

Article

## Transfer of Labour Time on the World Market: Religious Sanctions and Economic Results

Jørgen Sandemose

Department of Philosophy, Classics, History of Art and Ideas, University of Oslo, PO Box 1020, Blindern, Oslo 0315, Norway; E-Mail: jorgen.sandemose@ifikk.uio.no

Received: 18 June 2012; in revised form: 7 August 2012 / Accepted: 10 August 2012 /

Published: 21 August 2012

---

**Abstract:** This paper investigates the extent to which a term like “globalization”, especially in its sense of implying the existence of a *system*, or of dominant features favouring development towards some system, is adaptable to a theory of a world economy which is to take due notice of the structure of the exchange value of commodities on the world market. A leading idea is that religious outlooks, in the way they were conceptualized by Karl Marx, have a strong bearing upon the difference in labour intensities in countries contributing to the world market, and thereby upon the differences in international values and prices. These differences are expressed in a scale-based, rigid structure on the world market itself—a structure which gives us the fundamental reason why certain specific countries or areas may get steadily poorer in relative terms, while others may constantly get relatively richer through the same mechanism. Consequently, when (as it is done here) religion is taken to express the quintessence of the cultural level of societies, it can be said that the comparative study of religions gives us a key to the understanding of crucial economic differences between nations. The differences in question are primarily those prevailing between capitalist societies on the one hand, and non-capitalist, or what is here called patrimonial societies, on the other.

**Keywords:** world market; labour intensity; “unequal exchange”; international exchange of labour time; outsluicing of labour time

---

## 1. Introductory Remarks: A Main Overview

I will assume that the reader is to some extent acquainted with basic notions of Marxian economic theory, and I will try to explicate such notions more in depth as they appear in the course of the reasoning.

The first section below focuses on the Marxian labour theory of value, especially in its modification on the world market. This means that the concept of ‘universal labour’ is drawn into the centre of analysis. Furthermore, when I present a summary of these themes, I make some remarks on Marx’s method of concept formation.

The next section takes up what I tentatively call a ‘drainage’ of labour time through the so-called exchange mechanism on the world market. I make some definitions concerning capitalist and patrimonial economies respectively, and compare the structure of their contribution to the world market.

In the third section, I concentrate on the relation between labour intensities and different religions, focusing on the property structures especially in traditional capitalism in north-western Europe and northern America.<sup>1</sup>

In the following section, I try to exemplify my theoretical findings on a main exemplar (the Russian economy), to give some hints about topics for further study.

That done, in a fifth section, I offer a definition of the proceedings which are often—but counterproductively—labeled ‘unequal exchange on the world market’.

The last section is a summing-up of political possibilities and of the function of religions in the world economy. It points to the contemporary turmoil of western capitalism as a traditional crisis of overproduction. It argues that a probable development lies in a revenge for western capital, and a breakdown of extant patrimonial forms of capitalist enterprise.

## 2. Conceptual Fundamentals of a Labour Theory of Value

The nominal prices at which commodities from a given capitalist country are sold on the world market will have been determined through the measuring of *values* (taken as units of labour time) in the gold *material* (or another precious metal material). This, as Marx pointed out, cannot take place without the simultaneous transformation of a given mass of gold into a standard of prices (not a “measure of value”). The total volume of single measured commodity-values is therefore ipso facto related to an ideal mass of gold of the same magnitude, *a measure of value*. If we look at relations inside a *national* and *capitalist* economy, this leads to a transformation of values into ‘production prices’ and their being compared on the gold taken as *standard (numéraire)*. Because of this imaginative operation we can rest assured that there can exist no such thing as a discrepancy between sums of surplus values and profits, not to mention total sums of values and prices, inside a capitalist society (cf. [1]).

This simple operation is also functioning (in a more immediate way) inside non-capitalist societies, where a lesser portion of the total national labour takes the form of commodities. Thus, as a condition for their circulation on the world market, all particular products making up any national commodity aggregate have already compared their individual *prices* with those of all the others in its aggregate.

---

<sup>1</sup> In this article, Australia, New Zealand and other areas with a true western-colonial background are included in such references to the “Northwest”.

On the world market itself, other price-determining factors come into action, if we are to believe Marx's theses in his chapter on national differences in wages ([2], pp. 583–588).<sup>2</sup>

An essential point here lies in the fact that each and every performed labour has a certain *intensity*, so that, a fortiori, each nation, or any holder of a specific currency, has a given average intensity calculated for the aggregate of its production-branches or spheres. This average varies from nation to nation, depending on differences in the level of mechanization of labour, and to a lesser extent on differences in organization of industrial labour (wage systems, especially piece-wages). It is reasonable to count (as Marx does) this intensity as a measurable entity, *i.e.*, as *time* taken as an intensive magnitude. That is, the physical intensity, expressed in faster repetitions (than an average) of general human bodily movements, activated in the individual worker, is just as “temporal” and measurable as the temporal extension of his activity. We have to do with a “heightened tension of labour-power, and a closer filling-up of the pores of the working day, *i.e.*, a condensation of labour”, and “this compression of a greater mass of labour into a given period now counts for what it really is, namely an increase in the quantity of labour” ([2], p. 432).

One of the results is that the nation with the more intensive labour is cashing in more value than another in the transfers on the world market, because here its products are no longer operated as parts of a given average, but as pieces of what Marx calls “universal labour” confronting other such pieces (commodities) produced through a lower intensity. According to Marx, this implies that they are placed on a scale (*eine Stufenleiter*), and are consequently functioning as *value*-producing to a higher extent. This will be expressed in the less developed nation being drained for labour time in the exchange.

There is more to come: Marx says that in principle, “the law of value is yet more modified in its international application by the fact that the more productive national labour reckons also as the more intense” ([2], p. 584).

These factors indicate that “the different quantities of commodities of the same type that are produced in the same [extended] labour time in different countries, consequently do have unequal international values, which express themselves in different prices, that is, in different sums of money, all according to the international values” ([2], p. 584).

All taken together, this is equivalent to saying that there is no international average rate of profits, but just a scale of national profit rates, expressing themselves (in the last instance) in certain *different* profit quotas expropriated on the world market by capitalists of different nations. Similarly, as Marx says explicitly, since productivity and intensity on the world market are not leveled out, their scale (mentioned above) is measured through a specific average unity of the universal labour.

Now, these are necessary presuppositions, which are nonetheless unacceptable for orthodox as well as heterodox economists as we generally know them in the discussions of the day—including the vast majority of Marxist writers.

The reason for this last lies in the widespread acceptance of the reality of the so-called transformation problem, whose very formulation denies that it is a prerequisite for circulation—inside a bourgeois nation, in the first place—that commodity values have been measured in gold *material*. It is a dominant problem for a development of a revolutionary left that a criticism like this, in its classical

---

<sup>2</sup> It should be noted that by Marx there is, despite the chapter title, no organic or genetic connection between different levels of wages in different nations, and the productivity or intensity of their labour.

formulation dating back to von Bortkiewicz' well-known articles from 1906–1907 [3,4], is still being taken seriously.

This is not the place to give repetitions of my (or others') arguments to the effect that a price theory of the Walrasian kind, with a *numéraire* equal to mathematical unity (= 1), is nothing but a phantasm which, unlike some more serious spectres, has not even got the appearance of being a real phenomenon. I might of course point to Marx's ironic statements to the effect that in classical political economy, the confusion of the gold's function as standard of prices with its operation as measure of value has been "unspeakable". It is so, still today. It is not even necessary to quote in full Marx's criticism of this dogma, overlooked by so many commentators ([2], p. 113).<sup>3</sup> The *punctum saliens* is that in describing how a certain price is obtained, the explanation has to include the genesis of the reason why *the very category* of 'price' can exist, in the sense that it can also be *thought*. Without such an argument, no price can be shown to be possible at all, because economic theory, and, what is more, the economy *itself*, consists of thought-determinations whose root must be genetically exposed in the subject matter itself. As was to be expected, old Ricardo, being an exponent of the progressive stage of bourgeois science, foresaw such difficulties as he started up the work on his basic *Principles*: "I know I shall soon be stopped by the word price" ([5], p. 348). His problem, fatally ignored by later bourgeois economics, is summed up in the fact that when mainstream paradigms insist on measuring and comparing the prices of a commodity through the price of gold (or whatever relative value form), that presupposes the existence of 'price' in all joints in the equation, which have consequently no possibility of explaining the "word price". Instead of stopping, however, they briskly go on, to the detriment of science.<sup>4</sup>

The points above might be illustrated by going on with Marx's concept of 'universal labour'. When this expression appears, Marx is introducing us to a special form of abstract, value-producing labour; and when he says that a definite scale is measured through an average unity of universal labour, he must be presupposing that the measure, to acquire an objective existence for the commodity owners, must take the outer form of a measuring process along a rod of gold. This process is described earlier in *Capital*, in the chapter on the circulation of commodities, last paragraph: "World money" ([2], pp. 156–160). It is precisely on the world market, Marx says, "that money is functioning to the full extent as the commodity whose natural form is also *immediate* form of realisation of human labour in

---

<sup>3</sup> "It is ... quite clear that a change in the value of gold does not, in any way, affect its function as a standard of price." cf. also Marx ([6], p. 198), arguing against Ricardo's "*false presupposition* that money, inasmuch as it serves as means of circulation, is exchanged as commodity against commodity. [On the contrary:] The commodities are evaluated in it before they circulate." cf. my arguments in ([1], pp. 41–58), where references to my earlier works (from 1973 on) regarding the matter are to be found.

