labor is temporarily resolved—displaced—in money, having as it does a dual exchange value. Money prepares the way for this as it separates labor (the substance of value) from material (that contains value), including labor’s own product, as it functions as the representation of value. Having two exchange values, money is then able to present the exchange between (labor) value or wage (the value of necessary labor) on one side (as its inherent exchange value) and the material that labor produced (that includes surplus value) on the other (as its reflex exchange value) as an equal exchange. Seeing as money, as explained above, is the dominant and ‘natural’ relation in the political economy, such equalization of unequal values appears commonplace: natural. Thus exploitation is concealed.

Marx’s critique of political economy aims precisely against this fetishism. By looking at it from the outside, Marx gained sight of the capitalist social formation as a set of intensive economic processes expressed by dialectical forms of value determined by the political relation between the classes that has stratified into a historical form. As such, in Marx’s approach, phenomena are not accepted as natural but are examined in terms of the intensive processes that give rise to them. Marx’s comprehensive view moreover takes into account the experience of all human beings in the political economy, at least in terms of the structural position of the class in which they belong. Marx’s critique is thus not ideological in the way that economics is, which assumes the system as natural as it looks at it from the point of view of the capitalist.

There is a sense, however, in which Marx’s approach is also ideological. Once one finds the position in the system that his class occupies (whether it performs the function of labor or capital), that person can take the stance of that class, defend it, and perform its work. Marx does not deny this. In fact, this is precisely the way in which Marxist Antonio Gramsci describes what he calls the *philosophy of praxis*. Marxism to Gramsci is not exempt from ideology. Rather, Marxism is itself an ideology. Marxism does, however, occupy a privileged position among ideologies since, as Gramsci clarifies, “the philosophy of praxis [. . . as theory of contradictions] is the terrain on which determinate social groups become conscious of their own social being, their own strength, their own tasks, their own becoming.”\(^{148}\) In other words, Marxist ideology, by

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\(^{147}\) Harvey, 11.

virtue of its critical approach, is the ideology that, by locating the position of the classes in the
system and the forces with which they are involved, enables persons to assume, rather than the
ideology of some other class, their own ideology. Marx(ism) offers, as it were, an ‘objective’ or
at least more comprehensive view of the historical formation (with its structural positions) before
the taking on of ideology.

Marx did have an ideological allegiance to a class, however. Perhaps this is why there
seems to be something lacking in his account, specifically on the key concept of surplus value.
Marx describes elaborately (and repeatedly) the exploitation of surplus value, which, it must be
noted, is but its redistribution. Its production, on the other hand, is left to a vague conclusion to
be made from the fact that labor is a unique productive force, that labor produces more value
than the value it needs to maintain itself and, thereby, produce. This is compounded by the fact
that labor is a political term, seeming to be possessed only by some persons (laborers) and not
others (capitalists), who act instead like vampires. What does Marx mean by labor exactly, and
what happens with it such that it produces more value than what it needs to produce, i.e. such
that it produces surplus value? To gain more insight into this, the historical actualizations (of
labor, of surplus value) have to be probed at an abstract, more general level. In addition, then, to
economics’ actual facts and the intensive processes that Marx gleans underneath, there is a need
to look further: at virtual ‘Ideas’—‘abstract machines’—that Deleuzian metaphysics provides.
Chapter 4: Work in the Assemblage

It would seem that Deleuze, in the two volumes of *Capitalism and Schizophrenia*, provides a straightforward Marxist account of the mechanism that Marx refers to as exploitation. Eugene Holland, illustrating the connection between Marx and Deleuze in an introduction to *Anti-Oedipus*, explains that, for both, the market (exchange) value of labor power (the commodified value of the human being, the laborer) is:

Equal to the value of the commodities required to produce it. Yet its market value [. . .] is always less than the value [i.e. labor] that labor power contributes to production. Thus surplus-value arises from employing labor power in commodity-production: whatever values may get assigned to non-commodity factors of production, surplus-value is appropriated as the difference between the market value of the goods labor power produces as output and the market value of the goods required to reproduce it as an input.

Deleuze calls surplus value in the capitalist political economy the *surplus value of flow*, which “arises as the quantitative differential between the flow of money invested in factors of production [. . .]—labor, materials, technology (and marketing)—and the flow of money returning at the end of the production-consumption cycle.”

This differential allows for “the fundamental mechanism of capital, axiomatization: [the] conjoining [of] deterritorialized resources [i.e. the transformation of varied activities into comparable abstract labor] and [the] appropriation of the surplus arising from their reterritorializing conjunction [as when the expropriated surplus labor is appropriated as surplus capital].”

In “Apparatus of Capture” from *A Thousand Plateaus*, Deleuze, like Marx in *Capital*, explains the same mechanism, but differently. Deleuze cites Bernard Schmitt in explaining that the nominal wage that the worker receives has a purchasing power equivalent merely to real

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149 I use the name Deleuze to refer to Deleuze by himself but also, at times, with Guattari, Deleuze’s collaborator in four books, including the two volumes of *Capitalism and Schizophrenia*.
150 Eugene W. Holland, *Deleuze and Guattari’s Anti-Oedipus: Introduction to Schizoanalysis* (London: Routledge, 1999), 113-114.
151 Holland, 67.
152 Holland, 20. Mark Bonta and John Protevi in *Deleuze and Geophilosophy* define an axiom as an “unprovable statement [. . . that] fix, or implicitly define, the meanings of the primitive elements” and their relations. Bonta and Protevi, 55. “An axiomatic includes a set of inference rules by which to derive further statements (‘theorems’) from axioms or other, previously derived, theorems.” Mark Bonta and John Protevi, *Deleuze and Geophilosophy: A Guide and Glossary*, (Edinburgh: Edinburgh University Press, 2004), 55. Axiomatization is thus the process in which the capitalist social formation, through axioms and axiomatics, incorporates other elements, elements outside of it, into itself, as part of a cohesive whole. It should be noted that axioms are different from codes in that the meaning of an axiom is not inherent to some relation (either by a bodily sign to a territory or by signifiers to other signifiers in a chain) but is instead purely operational, conjoining and regulating flows with impressive flexibility (it can add and withdraw axioms). Bonta and Protevi, 57, 58. “Capitalism, by means of credit markets, labor regulations, and other ‘modes of realization’ overseen by the State, brings together decoded flows of wealth (now known as ‘capital’) and human energy (now known as ‘labor power’) as ‘purely functional elements’ (that is, elements with no predetermined use, no marked qualities, but open to any use, as opposed to societies in which productive elements are coded or overcoded and hence limited in their range of potential uses).” Bonta and Protevi, 57. I follow Deleuze in asserting that codes are minimal in capitalism. Capitalism does, however, (although it functions primarily through axioms) still have codes, if only to refer to the functions that the different elements in the ‘system’ (or, more precisely, the machine) perform (determined by axioms). The use of axiomatics allow Deleuze, Bonta and Protevi point out, to characterize capitalism as an adaptive consistency rather than an organic whole. Bonta and Protevi, 67. See also Deleuze and Guattari, *Plateaus*, 453, 454.
An “undivided flow” (the stock), Deleuze elaborates, is divided and distributed, but only a portion of it (the “comparative set”) is “converted” (and thereby consumed) by the laborers, with an “income siphoned off.” As such, “real wages are only a portion of nominal wages; similarly, ‘useful’ labor is only a portion of labor.” Deleuze calls the axiomatization of “this difference or excess constitutive of profit, surplus labor, or the surplus product”—what Marx refers to as exploitation—capture. More precisely, capture is the mechanism in which the value of surplus labor, through direct comparison, is expropriated and, in monopolistic fashion, appropriated—‘captured’—by capital (in that process constituting ‘surplus value’), a process that takes place as the social formation gains what Deleuze calls a “unity of composition,” a determined and organized form of working (an ‘adaptive consistency’). This is the way in which, in Deleuze’s words, “the mechanism of capture contributes from the outset to the constitution of the aggregate upon which the capture is effectuated.” Appropriating labor as it does in a process in which it subordinates its source (labor) for its own ends, capital—nothing but surplus labor—is thus, to use Deleuze’s term, an apparatus of capture.

