

## **POLITICAL ECONOMY AT THE CLOSE OF ITS SUBJECT-MATTER**

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Capitalism displayed throughout the XXth century such prodigious human capacities, that its miraculous accomplishments -not only technological- surpass the dreams of the past and those of the present.

However, while objective and subjective conditions were created that render universal civilisation feasible, and whilst the gates for future social progress were thrown wide open, the same capitalistic principle that has proved to be yet the mightiest demiurge of progress accounted for social catastrophes of an unprecedented scale and for unspeakably horrendous crimes against humanity. Among these, the present admixture of generalised social inequity and universal abstract servitude stands as the most enormous --if only because the new upsurge in capitalist accumulation prompted by this dramatic contingency is unable to provide social relief or even to restore the illusion of a prospect thereof.. For some economists the world has changed beyond recognition; for others not so, because no question about the system's historical nature fits into that portion of theory they happened to "receive", nor does the claim for the emancipatory mission of science strike a chord there.

The professional economist exorcises unedited occurrences in the economic world by the use of fashionable lexical novelties from which their sayings pick up an air of technical solvency, that passes right away into the jargon of news-people and knowledgeable public. Such glossaries were not consecrated by the use -to begin with- but are used because they emanate from a consecrating power. If economists of a different breed tried some of the most current notions on the test bench of the original scientific concepts, they couldn't fail to expose those fashion-victims among their colleagues that believe themselves to be updated, which indeed they are, in effect, but with regards to a vogue that is itself anachronistic, as it consists in giving up reflection.

The economist involved in academia, the standard researcher, shuns the task, for reasons he may or may not understand. It is not up to him, he believes, to criticise the consecrated truths, nor is it his business to look into the specific historical nature of capitalism. It's no secret that aggregate capital accumulation may (and indeed does) run into more than one problem, but as far as the ordinary economist is concerned, this need never bring up to consideration the present system's capacity to warrant general social progress, nor the derisory question of whether or not the development of this production form carries an in-built limit. In sum, the pursuance of economic science is not what the lawful economist would care about -legitimately. Indeed, law-giving authorities laying down the guidelines for research and education, thereby governing the moods of the profession and driving the perceptions of the researcher, will scorn at any undue concern with the historicity of capital.. It certainly belongs to the social nature of science to be institutional, and it pertains to its essence to be free, but under mature capitalism institutionalised science is sordidly yoked to its financial sources and thereby subsumed by capital. Such mediation rouses scientific production into a wild frenzy, while badly hampering the concept. No wonder that current science embraces an

unwarrantable anti-metaphysical metaphysics, and expresses the fanaticism inherent in this credo by purging itself from any pronouncement that could be suspected of being "philosophical". In the midst of a thick ideological fog the label "philosophical" decries beforehand the intellectual value of any statement, whatever its contents, and casts upon it the disgraceful stigma: "unscientific rubbish". (1)

The official discourse takes on the material form of its direct administrative effects; authorities exerting management power over the scientific realm abstain from incurring themselves in such utterances as may become involved in the concept, to the point that their policies are unspoken, implicit; yet this intellectual reluctance never inhibits them from expressing either by action or omission their values and sympathies, which they do with natural eloquence, just "as a matter of fact", this is, by means of blunt "performative utterances". (2) This subsumption of science under the Logos reified in abstractly material accumulation never hampers the built-in imperative in science to meet its own measure, that the alienated economist, whether academic or professional, hallucinates in the nightmarish figure of an evil beast preying upon him. The representation he has of his own professional patrimony is that of a portion of "human capital", an unstable asset unceasingly waning by obsolescence, that he can only keep up with by frenetically restoring it, without ever stopping to taste the forbidden fruit. His reaction to capital's urge will be conditioned by the adaptive abilities he was able to acquire during his early days of captivity as a student.

In times when unbelievable prodigies of science and technology are everyday news, the general drive towards unceasing professional updating seemingly transpires from the same marvellous source of useful knowledge. But as soon as the economist, anxious as he is to be duly recycled, receives the latest consecrated admixture of standard wisdom, instrumental approaches, and legitimating symbols, he makes the dismal discovery that "the day's paradigm" could not be more trifling. In his perplexity, he cannot but acknowledge that the subject-matter of political economy is undergoing transformations that put radically into question the elemental foundations of economic science. His option is to abide by the concept or renounce to it altogether.

Circumstances favouring one or other term of the dilemma reigned alternatively till some time ago, in correspondence to the ebbs and flows of capitalist accumulation. Thereby ups and downs were brought about in the hopeful expectations ("la promesse de bonheur pour tous") that capital used to instil into the souls of those left behind. The eighteenth century's illusion according to which the capitalist form of society is in accordance with eternal natural principles, however anachronistic, is materially necessary for the reproduction of the system. This is the reason why scientific-like dressings adorning the chimera deserve the highest official honours. As long as material progress lends seemingly sensible plausibility to the hope of progress cum welfare "pour tous", the question about the historical limits of this particular form of civilisation looks unwonted and intellectually twisted: till the mirage fades away, and the time is ripe to recommence the concept. (3)

It is to such endeavour that we wish to contribute in these pages, first by recalling how and why economic science accomplished a mission of emancipation in the XVIII and XIX centuries and gave it up in the XX century; subsequently, by counterpoising against present realities the "imago mundi" rendered by political economy: the old answers dealing with the new questions; finally, trying to anticipate the programmatic

dimensions of the discussion sketched out here. Our main references will be Smith and Marx, raising the question of whether or not our own epoch has been worthy of the scientific programme of these authors. (4) The economists of today, especially the young, have to know where they are and whither they go. To begin with, let them know where they proceed from.

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Political economy was a creature of the Enlightenment, that intellectual ferment illuminating the rise of capitalism with those same lights that cast the shadows that cover it today. (5) The onward progression of modern thought was initiated well before the epoch that rightly called itself "the century of philosophy", and today its exhaustion closes a cycle: the attempted construction of a concept without metaphysics becomes complicated in a metaphysics lacking a concept.

The history of modern economic thought is comprised within this arch. In the blazes of the XVIIIth century, a man devoted his entire intellectual career to the purpose of resisting the inescapable fate of political economy, while at the same time, without this being his purpose, he was founding it. He authored both "The Theory of Moral Sentiments" and "The Wealth of Nations". Posterity praised the second work at the expense of the first. Such discriminatory extolment required academic conventional wisdom to establish that the emphatic pronouncement to the contrary of the author himself should be taken as irrelevant, or, as it were, null. (6)

Let's name the false Smith as Adam Myth, and call the true Smith by his name, then we can find several coincidences between them: both are the founders of modern political economy (PE, henceforward); they upheld liberalism, characterised and baptised the Mercantilist System and declared themselves its sworn enemies; they favoured free commerce and trusted the harmonious balance of civil society to the providence of the Invisible Hand; and, just to put a rather arbitrary end to this enumeration that could be stretched further, they were at one in giving new life to notions bequeathed from the ancient world, such as Social Division of Labour, and Mercantile Value, and converted them into the founding stone of the modern economic science. The value question, in the case of Myth, has little relevance, if any.

Against these similarities, the PE founded by Smith is not the same science of which the paternity is attributed to Myth. Whilst the latter is scientific in character according to the scientist pattern that has become fashionable in the present time, the former is scientific in a sense that is both more profound and more severely exigent: Smith's PE pertains to Jurisprudence (indeed, to natural Jurisprudence), and this inward connection has the mission of discovering and explaining the natural basis of the political Constitution of a "well governed" society, which is to say, a society ruled by laws that are in accordance with nature. (7) According to Smith, these foundations are inherently ethical: the profusion of material wealth will be at the same time the cause and the consequence of the system of the freedom of values, yet only if it conjugates with convenient governmental measures providing the benefits of education (in the most ample sense) for all. The full significance of the PE reaches the civic life!

Myth, on his side, is undoubtedly the fundamentalist, the great enthusiast of laissez faire: he believes blindly in the civilising effects of this principle and is willing to put humanity at large under the care of the invisible hand, which will automatically warrant

economic growth, as long and as far as its greatest danger, State intervention, is precluded. In the absence of this major menace, the civilising effects of "laissez faire" are certain.

But all this is altogether different in the case of Smith. To begin with, the lexical expressions usually considered as the most characteristic in Adam Myth, either never appear in his writings, as is the case of "laissez faire", or only very rarely, like "invisible hand"; and even if they do, it is in the sense of social equity, that comes from natural philosophy traditions: a connotation that is rather alien to the vicarious prophet and entirely ignored by those that usually invoke him. Certainly Smith also sees in the free unfolding of market relations the sine qua non condition of an advanced civilisation. Only in the large markets of immense ecumenical dimension, human labour's productive capacities bloom in all their splendour, and humanity may reap the fruits of the division of labour. Yet Smith never ceases in his insistence that such high civilisation is only possible provided it is founded on moral principles, and consecrates his career to investigate those principles. (8)

If, however, such condition weren't met, the effects of the commercial system on civilisation would be dismal and devastating. The poor would find themselves defenceless at the mercy of the rich and the government. As for the State, Smith, at one with Locke, denounces the "government" to be an artifice construed by the rich in order to defend themselves from the poor. The greedy merchants "are not, nor should ever be, the governors of humanity". The benefits of the social division of labour would be lost, or worse. From infinite blessings they would become calamities, and would end by destroying humanity. Here Smith speaks over the heads of his own fellow contemporaries and over those of the subsequent generations, directly addressing us, men of today. (9)

Finally, Myth is certainly liberal, to the marrow. Smith is also liberal, but in a rather different sense. For while Myth's liberalism has nothing to do with political liberalism, Smith's economic liberalism can only be understood as an inseparable aspect of his political philosophy. If, however, we do make this improper abstraction and (just as the interpretative tradition we are criticising still does) consider Smith's PE, paying no heed to its essential links with his political philosophy, even then his economic liberalism remains essentially different from Myth's. Smith is liberal in the field of economic science in the same sense as before him, in the continent, the masters of physiocracy were liberals. As one of them, Dupont de Nemours, explains it, they founded on liberal principles "a body of doctrine, definite and complete, which clearly lays down the natural rights of man, the natural order of society, and the natural laws most advantageous to men united in a society". (10)

We needn't pin-point here Smith's precise standing among the various liberal currents of his times. Suffice it to indicate that his work shares a purpose that is common to them all: to discover the basic principles governing the new-born modern society. True, to counterpoise a progressive Smith to a reactionary Myth would just amount to substitute one fake for another one. Both are conservatives, albeit, once again, in quite opposite a sense. It remains distinctive of Smith that he takes on in earnest the admonitions of the "Tory" reaction against the dangers inherent in progress, and tries to give a positive turn to their objections. He argues that the bourgeois world's prosperity can be made

compatible with the traditional virtues and moral values and, furthermore, that without these it wouldn't even be sustainable.

