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# Understanding the transition between Marx's *Capital I* and *II*

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*In the literature concerning Marx's* Capital II, *the question of its systematic connection with* Capital I *has received limited attention. The present paper is an attempt to fill this gap. Tracing the widening contradictions between capital as it manifests itself in circulation and capital in production, as well as between the total social capital and individual capital, contradictions that transpire as the investigation of the process of production of capital unfolds throughout* Capital I, *the paper shows that their solution depends on research proceeding forwards from production to the realm of circulation. This already provides a subjective justification for the transition between* Capital I *and* II, *but it does not yet grasp the actual necessity that capital itself follows as the actual subject of the movement of our present process of metabolism as human beings. The paper then goes beyond that subjective point of view to show why and how capital necessarily prompts itself forward from the realm of production into the cycle which constitutes the circulation of capital.*

*Keywords: Marx; method; transition; production of capital; circulation of capital;* Capital (Volumes I and II)

## Introduction

The second book of Marx's main work, *Capital II*, initially received little attention, and in general has been studied considerably less than the first and third ones, a circumstance which led Mandel to call it a 'forgotten book' in his Introduction to a new English translation published in 1978.[1] Even if this were somewhat of an overstatement, considering the discussions ignited by Marx's 'Schemes of Reproduction' in the early years of the twentieth century, the truth is that the second book is certainly the least known of the three. Lately, with the publication of a collection of essays on Marx's second book under the name of *The Circulation of Capital,*[2] this situation has

[1] E. Mandel, 'Introduction' in Karl Marx, *Capital*, Vol. 2 (London: Penguin, 1992 [1884]), p. 12.

[2] C. Arthur and G. Reuten (eds), *The Circulation of Capital: Essays on Volume Two of Marx's Capital* (London: Palgrave Macmillan, 1998).

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started to revert, to some extent. However, and despite all the interesting issues discussed either there or elsewhere by other authors dealing with the text at stake, the crucial question of the systematic connection between Marx's first and second books (ie between *Capital I* and *II*) has remained mostly unattended. The present article wants to fill this gap.

The question of the systematic connection between *Capital I* and *II* is the question of *why* it is that the investigation *must* proceed from capital in production to the circulation of capital, a question Marx does not undertake explicitly in either of these books. Inasmuch as our scientific task is the reproduction in thought of the real process of reproduction of capital, this is not merely a subjective problem, that is, about the *reason* why in our process of knowing our materialized social relation – *capital* – we ought to leave behind capital in production to confront the circulation of capital. It is rather a problem about the *real course* capital itself follows as the actual subject of the movement of our present process of metabolism as human beings. A course whose necessity only becomes clear once we unveil, through the investigation of capital in production, the full *content* underlying the *form* M–C-M', that distinguishes value as capital.

The structure of the article is as follows. The first section is dedicated to a quick review of previous accounts of the question at stake. The section 'Contradiction between capital in circulation and capital in production' unfolds the increasing difference between the *content* of capital's self-valorizing process and its immediate expression in circulation – ie its *form* – that is unveiled as we progress into the investigation of the origin of the surplus-value. The section 'Contradiction between the total social capital and individual capital' focuses on the question of the actual *subject* of the movement of capital; it also depicts the limits inherent in the unfolding of the relation between the individual capital and capital as a whole, or the totality of individual capitals that Marx calls the total social capital. These two sections show the contradictions that the investigation of capital in production leaves unsolved, and why to answer them it is necessary *for us* to abandon the limited realm of production to look into the circulation of capital – but they do not disclose why *capital itself* is prompted forward into this cycle. We undertake this task in the sections that follow. The section 'The process of accumulation and the closing of the cycle which constitutes the circulation of capital, or the formal connection between Capital I and II' explores the *formal* link between Marx's first and second books, which the investigation of capital in production already puts forward. The section 'The question of the transition to circulation considered from the point of view of capital's most simple and abstract determination as the commodity' discloses the necessity of the transition as it is already present in the commodity, ie capital's most elemental form. The section 'The question of the transition from capital in production to the circulation of capital, or the necessary link between Marx's Capital I and II' discloses the internal necessity that prompts capital itself from production into the unity of production and circulation that constitutes the characteristic movement of industrial capital, ie the circulation of capital. Finally, in the 'Conclusion', we wrap up our main findings.

## *Previous accounts of the question*

In his *Introduction* to Marx's second book, Mandel points out that to understand both the 'concept' of the *process of circulation of capital*, and the proper place of this book in Marx's overall analysis, it is necessary to examine the inner connection between the production of value and its realization. He correctly highlights that the specificity of commodity production entails a basic contradiction between the social and private character of labour, that is expressed in the fact that the social character of private labour is not immediately and directly established, but rather only in a mediated and indirect way, through the circulation of commodities, by which value is *realized*. Therefore, says Mandel, 'commodities must circulate'. By this means, he brings to the forefront the 'indissoluble unity' between the *production* of value and surplus-value, and its *realization* through commodity circulation.[3] Finally, he stresses that *under capitalism* commodity circulation is essentially the circulation of commodities *as capital*, ie the circulation of capital. In a nutshell, this is all that Mandel tells us, in his introduction to Marx's second book, about its connection with the first.[4]

