

## ***The Accumulation of Capital* – a pillar of the concept of “imperial modes of (production) and living”**

Let us begin by imagining a fictitious scene: Marx and his friend Engels applaud Rosa Luxemburg for her work *The Accumulation of Capital*. They engage in joint criticism, and then the three get into a heated debate. They point out to each other (and also to themselves) theoretical shortcomings in the line of argument. They co-operate with delight and through lively debate.

If we are to learn from these three as well as from our own history we must on the one hand vigilantly pinpoint, criticise and struggle against the circumstances and actors that hamper or actually prevent co-operation based on solidarity. On the other hand it requires building forms of co-operation built on solidarity in our own political practice and everyday lives, because these represent a pre-condition for the development of emancipatory counter movements against those in power and the current relations of capital. We must therefore analyse – theoretically, conceptually, strategically and in practice – our own modes of production and living, our lifestyles – the imperial mode of production and living. Critically revisiting the writings of Marx and Luxemburg could provide a source of inspiration. It could facilitate communication and in turn promote groups of organic intellectuals. Such workgroups have the potential to become spaces where the study of dialectical materialism and dialectical historiography would lead to a study of Marx’s and Luxemburg’s critique of everyday life. Both authors agree that the role of academia lies in helping people change both themselves and society. Today, their heirs must confront the question of why – in stark contrast to the expectations and hopes of these thinkers – capitalist modes of production continue to exist. Due to the fact that, eventually, the consequences will prove catastrophic, both for people, in particular for the weakest and most vulnerable, and for the natural basis of our very existence, we must ask how, taking the current situation as our starting point, we can stimulate and give impetus to a form of social development that can alleviate and solve these problems. Only individuals and groups willing to devote themselves to study can detect, defend, multiply and lastingly use the footholds for such a development. These footholds must therefore be directly related to the reality and the everyday lives of relevant segments of and/or majorities of the population.

Firstly therefore, we must examine the theories of Marx and Luxemburg as regards the evolution of capitalist modes of production – with all the entailing political consequences for emancipatory counter-movements. Subsequently, we should reflect upon recent or new developments and their significance for our academic and political work.

In the texts of Marx and Luxemburg or, more accurately, when reading Marx through the lens of Luxemburg, we need to condense their writings with a particular focus on three fundamental aspects. From a humane and humanity-centred point of view, we must 1) take an historical approach and always ask when, why and how domination/submission developed and changed, as well as when and how domination/submission can ultimately be overcome; 2) analyse the relationship

between the concrete oppression suffered by human beings and economic developments; and 3) ask (and answer) the question of why humans in their everyday lives and through their modes of living continue to reproduce social and environmental destruction, subjugation and violence against others and against nature. And the motives should always be sought in people's living conditions, in the production and consumption by which they live, as well as in societal reproduction.

### ***On the Marxist theory of accumulation – Marx as a key for understanding Luxemburg***

Let us turn first to Marx: "The mode of production of material life conditions the social, political and intellectual life process in general. It is not the consciousness of men that determines their being, but, on the contrary, their social being that determines their consciousness." (Marx 1961: 8-9) Consciousness means that human beings can and should question their social being. But, however they define themselves, they can only change their (social) existence as allowed by the productive forces of society, the relations of production and the social relations of power, as well as the respective individual's capabilities. Domination/submission arises and develops through a form of socialisation of labour implemented via social stratification and imbalances of power. It becomes superfluous once "The advance of industry ... replaces the isolation of the labourers, due to competition, by the revolutionary combination, due to association. The development of Modern Industry, therefore, cuts from under its feet the very foundation on which the bourgeoisie produces and appropriates products. What the bourgeoisie therefore produces, above all, are its own grave-diggers." (Marx, Engels 1959: 474) Thereby the bourgeoisie drives "all, even the most barbarian, nations into civilization" (Marx, Engels 1959: 466). It has with its "exploitation of the world market given a cosmopolitan character to production and consumption in every country" (Marx, Engels 1959: 466) and created the need for globally produced material and intellectual goods.

"In place of the old local and national seclusion and self-sufficiency, we have intercourse in every direction, universal inter-dependence of nations. And as in material, so also in intellectual production. The intellectual creations of individual nations become common property." (Marx, Engels 1959: 466). The idea and the hope for "an association, in which the free development of each is the condition for the free development of all" (Marx, Engels 1959: 482), based upon scientific insight, leads to a battle-cry to liberate the world: "Working Men of All Countries, Unite!" (Marx, Engels 1959: 493).

In *Capital* in particular, the *Communist Manifesto's* analysis and vision of the future is expanded and refined. The relation of capital developed out of the violent and "complete separation of the labourers from all property in the means by which they can realize their labour" (Marx 1979: 742). This is "primitive accumulation". It is the "process whereby the social means of subsistence and production are turned into capital, and the immediate producers are turned into wage-labourers". Primitive "accumulation [is] not the result of the capitalist mode of production, but its starting point", with the bourgeoisie as the winner. "The different momenta of primitive

accumulation distribute themselves now, more or less in chronological order, particularly over Spain, Portugal, Holland, France, and England. In England at the end of the 17th century, they arrive at a systematical combination, embracing the colonies, the national debt, the modern mode of taxation, and the protectionist system. These methods depend in part on brute force, e.g., the colonial system” (Marx 1979: 779). Capitalist production, arising out of the brutal colonial system and since then evolving dynamically, “not only maintains this separation (of the labourers from the property in the means of production – J. D), but reproduces it on a continually extending scale” (Marx 1979: 742).

