The New Reading of Karl Marx's *Capital* in the United States

Richard D. Wolff*

***Abstract*:** Allen Oakley scrutinised the evolution and development of Karl Marx's critique of political economy from its earliest roots to the mature theory of surplus value. This theory was both a development of classical themes and also a transformation into a unique approach to economic systems. This paper explores the uniqueness of Marx's theory of the relationship between social classes and the production, appropriation and distribution of surplus value. It recognises that Marx's theory is not reductionism but rather 'overdeterminist', a multi-causal and multi-layered analysis of classes under capitalism. This new reading of Marx's *Capital* has been gathering momentum for a few decades now. In this approach, people occupy multi-class positions; crises both reflect and transform the production and distribution of surplus value; and past and present capitalist class systems oscillate between both private and state forms. The new approach also enables one to include, as objects of class analysis, firms, states, financial institutions, households and global relations.

1 Introduction

Allen Oakley's first major contribution to the history of political economy was in comprehending the evolution and development of Karl Marx's (1818-1883) theory of surplus value. He traced Marx's process of intellectual genesis from the early influences of the classical economists, utopian socialists and Hegelian philosophers into the full-blown theory of surplus value. Oakley's work is crucial since he places emphasis on the surplus, rather than power and property as the core processes. He sees the linkages between production, distribution and exchange in the process of surplus generation and reproduction, rather than simply accumulation and production. He also recognises the importance of the inner contradictions of capital, and especially how they operate in complex and multifarious ways.

This paper explains an approach to Marx's *Capital* that is similar to Oakley's in that it focuses on the surplus, the linkages between the different aspects of reproduction, and the complex contradictions within the institutions. But it explains what is in many other respects a major new way of reading, understanding, and developing Marxian theory, which arose in the United States during the 1980s and has been growing ever since. This new way emerged out of the classical Marxian tradition where the economic base determines the political and cultural superstructure; classes are defined in terms of ownership of means of production; value is theorised as determined by abstract labour; and capitalism is driven by the contradictions of accumulation and their attending crises. However, the new Marxian theory also criticised and changed that classical tradition, as is shown clearly in its new way of reading Marx's *Capital.*

Among the causes of this Marxian self-criticism and change were the political weaknesses of the Marxian left: the ossification of Marxism in the USSR, Euro-communism, the collapse of Maoism, the social democracies' deepening

accommodation to capitalist hegemony, and the inability of the left everywhere to prevent a US-led neoliberalism globally (facilitating US imperialism in particular). Another cause was the influence of new theoretical tendencies emerging within European Marxism—above all, the work of Louis Althusser and the *Reading Capital* project in France.[1] Still another was the rapid turn toward Marxism among many young people in the US who were opposed to the War in Vietnam; they brought new questions and concerns. Also influencing a newly emerging Marxism with its new way of reading *Capital* was the rise of powerful new tendencies within bourgeois thought such as structuralism, post-structuralism and post-modernism. In a lively debate, still under way, Marxists in the US argue about integrating parts of these tendencies into Marxism. In particular, they argue about which results of such integration are positive or negative for Marxism's future.

The new reading of *Capital* in the US has been developing continuously since the mid-1980s.[2] It displays two key distinguishing features: how it understands what Marx meant by 'class' and how it defines causality in and for Marxism. After briefly explaining these two features, we will survey some of their effects in shaping a new understanding of major arguments within Marx's *Capital.*

2 Karl Marx's New Concept of Class

The new reading of *Capital* in the US finds there a new concept of class *different from* the concepts of class that prevailed before Marx, as well as during his lifetime and that have persisted as if they were Marx's ever since (Norton 2001). Stated briefly, the prevailing concepts have defined class as a noun; classes are specific groups of people. Most often, such classes refer to groupings according to the property they do or do not own: rich versus poor, owners of means of production versus those without such means, the propertied versus the propertyless. From social critics in ancient Greece and Rome through traditional Marxists writing today, class is defined as a matter of the social distribution of property. Many non-Marxists have also adopted variants of this concept of class; for example, modern sociologists often build their social analyses on the basis of grouping people according to their levels of income. The second long-prevailing concept likewise defines class as a noun; however, it groups people by the power they wield instead of the property they own. Thus, class becomes a matter of those who wield authority and command versus those who obey: the powerful against the powerless, ruling classes versus the ruled. Marxists and non-Marxists alike mostly use property or power concepts of class and often various combinations of both.

