

DEPARTMENT OF ECONOMICS

Working Paper

On Laws of Motion, Determinism and Overdetermination. The Case of the Law of the
Tendency of the Rate of Profit to Fall

Juan Pablo Tome

Working Paper 2015-03



ON LAWS OF MOTION, DETERMINISM AND OVERDETERMINATION. THE CASE OF THE LAW OF THE TENDENCY OF THE RATE OF PROFIT TO FALL¹

Juan Pablo Mateo²

Abstract

This paper support a holistic interpretation of Marxism in order to argue the existence of socio-historical, objectives and tendencial laws of motion governing the reproduction of the system. In particular, it highlights the place of the law of the tendency of the rate of profit to fall in the analysis of the accumulation of capital and, therefore, the theory of crisis, as it arises from the inner logic of capital. While holistic and emphasizing the objective aspects, this approach is not deterministic, but it neither falls into the indeterminacy of the overdetermination approach.

JEL: B41, B51, E11

Words: 7,521

¹ A previous version of this paper was presented at the *Marxist Literary Group* conference in Washington DC, June 24-28th, 2015.

² Adjunct professor in the Department of Economics, John Jay College of Criminal Justice (City University of New York). Email: jmateotome@jjay.cuny.edu; and visiting scholar at The New School (New York). Email: mateoj@newschool.edu

I. INTRODUCTION

The main difficulty that arises when addressing the meaning of the concept of economic law in Marx's analysis of the capitalist mode of production (CMP) is the need to integrate two issues. On the one hand, his holistic approach, from which the existence of rules, patterns or basic tendencies related to the structure are logically derived, so operating outside the (subjective) will of individuals. On the other, the social character of the own structure, which furthermore opens up the possibility for the economic system to be radically modified. In other terms, Marxism can be interpreted from two perspectives: i) as a holistic or totality-character thought, which emphasizes the idea of objective processes, considering the existence of laws of motion of the capitalist society; or ii) based on the concept of the individual, so that both the microfoundations and subjectivism are prioritized to the detriment of objective laws.

From the above-mentioned duality, this paper has a twofold and inter-related objectives. First, to support a holistic interpretation of Marxism, in which priority to the concept of totality is given. Second, and as a corollary, to argue the existence of laws of motion governing the reproduction of the system. In particular, highlighting the place of the law of the tendency of the rate of profit to fall (LTRPF) in the analysis of the accumulation of capital and, therefore, the theory of crisis.

However, and due to different interpretations, the development of this analysis requires making reference to some controversies around two key elements: determinism and overdetermination.³ The reason is the absence, along Marx's work, of a finished document where a systematic exposition of epistemological and methodological aspects could be found, with the exception of parts of *Introduction to the critique of political economy* (Marx & Engels Collected Works, MECW, 29), together with certain letters, and in this case, written by F. Engels.

The article is organized into three parts. The first section deals with general methodological issues of Marxism. It begins with the concept of totality, which allows to reveal the entry point of the analysis, capital as social relation of production. Once explained its essence, the form by which it manifests itself, the laws of motion, is addressed. In the last part, the role of the individual is explained. The second section analyses the LTRPF from the holistic approach

³ Assuming the fallacy of the framework of methodological individualism, subjectivism or humanism, related to the ontological structure of the 'Cartesian totality' (Cullenberg, 1994) in correctly interpreting the Marxian specific approach. Therefore, this controversy will not be addressed here.

developed in the previous section. Thus, its relationship with the essence of capital and the law of value is shown, the meaning of the opposing forces, and then highlighting the role of technical change. Finally, it is explained that this law constitutes the foundation of crisis and the limits of capital. In the last section, the main controversies on this subject, determinism and overdetermination, are addressed.

II. HOLISM AND LAWS OF MOTION

II.1 The concept of totality

The idea of totality is essential in the analysis of Marx, and in particular to appropriately characterize the LTRPF. His thought has a holistic character (Jay, 1984), so giving ontological priority to the whole over the parts. Totality in Marx can be defined as a structure of relations with a social character, which refers to the capitalist society. As a structure, the whole is more than the sum of its parts, since it is not the result of their mere aggregation. It is therefore a *unity*, with a number of distinctive features whose analysis require a prior understanding of the context in which they are located. Put differently, the totality does have a nature or essence determined by the type of social relations *characteristic* of the mode of production.⁴

However, the above-mentioned statements require some clarification. This nature does not exclude the existence of a complex network of influences within the set of social relations, but it does imply that they operate according to a particular hierarchy, or unifying, framework. While there is an interdependence between all integral parts of the whole, not all the ensemble of forces stand on an equal footing. It could speak of forces of various kinds, which give rise to a certain concept of causality, that is, with a fundamental, primary or structural causality that in turn acquires a more relevant role.⁵

The components of the totality are not independent, but connected by means of social relations. Such relationships, indeed, are essential to grasp its inner meaning. Rather, the basic elements of

⁴ As a consequence, capital as a social relation, and so the need to produce surplus value, constitutes the hallmark or entry point of the Marxist approach, as it will be exposed later on.

