Chapter Twenty-Five: The General Law of Capitalist Accumulation

1 A Growing Demand for Labour-Power Accompanies Accumulation if the Composition of Capital Remains the Same

1 The composition of capital

Marx introduces the concept of the composition of capital in order to be able to discuss the proportion in which capital is divided into constant and variable capital. Two different ways of understanding the composition of capital are presented:

1 the ‘value’ composition: i.e. the proportion between the value of constant capital (means of production) and variable capital (labour-power).

2 the ‘technical’ composition: i.e. the relation to the mass of means of production employed, and the mass of labour necessary for its employment.

Insofar as the value composition is ‘determined by its technical composition, and mirrors the changes in the latter,’ we shall be calling it the organic composition of capital.

What will be concerning us here will be the ‘composition of the total social capital of a country,’ the average over all the average compositions of all branches of production; and in the French translation the sentence ‘after these preliminary remarks, let us return to capitalist accumulation’ signals the end of this subsection.

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1 Where I insert my own subheads they appear, as here, in sans serif type.

2 The distinction between to the two categories will be easier to grasp if we keep in mind the distinction between real and nominal wages that we saw in chapter 20: the worker’s nominal wage is the monetary wage, the amount of money she receives in return for her labour; her real wage is the mass of goods she can buy with this money. Likewise, the value-composition of capital is derived from a value-ratio and is convertible into money; the technical composition mass of means of production per hours of labour.

3 Karl Marx, Capital vol. 1 (Harmondsworth, 1990) [hereafter C.], p. 762.

4 ‘Organic’ appears at first sight contradictory: after all, a rising organic composition indicates more constant capital (instruments of production and raw materials) to variable capital (human labour-power), not less. However, Marx’s use of the word differs from the perhaps more familiar one which indicates something like ‘pertaining to a living being’. The word here has more to do with the concept of an ‘organism’, i.e. an articulated structure (indeed, instead of ‘organic’ we could, in my opinion, read ‘structured’ without losing fundamental meaning). What Marx emphasises with this terminology is that capital is composed of discrete parts, but is at the same time an articulated whole: changes in one part either reflect changes elsewhere in the structure, or cause changes elsewhere in the structure, or both. (I am grateful both to marxmail contributor Carrol Cox and to Jurriaan Bendian for pointing this out to me.)

5 Under what circumstances would the value composition not be ‘determined by its technical composition, and mirror the changes in the latter?’ In those in which changes in the value composition are brought about by factors other than changes in the technical composition. In volume 3 Marx will introduce the example of the same production process applied first to iron, and then to copper. Given the greater value of copper, although the technical composition will remain the same, the value composition will change. But since this is a change in the value-ratio not brought about by and reflective of a change in the technical composition, i.e. the mass of means of production and the mass of labour expended in the process, Marx will not refer to it as a change in the organic composition.

6 C., p. 763.

7 ‘Après ces remarques préliminaires, revenons à l’accumulation capitaliste.’

<http://www.marxists.org/francais/marx/works/1867/Capital-I/kmcapI-25-1.htm>
II The relation between the accumulation of capital and the working class

As capital is accumulated, i.e. as surplus-value is redeployed as capital, given a constant composition of capital, the demand for labour will rise in proportion to the growth of capital. It is possible that the growth of this demand for labour will outstrip its supply, forcing its price up. All else being equal, i.e. if the organic composition of capital remains the same, this is what must happen.

But does the fact that the wage-labourers find themselves, as a consequence of this, in more favourable conditions modify in any way the fundamental relation between wage-labour and capital? Far from it: As simple reproduction constantly reproduces the capital-relation itself, i.e. the presence of capitalists on the one side, and wage-labourers on the other side, so reproduction on an expanded scale, i.e. accumulation, reproduces the capital-relation on an expanded scale, with more capitalists, at one pole, and more wage-labourers at the other pole.8

Marx concludes, quoting himself (from Wage Labour and Capital): ‘Accumulation of capital is therefore multiplication of the proletariat.’9 The accumulation of capital and the growth of the workforce are not distinct processes interacting with each other; they but two distinct aspects of one and the same process.10

III How the drive for surplus-value asserts itself when capital is accumulated

The quantitative relation between accumulation and wage-labour – the possibility, and in certain conditions, the certainty – of a rise in wages has just been discussed. We now look at the qualitative relation.