Thus Deleuze, echoing Marx, concludes:

Labor and surplus labor are strictly the same thing; the first term is applied to the quantitative comparison of activities, the second to the monopolistic appropriation of labor by the [collective capitalist. . .] There is no labor that is not predicated on surplus labor. Surplus labor is not that which exceeds labor; on the contrary, labor is that which is subtracted from surplus labor and presupposes it.

Like Marx, Deleuze is moreover not convinced with the explanations that economics gives of excess. Rather, these explanations (the shortening of the working day, improvements in technology, etc.), Deleuze points out, merely refer to the displacement by capitalism of “any apparent limits to its growth by adding new axioms to its systems of axiomatization.” Holland provides examples, reminiscent of Marx’s own refutation of Ricardo. When biological and/or political limits appear as obstacles to the extraction of “absolute” surplus-value—a form of surplus-value derived from the brute suppression of wages and/or the lengthening of the working day—capital adds axioms of technology to increase productivity within the system of production so that more value (in the form called “relative” surplus-value) can be extracted from the same working day at the same

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153 Deleuze and Guattari, *Plateaus*, 445-446.
154 Deleuze and Guattari, *Plateaus*, 446.
155 Deleuze and Guattari, *Plateaus*, 446.
156 Deleuze and Guattari, *Plateaus*, 427. The term “adaptive consistency” comes from Bonta and Protevi. See footnote 152. Also see the discussion of the State’s unification of the town, the state, and their surrounds in chapter 2.
157 Deleuze and Guattari, *Plateaus*, 446.
158 Deleuze uses the term apparatus of capture to refer to both the assemblage that overcodes (codes) and centralizes (flows), allowing an element (e.g. capital) to ‘capture’ (e.g. expropriate and appropriate, i.e. exploit) another (e.g. labor), subjecting it to its ends as the dominant element; and the dominant element itself (which has three “correlates”: rent, profit, and taxation). For Deleuze’s characterization of capture as direct comparison and monopolistic appropriation, see Deleuze, *Plateaus*, 440-448. Also see Bonta and Protevi’s more technical definition in *Deleuze and Geophilosophy*, 52.
159 Deleuze and Guattari, *Plateaus*, 442.
160 Holland, 114.
wage-rate. Similarly, when extraction of surplus-value reduces buying-power to the point of threatening a crisis of over-production, axioms of marketing and advertising are added to bolster or fabricate consumer demand. The extension of capitalist axiomatics to global scale, finally, both renews the extraction of absolute surplus-value in some places, and provides additional markets for the redistribution and reappropriation of relative surplus-value, in others.\textsuperscript{161}

There is, however, as I point out at the end of chapter 3, something missing in the account of excess as capture by capital, as exploitation. Exploitation is first and foremost a phenomenon of (re)distribution, as what is labor is valorized or captured as capital. It is true, as Harvey notes, that for Marx distribution and production are dialectically related. That is to say, by distribution and production, as explained in chapter 1, Marx means the same activity, albeit in different forms. In this way Marx is able to show that distribution determines the shape of (further) production and that the means of production are to begin with (through primitive accumulation) distributed. There is thus some validity in Marx’s claim that excess derives from exploitation. After all, as the surplus labor redistributed at the end of a production cycle is put into further production (under the banner of capital), the (re)distributive phenomenon of exploitation determines the shape of that further production (e.g. as one driven by capital, with labor subordinated to capital), in which exploitation is not only repeated, but, every time it does so, the surplus value exploited is compounded or accumulated, increasing in value. There is, in other words, a sense in which, as Marx reveals, (re)distributive exploitation produces excess.\textsuperscript{162}

There is also a sense, however, in which production coming from (re)distribution is secondary. Marx himself explains that for exploitation to take place, labor has to perform its unique power: produce more value than what it needs to produce. Exploitation then presupposes a mechanism that generates excess, a mechanism presupposed by the entrance of this excess into the particular (stratification of the) ‘agreement’ between the collective laborer and the collective capitalist in which surplus value is exploited. In other words, there is a generation of excess that is presupposed by its actualization (as surplus value) in the historical formation of the political economy as capitalist. To gain insight on excess in capitalism, this metaphysical generation, in addition to its historical actualization or production, has to be examined. While exploitation or capitalist capture (which leads to the production of further excess) is historical, this generation, I argue, is metaphysical—or in Deleuze’s terms, \textit{virtual}—in that it is not specific to and goes beyond any particular historical formation. It is this virtual generation that this chapter seeks to probe into by looking at Deleuze’s extension of Marx’s concept of primitive accumulation.

Marx provides clues as to how ‘virtual’ excess is generated when he speculates about how capitalism originates. Coining the term \textit{primitive accumulation}, in \textit{Capital} Marx describes the ‘first’ accumulation that permitted an element—capital—to distinguish itself from another—labor—which it then exploits so as to ever increase itself. Primitive accumulation, in effect, is the posited origin of all succeeding capital accumulations. Just as the succeeding accumulations have as their reference point surplus value, insight into virtual excess can be gleaned from primitive accumulation.

\textsuperscript{161} Holland, 114.
\textsuperscript{162} We should perhaps note that part of this (re)distribution is the primary distribution that takes place in primitive accumulation, i.e. the appropriation by the collective capitalist of the non-labor means of production as capital. I elaborate on this in succeeding paragraphs.
Marx posits primitive accumulation from the ‘vicious circle’ of capitalist productive activity. Clearly, Marx explains, “the accumulation of capital presupposes surplus value; surplus value presupposes capitalistic production; capitalistic production presupposes the pre-existence of considerable masses of capital and of labour power in the hands of producers of commodities,” which in turn presupposes a preceding accumulation of capital in the hands of certain producers . . . 

Thereby some primitive accumulation of capital in a few hands, Marx infers, originated the capitalist political economy. Far from political economy’s portrayal of this originary process as the idyllic arrangement that came about between “the diligent, intelligent, and, above all, frugal elite [. . . and] the other, lazy rascals, spending their substance, and more, in riotous living,” Marx asserts that “in actual history it is notorious that conquest, enslavement, robbery, murder, briefly force, play the great part.”

More specifically, Marx points out that “money and commodities are no more capital than are the means of production and of subsistence,” including labor power, save for that process in which money and commodities (or certain of them) are transformed into capital as they are related to certain means of production that are designated as capitalist property. This moment of transformation (which, historically speaking, came out of the old feudal and agricultural system) is what Marx posits as capitalism’s origin, capital’s primitive accumulation. Marx describes the circumstances in which it takes place:

Two very different kinds of commodity-possessors [. . .] come face to face and into contact; on the one hand, the owners of money, means of production, means of subsistence, who are eager to increase the sum of values they possess, by buying other people’s labour power; on the other hand, free labourers, the sellers of their own labour power, and therefore the sellers of labour. [. . .] The capitalist system presupposes the complete separation of the labourers from all property in the means by which they can realize their labour. As soon as capitalist production is once on its own legs, it not only maintains this separation, but reproduces it on a continually extending scale. The process, therefore, that clears the way for the capitalist system, can be none other than the process which takes away [i.e. expropriates] from the labourer the possession of his means of production; a process that transforms, on the one hand, the social means of subsistence and of production into capital, on the other, the immediate producers into wage-labourers. The so-called primitive accumulation, therefore, is nothing else than the historical process of divorcing the producers from the means of production. It appears as primitive, because it forms the pre-historic stage of capital and of the mode of production corresponding with it.