The liberal principle was conceived by means of a transformative critique of an aristocratic ideology from feudal inspiration. This transformation process was initiated and, in substance, completed, by the liberalism of the XVIIth century, mainly by Hobbes and Locke. Liberalism admits the prevalence of reason over faith; hence, in its search for substantial grounding of State legitimacy, it has to do without Theology and, most of all, without the authority of the Church, be it worldly or celestial. The essence of liberalism is the right of rebellion: this natural right (exclusive, in its origin, to the nobility) is the building rock on which the liberal notions of social pact and political mandate stand. (11) Needless to say, this is a far cry from the liberalism that Myth would stand for, namely, the present strand of liberalism, of which Myth is said to carry the banner, which advocates the unrestricted power of ecumenically centralised capital.

Or, taking into consideration that Smith inscribes his lifetime work in the liberal traditions of his time, and especially that his greatest contributions are in the line of a liberal critique of the intellectual heritage from Classical and Christian philosophies, to depict Smith as the archenemy of the Commercial System is just as arbitrary as to see in him a late representative of Stoicism in a Greco-Roman lineage. (12) Smith has a critical stance on both questions, which are, in his view, inseparable, and his position is negative and positive. Negative, because he rejects the doctrine favouring a commercial society deprived of ethical values, as much as he identifies authoritarian and Stoic overtones in the idea, which he opposes, of a social order founded upon virtue. And positive on both questions, because on the one hand he vindicates commerce as, again, a sine qua non condition of progress (as a fully developed social division of labour is correlative with an unbounded extension of the markets), and on the other hand he argues that such progress can only be grounded on moral principles. These, in his conception, are of a natural condition, so that they need not, should not, and cannot be imposed despotically.

In sum, Smith is far from sharing Adam Myth's blind optimism regarding capital. It is true that the rigorous concept of the historical character involving economic categories will still have to wait for a long century, till Marx starts publishing his later Werke. Yet in spite of the fact that Smith never really grasped this concept, his comprehension of the limits of the system is nonetheless remarkably vigorous, and, if we abide by his argument, his verdict on the present exhaustion of capitalism is conclusive.

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In the XIXth century economic science suffers two severe amputations. In the first half of the century PE is torn off from Philosophy. In the second half, she is deprived of the Value Theory and becomes unable thereafter, as a consequence, to make some most relevant distinctions (between value and mercantile value, money and means of circulation, market equilibrium and production equilibrium, capital rotation and capital reproduction). Thus, her subject-matter-soul was twice cut adrift: not even the Jívaro head-reducing practices were ever so cruel. (13)

The first excision, which went almost unnoticed but not without consequences, cuts right across the grand lineage in PE that Marx called Classic. The label does justice to the best scientific production, but it blurs the essential difference between the XVIIIth and XIXth centuries, between PE as an expression of manufacture capitalism, i.e., as this science was brought to life before the industrial revolution, and PE consecutive to the configuration of industrial capitalism: not only between Smith and Ricardo, but also between David Hume and Alfred Marshall! The nexus articulating PE with philosophy persists, but it does thenceforward become extrinsic, passive, poor, ideological. Such mutations must be underlined, if only because they mostly persist through the XXth century, seriously impairing both Social Science and Philosophy. In contrast with Smith and, for that matter, with Hume, Ricardo has nothing like a philosophical project. The same must be said of his followers and, a fortiori, of his detractors. (14)

Since Ricardo's Principles, the civic purpose disappears from economic science almost altogether, while the projections of PE towards Political Philosophy become downgraded into mere "policy advises". What the economic lobby-man of the XIXth century has in mind, just the same as his early ancestors, the mercantilists acting in the courts of absolutist monarchies up to the times of Louis XIV, is to have an influence (if not a high hand as Colbert's) over the government's economic policies. Whether knowingly or otherwise, every single economist is the disciple of some philosopher, big or small. Only a few could (and actually did) tell where their bequest came from, as was the case of Ricardo and Edgeworth, at the beginning and at the end of the century, respectively: and both acknowledged the same philosophical tutor, who would thereafter extend his tutelage over the XXth century's "Economics". The name, of course, was Jeremy Bentham.

Bentham's extraordinary influence cannot be explained either in terms of his profundity or his originality, for he lacked both. The celebrated lemma that was wrongly attributed to him, "the greatest happiness for the greatest number of people", had been voiced repeatedly during the previous century, not only in the continent (Beccaria) but also in Scotland (Hutcheson). However, this formula had never been taken in such a one-sidedly narrow utilitarian sense as when Edgeworth (towards the end of the XIXth century) proclaims it as the "sovereign principle". (15) A century earlier, when the Enlightenment was struggling to set thought free from mediaeval theology, and to emancipate philosophy from the fetters of theology, happiness was more associated with virtue than with satiety.

In those XVIIth and XVIIIth centuries the articulation between PE and philosophy was still an active intellectual mission of the former: the economic concepts displayed themselves in a philosophic medium, and even the grand philosophy found inspiration in that authentically modern science that took modern civil society as its subject-matter. (16) It was thus that the young Marx could find PE "philosophically digested" (as pointed at by Pierre Naville) in the works of Hegel. The Wealth of Nations relates itself with ("natural") Jurisprudence in the same way as, in the philosophy of Shaftesbury (Smith's senior at Glasgow), the artist involves himself with his work: "The beautifying, not the beautified, is the really beautiful". (17)

The second amputation that sundered PE was made possible, prepared, and even anticipated, by the first. It has to be borne in mind that when Marx undertook the critique of PE, the latter, represented in those times by the Ricardian school, was already undergoing a process of impoverishment and had fallen into discredit. Outside the Ricardian tradition, authors converging into the Neo-classic approach were simultaneously (yet mostly independently from one another) laying the platform of a new economic discipline: the one that was soon to claim the seat of PE as the official economic doctrine, in spite of the fact that it lacked the concept of value, and even invoking this weakness as a title for scientific dignity. However, long before these alien initiatives picked up recognition, found coherence, and gathered momentum, the main representatives of the Ricardian orthodoxy had done their best (or their worst) to get rid of what they deemed a theoretical dead weight. They were still Ricardians, though not Classics.

For, according to Marx, who was the original creator of this label, the true "classics" were those masters that endeavoured to understand the capitalist system in its "inward concatenations", in contradistinction with "vulgar economists" that stood prisoners of its "outward concatenations". And Ricardo was great, but his disciples were unable to grasp, let alone work out, his yet unaccomplished notion regarding capital. Only Marx would stand up to the task of developing this concept beyond Ricardo. By dealing critically with the theory of capital, he discovered the dialectical inner sequence from commodity, through money, to capital, and was the first to display the whole set of identities, polar oppositions and necessary transitions between these categories, from commodity form of value to capital form of surplusvalue, from commodity circulation to capital rotation (the latter mediated by the former). It was for him to present for the first time capital reproduction as the process-unity and concrete totality of all these determinations.

The disastrously declining Ricardian school let go in askance the "inward concatenations", and its contribution regarding those of "outward" nature was scant or null. The Neo-classic doctrine (that was to keep enclosed within the latter articulations, namely, the market) never fought a true battle against the classic view, but just walked into an abandoned niche. Quite contrarily, Marx's critique was truly and decidedly transformative, as it poised PE against its own exigencies till its immanent transitions were disclosed and put in motion. Thus, the (Marxian) theory resulting from the critique of PE would and should be nothing more than a "necessary evolvment" of the same PE. (18) Such a critique against a consecrated doctrine, consists mainly in its thorough exposition. But PE, the highest representation of the specifically bourgeois social view, was far from enjoying the height of its prestige, and was put under siege both from without and from within. This peculiar circumstance brought a complication to Marx's critique, for while he had to set out the theory he was about to surpass, he had to vindicate its real and lasting contributions.