While the new reading acknowledges that Marx inherited and made use of these older concepts of class, it stresses that Marx not only developed a new and different concept of class, but that his work applies chiefly to that new concept. Marx's new concept defined class as an adjective to distinguish and describe certain specific processes occurring in all societies. Marx's new concept of class refers to two particular social processes. In the first, a surplus is 'pumped out of direct producers' and gathered into the person (or persons) who 'first holds the whole surplus … in his hands'.[3] In the second process, this person—whom Marx describes as the 'appropriator' of the surplus—distributes that surplus 'between himself and other people'.[4] For Marx, in all societies, some members apply their brains and muscles to nature to produce goods and services. Part of their total output is consumed by them—the necessary product in Marx's terms—but they always produce more than that, a surplus product.[5] In all societies, someone is the

first receiver of that surplus who then distributes it. The production, appropriation and distribution of the surplus are those processes in all societies to which the distinguishing adjective 'class' is attached. Thus, from the standpoint of this Marxian class analysis, societies differ according to how they organise who produces surpluses, who appropriates and distributes them, and who receives distributed shares of such surpluses. This organisation of the surplus is what Marx means by a society's class structure; its particular system of class processes.

The new reading finds *Capital* to be chiefly a specification of (1) how modern society organises its class processes—what Marx calls its capitalist class structure—and (2) how that capitalist mode of producing, appropriating and distributing surplus shapes the economy, politics, and culture of modern society. Marx also understood his own focus on class (in terms of the surplus) as a new approach to differentiating 'economic forms of society' past and present.[6]

As this new reading of Marx's *Capital* began to receive attention, a criticism arose that posed the following question: 'How different is this reading from the traditional focus on property and power concepts of class?' In reply, proponents of the new reading have underscored that the social distributions of property and power, while important, are not identical to surplus processes: for example, see the detailed critique of Erik Olin Wright's theory of class in Resnick and Wolff (2003).

Producers of surplus may be rich or poor, wield much or little power, and so on. What is to be learned about a society from its distributions of wealth and power is not the same as what is learned by examining the organisation of its surplus. The social effects of various property and power distributions are different from the social effects of varying surplus organisations. Long before Marx, social critics had focused on unequal distributions of wealth and power to make their arguments and demands for change. Marx sympathised with many of them, but he added something new, namely that a society's mode of organising the production, appropriation and distribution of the surplus also shaped that society's functioning in crucial ways. Radical social transformation therefore required, as well, changes in the organisation of the surplus.

The new reading of *Capital* posits that Marx contributed this new concept of class precisely because he reacted against his contemporary revolutionaries' blindness to the existence and social effects of the capitalist organisation of the surplus.[7]

3 Karl Marx as an Overdeterminist

The second key distinguishing feature of the new reading replaces determinism with overdetermination.[8] In short, this reading finds Marx to have presumed that any event, act, or situation occurs because of an infinity of contributing causes: 'The concrete is concrete because it is the concentration of many determinations'.[9] Further, each of those causes is likewise concrete and thus itself the effect of an infinity of causes in an endless chain. Every event, act, or situation that becomes an object of Marxian thought is thus presumed to exist within an infinitely complex web of causal connections; it is both shaped by that infinity and contributes to shaping it. All causes not only work on their 'effects' but those effects are also among the influences shaping—i.e., causing—their causes. Overdetermination thus entails infinitely multiple and mutual lines of causation among all aspects of any social totality. This way of reading *Capital* therefore rejects those alternative

readings—determinisms—that designate some aspects of the economy and society as causes and others as effects.

Given overdetermination, every particular cause and effect relationship that thought can posit, imagine, or 'see' in the world is thus by definition extremely partial and incomplete. Since every effect has an infinity of causes, each of them with an infinity of causes, and so on, no particular analysis—by an individual or a group—can ever explain or account for more than a tiny portion of the causes of anything. For an overdeterminist reading, *Capital* is not *the* explanation for capitalist economic systems or for any particular aspect of them. It is rather one incomplete account among others likewise incomplete but in different ways. What matters are the unique analytical and political effects flowing from *Capital's* partial and partisan account of capitalism versus the effects that flow from others' differently partial and partisan accounts. The new reading of *Capital* in the US describes its unique partiality as Marx's efforts (1) to identify the class processes comprising capitalism and (2) to link them, as both causes and effects, to selected economic, political and cultural aspects of societies in which those capitalist class structures prevail. Marx's selection of those aspects was driven by his partisan, revolutionary stance of opposition to capitalism and preference for communism within the larger social context of his time.