Marx specifies that free labourers are free “in the double sense that neither they themselves form part and parcel of the means of production, as in the case of slaves, bondsmen, etc., nor do the means of production belong to them, as in the case of peasant-proprietors; they are, therefore, free from, unencumbered by, any means of production of their own.” Historically speaking, this freedom was brought about by the then-revolutionary bourgeois class.

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163 Marx, Capital, 521. Marx compares his primitive accumulation to Adam’s Smith’s “previous accumulation.”
164 Marx, Capital, 521.
165 Marx, Capital, 521.
166 Marx, Capital, 522.
167 Marx, Capital, 522.
that freed all men\textsuperscript{168} from old feudal ties and even the “regime of the guilds.”\textsuperscript{169} These ‘free’ labourers then, under the social formation that the increasingly dominant bourgeois class put in place (capitalism), “become sellers of themselves,” of their labor power.\textsuperscript{170}

The selling of one’s labor power, however, Marx notes, requires that a further condition be met, namely, that so-called ‘free’ laborers be “robbed of all their own means of production” save for their own labor power.\textsuperscript{171} This is precisely what the bourgeois—becoming capitalists—were able to do in the process of primitive accumulation as non-labor means of production become capital’s \textit{property} (tied to money, itself a commodity, invested in production).\textsuperscript{172} Thus, Marx assesses, “the starting-point of the development that gave rise to the wage-labourer as well as to the capitalist was the servitude of the labourer, [. . . an] advance that consisted in a change of form of this servitude, in the transformation of feudal exploitation into capitalist exploitation.”\textsuperscript{173}

As indicated by its name, primitive accumulation appears ‘primitive,’ seeming to be historical. There is no reason to suppose, however, that this is a unique happening in history. To explain it in Deleuzian terms, while the shift from the feudal to the capitalist social formation was indeed the reaching of a threshold—after which things would never again be the same—and in that sense the process is indeed a \textit{historical event} (in being incontrovertible), there is no reason to suppose that there is an exact date in which the transformation began or was completed or that it took place at only one moment (as a \textit{unique historical moment}). Thus the move by which Marx posits primitive accumulation is less the placing in history of an empirical fact than a logical hypothesis based on how capitalism works (primarily the fact of accumulation). Admittedly, as a presupposition, it has to take place (be posited) at capitalism’s origin, but it nonetheless does not need to precede capitalism but only needs to be assumed so that capital can do its work (of exploitation and accumulation).

This is the way in which Harvey defines primitive accumulation, namely, as the increase or \textit{expansion} (as opposed to the \textit{formation}) of the proletariat, which takes place not only at the moment of capitalism’s formation, but is coexistent with it, continuing and perhaps becoming more intense the more that capitalism matures.\textsuperscript{174} Analogous to the external expansions of capitalism that Deleuze talks about, Harvey explains this increase happening “in many guises” as capitalism transforms “pre-capitalist and intermediate social formations” (including those historically co-existent with it, separated by geography) into its own image (or, more precisely, according to its axioms).\textsuperscript{175} Following Marx, Harvey goes so far as to say that capitalism, through competition, cannibalizes itself as it turns capitalists against each other, forcing the proletarianization of its own kind (as capitalists that can’t keep up are demoted to the position of wage laborers).\textsuperscript{176}

\textsuperscript{168} Virtually all, or at least within the sphere in which the bourgeois class reigned dominant
\textsuperscript{170} Marx, \textit{Capital}, 522.
\textsuperscript{171} Marx, \textit{Capital}, 522.
\textsuperscript{172} Money is, strictly speaking, also a ‘property,’ but for the sake of simplicity, \textit{property} is used to refer to non-labor means of production, which, along with money, are the two forms the capital takes: capital as money and capital as property.
\textsuperscript{173} Marx, \textit{Capital}, 523.
\textsuperscript{174} Harvey, 436.
\textsuperscript{175} Harvey, 436-438.
\textsuperscript{176} Harvey, 438.
If values are redistributed in accumulation in general (through the mechanism of exploitation laid out in chapter 3), then perhaps the highest rate in which values are redistributed can be found in primitive accumulation. After all, this is the time that a worker (in general) becomes a (wage) laborer, in which the surplus value he produces for the first time is appropriated by the collective capitalist. Since, theoretically speaking, prior to primitive accumulation there is no exploited value to speak of, the increase in capital (its accumulation), once primitive accumulation does set it, is especially notable (in its primitiveness, as it were). Moreover, since at this first instance expectations are low, i.e. what is considered necessary is at its most rudimentary, more surplus value per laborer can be expropriated, allowing for high increases in capital. Lastly, capital, as Harvey notes, can perform ongoing primitive accumulation by expanding to its outside, by subordinating other political economies to its axioms. When it does, capital, already exploiting surplus value where it is lodged, is able to turn yet other workers, workers initially beyond its grip, into capitalist laborers, thereby increasing the value that it exploits in absolute terms.

The magnitude of the surplus value exploited in primitive accumulation becomes even more stark when it is realized that, whenever it happens, it is not only human labor that is subordinated to capital, but first and foremost non-labor (non-human) means of production, i.e. natural resources (e.g. wood from trees, energy from the sun, land or space in which production takes place, etc.) that are used as raw materials for human activity, the materials that labor, in capitalist production, works on. These are the means of production that the collective laborer does not own, the reason why he becomes a laborer to capital in the first place. These means of production, it must be noted, also have and produce value—values out there in the world, values of ‘nature,’ as it were—that capital first (perhaps most easily) appropriates, enabling it, in gaining (more) value, to subordinate labor.

Thus nature’s value, as it were, is the first—primitive—value that capital exploits, making capital emerge in the first place. Through money (a capitalist commodity), the collective capitalist claims an exclusive right to these non-labor means of production, resources derived from nature, as capitalist property, thereby (like surplus labor later on) appropriating them as capital. This is the way in which money (the commodity of exchange) and property (non-labor means of production) are the two forms that capital takes, forming a mirror image, as it were: capital as money is invested to use material as capitalist property that, through exchange, leads to more capital (as money). In appropriating not only human labor but nature itself, there is a very real sense in which capital (an imperial element) owns the world.

Despite certain emphases, then, for Marx exploitation is not just the exploitation of human labor. In the concept of primitive accumulation, Marx gestures towards a more comprehensive account of surplus value, even though only implicit and incomplete. That is to

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177 Again, this is not a unique historical moment that happened, but a historical event that happens, changing the way that things are.

178 It must be noted that there is a difference between the means of production (in the sense of raw materials) and productive forces (as in labor working on the means of production). Even as value is derivable from both, only productive forces actively perform work (i.e. productive activity) or, to put it in another way, it is productive forces that make it possible to derive value from the means of production.

179 The value necessary to ‘maintain’ these natural resources are even lower than what the human laborer needs (sometimes natural resources are not even maintained); hence even greater surplus value is derived from these non-labor means of production.

180 This is one way in which, even while employing dialectics, Marx escapes the traps of Hegelian dichotomy.
say, for Marx human labor is not the only source of (surplus) value. Marx does, however, for political (and ideological) reasons, expressly focus on accumulation in general so as to put in dramatic light the striking phenomenon there: the exploitation of labor. He does this, in line with praxis, so as to bring critique to a revolution. Marx did not, however, by assuming that the exploitation of nature is given, mean to say that, unlike the exploitation of labor, that of nature is natural (and thereby acceptable). On the contrary, by positing it in primitive accumulation, Marx is able to theorize nature’s exploitation (at least in the form where surplus value is derived from it and appropriated as capital) as specific to the capitalist political economy. As such, it is something that can (and will) be changed as the condition of labor itself is revolutionized.