<sup>4</sup> Admittedly, the work performed by economists looking at themselves as adherents of a Marxian paradigm in economics, while still holding on to the Ricardian-Walrasian-Sraffian standard of prices, has in some instances been fruitful, as in Leontief-based models of interconnected production. However, as long as one accepts such a phantasm standard, it is not possible to argue that there is no inconsistency between the first and the third volume of *Capital*. To obtain a thesis of "inconsistency refuted", Andrew Kliman and others argue that certain value-and-price-magnitudes in Marx's "transformation schemes" are not supposed to be simultaneous (cf. [7]). But indeed they are (cf. [1]). To refute a thesis of inconsistency, a study of Marx's actual theory of value, included his view of the relation between exchange and circulation, is sufficient.

abstracto. *Its form of existence becomes adequate to its concept*" ([2], p. 156). Why? Clearly because here the need for *uncoined* gold, gold as international commodity, a worked-up product, but only in immediate form (consequently as bar), is precarious.<sup>5</sup>

A price-market structure such as this one should make it all the more clear that commodities cannot circulate until after they have measured themselves in gold, so that a change in the value or price of the money material (the *numéraire*) is of no importance to the real price formation, contrary to the Ricardo-Walras-thesis. I shall refrain from making polemics concerning the utter confusion of a world market situation modeled after the last-mentioned idea.

### 3. The World Market: A regime of Labour Transfer and of Uneven Development

The theme of the so-called exchange structures on the world market, which is an institution composed of products both from non-capitalist and capitalist societies, the treatment of which can now be undertaken as a consequence of the theoretical preparation above, is important in a theory of imperialism and/or globalization.

However, it should, first of all, be noted that the much-used term "exchange" here actually presupposes a *circulation*, and a fortiori a *buying* and *selling* of commodities, since these last have already been measured in gold. When Marx occasionally employs the term "Tausch" (literally: "exchange") in connections like these, it is because his theory implies that all commodities, *i.e.*, all entities of *value* (*Wert*) on whatever stage of their life cycle, take on the form of "Tausch-Wert" ("exchange-value"), which, then, is the general "form of appearance" of any "Wert" (cf. [2], p.53), even if they actually circulate without "exchange" or "Tausch" in the direct sense. To insist on using the term "exchange" when treating of each and every commodity transaction on the world market, will in practice make a bow to the traditional confusion of exchange and circulation among Marxian writers (and others). I will write more about the adequate terminology later.

Forty years ago, Ernest Mandel, in line with work done by Samir Amin and Pierre Jal  , made calculations indicating that the drain of values from poor countries through a movement on the world commodity market—which they all called "unequal exchange"—had surpassed the profits from overseas investments in significance for imperialist incomes in the developed countries (cf. [8],

---

<sup>5</sup> Marx showed that once money was understood as imagined gold, there are no theoretical difficulties in accepting that gold will continue to be the money commodity, and also the universal wealth as world money. The paper card-house superstructure over the money-commodity is not qualitatively more mighty today than it was two or three hundred years ago. Any thesis to the effect that "t-bills" (or the like) are world money today, is clearly ungrounded. Bills are just appearance-forms of that mass of fictitious capital which rather increases the system's dependence of the only logically possible world money, that is, precious metals pure and simple. (Christopher Arthur's thesis that world money is no longer gold, but "the dollar" may be an instructive example. Some socialists today are like *nouveaux-riches*, not believing their eyes in front of the wonders of gold, not to speak of paper dragons. I would not count Arthur amongst such "radicals", but it does rise a problem when he writes: "[v]alue cannot exist without an adequate form; and such a value form is itself without adequacy unless money is present. This view contrasts with that in which money is of importance merely as a common standard of measurement, in principle as a kind of *numéraire*. But on my account only money makes value actual." I suspect that the middle sentence is meant as an argument against Marx's way of putting things. If so, Arthur forgets the measure of value and its determining function in generating the *numéraire*. That is in itself the same as forgetting, precisely, the representational status of money. (Both citations are from [9].)

p. 318sq.). Terminology aside, there is scarcely any reason to believe that “globalization” has reversed such an eventual tendency.

Of course, commodity-based imperialist profits are dependent on the bypass device made up by the gold-material-mechanism on the world market. The measure is universal labour, a form of labour in abstracto, in so far as it is related to gold. Furthermore, while the gold on the world market, as in every circulation of commodities, functions as *imagined* gold, this imagined magnitude (a use value, that is, a weight of gold) comes robustly to the fore in the nominal value of the *currencies* and consequently in exchanges and circulation between nations.

This is a crucial fact: imperialism is dependent on a series of different national currencies to cash its profits, and so is, consequently, the structure of globalization. This fact is in itself worthy of consideration as a counter-weight to viewpoints put forward by certain analysts, to the effect that globalization in some way contributes to an irreversible decline of the nation-state (e.g., [10], p. 336). Rather, globalization means a temporal strengthening of nation structures, primarily because it involves waves of Foreign Direct Investment (FDI) which need to be guaranteed by a nation-*state* apparatus that is adapted, through traditional legitimacy, to keep producers in place according to the complex exigencies of the different patrimonial or bourgeois cultures and ideologies in question.

I am using the term ‘patrimonial’ in a Weberian sense, to denote any ‘pre-capitalist’ society, implying that they are all based on structures of kinship—from primitive family ties to clans of modern configuration. The term is also meant to cover societies—like contemporary China—where the propertied and ruling strata are organized in ways that imitate elder clan structures. These are societies where religion’s paternalistic forms (ancestor cults) are still lying in the open, but predominantly serve to introduce non-family relations under the pretext of creating a social network that immediately takes the role of clan-like entities.<sup>6</sup>

To return to the theme of the world market proper, we now have three crucial categories—nation-state, gold-money, and labour intensities. As readers of Marx will know, *any* analysis of a national *productivity* of labour presupposes that the average *intensity* of labour is given (cf. [2], p. 210). They will also know that this basic average intensity differs from country to country and consequently on the world market. Since “intensity” here *de facto* means both productivity and intensity proper, the upshot is that “the more developed nation” produces both more use values and more exchange values in a given extended time period.

Also, for a less developed nation, this operation *appears* as an unequal exchange: To obtain a commodity, it spends the equivalent of more labour time than it would have done with a more mechanized national labour, since intensity of labour is a fairly direct function of its degree of mechanisation. Such a less-developed country may, as anticipated, well be non-capitalist, which also seems to be implied by Marx’s contention that “to the extent that capitalist production is developed in a country, the national intensity and productivity of labour rises over the international level” ([2],

---

<sup>6</sup> According to works of social anthropologists like Edmund Leach and Robert Niel Pehrson, the social context inside tribal societies are often thought of as “imitation” of kinship ties (cf. [11,12]). Leach is led to call this a “Platonic” conception of reality (*mimesis* of the ideal), and he purports to be indebted to Hans Vaihinger’s *Die Philosophie des Als Ob*. It should be considered if these tribal phenomena are forerunners of the “invention” of clans (party fractions, the standing “People’s Liberation Army”, etc.) in a nation like China today.

p. 584). It stands to reason that if there are factors that serve to perpetuate such an “uneven” situation, the loss of potential “indigenous” labor-time may well be great enough to block any take-off of building new industries, a task which by definition needs more *extended* labour in a patrimonial society than in a capitalist one.

A simple illustration may be in order. Let us make an imagined comparison between Germany and Russia, with the main weight upon a commodity destined for *individual* consumption. First, the average labour productivities are different. Second, the average labour intensities differ as well. Let us then suppose that the typographical sector in both countries produces under average national conditions. In Germany, a certain given edition of an Esperanto Bible may be produced in 60 minutes (new and transferred labour) of extended time, while 120 corresponding minutes are needed in Russia. On the threshold of the world market, the price in gold for a Russian Bible may then be equal to one ounce, while the competing edition from Germany may be priced at half an ounce. Abstracting from the concrete, specific competition on the world market, however, and taking a more realistic point of departure, we may assume that the price difference is even more impressive. For instance, the German product may be sold for a quarter of an ounce of gold measured through a certain national currency on the world market, implying that the buyer may acquire four German Bibles for the sum that makes up the price of the Russian one. Such a difference would occur if the *intensity* of labour, too, was twice as high in Germany as in Russia. Labour time, measured as an intensive magnitude, produces, in this instance, the same relative difference in value as does labour measured through extended time.