In their 'General Introduction' to *The Circulation of Capital*, Arthur and Reuten (1998: 2–6) dedicate a short section to 'The interconnection of book I and book II of Capital'.[5] However, despite the promising title, they just state the rather obvious fact that Book I and Book II are not respectively about commodity production and commodity circulation, but about *capital*: ie the production and circulation of capital. This means, further, that Book II 'is not about such circulation of commodities as distinct from their production', but about 'the social circulation of *capital*', which includes 'the time spent in the production process, already partially analysed in Book I'. Thus, the circulation process, initially investigated in Book I, is '*reconceptualised*' as a moment of the *capital* circuit. After these general remarks, the authors note that we are short of methodological statements by Marx on the transition from Book I to Book II, except for a passage, at the end of the first edition of *Capital I*, dropped by Marx in following editions, which they quote:

> Sold by the capitalist at its value, the iron realizes a surplus-value of £1000, corresponding to the unpaid labour materialized in the value of the iron. But for this to come about the iron must be *marketed*. The immediate result of capitalist

[3] Here, albeit briefly, Mandel calls our attention to an important aspect regarding the question at stake. The unity between production of value and its realization is also the crucial point underscored by R. Rosdolsky, *The Making of Marx's Capital* (London: Pluto, 1977), in his examination of the transition from production to the circulation process of capital in Marx's *Grundrisse* and by D. Harvey, *A Companion to Marx's "Capital (Volume 2)"* (London: Verso, 2013), see 'Introduction'.

[4] E. Mandel, op. cit., pp. 14–16.

[5] C. Arthur and G. Reuten, 'Marx's Capital II, the Circulation of Capital: General Introduction' in C. Arthur & G. Reuten (eds.), op. cit., pp. 1–16.

> production is the *commodity* … pregnant with surplus value. We are thus thrown back on our point of departure, the commodity, and with it to the sphere of circulation. What we have to deal with in the following book, however, is no longer *simple commodity circulation*, but *the circulation process of capital.*[6]

Arthur and Reuten point out that, from the start of Book I, Marx confronts the circulation of money and commodities as a '*surface phenomena*', that the unfolding of the investigation later unveils rather as '*forms of capital's self-positing movement*' (Arthur & Reuten 1998: 5); therefore, the authors see in this passage an instance of the said 'reconceptualisation' of commodity circulation as the circulation of capital.[7] In sum, their account of the transition between Marx's first and second books boils down to the understanding that the process of circulation of capital encompasses the '*whole* process of capital's movement' through the different phases of its circuit; and - considering their excerpt from Marx's first edition of *Capital*- that being the *commodity* bearing surplus-value the immediate result of the capitalist process of production, the investigation must proceed with its circulation, which we now know as the circulation of capital.

Arthur taps a slightly different line of reasoning in a separate chapter of the cited book, ie *The Circulation of Capital,* calling our attention to Marx's depiction – right from the start – of capital as a *processual form*, whereby value 'presents itself as a self-moving substance', as 'value in process', describing a *cycle* in which commodities and money count as its mere forms. He also points out that Marx already establishes, in Book I, the circuit M–C … P … C'–M, later identified as the form of movement of industrial capital. Altogether, says Arthur, this shows that '[t]he notion of circuit arises out of Book I', from the understanding of capital as value in process, which 'cannot therefore be studied in its fixity', but only as 'a circuit of successive moments', where capital's 'continual *advance*, through its reflux to itself of its increment', is placed in the forefront as its crucial determination. Beyond these remarks, he makes no further comments regarding the transition from Book I to Book II.[8]

In the same book, Mattick[9] (1998: 17–31) discusses the place of *Capital II* in Marx's critique of political economy, yet he totally refrains from any explicit elaboration regarding the transition in question. His article focuses rather on the depiction of the unity of Marx's three books as the treatment of 'capital in general', separate from the investigation of 'the many capitals' and competition, a theme which falls outside our present inquiry. However, he briefly recalls a manuscript with an opening variant for Book II, discarded by Engels, where Marx states: 'The immediate result of the process of capitalist production is a *mass of commodities*',[10] by which

[6] K. Marx, cited in C. Arthur and G. Reuten, op. cit., p. 4.

[7] Arthur and Reuten, op. cit., p. 5.

[8] C. Arthur, 'The Fluidity of Capital and the Logic of the Concept' in Arthur and Reuten (eds), op. cit., pp. 95–128.

[9] P. Jr. Mattick, 'Economic Form and Social Reproduction: on the Place of 'Book II in Marx's Critique of Political Economy' in Arthur and Reuten (eds.), op. cit., pp. 17–32.

[10] Mattick, op. cit., p. 25.

Mattick suggests a possible connection between Marx's first and second books. Beyond this, the author says no more about this question.

Murray's (1998: 33–66) own chapter, 'Beyond the "Commerce and Industry" Picture of Capital', spans the whole content of Book II of Marx's *Capital*, but it does not include an explicit discussion of the transition from Book I, even if one can find here and there some elements regarding this question.[11] He focuses primarily on the critique of the (abstract) interpretation of Marx's analysis of the commodity and commodity circulation (by Sweezy and others) as the depiction of a supposedly free-standing phenomena, and points out that this analysis deals, in fact, with certain aspects of the circulation of capital, which is the real phenomenon at stake; indeed, generalized commodity circulation presupposes and is actually a moment of the circulation of capital. Murray explicitly tackles the question of the transition in another text: 'The Place of "The Results of the Immediate Production Process" in *Capital*',[12] even when the author's purpose is not in fact to deal with the transition itself, but mainly to determine why Marx did not complete this chapter and include it in *Capital*. Murray holds that the unpublished chapter helps us to understand Marx's apparently unmotivated shift from C–M–C to M–C–M at the beginning of *Capital I*, by telling us why it is that we find one form of circulation 'alongside' the other, as Marx puts it. Indeed, in the 'Results' Marx underscores the fact that only under capitalist production does the commodity become the general form of the product, which means that all the elements of the production process – including labour power –must be purchased as commodities, and, consequently, that 'production must begin with money'; therefore, Murray concludes:

> Marx's transition from generalised commodity circulation to capital works, once we acknowledge that generalised commodity circulation presupposes capitalist production, i.e. that the (generalised) commodity form is both the presupposition and the consequence of capitalist production.[13]

This is an important point regarding the connection between Capital I and II, to which we will come back later.