This effort left a mark in *Das Kapital* and confounded the present century, that read Marx mostly in a Ricardian key. (19) Marxist PE remains mostly lethargic during the XXth century, except for some analytical progress hardly surpassing a Ricardian horizon. Thus, when MPE manages to free itself from the economics mainstream, it gets caught in the epistemological mainstream. The latter, with the excuse of demanding from science empirically "falsifiable" propositions, dogmatically denies the relational

dimension of the concept, which is non "falsifiable", and on that account (with the additional and quixotic excuse of its crusade against a diffuse metaphysics), rejects the concept as concept. If the official economic discourse ignored PE for a century, feigning ignorance of its past accomplishments, haughtily unmindful of its subject, its method, its main problems, its conceptual rigours; and if, later on, official Economics looked away from the dramatically renewed theoretical exigencies as are today imposed upon social science by present historical transformations occurring in its specific object: capitalism; if, finally, it was able to usurp, and get away with it, the throne that belonged to PE without taking care of the duties attachable to this patrimony and especially of its scientific debts, then all this was possible because late XIXth century PE suffered from an inborn weakness. Its virtual superiority should have certainly worked to her advantage but instead made her so vulnerable that it turned out that PE was not defeated, or even attacked, but just gave in, and tumbled down, by an implosion.

The field that PE left unattended was not colonised by a rival school or an entrenched doctrine of the same science but by a quite different discipline, one such that its subject matter comprises no more than a portion of PE's, indeed a particular province thereof. This new discipline ignores the notion of commodity-value. Given the fact that capitalist production is essentially commodity production, commodity-value is nothing less than the all-unifying concept of modern PE. Capitalist reproduction in its concrete totality is the dynamic unit comprising two discrete processes, that together involve reproduction of reproducible products. One process is the formal mutation of these products, which takes place within the market sphere; the other process comprised in production is production in the narrow sense, consisting in the technico-material conformation of the same products. The new discipline confines its attention to the first of these spheres; not because she's unaware of the second, which she is certainly not, but because the conceptual integration, the dialectical totality (the differentiated unit) of both spheres falls beyond its grasp; as a consequence, the notion of a value principle governing dynamic adjustment in the production structure is all but senseless in its view. A fortiori, the idea that laws of historical transformation of the capitalist production are immanent to this system is hardly tenable or even meaningful in a vision so unilaterally confined.

Despite (or perhaps due to) this severe limitation, this approach will for some time exhibit a remarkable fertility, its main contributions revolving around the notion of "general equilibrium". However, in such limited background "general equilibrium" only signifies market equilibrium, so that the very best fruits rendered by this approach fall far outside its own reach and can only be enjoyed by being recovered into the PE concept. (20)

To announce that they broke loose from the preceding PE, the founders of the new science are fond of the idea of a new baptism, (21) so that several names are suggested, like "Catalactics" (Whately) and "Economics" (Jevons, Marshall). "Catalactics", the science that deals with exchange, would seem most appropriate, but Marshall put the weight of his leading authority on behalf of "Economics", which became consecrated, together with Neo-classical Economics (which we may adopt for the present purpose, NE henceforward). Centred upon the general (market) equilibrium theory, and, hence, stubbornly oblivious of the historical specific finitude of capitalism, NE reigned supreme for a whole century. (22)



And what a century! It is indeed remarkable and perplexing that even at the height of the great wars and unparalleled general crises, when the rationality and feasibility of the system as a whole were in ruins before the eyes of the world, the official discourse managed to keep the question within those consecrated catalactic approaches in which the concrete totality had previously been suppressed. The "General Theory" promised a way out, both theoretical and practical, but the perspective was doomed: to its claim that NE had been reduced to a particular case, NE responded by demonstrating the opposite. As an immediate result, the paralogism was reinforced, but the theoretical outcome of such reintegration of the would-be "general" theory, now subsumed by NE and converted into a particular case, was an unexpected activation of the transition potentials within the catalactic approach. Clues pointing towards this transition (like the distinction between different scopes of the equilibrium process: partial and general, but chiefly between full and short-term) have been gathering all the time, yet its significance for quite a time remained disregarded, while the academy marched in the opposite direction.

It is quite extraordinary that the academic corporation as a whole could unwinkingly stick to such a course through the greatest social turbulence ever, theoretically oblivious of revolution and counterrevolution on a continental scale, general world wars, hallucinating scientific discoveries and technological developments, and, in sum the radical transformation of the world. This evokes paranoid fantasies involving multitudes of professors sworn into a world conspiracy against the classic theory of value. The power of capital has indeed interposed an ideological interdiction upon the concept. However, its defence from a well grounded accusation questioning its legitimacy and revealing its finitude, could only succeed while historical circumstances were propitious.

The ideology of the century was (and still is) irreducibly hostile towards the concept. This hostility is the caricaturised outcome of an in-built tendency that pestered the Enlightenment heritage, and offered the common post-modern prejudice that was to be shared among otherwise diverse traditions (such as empiricism, positivism, utilitarianism). Narrowly Catalactic analysis adapted successfully to an early phase of such intellectual tendency; a high credit for this dubious success was any degree of emasculatory disengagement from the commodity-value problem. NE went all the way in the conquest of this merit: she didn't just shy the task (as the Ricardian school did before her) of doing further research on the then still unresolved problems of value theory, but decidedly moved forwards, which is to say, backwards: she flung off the problematic concept altogether.

This daring (or should we say shameless?) turnabout was nothing like a theoretical solution, but it offered an ideological way-out for the bourgeois establishment from the uncomfortable problem rigorously posed by Ricardo, that became a nightmare for his disciples: the seeming incompatibility between the law of value proper and the tendency of capital benefit rates towards equalisation. What was really embarrassing in this problem was not only or mainly its intricacy, but the fact that Marx, none other than Marx, had provided an elegant and rigorous solution to the Ricardian riddle (by explaining the "transformation of values into production prices"). NE decried the problem and thus managed to disqualify the solution: the astute trick blows down to an irreflexive and entirely extrinsic rejection of the basic concept of economic science. Paradoxically, what is substantially per se a serious drawback, namely, the dire

ignorance of the value concept, gives NE a fresh air to look into the peculiar behaviour of the homo mercator.

In NE's candidly ahistoric understanding, homo mercator is tantamount to Man. Utilitarian analysis is not only unable to tell the historically specific character of commodity production, but it furthermore remains crassly ignorant of the fact that Commodity is a productive relation to begin with. However, while impervious to the distinction between the highly specific determinations of modern society and its generic dimensions, it brings into the narrowest possible focus the peculiar behaviours which are characteristic of the historically determined individual that establishes his productive nexus in modern civil society, and for whom his own social essence is represented in the thing's quality that makes it exchangeable. NE undertook this line of research by isolating the unilateral representation of man's own productive relations as it appears in the homo mercator's uncultivated mind, and remaining within such a figuration, oblivious of the knowledge acquired by ancient and mediaeval economic thought, and so greatly improved by a century of PE in its classic and critical versions. The same NE abstraction of which the immediate effect is to stultify economic thought, is ultimately bound to sharpen the analytical edge of PE.

Indeed, NE is built upon two pillars that stood over the ruins of the classic school. One pillar was the unilaterally analytical method that captures Commodity in its immediate phenomenological appearance and leaves it at that. The other pillar was the marginalist approach. Both pillars were erected separately and independently long before the times of Jevons and Menger, and even before Smith.

The marginalist principle was first stated at the beginning of the XVIIIth century by the Dutchman Daniel Bernoulli in his analytical studies on risk. Its first applications for the purpose of optimum choice analysis, as regards decision making at consumer and firm level, and, outstandingly, economic-space configuration, were achieved during the first half of the XIXth century by early forerunners of NE, like Gossen, Cournot, von Thünen. While PE mostly ignored these developments (thus missing their potential for improving value theory), NE grasped an opportunity and made something of it.

And so the stage was set for the cacophonous history of economic thought as it went on throughout the XXth century. Whilst PE cried desperately for an updated version, all the main relevant buildingblocks for this purpose lay scattered around. To analyse the highly specific behaviour of the individual commodity producer (a task fairly accomplished by NE) is, indeed, an inexcusable mission of the mercantile-value concept. Contrarily, if such analysis remains isolated from the concept in an abstract loop (as it still is in the NE's tent), then, it will be doomed to paralogy, however much it can be improved -as it certainly has been, with the aid of mathematics.

PE was never replaced, but it was certainly displaced by EN. This rather awkward situation would keep on as long as PE remained unable to go beyond its yet most accomplished form, its Marxian version. While renouncing to the mission of making its own critique, which was initiated by the self-same Marx, PE might never seriously menace the NE supremacy, nor would it proceed with the transformative critique of the NE to the point of subsuming it into its own concept. Instead, however, of parting from Marx and thereby with Marx; in lieu, of updating Marx critically, PE falls into a state of lethargy, while a vicarious discipline sets its quarters colonising its institutional place.

Lacking the spirit or the vigour it was animated with in earlier times, PE remains during the most part of the XX century in the doctrinal, incipient and anachronistic form of a regressively Ricardian reading of Marx.

At present, there are signs of new endeavours, among which our own work is an attempt towards updating PE, that starts with a critique of NE. (23) We believe we have shown that the latter, by just being counterpoised against itself, enters *eo ipso* under the service of the value theory and renders substantial contribution to the concept of the commodity-form of value. Indeed, the general law of mercantile value is mediated by interaction of otherwise isolated individuals which are determined, in Marx's words, as "private and independent producers". An individual behaving in line with this concept comes to the market where he will try to enter into a particular form of production nexus. This is the sole relation of a general social kind he can engage in, and yet this link is inevitably alleatory, fugacious and intermittent. Indeed he may or may not be able to exchange his commodity, but if he does, as soon as he succeeds in effectively establishing his production relation in his quality as an *homo mercator*, this link snaps off again, and he finds himself back in a social exile were, in order to be able to come back to the site of general social relation, he has to act as an *homo laborans*. Of course he is the same actor representing two characters, or indeed the same character represented by two actors, in the sense that when and while, in his attires and functions of an *homo laborans*, he involves himself in the technico-material conformation of his product, he's animated by the same purpose that guides him when he tries to accomplish the social metamorphosis by which his private product may become social.