Given some important political presuppositions, these relations present us with a basis for imperialist exploitation in the sense they may block the poorer nation’s ability and potential to use its labour time to industrialise. We will return to this a little later, in connection with an analysis of international trade in means of production.

On the other hand, imperialist states and firms may use the method of FDI to conquer the domestic markets in a poorer nation, and even to sell high-tech FDI products on the world market relatively cheap, exploiting the fact that the currency of a less-developed country is weak because its *average* degree of mechanisation is low (cf. [13], pp. 295–302; [14], pp. 176–181).<sup>7</sup>

All in all, it is clear that the differences in intensity between nations is a decisive point in international exchange and thus potentially in imperialist structures. Such structures may benefit not only industrial bourgeoisies in the “Northwest”, but even ruling classes in the patrimonial “South” and “East”. Furthermore, the general situation seems to be such that imperialist states tend to be interested in a general status quo and, mainly, in an unchanging social structure in patrimonial countries. It is, for instance, by no means evident that they would prefer a general mechanization of production even if wages were kept low.<sup>8</sup>

---

<sup>7</sup> I cannot refrain from turning the reader’s attention to Tore Linné Eriksens review of this last book (cf. [15]). The review is built on misunderstandings, not least relating to the theory of international exchange. It is also strangely confuses elementary categories in the Marxian corpus. Since the journal (*Agora*) has been incapable of offering due space to an answer, I have had to make public a criticism of Eriksen on my homepage ([16]).

<sup>8</sup> It should be added that in [14] I seek consistently to use the term ‘Asiatic social formation’, or ‘modified Asiatic social formation’, as synonymous with ‘patrimonial society’ (taken as a general *concept*), presupposing that they can all be looked upon as dominated by an ‘Asiatic mode of production’. Pure pastoral organizations fall outside of this schema.

Also, it should be underlined how phenomena on the world market differ from market conditions in both capitalist and patrimonial societies. Let us mark out some general characteristics:

A. Inside capitalist economies, products are as a rule sold at the “production prices” mentioned initially. Their existence follow from a distribution of surplus value from labour-intensive to capital-intensive industries inside the given nation. The result is an average (national) rate of profit. As underlined above, such a rate is non-existing on the world market. Consequently, the products are here oscillating immediately around their *values*. The competition in which a capitalist firm engages on the world market is, moreover, mainly a strife between firms of one and the same branch.

B. In non-capitalist countries, even in those (such as China) where a significant mechanization is to be found, the property relations are not developed to Western standards. Production prices like the Western ones do not exist. The empirical proof of this is the fact that—as an overall tendency—there does not exist competition between spheres in “non-western” countries. In these (patrimonial) societies competition is an intraspherical phenomenon only. This means that competition goes on amongst firms which operate in mainly identical technical and historical surroundings and where the creation of a quantitatively definable commodity *value* in the strict sense (dependent on an actually existing socially necessary extended labour time, with an average intensity presupposed) results as a matter of course.<sup>9</sup>

The dominant industrial ownership relation in such countries are expressed in “business groups”, based on ownership spread out in a plurality of spheres, making a competition between spheres obsolete ([14], Chapter VIII, 329–402). The original form of the “business group” is family property, which is here expanded into a more general, anonymous pattern of ownership. It is another example of the modern function of the principle of kinship. The volume of privately owned industry firms without membership in “business groups” is very small, and very often cannot be said to take part in capitalist competition at all, since they are petty-bourgeois owned. Consequently, western “production prices”, being the result of surplus-value transfers from labour-intensive to capital-intensive branches, are structurally excluded. Actually, it fits excellently the structure of such an economy that the owners engage specifically in competition on the world market, where the price structure is directly based on values.

It follows that a conversion of home market prices to prices oscillating around values (when it comes to the world market) will meet with no structural difficulties for either kind of currency-holding nation(s). A central question is whether this is enough to justify the conclusion that such market movements are integrated into a “system”.

#### **4. Religions, Fetishes, Sobriety: Work Discipline**

To make the analysis more concrete, let us look more closely at the concept of intensity, whose background in mechanization processes opens perspectives even to the phenomenon of differences in labour productivity.

---

<sup>9</sup> “Socially necessary labour time” is by definition a phenomenon inside a branch. It defines the value of one specific product only. The term “abstract labour” is not identical with the last mentioned, and its existence has to do with the fact of competition between branches.

The intensity of labour can be considered as the central distinguishing mark of a country, its culture and civilisation. (We might wish that it had been otherwise, but more humane conditions belong only to the future.) The given intensity is immediately a reflection of characteristics of the labour process, but in a mediated form it is also, be it low or high by international standards, dependent on a special kind of ruling state power. It is, furthermore, dependent on the economic bases, on the juridical-political superstructures, and, not least, on “deep” layers of popular mentality, which are expressed especially in religion. Religion is the great common denominator and principal factor in this net of dependencies.

The reason for this can be formulated in many ways, and I will point here briefly to what we know that religion was capable of generating in the transformation into a capitalist economy that took place in Western Europe. In this respect, one should rather not be especially inclined to embrace Max Weber’s theses, which are idealist and were formulated long after Marx’s important observations on capitalism and Protestant religion. Rather, I focus on these last observations, and I shall try to expand somewhat on them and on the inner relation between Protestantism and capitalist *production*.

Here, also, a clue is to be found in Marx’s theory of *subsumption* of the worker, in this case more specifically his category of *real* subsumption under capital. Advanced capitalist production, based on machinery and technology generated by the capitalist system itself, has been instrumental in creating a worker who was never equipped with any instruments, work traditions or social statuses independent of capital. Thus capital could impose discipline on the working population and liberate it mentally from the tendency to bondage under pre-modern forms of domination. Here, the subsumption is “real”, in addition to being “formal”, that is, linked to the pure wage relation between the parties (and eventually to traditional work forms).

Also, in the corresponding labour process, the power of the worker is now projected onto the means of production, so that the result of labour seems to have been created by “capital” itself. It is precisely this that *constitutes* “wage labour” as well as “capital” or the capital relation; Marx actually calls this “*transubstantiation*” ([17], p. 216).<sup>10</sup> Means of production, he says, take the form of “*fetishes* equipped with their own will and soul” ([18], p. 30). He actually tells us that the fact that commodities and capital take command over the worker, is “precisely *the same* relationship” as that which “in the ideological field presents itself in *religion*, the inversion of the subject in the object and vice versa” ([18], p. 18.).

This kind of disciplining structure needs further analysis. In the *Manifesto*, Marx and Engels had written of the bourgeoisie that “for exploitation, veiled by religious and political illusions, it has substituted naked, shameless, direct, brutal exploitation” ([19], p. 465). This was a viewpoint that Marx never abandoned. For instance, ten years later, in the *Grundrisse*, he made the same argument, formulated as if he was setting out to explain the genesis of modern utilitarianism. Capital, he said, creates “a system of general utility”, so that “nature becomes purely an object for humankind, purely a matter of utility” ([17], p. 313). This of course implies that even the material things that make up capital in the physical sense, stand forward as (worked up) natural things as such.

Seen superficially, this might seem to contradict the thesis that these same things appear as “*fetishes* equipped with their own will and soul”. However, Marx’s point as regards fetishism is precisely that

---

<sup>10</sup> See note 12, below. The word is also used in Marx’s description of the genesis of circulation: to realize its value, each commodity “must quit its bodily shape” and undergo a “*transubstantiation*” to “real gold” ([2], 117sq.).

the value relation (the value expression), in positing one commodity as an equivalent of another, makes it appear as if the first one is a carrier of value even without the measuring act performed by the owner of the second one. Consequently, it is *because of* the existence of products as values that they take the form of isolated use-values, that is, exemplars of pure “utility”. And furthermore, an equivalent will appear as if it were a carrier of value even outside a value-relation, creating the illusion that value production is a natural institution.

Therefore, the worker who is subsumed under capital in circumstances such as these, is, at one and the same time, thoroughly mystified *and* filled with sobriety; the means of production, as *natural* substances, are stripped of all religious mixtures (as the *Manifesto* foresaw) precisely through the quidproquo which makes them confront him in a fetishized form. Such a mystified worker is a treasure for his capitalist, ready to work in a disciplined manner, regularly, and with high intensity, because he is subsumed both technically and ideologically. He is the man behind the intensity of labour of imperialist nations, manifested in the supremacy of value amounts incarnated in gold on the world market.