The reproduction of capital and the accumulation of capital are driven by their own laws. Marx was interested in these laws because he hoped to discover how and by whom they can be broken. Capital accumulation promotes the social division of labour and requires the development of co-operation. In this way, “the further socialization of labour and further transformation of the land and other means of production into socially exploited and, therefore, common means of production, as well as the further expropriation of private proprietors, takes a new form. That which is now to be expropriated is no longer the labourer working for himself, but the capitalist exploiting many labourers” (Marx 1979, 790).

Fundamentally, the problem is that, objectively, this only represents one possible development among many. In the end, it can only become reality if those interested in “a further socialization of labour and further transformation of the land and other means of production into [...] common means of production” (Marx 1979: 790) have the necessary will and power. While also changing themselves, they must increasingly correct the development of society in the interest of the people. “It’s just the simple thing, that’s hard, so hard to do” (Brecht), all the more so in the face of a contradictory reality:

The advance of capitalist production develops a working class, which by education, tradition, habit, looks upon the conditions of that mode of production as self-evident laws of Nature. The organisation of the capitalist process of production, once fully developed, breaks down all resistance. The constant generation of a relative surplus-population keeps the law of supply and demand of labour, and therefore keeps wages, in a rut that corresponds with the wants of capital. The dull compulsion of economic relations completes the subjection of the labourer to the capitalist. (Marx 1979, 765)

The working class would therefore have to change from being simply a factor in the calculations of capitalist entrepreneurs to a confident, self-defining subject. On the one hand, due to its own laws of motion, the capitalist mode of production would bring forth its own grave-diggers with their particular interests, skills and capabilities, as well as their own culture based on solidarity. But on the other hand the capitalist mode of production also produces the exact contrary: subjects that are virtually unable to conceive of a different form of social production and reproduction, a different metabolism between nature and society, a different kind of social life with other spaces and other conditions for individual self-realisation. It is capitalism itself

that produces the workers who become able to strive for a true socialisation of labour and the appropriation of both the means of production and the products of their labour. But it is also capitalism that continuously gives rise to conditions that make it seem lucrative or necessary to become a small part of the machine of production – as a destroyer of nature – and to compete with one another and live at the expense of socially marginalised groups. Nonetheless, also these people could develop a will for true socialisation and the true development of their skills and they could implement this will once the capitalist is no longer required to organise and control socialised production. They need only continually strive, in social production and reproduction, in their individual and their social lives, to communicate, co-operate and live with each other in solidarity and without regard to national borders, as well as become willing to integrate those weaker than themselves. Economic development creates the *opportunities* for true socialisation. It provides for a certain kind of social division of labour and production – the basis for the free development of each – that allows for the free development of all. Yet there is no automatism; workers need not necessarily develop the will and the skills needed. They can only develop them within their everyday lives, which is why Marx in his “Inaugural Address of the International Working Men’s Association” focuses on the struggles against hunger and hunger-related diseases and for shorter working hours as well as on the co-operative movement and on the practical transnational and international solidarity of the working classes (Marx: 1962: 5-13).

Marx believed that in these struggles individuals would learn to formulate and express their interests; that they would be able to come together and organise themselves; that they would be able to develop a single will, a culture of solidarity and the skills required to take and maintain power. The working class holds “one element of success”: “the number; but numbers weigh only in the balance, if united in an alliance and led towards a known goal. Past experience has shown how disregard of that bond of brotherhood which ought to exist between the workmen of different countries, and incite them to stand firmly by each other in all their struggles for emancipation, will be chastised by the common discomfiture of their incoherent efforts” (Marx 1962: 12).

### ***Rosa Luxemburg’s theory of imperialism builds on Marx’s theory of accumulation***

Rosa Luxemburg always fought for that “bond of brotherhood”. In her work, she has shown that imperial domination develops and establishes itself, when the relations of capital cease to be the basis for the socialisation of labour and no international working class movement based on solidarity is there to take hold of the world. Representatives of those states or territories with highly concentrated and centralised capital violently seek to dominate new social spheres, new territories and new spheres of influence. In spite of deep crises and even fissures they (or the capitalist mode of production as a quasi-subject) are always able to break barriers and go beyond seemingly established limits. This leads to the question of whether such a

mode of production is not, in its very essence, boundless. This question is neither simply rhetorical, nor simply academic. Luxemburg put a great deal of energy into analysing the tenets of Legal Marxism, in particular “Tugan Baranovski’s approach, according to which capitalist production can create unlimited markets and is independent of consumption” (Luxemburg 1975: 275). She also spent a lot of time refuting Kautsky’s theory that “every period of prosperity ... is thus from the outset doomed to an early end” (Luxemburg 1975: 271). Both concepts argue against the likelihood of an unswerving political struggle by the working class to take power.