A rise in wages of the type considered above only means that a larger part of the worker’s own surplus product – ‘which is always increasing and is continually being transformed into additional capital’11 – returns to her in the form of wages. Thus ‘a rise in the price of labour, as a consequence of the accumulation of capital, only means [...] that the length and weight of the golden chain the wage-labourer has already forged for himself allow it to be loosened somewhat.’12

But the fundamental mechanism at play here is the drive for profit: ‘The production of surplus-value, or the making of profits, is the absolute law of this [i.e. capitalist] is mode of production.’13 And it is this mechanism that asserts itself in resolving the problem of rising wages: labour-power is sold only to the extent that it can provide unpaid labour, i.e. surplus-value. Apart from cases in which the rise in wages leads to open conflict between wage-labour and capital, i.e. in which the capitalist uses force to make the worker accept low wages, Marx envisages two scenarios in which the contradiction is dealt with by the profit motive itself.

1 that in which the deleterious effect on surplus-value is more than offset by the growth in surplus-value brought about through accumulation. In such circumstances accumulation proceeds uninterruptedly;

2 and that in which ‘the stimulus of gain’ really is ‘blunted’, in which accumulation simply slackens off until a point is reached at which the ‘price of labour falls again to a level corresponding with capital’s requirements for self-valorisation.’ Here, ‘the mechanism of the capitalist production process [i.e. the

8 C., p. 763.
9 C., p. 764.
10 And it is the understanding of this very phenomenon that led classical political economy to the erroneous idea that the accumulation of capital could be exclusively put down to the consumption on the part of productive workers (see C., pp. 734-8).
11 C., p. 769.
12 C., p. 769.
13 C., p. 769.
profit motive] removes the very obstacles it has temporarily created.\textsuperscript{14}

But in both cases, despite appearances, it is not the mass of labour-power which has determined the rate of accumulation, but the reverse. In the first case (in which accumulation proceeds unhindered) it is not the size of the working population that causes the excess of capital but the increase in capital that makes the working population insufficient. In the second – in which wages rise under pressure of demand and insufficient supply – it is not the increase in the size of the working population that made capital insufficient but the size of the capital that caused the working population – or its price – to be in excess. What seems to be an independent movement in the mass of exploitable labour-power is in fact a movement dependent on the accumulation of capital itself.\textsuperscript{15}

The ghosts at this particular feast are of course Malthus and his ‘natural law of population’; and it is these that Marx has in the cross-hairs here:

The law of capitalist production which really lies at the basis of the supposed ‘natural law of population’ can be reduced simply to this: the relation between the unpaid labour which has been transformed into capital and the additional paid labour necessary to set in motion this additional capital. It is therefore in no way a relation between two magnitudes which are mutually independent, i.e. between the magnitude of the capital and the numbers of the working population; it is rather, at bottom, only the relation between the unpaid and paid labour of the same working population. If the quantity of unpaid labour supplied by the working class and accumulated by the capitalist class increases so rapidly that its transformation into capital requires an extraordinary addition of paid labour, then wages rise and, all other circumstances remaining equal, the unpaid labour diminishes in proportion. But as soon as this diminution touches the point at which the surplus labour that nourishes capital is no longer supplied in normal quantity, a reaction sets in: a smaller part of revenue is capitalised, accumulation slows down, and the rising movement of wages comes up against an obstacle. The rise of wages is therefore confined within limits that not only leave intact the foundations of the capitalist system, but also secure its reproduction on an increasing scale.\textsuperscript{16}

This is a clear resonance of the fetish-like nature of capitalist production: the law of capitalist accumulation, which is ‘mystified’ by the economists as a law of nature (because that is how it presents itself), ‘excludes every diminution in the degree of exploitation of labour, and every rise in the price of labour, which could seriously imperil the continual reproduction, on an ever larger scale, of the capital-relation. [...] Just as man is governed, in religion, by the products of his own brain, so, in capitalist production, he is governed by the products of his own hand.'\textsuperscript{17}

2 A Relative Diminution of the Variable Part of Capital Occurs in the Course of the Further Progress of Accumulation and of the Concentration Accompanying It

I The effect of the productivity of labour on the composition of capital

So far we have only considered the accumulation of capital when surplus-value is recapitalised at the same composition as the original capital. We now need to consider what happens when the composition changes, and what it is that could cause changes in the composition.