Furthermore, this worker is figuratively split in two by the bourgeois-citizen relation characteristic of Western society since the great revolutions of the 17th and 18th centuries. He is formally free on the market and in the public sphere, but he is not free inside the factory gates. In the public sphere, he is not directly subsumed under capital. If this last subsumption is to be accepted ideologically by him, not to say by the working class, there must exist a kind of public frame that corresponds to the fetish-structure, giving it public legitimacy. Religion, especially as reformed Christianity, functions as such a frame. It represents the totality of repression that the worker feels is present (whatever he may take it to be), and through its form makes the repression acceptable. The ultimate reason for this was described by Marx in his critiques from the mid-1840s: Religion is the form that brings legitimacy to the fundamental split in society itself. It does so by inverting the world in human consciousness and positing its true differences as a diremption between Heaven and Earth—legitimizing not only the tensions in the sphere of production, nor only the conflicts inside the public arena, but explicitly the very cleavage between these two spheres (cf. [20]). In actual fact, there can be no doubt that Marx’ target in the analysis is Christianity, not least as it is (was) developed in the US (cf. [21]).

Now, when analysing the general capital-generated alienation, Marxists have tended to overlook that the subject who is its victim must have a specific given constitution. If we are born and brought up in the tradition of Protestantism, bowing to the ruling idea of the authority of faith inside ourselves, we are apt to accept and experience a transubstantiation in production, and consequently posit capital as capital. But what if we have, for example, a Shinto background? Put in another way: Marx was eager to underline that the transition which generated the modern world had the form of a development from a certain kind of (small scale) private property in Western Europe to a certain other form of (capitalist) private property. But in that case, the development must be understood as loaded with a quite specific ideological content. This content gave form and function to what might rightly be called the ‘capitalist spirit’ (present in workers as well as in owners) necessary for the rise of a full-fledged capitalist society. Elementary historical knowledge tells us that there was an intimate connection between Protestantism and “primitive accumulation”, not to speak of the development which followed immediately upon the latter. But can such a superstructure be created anew through simply connecting workers, irrespective of their background, with means of labour, and simply because these means are mechanised?

It would seem that in order for capital (*i.e.*, capitalist subjugation) to prevail in societies in the western hemisphere, Protestant thinking (or something similar to it) has to exist relatively independent of production, as a doctrine of authority and self-discipline—cf. [21] and [14]. In ways sketched above, it makes itself felt in the bourgeois-citizen cleavage and in the sphere of circulation. But it is also being generated in the sphere of production, and that is the true reason why it is maintained as an ideology in the public sphere of citizens. On the other hand, as the transubstantiation in production gains in strength with the widening powers of accumulation, religious revelation takes the form of a capitalist automaton, something ever-present in our daily lives, making it unnecessary to present it in ceremonial ways.

Historically, expanding capitalism started out as a Protestant enterprise, as Weber rightly saw. So it has continued. It is the capitalism of Northern America and Northern Europe which has won world political-economic hegemony, *versus* its southern, Catholic relative—not to speak of other world religions. It was made possible by the Protestant “authority of faith”; the pious and fearful Lutheran-Calvinist soul was better prepared than any other to subject itself through a bourgeois process of *Gehorsam*. There is good reason to characterize capitalism in “northwestern” Christian countries as capitalism *proper*. Here, the generating of good works and deeds for the Lord could be interpreted as if it were the social labour process itself.

One of the serious flaws in Weber’s theory was how it concentrated on the creative potencies of the “spirit of capitalism” in constructing bourgeois society. This reflected an idealist bias for two reasons. First, it presupposed a real separation between spiritual and material interests, while these are always intertwined and can only analytically be divorced. Second, it gave real explanatory force only to the spiritual aspect.

When today we talk about “capitalism” outside the “northwestern” area, the term is justified, to the extent that the economies in question are dependent on a distinctly proletarian, propertyless labour force. Still, one is struck by the lack of effective capitalist development of relations in production as well in distribution. Even in Japan, the first nation to create an industrial base independent of Christian traditions, we find the unbroken dominant tradition of pre-capitalist values. Japan created forms of capitalist competition and of working class structure that are anomalous compared to Western ones, and which are today so imposing that we should rethink our concepts of capitalist subsumption on a world scale.<sup>11</sup>

Real subsumption of workers under capital, being a prerequisite for the existence of capitalism proper and for the hegemony of the capitalist mode of production in a given society, seems not to be present today outside the “northwestern” areas. In other parts of the globe (south-western European capital perhaps making up a form in between), capitalism does as yet only exist in the form of formal subsumption of workers under capital.

The hypothesis here presupposed is—bearing in mind that any prevailing religion is a mirror of general cultural conditions in a nation or region—that one cannot have a capitalism proper, unless the national/regional public sphere is penetrated by an ideology (religious or not) of the Protestant type. Marxists may, in political analyses, have underrated the import of the workers’ double existence in private (“at home” or in the working place alike) and in public. If so, they should not commit the same

---

<sup>11</sup> For details on the Japanese situation, see e.g., [22], and also [23], and above all [24]. See comments: ([13], Chapter 6).

error here, and overlook the importance of a Lutheran (or the like) ideology keeping the worker in place in the public sphere, lubricating him for real subsumption in the private sphere. Nor should they overlook the importance of capitalists being lubricated in this way for subsumption under the profit motive. In fact, the very concept of capitalist private property is at stake here. The Protestant-inspired psyche, in so far as it has gained momentum and does really exist as a traditional, active force, imposes on the person a tendency to isolation of the mind, while this is at the same time a mind that can really reflect on itself as belonging to a “private” person with its own property, secluded from others’.

In the “Northwestern” societies of today, original Protestantism survives with a religious half-life, having through the centuries shown its character of being the only religious form able to transform itself into a more or less secular ideology. Nevertheless, it cannot be said to have given way to other ideological elements, nor to be superseded by such elements. The concepts of citizenship, patriotism or of nationalism may be said to constitute entities of this kind, but their importance for legitimizing capitalism may easily be exaggerated. Religious or secular Protestantism was without doubt the presupposition for the legitimacy of the role of the citizen, as we have seen. In so far, it also retains a hegemony over nationalistic or patriotic rites and forms of thought, since these cannot exist without that role. Even “science” and “technology”, in their symbiosis as “ideology” as seen e.g., by Jürgen Habermas, do have their basis in the hegemony of the secularity of Protestantism or in the latter’s capacity for secularism. Historically, science in modern societies could not evolve if not on a basis of a religion that, faithful to original Augustinianism, gave priority to the *will* of God (not His reason), and thereby to a creative view of Christian *mysteries*: God’s plan as a creator cannot be unveiled by the human rational mind, and consequently the scientific spirit could not be considered a danger to religious revelation, while Catholicism had advanced the contrary view. As demonstrated through dialectical thinking in the Platonic-Hegelian tradition, this fuses modern reason with the old Elusian motives of positing an origin of societal wealth in an alleged mystic character of human labour. In so far, the Marxian discovery of surplus value as originated and veiled in a fetishized labour process has had worthy predecessors,<sup>12</sup> and posits itself right in the centre of methods and themes most intensively pursued in the Western philosophical-scientific tradition.

---

<sup>12</sup> In the *Meno* ([25], 80 b–e) Socrates-Plato, in his argument for the theory of knowledge through recollection, refers to the underworld function of Persephone, furnished with a power of resurrecting lost souls. In this dialogue, the aim is to show that the concept of ‘virtue’ in general has to be understood as being presupposed to any concrete exemplar of virtue, just as Marx takes ‘price’ (Ricardo’s “the word price”) to be a general concept that it must be possible to expose through individual prices. In the process, Plato makes allusion to the alleged fact that “all nature is akin”. This thesis serves to illustrate the passing of consciousness from theme to theme, without ever having to drop out of the realm of issues known a priori to the reincarnated soul and thus explaining the recollection. Similarly, Hegel in the *Phenomenology of Spirit* advises the readers lost in naïve realism that they recur to “the Ancient Eleusinian Mysteries of Ceres and Bacchus, and that they have still to learn the secret meaning of of the eating of the bread and the drinking of wine. For he who is initiated into these mysteries not only comes to doubt the being of sensuous things, but to despair of it; in part he brings about the nothingness of such things himself in dealing with them” ([26], p. 87). The mysteries tell us that the individual thing in all its seeming concreteness, the bread, the wine, and in principle any being, is in effect the universal, just as any exemplar of the commodity-world is, in its concreteness, just value, or rather money in itself, so that it has got a price. The mysteries are of course here seen as anticipations not only of Hegel’s own concept of labour, but also of the Christian Eucharist and its immense importance in scholarly discussions and popular thought in the European epoch that served as a transition to capitalism. The universal kinship of Plato’s nature is a

The crucial point is that the capitalist mode of production, in being dependent on exploitation of man by man and therefore on an ideological superstructure, is ipso facto dependent on the hegemony of an *irrational* mode of thought. Rational thinking, left to itself, would unveil and break up exploitation relatively easy. At the same time, modernity could originally develop only because the capital relation, in its revolutionizing practice, actually seemed to nourish the true core of the *given*, spiritual *religious* order. Only in that way could it gain an acceptance powerful enough to recruit mass support. Rational thinking could exist only on the basis of irrationality, and through its being limited by it.