⁵ Hence that it could be claimed in this approach that B is the root or essential cause of A, or the existence of dependent and independent variables. This does not mean that B is the only reason, nor does it imply that there are no other forces operating in the opposite direction, as already pointed out. On the contrary, it rather means that B is a more fundamental cause (see Bunge, 1978), what turns out to be an important question for the characterization of the LTRPF and the theory of crisis.

Maxist analysis are the *fundamental* social relations that the elements of the system establish among them, but only as long as they give rise to an inner logic. These relations should ensure their functionality for the reproduction in time of the totality.

As a consequence, the fundamental causality starts from the whole, and is verified by means of social relations. Although there is an intertwining between the fields of production, distribution, exchange and consumption, the mode of production has an explanatory priority as it conditions the general process of social, political and intellectual life (MECW, 29: 263) in assuring the material base for its further reproduction. Note however two questions: i) production is valorization, i.e., generation of (surplus)value, which includes performing the complete (whole) cycle of the commodity, ultimately sanctioned by the market by means of its conversion into money; ii) this whole entity comprises different instances, not only those of ‘pure’ economics (Milios *et al*, 2002).

II.2 Capital: logic and social relation

From this characterization of the totality, it can be stated that the ‘entry point’ of Marxian Economics is capital, ‘the economic power that dominates everything in bourgeois society. It must form both the point of departure and the conclusion’ (MECW, 28: 44). Capital expresses a social relation of production, ‘in which the owners of the conditions of production confront living labour’ (MECW, 34: 466). This entry point reflects three related aspects.

- i) A form of society, with capitalists and laborers, which leads to the notion of exploitation from production as a process for valorization, or surplus generation. Moreover, this unity-in-contradiction illustrates the central conflict that will be present in capitalist dynamics, as ‘the relation between capital and wage labour determines the entire character of the mode of production’ (MECW, 37: 866). Hence, it constitutes the fundamental relationship of the CMP.
- ii) A concept of value, that is, the labor theory value, from which the logic of capital defines the essence of totality: ‘production of surplus value is the absolute law of this mode of production’ (MECW, 35: 614).⁶ This essence has a particular socio-historical

⁶ In Marx’s words, ‘the production of surplus value (...) appears as the determining purpose, the driving concern, and the final result of the capitalist production process’ (MECW, 34: 385).

nature expressed from its key element, which serves as a unifying axis: the mode of production. And from the (capitalist) organization of production, the concept of social class is established.⁷ Consequently, Marx's thought has an essentialist character to the extent that it considers the existence of a logic and an essential causality in the processes studied. The capitalist social relation implies the need for certain phenomena to occur, which can be illustrated by the term 'economic law' (see II.3). There is, therefore, a logical necessity: not only does Marx claim that if A happens, then B will occur. On the contrary, he finds a pressure or drive towards A, together with a causal link with B.

- iii) And finally, the endogenous limits of capital, as capital 'reveal all the contradictions of bourgeois production, as well as the limits at which this relationship outgrows itself' (MECW, 28: 256). Its inner essence is dynamic, the neverceasing tendency of production of surplus value, and contradictory due to capital-labor opposition based on the labor theory of value.

Accordingly, Marx provides a global picture of the capitalist system, in which he does not only links the essence of the CMP to the operating laws of capitalism, which ultimately reveals the systemic limits, but with the scientific method of analysis. The contradictions of the capitalist regime reflect the central place of the law of value in the understanding of the fundamental features of the accumulation process.

II.3 Laws of motion

The concept of *law* is essential in the whole of Marx's thought, precisely because its analytical object was the study of the fundamental laws of the CMP (Marx, MECW, 35). Osorio (2001) correctly notes that 'one of the main concerns is to establish the regularities that explain the societal life, which in the field of science are expressed under the notion of law'. Indeed, the reproduction of the capitalist society takes place through laws of motion, which express the *regularity* or *recurrence* of certain aspects. There are three 'general laws of capitalist accumulation' mentioned by Marx.

⁷ It is important to make a two-fold clarification: i) it has to be kept in mind that the CMP, and its laws of motion, must be associated with its core-essence, capital accumulation, and that it can incorporate different types of relations of production, other than free-wage labor (see Banaji, 2011; Anievas and Nisancioglu, 2015). At the same time, it can be emphasized the central place of the capitalist relations of production, particularly in terms of access to the means of production and the definition of the value of the labor power, as in Post (2013).

- i) The concentration and centralization of capital, taking the form of a pressure to increase the composition of capital;
- ii) the generation and maintenance over time of an industrial reserve army, which is a consequence of the above-mentioned law since the mass of means of production increases faster than the amount of labor. This surplus population is functional for the accumulation inasmuch that allows to control the short term rise in wages, ensuring that wage fluctuations do not hinder profitable investment;
- iii) the downward tendency of the rate of profit. In fact, it is the corollary of the previous two. While the first law located technical change as the essential factor, the second one expressed the adequacy of the distribution pattern to valorization needs.