This review does not pretend to be exhaustive, but it hopefully presents at least a picture of the way the issue we are dealing with has been tackled in the past. Let us now jump into the question ourselves.

## Contradiction between capital in circulation and capital in production[14]

In *Capital I*, Marx confronts capital *explicitly* only after dealing with commodities and money. This in turn encompasses the process of exchange and the actual

[11] P. Murray, 'Beyond the "Commerce and Industry" Picture of Capital' in Arthur and Reuten (eds), op. cit., pp. 33–66.

[12] P. Murray, 'The Place of "The results of the Immediate Production Process" in Capital' in P. Murray, *The Mismeasure of Wealth* (London: Brill, 2016), pp. 325–340.

[13] Murray, op. cit., p. 340.

[14] In this section and the following one I unfold determinations originally expounded by Juan Iñigo Carrera during a workshop on *Capital* (Volume II) that he coordinated in 2006.

circulation of commodities, of which the ultimate result is money, which happens also to be the initial form of manifestation of capital.[15] Money becomes capital at first by the mere form of its circulation: M–C–M. Yet the qualitative identity between the starting and final form of this movement shows it as quite a purposeless and absurd operation, unless the process brings about a quantitative difference between its extremes, a surplus-value, by which the form of circulation turns out to be rather: M–C–M'. However, Marx in fact goes deeper into the content of this movement, by pointing out that money and commodities are actually only the changing *forms* that *value* itself assume and abandon in the process of its *self-valorization*, which thus reveals value as an automatic *subject* of its own movement, as a *self-moving substance*: *value in process*. As such, value is *capital*.[16]

Therefore, capital appears in circulation as a qualitatively undifferentiated mass of self-valorizing value. Indeed, as a given quantity of money, capital presents no qualitative difference whatsoever, either inwardly or outwardly. The first, because the different parts of a certain sum of money are indistinguishable from one another; the second, because a sum of money is indistinguishable from any other equal sum. The sole quality of capital is thus its capacity to produce a quantitative difference on the course of its movement. This implies, also, that equal capitals, being qualitatively undifferentiated as sums of money of the same amount, should in principle bear no disparity regarding the quantity of surplus-vale they can bring about, ie their self-valorizing capacity should be in strict proportion to their own magnitude as capital.

Notwithstanding, when we examine the process of production in search of an answer to the question of the origin of the surplus-value, we find that capital in production is actually in contradiction with capital as it presented itself in circulation. Capital in production is qualitatively differentiated. Only variable capital valorizes itself. Constant capital merely preserves its value throughout the movement; and, in turn, differentiates itself by the way it does so, transferring its own value either entirely in a productive cycle or, rather, little by little during a number of such cycles. Therefore, capital in production reveals itself as bearing qualitative differences within itself, most notably between variable and constant capital: it is not the qualitatively undifferentiated amount of value it initially appeared to be in circulation. Moreover, inasmuch as only variable capital possesses the capacity to valorize itself, the true subject of the movement of self-valorization in the process of production is actually variable capital. As we can see, there is a substantial contradiction between capital as it manifests itself in circulation and capital in production.

This contradiction unfolds in various ways. Indeed, when the actual source of capital valorization – ie variable capital – is considered, the measure of capital's self-valorizing capacity is the rate of surplus-value, while the expression of capital's valorization regarding capital as it presents itself in circulation is the rate of profit.

[15] K. Marx, *Capital*, Vol. 1 (London: Penguin, 1990 [1867]), p. 247.
[16] Marx, *Capital*, Vol. 1, pp. 247–257.

Because, in so far as in circulation capital appears as a qualitatively undifferentiated amount of value that valorizes itself, capital in circulation comprises both constant and variable capital – ie total capital –, and surplus-value in relation to total capital is the rate of profit. It is also irrelevant to this measure the actual difference that might exist between capital effectively consumed and capital only utilized, or even the particular proportion in which variable capital might stand to constant capital. The rate of profit blurs all these distinctions. In sum, the rate of surplus-value measures the actual valorization of capital in production, but the measure of the valorization of a certain amount of capital advanced in circulation is the rate of profit.

The contradiction between capital in circulation and capital in production deepens further when we consider how capital increases its self-valorization capacity through the production of relative surplus-vale. The increase in the rate of surplus-value, beyond the point attainable through the mere extension (or intensification) of the working day, requires an increase in the productivity of labour involved (directly or indirectly) in the production of means of life. In turn, this entails an increase in the organic composition of capital. Constant capital grows faster and at the expense of variable capital, which means that for the rate of surplus-value to increase (beyond that point), the portion of capital that does not produce surplus-value must grow at the expense of the portion that actually does produce it. This is a contradiction that will remain open until Marx deals with it explicitly in *Capital III*. But it already spells out that an increase in the rate of surplus-value might entail a fall in the rate of profit.

The growth of the organic composition of capital, when considered from the point of view of historical development, is an expression of the increased self-valorizing capacity of capital. However, when considered at a certain moment of time, the organic composition of capital reveals a difference between individual capitals. There is a wide disparity: some branches of production have a high organic composition of capital, others a low one. This entails a further complication of the contradiction between capital in circulation and capital in production. Indeed. Inasmuch as the rate of surplus-vale tends to be the same in these different branches, the valorization of individual capitals is identical from the point of view of capital in production, where only variable capital is the subject of the process of valorization. However, different organic compositions of individual capitals would *apparently* entail a divergent capacity of valorization regarding capital as it manifests itself in circulation, which is expressed in a differing rate of profit.