The frenetic dynamics of the means of production, technologies and forms of business, and the numbers and qualifications of workers is characteristic of the increasing socialisation of work within the capitalist shell. The development of large corporations nurtured the vision that capitalism would change fundamentally. This fact, in spite of the ongoing violence against fellow humans and nature, favoured the development of diverging interests and corresponding political currents within the working class. Increasingly, social democracy began to view “the phase of imperialism not as a historical necessity, as the decisive conflict for socialism” (Luxemburg 1975: 521). This posed new questions for the emancipatory and solidarity-oriented opponents of violence against fellow humans and the natural basis of life. They began to see the need to critically revisit, collectively discuss, correct and carry forward the theses contained in *Capital* and the Marxian heritage in general. In particular, this was true for the history and the analysis of the accumulation of capital, the “Historical Tendency of Capitalist Accumulation”. Generally speaking, the nature and the economic base of expansionary trade and finance policies as well as aggressive military, colonialist and foreign policies, needed to be analysed in depth. The broad acceptance on the side of the oppressed and exploited, i.e. the workers and their families, of the capitalist mode of production, propagated as the effect of “natural laws” by national governments, would have to be discussed as a highly political cultural issue. Why don’t the exploited share and universalise their interest in self-organised and solidarity-based modes of production and living? Why do they not translate this interest into political power? Why do they not generally struggle to truly overcome the capitalist mode of production? What is continually (re)produced by this mode of production that stops the exploited, for example in Germany, from doing that which they are capable of doing and which it would be in their own best interest to do – and in the interest of the exploited across the globe and of humanity in its entirety?

These and similar questions – as much as the strength and the policies of those in power and the ostensibly scientifically based opportunism of social democracy – drove Rosa Luxemburg to her desk. Luxemburg was a socialist politician, a brilliant intellectual, a scholar and a teacher (Brangsch 2009: 39-42, Brie 2014<sup>1</sup>). With her work on the *Accumulation of Capital* (Luxemburg 1975: 5-411), she dedicated her

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<sup>1</sup> <http://kapacc.blog.rosalux.de/2014/02/01/michael-brie-the-living-substance-of-world-history/>;  
<http://kapacc.blog.rosalux.de/2014/02/01/michael-brie-socialism-and-democracy-looking-for-a-new-synthesis/>;  
<http://kapacc.blog.rosalux.de/2014/02/01/michael-brie-the-living-substance-of-world-history/>

energy to making a scientific contribution to socialist politics. She conceived of and used social criticism as a resource for the development of a political economy. Luxemburg for example hailed Sismondi, who as a “social critic, evinces much more understanding for the categories of bourgeois economics than their staunchest champions – just as, at a later date, the socialist Marx was to grasp infinitely more keenly than all bourgeois economists together the differentia specifica of the mechanism of capitalist economy” (Luxemburg 1975: 177-178).

We shall now focus on some of the *economic* aspects in the work of Rosa Luxemburg that particularly help us in understanding why the exploited find it so hard to develop and pursue a desire for true socialisation. These also touch upon the cultural dimension of the problem.

The way in which men produce their means of subsistence depends first of all on the nature of the actual means of subsistence they find in existence and have to reproduce. This mode of production must not be considered simply as being the production of the physical existence of the individuals. Rather it is a definite form of activity of these individuals, a definite form of expressing their life, a definite mode of life on their part. As individuals express their life, so they are. What they are, therefore, coincides with their production, both with what they produce and with how they produce. The nature of individuals thus depends on the material conditions determining their production. (Marx, Engels 1978: 21)

Social reproduction contains a “cultural-historical element” (Luxemburg 1975: 10). The tools created to produce food are accumulated labour. “The concept of past labour which precedes all new labour and prepares its basis, expresses the nexus between man and nature...” (Luxemburg 1975: 41). How and why a group makes use of the labour of others and the natural basis of life depends on that group’s specific culture and whether “the usual crude neglect of old monuments of culture” (Luxemburg 1975: 61) guides their behaviour. Such neglect is an enormous hurdle in the organisation of solidarity among workers, citizens and peoples. Such an understanding brings the Marxist heritage closer to reality, which today has become even more contradictory. What is more, the central question in *The Accumulation of Capital*, “by whom, is the accumulated surplus value to be realised?” (Luxemburg 1975: 108), confronts the Marxist heritage with the new reality. It is hereby not so important that Luxemburg failed to read the arguments on the diagrams of reproduction contained in the second volume of *Capital* attentively enough, and that her conclusions were therefore a little hasty. In this chapter, Marx analyses how individual capitals circulate as parts of a society’s total capital and, thereby, how a society’s total capital itself circulates. But the question of how accumulated surplus value is realised, for which expansive capital continually strives, aids in the analysis of “the entanglement of all peoples in the net of the world market, and with this, the international character of the capitalist regime” (Marx 1979: 790). Such an analysis has highly relevant consequences for any work on a strategy towards a radical discussion of the capitalist mode of production through solidarity among wage earners and the exploited classes. “After many centuries of development, the capitalist mode of production still constitutes only a fragment of total world production ...” (Luxemburg 1975: 306). This

leads to another major problem: if the capitalist mode of production together with the remaining pre-capitalist forms still have a huge reservoir of fixed capital, land, workers, buyers and consumers, then, as regards the economy, the “knell of capitalist private property” must not yet sound; it could still be a long time before the “expropriators are expropriated” (Marx 1979: 791).