These laws stem from the inner essence of the social relationship itself, are not imposed from the outside, so Marx refers to them as the ‘inner laws of capital’. Therefore, they can be enunciated when the core of the CMP, the capital in its generality, is analyzed. Although it is true that in practice laws expressed themselves as many competing capitals, ‘competition executes the inner laws of capital; it turns them into coercive laws in relation to the individual capital, but it does not invent them. It realises them’ (MECW, 29: 136). In other words, the constituent parts of the totality (individuals, social classes, fractions of capital, national states, etc.) do not create new laws, only could shape them.

There are a number of key features. First, they have a socio-historical character. The laws of the CMP exclusively belong to this historically determined stage, capitalism. And they are not natural, that is, neither permanent nor immutable. Therefore, they can not have a technical character, thus related with *things*, but with the relationships individuals establish in society, in particular in social production. This bounding is critical because it opens the possibility for its suppression by people.

Second, laws are objective. Marx himself praise I.I. Kaufman, when he claimed that the social dynamics was ‘governed by laws not only independent of human will, consciousness and intelligence, but rather, on the contrary, determining that will, consciousness and intelligence’ (MECW, 35: 18). Their objective character emanate from the nature of capital, so they are not governed by people despite having a social character (Astarita, 2014). Marx’s laws give a

prominent place to the objective factors or set of relations of production, far from any individual voluntarism.

Third, laws have a tendencial character. In all capitalist production the general law is imposed as the predominant tendency, so laws work as, or are, tendencies (MECW, 37; Ollman, 2003). This feature is logical with the aforementioned concept of causality. To the extent that a dominant tendency prevails, one can speak of a ‘law’ (Shaikh, 1990), as well as to distinguish between the so-called ‘law itself’ (dominant force) and ‘counter tendencies’ (secondary force). Following Fleetwood (2012), ‘tendency is used to refer, metaphorically speaking, to something that powers, forces, drives, propels, pushes, presses, shoves, thrusts, exerts pressure, and so on’. In other words, a force that dominates their conflicting forces associated, so the result is a dominant general pattern (Shaikh, 1990) as far as it both sets the limits within which allows the remaining (countertendencies) forces to effectively operate, and also conditions the direction of its movement.

II.4 What role for people?

Having emphasized the holistic character of Marx’s economic thought, one question inevitably arises: what is, if any, the role of the individual in relation to the laws of motion? The starting point is to clarify that Marxism is not a humanism as long as what is conceptually relevant is the ensemble of social relations, not the people whom they link. Marx explicitly rejects the humanist tradition of thought based on individual or human nature determining the evolution of society (see Milios *et al*, 2002). His focus is reflected instead in the primacy of social class. In this sense, ‘the capitalist functions only as capital *personified*, capital as a person, just as the worker only functions as the personification of *labour*’ (MECW, 34: 466).

The fundamental constitutive elements of capitalist society are social classes, which express the essence or nature of the totality. Ollman (1971) claims that Marx conceives of *things* as *relations*, and ‘the totality of these relations of production constitutes the economic structure of society’ (MECW, 29: 263). Therefore, ‘the concept of the capital contains the capitalist’ (MECW, 28: 436), that is, it is the relation of production which gives meaning to the subject in the analysis. Thus, the understanding of the behavior of economic agents can only be achieved from the previous analysis of the nature of the CMP as a whole. Specifically, from the existence

of a social determination of individuals for which, rather than being isolated agents, they actually are expressions of social classes, that is, of social relations of production.

The subjective role of the individuals, as economic agents, is largely conditioned (or subjected) to objective processes and tendencies. Their actions generally meet concrete objectives, emerging not in a vacuum but from their own ‘material’ conditions of existence. Consequently, the behavior and decisions of agents (mainly workers and capitalists, e.g. in relation to consumption and investment) must be first approached in terms of their belonging to different social classes. But not only it does exist a primacy of social relations, but also of capital over labor, as ‘the labourer exists to satisfy the needs of self-expansion of existing values, instead of, on the contrary, material wealth existing to satisfy the needs of development on the part of the labourer’ (MECW, 35: 616). The capital-form already establishes a certain logic that submits the laborer, and therefore their activity as a person.⁸

However, while Marxism is not a humanism, it has a constituent or fundamental human dimension: its approach is rooted in the tradition of political economy (Vs ‘technical’ *Economics*), for which ‘individuals producing in a society —hence the socially determined production by individuals— is of course the point of departure’ (Marx, MECW, 28: 17). Following Westphal (2003), it would be a (moderate) holism as the individual and his freedom are not rejected, but rather the social dimension has conceptual priority. In addition, while explaining the operation of the CMP, it reveals the underlying exploitation of the great majority of the population, that ultimately results in different injustices and suffering. Finally, not only Marx is not merely limited to a description, but he advocates for an alternative society, communist, in which the emancipatory project of humanity will come true, without exploiters nor exploited people.