Even though more comprehensive in including value derived from both human labor and nature, the account of excess provided by primitive accumulation is still primarily (re)distributive. While through the (re)distribution of value surplus value is indeed produced and compounded, it still does not explain the gap between what is necessary to produce and what is produced—the gap that makes possible (the exploitation of) surplus value in the first place. Perhaps, then, following Marx, an even more comprehensive view can be developed. This is what Deleuze attempts to do in A Thousand Plateaus when he points out the need to “enlarge upon” Marx’s concept of primitive accumulation. As Deleuze remarks in “Apparatus of Capture,” “The fact remains that there is a primitive accumulation that, far from deriving from the agricultural mode of production [from which capitalism supposedly derived what was primitively accumulated], precedes it.” As a general rule,” Deleuze continues, “there is primitive accumulation whenever an apparatus of capture is mounted, with that very particular kind of violence that creates or contributes to the creation of that which it is directed against, and thus presupposes itself.”

While capital, as mentioned above, is indeed an apparatus of capture (one historical actualization of it), the apparatus of capture itself is metaphysical. That is to say, the apparatus of capture, to use Deleuze’s terminology, is an ‘abstract machine’ or an ‘Idea’ in the virtual that is the underlying condition, structure, or ‘plan’ of intensive processes that produce actual things in dynamics of difference. Capital is, through intensive processes, a particular actualization of an abstract machine (the apparatus of capture). The apparatus of capture, however, even as it is actualized in different historical forms (like capital), is not reducible to them or to any particular

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181 In addition to the value derived from nature, in A Thousand Plateaus Deleuze talks about ‘machinic surplus value,’ expanding Marx’s discussion of machines in the Grundrisse. See Deleuze and Guattari, Plateaus, 458, and Bonta and Protevi, 109.


183 Deleuze and Guattari, Plateaus, 447.

184 Deleuze and Guattari, Plateaus, 447.

185 Deleuze and Guattari, Plateaus, 447. My emphasis.

186 In terms of realms, Bonta and Protevi define the virtual as “the modal status of the set of possible states of the system, along with the probabilities of attaining a particular subset of those states”; the intensive as constituted by far-from-equilibrium processes, characterized by intensive properties of the processes that cannot be divided without qualitative change (e.g. temperature, pressure, density), without the multiplicity changing in character; and the actual as the site of ‘things’ already produced, substances in equilibrium, steady state, or stable systems, singular things with determined, recognizable properties. Bonta and Protevi, 17, 15, 14. For more on the virtual, the intensive, and the actual, see Gilles Deleuze, Difference and Repetition, trans. Paul Patton (New York: Columbia University Press, 1995). I also elaborate on it more below.

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one, since it is their underpinning, the conditioning abstract phenomena or processes that are at work in general, actualized in many different particularities, beyond the confines of any particular historical formation. The abstract machine (apparatus of capture), in other words, characterizes, conditions, and/or gives some determination to specific historical forms or actualizations (capital) as their metaphysical underpinning. Even as there is a relation of conditioning, however, the relation of the abstract to the concrete, of the virtual to the actual, is one of difference;\textsuperscript{187} hence actualization is not imitation or exemplification (of a perfect model) but, true to the term, the actualization of potentials, of the virtual.

By relating primitive accumulation to something more abstract and general, what Marx posits as the historical origin of capitalism is not just generalized (as in Harvey) but philosophized by Deleuze in an abstract, virtual level. This way, Deleuze is able to discern the metaphysical underpinning of the historical production (i.e. exploitation) of surplus value in capitalism, making it possible to probe how, at that metaphysical or virtual level, excess is generated. Excess, after all, is not historically specific to capitalism, even though its form of capture (exploitation) is. The abstract mechanisms uncovered will then give insight to what historically happens to the gap between what is necessary to produce and what is produced, which makes possible (the exploitation of) actual surplus value.

Marx himself hints at such abstract mechanisms. In \textit{Theories of Surplus Value}, he explains that surplus value “can only exist when the productivity of social labor is sufficiently developed to make possible some sort of excess of the total working-day over the labor time required for the reproduction of wage.”\textsuperscript{188} Deleuze echoes this when he says that “it is by virtue of the stock that activities of the ‘free action’ type come to be compared, linked, and subordinated to a common and homogeneous quantity called labor,” which then (since labor has an exchange value lower than what it produces) allows capital’s appropriation of surplus value.\textsuperscript{189} What Deleuze is explaining as stockpiling in \textit{A Thousand Plateaus} is what Marx calls \textit{primitive accumulation} in \textit{Capital}. The important point that both make is that the virtual generation of excess—primitive accumulation, stockpiling—is presupposed by the (trans)formation of the political economy in which (as a mark of its ‘sufficient’ development, as Marx describes it), through capture (i.e. exploitation), that excess is produced (and compounded)—i.e. actualized.\textsuperscript{190}

Deleuze posits primitive accumulation (or stockpiling) by describing what happens to what he calls the \textit{primitive society}, an other (ontological) form of society (or structuration of space) beside(s) the town and the state.\textsuperscript{191} The primitive society, according to Deleuze, cannot be said to exist \textit{before} the city forms (since to begin with these forms are not historical). Rather, “these processes [of structuring space],” Deleuze demonstrates, “are variables of coexistence that are the object of a social topology, [hence] the various corresponding formations are

\textsuperscript{187} The relation is characterized by difference since the virtual Ideas, the ‘plans,’ are different to begin with, to say nothing of the intensive processes of actualization characterized by difference (of the actualizations from each other, of the actualizations from their conditions) resulting to different actual things (even as two things may have the same virtual ‘plan,’ with actual results different from their virtual conditions). This emphasis on the relation between the plan/condition and the conditioned actuality as one of difference is what differentiates Deleuze’s philosophy from traditional hylomorphic renderings of the relation between form and matter.

\textsuperscript{188} Marx, \textit{Surplus Value}, 436.

\textsuperscript{189} Deleuze and Guattari, \textit{Plateaus}, 441-442. My emphasis.

\textsuperscript{190} As with Marx’s primitive accumulation, however, just because it is presupposed does not mean that stockpiling exists \textit{prior} to the social formation.

\textsuperscript{191} The town and the state, along with the State, have been described in chapter 2.
coexistent."

Primitive societies, in other words, coexist (virtually) with the town and the state, along with the State into which they are incorporated. The primitive society, however, does all that it can to prevent the State from being formed. As Deleuze describes it:

[Primitive societies] prevent the potential central points from crystallizing, from taking on consistency, [. . . by use of] those mechanisms that keep the formations of power both from resonating together in a higher point [which would transform it into a state] and from becoming polarized at a common point [which would make it a town]: the circles are not concentric, and the two segments require a third segment through which to communicate, [a third segment that primitive societies lack and block to prevent from being incorporated into a State].

In other words, primitive societies “are not societies without a State, in the sense that they failed to reach a certain stage, but are counter-State societies organizing mechanisms that ward off the State-form, which makes its crystallization impossible.”

As Deleuze points out, however, “to ward off is also to anticipate.” Thus, “primitive societies warded off both thresholds [of the town and the state, which are inevitably incorporated into the State] while at the same time anticipating them.” In other words, “primitive societies cannot ward off the formation of an empire or State without anticipating it, and they cannot anticipate it without its already being there, forming part of their horizon.” Ultimately, however, the primitive society is captured by the State, although it does retain “mechanisms of prevention-anticipation” since “States cannot effect a capture unless what it captures coexists, resists in primitive societies, or escapes under new forms.” Thus the primitive society, just like the town and the state (that it wards off), is incorporated—primitively accumulated—into the State (which it thus always anticipates), although, as a counter-tendency, it coexists (outside).