From the very beginning, the forms and laws of capitalist production aim to comprise the entire globe as a store of productive forces. Capital, impelled to appropriate productive forces for purposes of exploitation, ransacks the whole world, it procures its means of production from all corners of the earth, seizing them, if necessary by force, from all levels of civilisation and from all forms of society. The problem of the material elements of capitalist accumulation, far from being solved by the material form of the surplus value that has been produced, takes on quite a different aspect. It becomes necessary for capital progressively to dispose ever more fully of the whole globe, to acquire an unlimited choice of means of production. (Luxemburg 1975: 307)

The question of how socialism would cope with the majority of the global population caught up in pre-capitalist modes of production was a question highly pertinent to the left in the main capitalist countries: Is the majority of the working class willing in the long term to continue accepting the reality described by Luxemburg? Will it continue to take part in the “competitive struggle for what remains still open of the non-capitalist environment” (Luxemburg 1975: 391)? Will workers continue to fight each other in wars and will they continue to act more or less brutally against the inhabitants of conquered countries? How can workers develop the will and the skills required to change their material needs and modes of living to prevent, reduce and overcome violence amongst themselves and against workers in other countries, against vulnerable groups and against nature? How, with the advent and establishment of socialist development, can people still living under pre-capitalist modes of production be integrated into a process of true socialisation in the capitalist centres? For Luxemburg, these were complex questions.

Based on Marx's work, and with particular reference to chapter 24 of *Capital*, she showed how the destruction of pre-capitalist modes of production in specific territories is related to the reproduction of capital on “a continually extending scale” (Marx 1979: 742) in the centres of the capitalist mode of production. She used the accumulation of capital in the global North to explain policies of expansion that aimed to acquire and secure colonies and “spheres of interest”. Four examples should suffice to illustrate this: The American Civil War (1861-1865), which Marx too analysed in the context of primitive accumulation, the Boer Wars in South Africa, the Egyptian debt crisis and, finally, capitalist adventures in Turkey and the Middle East. Each of these examples is extremely interesting, also with regard to how we view the problems in these regions and in the global arena today. However we shall only examine in more detail the American Civil War and the “German investment” in Turkey and the Middle East, because these examples illustrate particularly clearly the simultaneous development of large-scale industrial projects, financial relations, social structures and oligarchies of capital.

1. The American Civil War (1861-1865) between the northern and southern states – a war about America’s future social development and, purportedly, the enslavement of the black population – also created a huge public deficit. Tax increases were therefore deemed necessary. The war initiated a “feverish development of modern traffic and industry, machine-building in particular” (Luxemburg 1975: 347). This was encouraged by the imposition of higher protective tariffs. The drastic surge of productive forces alongside the dramatically increased exploitation of workers, the growing economic role of the stock exchange and tax privileges for high incomes were accompanied by shifts to the social and political relations of power.

[The] shift in US fiscal policy ushered in an era of the most brazen parliamentary log-rolling and of undisguised and unrestrained corruption of elections, of the legislature and the press to satisfy the greed of Big Business. ‘Enrichissez-vous’ became the catchword of public life after the ‘noble war’ to liberate mankind from the ‘blot of slavery’. On the stock exchange, the Yankee negro-liberator sought his fortunes in orgies of speculation; in Congress, he endowed himself with public lands, enriched himself by customs and taxes, by monopolies, fraudulent share and theft of public funds. (ibid)

The new means of production and the increasing capitalist socialisation meant groups of major capital owners began to appear in industry as well as in banking and finance. Long-term co-operative relationships developed between these groups as well as between these groups and leading actors in the government, in the judiciary and in the political system. Commodity and monetary relations expanded. Both individually and socially, people’s lives became increasingly commercialised. “Now the small farmer was chronically in need of money, a lot of money, to pay his taxes. Soon he was forced to sell all his produce and to buy his requirements from the manufacturers in the form of ready-made goods” (Luxemburg 1975: 347). Frequently, this forced farmers to take up mortgages and pay ludicrously high interest rates. Huge numbers lost their land. Ergo:

Capitalist domination ... evicted the peasant from his soil, it drives him from England to the East of the United States, and from there to the West, and on the ruins of the Red Indians’ economy it transforms him back into a small commodity producer. Then, when he is ruined once more, he is driven from the West to the North. With the railways in the van, and ruin in the rear – capital leads the way, its passage is marked with universal destruction. (Luxemburg 1975: 357).

However, universal destruction was caused not ‘only’ by the railway and machine-building, but also by financial agriculture and machine work in agriculture (whose “foremost representative”, Oliver Dalrymple, simultaneously managed a line of steamers on the Red River and “six farms owned by a company of financiers” [Luxemburg 1975: 350]). Universal destruction drives the socialisation of labour.

2. Luxemburg explained capital accumulation under imperialism as “a ‘kind of metabolism between capitalist economy and those pre-capitalist methods of production” (Luxemburg 1975: 364). She thereby combined two different types of capitalist accumulation: The accumulation of capital by its own laws and the organisation of the so-called primitive accumulation of capital in subjugated areas, territories and countries. Mutual relations exist between the two, although obviously the accumulation of capital is not bound to the existence of pre-capitalist modes of production.