\textsuperscript{14} C., p. 770.

\textsuperscript{15} Marx here draws a comparison with the theories of the so-called ‘Currency School’, the monetarists of his day. They drew the conclusion that the general fall in commodity prices in the crisis phase of the industrial cycle arose because of a lack of money in circulation, and that a rise in prices in a phase of prosperity was caused by an excess of money, rather than seeing that a fall in price of commodities expresses itself as a general rise in the value of money, and that a rise in prices in a fall in the relative value of money.

\textsuperscript{16} C., p. 771. Thus while Malthus sees population growth as the independent variable that determines everything else, for Marx the determinans is capitalist accumulation.

\textsuperscript{17} C., pp. 771-2.
Earlier,\textsuperscript{18} we saw that at a certain stage of capitalist development the importance of a rising productivity of labour in the increase of surplus-labour at the expense of necessary-labour, i.e. in both the absolute and relative increase in surplus-value. In a development of that phenomenon, here, too, we see that at a given stage of development ‘a point is reached in the course of accumulation at which the development of the productivity of social labour becomes the most powerful lever of accumulation.’\textsuperscript{19}

As the worker’s productivity rises, so too does the mass of means of production with which she works. The relationship between these two factors is no mere cause and effect, however, for, if a greater productivity of labour means that labour will process a greater mass of raw materials, the concentration of the production and its instruments is itself a condition of the rising productivity of labour. Nevertheless, we can say that ‘the growing extent of the means of production, as compared with the labour-power incorporated into them, is an expression of the growing productivity of labour.’\textsuperscript{20} Thus alongside an increasing productivity of labour there necessarily occurs a growth in the mass of means of production compared to the mass of labour-power, and thus a change in the technical composition of capital.

This in turn expresses itself as a change in the value composition of capital; though the latter is not identical to the former, for, while the mass of means of production consumed by labour rises, the value of each unit of this mass, precisely because of the rise in the productivity of labour, falls: their total value rises but not to the same extent as the rise in their mass.

Marx also emphasises here that a lessening of the \textit{relative} proportion of variable capital does not in itself entail an \textit{absolute} fall.

\section{The relation between the productivity of labour and the accumulation of capital}

Now, we have established that an increase in the productivity of labour leads to a change in both the technical and, as a consequence, the value composition of capital. Now we shall see the relation between the accumulation of capital and increased productivity of labour.

We saw in part 4 that the increase in the productivity of labour on a social (rather than individual) scale presupposes a certain degree of co-operation in production: ‘how the division and combination of labour can only be organised on that basis, and the means of production economised by concentration on a vast scale; how instruments of labour which, by their very nature, can only be used in common, such as systems of machinery, can be called into existence; how gigantic natural forces can be pressed into the service of production; and how the production process can be transformed into a process of the technological application of scientific knowledge.’\textsuperscript{21}

Here, there are two specificities of capitalist production that we need to keep in mind.

First, given the production of commodities, i.e. given that the means of production are the private property of private persons, co-operation can \textit{only} come about on the basis of an increase in private capitals, and ‘in proportion as the social means of production and subsistence are transformed into the private property of capitalists.’\textsuperscript{22} Commodity production \textit{means} that large-scale production \textit{must have a capitalist form}.\textsuperscript{23}

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\item\textsuperscript{18} In part 4.
\item\textsuperscript{19} \textit{C.}, p. 772.
\item\textsuperscript{20} \textit{C.}, p. 773 (my italicisation).
\item\textsuperscript{21} \textit{C.}, p. 775.
\item\textsuperscript{22} \textit{C.}, p. 775.
\item\textsuperscript{23} The logical corollary of this argument being that commodity production on a ‘small’ scale does not necessarily presuppose capitalist production, something that the historical evidence vindicates absolutely.
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The second, which flows from the above, is this. We are going to see how the relation between the productivity of labour and the accumulation of capital is a reciprocal one. We need therefore to note — though we shall not develop this point until later\textsuperscript{24} — that a precondition of capitalist production is a certain accumulation of capital in the hands of private producers. This accumulation, without which co-operation cannot occur, and which Marx calls ‘original accumulation’,\textsuperscript{25} is not necessarily a capitalist accumulation.