For this new reading, the chief current alternative to *Capital's* economics is neoclassical economics. The latter's account of capitalism rejects anything like Marx's concept of a surplus in production; it simply denies exploitation. Neoclassical economics theorises capitalism as a whole and in its parts by conceptualising them all as effects of a few selected causes: the innate personal preferences of individuals, the physical technology of production and the distribution of property (endowments).[10] Thus, neoclassical economics' partial account of capitalism differs from (and opposes) Marx's partial class-*qua*-surplus account in *Capital*. Neoclassical economics is determinist; it conceptualises capitalism as comprising causal aspects on the one hand and their effects on the other. In contrast, the new reading of *Capital* finds it to be overdeterminist; it conceives of class processes (like all other social processes) as causes and effects situated in the infinite web that links all causes and effects.

For the new reading of *Capital*, theory is the realm of struggle among alternative, partial, different accounts of its objects. No theory can capture the total reality. Each focuses on and links together a few aspects of a complex totality. Each theory thereby draws its audience to focus likewise: to think about and act upon the particular aspects it stresses. Different theories thus work different social effects; that is the historic importance of theoretical difference. Marx sought to reorient the thinking and political action of those touched by his theory: to change the world in particular ways. He did not pretend to have 'understood' the world—the philosophers' goal of 'mirroring reality' that he mocked in his last 'Thesis on Feuerbach'.[11] No theory can do that. Moreover the point of theory has always been to change the world. All theories have done and do that whether or not their proponents acknowledge how and why they do so. But different theories change the world in different ways; for the overdeterminist reading, that is what matters most.

4 Some Results of the New Reading

One result of an overdeterminist reading of *Capital* is a new mode of understanding the relationships among (1) the economy, polity and culture of any society and

(2) production, distribution and consumption within any economy. Thus, base and superstructure interact without an *a priori* declaration (or claim of 'finding') that the economy is determinant in the last or any other instance.[12] Marx's social *theory* certainly focuses on the economy and especially on class-*qua*-surplus processes. But that is not because he has 'understood' the totality of society and found it to be governed by the economy or by class processes. Marx's foci on the latter are rather his particular partiality, overdetermined by his time, place and political commitments. It is Marx's distinctive contribution to modern thought and history that his theory focuses attention on the surplus. In the new reading, Marx focused that way because the significance of the social organisation of the surplus (his 'class structures') had been underestimated or ignored, especially by the social revolutionaries with whom he identified. The new reading thus implies that the same focus is needed today and for the same reasons.

Instead of production being the ultimate or last-instance cause, it both overdetermines and is overdetermined by distribution and consumption. For example, if values refer to 'socially necessary abstract labour time' embodied in produced commodities, the new reading shows how such values are overdetermined not only by production but also by distribution and consumption through the latters' impacts upon what is 'socially necessary'.[13] Thus, contrary to Maurice Dobb's (1973) reading, *Capital* does not articulate an economics that makes production determinant *vis-à-vis* the exchange determinism of neoclassical economics. Rather, *Capital* is a class-focused analysis of how production, exchange and consumption interact within capitalism.

In the new reading, class struggles refer to struggles over the quantitative and qualitative dimensions of class processes in society. They concern the processes of producing, appropriating and distributing surpluses. Class struggles are both overdetermined by and participate in overdetermining all other aspects of the economy and society. Class struggles are provoked and shaped in different ways by the economy, politics and culture of any society. They may thus be conscious or unconscious; they may be repressed in favour of struggles over other, non-class processes in society; they may be limited to quantitative dimensions of class processes (e.g., struggles over the amount of wages); or they may expand to deal with qualitative dimensions such as capitalist versus non-capitalist class structures.[14]

The new reading of *Capital*, by its openness to the vast range of possible interactions among economy, polity and culture, has enabled a new theory of capitalism's history. This theory emphasises the remarkably consistent pattern of oscillations between private and state forms of capitalism. In this view, capitalist class structures can and historically do co-exist with different political and cultural regimes. Indeed, one way that capitalism has successfully coped with recurrent moments when its business 'cycles' have deepened sufficiently to become 'crises' has been to shift between private and state forms. During periods of capitalist class structures coexisting with minimal state intervention in the economy—so-called 'private capitalism'—serious crises produce pressures for ever more state intervention to compensate for and overcome the crisis. Such interventions range from relatively passive state regulation of capitalist enterprises (most forms of Keynesianism) to state take-over of those enterprises—so-called 'state capitalism'. The label 'capitalist' applies equally to both of these forms precisely because the social organisation of the surplus remains very similar. In both private and state capitalist class structures, productive labourers produce surpluses appropriated and

distributed by other people: Marx's definition of exploitation in *Capital,* volume 1. In private capitalism, the exploiters are individuals with no position in the state apparatus, whereas in state capitalism, the exploiters are state officials.[15]