⁸ This idea shall be expressed differently, as ‘social relations and processes must abstract from concrete individuals, but obviously imply abstract individuals’ (Carchedi, 2011: 30).

III. METHODOLOGICAL ASPECTS OF THE LAW OF THE FALLING RATE OF PROFIT

The issues developed in the previous sections take a more concrete form in the LTRPF. This law is central to the Marxist analysis of both tendencies and limits of capitalist economy. It is the culmination of Marx's study of the laws of motion of the capitalist regime, condensing all of its contradictions. Thus, Marx claimed that 'in every respect, this is the most important law of modern political economy, and the most essential one for comprehending the most complex relationships. It is the most important law from the historical viewpoint' (MECW, 29: 133).

III.1 Unavoidable product of capital and the law of value

The LTRPF is the inevitable culmination of the working of capital and the development of its contradictions, that is, the attempt to maximize profitability by capital, the core essence of the CMP. It should be emphasized that the LTRPF is associated with the very essence of the totality, as an expression of the logic of capital. So, 'proceeding from the nature of the capitalist mode of production, it is thereby proved a logical necessity that in its development the general average rate of surplus value must express itself in a falling general rate of profit' (MECW, 37: 211).

If the law is derived from the logic of capital, and establishes within it the tendency toward crisis, it implies that the nature of capital, of a dynamic character, is contradictory. Such contradiction reveals itself with the labor theory of value, i.e., with abstract labor as the substance of value. Although capital has an impulse towards increasing surplus labor, the necessary labor time must be maintained because the worker has to be reproduced for capital to exist, what makes capital itself a contradiction-in process (MECW, 29). The LTRPF expresses the contradiction between necessary and surplus labor, so the reproduction of capital is not harmonious, but turbulent, subject to an intense volatility. Put differently, it is the result of applying the labor theory of value to the process of capital formation. Therefore, the law is organically linked to two inherent elements of the logic of capital: i) the abstract labor as a source of value; ii) the opposition between use value and value, already present in the commodity form.

This tie of the LTRPF with the logic of capital is reflected in Marx's own work. In volume I of *Capital*, Marx is still in the first level of abstraction, that of capital-in-general facing labor. The

study of the general law of accumulation has thus as its purpose to address the influence of capital growth in the fate of the working class, and ‘the most important factor in this inquiry is the composition of capital and the changes it undergoes in the course of the process of accumulation’ (MECW, 35: 607). Although the LTRPF is not formulated until the third volume, is already present, even implicitly, in the first one within the framework of the analysis of production and accumulation. Ultimately, the LTRPF is but another way of expressing the expulsion of living labor from the production phase, the *general law of accumulation* developed in volume I.⁹

However, in this first volume the rate of profit *does not exist* yet, and indeed Marx addresses the transformation of *surplus value* into *profit* only at the beginning of volume III. In *Capital* I Marx analyzes production as an abstract process of surplus generation, whose characteristic feature is the extraction of relative surplus value. This object is therefore immanent finality to the concept of capital and absolute law of its development, but it will have to wait until the last volume for the LTRPF to be exposed.

III.2 Dominant tendency and countertendency

Marx discusses the LTRPF in the third section of volume III (MECW, 37), composed of three chapters. It starts with the law as such, following with the countertendencies and finally analyzing the development of the internal contradictions of the law.

It has to be considered that as long as the TRPF is itself a law, it incorporates forces of diverse nature, which is why it is indeed a law, and therefore of a social, objective and, above all, tendential character (see II.3). The decisive factor is however the force having a dominant role, which in the last instance could be defined as *the* cause of the downward pressure on profitability. Therefore, it is not a law whose meaning or status depends on the relative strength of the rate of surplus value in relation to the composition of capital. In that case, it would not be a law of the CMP, but a mere empirical possibility depending of the confluence of certain aspects, and so making the result undetermined. On the contrary, both elements are related, but the

⁹ Thus, in a letter to Engels, Marx (MECW, 43: 24) refers to ‘the tendency of the rate of profit to fall as society progresses. This already follows from what was developed in Book I on the change in the composition of capital with the development of the social productive power’. Note that Marx explains the law before addressing the various components of surplus value, so it is independent of how is distributed in interests, rent, etc.

different analytical place these forces (categories) occupy implies the existence of a dominant force which originates the downward tendency.

The rate of surplus value can not offset the increase in the composition of capital because labor is the limit of capital, so the theoretical role of both categories is different. But the composition of capital could be increasing as long as there is physical availability of the elements of constant capital. The rate of surplus value, however, faces the need to maintain a wage that ensures the perpetuation of the capitalist social relation, that is, necessary labor as the foundation of surplus value. Therefore, in practice the composition of capital encounters limits, but arising from the social character of capitalist production, founded on production as valorization, so ultimately it is a social issue, not a technical one. The composition of capital increases until the crisis requires destruction of capital to restore the conditions for further valorization, which means that actually it can not be expanded indefinitely.