Thus, like any other historically determined human, *homo mercator* lives by production, and there are two necessary moments in generic human production, that we may call Laboral and Relational, represented by two kinds of essential activities: doing work, and engaging in social intercourse. In the case of peoples that make their living in a non-commodity social medium, those two essential moments of production stand in an immediate unit. This is not so in the case of *homo mercator*, whose production is dissected into two discrete, complementary, consecutive functions: labour and exchange. The primeval unit of production, however, has to be re-established. And it is to PE, and, more particularly, to this science's original and basic commodity-value law, to explain how this comes about.

Now between those two phases of individual commodity production, the material and the social conformation of products, an intermediate phase is interposed, in which the commodity producer, before he effectively initiates his labour and even before he makes plans for the forthcoming working journeys, weighs his own technical options and makes a choice among the various material products he can obtain with the same amount of labour, asking himself which of these, if used as a means of exchange, will probably make him better off. Abstracting from bought inputs, each individual product achievable, say, in a week, has the same individual value; but, given the would-be producer's expectations regarding prices, his materially diverse possible products generally represent different mercantile values. The one embodying the highest mercantile value would render him the highest attainable income, thus corresponding to his comparative advantage (for a given set or prices). Therein lies the secret of what hereafter we will call "the black box" of the classic adjustment process, which was left over undisclosed by PE. Unadvertingly, NE has made contributions that are certainly helpful for our understanding of what goes on within the "black box".

PE, for its part, as long as it was committed to the abstract concept of value, never stopped to look carefully enough into the black box. Several concurrent obnoxious methodological attitudes, stubbornly maintained, kept PE out of its own tracks: it used to pass right on to money and capital, peremptorily, without first dwelling on commodity; quite in the same mood, being always too eager to go right away beyond mere apparency, it considered both commodities and capital directly in terms of their value contents, remaining thus unheeding of their specific commodity form; at the same time, it got stuck in an ideological prejudice against considering the subjective moment of economic behaviour. True, Smith for one tries hard to understand how individual producers interacting through the market can manage to mediate the law of value. He doesn't solve the riddle, and, acknowledging his failure, gives it up. However, he gets a glimpse of the kind of difficulty that comes up: he does explain quite to his satisfaction how the law of value is mediated by the individual behaviour of producers in a wee local village market, but he knows too well that such explanation hardly finds a footing in the unboundedly wide modern world where the market is ecumenical.

The social fabric of this human universe is unceasingly woven by the commodity-exchange of reproducible products between their otherwise reciprocally unrelated producers. The resulting procesual substance indirectly but objectively interconnects all existing producers, despite the fact that each is altogether ignorant of the average technical social reproduction conditions of his own product and, a fortiori, of those other goods he could hardly be able to obtain by his own endeavour but may acquire in exchange for his particular wares. How can these producers guide themselves by the value principle if they ignore the real value determinations of their products?

As it were, the whole and sole substantial evolution yet accomplished by PE takes place in the century or so comprising its first classical version ("The Wealth of Nations") and its by far main critical version ("Das Kapital"). We believe we should call this its first cycle. After the implosion that puts an abrupt end to this development, the black box still kept its secret. NE comes into the abandoned scene. Being blind to the concept, she is utterly unable to pose the problem. Nevertheless, she will contribute with the missing part of the solution.

Indeed, suppliers either know or ignore the immanent value of their commodities. If they know, then they can perceive whatever significant discrepancies there may arise between the relative values and relative prices of their respective wares, and act in consequence, planning either increases or cuts in the reproduction of overpriced or under-priced commodities. By means of such comparison, commodity producers could and would behave according to the law of value, and this behaviour would (or at least could) properly mediate such law, making prices "gravitate" in the value field towards their equilibrium configuration. The fact is, however, that in a world of world-markets, values are not known directly, and the comparison between price and value becomes practically impossible.

Smith came close to the relevant distinction between interstitial commodity and capital commodity, but nevertheless he tried to apply to the latter the theory of the former, which was the only value theory available, as it had been inherited by Modernity from Aristotle and Aquinas. The problem was not even understood by Ricardo, let alone solved, and even Marx, who set out to display the dialectics of the commodity value-form against the background of a capitalistic world-system, was unable to free himself

completely from Aristotle, and thereby from the notions peculiar to interstitial commodity. As a consequence he bequeaths an incomplete distinction between value and mercantile value, and, more particularly, between the objective determination of value, the measure of value, and the expression or commodity-value. In sum: PE knew all along its cycle that production structures and prices are governed by the general law, with the transformations demanded by Ricardo and explained, in principle, by Marx. But, beyond assuming that producers flock into, and withdraw from, production branches according to present and expected price-value ratios, PE left out the explanation of how the individual commodity-producer, who has to make a choice between alternative production plans, is aware of such ratios and responds to them, being blind to value. The problem was addressed but left unsolved by Smith, passed over by Ricardo, only partially worked-out by Marx, and then abandoned, much to the enjoyment of vulgar economics. And this, despite the fact that Marx stood up to the historicity of economic categories and actually went far beyond his predecessors in the concept of the mercantile-form of value !

The paradox does not stop at this. For, notwithstanding NE's lack of concept, or precisely due to such unilaterality, NE, unwillingly and unknowingly, provides the link that the classic and critic versions of PE missed. NE does this by discerning analytically the contents enclosed in the black box. These pave the way for uncovering, quite easily, in the common and apparitional manifestations of the commodity structure, the missing dialectical transitions. With this, the front-gate is open for the long delayed updating of PE. And it is readily seen in this perspective that NE's effective contributions can only find their true significance in PE, and most properly in the concept of value that NE frowns at. On the other hand, after Marx's "Contribution" of 1859 and, furthermore, after the first Section of Capital, it is clear that PE has no better (indeed, no other) beginning than the common, empirical commodity figure. The methodological sin of the classic version was that it mostly ignored this single access, and thus remained unable to stand up to its purpose of explaining the specificity of modern economic categories; this was the gist of the Marxian critique (that remained, nevertheless, incomplete, till now).

This recognition calls for a retrospective new look at the forlorn Mercantilist doctrines. In the hindsight allowed for by our new knowledge of the immanent transitions enclosed in the immediately apparent commodity figure (this is, within its common notion in common understanding) towards PE's fundamental concept, we can identify and appreciate the many external transitions that had been conceived long before Smith. (24) But the very first grand synthesis of modern economic science, which was accomplished in the luminous XVIIIth century, was built upon the abandonment in which the concept of value had remained for the five preceding centuries. The theoretical founding act of PE was the recovery of the Aristotelian and Thomist theory of value. All along its first life cycle, the basic foundation of this science consisted in the critical (hence, internal) transformation of commodity-value theory into a value form theory. This transformation, mostly accomplished by Marx, remained incomplete.

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Marx is today a main starting point. His critique of PE took into account that this science takes Capital as its subject matter and Commodity as its simple concept. But in order to attain the concept of capital, this critique starts from Commodity "such as it

appears", this is, from the common notion of commodity. The critique of such immediate commodity figure should have prompted the inner dialectics with a potential to surpass the received PE. The project itself is the essential piece in Marx's scientific legacy. Its finality, the same as Smith's (*mutatis mutandi*), can only be achieved by scientific means, but is itself beyond the realm of science, and involves political philosophy, with its arguments having their whole bearing on the civic life. Indeed, the project was expected to produce a guide for the modern proletariat.

A century earlier, while in the search for the "natural" foundations of modern constitutional order, Smith stumbles into some quite embarrassing conceptual tribulations: the market system, based on private property, has to be in harmony with the natural order, but transgresses a principle that is basic to this order, and to the justification of private property, such as the natural right of the worker to his own product. This contradiction had been uncovered a century before by Locke. Just as the Middle Ages had been unable to reconcile faith with reason, Smith's conceptual difficulties anticipated that Modern society would be unable to surpass its built-in oppositions, and left open the rift through which later on Ricardian socialists were to denounce capitalism as an artificial system that subverts the "natural" order. Such denunciation turned against the bourgeoisie the ethical foundations on which the same bourgeois regime of the private property stands, and put its very own principle to work on behalf of the oppressed against the oppressors.

Marx was to become, by and by, the foremost champion of that solidarity, but he would never vindicate the worker's natural right, nor any other natural right. The proletarian ethics cannot be reduced to an abstract civic spirit, nor to utilitarian demands circumscribed within the boundaries of civil society: such ethics pertain to the contents of the political conscience that this class is bound to cultivate of its own historicity and mission. The critique of the PE aimed at expressing in scientific terms the argument that was immanent in that conscience. At this point the project seems to unfold into two distinct discourses which, however, are but the intellectual and practical moments of the same revolutionary praxis: the theoretical foundations of the new socialism, which was to be "scientific" (thus characterised by Marx thirty years before the first publication of his *Das Kapital*) would be tantamount to the "necessary evolution" of the bourgeois social science. In the same guise, the socialist society that will inherit the conquests of progress and civilisation attained by the capitalist era, and elevate these up to new horizons, will also be "the necessary evolution" of capitalist development. Very early in his intellectual career, long before he set out to undertake the critique of political economy, Marx announced that the proletariat had the historical mission of its own emancipation, in the accomplishment of which it would free humanity.