The new reading of *Capital* has also yielded a changed understanding of Marx's particular labour theory of value. It is now understood as one way of thinking about commodity exchange that contests with alternative ways. In this view, Marxian value theory connects commodity exchange ratios (values) to surplus processes, whereas other theories connect commodity values to other aspects of the economy such as individual preferences and choices, technology and property (Amariglio, Resnick and Wolff 1993). Marx began *Capital* with a discussion of commodities and exchange chiefly because that is what his contemporaries believed to be the core of 'economics'. He disagreed, but chose a strategy for his book that began with commodity exchange to engage readers and then quickly moved those readers, in *Capital,* volume one's first chapters, to the very different matter of identifying capitalism's unique mode of organising the surplus.

Thus, *Capital's* unique interpretation of the labour theory of value enables Marx smoothly and quickly to pass on to the theory of 'surplus value'. He shows first, borrowing but also transforming the labour theories of value in Adam Smith and David Ricardo, how the products of capitalist enterprises, commodities, acquire a value in exchange and how that value can be understood as reflecting labour (or, more accurately, what he defines as 'abstract labour'). Part of that abstract labour was performed in the past ('dead labour') and was embodied in the material inputs purchased by each capitalist and used up in production. Their value is transferred, during production, to the capitalist's commodity outputs. The other part of the total labour in any commodity is that labour done in the present ('living labour') during production. The living labour adds value to the value of the material inputs used up. Only one portion of the value added by the living labour (and realised by the capitalist when she or he markets the commodity output) is returned to the productive workers as their wages. The remaining portion of the value added by the productive workers is appropriated as surplus value by the capitalist.

In this analysis, Marx pinpoints where and how exploitation—a physical surplus produced by productive workers that is appropriated and distributed by others—operates within modern capitalist production where it takes the form of surplus value. Marx wants his readers to focus on production (and within production on surplus processes) because others have missed this dimension of capitalist economies. As noted above, Marx's commitment to overdetermination prevents that focus from being determinist; class processes are mutually overdeterminant with all the other processes (political, cultural, etc.) that comprise all societies. The rest of *Capital,* volume one, then elaborates some of the effects of capitalist exploitation specified in and by Marx's theory of surplus value. *Capital,* volume two, further develops the interaction of commodity exchange with the capitalist class processes of producing, appropriating and distributing surplus value. Volume three of *Capital* explores chiefly the class process of distributing the surplus value by industrial capitalists to merchants, money-lenders, corporate managers, land-owners and others (Resnick and Wolff 1987, chapter 3).

This reading of *Capital* thus recognises two class processes: one in which a surplus is produced and appropriated; and one in which it is then distributed to others by the appropriators. This recognition implies a class differentiation among workers—signalled by the terms 'productive' and 'unproductive'—and a parallel

class differentiation among capitalists. Productive workers produce the surplus and productive capitalists appropriate it. In contrast, unproductive workers are those whose labour yields no surplus while unproductive capitalists are those who do not appropriate a surplus. In general, unproductive workers are 'enablers'—their labour provides the conditions for others, the productive workers, to produce surpluses. Marx discusses in this connection, for example, the managers, supervisors, clerks, purchasing and sales agents typically employed by industrial capitalists: they variously enable (or secure the conditions for) the production workers who actually produce the commodities sold by the industrial capitalists. Marx stresses that the industrial capitalist distributes to the unproductive workers (as their wages, salaries, and operating budgets) portions of the surplus appropriated from the productive workers. Thus, the unproductive workers participate in the class process of distributing the surplus (as its recipients), whereas productive workers participate in the different class process of producing the surplus. Likewise unproductive capitalists are those who enable or provide conditions for the productive capitalists to appropriate surplus from their productive workers. Among the unproductive capitalists, 'merchant capitalists' and 'money-lending capitalists' receive the lion's share of attention in *Capital*, volume three. Parallel to unproductive workers, these unproductive capitalists receive distributions (the merchant's discount and the banker's interest receipts) of appropriated surplus from the productive capitalists.[16]

One particularly important political implication of Marx's differentiation of productive from unproductive workers concerns the concept of 'the working class'. In the new Marxian reading of *Capital*, a working class defined, for example, as all who labour and/or all who earn wages would necessarily include both productive and unproductive workers. Yet such workers participate in the capitalist class structure in basically different ways; they connect differently to the social organisation of the surplus. In short, they occupy different class positions that entail contradictions between them. To ally productive and unproductive workers in an effective anti-capitalist social force requires a strategy that recognises their class differences and the consequences thereof. Similarly, an anti-capitalist strategy informed by this new reading of *Capital* takes a distinctive approach to the differences and contradictions between productive and unproductive capitalists, as important objects of intervention. In contrast, the alternative, classic readings of *Capital* that proceed in terms of *the* working class and/or *the* capitalist class—without Marx's class distinctions within these categories—take political strategies in different directions, yielding different outcomes.