History is linear, but does not consist of parallel lines. Its movement is single and unilinear. The historically fundamental features of an epoch never vanish as long as the epoch is there. It has no parallel life line held in reserve, on which it could jump over. The vanishing of Christian mysteries or its modern versions is a prerequisite for the vanishing of capitalism proper, while capitalism cannot exist without them. Their specific irrationality (making up precisely the threshold to rationality) is what endures in the changing social forms of rationality. Looking backwards through the modern age, we will be unable to trace a single event or series of events of such formidable proportions that it could designate the end of the linear existence of the irrational base of bourgeois society.

## 5. The Russo-Soviet Exemplar

We often speak of capitalist property as a common phenomenon in countries like Mexico, Russia, China, Malaysia and India today; we hear of state property or common, collective property being parcelled out to isolated individuals, modern buccaneers exploiting the soil of aboriginals, modernized merchant adventurers employing wage labour in mechanized production, *etc.* But do we actually have good reason to believe that this amounts to establishing capitalist private property, even if it is employed in industrial exploitation? Is it not possible that it is not felt like this by the recipients and other participants, and that they—for good or for bad—consider it a possession for which they have only a temporary responsibility? Would that not be a way of reacting that we might recognise as distinctively “patrimonial”?

To illustrate the labour time transfers that develop from constellations of the type we have touched upon, let us analyze an exemplar, and concentrate on Russia. The main reason for this choice is that the Russo-Soviet patrimonial area is the one which, as a sovereign nation with a capitalist industry, has been for the longest time in trade and policy relations with real capitalist nations. In fact, it beats Japan by a couple of decades. Consequently, Russia should a priori be seen as the example which contains the widest fan of empirical variations as regards the subject matter on which we are concentrating.

Let us at the same time shift our attention from products like the Esperanto Bible, which is definitely a product for the sphere of individual consumption, to a product for productive consumption. This will bring new and important factors into the picture, factors which will later serve to elucidate

---

mythological (or rather metaphysical) hint at the power of humans to connect any materials with each other in and through working processes. The force of the human ability to work and labour (thus making actual the “nothingness of things”, their productive consumption through material negations) to bring fertility back to the earth, is what is worshipped through Persephone’s frosty underworld.

the conditions under which one can actually speak of a dynamics (a “mechanism”) making specific countries steadily richer, and others steadily poorer in relative terms.

If the Russian bookprinter whom we met above, wants to renew his stock of printing machines by importing them from Germany, he will have to use a sum of ‘euromarks’ whose equivalent, say, is  $x$  ounces of gold. (Let us for simplicity’s sake presuppose that the exchange ratio between rubles and ‘euromarks’ corresponds to the actual differences in national intensities and productivities.) Let us say that the German industry works up  $x$  ounces of gold by spending a quantity of  $y$  labour hours; according to average, then, Russian industry will spend  $4y$  hours to produce the same quantity, be it of gold, be it of printing-machinery. If the printer buys German machinery, he confronts an equivalent to a quarter of the labour time needed to produce the corresponding machines in Russia. However, he will spend relatively much more in buying the currency, and this expense is precisely the measure for an actual drainage of Russian labour time on the world market, while a native German buyer will have no such problem. For the German machine-seller, there would be no difference in gain between the two examples.

The experience from the import of Western means of labour into Soviet Russia in the 1920’s and 1930’s might be taken to indicate that it could in fact be possible to give Russia an industrial “new deal” in this way, and to initiate an economic take-off. Still, this would be a misconception. For when we consider the relative lack of productivity and intensity in the Russian economy, several new factors are already implied. First of all, the troubles mentioned express themselves in a lack of discipline in industrial production, and consequently in the *poor quality of products*. What happened in the USSR was precisely that the economy (to a significant extent originally built upon western-imported capital goods) broke down (already clearly visible in the mid-1960’s) as a consequence of a vicious circle of neglect and of quality deterioration regarding replacements of fixed capital. An empirical study undertaken by Soviet economists in 1973 of the situation of Russian key industries through the 1960’s showed that the necessary volumes for replacement went down from the already very weak percentage of ca. 70 in 1962 to ca. 58 in 1968 (cf. [27], p. 165)—a tendency that continued up to the collapse of the USSR, and has not radically altered yet. To make up for such tendencies, Russia has to gain hard currency, which it can only do by exporting auxiliary materials such as oil and gas—commodities which by definition must remain relatively uncompromised by the country’s undisciplined labour processes.

These exports make up the true core of Russian world market activity today, and typically and ironically, the underground provenance of these materials implies that the original ownership to them is placed as far from private property rights as one can possibly come while remaining inside patrimonialism. The chaotic power relations between regional governments, the Kremlin state and landed and industrial interest still leaves it undetermined which juridical concepts should be used to characterize them.

As for arable land, there is de facto no accepted private ownership in Russia today, even if it is officially accepted in some western regions. The distribution of the soil is of the same character as in Soviet times; vast areas which were formerly cultivated by collectives, existing side by side with tiny plots cultivated by isolated individuals. The agricultural workforce is still 10% of the total, contrasted with 2% in the US. Regions are unwilling to parcel out to “private” enterprise, since they rely on the idea of stable rents in all future. There is, then, no sign of that kind of private landed property which in the West has appeared as the *sine qua non* for disciplining a proletariat through its exclusion from the soil.

As for industry proper, groups from the old *nomenklatura*, no less and no more mafiotic before 1991 than after, at an early point sold holding rights for the most profitable units to the new big banks, so that the groups of “oligarchs” inside the banking system today are leading business groups, structured as in any other advanced patrimonial society. And consequently, the tacit resistance and the conspicuously undisciplined work processes go on as before.

Certainly, then, the workers’ undisciplined performance may well be called a de facto political resistance against an inhuman regime (traditionally Russian as well as of Soviet type)—proletarians using the most convenient means at hand. But if so, the fact remains that it could not have acquired the proportions it actually has got, if there had not been a tradition for it. Thus, it certainly is no coincidence that the collective work forms of the old *mir*, the village collective, has been described along the same lines as Soviet and post-Soviet industrial activity. As an eye-witness, MacKenzie Wallace ([28], pp. 116–117) gave a classical picture of the plenary meetings of the *mir* as a show of narrow-minded search for power, of veiled manipulations and mental terrorism, always striving to close down tendencies to productive kinds of individuality, all kept inside a pattern of informal and unstructured meeting practices.

Such descriptions are still giving us a useful reminder of Tolstoy’s *Anna Karenina*, with the character Levin, the country gentleman who insisted that to understand Russia, one had to get to the bottom of the specific characteristics of its rural labour. One should keep in mind that the great majority of Russian proletarians from about 1930 consisted of rural workers drawn abruptly into cities and other industrial centres—without any incubation period working against traditional forms of thought. Maybe Tolstoy had in mind also the nomadic background of the peasantry, the peasant on the move, whom John Maynard called a “land sailor” ([29], p. 32)—rather a lubbard, perhaps: For it is a fact (seemingly totally overlooked by Marxisant readers) that Marx, in his most renown writing on economic method (from 1857), called Russian workers “barbarians” and contrasted them to “civilized people”—and not exclusively for illustrative purposes, either (cf. [17], p. 25).

Be that as it may: Such configurations of deficient, pseudo-collectivist, country-wide labour-organizing practices could not exist without a religious sanction. Instructively, Eric Wolf writes that “the *mir* was more than a form of social organization. Its role as a kind of collective super-ego imparted to it a truly religious aura” ([30], p. 62). He adds that Maynard’s proposal of calling the *mir* a “congregation” ([29], p. 40) ought to be seriously considered. And indeed, anyone who has witnessed the unruly behaviour of the congregation members during the service of Orthodox churches, will easily find it tempting to compare and contrast these scenes with the strictly organized structure of western Protestant congregations.

A main theoretical point, here only to be hinted at and perhaps being argued all too vaguely, is that in patrimonial societies we find a religious “spirit” (in the totalizing, Hegelian meaning of this term) forming the essence of the superstructure pervading the economic “basis”. This is also to be understood as a thesis that such societies are not yet rational (in the Weberian sense), and that their economic structures, for the participants, are understood in mythological, imaginative thinking, only on the threshold of rationality.

This relative lack of development is reflected in non-western societies by the relative absence of *private property* proper. As seen above, when capitalist private property in the West grew out of a pre-stage of petty commodity production in the later Middle Ages, the stage was already set for the development of the Protestant faith, which focused massively on man’s independence and inner

self-authority through faith. Thus, for historical reasons, probably founded in the fact that the medieval peasant had become an individual through producing individual things belonging exclusively to himself, there was developed a human type where the individual considered itself as autonomous. It acted as such a self-legislating entity, and had consequently become *vogelfrei*, stripped of every essential remnant of old social collectives. Such was the genesis of both western capitalist and western proletarian.