A historical actualization of the (primitive) accumulation of the primitive society into the State is the mechanism delineated by geographical economics wherein households are incorporated into the factory city. Once incorporated in the factory city, households stop producing by themselves and are instead employed in the factory, unified in a larger productive whole even while remaining distinct (as labor). Just as the (virtual) primitive society is captured by the State, so is (historical) labor captured by capital. Historical labor, then, has its origin in something similar to the productive activities of the virtual primitive society (before it is

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192 Deleuze and Guattari, Plateaus, 435. My emphasis
193 Deleuze and Guattari, Plateaus, 433.
194 Deleuze and Guattari, Plateaus, 429.
195 Deleuze and Guattari, Plateaus, 431.
196 Deleuze and Guattari, Plateaus, 433. Deleuze, later in the same plateau, would say that “it is the evaluation of the last as the limit that constitutes an anticipation and simultaneously wards off the last as threshold or ultimate (a new assemblage),” with the limit/margin referring to “the unit before the apparent exchange loses its appeal for the exchangers” (thus the limit is what characterizes the exchange) while the threshold is what causes a new assemblage to form. Deleuze and Guattari, Plateaus, 439, 437. Deleuze then claims that stockpiling results from a certain assemblage different from the one where what takes place is mere exchange (without stockpiling). Deleuze and Guattari, Plateaus, 440. Both types of assemblage, however, I argue, produce surplus value (although only one stockpiles it). It is simply that one involves “simultaneously exploited territories” while the other performs “successive exploitations of the same territory.” Deleuze and Guattari, Plateaus, 440-441. Hence I did not feel it relevant to raise this point in the main body of the paper. See Deleuze and Guattari, Plateaus, 437-441.
197 Deleuze and Guattari, Plateaus, 435.
198 Deleuze and Guattari, Plateaus, 435.
199 Deleuze and Guattari, Plateaus, 435. For more on what capture by the State entails, see chapter 2.
incorporated in the State). Thus the nature of these virtual productive activities and their capture will shed light into how excess originates.

Deleuze describes what happens whenever productive activities are captured when he says, “Diffusion occurs.”200 This diffusion, Deleuze clarifies, even as the State plays the role of central authority, does not “assume a center [e.g. the State, or the factory] at which the diffusion would begin.”201 The diffusion, Deleuze explains,

Does not proceed from an imperial center that imposes itself upon and homogenizes an exterior milieu; neither is [what results] reducible to relations between formations of the same order [. . .]. On the contrary, it constitutes an intermediate milieu between the different coexistent orders. [. . . In other words,] diffusion occurs only through the placing in communication of potentials of very different orders: all diffusion happens in the in-between, goes between, like everything that ‘grows’ of the rhizome type.202

Although surplus labor (excess) is indeed captured by capital (an apparatus of capture), which through hylomorphic imposition homogenizes and totalizes surplus value (as capital), what results from the process of capture is not a homogenization or a totalization. After all, surplus value is not the only thing that comes out of such a process. More importantly, there is the assembly itself of the captured and the apparatus of capture, which, as Deleuze explains above, is a rhizome, a heterogeneous assemblage. Thus while excess is indeed totalized and homogenized (as capital) (by the State), the assemblage between the apparatus of capture and the captured itself remains heterogeneous. This heterogeneous assemblage, Deleuze hints, leads to what Deleuzians call emergence, a process that generates excess.

To understand how this happens, we need to examine the rhizome (an abstract machine) more closely. In A Thousand Plateaus, Deleuze describes the rhizome as a specific instance of a multiplicity (which everything is). A multiplicity is something that, rather than conforming to a hylomorphic schema, does not necessarily have specific borders (and is thus very capable of change, of becoming) and is defined by itself (rather than by some transcendent form).203 Perhaps the most basic characteristic of a rhizome is its heterogeneity, i.e. it connects different things/multiplicities together (different instances of the same ‘type’ [i.e. the type that has been imposed on them, like what Aristotle means by categories] and different ‘types’ of things or things of different ‘natures’), mingling even (especially) signs and bodies. Deleuze further says that “any point of a rhizome can be connected to anything other,” immediately, and without a hierarchy.204 A rhizome, then, is a combination of different things integrated into a whole without a center—an assemblage, as Deleuze alternatively calls it.

Another principle at work in the rhizome is that of asignifying rupture. Deleuze explains that “every rhizome contains lines of segmentarity according to which it is stratified,

200 Deleuze and Guattari, Plateaus, 435.
201 Deleuze and Guattari, Plateaus, 435.
202 Deleuze and Guattari, Plateaus, 435.
204 Deleuze and Guattari, Plateaus, 7-8. I use single quotes to distinguish words I’m emphasizing from words I’m citing from the text, which are in double quotes.
territorialized, organized, signified, attributed, etc., [i.e. made into some fixed thing], as well as lines of deterritorialization down which it constantly flees [i.e. the lines of flight where it changes (its habits, its qualities), becomes different]. It is the nature of the elements in the rhizome, in other words, to go off into lines of flight, to deterritorialize (change their habits, make other connections), although most often than not they are reterritorialized (they develop a new habit, join another assemblage).

In this dynamics of deterritorialization-reterritorialization, the elements constituting a rhizome (Deleuze gives the example of the orchid and the wasp), upon forming a new assemblage (connection) in a specific territory (or with specific habits) with a particular code (characteristics), do not imitate each other (hence the relationship is asignifying). What is involved, Deleuze explains, “[is] not imitation at all but a capture of code, surplus value of code, an increase in valence, a veritable becoming, a becoming-wasp of the orchid and a becoming-orchid of the wasp.” The elements, if in a rhizomatic connection, in effect, ‘adapt’ to each other, adjust to each other’s codes (or qualities, or form, the way that they are, or the way that they function). This adaptation, as Deleuze describes, leads to a surplus value, a value over and above what the elements initially have, a value that wouldn’t have emerged were it not for the adaptation to codes.

Deleuze continues that “each of these becomings [then] brings about the deterritorialization of one term and the reterritorialization of the other, the two becomings interlink and form relays in a circulation of intensities pushing the deterritorialization ever further.” That is to say, after the adaptation to codes, there is a further change: a change in territories (or habits, or limits) in which the movements of different elements are coordinated in some location. As with the capture of code, this capture of flows leads to surplus value, the surplus value of flow.

Together, the coding and (re)territorialization brings about a certain stratification, a certain rigidification of codes and territories, as different elements compose some unified whole, the assemblage (with relatively fixed habits and limits, and qualities or functions). At the same time, however, as Deleuze points out, there emerge further deterritorializations (and decodings), lines of flight pregnant with the potential for further surplus values. Throughout this process, as an assemblage (stratified to certain extents) is constituted, together the individual elements generate an increase (or increases) (in both codes and flows), becoming something more than if they were doing the same thing separately—generating excess.