However, once capitalist production properly so-called has been established, all the methods for raising the social productivity of labour are at the same time methods for increasing the production of surplus-value. And, since surplus-value is the formative element of the accumulation of capital, the methods for increasing the productivity of labour are at the same time methods for the ‘production of capital by capital’, the accumulation of capital. And the continuous reconversion of surplus-value into capital, which continuously increases the magnitude of capital that enters production, itself leads to the raising of the productivity of labour. ‘If, therefore, a certain degree of accumulation of capital appears as a precondition for the specifically capitalist mode of production, the latter reacts back to cause an accelerated accumulation of capital. With the accumulation of capital, therefore, the specifically capitalist mode of production develops, and, with the capitalist mode of production, the accumulation of capital.’\textsuperscript{26} And, of course, as we have seen, the rise in productivity in labour which we now see supposed by capitalist production itself leads inevitably to change in capital’s composition.

\textbf{III The accumulation of capital and the concentration and centralisation of capital}

Thus far we have considered the accumulation of capital at a certain level of abstraction: at the level of capital in general and wage-labour in general. We now, in order to develop the analysis, need to consider the level of individual capitals.

Each individual capital is a concentration of means of production, each with command over its own army of workers. As accumulation increases the wealth already in the hands of the individual capitalist, ‘the growth of the social capital is accomplished through the growth of many individual capitals.’\textsuperscript{27}

The accumulation of capital, i.e. the addition of surplus-value to already existing capital, takes the form of the ‘concentration’ of social wealth.\textsuperscript{28}

This concentration of capital would occur at the level of the individual capital proportionally as it did at the level and rate of the total social capital were it not for the tendency — in good part resulting from the division of property within capitalist families — for ‘offshoots’ of capital to break away to form new capitals. Thus, within each branch of production social capital is concentrated in an increasing number of mutually independent and competing capitals. ‘Accumulation, therefore, presents itself on the one hand as increasing concentration of the means of production, and of the command over labour; and on the other hand as repulsion of many individual capitals from one another.’\textsuperscript{29}

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\textsuperscript{24} It forms the substance of part 8.
\textsuperscript{25} Marx’s term is ‘ursprüngliche Akkumulation’, and what he is referring to is what Adam Smith called ‘previous’ accumulation. The translation back into English as ‘primitive’ accumulation is both unfortunate and misleading. Outside of direct quotations I shall be using the term ‘original accumulation’, which is more faithful both to Marx’s German and to his meaning.
\textsuperscript{26} C., p. 776.
\textsuperscript{27} C., p. 776.
\textsuperscript{28} ‘Takes the form of’ is my interpretation; Marx says ‘increases’, i.e. suggests that we are talking about two processes instead of one, the one determining the other. Nevertheless, we shall see that the thrust of argument reveals the assumption that the ‘concentration’ of capital and the accumulation of capital are one and the same process.
\textsuperscript{29} C., pp. 776-7.
But there is another process at work here, which counteracts the fragmentation and repulsion of capital inherent in its accumulation. For the also occurs a process whereby already existing smaller capitals are merged, forcibly or otherwise, into bigger ones. This Marx calls the ‘centralisation’ of capital, ‘the expropriation of capitalist by capitalist’, whereby many small capitals are transformed into a lesser number of larger capitals. ‘Capital grows to a huge mass in a single hand, because it has been lost by many in another place.’ The centralisation of capital differs from the concentration that occurs through accumulation in that it represents a redistribution of capital within the sphere of the whole social capital already deployed, rather than arising from the simple concentration of surplus-value at the level of and between already existing individual capitals.

How does this centralisation come about? Marx alerts us to the fact that we can here only deal with a few details, rather than engage in a more thorough treatment, but he nevertheless lists the following mechanisms.

1. *Competition fought out through the cheapening of commodities.* Since the productivity of labour comes about, all else being equal, through economies of scale, big capitals will win out over small ones.