Let us see what this implies. From the point of view of capital in circulation, individual capitals of the same magnitude appear as qualitatively undifferentiated amounts of value, and therefore should bear no difference in their respective *apparent* self-valorization capacity, which means their valorization should be in equal proportion to their respective magnitudes, ie they should secure the same rate of profit. Yet, from the point of view of capital in production, where the process of valorization really takes place, individual capitals of the same magnitude with different organic compositions produce different quantities of surplus-value, which means that the measure of their valorization regarding capital in circulation would also be different, ie that they would have different rates of profit. But then, we can no longer say that there is no qualitative difference, in circulation, between individual capitals of equal magnitudes, since a distinct (apparent) capacity of valorization certainly reveals a difference in quality. This contradicts the initial appearance of capital in circulation as self-valorizing value that is qualitatively undifferentiated both inwardly and outwardly, or the fact that two equal amounts of money are indistinguishable from one another. Put differently, how can capital present itself in circulation as qualitatively undifferentiated self-valorizing value, when individual capitals differ so greatly in the proportion between constant and variable capital, and therefore in the proportion in which capital really acts as the subject of the process of valorization? This question will remain open all the way through to *Capital III*.

## Contradiction between the total social capital and individual capital

There is also another contradiction that Marx's *Capital I* will leave as an open question, besides the one between capital in circulation and capital in production we just dealt with. Or, rather, as it could be argued, another *aspect* of a unique contradiction, that we are going to tackle separately here for the sake of clarity: ie the contradiction between the total social capital and individual capital.

In the process of circulation capital appears as self-valorizing value, and therefore as the actual *subject* of the process through which it produces surplus-value, the aim and purpose of its entire activity. But capital presents itself initially as such subject only in its condition as an autonomous quantum of self-valorizing value, ie as individual capital, while the process of circulation taken as a whole, which mediates the human process of metabolism in capitalism, is actually constituted by numberless autonomous quanta of self-valorizing value. Thus, the question arises regarding capital's determination as subject, because how does this autonomous process, in which individual capital acts as subject of its own movement, relate itself with the unity of the process of circulation in which it participates as a mere link in a chain? At this point, of course, this unity can only appear as a mere aggregate of the movements of individual capitals, without further attributes. Yet, how can this unity, which entails the material unity of social production and consumption, emerge from the myriad autonomous movements of individual capitals?

The investigation of the origin of surplus-value unveils that surplus-value depends on the existence of a special commodity: labour-power. The condition for its existence is double. On the one hand, the worker must be a free individual, in order to dispose of his/her labour-power as his own commodity; on the other hand, he must be free of means of production, and as a consequence unable to put his/her labour-power in action to produce either commodities or his/her means of life.[17]

[17] Marx, *Capital*, Vol. 1, op. cit., pp. 270–280.

Beyond this, at this point, we don't know why and how labour-power is present as a commodity in the market. We just know that it *ought* to be present for surplus-value to arise. The presence of labour-power as a commodity does not appear as the result of the activity of individual capital, but only as its condition. Therefore, even if it is quite obvious that a *unity* exists, which transcends individual capital as such, and out of which labour-power arises as a commodity, we cannot see yet how this is so.

A further step in the development of the contradiction between individual and social capital takes place in the context of the investigation of absolute surplus-value, where Marx examines what determines the normal length of the working day and how it is settled. For individual capital to be able to find available labour-power for its process of valorization, labour-power must exceed the immediate demand for it by individual capitals as a whole: ie there must be a net surplus of a certain size. However, the competence between workers as sellers of the same class of commodities – ie labour-power – would result (on this basis) in labour-power selling itself beneath its own value, rendering impossible its normal reproduction, and therefore its very existence. Individual capital certainly benefits from the purchase of labour-power beneath its value, and competition with other capitals compels it to do so, in order to survive. Thus, neither the individual worker nor the individual capitalist can by themselves avoid this outcome.

Yet, as already noted, the presence of labour-power in excess of the immediate demand for it by individual capitals taken as a whole – presence which ultimately entails the normal reproduction of labour-power, and thus the selling of labour-power at its value – is at the same time a necessity of the *unity* of the process, *society*, ie the total social capital.[18] Marx shows that this necessity realizes itself through the relation of *solidarity* that workers establish as sellers of labour-power, and through the *struggle* between associated workers and equally associated capitalists, which ultimately boils down to the *laws* compulsorily limiting the extension of the working day. Altogether, this reveals that the true subject governing the exchange relation between capital and labour is not individual capital, but the total social capital.[19] However, at this point the total social capital presents itself as this *subject* only regarding the purchase of labour-power. Its own relation with the autonomous movement of individual capital has yet to be disclosed. Which means that individual capital remains in an external relation with the total social capital. Therefore, the contradiction between the total social capital and individual capital, although subsequently developed here, stands nonetheless unsolved thus far.

Dealing with the question of the rate and mass of surplus-value, Marx[20] calls our attention to a problem where both contradictions, that between capital in circulation

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[18] At this point, Marx does not name the total social capital as such but refers to it only under the generic designation of 'society' (Marx 1990: 381).

[19] Marx, *Capital*, Vol. 1, op. cit., pp. 340–416; J. Iñigo Carrera, *El capital: razón histórica, sujeto revolucionario y conciencia* (Buenos Aires: Imago Mundi, 2013 [2003]), pp. 91–101.