Luxemburg describes “the economic metabolism between the peasants of Asia Minor, Syria and Mesopotamia [...] and German capital” (Luxemburg 1975: 389) with regard to the production of grain by small-scale farmers forced to tithe a share of their produce. The state then sells this grain and the money generated at least in part finances state guarantees for the construction and running of the railway. To build the railway, resources made in Germany are used. Their purchase realises surplus value created in Germany. Eventually, “the money rolls from the hands of the Turkish government into the coffers of the Deutsche Bank, and here it accumulates, as capitalist surplus value, in the form of promoters’ profits, royalties, dividends and interests in the accounts of Messrs. Gwinner, Siemens, Stinnes and their fellow directors, of the shareholders and clients of the Deutsche Bank and the whole intricate system of its subsidiary companies.” (Luxemburg 1975: 390)

Their economic interests are the main reason behind the growing “sphere of interest” in Turkey and the Middle East and serve “as a pretext for further political and economic expansion of German capital in Turkey” (Luxemburg 1975: 390).

To sum up, Luxemburg’s main concern was her wish to make it clear that capital accumulated under imperialism has a concrete national, transnational and international story; that its reproduction must be considered in terms of globalised processes of production, circulation, distribution and consumption; and that the effects of this should always and foremost be considered from the viewpoint of the weakest.

British capital which finds an outlet in Argentine railway construction might well in the past have been realised in China in the form of Indian opium. Further, the British capital which builds railways in the Argentine, is of English origin not only in its pure value-form, as money capital, but also in its material form, as iron, coal and machinery; the use-form of the surplus value, that is to say, has also come into being from the very beginning in the use-form suitable for the purposes of accumulation.

The actual use-form of the variable capital, however, labour power, is mainly foreign: it is the native labour of the new countries which is made a new object of exploitation.” (Luxemburg 1975: 374)

Luxemburg explains that the accumulation of capital is on the one hand linked to a process of socialisation driven by the means of production and on the other hand is linked to the expropriation and exploitation of people, to their alienation from their work, from the results of their work and from society as a whole. She thereby shows

how concrete economic structures – in particular capitalist agrarian operations, traffic, machine power or the energy economy – develop within society, and how industrial inventions and developments, monetary and finance systems and, in particular, the credit economy have expanded. The financial system and “modern large-scale capitalist enterprise” (Luxemburg 1975: 375) belong together, as do the means of “imperialist policy” (Luxemburg 1975: 368): free trade, debt, bonds, tariffs, colonial policies, government contracts, development of cartels and corporations, state guarantees, laws, the policies of “interest spheres” (Luxemburg 1975: 390), militarisation and war.

“A kind of metabolism between capitalist economy and those pre-capitalist methods of production” (Luxemburg 1975: 364) exists, which can be described as a spiral or a swirl. This spiral can lead to a ‘metabolism’ between unequally developed milieus of capitalist modes of production. Egypt, the example given by Luxemburg, is reminiscent of euro-crisis-ridden Greece today.

Capital arose and grew out of the expropriation and exploitation of people living under pre-capitalist modes of production or milieus both at home as well as in foreign countries. Material goods produced or extracted by people and other benefits are appropriated by those in power, in part at no cost to themselves, and then sold. The owners of society’s means of production, who (let others) organise and control the work of others, and own the necessary funds, get others to buy or create the conditions for production; to wit the material results of the work of men and women from pre-capitalist milieus. Furthermore, there are also the workers, who to a smaller or greater share also stem from such milieus. Even those working for wages require products for their reproduction; in particular food and other benefits produced by non-capitalist means. Money in circulation is credit money. It facilitates the different stages of capital circulation and reproduction, regulates the relationship between different capitalists and between capitalists and actors from pre-capitalist milieus, among wage workers, between wage workers and actors in pre-capitalist milieus, and between actors in pre-capitalist milieus. Politically and economically, money plays very different roles in the hands of different actors. It fulfils highly diverse functions, and in numerous ways crosses administrative and geographical boundaries. In the end, it is continually employed as capital in processes of expropriation and exploitation by the economically and politically powerful. In the context of an ever more complicated process of socialisation, any chance to exploit a concrete imbalance of power against others is used to realise, maintain and expand a position of power through monetary income, monetary functions and monetary circulation. Monetary relations are thereby potentiated because ever more products circulate; the credit economy expands, and individual capitals grow through concentration and centralisation.