The new reading of *Capital* also entails a conception of capital accumulation different from what has usually prevailed within the Marxist tradition. Capital accumulation occurs when industrial capitalists devote a portion of their appropriated surplus value to purchase additional means of production and/or labour power to expand output. Accumulation provides the growth that is often a condition of existence for capitalism to continue (Resnick and Wolff 1987, chapter 4). Similarly, another portion of an industrial capitalist's appropriated surplus value is often distributed to merchant capitalists to secure and speed the sale of the industrial capitalist's commodity outputs. Another portion gets distributed to bankers to secure access to credit; another to managers to supervise and discipline productive labourers, and so on. From this perspective, built upon the new reading, distributing a portion of the surplus to managers charged with capital accumulation becomes simply one among the many apportionments of the appropriated surplus to secure the industrial capitalist's reproduction as such. Accumulation of capital thus

loses the pride of place accorded to it in other readings of Marx. It is no longer *the* imperative driving capitalism; the rate of capital accumulation no longer functions as *the* measure of a capitalist class structure's health (Norton 1992, 1994).

Reductions of capital accumulation reflect a capitalist's decision to redistribute appropriated surplus to secure other more pressing conditions for reproducing the capitalist enterprise, such as access to credit or better management or factory security, and so on. For an industrial capitalist, capital accumulation represents only one demand—to secure one condition of existence—among the many demands on the distribution of capitalist surplus value to secure other conditions. It may enhance or strengthen the capitalist class structure to slow accumulation and divert the surplus to secure other conditions of existence. The new reading of *Capital*'s contextualisation of capital accumulation entails a corresponding critique of many other readings' foci on accumulation as the ultimate, driving determinant of capitalist societies. Practical and strategic implications include, for example, an appreciation of economic crises as more cyclical and often more functional than threatening to the reproduction of capitalist class structures. In other words, the new reading propels Marxian analyses to explore how crises—periods of capital disaccumulation—relate in contradictory ways to capitalist class structures. Crises both support and undermine those structures; the *net* impact of crises upon capitalist class structures depends on the social conditions of time and place that all together overdetermine the contradictory relation between crisis and capitalism.

Marxian analyses of individuals or groups within any society also change through the new reading. Marxian analysis focuses on identifying how an individual or group is related to the class (surplus) processes of the society in which they live. Since class structures entail the processes of producing and distributing surplus, they define three different class positions. In the case of capitalist class structures, these include the producer of the surplus (productive worker), the appropriator/distributor of the surplus (productive capitalist), and the recipients of distributed shares of the surplus (examples noted above include unproductive workers, merchants, bankers, managers: the 'subsumed classes' of Resnick and Wolff [1987, chapters 3 and 4]). Given that any society can and usually does display multiple, co-existing class structures—Marx distinguished feudal, capitalist, slave, communist, and self-employed organisations of the surplus—it follows that any individual or group chosen for Marxian analysis can well participate in a variety of quite different class processes. In short, it becomes questionable whether it is ever adequate to label an individual or group as if they occupied only one class position, as if they participated in only one way in one class process. An example may clarify the point. In US capitalism today millions of productive workers employed by industrial capitalist enterprises are also engaged in several other class processes. On weekends, they supplement their wage income by owning and operating small self-employed businesses.[17] Inside their households, the males often appropriate the surplus produced by wives, while women who are productive workers in enterprises are often also producers of household surplus.[18]

The new reading thus opens an immense analytical space for Marxism to grasp the complex relationship between most individuals and groups and the multiple class structures of their societies. Thus, for example, their attitudes toward class and class struggles will likely be shaped by their multiple class participations as well as by the multiple class structures they encounter but do not themselves participate in. This approach yields an altogether more complex and nuanced class

analysis than emerges from alternative readings of *Capital*, whose reductive dualism juxtaposes capitalists and working classes as largely undifferentiated masses.