[20] Marx, *Capital*, Vol. 1, op. cit., pp. 417–426.

and capital in production, and between the total social capital and individual capital, seem to converge. Indeed, each individual capital commands a labour process which is materially different than that commanded by other capitals and has a different technical composition and therefore also a different organic composition than any other individual capital. This means that individual capitals have differing proportions between their constant and variable components. Because the magnitude of surplus-value generated in production is proportionate to variable capital, individual capitals of the same amount would appropriate different amounts of surplus-value, ie their rate of profit would be different. The rate of profit is the relation between surplus-value and the total capital advanced, which is capital as it presents itself in circulation, where the distinction between constant and variable capital remains concealed. The self-valorization capacity of capital is *expressed* in circulation, as noted earlier, by the relation of surplus-value to this qualitatively undifferentiated quantum of value that total capital is. Which means that – regarding capital in circulation – absolutely diverging self-valorization capabilities would *appear* to prevail among individual capitals.[21] All this entails a subsequent development of the contradiction between capital in circulation and capital in production. Not only does the measure of capital self-valorization differ depending on which of the two forms is considered, but a divergence between individual capitals also arises within the same expression of capital's self-valorization, ie the rate of profit. At the same time, the contrast between capital in circulation and capital in production acquires utmost clarity. Regarding capital in production – where only variable capital valorizes itself – individual capitals show *identical* capacity of self-valorization; while regarding capital in circulation – where total capital *appears* to be the subject of valorization – individual capitals show absolutely *diverging* capacities to self-valorize.

This development of the contradiction between capital in circulation and capital in production encompasses a corresponding development of the contradiction between the total social capital and individual capital, which reveals at the same time how both contradictions ultimately converge. As noted earlier, the latter contradiction arises because, while we initially confront capital as *individual* capital in circulation, which presents itself as the subject of its own autonomous movement, later on we discover that *the total social capital* is the actual subject of the movement of our materialized social relation – ie *capital* – regarding the sale of labour-power at its value, whereas individual capitals and individual workers act merely as its autonomized organs. However, at that point, beyond the process of purchase of labour-power, individual capital's determination as an organ of the total social capital was not provided. This means that we were yet unable to see how it is that, out of the autonomous movements of individual capitals, the unity of the total social capital, which evidently

[21] This contradicts the initial appearance of capital in circulation as a qualitatively undifferentiated magnitude of value (both inward and outwardly), because diverging self-valorization capacities means that two capitals of equal magnitude – which as equal sums of money are indistinguishable from one another – have a totally different capability of valorization.

exists, might arise. The novel determination, that arises at this point of Marx's investigation, and which entails a subsequent development of this contradiction, is that we are now aware of the different capabilities of self-valorization that individual capitals have. Therefore, the question posed earlier acquires a different expression: how can individual capitals act as the organs of the total social capital we know they are, when each one of them has an absolutely different self-valorizing capability than any other? How is their unity established when all the said differences prevail? This also remains open from here on until Marx deals with it in *Capital III*.

The total social capital further manifests itself as the subject of the movement of our materialized social relation within the investigation of the production of relative surplus-value.[22] The production of relative surplus-value realizes the total social capital's necessity to transcend the limits that the normal length of the working day posits to its own valorization. Its investigation unveils that individual capital cannot produce relative surplus-value by itself; in other words, the production of relative surplus-value is not immediately supported by individual capital, but results from a process that transcends it as such. Individual capital pursues the extraordinary surplus-value that the increased productivity of the labour that it commands enables it to appropriate, while relative surplus-value arises when these productivity increases become generalized, that is, when individual capitals *collectively* command labour of a higher productivity. This already shows that the action of individual capital is only the *form* in which the said necessity of the total social capital realizes itself. But, even if it is clear that individual capital is externally compelled by competence to such pursuit, we cannot see at this point *how* this actually occurs. Put differently, it is plain that individual capital is nothing but an organ of the total social capital, but its full determination as such has yet to be unveiled.

In sum, on the one hand we see the total social capital manifesting itself as such fundamentally through its political representation (solidarity, class struggle, state laws) and coactively imposing apparently external limits to individual capital; on the other, we see it manifesting itself under the form of a coactive external law imposed to individual capital by competence. But we do not see beyond this how it is that individual capital is determined as the organ of the total social capital. Therefore, the question of the contradiction between the total social capital and individual capital remains unanswered at this stage.

The open questions underscored earlier should not be misunderstood as problems that Marx himself left unanswered, but rather as problems that already arise at this stage of Marx's unfolding of capital's determinations and point towards the need for the investigation to deal with them to be conclusive. They are signs that warn us that the investigation must move forward. Marx tackles these issues progressively through the remainder of *Capital,* but especially in the second part of Book III.

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22 Marx, *Capital*, Vol. 1, op. cit., pp. 429–438.

*The process of accumulation and the closing of the cycle which constitutes the circulation of capital, or the formal connection between* Capital *I and II*

After fully investigating capital's valorization process, ie the production of absolute and relative surplus-value, Marx returns briefly from production to the – long ago abandoned – realm of *circulation*, to observe how variable capital – the subject of the valorization process – manifests itself there.[23] He shows that variable capital does not present itself in circulation as the value of labour-power, which is its real content, but instead as the price of labour, ie under the form of *salary*: a form that wipes away the difference between paid and unpaid labour, and, as a result, that between constant and variable capital, concealing the origin of surplus-value. However, Marx returns to circulation only to tackle this issue. The investigation of the process of production has not finished yet.