2. *Forcing of smaller capitals into fields of production relatively unexploited by capitalist production.* In these fields, competition between capitals grows proportionally to the number of capitals, and inversely to their size.

3. *Credit.* Credit sucks disposal money from elsewhere in society and places it at the disposal of the capitalist, transforming itself into ‘a new and mighty weapon in the battle of competition.’ It is ‘the specific machine for the centralisation of capital.’

Centralisation in turn intensifies with the development of capitalist production, in turn accelerating that development, enabling the more rapid attainment of large-scale production: ‘The increasing bulk of individual masses of capital becomes the material basis of an uninterrupted revolution in the mode of production itself.’

The centralisation of capital impacts on the productivity of labour – which is ‘made to ripen as in a hothouse’ – and thus, in turn, on the technical, and value, composition of capital. ‘The degree to which the means of production are means of employment for the workers lessens progressively as those means become more extensive, more concentrated, and technically more efficient.’ This effect is at first limited to the new capital added through accumulation, but as old capital is renewed it is increasingly rapidly extended here too. ‘On the one hand [...]’, the additional capital formed in the course of further accumulation attracts fewer and fewer
workers in proportion to its magnitude. On the other hand, the old capital periodically reproduced with a new composition repels more and more of the workers formerly employed by it.\textsuperscript{35}

### 3 The Progressive Production of a Relative Surplus Population or Industrial Reserve Army

#### I The progressive diminution of the variable component of capital

The \textit{original} appearance of the accumulation of capital is its \textit{quantitative} extension; it comes to \textit{fruition}, however, through a progressive \textit{qualitative} change in its composition, between its constant and relative components.

When accumulation reaches this developed form, the rise in level of the productivity of labour intrinsic to capitalist production, and the change in the organic composition which takes place as a consequence of this, do not simply keep pace with the progress of accumulation, they proceed at a quicker rate. This is precisely because the expansion of total social capital – concentration – is accompanied by the centralisation of its individual elements.

Thus, since the demand for labour is determined not by the extent of total capital but only by its variable part, instead of rising in proportion to the growth of the extent of total capital (as we have been assuming), proportionally it falls, and at an increasing rate. Although, as total capital grows, its variable component grows too, it increasingly does so in a constantly diminishing proportion.

On top of the fact that an accelerated accumulation of capital is necessary not only to absorb additional workers but also to maintain those already employed (given the renewal of old capital on a newly composed basis), accelerated accumulation in itself forces further change in the composition of capital.

The form of appearance of this state of affairs – the progressive diminution of the variable component of capital which takes place with the accelerated increase in the magnitude of total capital, whose rate outstrips that of the growth of total capital – is an absolutely increasing working population, forever and increasingly in excess of variable capital, i.e. the means of employment.

But in fact it is capitalist accumulation itself that constantly produces, and produces indeed in direct relation with its own energy and extent, a relatively redundant working population, i.e. a population which is superfluous to capital’s average requirements for its won valorisation, and is therefore a surplus population.\textsuperscript{36}

This is the capitalist law of production: that ‘the working population […] produces both the accumulation of capital and the means by which it is itself made relatively superfluous; and it does this to an extent which is always increasing.’ \textsuperscript{37}

#### II The reserve army of labour and the cyclical movement of capital

Thus this surplus population is a necessary product of the accumulation of capital. But it is also, insofar as it creates a mass of human material constantly available for the exploitation of capital in accordance with this latter’s needs for self-valorisation, a condition for the existence of capitalist production. The ability of capital to undergo rapid and sudden expansion grows because it is able to deploy a mass of human material into decisive new areas of production.

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\textsuperscript{35} C., pp. 780-1.

\textsuperscript{36} C., p. 782.