The existence of a ceiling to the scale of capital accumulation had been discussed by Smith, as we saw, and by Malthus, as it is more commonly known, yet Marx is original in that he does not just inquire about the limits of capitalist progress but about the capitalist limits to progress. Such limit was not essentially physical or moral in nature, but in-built in capital itself, in such a way that capitalist development was bound to exhaust the capitalist perspectives of development. Only in his years of maturity he undertook the critique of PE, with the purpose of revealing the immanency of socialism in the developing structures of capital, thus bringing forth before the eyes of the working class the secret of its social existence and the concrete conditions of its freedom. Marx died before completing his research programme, but it has been accepted

from the most diverse interpretative angles that certain parts of *Das Kapital*, a book itself unfinished that corresponds to a part of that programme, anticipates some of its main results.

A time-honoured interpretation among Marxists has been the so-called "downfall" or "collapse" theory, according to which Marx predicted the end of capitalism as a consequence of the growing weight of "constant" capital in the "organic composition" of capital (at the expense of "variable" capital). The organic composition of capital grows, it is believed from this point of view, because it is a necessary expression of the development of the productive forces: in the production process, human labour is increasingly indirect. True, in Marx's formulation, other things unchanged, such tendential increase in the proportion of constant capital should gradually strangle the Annual Rate of Capital Profit (henceforward, ARP), to a point where capital accumulation would come to a stop. Anyway, such tendential declination of the ARP could only become patent through consecutive periodic cycles of expansion followed by crisis; it is not to be confused with the decrease in ARP that occurs during the upward phase of the periodical cycles (due to rapidly increasing employment pushing up wage rates), nor with the sudden, often dramatic, drop in ARP at the end of the cycle, eventually aggravated by an abrupt increase in interest rates, immediately before the crisis.

In our view, however, Marx does not predict a tendential declination in ARP but displays a whole set of reciprocally counteracting tendencies, offering no general theoretical reason to predict the preponderance of one over the rest. By examining the counteracting causes pointed at by Marx, (25) and leaving this open to further research, we rather believe that due to the characteristics of technological development in the XXth century, in contradistinction with Marx's century, counter-tendencies may prevail over the celebrated tendency. Also, that other causes, not contemplated by Marx, bear upon ARP, in both directions. Furthermore: that circumstances Marx did account for have acquired a dimension that surpasses all proportion that might have been expected or conceived in capitalism as depicted by Marx; such is the case of the gigantic, permanent and growing world mass of unemployed, that doesn't shrink significantly with the cyclical upswing in the accumulation process. However, the problem as to whether there is a limit to capitalist development given the profoundly transformed capital structures of capitalism in the present, does not point to the tendency in ARP, but to its changed significance.

For indeed past and current discussion on ARP's tendency assumes that the average ARP is an objectified category, the same as prices and interest rates. (26) Objectification ("reification") is in principle provided for by means of free inward and outward capital movements in all the particular branches into which the technical division of production evolves. Most of the questions on which present-day Marxist analysis is centred, as in the case of the set of tendencies and counter-tendencies we just mentioned; or the so called transformation question ("the transformation of values into production prices"), which really deals with a more comprehensive problem, namely, the transformation of the law of commodity value into the law of capitalist surplusvalue, were studied by Marx under the assumption of a general objectified ARP, implying the nivelation of all average ARPs on a per-branch basis. In principle, leaving aside the dispersion of ARPs within each industrial branch, surplusvalue is distributed among

capital firms in proportion to their capital, notwithstanding their respective contributions to aggregate surplusvalue .

Industrial capitalism comes about as a substantial transformation of commercial capitalism, its progenitor. In the same sense, we will later on argue that late XXth century technological capital is a transformation of industrial capital. Marx studied capitalist development as the historical expression of capital's inner process comprising its historical inception (genesis), its further developmental transformations, and the resulting conditions for its supersession by a higher civilisation. In every one of its particular modes of existence it is an incongruous system, inwardly incompatible. To each of its developmental epochs there corresponds a particular configuration, and each of these encloses its own, peculiar, immanent contradiction. Commodity is the first social relation that transcends beyond all cultural particularism and brings together human society as a whole into a single production process. But it only acquires such universal objectivity by becoming the simple form of a more determinate structure; by being, that is, "the most general and abstract" form of capital. Commerce capital bumps against its specific limit, a limit capitalism will surpass by giving birth to new forms of capital together with a new configuration of capitalism. In its historical dimension, commercial capitalism is a double process, by which, as social wealth becomes universal in its commodity form, reified wealth falls into the hands of capitalists as workers become dispossessed.

Universal plunder mediated by an essentially voluntary exchange (commerce and usury in the late middle ages) is inseparable from the direct plunder which Marx famously names "original accumulation". Actually original accumulation was to be prolonged and completed through the transformation of capitalist accumulation into industrial capital accumulation. But, as long as the latter takes place still in the absence of a general capital reproduction process; while, in other words, aggregate surplusvalue is nil, the Mercantilist formula holds true: "the gains of some is but the loss of others". (27) The incipient manufacture capitalism beheld by Smith is one in which the commercial objectification of mercantile value is the articulation of a new productive structure of ecumenical dimension, that doesn't yet constitute, however, a full-fledged capitalist reproduction (i.e. industrial) system.

In contradistinction with the former, industrial capitalism is a surplusvalue producing system. While the capitalist form of surplusvalue precedes historically the capitalist production of surplusvalue, in the form of commercial capital and loanable capital, these "archaic forms" (as Marx occasionally calls them) of capital subsist in the new capitalistic configuration, articulating industrial capital in the production process. As long as capital production is basically commodity production, it comprises two distinct processes: the circulation of commodities, and their material configuration.

The latter is "production" in the usual incomplete, narrow, sense, abstracting from the social relational essence of production. It is to this narrower sphere that salaried labourers are drawn by the capitalist in order to put into effect the very same working capacities he has bought from them. The worker is forcefully lured, or involuntarily forced, into a subordinate labour relation because he has been made socially incapable of entering otherwise into a production relation. For it is both the condition and the result of industrial capital that the worker has to suffer the multidimensional deprivation that transforms him into a proletarian: he has to be stripped of the means and products



of his labour, thence of his social capacity to enter into production relations (except by labouring for a capitalist, under his orders), and even of his own working motion, which becomes for him an alien process. No wonder that in this condition his labour is not a joy but a torment, not exercised for his enrichment but for his survival, not for his improvement but for his brutalisation, not for his material or spiritual wealth but for his poverty.. Nor is this all, because the labourer has been dispossessed first of the function, then of the capacity, to create new techniques. Correlatively, as capitalists stood up as the exclusive universal holders of those social relational capacities that are essential to production, they acquired the power to extort the dispossessed workers into a salaried relation, and became the owners of their effective work, together with the material and social conditions of their labour and the fruits thereof.

Capitalist production relations are established in the sphere of circulation, where commodity circulation coincides with capital rotation. Commercial capital together with loanable capital constitutes formal capital. Formal capital only undergoes formal mutations, in contradistinction to real capital, of which they are part. Its literally not the specific business of this kind of capital to hire directly its own proletarians and drive them to perform production in the narrow sense. This function is reserved to industrial capital. Indeed, as industrial capitalism prevails in the capital world system as a whole, formal capital becomes specialised in its particular functions within the capital rotation process. Before industrial capitalism, however, how could the capitalist system stand up in that very first configuration in which world commerce was formed, together with national states, the modern society and its colonial regime; how was it possible for this system to be articulated world-wide as a concrete totality, entirely on the basis of a capital that was merely formal? Today such configuration can be understood (in a hindsight perspective) as expressing a content that was only so much later to be revealed in the light of real capital. Then, as today, formal capital renders exclusively relative profits, but now, its aggregate sum is no longer null, as it represents a portion of the aggregate surplusvalue.

Marx depicts industrial capitalism in a particular stage of its development, which he mistakenly believes to correspond to the finished form of this system. Overall production of surplus value (28) and the disposition of a part of the surplus value social aggregate (beyond the capitalists' consumption and government expenses) for the reproduction of capital in an increased and growing scale are the most outstanding distinctive traits of industrial capitalism are. Capital inflows and outflows (into those branches where expected ARP is higher than the average, from those others where expected ARP is below average) account for two correlative tendencies: the tendency towards the equalisation of average ARPs in all branches, and the resulting reification process by which the overall social average ARP becomes an objectified category. At the same time, capitalistic competence tends to eliminate overall relative ARPs, except those rendered by formal capital, that, notwithstanding their infertility in terms of value, participate in ARP equalisation. Over the general structural movement of capitalist production system as a whole, the tendency towards ARP equalisation reigns supreme. (29)

Thus, wherever in a given business field ARP grows extraordinarily above the reified social average, an avalanche of incoming investment readily turns in and rapidly drowns the excess. Innovative firms may become an important exception to this norm, when by means of a successful innovation they attain an extraordinary ARP. Yet such an

advantage can only be of a temporary character. Moreover, even if the life span of the innovator's privilege may have been of several decades in early times, it tends to be briefer and briefer *pari passu* with industrial development. This is why PE, being as it always was so acutely aware of the role of technical progress and innovation in a capitalist economy, felt inclined nevertheless to abstract from the innovator's privilege (i.e., of his temporary monopoly) when it studied the general laws of value and value governing capitalism. Marx himself assumed ARP equalisation in several instances referring to the system as a totality: he held this assumption when he discussed the long-run tendencies and counter-tendencies affecting ARP, and also when he studied the "transformation problem". By and large, this assumption renders a fairly accurate dynamic picture of the particular capitalist structures that prevailing in the stage of development capitalism was traversing in the XIXth century. We will call such configuration: "non-differentiated capital", as opposed to "differentiated capital", which characterises the present structure. (30)

Just as industrial capital is a transformation of commercial capital, so is differentiated capital a transformation of industrial capital -and a substantial one too. By differentiated capital we mean technologically differentiated industrial capital. While all human societies, whatever their degree of development, have sought to improve their productive techniques, in the capitalist form of society this ability has developed into a specific productive structure we call technology, which constitutes a particular field of social relations comprised within the sphere of capitalist production. Smith still regards inventions as having been originated by individual workers or specialised artisans. (31)

With capitalist development, however, science is increasingly subsumed under capital by the mediation of technology, till as the result of a prolonged immanent maturation process capital splits into two reciprocally complementary kinds of capital, which we call simple capital and potentiated capital, or technological capital. In the resulting polar structure of differentiated capital most capitalists are removed and kept off from all active involvement in technology, and their firms are thus reduced to simple industrial capital firms; in the opposite pole, all the relevant social capabilities for technical innovation, all the world's resources of science at the service of technology, all the competitive cutting edge that a capital corporation can muster by means of an innovator's privilege, now multiplied and made permanent by a new-born form of capital firm that attains and continually reproduces a technological monopoly, all these powers together with many others, which are equally unilateral and unaccountable, are now the blessing for potentiated capital firms and, of not as downright curse, an absolute peril for human civilisation.