Having exhausted the examination of the valorization process, Marx moves on to look into the periodical repetition of the capitalist process of production, which entails the reproduction of the value advanced *as capital*, ie as self-valorizing value. But for the periodical repetition of the process of production to take place, capital must, once again, go through a process of circulation, to return to its initial money form. This entails the closing of a *cycle*. Therefore, at the beginning of this novel stage in the investigation – centred on the process of accumulation of capital – Marx presents for the first time in a synthetic form the whole movement which constitutes the *circulation of capital*.

> The transformation of a sum of money into means of production and labour-power is the first phase of the movement undergone by the quantum of value which is going to function as capital. It takes place in the market, within the sphere of circulation. The second phase of the movement, the process of production, is complete as soon as the means of production have been converted into commodities whose value exceeds that of their component parts, and therefore contains the capital originally advanced plus a surplus-value. These commodities must then be thrown back into the sphere of circulation. They must be sold, their value must be realized in money, this money must be transformed again into capital, and so on, again and again. This cycle, in which the same phases are continually gone through in succession, forms the circulation of capital.[24]

This depiction of the circuit of capital constitutes the exact starting point of *Capital II*, a fact that discloses the *formal* connection between *Capital I* and *II.* There, the circuit receives a specific name: the *circuit of money capital*; and the formula for it is stated as: M–C … P … C'–M' (Marx 1992: 109). This formula, and the circuit it represents, is also nothing but a developed form of the general formula for capital presented by Marx when dealing for the first time with the determination of value as capital in the opening chapters of *Capital I*.[25]

[23] Marx, *Capital*, Vol. 1, op. cit., pp. 675–706.
[24] Marx, *Capital*, Vol. 1, op. cit., p. 709.
[25] Marx, *Capital*, Vol. 1, op. cit., pp. 247–248.

However, and as already pointed out, the fragment cited earlier is inserted at the start of Marx's investigation of the process of accumulation of capital, where the focus is placed on the periodical repetition of the process of production, that is, on the process of reproduction. At first, Marx deals with this process assuming that the surplus-value is entirely consumed by the capitalist, ie under simple reproduction conditions. The investigation unveils a series of issues, of which the most crucial is that the ultimate result of the capitalist process of production and reproduction is the production and reproduction of the capital-relation itself.[26] Then Marx examines the transformation of surplus-value into capital, which encompasses capitalist production on a progressively increasing scale, ie accumulation proper. It becomes clear at this point that the transformation of surplus-value into surplus-capital depends on the capitalist finding in the market the specific means of production and labour-power that his/her industry demands, and in the quantity required – and, moreover, that this holds true for each and every capitalist. Therefore, for the transformation of surplus-value into capital to take place, surplus-value needs to be already embodied in the material components of a new quantity of capital and in the means of life needed for the reproduction of the additional workers that surplus-capital demands, which must also be available in the market. Still, even if the existence of an underlying material unity becomes more and more apparent, it is by no way evident how it is that this material unity can emerge from the autonomous movements of individual capitals. Once again, we face the question of the contradiction between the total social capital and individual capital, and once again it remains unsolved at this point.

In sum, considering altogether the content that the investigation of the production process discloses, we can see that, step by step, it becomes apparent that the true subject governing the social process of production and consumption is the total social capital, but it is not equally apparent how it is that this subject ascertains itself as such through the organic action of individual capitals. It also becomes evident at this point that the solution to this contradiction between social and individual capital, as well as to the contradiction between capital in circulation and capital in production, will not stem from the examination of capital in production, which has been pretty much carried out to completion here. Indeed, in the production process there is no way we can directly observe the total social capital; all we can see is individual capitals, private portions of the global social labour. And, when we examine these individual capitals to see how it is that they can act as the organs of the total social capital, we find that they cannot express immediately the movement of the total social capital, because they have different organic compositions, and therefore diverging capabilities to self-valorize, ie to act as capital, a circumstance which is in direct contradiction with their capacity to act as organs of the total social capital.

[26] Marx, *Capital*, Vol. 1, op. cit., pp. 711–724.

But then – we might as well ask at this point – *where* should we seek an answer to all these questions? On the one hand, regarding the contradiction between capital in circulation and capital in production, we have exhausted its development through the investigation of capital in production, and therefore all we can do is return to the process of circulation – which was abandoned to look for the origin of surplus-value – to see how, besides all these differences that we have found in production, capital can act in circulation as it acts in circulation: ie as a quantum of undifferentiated value that self-valorizes. On the other hand, regarding the contradiction between social and individual capital, we realize that the question of their inherent unity cannot be solved examining production, because in production we confront only private labour, never the unity of social labour, which only manifests itself in the process of circulation. Therefore, from both sides, everything points to the process of circulation as the place to look for an answer to these questions.

However, even if all this certainly prompts us towards the process of circulation, it actually provides, at best, only a *subjective* justification for the transition from *Capital I* to *Capital II*. It gives us reasons that substantiate the need to return from production back into circulation, for the investigation to progress. But it is only *for us* that the transition is necessary. And what must be unveiled is why *capital* is *necessarily* propelled *by itself* towards the process of circulation. Now let us look closer into this question. To do so, we will go back to the very beginning, where the question can be tackled in its most simple and abstract form.