If a person of this type is not forced into propertylessness, he as a rule is an owner of means of production. Furthermore, he is not prepared to share his property with anyone. The capitalist firm is here an industry owned by one individual. All modifications of this basis, as in joint stock companies, are in fact unessential. Shareholders are precisely of this same type. They hold *a share* before they hold a specific material property. In summary, all concentrated enterprises come to be looked on as individuals. Cartels were never typical of western capital, and it seems, furthermore, that they were not particularly inefficient (cf. [31]). The well-known German cartels (flourishing in the period 1890–1920) served simply as intermediate forms, making it possible for German capitalism to organize itself in the first place, in the environment of world market competition.

Industries in patrimonial societies, even when large-scale mechanized factories, are organized from a cartel-like basis which has never freed itself from elder clan-like collectives. That is the reason why in all these societies, capitalist production is organized in “business groups”—relatively ineffective units, the next of kin not only to western private enterprise, but also to mafiotic economic forms.<sup>13</sup> These are truly minimally effective cartels, built on principles of kinship and kinship-imitations.

Summing up: Inasmuch as space limitations force us to choose exemplars to illustrate the points, these illustrations are in themselves exemplars. In the short overview over Russian developments here undertaken, patrimonial evolution can be analyzed as a mosaic of factors: formal subsumption under capital, waste in production, lack of discipline, remnants of pre-capitalist collectivity, forms of resistance against traditional rulers or their imitators, elements of kinship organization, types of religious cults and outlooks, difficulties with value transfer in production, *etc.*

A closer analysis of other patrimonial areas will give another picture, in the sense that, e.g., Korean economy is different from the Chinese or from the Japanese, all of these differing considerably from the Russian, while elements from the “Soviet experience” may well be found in a conspicuous form in Nigeria, *etc.* The mosaics are different, but the basic elements in them will tend to be the same. The immediate explanation of the lack of effective accumulation will differ, but pieces of the one general mosaic fit together to give the explanation in each case.

## 6. Definition of a One-Sided Process

After these clarifications, it is time to present a conclusion regarding the structure of so-called exchange on the world market. Is it meaningful to use a concept like “unequal exchange” for international transfers in this regard?

---

<sup>13</sup> The ongoing build-up of Chinese types of business-groups is very instructive. It clearly shows that there is little “westernlike” in the Chinese model, no “privatization” in the western sense, but rather an imitation of Japanese *keiretsu*, adapted to local relations. (Cf. [14], chapter VII, pp. 286–290, and chapter VIII, pp. 367–384).

The mechanism of exchange on the world market is the same in the case of trade between two capitalist nations as in the trade between a capitalist and a patrimonial nation. The exchange between two capitalist nations with different levels of development will lead to a transfer of labour time from the less developed to the more developed country. But this should not be taken to be a *drainage*, for there is nothing in principle permanent about it. Since the less developed nation is an established bourgeois economy, it can with relative ease adjust itself to the competition, if need be. Its currency, the overall expression of its productivity and intensity, is stable in relation to developed trading partners. A patrimonial nation, on the other hand, has not got an infrastructure that makes this kind of adjustment possible.

We saw by Marx that identical quantities of *one and the same kind* of commodity, “produced in the same labour time in different countries, consequently do have unequal international values”. Their values are *unequal* internationally. A lathe produced in Germany may have an international value of 10 ounces of gold, while one produced in Russia may have the (international) value of 40 ounces. In a corresponding situation on the German home market, with two producers selling lathes with the same difference in times of production (intensity difference here abstracted from), the result would (according to the technical details exposed by Marx in the first chapter of the first volume of *Capital*), be that the quantitative value expression of each of the products were modified, possibly even to 25 ounces. In that case, the “value” would be 25 ounces. As implied, Marx does not accept such a use of the concept of value on the world market. The international values are simply *different* in their internal relation. They have their places a priori on a scale. Now, since the commodities in question here are identical in kind (lathes being lathes), they by definition are not exchanged against each other. But if we use an example in which a Russian business group, with the same intensity and productivity as the Russian lathe producer, buys 20 German lathes, it has to spend the equivalent of 250 ounces to get the machinery needed. If we have a fresh look at the Bible printer, we know that the price competition on the world market will force him to sell his Bibles for only a tiny fraction of an ounce per exemplar. He will end up with representing a vast loss of Russian labour time, whatever his personal fortunes in exchanging euromarks (for buying the lathe) with rubels at the Russian state bank.

There is, as we have seen, no real exchange of commodity values on the world market, but buying and selling of commodities to prices oscillating around values (yet of course modified additionally in accordance with market vibrations, *etc.*). The term “value” will, for each of the national contrahents, be a home-grown magnitude only: what a coffee-grower of Mali counts as the labour time representing the “value” of his product, is *toto coelo* different from the labour time spent on a German lathe. They are not created in any economic interaction, be it of competition or of interrelatedness of production.

In economic discussions, the term “unequal exchange” is sometimes used about the contract between capitalist and wage worker. Here, the expression catches first, the formal equality of the two characters—the freedom of the market; and second, it catches an inequality that emerges from the employment (the exploitation) of concrete labour, which is something radically different from the equivalent of the value of the labour power.

On the international commodity market, there emerges no such kind of inequality, since we have to do with finished commodities, not with exploitation of living labour through exchanges.

‘Unequal exchange’, *échange inégal*, moreover, as the term is employed by Arghiri Emmanuel in his trend-setting “study of the imperialism of trade” ([32], cf. criticism in [33], pp. 327–359]), is

adaptable to exchanges between all types of nations. But as we have seen, we are then left with the critical situation that the term used for imperialist exploitation through the commodity market is not well delimited, since it can be employed also to depict intercapitalist trade.

For trade between patrimonial and capitalist nations, we need a term adapted to the fact that the trade situation *opens for* (even if admittedly it does not necessarily bring with it) a continuous “drainage” of labour time. Since, moreover, the term “exchange” is not (without qualifications taking heed of Marxian arguments on the relation between value and value-form) very well adapted to the transactions in question, it should be skipped for our purposes. We will be better off talking about acts of circulation.

However, the circulation in question should not be described through words like “transfer” or “trade”, since these are expressions which denote an interrelation between active parties. What we are after is a kind of potential interaction that rather tends to destroy itself, and which indicates the development of a one-sided “involution”. A word like “drainage”, tentatively used up to now for illustrative purposes, lacks determinacy. To denote the export of labour time in our case, the word “sluicing”, or even “outsluicing” seems more adequate: We are then talking of an element moving only in one direction, with its return being blocked.

In the hope of gaining permanent sympathy for the last-mentioned term, I would propose the following definition:

Trade between a capitalist and a patrimonial currency area is an act of circulation which opens for continuous sluicing-out of labour time from the latter type of area to the former type, where the values of the products of the former type result from labour connected to interspherical competition, while the values of the products of the latter result from labour connected to intraspherical competition.

By contrast, a transfer of labour time between two capitalist nations implies, as we saw, that the goods lost in one context can be won back in the next one. To give a more concrete description: A country D which loses labour time in buying commodities of type  $x$  from country C, can here without grave difficulties use the  $x$  in its own industry to create a product  $y$ , with a more intense process than the average in C—(D’s average national intensity simultaneously being increased as an effect),—and sell the  $y$  to C (or to others) with a regain of labour time. Here, there is real economic interaction. The crucial characteristics for such societies in this regard is firstly their interspherical competition, and secondly the existence of a capitalistically generated price for land and soil, resulting from structures related to the said competition, and precluding the general possibility for working people to return to rural conditions and landed property.<sup>14</sup>

A patrimonial area, on the other hand, is for infrastructural reasons blocked from such a course of action. The labour time which is paid for a part (probably the largest, by far) of the products acquired

---

<sup>14</sup> This is an absolutely necessary element in Marx’s theory of the structure of the capitalist social formation, which follows from the contents of his *Grundrisse* drafts, of his critique of modern colonial theory in *Capital*, Volume I, as well as of his theory of ground rent in *Capital*, Volume III. Nevertheless, it remains undiscovered by modern Anglo-Saxon Marxisant writers—an incredibility on level with their neglect of the concept of circulation. See [13,14,16,34,35]. To give a hint of the contrast with patrimonial societies, it should be added that the workers in China who take part in the great inner migration to workplaces in the cities, do as a rule *not* lose their juridical and traditional connection with their home village—a dramatic difference in relation to what happened to the European proletariat (Cf. [36], pp. 382–383).

from capitalist currencies areas is irrevocably lost for it. The situation also makes it relatively, and continuously, more difficult to initiate an industrial take-off. This difficulty, however, is a variable which is also dependent on the balance of class forces in the patrimonial area. Even alongside a continuous loss through “out-slucing”, political forces may change the situation, e.g., through a conscious socialist state power recurring to an economics of planning. On the other hand, as long as class supremacy persists, political pressure may lead to an economy of out-slucing for the most diverse reasons. A patrimonial ruling class may import articles for “conspicuous consumption”, or commodities to accommodate immediate welfare claims from the masses—not necessarily to build up wage-workers’ labour power, but for reasons of wasteful political prestige. All kinds of potlatch-induced motives may go together to produce disastrous results, as for instance in the case of Argentina and its repeated debt crises, where the government is shamelessly giving international capitalism full responsibility for the homegrown symbiosis of political paralysis and upper-class luxury consumption.