Primary and secondary exploitation are possible because of the appropriation of the results of labour through coercion and legislation directed at deregulation, commercialisation, privatisation and expropriation, taxes and debts, the exchange of

equivalents and non-equivalents, as well as fraud and speculation<sup>2</sup>. It is a process of the permanent enrichment of the economically powerful through the exploitation of workers via redistribution and expropriation. This process feeds on pre-capitalist milieus and weaker capitalist milieus. These milieus dwindle and disappear or are selectively integrated and/or socially decoupled into new forms of capital reproduction. Social inequality grows in societies where socialisation expands. Simultaneously, co-operation between the owners of capital and those owning and commanding the largest capitals deepens. Thereby a contradictory unity of financial and industrial capitalists develops – de facto they create common capital that fulfils different functions. Supported by capital, they co-operate increasingly tightly with state and political actors as well as with military, cultural, academic and media elites. This is all the more true of the expansion of competition, business fields and spheres of interest, as well as for military expansion. Foreign loans are thereby a central instrument of increasing importance. Luxemburg analysed the particular historical, territorial and national traits of the loan system in great detail and established their common features:

The contradictions inherent in the modern system of foreign loans are the concrete expression of those which characterise the imperialist phase. Though foreign loans are indispensable for the emancipation of the rising capitalist states, they are yet the surest ties by which the old capitalist states maintain their influence, exercise financial control and exert pressure on the customs, foreign and commercial policy of the young capitalist states. Pre-eminently channels for the investment in new spheres of capital accumulated in the old countries, such loans widen the scope for the accumulation of capital; but at the same time they restrict it by creating new competition for the investing countries. (Luxemburg 1975: 367)

Through foreign loans, the “realised surplus value, which cannot be capitalised and lies idle in England or Germany, is invested in railway construction, water works, Etc. in the Argentine, Australia, the Cape Colony or Mesopotamia. Machinery, materials and the like are supplied by the country where the capital has originated, and the same capital pays for them” (Luxemburg 1975: 373). The necessary money stems from

the exchange of commodities which begins at this point, a brisk traffic in goods following hard on the heels of railway construction and mining (gold mines, etc.). Thus the capital advanced for railroad building and mining, together with an additional surplus value, is gradually realised. It is immaterial to the situation as a whole whether this exported capital becomes share capital in new independent enterprises, or whether, as a government loan, it uses the mediation of a foreign state to find new scope for operation in industry and traffic, nor does it matter if in the first case some of the companies are fraudulent and fail in due course, or if in the second case the borrowing state finally goes bankrupt, i.e. if the owners sometimes lose part of their capital in one way or another ... The important point is that capital accumulated in the old country should find elsewhere new

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<sup>2</sup> Primary exploitation takes place during production, secondary through the exchange of non-equivalents in circulation (Further reading: Marx 1979: 623).

opportunities to beget and realise surplus value, so that accumulation can proceed.” (Luxemburg 1975: 373-374)

The function of such “new land” can also be fulfilled by an economically weaker country with a capitalist mode of production whose state cannot for example re-finance itself, but must not be let go of for complicated reasons of “security”. The interests of certain international holders of capital and “strategic considerations” also play a role. In the end, loans granted must be useful to the most powerful capitals in the creditor nations and be lucrative for the capitalist oligarchies and elites. This shows itself in the conditions attached to any loan.

“But there is the closest connexion between the understanding and treatment of theoretical problems and the practice of political parties over long periods”(Luxemburg 1975: 517). This by no means contradicts Luxemburg’s simultaneous orientation towards “a common basic understanding of the class struggle”, an “incorruptible class instinct” as “the revolutionary traditions of the movement” (Luxemburg 1975: 517). Her point here is “the position of the proletariat with regard to imperialism”. She is concerned with international solidarity among workers and their joint struggle against imperialist wars and colonial policies as well as their solidarity with both the victims of and militant fighters against colonialism. Her concern is the transition to a “socialist mode of production” (Luxemburg 1975: 521).

### ***Financialisation / imperial modes of living and production – a concept born out of Luxemburg’s heritage***

Today, imperial power relations manifest themselves in particular through the fact that there are those who have access to capital in the form of credit or can, through various forms of fictitious capital, actually control other people’s development in the world. Importantly, these few thereby also establish guiding principles for societies everywhere as regards both economic models and lifestyles. States receive loans to allow for something that is in the interest of the creditor nations in the centres of the capitalist mode of production. Not only are the means of production and consumption, the infrastructure projects, military projects and other mega-projects fashioned after the creditor who acts as a kind of role model, they must also benefit him – in terms of economics, political power and political security. Economically, in the sense of producing a profit, maintaining and developing existing economic structures, renewing and enhancing competitiveness, resource security and the security of the more or less boundless operations as well as of everyday life in a globalised world. In this way, economic interests are, right from the outset, bound up with political power and security interests, as well as with military interests, and all are blended into a single social consensus. More than simply ensuring that the workers, stakeholders, customers and consumers remain calm and play the game, this also ensures that the need and the desire for products is created. It ensures that people use their income as minimum capital, that they commit themselves to the creative organisation of or participate in more or less (voluntary) work in social processes of labour, production and reproduction, that they buy products, adopt a

form of thinking and acting that is in accordance with the dominant logic of competition and security and that they thereby participate in the production of hegemony.