## The question of the transition to circulation considered from the point of view of capital's most simple and abstract determination as the commodity

The point of departure of our investigation was the commodity as the elemental form of social wealth in capitalist society. In circulation, where we confront it, the commodity appears in its double condition of *use-value* and material bearer of *exchange-value*. But the analysis of the exchange-value of the commodity immediately shows us that it is only the apparent form of a content distinguishable from it: ie *value*. In turn, the analysis of value in abstraction of its form of appearance reveals value as the materialized socially necessary labour carried out privately by independent producers. This leads to the analysis of the labour represented in commodities, which discloses its double character (concrete and abstract), expressed in the dual nature of the commodity (use-value and value), and reveals the fact that, as an embodiment of social labour performed privately, the commodity is determined as a materialized general social relation. Indeed, it is a non-use-value for its producer (possessor), a use-value for its non-producer (non-possessor), and therefore must *necessarily* change hands, entering in an exchange-relation with other commodities. As we can see, having departed from circulation, the investigation goes on looking into the process of production of the commodity, until the content of this process shows that, by its own determination, the commodity is prompted into the process of exchange. This, of course, entails the need for an expression of value, and ultimately, the differentiation of commodities into commodities and money, which in turn breaks down the process of exchange into two autonomous but complementary acts mediated by money: C–M and M–C. Thus, the process of exchange becomes the process of circulation of commodities.

The commodity, being the material bearer of our general social relation, mediates the organization of social production and consumption. This is expressed in its dual character as unity of use-value and value. To see *how* it is that the commodity performs this role, we must study the process of circulation; as a matter of fact, the commodity itself, by its own inner content, was prompted there. But let us first take a quick look to the whole path that brought us here. We departed from circulation, where we confronted the commodity as the unity of use-value and value; we continued examining the process of the production of the commodity, where we discovered it as the product of private and independently performed social labour; to return finally back to circulation, first to see how value is expressed, and, later on, how the necessity of the commodity to exchange itself is realized. We thus discover that the determinations of the commodity unveiled by the investigation of the process of its production already entail those features of the commodity that only become apparent in the sphere of circulation, ie in its *relation* with *other* commodities; in other words, that the actual content of the process of production of the commodity discloses the necessity of the transition from production to circulation.

The investigation of the process of circulation of commodities confronts us for the first time with the *unity* of the social process of metabolism of human beings, as it is mediated by the commodity form of the product of social labour. Until this point, we have been facing the commodity as a mere specimen of its own class, but we are now looking at the totality of the commodities thrown into circulation, and therefore the commodity is present for us also in the mass of its own class, ie we see that the class to which the commodity pertains has a definite magnitude. The commodity is now an element of a certain collection. And this leads us to realize the necessary divergence that exists between the value of commodities and its expression as price. Indeed, even if every commodity of a certain class contains nothing but socially necessary labour-time, the class as a whole might be in excess of what the market can absorb at the price that immediately expresses the value of the commodity, and as a result the price would fall beneath this level; conversely, the price would rise when the whole class falls short with respect to normal demand. The corresponding fluctuation of relative prices around the value relation between commodities is the form through which private labours in different branches of production adjust to their proper social proportion; that is, the form through which the allocation of the total labouring capacity of society between the different concrete forms of labour, and of the total product between the independent producers, is actually resolved.[27] But let us take a closer look into this issue.

[27] Marx, *Capital*, Vol. 1, op. cit., pp. 198–209.

The divergence between the price-form and value content of the commodity springs up from the difference between the quantity produced of a certain class of commodities and the size of the demand for this class of commodities at their normal price. Now, what determines this *size*? What determines the volume of the normal demand for a certain class of commodities? And what does that size or the volume of this normal demand express? Evidently, this size or the volume of normal demand depends on the unity of the process of metabolism: it is nothing but the sum total of the individual demands of the private and independent producers for this certain class of commodities, either as a means of life or as a means of production, or as both. Therefore, it is an expression of the material unity of the process of metabolism, of a certain technical specification of the production process as a whole, of a certain division of labour, and so on. This unity, thus, is at the core of the price-form fluctuations, that, in turn, determine the productive activity of the private and independent producers, their free consciousness and will, or, in other words, that determine them as actual organs of the unity of the social metabolism.

This is an important point to keep in mind regarding the question of the contradiction between the total social capital and individual capital laid down earlier. Indeed, although in a certainly simple and abstract manner, when considering the necessary divergence of price-form and value content of commodities, we are facing the actual determination of the private and independent producer as an *organ* of the *unity* of the social metabolism mediated by the commodity form of the social product, a unity that encompasses the totality of private and independent producers. Albeit our investigation at this point has not (explicitly) confronted us yet with capital, and much less so with the total social capital, it is clear enough that this totality of private and independent producers (ie individual capitals) is precisely what the total social capital is. Therefore, the fluctuating price-form renders the actual form through which individual capital is determined as an organ of the total social capital – even if it is a form still lacking the full content realized in it, and thus *abstract*. In other words, we know the form, but it is *empty* of its true content, and this tells us already that this content must be fully developed before the question of the unity of social capital and individual capital can be answered.[28]

### *The question of the transition from capital in production to the circulation of capital, or the necessary link between Marx's* Capital *I and II*

Altogether, and as already noted, the investigation of the process of circulation shows that, regarding economic forms, its ultimate result is *money*, which as Marx points out is 'the first form of appearance of capital' – and that is also why '[the] circulation

[28] As we know, after dealing with this necessary divergence between price and value Marx continues his inquiry on the assumption that price expresses immediately the value content of commodities.

of commodities is the starting-point of capital'.[29] Once again, money is determined as capital first of all by the form of its circulation: M–C–M (instead of C–M–C), *buying in order to sell,* that conditions its reflux to the initial point, but this whole movement would be purposeless unless it also entailed a *quantitative difference* between the initial and returning amount of money, ie a *surplus-value*, that therefore constitutes the actual content and aim of the movement itself. The value advanced is valorized and therefore becomes capital. It does so by successively assuming and abandoning the money and commodity *forms* in the recurring circulation M–C–M'. In turn, this shows that those forms are nothing but modes of existence of value itself, and thus that value is the *subject* (an 'automatic subject') of the process of its *self-valorization*.[30] This is what the analysis of the circulation of money as capital first unveils.