\textsuperscript{37} As Marx points out, every historical mode of production produces a law of population peculiar to it: ‘an abstract law of population exists only for plants and animals, and even then only in the absence of any historical intervention by man.’ (C., p. 784.)
The path characteristically described by modern industry, which takes the form of a decennial cycle\textsuperscript{38} [...] of periods of average activity, production at high pressure, crisis, and stagnation, depends on the constant formation, the greater or less absorption, and the reformation of the industrial reserve army or surplus population.\textsuperscript{39}

This cyclical movement is peculiar to modern industry. In other words, it is not only not a feature of non-capitalist forms of production; it is also not a feature of capitalism in its infancy. Before modern industrial capitalist production, the demand for labour followed the accumulation of capital, more or less proportionally; and the accumulation of capital would run up against the limit of the extent of the exploitable working population.\textsuperscript{40} But with the appearance of modern industry, the ‘whole form of motion [...] depends on the constant transformation of a part of the working population into unemployed or semi-employed “hands”.’\textsuperscript{41} The failure of classical political economy is its inability here to differentiate between cause and effect, attributing, for example, to the expansion and contraction of credit a causative role in the economic cycle, rather than seeing this as a symptom if it. In fact, the economic cycle is its own cause and effect:

Just as the heavenly bodies always repeat a certain movement, once they have been flung into it, so also does social production, once it has been flung into this movement of alternate expansion and contraction. Effects become causes in their turn, and the various vicissitudes of the whole process, which always reproduces its own conditions, take on the form of periodicity.\textsuperscript{42}

\section*{III The disproportion between the mass of variable capital deployed and the number of workers employed}

It is not the case, as has been assumed up till now, that the number of workers employed by capital rises and falls with the variable component of capital. We have seen with that the development of capitalist production, and the rise in the productivity of labour (which is both cause and effect of the accumulation of capital), the capitalist is able to set a greater mass of labour in motion without necessarily increasing the number of workers employed, by increasing the exploitation of the latter. Thus, as accumulation progresses, a greater quantity of variable capital can set more labour in productive motion without deploying more workers; the same quantity of variable capital is able to set more labour in motion with the existing labour-power; and a greater mass of inferior labour-power (that of women, children and less skilled workers) can displace a smaller mass of superior labour-power.

Thus not only does the number of workers deployed in production not keep up with the progress of accumulation of capital, it does not keep up with technical transformation of the process of production that

\textsuperscript{38} The celebrated ‘business cycle’.

\textsuperscript{39} \textit{C.}, p. 785. And, as Marx continues, ‘in their turn, the varying phases of the industrial cycle recruit the surplus population, and become one of the most energetic agencies for its reproduction.’ (\textit{C.}, p. 785.)

\textsuperscript{40} As Marx discusses at the opening of this chapter, in the subsections I titled ‘the relation between the accumulation of capital and the working class’ and ‘how the drive for surplus-value asserts itself when capital is accumulated’ (\textit{C.}, pp. 763, 769). Marx’s explicit supposition here was of course an unchanging organic composition of capital.

\textsuperscript{41} \textit{C.}, p. 786.

\textsuperscript{42} \textit{C.}, p. 786. According the footnote which accompanies this part of the text, the French edition spells out in more detail what the concrete features pertaining to this stage of capitalist development are: ‘[...] only after mechanical industry had struck root so deeply that it exerted a preponderant influence on the whole of national production, only after foreign trade began to predominate over internal trade, thanks to mechanical industry; only after the world market had successively annexed extensive areas of the New World, Asian and Australia; and finally, only after a sufficient number of industrial nations had entered the arena – only after all this had happened can one date the repeated self-perpetuating cycles, whose successive phases embrace years, and always culminate in a general crisis, which is the end of one cycle and the starting point of another.’ (\textit{C.}, p. 786n.) Marx here postulates the probability, ‘on the basis of the laws of capitalist production as we have just expounded them’, of the time-scale of the cycle falling from its then 10 years.
accompanies the progress of accumulation of capital, for ‘capital increases its supply of labour more quickly than its demand for workers.’

### IV The accumulation of capital and the supply and demand of labour

The general movements are wages are determined by the expansion and contraction of the reserve army of labour; in other words, what is decisive here is not the absolute size of the working population but the changing proportions in which this population is divided into an active and a reserve army of labour, and this in turn depends upon the cyclical operation of the process of production, by capital’s shifting needs with respect to its requirements for valorisation.