This excess generated is what Deleuzians have come to call emergence in their attempt to elaborate on the phenomenon hit upon by Deleuze, which explains the primitively accumulated stock presupposed by exploitation or capture. John Protevi, in “Deleuze, Guattari and Emergence” defines emergence as “the (diachronic) construction of functional structures in complex systems that achieve a (synchronous) focus of systematic behavior as they constrain the behavior of individual components.” According to this explanation, once elements become part of a system (i.e. when they become components of an assemblage), these elements

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205 Deleuze and Guattari, Plateaus, 9.
206 Deleuze and Guattari, Plateaus, 10. My emphases
207 Deleuze and Guattari, Plateaus, 10. My emphases
208 John, Protevi, “Deleuze, Guattari, and Emergence,” Paragraph: The Journal of the Modern Critical Theory Group, 29, no. 2 (2006): 19. Protevi’s article, in addition to providing a comprehensive account of emergence, also contains one of the most lucid explications of complexity theory, which is key to understanding the ontology provided by Deleuze.
spontaneously achieve focused, unified behavior (without the need of a leader), which enables
the assemblage as a whole to produce more than the same individual elements producing
separately.209

Protevi captures the full complexity of this phenomenon by taking time into account. He
explains that “the time scales of each level are staggered, so that what appears as systematic
unity on a specific level is an event, a process, from the perspective of another level with a
longer time scale.”210 From this description, it becomes apparent that there is a hierarchy implied
in the concept of emergence. It is not, however, a hierarchy that subordinates individuals to the
systems that emerge at higher levels. Rather, it is a hierarchy merely “heterochronous,” i.e. a
hierarchy where higher-level entities are different from lower-level ones not because the former
is superior to the latter but simply because they last longer.

The hierarchy pertinent to the capitalist social formation is that between the assemblage
(the unity that has emerged, the capitalist political economy) and the individual elements (its
components, mainly the forces of labor and capital, as well as nature), with the former capable of
outliving the latter. Here is revealed another benefit of looking at the assemblage as a whole (e.g.
the capitalist system in its totality) rather than the individual elements in isolation (e.g. what the
laborer produces separate from what the capitalist plans). By looking at the assemblage itself
(which lasts longer than the individual elements), a longer time-scale is taken into account,
revealing the dynamics of things that can only be tracked through time, realities such as surplus
value and the stock that is presupposed.

Consistent with Deleuze’s philosophy, the concept of emergence implies that the system
formed by the different elements is a heterogeneous assemblage. True enough, the emergent
assemblage (capitalism), like Deleuze’s description of the rhizome, connects different instances
(persons, things) of different types (forces). The fact that it consists of different elements is not,
however, all that makes an assemblage heterogeneous. An assemblage is heterogeneous in the
further sense that, despite constituting a unity, the unity so constituted is, as Bonta and Protevi
describe in Deleuze and Geophilosophy, a “‘consistenc[ y],’ that is, [a] network of bodies that
preserve the heterogeneity of the members even while enabling systematic emergent
behavior.”211 While unified in an assemblage, then, the assemblage’s heterogeneous components
(labor, capital, nature) remain different from each other, i.e. remain as heterogeneous elements
(labor v. capital v. nature).

This heterogeneous “territorial assemblage,” then, according to Protevi, “produces
emergent unities transversally among organisms, subjects and technological apparatuses.”212 In
other words, ‘emergent unities’ are constituted by and composed of not some one dominant
element but by all the different, heterogeneous individuals in the assemblage (including things of
different types, such as labor and nature and capital, as well as material commodities, immaterial
commodities, discourses . . .). Since the emergence of a unity (the assemblage) is accompanied
by the emergence of excess (what is produced by the group by virtue of coming together, being
part of an assemblage, which is more than what they would produce if they were acting
separately), it follow that all the elements in the assemblage—because they are part of the

209 Protevi, 24.
211 Bonta and Protevi, 15. My emphasis
212 Protevi DGE 28. My emphasis
assemblage, because they are implicated with each other transversally—are involved in the generation of excess, specifically the primitive accumulation of the stock.

A Deleuzian explanation of originary excess further requires, however, that the assemblage leading to such emergence be an intensive unity. Reading Deleuze’s ‘geophilosophy,’ Bonta and Protevi explain that the intensive describes processes in which everything is characterized by intensive properties that cannot be divided without experiencing qualitative change (e.g. temperature, pressure, density). In this state, according to them, assemblages form, which “are far-from-equilibrium systems operating in crisis or near a threshold of self-ordering, and are thus poised between the strata [i.e. actual things. . .] and the plane of consistency [i.e. virtual Ideas or abstract machines].”

Given its intensity, taking an element from an intensive body, from the assemblage formed in its components’ intensity (i.e. when these elements are still exhibiting intensive characteristics and not yet formed into the full, actual product), changes what that assemblage is. The assemblage’s elements, then, since it is intensive, are very much interconnected (but not as perplicated as the abstract machines in the virtual; though definitely not as distinguished from each other like actual things). This tight interconnection, however, does not prevent the components from un-connecting, from forming new assemblages, from, using Deleuze’s term, deterritorializing. Despite, or better yet, through all this, an assemblage “display[s] consistency or emergent effects by tapping into the ability of the self-ordering forces of heterogeneous material to mesh together.” This happens “when intensive flows [. . .] reach certain thresholds that activate self-ordering patterns inherent in the material interactions of the components.”

In other words, an assemblage has different things in it that are—by virtue of them being intensive—so interconnected that we can take the assemblage as a (focused and consistent) unity. This intensive interconnection causes the transversal connection between the elements that Protevi talks about, the transversal complicity that makes all the elements in the assemblage involved in the generation of excess, specifically the piling of the stock.

The unity that emerges (the assemblage), it must be remembered, since it has different things in it, is different in itself. As established above, it is in fact in this heterogeneity maintained by the ‘consistency’—i.e. in the difference preserved by the assemblage—that adaptation, the drive for focused, emergent behavior (in both codes and flows) comes from (and which leads to further lines of flight). In other words, the adaptation of an element to become a focused or coordinated component of a cohesive whole—an adaptation rooted in the fact of difference (that makes an individual adjust in the first place)—is what makes possible the generation of values over and above what the element would be able to create were it acting by itself. This is the way in which difference—in necessitating adaptation and coordination in the combination—generates excess.

This drive to adapt and coordinate, however, would not be possible to be fulfilled (would not be activated, would not be turned into a movement) were the elements being driven not intensive. This is because in a Deleuzian ontology, only ‘intensive flows’ or processes (as opposed to virtual Ideas and actual things), as explained above, are capable of reaching certain thresholds that enable them to move, change, and cause change in the system. The emergent

213 Bonta and Protevi, 15.
214 Bonta and Protevi, 54.
215 Bonta and Protevi, 54.
216 Bonta and Protevi, 36.
assemblage thus requires both heterogeneity and intensity. It is in this way that these two principles are presupposed by and unified in the assemblage.

The capitalist political economy (specifically in its productive activity) is a historical actualization of the heterogeneous and intensive assemblage that Deleuze delineates in his metaphysics. Capitalism operates, after all, not solely through the activity of one master element (of capital operating magic, for example) but rather through the dynamics of different elements working together, i.e. through the assemblage of the different labors, the different capitals, the other factors of production (e.g. land, natural resources, etc.), along with their discursive effluxes and support (ideology), and their particular structuration into a social formation. Even as these components are intensively interconnected into a unified system (the ‘unity of composition’ that Deleuze speaks of) in which they are assembled and employed, they remain as individual elements distinct from each other (as distribution, for example, clearly shows) (in an ‘adaptive consistency’).

The capitalist social formation, moreover, as Marx shows, is built on intensive productive processes. After all, there is no saying in advance what each element in the economy is capable of doing, what sole routine each is to perform exclusively, what they are capable of creating . . . Labor is especially striking in this regard since it can do many different things and undergo many changes. A laborer, for example, can move up the production ladder, change tasks, even turn him/herself into something totally other by switching fields, etc. The same goes for capitalists who can be and are at times proletarianized. Moreover, the activities in which labor, capital, and natural forces are involved mesh and deconstruct each other: production-distribution-exchange-consumption. The capitalist political economy, then, is an intensive social formation of elements, forces, and processes capable of great creation, interconnection, and differentiation. Thus, the unity that emerges from the political economy is not some totalized and homogeneous unity (i.e. ‘capitalism’ as such) but rather, as in Deleuze’s assemblage, a consistency of intensities (i.e. ‘capitalism’ as a social formation).