It can be induced from the analysis of import patterns to patrimonial economics that the effects of the “terms of trade” may gain serious momentum and get extreme consequences when nations are politically forced to import *means of production*. In this case, all the side-effects of the lack of work discipline—filtered through the hegemony of religions non-adapted to smooth labour processes—make themselves felt. This kind of import ends in domestic investment in work-processes which, as the Russian example makes clear, may lead to a direct disaster, augmenting ad absurdum the initial *faux frais* and loss of labour time in the international exchange that provided the machinery in question. Consequently, it may be said that if the out-slucing of national labour takes on the guise of a natural necessity, presenting itself as an economic iron law, this may simply be the consequence of such misled attempts to industrialize.

The question raised in the beginning of this article was whether a concept of globalization as a systemic phenomenon can be essentially connected with mechanisms on the commodity world market. We have touched upon themes that indicate that such a systemic appearance is viable only to the extent that capitalist nations trade amongst themselves. As for the transfer of goods from patrimonial areas, it has no *systemic* effect related to globalization (or related to imperialism, for that matter), and there are no signs that there is such an effect from the import of patrimonial goods into capitalist areas (although admittedly that has not been the main issue for us).<sup>15</sup>

Systemic effects are effects in an interactive frame, that is, not joints in a simple causality, but two-way determinations—definite actions and corresponding reactions. There are no products from patrimonial areas that in principle cannot be brought into a system of capitalist production inside a capitalist social formation. To the extent that such products are finished by owners with an institutional background

---

<sup>15</sup> Actually, the said type of circulation of patrimonial commodities has a striking structural similarity with the Marxian analysis of another area of economic waste, namely, the construction of the industrial reserve army in capitalist countries. An important side product of the build-up of this mass of unemployed is the phenomenon of pauperism, the layers of the outcast and the political “welfare” action taken against them (workhouses, jail system). To Marx, they represent phenomena which are on the one hand necessary in modern capitalism, and at the same time dysfunctional, while also indicating the precise definition of capitalism itself: “Pauperism makes up the hospital of the active labour-army and the dead weight of the industrial reserve army ... the more extensive ... the pauperized sections of the working class and the industrial reserve army, the greater is official pauperism. This is the absolute general law of capitalist accumulation ([2], pp. 673–674, cf. [13], p. 85: Paragraph entitled “Dead weight on a golden scale”).

from capitalist countries, it is clear that the picture changes. In such cases, we can see traces of systemic results. Investments through FDI are often cases in point, for here factory-capital in patrimonial countries interact directly with structures in capitalist countries.<sup>16</sup> The most striking positive possibility is that western companies act aggressively *vis-à-vis* business groups and destroy them as such. This was the case when, during the “Asian” crisis, Renault and Volvo separately bought themselves into Samsung Motors and the Samsung construction sector, turning them from keiretsu-like *chaebol* departments into specialized capitalist, non-cartel structures.

The relative rarity of such raids, however, should lead us to put greater hope in a socialist revolt against the whole system of “business groups” in patrimonial countries. The consciousness of the proletarian masses, especially in Eastern Asia can get easy and healthy nutrition from the steady experience of the inefficiency of employing foreign capital goods in a society that is not yet ready to utilize them productively. In the Russian “exemplar”, at least, the frustrating experiences with such imports are striking. Why should an upper class import goods at all (if not for luxury consumption) if its industry cannot deliver any durable effective result?

## 7. Concluding Remarks: Tendencies and Possibilities

“Northwestern” capitalism, being real-subsumptive and production-price-generating, is what Marx de facto had in mind when he took capitalist private property to be the most extreme version of its kind. Private property exists in all class societies, but its beginnings are vague, and it sharpens its edge only slowly and by degrees. The phenomenon indicated by the word “private” has itself got different intensities. In its extreme or mature form, it is present in that unique (and not all too sympathetic) Protestant figure whom we have known for half a thousand years. To be truly “private”, a thing has to be owned or appropriated by a person with such a mentality, and the appropriation has to be of a kind that in its turn fortifies this mentality. When that mental state is widespread, it can (and it did) help create a new society, where the individual considers itself the genesis of the state, and never could accept interference from other persons or from the state itself, with the things allotted to it. This individual would not accept that its “property” was a prebend, a liturgical gift, a fief or some other kind of patrimonial surplus.

The first germ of such a social type appeared in the Middle Ages, as European peasant families were allowed to produce domestic textiles for a market, and to do so at liberty in their spare time, independently of the existing patrimonial (feudal-catholic) jurisdiction. It was still only a germ, not the first link in a predestined development. But as it was worked up and refined in the religious upheavals of the later Middle Ages, it turned out to be gunpowder against the feudal barriers. In other patrimonial societies no such germ existed, or at least not for so long that a radical, new development could take off. This implies that in all other land-tenure-based societies, the patrimonial property, whatever its form, retained its position as an originally and primitively given condition—which was why Marx once took the position that “Asiatic” societies could not develop their economic formation if they were not approached by outside forces. All apparent development was brought to a halt by the fact that its conditions were dictated in the last instance by the dominating patrimonial jurisdiction.

---

<sup>16</sup> John Walley and Xian Xin find that the productivity of the work force is between 6 and 9 times higher in FDI in China, than in Chinese-owned factories. Cf. [37], based mainly on data from 2004.

We may all have a deplorable tendency to fetishism, perhaps just as much as the Protestants commented upon in these pages. When we catch sight of industrial machinery, we all too readily associate it with capitalist employment. But if we, as Marxists or whatever we are, feel ready to say that we can have machinery without exploitation (namely in a communist society), and even hold that it is the employment of machinery under capitalism that makes time ripe for the overthrow of all class societies—then it should be acceptable to hold that we can have machinery with non-capitalist exploitation.

In the opinion of this author, this last point is something of an improbable bordering case. But it represents a possibility, and an illustrating one at that. In practice, all attempts to introduce machinery with the *de facto* aim of perpetuating patrimonial structures of domination, have ended in a compromise. We then have factory production performed by propertyless workers, *i.e.*, capitalist production, on the one hand; on the other hand, and as suggested above, the subsumption of workers here remains formal, because the means to ideological subjugation have been missing.

In some cases, as in USSR and possibly even in contemporary Russia, this formal subsumption may take the form of a distinct lack of factory discipline, and the labour process then tends to be a form of low-conscious political opposition to the mode of production. The result has been a predictable breakdown of a whole system (cf. [13], Chapter 5). In other cases, results can be, and have been, very different, but scarcely radically diverging from phenomena we would recognize from the European period of “manufactory” (cf. [38]), ca. 1500–1780, with its formal subsumption of labour under capital. The main difference in this respect is of course the changed appearance of the means of labour.

Something which distinguishes Christianity as a world religion is that incarnation dogmas are connected with a monotheism that favours material labour of all kinds, without discrimination. But such *differentia specifica* get their full realization only in Protestantism. Neither in orthodox Christianity (and perhaps scarcely in the Catholic one), nor in Shintoism, Buddhism or other patriarchal religions (and certainly not in Islam or Hinduism) there is present the element of *active* productive subjugation, a mentality that originally prepares *individualized* human beings for looking at labour processes as a kind of religious expression.

Now, since it is no viable solution for any class nowadays to make countries Protestant, we are left with the socialist solution. A socialist movement, emerging in new industrial areas of formal subsumption, and possibly establishing more or less stable class alliances on the way, may signify a path to global freedom. One of the reasons for the success of Protestantism is the fearful mentality among the masses and a relative passivity in politics. A capitalism based on formally subsumed workers could at times represent a greater danger to itself than the working classes in northwestern areas.

Still, it is well worth to stress some possible future consequences of the enormous structural differences between “patrimonial” fortune-making and serious capital accumulation inside the nations endowed with a capitalist social formation: In patrimonial nations, to the extent that they have a mechanised industry, there will, as we saw, be different reasons for a general halt in accumulation. It might take the form of the one which led to the Soviet breakdown, or the one that led to the onset of Japan’s “crisis”, both about 1990, or of something of a third kind. If such a general halt hits real capitalist nations, on the other hand, the reason will be uniform. It will consist in what Marx calls “overproduction of capital”, *i.e.*, what is generally called “overaccumulation” or “absolute overproduction of capital” and it will be present “as soon as the additional capital to the end of capitalist production = 0” ([39], p. 261).

It was such an over accumulation which hit the West in the last decades of the 20th century, giving room for an industrial imitation-based rise in patrimonial areas. Theoreticians in western countries, spontanistic and apt to fall for the immediate appearance of things, often with a background in the least developed and most “patrimonial-like” nations in the capitalist area, continue to believe that certain selected patrimonial countries are on their way to world dominance, dethroning the Western system.