Classical political economy, which believes that wages rise as a consequence of the accumulation of capital, and that the rise in wages stimulates population growth, confuses the laws which regulate the general movement of wages with those that determine the distribution of the population between different spheres of production. True, where, owing to circumstances, local accumulation, and consequently profits, become particularly active, the demand for labour forces wages up and attracts workers in, up to the point where the supply of labour-power begins to outstrip demand, and the trend is reversed.

But these local oscillations of the labour-market do not explain the relation between the total sum of labour-power and the total social capital. In reality, the accumulation of capital renders on the one hand the demand for labour free from the increase in capital, and on the other the supply of labour free from the increase in size of the working class. For if the accumulation of capital increases the demand for labour, at the same time it sets labour ‘free’, while, in addition, unemployed labour, through competition, compels the employed to furnish more labour, making the supply of labour relatively independent from the size of the working population. It is the accumulation of capital itself which regulates the supply and demand of labour.

### 4 Different Forms of Existence of the Relative Surplus Population. The General Law of Capitalist Accumulation

#### I The forms taken by the surplus population

The working population surplus to the requirements of capital exist in a number of different forms. Omitting those forms which make their appearance in function of the changing phases of the industrial cycle, we can identify three forms which the surplus population always has.

*The floating population.* In the centres of modern industry – factories, workshops, iron-works, mines, etc. – workers are repelled, attracted, repelled again, attracted again, and in greater masses: the number of employed increases on the whole, but in a decreasing proportion to the scale of production.

In factories and large workshops, many male workers are employed up to the age of maturity, but few beyond – the majority of older workers being dismissed. This older segment of the workforce forms a part of the floating surplus population. The fact that capital demands more youthful workers and fewer older workers, i.e. that the natural increase in the number workers both exceeds and falls short of the requirements of capital at the same time, is a contradiction inherent in the movement of capital.

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43. C., p. 789. ‘The over-work of the employed part of the working class swells the ranks of its reserve, while, conversely, the greater pressure that the reserve by its competition exerts on the employed workers forces them to submit to over-work and subjects them to the dictates of capital.’

44. Analogous to, Marx comments, that provoked by the division of labour, which chains workers to a particular branch of production, leading to a shortage of labour while masses remain unemployed.
In addition, the deleterious impact on the worker’s physical health provoked by large-scale industry results in her expulsion from the production process at a relatively early age; consequently, the necessity for the rapid replacement of one generation of workers by another, a social requirement met by early marriages, ‘a necessary consequence of the conditions in which workers in large-scale industry live, and by the premium that the exploitation of the workers’ children sets on their production.’

*The latent population.* In the countryside, as capital takes possession of production, the demand for agricultural workers falls without, unlike in other branches of production, any compensating attraction of workers. A part of the rural population is thus constantly passing from the countryside to the towns, a movement which presupposes a hidden – latent – surplus population.

*The stagnant population.* This is the ‘self-reproducing and self-perpetuating element of the working class’ composed of that part of the active army of labour marked by an extreme of irregular employment. Marx notes that it takes ‘a proportionally greater part in the general increase of that class [i.e. the working class] than the other elements’, owing to the fact that ‘not only the number of births and deaths, but the absolute size of families, stands in inverse proportion to the level of wages, and therefore to the amount of means of subsistence at the disposal of different categories of worker,’ a ‘law of capitalist society [which] would sound absurd to savages, or even to civilised colonists.’

The layer at the bottom of all this misery is made up of paupers: on the one hand, ‘vagabonds, criminals, prostitutes’, ‘the actual lumpenproletariat’; on the other, those turned out of employment under the whip of crisis, orphans and pauper children, ‘candidates for the industrial reserve army’, and finally ‘the demoralised, the ragged, and those unable to work’, ‘the mutilated, the sickly, widows, etc.’ ‘Pauperism is the hospital of the active labour army and the dead weight of the industrial reserve army’.