As Deleuze describes of the rhizome, when the assemblage stratifies, codes are adapted to (leading to surplus value of code), flows are conjoined or territorialized (leading to surplus value of flow), with potentials for further lines of flight (that lead to further surplus values). This leads to the stock—the surplus value of code and the surplus value of flow brought about by adaptation/coordination—that potentially emerges along with the assemblage itself. In the capitalist political economy, the stratification (organization/truce) of the assemblage (social formation / class relation) leads to a particular configuration of human activity (production-consumption) as mediated (by distribution-exchange) and the particular agreement between the collective laborer (as employed) and the collective capitalist (as owner of non-labor means of production and, as such, as employer).

As this is configured, the gap between what is necessary to produce and what is produced, a mechanism demonstrated most dramatically (though not only) in Marx by labor, is constituted into something specific to the historical actualization or stratification. That is to say, as the assemblage is (trans)formed as the capitalist social formation, something historically specific happens to the gap between what is necessary to produce and what is produced. Through (de)codings (the acquiring of certain functions and forms: labor v. capital v. nature working together) and (de)territorializings (the conjoining of flows into production-distribution-exchange-consumption) by productive forces and means, the gap lends itself to a potential stock. That is to

217 The terms ‘unity of composition’ and ‘adaptation consistency’ come up at the beginning of this chapter.
say, the split created in the means of production (labor, nature; even capital) leads to potential surplus values of code (due to adaptation to them)\textsuperscript{218} and surplus values of flow (due to their conjoining) that can primitively accumulate a stock, which is the presupposition of (capitalist) production and further accumulation (accumulation in general).

In other words, the historically specific stratification of the political economy constitutes or (primitively) accumulates from the gap a potential stock. Without it or, more precisely, with a different stratification, a stock wouldn’t be constituted or, more precisely, it would be constituted differently, based on the particular codes and territories of that particular stratification. In direct production-consumption, for example, as the producer directly and immediately consumes what he produces, the category of what is necessary to produce and what is produced—and the gap between them—would not be so potent since no further production would take place until all of the excess is consumed or wasted (hence there would be no stock). In the capitalist political economy, due to the mediated nature of production-distribution-exchange-consumption and the antithetical but necessary relation between the collective laborer and the collective capitalist, whose interests, despite being cogs of the same machine, are opposed, such a gap—which potentially leads to a stock—is a necessary and important consequence and presupposition.

The stock that is potentially accumulated through the historical actualization of the political economy at its primitive (trans)formation is the excess that potentially emerges from the intensive assemblage of heterogeneous individual elements. In other words, the stock is, by virtue of elements that remain different, that adapt to each other, that work in intensive consistency, the excess therefrom presupposed to be spontaneously generated. In this consists the ‘originary’ work (as opposed to labor), as it were, that all the elements in the system perform, which leads to a potential stock (surplus value of code + surplus value of flow) that is primitively accumulated. Thus no one element (not labor, not capital, not nature) produces the stock. Rather, all the individual elements, by being intensively involved in the assemblage (i.e. the capitalist political economy), primitively accumulate excess, piling it into a potential (State) stock. Thus excess—more specifically, the stock—given that potentials are fulfilled (or that the virtuality is actualized), is spontaneously generated by individuals collectively immersed in intensive processes and heterogeneous assemblages.\textsuperscript{219}

\textsuperscript{218} What I mean by code here is very minimal, referring mostly to the characteristic functions that the means of production (labor, nature) and capital perform in the political economy. Deleuze and Guattari assert that capitalism as a social formation has minimal codes, or that coding is unable to contain the decoding that accompanies the deterritorialization that is characteristic of capitalism. Capitalism works rather through axioms that capture flows (leading to the surplus value of flow that this chapter begins with). For more on axioms, see footnote 152 of this chapter.

\textsuperscript{219} Deleuze thus does not articulate libertarian hyper-individualism. While Marx and Deleuze posit individuals in the social that they form and in which they mutually contribute, libertarianism posits an empty social platform (with the ‘free’ interaction or dynamics between individuals, the libertarian picture of the ‘social,’ artificially separated from human beings intervening in that social field—when, as Marx shows, human individuals create that ‘social formation’) in which all responsibility is attributed to individual free will that virtually all social forms, in quasi-totalitarian fashion, do nothing but bond. There is thus a sense in which libertarianism is (if only in its paranoiac gaze) fixated on totalitarianism. Marx and Deleuze, on the other hand, see complex potentials in the social, refusing to reduce its effects as either completely positive or negative while recognizing the social nature of individuals.
Conclusion: Spontaneous Generation and Capitalist Capture

It must be noted that the ‘excess’ ‘spontaneously’ generated (the focus of chapter 4) is not the same as the surplus labor that is exploited by capital (the focus of chapter 3). The excess that emerges from the assemblage is what Deleuze calls the stock that is, as Marx describes it, primitively accumulated, which is the presupposition upon which the social formation is (trans)formed (in this context, as capitalist) for (further) accumulation (in general) of surplus value. Moreover, the stock that accumulates to the historical social assemblage, even though it is presupposed for the actual production of surplus value, does not necessarily and absolutely emerge but is a potential— is virtual— like the abstract assemblage itself. Nonetheless, the two (the expected presupposition and the intended consequence) are related: the virtual (potential) stock (the ‘undivided flow’ generated by all elements by virtue of their collective assemblage), by being presupposed as the State stock (the State being the central, unifying authority in what is an adaptive consistency, which distributes the stock first and foremost to the dominant element), constitutes the right to actual (captured) surplus value (the income siphoned off, i.e. exploited) (as capital).

To understand this, we need to look more closely at the stock’s emergence. Deleuze describes the piling of the stock as taking place when “the archaic imperial State [an external, centralizing power . . .] steps in to overcode [individual elements, e.g.] agricultural communities, [in which the State] presupposes at least a certain level of development of these communities’ [or elements’] productive forces [. . . expecting that] there must be a potential surplus [they will produce] capable of constituting a State stock.” Due to this presupposition, the State, as described in chapter 2, forms or configures a unified political economy with a particular territory and codes (e.g. the capitalist political economy), in which, as described in chapter 3, surplus value is exploited by the dominant element (e.g. by capital).

“The stock,” Deleuze describes, “depends on a new type of assemblage.” Explaining it as emerging in the threshold in which (the organization of) things change (rather than a unique moment that took place some time in the beginning of history), the stock is, like Marx’s primitive accumulation (which, as described in chapter 4, is not a unique historical moment even though it is historical), presupposed at the moment of the (trans)formation of the political economy, the (trans)formation of the social, as something that will be actualized in a new (re)configuration or (re)organization as one of the results. The stock is thus both a goal and a presupposition: a goal (a virtual, potential reality) presupposed to be achieved (in actuality) through the actualization of the assemblage.