However, the concrete manifestation, beyond the abstract law, does depend on the relative incidence of the forces pushing in opposite directions. The misunderstanding of the distinction between the *abstract* and *concrete* aspects unfortunately prevents from grasping the apparent contradiction between the general (abstract) law and certain specific (concrete) situations, as if the abstract formulation had to contain and reflect the concrete development without the necessary mediation between both dimensions.

III.3 Technical change

As discussed below, the fundamental explanatory reason of the LTRPF is the increase of the composition of capital, the denominator of the profit rate. The technical change (TCh), then, is absolutely a central concept in Marxist theory of both growth and crisis.

Despite the term, the TCh is not at all only technical, or related to the productive forces, but it does have a decisive *social* dimension linked to the social relations of production.¹⁰ Ultimately, its direction, intensity, and the emergence of innovations that implies, are submit to the logic of capital accumulation, characteristic of the approach of classical political economy (Guerrero,

¹⁰ Moreover, TCh is not independent of social conflict, because the class struggle first occurs in the production phase. See “The strife between workman and machine’, in ch. XV of *Capital* I, together with the influence on the enlargement of the working day (Marx, *Grundrisse* II in MECW, 29).

1995). Such is the technical need arising from society to which Engels (01/25/1894, in MECW, 50) made reference. As the means of production are basically means for valorization, the technique should be considered a basic support for the extraction of surplus value (Moreno, 1995). The foundation of TCh in Marx comes out, thus, from the very capital-in-general facing labor and its logic (the absolute law), not firstly because of the existence of capital in its multiplicity (competition).

The dominant pattern of TCh reflects the contradictory relationship between both micro and macroeconomic spheres. Note that Marx in any case rejects the microeconomic perspective of the individual capital, but maintains the overall rationale (profit maximization) to explain the contradiction between the individual purpose and the final result for the whole capital. In fact, Marx himself stated that ‘no capitalist ever voluntarily introduces a new method of production, no matter how much more productive it may be, and how much it may increase the rate of surplus value, so long as it reduces the rate of profit’ (MECW, 37: 263). Therefore, the essential analytical perspective of TCh does not correspond to the sphere of individual decision and rational behavior. As a fundamental element of capital accumulation, TCh is a mechanism inherent to the logic of capital that is *imposed* on each capitalist (Shaikh, 1990).

For this, it should be kept in mind that Marx’s analysis starts establishing the value of labor power, that is, fixing the salary to a certain level for a period of reference (see MECW, 37, I, section 3). The shortening of necessary labor time requires lowering the reproduction of the worker, which involves reducing the price of his means of consumption. For this, the essential mechanism is the mechanization of the production process. On the one hand, total surplus labor is increased by both the largest surplus labor performed by each worker and the increase of their number. On the other, the reduction of the cost of the worker reproduction is achieved through a greater participation of the unit costs of constant capital. Thus, the contradiction of the general law of accumulation is explained by the relationship between the spheres of the technology of production and distribution, because enlarging the surplus labor of the working day requires a relatively increased use of the mass of constant capital. Consequently, the number of ‘abstract’ hours of labor relatively decreases compared to constant capital. As Marx identified raising capital composition with improved productive capacity, ‘the progressive tendency of the general

rate of profit to fall is, therefore, just *an expression peculiar to the capitalist mode of production* of the progressive development of the social productive power of labour' (MECW, 37: 211).

III.4 Crisis and the limits to capital

The LTRPF also expresses the limits and contradictions of the CMP. If the type of reproduction of the totality is in fact related to the core of the system, 'the *real barrier* of capitalist production is *capital itself*. It is that capital and its self-expansion appear as the starting and the closing point, the motive and the purpose of production' (MECW, 37:248-249). In other words, the methodological demand coherent with Marx's thought is for the limits to be endogenous to the internal logic of the CMP, as explicitly stated: 'these inherent limits must coincide with the nature of capital, with the essential character of its very concept' (MECW, 28: 342).

Profitability as the basis of capitalist production has its corollary in a conception of crisis from the inner driving force of its development. Marx's theory of crisis thus results from the insufficient capacity to generate surplus value, which is expressed as a fall in profitability. The LTRPF is not *a cause* among others of the crisis. On the contrary, the various ways of manifesting the collapse of the accumulation derive from an underlying problem of valorization. Regarding the methodological framework of the LTRPF, it should be noted that the concept of 'limits to capital' does not imply the unavoidable advent of the socialist or communist society. In this sense, we can distinguish among relative and absolute limits. In the first case, it is made reference to

- i) *the type of reproduction of the CMP*, which is not smooth, but problematic, subject to volatility, imbalances, instability;
- ii) *the deepening of contradictions*. The historical course of capitalism leads to crises generated in an increasing level. Specifically, the degree of concentration and centralization of capital implies the need to destroy capital and devalue the labor force in such an extent that the continuity of the system could be threatened;
- iii) in this regard, the limits are those of the impossibility of a continuous process of growth, that is, *the inevitability of crises under capitalism*.