### II The general law of capitalist accumulation

The greater the social wealth, the functioning capital, the extent and energy of its growth, and therefore also the greater the absolute mass of the proletariat and the productivity of its labour, the greater is the industrial reserve army. The same causes which develop the expansive power of capital, also develop the labour-power at its disposal. The relative mass of the industrial reserve army thus increases with the potential energy of wealth. But the greater this reserve army in proportion to the active labour army, the greater is the mass of a consolidated surplus population, whose misery is in inverse ratio to the amount of torture it has to undergo in the form of labour. The more extensive, finally, the pauperised sections of the working class and the industrial reserve army, the greater is official pauperism. *This is the absolute general law of capitalist accumulation.*

The fact is that

within the capitalist system all methods for raising the social productivity of labour are put into effect at the cost of the individual worker; that all means for the development of production undergo a dialectical inversion so that they become means of domination and exploitation of the producers; [...] they degrade him to the level of an appendage of a machine, they destroy the actual content of his labour by turning it into a torment; they alienate him from the intellectual potentialities of the labour process in the same proportion as science is incorporated in it [...] It follows therefore that in proportion as capital accumulates, the situation of the worker, *be his payment high or low*, must grow worse.

In this we find the antagonistic nature of capitalist accumulation.

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45 [*C.*], p. 795.
46 [*C.*], pp. 796-7.
47 [*C.*], p. 797.
48 [*C.*], p. 798 (italicisation as original).
49 [*C.*], p. 799 (italicisation added).
5 Illustrations of the General Law of Capitalist Accumulation

The concluding section of this chapter uses official statistics and reports to document the miserable existence of the surplus, and sometimes not so surplus, population, principally in England, but also in Ireland. I shall limit myself to highlighting points of special general interest.

* * *

‘No period of modern society is so favourable for the study of capitalist accumulation as the period of the last twenty years.’50 [...] But of all countries England again provides the classical example, because it holds the foremost place in the world market, because capitalist production is fully developed only in England, and finally because the introduction of the free-trade millennium since 1846 has cut off the last retreat of vulgar economics.’51

* * *

‘Modern agriculture dates in England from the middle of the eighteenth century, although the revolution in property relations on the land which is the basis of the altered mode of production occurred much earlier.’52

* * *

‘England, a pre-eminently industrial country with fully developed capitalist production, would have bled to death under such a population drain as Ireland has suffered. But Ireland is at present merely an agricultural district of England which happens to be divided by a wide stretch of water from the country for which it provides corn, wool, cattle and industrial and military recruits.’53

* * *

‘The Irish famine of 1846 killed more than 1 000 000 people, but it killed poor devils only. It did not do the slightest damage to the wealth of the country. The exodus of the next twenty years, an exodus which still continues to increase, did not, as for instance the Thirty Years’ War did, decimate the means of production along with the human beings. The Irish genius discovered an altogether new way of spiriting a poor people thousands of miles away from the scene of its misery. The exiles transplanted to the United States sends sums of money home every year as travelling expenses for those left behind. Every troop that emigrates one year draws another after it the next. Thus, instead of costing Ireland anything, emigration forms one of the most lucrative branches of its export trade. Finally, it is a systematic process, which does not simply make a passing gap in the

50 The first edition of the first volume of Capital was published in 1867.
51 C., p. 802.
52 C., p. 828.
53 C., p. 860.
population, but sucks out of it every year more people than are replaced by births, so that the absolute level of the population falls year by year.\textsuperscript{54}

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Talking about the Irish Poor Law Inspectors: ‘As officials of a government which is maintained only by bayonets and by a state of siege sometimes open and sometimes disguised, they have to observe all the linguistic precautions their English colleagues disdain.’\textsuperscript{55}

* * *

‘The uncertainty and irregularity of employment, the constant return and long duration of gluts of labour, are all symptoms of a relative surplus population, and they therefore figure in the reports of the Poor Law inspectors as so many hardships suffered by the Irish agricultural proletariat. It will be recalled that we met with similar phenomena among the English agricultural proletariat. But the difference is that in England, an industrial country, the industrial reserve is recruited from the countryside, whereas in Ireland, an agricultural country, the agricultural reserve is recruited from the towns, the places of refuge of the agricultural labourers who have been driven from the land. In England, the surplus rural labourers are transformed into factory workers; in Ireland, those forced into the towns remain agricultural labourers even while they exert a downward pressure on urban wages, and are constantly sent back to the countryside in search of work.’\textsuperscript{56}

\textsuperscript{54} C., pp. 861-2.
\textsuperscript{55} C., p. 863.
\textsuperscript{56} C., p. 866.