No such thing will happen. After the downturn, no matter what kind of political upheaval it may bring with it, western capital will be there anew—knocking out its competitors in the long term, maybe even leaving the mechanised regions of the East an industrial wasteland with loss of initiative and opportunities. The only true alternative lies in proletarian class actions, be it in the East, be it in the West.

The “capitalisms” in non-capitalist nations are forms of patrimonial upper class defense against a threatening imperialist monopoly on the world market. Up to now, with possible exception for a fraction of the lifetime of the USSR and of China, this resistance has been successful only as a form of reactionary movement. Like other kinds of such movements, it carries with it its own grave-diggers. The possibility that these proletarians may in the main themselves adopt the regressive viewpoints of their upper classes, will hopefully soon be a thing of the past. What is clear is that there is no general structure here which allows us to take the international economy to be anything like a “world system”. Internal oppositions and dysfunctions inside the world economy are too dominant for that to be the case. In fact, any serious social scientist approaching the theme of “globalization”, ought to start out from the warning of the noble Kent to Lear, the lubbard: “I’ll teach you differences” ([40], I, iv).

## Acknowledgments

Thanks to Kirsten Grimm and Kjell Bjørgeengen for their help with the editing of this article.

## References

1. Sandemose, Jørgen. “The ‘Transformation Problem’: Wage Form, *Numéraire*, and Value Transfer.” *International Journal of Political Economy* 34 (2004), pp. 41–58.
2. Marx, Karl. *Das Kapital. Kritik der politischen Ökonomie*. Band I. Frankfurt am Main: Europäische Verlagsanstalt, 1969 [1867].
3. Bortkiewicz, L. v. “Wertrechnung und Preisrechnung im Marxschen System.” *Archiv für Sozialwissenschaft und Sozialpolitik*, Bände XXIII and XXV. Tübingen: J.C.B. Mohr. 1906–1907.
4. Bortkiewicz, L. v. “Zur Berichtigung der grundlegenden theoretischen Konstruktion von Marx im dritten Band des Kapital.” *Jahrbücher für Nationalökonomie und Statistik*, Band 89. Stuttgart: Fischer. 1907.
5. Ricardo, David. “Letter to James Mill, 30 December.” In *The Works and Correspondence of David Ricardo*, edited by Piero Sraffa. Cambridge: Cambridge University Press, 1952 [1815], Volume VI.
6. Marx, Karl. *Theorien über den Mehrwert, Zweites Buch*. Frankfurt am Main: Europäische Verlagsanstalt, 1969 [ca. 1863].
7. Kliman, Andrew. *Reclaiming Marx's Capital. A Refutation of the Myth of Inconsistency*. Lanham: Lexington Books, 2006.
8. Mandel, Ernest. *Der Spätkapitalismus*. Frankfurt am Main: Suhrkamp, 1972.

9. Arthur, C.J. "Money as measure of value." Paper presented at 'Marx's Theory of Money: Modern Appraisals, Mount Holyoke College, South Hadley, MA, August 2003, pp. 4–8.
10. Hardt, Michael, and Antonio Negri. *Empire*. Cambridge, Mass.: Harvard University Press, 2000.
11. Leach, Edmund. *Political Systems of Highland Burma: A study of Kachin Social Structure*. Cambridge, Mass.: Harvard University Press, 1954.
12. Pehrson, Robert N. *The Bilateral Network of Social Relations in Kōnkāmä Lapp District*. Bloomington: Indiana University, 1957.
13. Sandemose, Jørgen. *Stat, religion, økonomi: Karl Marx og kapitalismens former*. [State, Religion, Economy: Karl Marx and the Forms of Capitalism]. Oslo: Aschehoug, 2002.
14. Sandemose, Jørgen. *Kritikk av globaliseringsteorien. Om nødvendig forståelse av produksjonsmåter og verdensmarked*. [Critique of Globalization Theory. On Necessary Understanding of Modes of Production and World Market]. Oslo: Aschehoug, 2010.
15. Eriksen, Tore L. "Om produksjonsmåter og tenkemåter." In *Agora*. Oslo: Aschehoug, 2011, pp. 186–208.
16. Sandemose, Jørgen. "Samfunnsvitenskapelig normalforskning, paradigmatisk posisjon og reaksjonær sosialisme." ["Social-scientific normal research, paradigmatic positions and reactionary socialism"]. Author's homepage. <http://folk.uio.no/jorgens/BestTLE.pdf>, 2012.
17. Marx, Karl. *Grundrisse der Kritik der politischen Ökonomie*. Berlin: Dietz, 1953.
18. Marx, Karl. *Resultate des unmittelbaren Produktionsprozesses*. Frankfurt am Main: verlag neue kritik, 1969 [1865].
19. Marx, Karl. *Manifest der Kommunistischen Partei*. In *Marx-Engels Werke*, Band 4. Berlin: Dietz, 1971 [1848], pp. 462–493.
20. Marx, Karl. "Zur Kritik der Hegelschen Rechtsphilosophie. Einleitung." In *Marx-Engels Werke*, Band 1. Berlin: Dietz, 1971 [1844], pp. 378–391.
21. Sandemose, Jørgen. "Modern Eleusis: Religion and Factory." *Science and Society* 72 (2008): pp. 266–294.
22. Dore, Ronald. "Goodwill and the spirit of market capitalism." *British Journal of Sociology* 34 (1983), pp. 459–482.
23. Yamada, Toshio, and Robert Boyer. "Introduction." In *Japanese Capitalism in Crisis*, edited by *idem*. London: Routledge, 2000.
24. Friedman, David. "The Misunderstood Miracle." In *Industrial Development and Political Change in Japan*. Ithaca: Cornell University Press, 1988.
25. Plato. *Meno*. In *The Collected Dialogues of Plato*, edited by Edith Hamilton, and Huntington Cairns, translated by W.K.C. Guthrie. Bollington Series LXXI. Princeton: Princeton University Press, 1961, pp. 353–384.
26. Hegel, Georg W.F. *Die Phänomenologie des Geistes*. Hamburg: Verlag von Felix Meiner, 1952 [1807].
27. Nove, Alec. *The Soviet Economic System*. London: Allen & Unwin, 1977.
28. MacKenzie Wallace, Donald. *Russia*. New York: Holt, 1908.
29. Maynard, John. *The Russian Peasant and Other Studies*. New York: Collier, 1962.
30. Wolf, Eric R. *Peasant Wars of the Twentieth Century*. London: Faber and Faber, 1969.

31. Kinghorn, Janice R. “Kartells and Cartel Theory: Evidence from Early 20<sup>th</sup> Century German Coal, Iron, and Steel Industries.” *Cliometric Society*, 1996. Available online: [http://www.cliometrics.org/conferences/ASSA/Jan\\_96/kinghorn.shtml](http://www.cliometrics.org/conferences/ASSA/Jan_96/kinghorn.shtml).
32. Emmanuel, Arghiri. *L'échange inégal. Essais sur les antagonismes dans les rapports économiques internationaux*. Paris: François Maspero, 1969.
33. Sandemose, Jørgen. *Ricardo, Marx og Sraffa. Kritikk av den nyricardianske retningen i moderne økonomisk teori* [*Ricardo, Marx and Sraffa. Critique of the neoricardian stream in modern economic theory*]. Copenhagen, Oslo, Lund: Rhodos, Gyldendal, Bo Cavefors, 1976.
34. Sandemose, Jørgen. “Overganger” [“Transitions”]. *Kurasje* nr. 15/16, Copenhagen: Modtryk, 1977, pp. 117–158.
35. Sandemose, Jørgen. *Totalitet og metode. Tre essays om Karl Marx' hovedverk*. [*Totality and Method. Three Essays on Karl Marx' Hauptwerk*]. Oslo: Spartacus, 2007.
36. Fan, Cindy. “Flexible work, flexible household: Labor migration and rural families in China.” In *Work and Organizations in China after Thirty Years of Transition*, edited by Lisa Keister. Bingley: Emerald, 2009, pp. 377–408.
37. Walley, John, and Xian Xin. “China’s FDI and non-FDI economies and the sustainability of future high Chinese growth.” *China Economic Review* 2009. doi: 10.1016/Chieco2009.11.004.
38. Sandemose, Jørgen. “Manufacture and the Transition from Feudalism to Capitalism.” *Science and Society* 76, No. 4. October 2012, pp. 463–494.
39. Marx, Karl. *Das Kapital. Kritik der politischen Ökonomie*. Band III. Frankfurt am Main: Europäische Verlagsanstalt, 1969 [1894].
40. Shakespeare, William. *King Lear*.

© 2012 by the author; licensee MDPI, Basel, Switzerland. This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution license (<http://creativecommons.org/licenses/by/3.0/>).