The energy and transport sectors, agrobusiness and the military-industrial / security complex are all mutually connected and dynamically fuelled by the high-tech industry and the financial sector (Brangsch et al. 2012: 105ff)<sup>3</sup>. They shape the structures of production and the economic structures behind the social (power) structures. Work, housing, food, mobility, reproduction and leisure time activities are the other side of the current production and economic structures. In a reciprocal relationship with these structures, social and power structures define the unequal and contradictory options open (and closed) to individuals to live self-determined lives, act in solidarity and respect the environment. The interaction between these structures causes, more or less openly, exploitation, oppression, subjugation, violence, the socially unjust consumption of resources, contamination and the over-exploitation and destruction of nature. Within this complex dynamic, people, including those who are subjugated, continuously develop economic needs. In the centres of the capitalist mode of production, as well as in the new rising global industrial zones, social life that rests on economic, social and power structures offers sufficient room to renew the social consensus. This is achieved in particular through the interaction of work, housing, mobility, food, reproductive and leisure time activities and financialisation and capital accumulation within individual lifestyles – from which economic structures develop. This interaction is the essence of social life.

As Ulrich Brand and Markus Wissen have shown, the social structures, the modes of production and living in the centres of the capitalist mode of production cannot be generalised to all human beings as regards society or the environment. The two have therefore branded the “lifestyles of the global north” as “imperial” (Brand and Wissen 2011: 24). To begin with, they describe two dimensions of this imperial mode of living: the exploitation of the workers and the resources of the global South by the global North as well as the latter’s occupation of natural sinks. They point to John B. Foster and Brett Clark who call the unbalanced ecologic exchange between North and South “ecological imperialism” with grave social and environmental consequences. Brand and Wissen add “to this perspective that of the Gramscian theory of hegemony” and explain a third dimension of the “imperial mode of living”: the “everyday practices”. (Brand and Wissen 2012: 551).

To enhance the productiveness of both the term and the concept of the “imperial mode of living” it is necessary to explain the reproduction of social hierarchies, local and global unequal flows of resources and waste, and the destruction of nature within the context of movements in production and economic structures, as well as the social forms of production and reproduction such as financialisation. If with the term imperial we describe “the command over the accumulation of capital across space and time” (Rilling 2007: 182), then a detailed analysis is required of how imperial

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<sup>3</sup> This text introduces the concept of “six destructive components, one destructive quartet” and delineates its dynamic interrelatedness with the social structures of production, consumption and reproduction.

modes of production and living support and reproduce the command over the accumulation of capital by those in power. Financialisation is a highly relevant element in this respect, because the lives of people – the members of society – and the metabolism between people and nature and modes of production are mediated, controlled and regulated through credit and through financial market processes. To secure their livelihoods, people in the centres of the capitalist mode of production use financial resources and promises of payment. Consciously and unconsciously they go into debt and increase their personal liability. The capitalist oligarchies induce and make use of these circumstances; in particular by turning small and mid-size financial market actors into wage labourers, and making them, wherever possible, work ‘for free’ or as entrepreneurs who always exceed their reproductive capacity. Financial resources and payment promises circulate, producing interest for investors as a form of surplus value, or as a result of expropriation, redistribution, fraud and speculation. Among these investors we also, and especially, find pension funds, voluntarily or by force of circumstance (in the context of privatised old age insurance) fed by wage labourers. I.e. parts of wages are used to provide for profits by the owners of such funds, based upon primary and secondary exploitation and to build pressure for further privatisation. The “EU 2020” Infrastructure Bonds Initiative and the project of Long Term Financing of the European Economy (ELTIF) will still be further extended and pushed forward. When the financial markets mediate socialisation processes, when the funds invested must in some form produce interest, when everybody uses their power advantage against everybody else to produce income, and in many cases to maintain a fortune – to stay in the game – and the most powerful, through their interests and networks, continuously reproduce, appropriate, redistribute, speculate and expropriate surplus value, then society exploits itself. The capitalist oligarchies are only the most successful primary and secondary exploiters. If, moreover, society and in particular the capitalist oligarchies globalise their targeted, conscious, unconscious and even unwanted participation in a slowly increasing primary and secondary exploitation, then the imperial modality is realised and reproduced within the socialisation processes. This includes an imperial mode of living with its particular lifestyle, as well as imperial policies, especially “security” policies. As a consequence, the importance of territorial questions can partially and temporarily become more relative, because the “production of a global order” (Rilling 2007: 207), or of a European order and a global European power includes the informal realisation of rule.

It is surely not a coincidence that the renowned expert for the heritage of Rosa Luxemburg, Jan Toporowski, works on the question of financialisation with a focus on its problematic cultural facets. These do encompass:

- (a) A new social blueprint communicated by the media – a society of capital owners creating independent and attractive lives by doing business with their labour power and financial strength;
- (b) Innovative financial market tools and new forms of dealing with debt as the financial basis for private households;

- (c) A corresponding infrastructure that promotes flexible and mobile patterns of consumption;
- (d) Demands that workers and/or citizens develop particular sets of abilities, skills, conduct and modes of living to manage this degree of flexibility and mobility;
- (e) The privatisation of social services, public enterprises and the public sphere;
- (f) A new type of manager who manages the company in the interest of investors – the shareholders – and therefore puts the focus on profit maximisation which in turn stimulates speculation (Toporowski 2008: 13-16).

We should like to add some points to items (b) and (e) as well a new item that should in particular be highlighted: (g) the privatisation and financialisation of natural resources, of pollution and the destruction of nature – also by mechanisms (e.g. emissions trading) agreed upon to allegedly protect the climate (Backhouse 2014).