True, not all capitalists or capital firms were ever on an equal standing regarding technical capacities. But the system today has an altogether new configuration, which is presided by a rigorously exclusive and remarkably small group of enormously gigantic companies invested with the innovator's privilege, and, moreover, with the power to repeatedly renew this privilege by means of new inventions and innovations. These firms exploit a highly specific source of relative profits, one that appears in a late phase of capitalist development and takes hold of society at large. Accordingly, the present production structure conforms a contraposition between two kinds of capital companies, the "haves" and the "have-nots" regarding technological power.

The innovator's privilege, or, indeed, the continuous enjoyment of such kind of advantage is maintained by iterative recreation and is renewed by a pure production process: pure, in the sense that it does not participate of the unity of production and reproduction and is not, therefore, production of value (nor, a fortiori, of surplusvalue). As a technical process this pure production renders a singular, non-reproducible, product; namely, invention and innovation. Capital differentiation involves differentiation among capital enterprises, that become either simple-capital companies or technological-capital companies. The resulting taxonomy shows basically four types of firms (32). In non-differentiated capitalism, ARP was a general social average, but now, due to capital differentiation, this average has no longer the meaning of the "normal", or objectified, ARP. Imagine that this average, however, was estimated by an omniscient accountant, then it would be just an abstractly extrinsic entity with no practical meaning for an individual firm. Instead, the category "general or normal ARP", which belongs to non-differentiated capitalism, was a reified category, but as such it became an extinct victim of capitalist progress, together with the illusion of "free commence" between all capitals: a freedom that could only be based upon an essential, unbounded, universal equality. Capital now constitutes a structure of inequality, a steep hierarchy. Perched on top of the pinnacle, a potentiated-capital company can only keep high over that hierarchy by being able to make huge masses of profits, at rates of an order above average ARP, while ARP for simple-capital firms is an order below that average. The management of mega portfolios formed with mega projects of R&D and the planning of innovative circuits, together with the increased risk and the growing minimum scale (critical mass) of such projects and programmes, call for concentration and centralisation of enormous portions of social capital, a fact which is underlined by mega acquisitions, gigantic mergers and take-overs, and several other restructuring cataclysms life that play havoc with the present.

Extraordinary ARPs enclose a relative profit from a new source based on the permanently renewed innovator's privilege, essentially consisting in a reproduction monopoly, which is tantamount to the power of imposing the old mercantile "mark-ups", or "profits upon alienation", not in case of a circumstantial excess in the quantity demanded of a given commodity over and above the present supply, but on a permanent basis by controlling reproduction. Potentiated-capital exerts this power, and increases it by several means. These include fixing prices and commercial conditions, financial optimisation, and several devices by which potentiated-capital companies increase their ARP, reduce risk, keep up with their own product cycles and obtain many other advantages. Additionally, by downsizing and by relying on contractors, they augment ARP by shrinking their own capital involvement and allowing or inducing lower ranking firms to increase theirs. In the resulting subsystems, concentration and centralisation move in opposite directions.

This is not all. While in times of non-differentiated capitalism the hard road from invention to innovation mostly involved some technical adaptation of the new process to the circumstances of engineering or market ("scale-up" from laboratory to pilot plant to industrial plant, tooling, lay-out, packaging), in differentiated capitalism innovation is far more complex. In addition to similar basic phases, innovation extends beyond a single firm and a singular R&D project. A new general overall structure prevails in the capitalist system, where now capital enterprises fall into two classes that are polar opposites, and their capital is either technologically potentiated capital or simple industrial capital.

The historical genesis, specific nature, and self-reinforcing principle of differentiated capital can all be summarily explained by an extremely simple formula: "innovation begets innovation". True, an invention followed by an innovation is always a unique and non-reproducible product, simply because its essential characteristic resides in its absolute novelty. Each capital firm is continually striving to improve its competitive stance and, with this purpose in mind, the wildest dream of any authentic entrepreneur is to attain a technological breakthrough. The point is, however, that not all have the same chance of accomplishing it, and very few have one at all. As a rule, a previously successful innovator is more likely to succeed than another would-be innovator.

Capital enterprises remaining in the opposite pole systematically tend to lose almost all capacity of innovation, specialising instead in the reproduction process, seeking technical improvement not as innovators but as timely adopters of reproductive techniques. These are simple-capital firms or reduced-capital firms which may be technological licensees. They constitute a stratum of lower hierarchy, subservient to potentiated-capital companies (as licensees under technological contracts), due to their double inability to innovate and to plan subsystem restructuring. This stratum, however, is itself hierarchically structured, according to a firm's degree of success in the adopting function, as the timely adopter attains the highest ARP in his stratum, enjoying a privilege that (*mutatis mutandi*) is very much alike that of the innovator.

By and by, as a consequence of the resulting differentiation process, the whole capitalist structure becomes polarised. The brutal impetus and irreversible character of the differentiation process as a whole is additionally explained by several other circumstances. An obvious one is the dire size, increasing risk, and rapidly growing scale of economically significant R&D investment. We needn't dwell on this, except to point at subsystem configuration as a circumstance that reinforces the diverging and complementary specialisation between technologically active and passive firms. Indeed, a firm's enhanced innovative capacity is usually associated with a powerful leadership in subsystem restructuring. Likewise, a significant innovation involves a series of complementary innovations as the new product or process calls for a set of complementary products or processes. Such complementarity may partly be accounted for by an authentic technical reason, but most probably it is in the sequel of an artificial strategy that points at tying up an additional demand. At a certain phase of the product cycle these complementary projects may be undertaken directly or "by administration", but sooner or later a number of subordinate companies of simple or reduced capital will be steered into an ad hoc subsystem. The potentiated-capital company is characteristically a huge large scale planning unit. While industrial capital got hold of the human productive talents, technological capital sequestered the essential human capacity to create new techniques. There is no overall planning in capitalism, be it differentiated or not, but differentiated capital reproduces itself by large scale planning.

The antipode of potentiated capital is to be found at the hierarchical pyramid's base. Capital here is extremely fragmented; firms standing in this lowest rank hardly make for a positive ARP, so that their character as business enterprises is little more than a virtuality -or even less. Indeed, this capital is effective capital for other (more highly ranking) capital companies, but not for its self-employed hard-working owners. Born from the disintegration strategies of real capital enterprises, these quasi-capitalist firms descend (as if by virtue of a recessive gene) from the "putting-out system", the archaic

ancestor of industrial capital. In the subsequent strata precariousness is likewise all prevailing; would-be capitalists in these low strata find it increasingly difficult to recast their capital as commercial or industrial capital, and (gathered in huge masses by specialised financial intermediaries) help to bring about a plethora of speculative capital that announces when the accumulation process comes close to a deadlock.

Other circumstantial sources of renewed "original accumulation" are the disarray and eventual dismantlement of social security systems, "money laundry", "privatisations", and the like. In the epoch of non-differentiated capital, periodical crisis and periods of buoyancy were consecutive, and each phase affected (after a lag) the system as a whole. Instead, when differentiated capital has taken hold, large sectors of the world economy can stay simultaneously in different phases: while one sector suffers ups and downs that are no less dramatic than those of undifferentiated capital, other sectors live in a chronic state, nay, in an abyss, of economic and social crisis.

This picture brings back the old question of whether the long run ARP tendency (resulting from counterpoised tendencies) points upwards or downwards; and, more importantly, whether this tendency constitutes an unsurpassable structural growth and development trap for capitalism. We have already briefly discussed this problem against the old background of non-differentiated capital. We wish now to turn again to the question whether capitalism has an inbuilt limit, but taking into account capital differentiation -and, consequently, ARP differentiation. Abstracting from the latter, even if we were unable (as we believe we are) to discern a clear-cut long-run tendency in ARP, we could still significantly hypothesise that periodical fluctuations in ARP (the obverse of the cyclical fluctuations in wage rates) are themselves constitutive of the changing conditions in which counter-tendencies play. These keep pushing on an irreversible historical process of capital differentiation, which per se most forcefully raises the question of the historical boundaries of capitalist development; not mainly (or not at all) in terms of an inherent structural incompatibility within capital accumulation, but in the authentically historical sense, rife with political overtones, of capitalism's compatibility with further progress; with, ultimately, the very same civilisation it has given birth to.