As a final example of results of this new reading of *Capital*, consider its implications for a class understanding of recent US history. During the last quarter century, US capitalists achieved extraordinary control over the federal state apparatus. They defeated and then badly weakened the trade union, left, and generally socially progressive forces. Starting in the mid-1970s, the federal state took massive, sustained steps to (1) improve the size of the surplus appropriated by capitalist industrial corporations, and (2) cut taxes on that surplus so that more of it became available to secure their other conditions of existence. The state undermined trade unions, slowed the growth of public employment, reduced state services for workers' families, facilitated immigration, and expanded subsidies for technological changes that reduced capitalist demands for labour power. The effects of such state policies, coupled with corporate initiatives to enhance profitability, produced a long-term decline in real wages across the quarter century. As ever more productive workers earned ever lower real wages, the surpluses appropriated by their employers grew dramatically. At the same time, by cutting taxes on corporate profits, the federal government left ever more of the growing surplus in the hands of corporate boards of directors. This capitalist 'paradise' enabled spectacular payments to top corporate managers, rapid accumulation of capital and corporate debt, costly mega-mergers, unprecedented stock market gains—the perfect basis for the capitalist bubble that emerged in the late 1990s and burst in the early 2000s.

Yet while the US capitalist class structure prospered, the class structures elsewhere—for example, the feudal class structures inside millions of US households—collapsed. Across the last quarter of the twentieth century, millions of housewives entered the wage labour market and/or shifted from part- to full-time employment. Many workers took second and third jobs. They all did more work hoping thereby to maintain family standards of living, given the declining real wages and state services. Because extra work did not suffice to achieve this goal, US families undertook a level of household borrowing that has never before existed in any major economy. US households staggered under the twin pressures of their adult members' exhaustion and rising debt service costs. Women leaving households to work more outside could produce far less surplus inside. Their traditional husbands thus had less to appropriate and distribute to secure the class structure of traditional US households. The resulting class crisis of US households undermined many of their traditions, customs and 'family values'. Divorce rates soared; children became increasingly alienated from their parents; the incidence of intra-family abuse and violence rose quickly as did drug dependence. Right-wing movements gained adherents by championing a return to an idealised household and family while they simultaneously supported the very measures that had produced the households' collapse. Religious fundamentalisms revived by offering their explanations of family disintegration and their particular modes of solace in conditions when no other solace seemed available. The Reagan and two Bush presidencies would not have been possible without the ability of the Republicans and their religious mass base to co-opt the victims of the policies they both championed.

The collapsing household class structures and their complex effects produced a kind of hyper-individualism. Workers turned inward (and away from

civic participation) to take multiple jobs, to worry endlessly about their increasingly fragile personal finances, to somehow preserve 'family life'. Republicans who promised tax cuts, however small, won workers' votes because a tax cut was at least something positive in a sea of economic trouble. The fact that tax cuts mostly helped corporations and the rich seemed a problem that workers had not the luxury to consider, let alone oppose. Feeling at risk in a new and frightening situation, the attacks of 9/11 symbolised the catastrophe already haunting most US citizens. Masses of terrorised US citizens demanded that 'something must be done'. The Bush regime seized the moment to complete the old US right-wing agenda: dismantle what remained of Roosevelt's New Deal social democracy, deregulate private US capitalism still further, expand US hegemony via military unilateralism, and reduce civil liberties to undermine domestic dissent and countermovement.

To summarise, the new reading of *Capital* enables this summary of a complex class analysis—worked out in more detail elsewhere.[19] The twenty-first century's beginning finds the US at the pinnacle of prosperity *in its capitalist corporate class structure*. However, that prosperity required the disintegration of the feudal class structure of US households. That disintegration is now reacting back on US corporate capitalism through the multiple layers of personal life crises threatening to become economically costly and possibly to mature into critical social movements. Even Republicans increasingly worry aloud that a mass backlash against the last 25 years of US economic change may be building—in protest against widening wealth and income inequalities domestically and globally, against the reduced job opportunities for millions, and especially against Bush's use of 9/11 to unleash the disastrous invasion of Iraq. In these ways the contradictions and mutual effects of the multiple class structures in the US are helping to shape the future. The new reading of *Capital* in the US represents both a cause and an effect of current social shifts and struggles. The traditional goal of ending exploitation remains as Marxism's distinctive contribution to movements for social change emerging from the victims and critics of recent US capitalism at home and abroad. However, that goal and that contribution are now being rethought in terms of a new class analysis that is focused on the social organisation of the surplus and is also self-consciously overdeterminist.

5 Conclusion

This paper has sought to present the basics of a new approach to Marx's *Capital*, one which centres not on power or property per se, but rather on Marx's unique theory of the production, appropriation and distribution of surplus value. Centring on surplus value as an entry point enabled Marx to develop a unique theory of class. It enabled him to comprehend the multi-class processes inherent in people's lives, and it enables us now to do that in and for contemporary societies. Thus, individuals usually participate in multiple, different class processes (as producers and/or appropriators of surpluses, in capitalist and non-capitalist class structures, as productive and/or unproductive labourers, and so on). This new reading of *Capital* thus differs profoundly from concepts of class and class conflict that simplistically juxtapose capitalists and workers, rich and poor, rulers and ruled. It thus finds in Marx a much more complex and nuanced class analysis than the simplicities ascribed to Marx both by Marxism's enemies and even by many of its friends.