The crisis reveals the conflict between the potential development of productive forces and the framework of relations of production, so 'the relation of capital becomes a barrier to the

development of the productive forces of labour' (MECW, 29:133). In this sense, it also constitutes the *fundamental* (but not exclusive) *objective basis* for the *subjective* challenge of this system. At this time, the working class turns out to be the fundamental revolutionary subject, and therefore the absolute limit to capital. Workers, politically organized, have the ability to overcome capitalism. The subjectivity of the working class, however, has to be founded on a material basis, from which Marx pointed out that 'with all the miseries it imposes upon them, the present system simultaneously engenders the *material conditions* and the *social forms* necessary for an economical reconstruction of society' (MECW, 20: 149).

Note that the revolutionary subject is a product of the capitalist relation itself. It is defined as a social class, and in a context in which it is economically possible the construction of an alternative socialist system. It is not supported in the field of subjectivity outside the development of the productive forces. The justification is built on two levels. On the one hand, it relates to the possibility of allowing a productive development without the obstacle of production for profit, which imply the crisis as a necessary moment of its development. On the other, it relies on the ability to do so with respect the ecosystem and without human exploitation. In this sense, socialism is an economic possibility and an ethic exigence (Guerrero, 2008). But there is not any inevitability in this step, only a rational possibility, coherent with the limits of the totality of the capitalist society. However, we insist, it ultimately exists in Marx a priority for the objective elements.¹¹

IV. SURROUNDING CONTROVERSIES

IV.1 Mecanicism and determinism

The interpretation of Marxism that has been argued in any case is mechanicistic, determinist or teleological (see Freeman, 2010; Banaji, 2011). However, it is usual to identify i) the totality and the existence of certain *essence* that is manifested by means of objective laws, with ii) the natural essence and mechanical laws that would guide this *Hegelian totality* under a unilinear 'idea of history as an evolutionary and teleological process' (Cullenberg, 1999: 801), with a certain

¹¹ Thus, Marx (MECW, 29: 263) claims that "no social formation is ever destroyed before all the productive forces for which it is sufficient have been developed, and new superior relations of production never replace older ones before the material conditions for their existence have matured within the framework of the old society".

sequence of modes of production.¹² This misconception of the concept of economic law comes from the *French positivism* (Freeman, 2010), and is absolutely alien to Marx, who explicitly rejects the Newtonian mechanicism (see Marx, *Theses on Feuerbach* [MECW, 5]; Burkett, 2000). This positivism is coherent with mainstream Economics and its *homo economicus*, which establishes a dichotomy between the spheres of economics and politics.¹³ In the first one, there would exist an objective tendency towards general equilibrium under natural laws (Osorio, 2001), while the other field would be independent, a reality actually exogenous to economy.

In clear contrast with this view, it can not be found this dichotomy in Marx. He highlights the economic process of surplus-extraction in the CMP, which in turn makes it differ from other precapitalist forms. The generation and appropriation of surplus, together with the sectoral distribution of labour, are expected (as there are exceptions) to take place in the economic sphere and achieved by ‘privatized’ economic means. That is, under the imperative of the law of value, so by means of the competitive impulse of the profit-maximizing logic, without the necessary action of an extraeconomic authority. The economic need of the labourer becomes the main impulse forcing him to transfer surplus-labour (Wood, 2012). In any case, the totality is the capitalist society, whose political dimension refers to class conflict and power relations, arising from the concept of capital itself.¹⁴ What matters is that this dimension is inserted into the basic tendencies of capital accumulation. The only *Telos* that can be recognized in the Marxist approach is internal to the CMP, the tendency towards crisis, from which it does arise the Marxian theory of crisis as a necessary moment of the capital accumulation process. Consequently, it can not be established any different determinism because the laws that govern the CMP have a social character.

¹² I recognize that there are some statements in Marx that, taken separately, provide the grounds to this interpretation. Anyway, what is relevant is the logical structure of the entire analysis, and mainly in his mature’s work.

¹³ And therefore, linked with the individualist approach. Also, this dichotomous relationship between political economy and class struggle is the basis of the dispute within Marxism between ‘humanism’ and ‘determinism’ (Moral and Raimond, 1986).

¹⁴ Wood (2012: 19) claimed that ‘the political sphere in capitalism has a special character because the coercive power supporting capitalist exploitation is not wielded directly by the appropriator and is not based on the producer’s political or juridical subordination to an appropriating master’, which helps to understand the opposite approaches. However, she argues, despite this separation, ‘appropriative power is integrated more closely and directly than ever before with the authority to organise production’ (Ibid.: 20). For a historical comparison, see Anievas and Nisancioglu (2015).