Potentiated-capital companies devote increasing portions of their capital to R&D, in quantities that by far exceed their own production of surplusvalue, since a main source of its profits is surplusvalue produced in the rest of the capital universe. Thus, and rather obviously, capital differentiation or capital firm differentiation involves sharp ARP differentiation. Potentiated-capital companies require increasing extraordinary profit rates for their particular mode of accumulation, while an increasing portion of simple-capital firms find it more and more difficult to accumulate. As a consequence, even an increasing trend in average ARP may become incompatible with overall capitalist reproduction. Any increase in the general employment rate (however moderate) may bump against a roof even with a growing ARP. Similarly, a given proportional rise in the accumulation level requires an ever higher average ARP, or, due to capital differentiation, given an average ARP the warranted rate of income and employment growth is significantly lower.

Most immediately and clearly bearing on the prospects of civilisation in protracted capitalism, the industrial reserve army has been transformed into a permanent world-wide mass of unemployed, sombrely aggravated by generalised and brutally regressive

downgrading in working conditions, job precariousness, and general impoverishment of "living by labour" survivors. True, ideological agencies may still have occasion to revamp the "American dream" (33) by pointing at more than a few niches of social buoyancy. But the economic precariousness of the most prosperous niches and the fact they are rife with social conflict can hardly escape observation. Even more so, there is no question that prosperity niches are confined to particular subsystems of differentiated capital in a few regions at most.

Apologies on behalf of protracted capitalism may only be effective provided their promises are credible. It is surely because they are not, that present-day apology promises very little, if anything. Leaving alone further progress, no apologist seems ready to believe that today's standards of civilised life are universally attainable in a capitalist world. Apology takes refuge in the cynical sophism that there is no feasible alternative to capitalism. But, is capitalism feasible? Is it still able to reduce chronic unemployment, extreme poverty, social and natural large scale catastrophe? A negative answer would transfer the feasibility question about capitalism (not to speak of its legitimacy, clearly an unavoidable part of such question) back to the task of updating update those forlorn fundamental concepts of PE.

A qualitative limit to capitalist development may be sought out by revisiting capital's commodity grounding. There are two parts to this story. The first, illuminated by Marx, is sufficiently well known. Mere merchandise or "simple commodity" production would have never been able to express the full commodity-logos (and would have stayed encrypted within an ancient-like social fabric); instead, commodity forms only could and actually did acquire full development by becoming the general form of capital. So much for the past. But the necessary outcome of capitalist industrial development is a general process of capital differentiation, and it is by this process that capital gradually and ineluctably exhausts its own mercantile grounding.

According to concept, the negation of commodity is in-built in the very nature of commodity itself, as its primal expression is identical to that of mercantile value, in which commodity unfolds into common commodity and money commodity, two polarly counterpoised forms. (34) The further, derivative, function of money as a means of payment constitutes a second negation of commodity: what is an impersonal and evanescent relation between buyer and seller becomes a personal and lasting relation between debtor and creditor. Capital is itself yet another and an even more radical negation of commodity, as the homo mercator, the commodity-man, born from the split between civil society and State, and thence between the bourgeois (a member of civil society) and the citizen (a member of political society), is himself once again cut asunder into the worker and the capitalist. Due to its abstract universality, capitalist development per se still further reinforces the capital character of commodity and thereby commodity itself.

But unlike all previous negations of commodity, which invariably enhanced mercantile development, capital differentiation inevitably and irreversibly hampers the capitalist system's mercantile basis. It looks as if the destiny of commodity was to wither away under capital differentiation.

A rather obvious instance of this tendency is the growing weight of intra-company transactions in both national and world commerce, as well as the absolute and relative

growth of quasi-commodity transactions within subsystems of differentiated capital, both within multi-plant potentiated-capital companies and between these and simple-capital firms. The juridical form typical of this relation is the adhesive contract (implying that one part is in an inferior juridical condition), which contrasts with the "perfect" contract that assumes that both contracting parties are free and equal. However, it was on such an assumption that modern civil society rested, as did its innermost principle, commodity. In fact, the main, overall, far-reaching consequence of capital differentiation is the demise of those two distinct and dialectically counterpoised spheres that were called Civil Society and Modern State, upon which capitalist society stood as a civilised whole.

True, while this counterposition becomes less distinct, it never comes to nothing altogether. But then, Modernity has never yet been entirely accomplished; PE, originally a basic complement of Political Philosophy as Political Philosophy evolved from its aristocratic to its liberal form, and from this to Socialism, was once deeply involved in determining the feasibility and economic conditions of modern civilisation.

In its classical version PE got itself into the trap of liberal political Philosophy, which was unable to conciliate *liberté, égalité* and *fraternité*; it fell upon PE to find the economic foundations for a Constitution conjugal of freedom in civil society with liberty in the State. The classic school went astray and gave up the mission, which was only picked up by the Marxian critique, albeit, certainly, with an altogether different perspective. Capitalism was now denounced as a system of universal social exploitation, but at the same time capitalist development was acclaimed as leading to the supersession of capitalism and as the condition thereby for a higher civilisation that would attain, and overpass, the desiderata of modernity.

Today, an updated PE is the PE of differentiated capital, which can only be the "necessary evolution" of the PE of non-differentiated capital. The chief obstacle confronting the former is it has to deal with the incomplete state in which PE was left after the death of Karl Marx. One particular weakness of both classical and critical PE is that it never developed a theory of subsystems, even though Marx prepared the conceptual ground for this theory by integrating (and keeping distinct) the notions of capital rotation and capital reproduction, each with its set of particular categories. Even today, the lack of this concept obscures the economist's view of his own career, confronting him to the ultimately false choice between a scientific and a professional formation. But such false option vanishes in times of crisis, when only the economist with a scientific background can help his epoch to deal with what is new in the sole way in which what is new can be dealt with, by the concept.

(ABSTRACT)

As capital differentiation transforms society and human in every relevant dimension, economic science stands in need of conceptual updating. Looking back to its sources is sure to be helpful.

Indeed, modern PE (Political Economy) was born in the XVIIIth century from a transformative critique of several sources. Most outstanding among these were those predecessors that Smith was the first to name Mercantilists, who had formerly given intellectual expression to commercial capitalism; other sources comprised medieval

(theological) doctrines, modern (naturalist) and classic (Stoic) philosophy, and, last but not least, liberal political philosophy. In the XIXth century, however, PE suffered two radical amputations. In the first half of that century, economic science was deprived of its organic and active link with philosophy, especially with political philosophy, which accounted for the main scientific purpose in authors upholding otherwise so different views as Smith and Hume. In the second half of the century PE was severed from its fundamental concept: that of Value. The first deprivation prepared the occasion for the second.

The new approach that was to take hold of the mainstream in economic thought throughout the XXth century was not just yet another doctrine but an altogether different discipline. It even frowned at being called PE, and baptised itself instead as "economics". For us, NE (standing for Neo-classical Economics). Its purpose was other than PE's, and so was its subject, the latter being a part of PE's. For whilst PE had in mind the interaction between the market and the reproduction process as a whole, NE was more narrowly focused on the market.. In fact, NE's by far main contribution is a clear-cut and carefully worked-out notion of general (market) equilibrium.

Yet NE is unable to offer a sound and substantial (let alone scientific) account of what is going on in present history. Drawing from previous work, the author's contention is that civil society, and, for that matter, society as a whole, is being cut asunder by a capital differentiation process, its outcome being a polar structure presided by a few extremely huge capital companies that hold monopoly over essential human capacities. This dramatic scenario calls for a critique of political economy, beyond Marx's.

## NOTES

(1) "An echo of this philosophic reality is the meanness of a common sense that feels proud of its own stupidity, that today floods the world... This wickedness is 'positive' and it is marked by the same subjectively constituted arbitrariness that injects into speculative thought the common sense represented by Babbit." Adorno, "Negative Dialectics" (1966), translated by us from ADORNO, Theodor W., "Dialéctica negativa", Taurus, Madrid, 1975, pg. 383.

(2) In the sense of Austin, see AUSTIN, J.L. "How to do Things with Words", William James Lectures, Harvard Univ. (1955), Oxford Univ. Press, 1980. The other side of this is "how to do words with things". Take, for instance, in the context of a forceful intrusion by international creditors upon the policies of an indebted country, the expression "arm twisting", used with a touch of sadistic humour by institutional victimisers: the human body stands as the metaphor for untold suffering. Likewise, the "research incentives" perceived by some Argentine scientific researchers have been accused of being "denigratory". See OTEIZA, E. "Un primer mundo de fantasía", Clarín, Zona, Bs. As., 9 de mayo de 1999.

(3) "True thoughts and scientific insight can only be pursued by the working of the concept... We have to be convinced that what is true has as its nature to open its way when its time has come...". Hegel, "Phenomenology of the Spirit", translated by us from HEGEL, G.W.F. "Fenomenología del Espíritu" (1807), FCE, 1987.



(4) The question posed is a paraphrase of the one put by Adorno in the first of his "Three Conferences on Hegel". The common approach, that brings up the opposite question, summoning Smith, Ricardo, Marx, unto the tribunal of our own epoch, is not only methodologically sterile, but comes close to vain petulance.

(5) This Thesis gleams in Hegel's "Philosophy of Right", and is treated by Adorno and Horkheimer in ADORNO, Theodor W., HORKHEIMER, Max "Dialectic of Enlightenment" (1944), Verso Editions, London, 1979. Not thoroughly, though, because these authors were unable to refer these dialectics to those of commodity, money and capital. See also AVINERI, Shlomo "Hegel's Theory of the Modern State" Cambridge University Press, London 1972.