This new reading interprets Marxist theory as making class—in its surplus formulation—the theory's entry point in undertaking social analysis. The theory

literally understands society through the focal lens of class (*qua* social organisation of the surplus). The point is to show and emphasise the existence and social effectiveness of class processes (production, appropriation, and distribution of surpluses). This is the key distinguishing mark of Marxist theory; it differs from alternative theories whose entry points are non-class social processes (e.g., technology, distributions of power, cultural meaning systems and so on). But a second distinguishing mark of this new reading of Marx is its consistent and systematic anti-determinism. It emphasises class (because other social theories have largely repressed that aspect of society), but it does not make class into a determinant of social structure or history. In its embrace of overdeterminism, this conceptualisation of Marxist theory sees any society's class processes as overdetermined by all its non-class processes and vice versa. Class processes are not only interdependent with other economic processes (such as commodity exchange, saving, investing and lending), they are also interdependent with non-economic processes comprising the social totality (such as distributions of political power, religion and the arts). In its commitment to overdetermination, this kind of Marxian theory differs from other interpretations of Marx that have been deterministic (e.g., the various sorts of economic determinism in the tradition) and from most non-Marxian social theories that have likewise embraced economic, political, technological or cultural determinisms.

This new approach to comprehending Marx's *Capital* and developing Marxian approaches to class and surplus has been gaining momentum over the past few decades. Its purpose has been to reinvigorate radical approaches to political and social inquiry and to generate new visions of how to understand the complexity of the socioeconomic and political environment. It has sought to place the social organisation of the surplus squarely on the agenda of social analysis—as an under-theorised and understudied aspect of our society contributing to its problems. We suspect that many projects throughout history to achieve social equality, democracy, and other long-standing objectives of progressive people were thwarted in part by failures to understand how existing social organisations of the surplus—class processes—have undermined those projects. Likewise, we suspect that fundamentally changing the social organisation of the surplus—i.e., ending exploitative class structures—is not only an ethical desideratum in itself but is also a necessary condition for those projects finally to succeed. Much work has now been done in extending, elaborating and applying the new approach, and a good portion of that work is being published (see the references below and many articles in the scholarly journal, *Rethinking Marxism*, since 1988). This paper is merely an introduction.

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Notes

1 The key works by Althusser were *For Marx* (especially the essay 'Overdetermination and Contradiction') and *Reading Capital* in the editions published by New Left Books in London (Althusser 1965; Althusser and Balibar 1965). The influence of Althusser's *Reading Capital* project on English-speaking audiences was limited and skewed by the *New Left Review*'s decision to select and translate only some of the essays produced by that project.

2 See Resnick and Wolff (1987), Wolff and Resnick (1987), Cullenberg (1994), Fraad, Resnick and Wolff (1994), Gibson-Graham (1996), Callari and Ruccio (1996), Gibson-Graham, Resnick and Wolff (2000 and 2001); Resnick and Wolff (2002), and many articles in the quarterly journal, *Rethinking Marxism*, since its beginning in 1988. For brief explanations of many of the basic terms and analyses of this new reading, see also the following entries in Phillip O'Hara's *Encyclopedia of Political Economy*, Volumes 1 and 2 (1999): 'Class', 'Class Processes', 'Class Structures of Households', 'Determinism and Overdetermination', 'Exploitation and Surplus Value', 'Labour Theory of Value', 'Marxist Political Economy: Major Contemporary Varieties', 'Mode of Production and Social Formation', 'Productive and Unproductive Labour', 'Property', 'Socialism and Communism'.

3 For Marx's references to 'pumping out the surplus' see *Capital*, volume three (Marx 1894, pp. 791, 819-20) and volume one (Marx 1867, p. 564). There are many equivalent references across Marx's work; these have been selected because of their clarity.

4 For Marx's references to 'appropriation' of the surplus and its distribution by the appropriator, see *Theories of Surplus Value, Part I* (Marx 1862-63, I, pp. 85-6) and *Part III* (Marx 1862-63, III, pp. 455, 471); *Capital I* (Marx 1867, p. 564); and *Capital II* (Marx 1885, p. 421). Again, there are many equivalent references by Marx; these were selected for their clarity.