For Deleuze, then, “it is no longer the stock that presupposes a potential surplus [. . .]. It is no longer the State that presupposes advanced agricultural communities and developed forces of production.” On the contrary, the State, the external, unifying authority that is the organ of the dominant class (or of the dominant productive element or force), establishes the arrangements among individual elements— stratifies the assemblage, develops a ‘mode of
production’—presupposing (expecting and ‘intending’) that by doing so, through a particular actualization of the assemblage, a stock would be primitively accumulated or virtually piled, on the basis of which further surplus—surplus value—would be actually reaped and (re)distributed to the dominant element (in fact as the dominant element, e.g. as capital). In effect, then, the primitively accumulated stock potentially generated by all elements is the basis of surplus value actually produced that, through State organization or stratification, is to be captured by the dominant element (by capital). This is the way in which the stock, to use Deleuze’s terms, is the “undivided flow” from which workers derive what they convert into values, only a part of which is consumed by the laborers as “income [is] siphoned off” by the capitalists.

There are important ways, then, in which the capitalist social assemblage departs from Deleuze’s characterization of the rhizome. There is a sense in which, through State (trans)formation of the political economy, the individual elements and their relation to each other—multiplicities—are “organized, stabilized, neutralized, [. . .] resulting to impasses, blockages, incipient taproots, or points of structuration” that trace the rhizome into a hierarchical tree with a center. This is not inconsistent since, as Deleuze explains, there is not a dualism between the immanent rhizomatic assemblage and the upright, deeply rooted transcendent structure of the tree. There is, rather, an interpenetration in which “there are knots of arborescence in rhizomes, and rhizomatic offshoots in roots, [. . .] despotic formations of immanence and channelization specific to rhizomes [. . . and] anarchic deformations in the transcendent system of trees, aerial roots, and subterranean stems.” Like the different elements of the assemblage itself, the rhizome and the tree are structural formations in which “one [is] inside the other and both [are] plugged into an immense outside that is a multiplicity in any case.”

Perhaps the greatest manifestation of the tree in the capitalist rhizome is the fact that the work being done in the political economy, including the adaptation to and coordination of difference presupposed at its (trans)formation (to say nothing of its maintenance and expansion), is, through the authority of the State, directed by and towards a dominant element, skewing what is supposed to be a rhizomatic process. While in fact the collective capitalist, like the collective laborer, also works (in conjunction with nature), not all elements in the system have equal power, economy, or requirements. The social formation is structured in a certain way, i.e. as a capitalist social formation. Since all elements have to (economically) align themselves to the (political) stratification of the social formation, difference is guided by the (imperial) rule that all elements be subordinated to the political economy’s dominant force—capital—to which productive activity, as Marx shows, is first and foremost directed, thereby feeding, bolstering, and

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224 Deleuze and Guattari, Plateaus, 428-429. The different elements in the assemblage then perform an “evaluation of the last” (their limits that holds the truce, keeps them in ‘equilibrium’) “relative not to an abstractly posited stock but to the respective assemblages of the [. . .] groups,” or the position of the different elements in the assemblage of the social formation, and to the extent that their positions are in some ways desirable or satisfactory, they stay in the assemblage as its components, maintaining the social formation. Deleuze and Guattari, Plateaus, 439.
225 Deleuze and Guattari, Plateaus, 445-446.
226 This is the context in which Michael Hardt and Antonio Negri, in Empire, claim that the capitalist social formation is not a full-fledged rhizome because of sites of command and control. See Michael Hardt and Antonio Negri, Empire (Cambridge: Harvard University Press, 2000).
227 Deleuze and Guattari, Plateaus, 13.
228 Deleuze and Guattari, Plateaus, 20.
229 Deleuze and Guattari, Plateaus, 23.
strengthening its power and economy, consolidating further its dominance and rule, its social formation.

For this reason (the fact that the tree is in the rhizome), Deleuze observes that “the stock seems [. . .] to have a necessary correlate: either the coexistence of simultaneously exploited territories, or a succession of exploitations on one and the same territory.” In other words, actual exploitation—capitalist capture—is implied by and built into the ‘primitive’ process of virtual stockpiling, in the (trans)formation of the system. The actualization of the assemblage as the capitalist political economy presupposes the primitive accumulation of the stock (through the State) to capital, which, among other things, legitimates its exploitation or capture of (further) surplus values from (further) accumulations. Virtual stockpiling or primitive accumulation is presupposed—and the political economy is actualized or structured according to it—for the capture and accumulation in general of surplus value as capital, thereby actualizing it. The generated stock (that belongs to the dominant element) is thus presupposed in order, in the form of surplus value, to be actually produced and, thereby, captured (as capital).

This is the “violence” that Deleuze describes “always presents itself as preaccomplished,” “a violence that necessarily operates through the State [. . . to] constitute[. . .] primitive accumulation, and make[] possible the capitalist mode of production itself.” This is the sense in which capital, the dominant element, “captur[es actual surplus value] while simultaneously constituting a right to capture [via the virtual stock presupposed].” Thus values (including surplus values), due to the presupposition of the primitive accumulation of the stock, are securely directed by and towards the dominant element in the assemblage (at least in the first instance, after which the dominant element further distributes).

In arguing that the (virtual) stock is presupposed for the (capitalist) capture of (actual) surplus value, Deleuze describes the same mechanisms that underlie what Marx calls exploitation: alienation, abstraction, valorization, and monopolistic appropriation. Moreover, by probing it in its virtuality, Deleuze is able to explain how such a process can take place. At the same time, however, Deleuze opens up the possibility for questioning the role that different elements play in that process, challenging Marx’s model. If virtually (i.e. at its abstract level, which is its metaphysical basis) excess in the capitalist political economy is generated collectively by all individual elements, then it would seem that, unlike in Marx, labor can no longer claim to be the sole producer of value, including surplus value. If the virtual basis of surplus value, the stock, is indeed generated collectively, then all elements in the system would

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230 Deleuze and Guattari, Plateaus, 440.
231 Deleuze and Guattari, Plateaus, 447.
232 Deleuze and Guattari, Plateaus, 448.
233 The fact that values are first and foremost—i.e. monopolistically—appropriated by the dominant element, capital, unravels the neoclassical argument that all elements in the system receive their fair shares. In Harvey’s explication, the concept of fair shares assumes that “competition for productive forces—land, labour and capital—forces entrepreneurs to pay an amount equal to the value that the marginal (last employed) unit of each factor creates. Given a particular technological state and relative factor supplies (scarcities), then competition ensures that each factor ‘gets what it creates,’ that ‘exploitation of a factor cannot occur.’” From this, Harvey notes, “it is [. . .] a short step to infer that the distributive shares of rent, wages, interest, etc., are socially just fair shares. The political implication is that there is no point in, or call for, class struggle, and that government intervention should be confined largely to ensuring that perfect competition prevails.” Harvey, 41. If values first and foremost belong to capital, the dominant element, then competition and distribution (that allows an element to compete) are unfair to begin with.
234 In this sense, capture is more general than exploitation, and not only in the sense that it’s virtual.
have a claim on it (even though the claims may be unequal). This includes capital, whose claim would be based not only on the fact that surplus value is presupposed as a State stock (the rights to which belong to it as the dominant element), but as a participant generator—i.e. as direct producer—if only virtually.

This is compounded by the fact that the values produced by each element—especially those over and above what is necessary for each to produce, i.e. the surplus values—is extremely difficult to measure in what is a collective and social (not to mention intensive) production-distribution-exchange-consumption. If the exact contribution of each element to the assemblage is not determined, how are values to be distributed? If production cannot be its basis, what could determine distribution (which itself determines further production)? How is surplus value in particular to be distributed, considering that it leads to the accumulation of further means of production, which, in turn, means not only economic but political power? Capital, the dominant element, as Deleuze and Marx establish, indeed captures, but to what extent does it keep values to itself? And how much value, by struggling with capital, are other elements (especially labor) able to get? If values cannot be distributed based on which element produced what, is there another way, another (trans)formation of the social perhaps, that is less dominated than benevolent? Or, better yet, what would a truly rhizomatic political economy look like?
Bibliography


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