(6) An antidote against this forgery is provided by the studies on Smith by Athol Fitzgibbons, where this author denounces the official figure of Smith.. "The Adam Smith of economic folk lore, who was created in the nineteenth century, differs from the real... The real Smith, unlike his fictitious namesake, did not stand for free trade, empirical science, moral vacuity, and self love". FITZGIBBONS, Athol "Adam Smith's System of Liberty, Wealth and Virtue. The Moral and Political Foundation of the Wealth of Nations", Clarendon, Oxford University Press, 1995, pg. 152. From a different approach but in a similar vein: "In spite of his influence and fame, Smith's fate has for some time resembled that of Epicurus. Epicurus became known as Epicurean, and so as an advocate of an hedonism at odds with his true teaching." GRISWOLD, Charles L., "Adam Smith and the Virtues of Enlightenment", Cambridge Univ. Press, 1999. And of course the same can be said of Marx.

(7) Smithian Jurisprudence is a political science, based on a moral philosophy of Stoic inspiration. Jurisprudence studies the general principles on which the laws of all nations should be based. Such principles are those of Justice and Benevolence: the relevant Justice is mainly Commutative Justice, that offers due compensation for injuries and turns contracts mandatory, while Benevolence is the citizen's virtue. See FITZGIBBONS, A., op. cit.

(8) "The establishment of perfect justice, of perfect liberty, and of perfect equality, is the very simple secret which most effectually secures the highest degree of prosperity..." SMITH, Adam "Theory of Moral Sentiments" # pg. 726).

(9) Indeed, the following words couldn't be pronounced by Adam Myth: "In the progress of the division of labour, the employment of the far greater part of those who live by labour, that is, of the great body of the people, comes to be confined to a few simple operations, frequently to one or two. But the understanding of the greater part of men are necessarily formed by their ordinary employment. The man whose whole life is spent in performing a few simple operations, of which the effects too are, perhaps, always the same, or very nearly the same, has no occasion to exert his understanding, or to exercise his invention in finding out expedients for removing difficulties which never occur. He naturally loses, therefore, the habit of such exertion, and generally becomes as stupid and ignorant as it is possible for a human creature to become... But in every improved and civilised society this is the state into which the labouring poor, that is, the great body of the people, must necessarily fall, unless government takes some pains to prevent it". SMITH, A. "An Inquiry into the Nature and Causes of the Wealth of Nations" (1776), Modern Library Ed. 1994, N. Y., pgs. 839/40.

(10) Quoted by LASKI, Harold, in "The Rise of Liberalism", Encyclopaedia of the Social Sciences, Macmillan, 1956.

(11) LASKI, Harold, op cit.

(12) In this particular point we part from FITZGIBBONS, A., Op. cit.

(13) In the following paragraphs we make free use of a few fragments from our paper "Dos secuencias de la figura mercantil: la historia y el concepto", that were read at the IV Jornadas de Epistemología de las Ciencias Económicas, FCE/UBA, set. 1998.

(14) We are in debt with professor Athol Fitzgibbons for signalling the importance of this episode that, as we now see, marks the destiny of the economic science for two centuries. "McCulloch cordoned off the free trade economics from the philosophy and the alleged 'physiocratic tendencies' in the Wealth". Op. Cit., pg. 150. Indeed, the illusion still prevails among economists that they can get by, and away, without philosophy, and still be scientific..

(15) Edgeworth speculated about the "additivity assumption" in the context of an "arithmetics of hedonism", and specified the "utility function" (of which the first derivative is to be positive, and the second negative). See CREEDY, John "Edgeworth and the Development of Neo-classical Economics" (1986), Gregg Revivals, Blackwell, Great Britain, 1992. Also the Paretian "ophelimity" and the "felicitous calculus", the latter conceived by the same Bentham, should be mentioned, or perhaps not.

(16) Kant took interest in Smith's "impartial spectator". Hegel's economic writings were lost, but it is known that he explicitly acknowledged the philosophical fertility of Smith's works.

(17) Quoted by CASSIRER, Ernst, in "The Philosophy of the Enlightenment" ("Die Philosophie der Aufklärung", 1932) Princeton University Press (1968), 1979, pg. 85.

(18) This is how Marx puts it, referring approvingly to the Russian economist Nicolai Sieber, who presents, he says, "my theory of value, money and capital, as in its fundamentals a necessary sequel to the teachings of Smith and Ricardo". MARX, K. "Capital", Postface to the Second Edition, Penguin Classics, 1990, pg. 99. (MARX, K. "El Capital..", Epílogo a la Segunda Edición" (1873), SXXI, Bs. As., 1975).

(19) An outstanding exception is Isaak Rubin, who, in contradistinction with regards many other Marxist economists, stressed the distinction between the Marxian theory of value form and the Ricardian theory of value. He based his findings on the exhaustive exegesis of the master's writings, but made no additional contributions. His teachings are helpful even today as a powerful corrective against persisting regressive interpretative traditions that reduce Marx to a Ricardian perspective.

(20) We discuss this further in our "El Capital Tecnológico", FCE-Catálogos, 1997, of which an unpublished partial English version entitled "Capitalism towards Aufheben" is available on-line. The Marxian concept of Commodity is criticised, on the argument that it misses the transition to the classic Commodity which is immanent in the ordinary

commodity figure. It comes out that the resulting enrichment of these most elemental concepts is consequential upon an updated PE.

(21) It is to be recalled that modern economic science was baptised Political Economy. The name, inspired as it was in Antoyne de Montchrétien's "Traicté de l'Oeconomie Politique", 1615, underlined the distinction between this science and the principles for a judicious administration, this is, for the art of running the household or the estate, private or public.

(22) Indeed, "it would not be unfair to say that this theory still furnishes the basic foundations of what many are pleased to call 'mainstream economics'". KIRMAN, A. "The Intrinsic Limits of Modern Economic Theory: The Emperor Has no Clothes", The Economic Journal 395, Vol. 99, Supplement 1989. This was said only ten years ago. The limits that Kirman has in mind are only intrinsic in terms of a very incomplete theory, which is unable to find and work out the transition contained in the notion of general equilibrium by which the latter necessarily is transformed into a theory of the commodity-form of value. One thing remains true of the official doctrine: "the emperor has no clothes"!

(23) In "El Capital Tecnológico" ("Capitalism towards Aufheben"), op. cit.

(24) Even Rubin, the excellent critical historian of economic thought, incurs in the prejudice according to which the Mercantilist writings lack theoretical edge. "The economic investigations of the mercantilists were practical in character. Their works were overwhelmingly a collection of practical prescriptions recommended to the State for implementation". RUBIN, Isaac Ilych, "A History of Economic Thought" (1929), Pluto Press, Worcester, 1989, pg. 175. The words "practical prescriptions" are underlined by Rubin himself.

(25) Such as the effects of a) increased productivity upon the value of: I) constant capital (that may attenuate or neutralise an increase in the organic composition of capital), and II) the wage-goods basket (that may reduce the commodity value of labour power even with increased real salaries), b) higher velocity in capital rotation, or c) lower relative salaries

(26) Far back in the XVIIth century Geminiano Montanari used the metaphor of the communicating vessels to state the law of price nivellation (later wrongly attributed to Jevons). By extension, we wish to say that the general social reification or objectification of mercantile categories are instances of the Montanari principle.

(27) Marx underlines, even if in a different background, the important distinction first made by James Steuart (the late Mercantilist, Smith's contemporary), between the absolute and relative capital benefits, relative benefits corresponding to "profits upon alienation", of which the aggregate sum is zero, while absolute benefits constitute the Physiocrat's "produit net", or, as it were, to surplusvalue. Note that relative profits is not to be mistook with "relative surplusvalue", as the latter belongs to the Marxian terminology regarding capital reproduction.

(28) It is to be recalled that Marx (see "Theories of Surplusvalue") acknowledges James Steuart, the late mercantilist that was Smith's contemporary, for the analytical

distinction between relative profits (of which the great algebraic social aggregate is zero, as in the Mercantilist's "profit upon alienation"), and absolute profits (which add up to a social net product over and above salaries).

(29) It is well known that Ricardo posed and Marx solved the "transformation problem". Indeed, the equalisation of ARPs, far from suppressing the value law, imposes it more powerfully and determinedly than ever, albeit in a systematically modified form. The latter results from average branch differences in capital, regarding chrono-structures and organic composition: for equalisation to hold, commodities from capitals with both high organic composition and long rotation period have to be sold over and above their values; commodities from capitals with both low organic composition and brief rotation period have to be sold below their respective values; equalisation prices for the rest of commodities (those from capitals either with high organic composition and short rotation period or with low organic composition and prolonged rotation period) are qualitatively undetermined, but are solved according to the quantities involved.

(30) The following paragraphs are drawn from our "El Capital Tecnológico", op. cit., Cap. III.

(31) Marx criticises Smith for confusing "the differentiation of the instruments of labour, in which the specialised workers of the manufacturing epoch themselves took an active part, with the invention of machinery; in the latter case it is not the workers but men of learning, artisans ..., who play the main role". "Capital", Penguin, p. 468.

(32) "El Capital Tecnológico", op. cit., Cap. III.

(33) "Capitalist consumerism is mystified by reference to Americanisation, while Americanisation, the method of the most successfully productive society in human history, gives its imprimatur to capitalist consumerism". SKLAIR, Leslie, "Sociology of the Global System", The Johns Hopkins Univ. Press, 2nd Edition, Baltimore, Maryland, 1966.

(34) "El Capital Tecnológico", op. cit., Cap. III.