Financialisation and the corresponding imperial mode of living by no means make it easier in the centres of the capitalist mode of production for the exploited, subjugated and marginalised, as well as those suffering from environmental degradation and the constraints of competition, to oppose “the natural laws” of this mode of production. But, on the other hand, people often do not want to be managed by others or live at the expense of those who are weaker; they do not want to participate in the destruction of nature or commit violence against other people. An increasing proportion of the population is beginning to see the promise of sustainability, as it is refrained in the process of financialisation, as an illusion. This growing distrust, much like the resistance against German rearmament in the 1950s or against the armaments race in the 1980s, offers opportunities for political alliances that could even put the imperial mode of living itself into question.

We have sought out such people and joined with many of them to together seek answers to what can and must be done to, first, slow and stop social and environmental destruction and, in the long-term, allow for sustainable social and environmental development. Through continuous study, but mainly through a thorough analysis of political questions concerning social, environmental and global problems, we have identified three interrelated fields for action, or fields that could theoretically be brought together. These are 1) the struggle for democratic, social (in particular a basic income that effectively prevents poverty) and environmental standards; 2) the struggle to reclaim the public sphere and demand its democratisation, in particular with regard to public finances; and 3) the struggle for local and regional development.

Most importantly, participatory processes constitute the link between these three fields. Within these processes or fields we see practical and potential opportunities for people to gain insight into practical co-operation and develop the skills it demands. Here, they can actively discuss the causes of social and environmental havoc – and identify their perpetrators. They could thereby develop strong political alliances and foster independent, collective and social modes of living – acting with solidarity and networked at the local, regional, trans-regional, European and global levels (Dellheim 2011: 86). Based on political practice and the strengthening of the

current defensive line of the left after the outbreak of the most recent financial and economic crisis, our efforts can become more focussed. Most importantly, we must now prevent the further privatisation of public goods, in particular the social benefits systems, and we must stop new economic and military mega-projects, as well as projects to increase repression and surveillance. We must act against free trade, deregulation and the policies protecting those who caused the financial crisis. The ruling classes aim to use the financial, monetary and climate crises to speed those processes of privatisation and financialisation already underway. Should their concepts become implemented, financialisation in particular could cause a mode of socialisation to gain new momentum, enforcing exclusion and individualisation and producing social divisions while weakening the power of current and possible future emancipatory movements. To say the same thing in a more positive manner: It will be important to support, network, initiate, and build activities aimed at self-determination and solidarity with marginalised groups. Our aims must be the appropriation and the democratisation of the public sphere, building alternatives to a development, which we shall have to stop. These alternatives need to include answers to the questions of housing, mobility, food and reproductive and leisure time activities. Such a response must turn the large complex of work – its content, hours, conditions and remuneration – into a net of *interrelated* foci of struggles. At the current moment, this response must also and in particular aim at the cancellation of debt, the elimination of over-accumulated money capital at the cost of the owners of large fortunes and at the protection of people with low and medium incomes. Equally, they must be aimed at combating speculation with staple foods, natural resources, currencies and debt.

### ***Final remarks***

Should the question now arise as to what those who are so inclined and united in this circle could jointly do, I would suggest we proceed to a critical re-reading of the texts of Marx and Luxemburg from the viewpoint of Luxemburg. This would deepen our understanding of the concept of political economy as a science which always aims to explain the current state of things as concretely as possible as the result of prior social developments. I propose we agree to (again) study the third volume of *Capital* by the end of 2016, so that we may, after a period of individual and joint study, begin or continue a discussion of the following questions: Where exactly, in the (necessarily constantly to be revised) analysis of capital accumulation and financialisation, are the toeholds that offer options for action to emancipatory and solidarity-based counter-movements? What does this imply for socialist policies in everyday life? What should an academic practice that successfully searches for concrete theoretical insights provide, in order to promote political education and the creation of strategies, stimulate practical politics, bring together those interested in such collaboration and help create mutual solidarity through academic debate? How can and how should it take the reality of its own imperial mode of living as a starting point for scientific analysis?

Luxemburg, like Lenin and Rudolf Hilferding, and later also Fritz Sternberg and Henryk Grossman, emphasised the changes in the regime of capital accumulation

since the times of Marx and Engels. Those who developed and took up the concept of monopolistic state capitalism attempted to describe and explain each new phase. Is the concept of financial market-driven capitalism fit to describe the new quality of social development? How have those who see themselves in the tradition of Marx and Luxemburg in particular worked with the third volume of *Capital* and how have they analysed the further development of the processes described within? Finally, this volume points to a qualitatively new dialectic between the economy and politics. Luxemburg asked and discussed the questions of the milieu of capitalist accumulation, of the role of militarism in the appropriation of space and resources for capital accumulation as well as of the organic spheres open (or to be opened) for such capital accumulation. Thereby, she has also indirectly raised questions about the conditions and mechanisms responsible for both the stability and instability of capitalist accumulation. Where and how do contradictions condense and provide opportunities for social change, for emancipatory and solidarity-based developments; for a socio-ecological transformation? How can we, in our search for answers and in our work with the heritage of Marx and Luxemburg, make positive use of their theoretical contradictions as well to gain new insights, fuel discussions and strengthen the communities we work in?

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