5 See *Capital*, volume one (Marx 1867, pp. 216-20) and three (Marx 1894, pp. 632-3). For Marx's statements on the complex, historically variable determination of what counts as 'necessary', see *Capital*, volume one (pp. 559-63) and three (pp. 877ff).

6 '… between, for instance, a society based on slave labour, and one based on wage-labour, lies only in the mode in which this surplus labour is in each case extracted from the actual producer, the labourer' in *Capital I* (Marx 1867, p. 217). See also *Theories of Surplus Value Part III* (Marx 1862-63, III, p. 400).

7 A recent product of this new reading (Resnick and Wolf 2002) applies this argument to a class analysis of the USSR. After 1917, radical changes in the social distributions of property and power were *not accompanied* by radical changes in the social organisation of the surplus. Marxists in leadership positions were working with property and power concepts of class and without a surplus concept. Their policies thus missed the persistence of a capitalist organisation of the surplus in Soviet industry and its effects, which eventually worked to undermine the changes in property and power that were achieved by the 1917 revolution and to dissolve the USSR.

8 Inside and outside Marxism, leading social theorists have taken several major steps in rejecting determinist, cause-and-effect linkages among aspects of a society in favour of overdetermination. The new reading of *Capital* has built upon that work (Resnick and Wolff 1987, chapters 1 and 2). Parallel steps in literature, psychoanalysis, anthropology, the arts, physics, biology and other fields—some operating under the headings of post-structuralism and post-modernism—have no doubt influenced and been influenced by the moves within Marxism toward overdetermination.

9 The quotation is from Marx's key methodological pages in the *Grundrisse* (Marx 1857-58, pp. 100-108). Marx also made many statements with a decidedly determinist

cast. The normality and ubiquitousness of determinist modes of reasoning, in his time as in ours, produces such statements from even the most theoretically self-conscious writers. The new reading chooses to focus and build upon Marx's many rejections of determinist logic; this distinguishes it from the classical Marxist readings, which choose instead his determinist moments.

10 Neoclassical economics proceeds by making these selected causes the last-instance determinants of everything else that happens in a capitalist economy such as prices, incomes, growth and so on. In this way, it supports the basic idea that capitalism exists as the optimisation of what people want.

11 The US (and anti-Marxist) philosopher Richard Rorty popularised the term 'mirroring reality', which he also criticised as both the unachievable goal of arrogant philosophers and dangerous to the development of thought (1979). He thus joined the ranks of those—including the proponents of the new reading of *Capital* discussed here—who have been criticising the long tradition of epistemological debates between empiricists and rationalists.

12 Such economic determinism is seen as unnecessary to Marx's work, at best, and productive of tragic political errors, at worst (as when revolutionaries have imagined that changing one aspect of an economy will automatically and necessarily yield specific other changes).

13 This argument is developed in detail in Wolff, Callari, and Roberts (1984 and 1998).

14 See the attempt to undertake such an overdeterminist analysis of class processes and struggles in Chakrabarti and Cullenberg (2003).

15 Resnick and Wolff (2002) develop this argument in detail and also use it to produce a class history of the USSR. They develop a systematic differentiation of capitalist from communist class structures, where the defining characteristic of the latter is that the producers of the surplus are identically its appropriators. The authors note as well the possibility for class structures other than capitalism to likewise display private and state forms.

16 The details of this differentiation of productive from unproductive workers and capitalists and the mechanisms whereby surplus value is distributed to them—with the relevant references to *Capital* and certain other texts by Marx—are presented in Resnick and Wolff (1987, pp. 132-49). Unproductive workers, as enablers, are just as important for the reproduction of capitalist class structures as the productive workers who create the surplus, yet, as Marx warns, 'this furnishes no ground for confusing' their different *class* positions (*Capital*, volume two; Marx 1885, pp. 126-7).

17 Gabriel (1990) presents a basic sketch of the self-employment class structure that Marx referred to as the 'ancient' class structure; he argues for its importance in terms of (a) the sheer number of US citizens who participate in the ancient class structure, and (b) the complex and contradictory relationship between ancient and other, especially capitalist, class structures in the US.

18 Fraad, Resnick and Wolff (1994) present a systematic class analysis of household production in the US today. It develops the argument that (a) class processes—producing and distributing surplus—do exist inside most US households, (b) that household class structures are not capitalist, (c) that household class structures are mostly ancient and feudal, and (4) that most American participate in and divided their days among multiple different class processes.

19 The initial formulation of this argument can be found in the essay 'The Reagan-Bush Strategy: Shifting Crises from Enterprises to Households' that comprises Chapter 3 in Fraad, Resnick and Wolff (1994, pp. 88-111). A later and further development of the argument is in Wolff (2002).

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