Although the integration of economics and politics in the totality of capitalist society gives conceptual priority to the mode of production, both Marx and Engels clarified that is the explicative element *in the last instance*, the *ultimately determining element*. ‘This is not to say that the economic situation is the *cause* and that it *alone* is *active* while everything else is a mere passive effect, but rather that there is a reciprocal action based, *in the final analysis*, on economic necessity which invariably prevails’ (Engels, MECW, 50: 265). In the *Theses on Feuerbach*, Marx also claims that ‘the materialist doctrine concerning the changing of circumstances and upbringing forgets that circumstances are changed by men’ (MECW, 5: 4). If any determinism were to exist, the political action supported and led by Marx himself would not be justified because of the irrationality of trying to fight against what is determined, or pretend to advance an event (the revolution) that had already been programmed.¹⁵

In short, there is a determinism inasmuch as the LTRPF, as the foundation of the crisis, will operate in any model or historical phase of capital accumulation, and it will submit economic policy decisions. However, it is not deterministic to the extent that there are spaces for human freedom to redefine the value of the labor force, shaping economic developments, and because it does not imply a future socialist society.

IV.2 Overdetermination

Other interpretative current of thought is that of authors like Cullenberg (1994, 1999) and Wolff and Resnick (2006, 2012), which can be labeled as institutionalist or, as we refer here, overdetermination or of the decentered totality, whose origin is found in Althusser (1967).¹⁶ According to them, Marxian theory ‘rules out any notion that any one social aspect, such as the economic, can be ultimately determinant or determinant in some last instance of other social aspects’ (Wolff and Resnick, 2006: 19). These authors consider a kind of a third way between determinism and humanism, rejecting the idea of essential cause, so there would be no laws of motion of capitalist society.

¹⁵ Marx supported the holding of strikes to defend the rights of workers, drafted a series of reformist measures (see *The manifesto of the Communist Party*, in MECW, 6), boosted the organization of the *First International*, advocating for the unity of them in order to transcend the capitalist society (see the eleventh *Theses on Feuerbach*, in MECW, 5). In other terms, the rationality of his revolutionary activity can be derived from his unique theory of crisis as crisis of valorization.

¹⁶ Apart from controversies around the theoretical priority of economics in the last instance, his work nevertheless did take an institutionalist direction, as recognized by Cullenberg (1999).

The problem is that this approach denies the existence of a fundamental contradiction which acts as a certain unifying core of the structure, as it is the concept of capital and the subsequent opposition to labor to which it gives rise. Contradictions would operate on an equal footing, without any priority for the economy, so precluding that totality from being a unity (Cullenberg, 1999). As a consequence, to the extent that there is no fundamental causality, the result is indeterminate and without any directionality (see Astarita, 2014a). In the case of the analysis of the LTRPF and the phenomenon of the crisis, the approach is summarized as follows:

It is not presumed to follow from falling investment, reduced consumer spending, falling stock prices or any limited, small group of such determinants. Rather, in this Marxian view, a recession is “caused” not only by these but also by all other factors that exist in our world (...) For Marxian theory, none of these factors can be ruled out as causes — each in its particular way — of the recession. (Wolff and Resnick, 2012: 45-46)

This characterization lacks of any real explanatory power, and connects with the idea of multiple theories of crisis in Marx and the logical denial of the centrality of the LTRPF. That is, it can not explain the recurrence of the crisis because recessions are not tied to the inner logic or driving force of the CMP, so the common factor is missing to knowledge. Crises would become unique events stemming from the confluence of a number of factors, and so lacking an analytical unifying axis. However, ‘if we do not accept that Marx’s LTRPF is the basis of his theory of crises, then we must accept that Marx did not have any theory of crisis at all’ (Roberts, 2014). Moreover, if there is no essence of capital being at the core of the capitalist society, then there is no objective basis on which to articulate a movement of anti-capitalist character. There would not exist objective tendencies as to justify the irreformability of the system, and if the capital-labor contradiction is not central, in the sense of defining the starting point of the global dynamics, it could not convincingly be argued that the working class will or could be the subject for revolution.

V. CONCLUSIONS

This methodological discussion has sought to reaffirm the central role of the concept of law of motion from a holistic interpretation of Marxist economic theory, and consistent with its theory of value. On the one hand, the value of commodities is not the result of the aggregation of different types of income, but has an analytically prior foundation that can be revealed before its

constituent parts. On the other, the LTRPF is independent of wages, as well as the pattern of distribution of surplus into interest and rent, and thus on economic policy. The holistic approach gives priority to the whole, understood as a unit-in-contradiction, structured from the set of social relations of production. But a hierarchy of forces around capital does exist, which stands at the unifying core of the system. We highlight the following aspects:

- i) The totality has an essence, which corresponds to the 'impersonal' logic of capital and manifests itself through laws of motion. Three basic features in the definition of economic law were claimed, as they are socio-historical, objectives and with a tendencial character.
- ii) Therefore, the laws of motion are a product of capital itself, so no determinism could be identified. Alternatively expressed, any kind of determinism would be internal to the CMP, and limited to the existence of fundamental laws of CMP: towards increasing the composition of capital, the endogenous limitation of wage costs, and as a consequence, the LTRPF as the foundation of crisis. However, there is no mechanism which should imply the inevitability of communism.
- iii) In arguing the relationship of the LTRPF with the logic of capital in its generality and the law of value, it has been supported *the Marxist theory* (not theories) for the need of the crisis. This necessity stems from its inevitability and its functionality for the reproduction of the CMP. It constitutes the only way to show the common denominator of crises that periodically occur in capitalist society.
- iv) Social relations of production were emphasized as support of the concept of social class and exploitation. What analitically thus matters are not concrete people, but the abstract individual as a representative of his class. The existence of laws of motion involves the inability of people to govern systemic dynamics.
- v) Furthermore, the internal contradictions in fact generate the objective basis for the radical transformation of society. Inasmuch as there are laws governing an exploitation-based and crisis-prone system, the revolutionary activity is grounded on objective and rational basis, not on a mere voluntarism. In fact, it could be argued that precissely because Marxism theoretically is not a humanism, it is able to adequately justify the possibility and necessity of its overcoming by another society.

vi) The analysis does not involve falling into a mono-causality sidedness ignoring the existence of various causal factors, but it does allude to a logical order regarding the levels of causality of the totality. In this sense, the LTRPF analytically precedes intersectorial (disproportion), demand (underconsumption), income (profit-squeeze), capital (financialization) or economic policy (neoliberalism) imbalances that support the idea of different theories of crisis in Marx.

REFERENCES

ANIEVAS, A and K. NISANCIOGLU (2015). How the west came to rule. The geopolitical origins of capitalism, London, Pluto Press.

ASTARITA, R. (2014a). Lógica del capital y crítica marxista (3 parts), August-September. Available at <<https://rolandoastarita.wordpress.com/>>

BANAJI, J. (2011). Theory as history. Essays on modes of production and exploitation, London Haymarket.

BUNGE, M. (1978). Causalidad. El principio de causalidad en la ciencia moderna, Buenos Aires, Eudeba.

BURKETT, J. (2000). Marx's concept of an economic law of motion, *History of Political Economy*, 32(2): 381-394.

CARCHEDI, G. (2011). Behind the crisis. Marx's dialectics of value and knowledge, Boston, Brill.

CULLENBERG, S. (1994). The falling rate of profit. Recasting the Marxian *debate*, London, Pluto Press.

_____ (1999). Overdetermination, totality, and institutions: a genealogy of a Marxist institutionalist economics, *Journal of Economic Issues*, XXXIII(4): 801-815.

FLEETWOOD, S. (2012). Laws and tendencies in Marxist political economy, *Capital & Class*, 36(2): 235-262.

FREEMAN, A. (2010). Crisis and "law of motion" in economics: a critique of positivist Marxism, MPRA Paper No. 48619.

GUERRERO, D. (1995). *Competitividad: teoría y política*, Barcelona, Ariel.

_____ (2008). *Un resumen completo de El Capital de Marx*, Madrid, Maia.

JAY, M. (1984). *Marxism and totality*, Cambridge, Cambridge Polity Press.

MARX, K. and F. ENGELS. *Marx & Engels Collected Works (MECW)*, 50 vols. Lawrence & Wishart, London, 2010.

MILIOS, J.; D. DIMOULIS and G. ECONOMAKIS (2002). *Karl Marx and the classics. An essay on value, crises and the capitalist mode of production*, Hampshire, Ashgate.

MORAL, J.A. and H. RAYMOND (1986). *La acumulación del capital y sus crisis*, Madrid, Akal.

- MORENO, J. (1995). Economía del cambio técnico. Una visión clásica, *Estudios de Deusto*, 43(2): 155-189.
- OLLMAN, B. (1971). *Alienation: Marx's conception of man in capitalist society*, New York, Cambridge University Press.
- _____ (2003). *Dance of the dialectic: steps in Marx's method*, Chicago, University of Illinois Press.
- OSORIO, J. (2001). *Fundamentos del análisis social. La realidad social y su conocimiento*, Mexico city, UAM-FCE.
- POST, Ch. (2013). Capitalism, laws of motion and social relations of production, *Historical Materialism*, 21(4):71–91.
- ROBERTS, M. (2014). Monomania and crisis theory – a reply to David Harvey, December. Available at <<https://thenextrecession.files.wordpress.com/2014/12/reply-to-harvey.pdf>>
- SHAIKH, A. (1990). *Valor, acumulación y crisis: ensayos de economía política*, Bogota, Tercer Mundo Editores, 1991.
- WESTPHAL, K. R. (2003): Hegel's epistemology. A philosophical introduction to phenomenology of spirit, Indianapolis/Cambridge, Hackett.
- WOLFF, R. and S. RESNICK (2006). *New departures in Marxian theory*, New York, Routledge.
- _____ (2012). *Contending economic theories: Neoclassical, Keynesian, and Marxian*, Cambridge, MIT Press.
- WOOD, E.M. (2012). *The Ellen Meiksins Wood reader*, Boston, Brill.