Of course, the question that obviously follows is: where does the difference in value come from, ie what is the origin of the surplus-value? Marx demonstrates that this difference originates neither *in* circulation nor *outside* circulation, and that it presupposes the existence in the market of a special commodity: *labour-power.* At this point, it is not possible to explain why it is that this commodity exists, but Marx observes that its existence evidently implies two conditions: that the worker is a free individual; and has neither means of production nor means of life. The value of labour-power is determined by the socially necessary labour-time carried out privately and embodied in the commodities that the worker has to acquire in order to reproduce his/her persona and working capacity. The capitalist pays to the worker the value of his/her daily labour-power in money, in exchange of which the worker commits him/herself to deliver the use-value of that labour-power, ie a working day. To do this, he/she must follow the capitalist into the abode of production, where the *process of production* takes place.[31]

Let us observe from a methodological standpoint the course taken by the investigation so far. First, we confront capital in the *sphere of circulation*, distinguishing it by the form it circulates, and by the content and aim of its peculiar movement, thus unveiling capital as an automatic subject, ie as self-valorizing value. But the examination of capital in the process of circulation does not end here. Indeed, the question of the origin of surplus-value allows us to identify what it is that capital *presupposes*, namely, the existence of labour-power as a commodity. Then, after the exchange of money for labour-power takes place (premised in its presupposed existence as a commodity), we just follow the movement of self-valorizing value, that, getting rid of its money form, enters itself into the *sphere of production*. As we can see, the investigation here only tracks down capital along its self-movement, that is now beginning. This transition opens the investigation of capital in production: ie the examination of capital in abstraction of its movements through the sphere of circulation, that constitutes the content of the rest of *Capital I.* However, our question is not really

[29] Marx, *Capital*, Vol. 1, op. cit., p. 247.
[30] Marx, *Capital*, Vol. 1, op. cit., pp. 247–257.
[31] Marx, *Capital*, Vol. 1, op. cit., pp. 258–280.

about the transition from capital in circulation to capital in production, but about the opposite: the transition from capital in production into the circulation of capital. To answer it we must go further in the investigation of the process of the production of capital.

The first thing we must bear in mind regarding the transition from capital in production into the circulation of capital is that 'capital is commodities'.[32] This means that the features disclosed during the analysis of the commodity still hold. Indeed, the private producer, that is now the collective worker, produces a non-use-value for him/herself, and a use-value for other collective workers or individuals, and therefore the product *must* change hands. The private producers (collective workers) have no direct relationships with other private producers (collective workers) that could possibly bear a direct organization of the unity of social production and consumption. Their mutual relation is necessarily the commodity form of their product. Finally, the reciprocal relation of their products as commodities entails the differentiation of the commodities in commodities and money, whereby the process of exchange is actually a process of circulation of commodities, mediated by money. In other words, inasmuch as the result of the capitalist process of production is the commodity, this already prompts us (because it prompts the commodity itself) into the sphere of circulation. Yet it is not the transition from the sphere of production into the *sphere* of circulation that we are looking for here, but the transition from capital in production into the circulation of capital; obviously, we will not find it in the features that the elemental commodity form of capital reveals. The answer to the question of the transition from capital in production to the circulation of capital must be sought for in the process of production of capital itself.

As noted earlier, once the analysis of the circulation M–C–M' discloses capital as self-valorizing value, the question about the origin of the surplus-value arises, and, understanding that it can only be answered on the *presupposition* that labour-power exists as a commodity, we immediately follow the movement of capital, through the exchange with the commodity labour-power, into the realms of the process of production. The investigation of capital in production then unveils some crucial issues, beginning with the fact that the production of relative surplus-value entails a progressive process of transformation of the social means of production and subsistence into capital: ie the process of separation of the direct producer from its means of production and subsistence, which progressively transforms the labour-power into a commodity.[33] Notwithstanding, to understand how it is that capital *presently* produces its own presuppositions we have to look into the *recurrence* of the process of production, ie the *process of reproduction.*[34]

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[32] 'If we pin down the specific forms of appearance assumed in turn by self-valorizing value in the course of its life, we reach to the following elucidation: capital is money, capital is commodities' (Marx 1990: 255).

[33] Marx, *Capital*, Vol. 1, op. cit., p. 480.

[34] As we pointed out before, this recurrence – ie reproduction – entails the closing of the cycle which constitutes the circulation of capital.

At first, as mentioned earlier, Marx tackles this latter process as a process of *simple reproduction*, and its analysis discloses a very important issue: ie that its ultimate result is the reproduction of the *capital-relation* itself. Indeed. On the one hand, the capitalists have acquired both the labour-power and the means of production, so the product of the labour process pertains to them. The workers, in turn, having sold their labour-power to the capitalist, produce the product – either a means of production or a means of subsistence – as an alien property. Being the outcome of a social labour performed private and independently, this product is also a commodity, which means that the totality of commodities emerging from the process of production confront the workers as a property of others, ie of capitalists. On the other hand, through his/her process of individual consumption – which takes place mainly when the working day and with it the direct subordination of the worker to the capitalist has come to an end – the worker produces his/her labour-power as a use-value for capital, and at the same time extinguishes (consumes) the means of subsistence he/she has at hand. Therefore, through the unity of productive and individual consumption, the worker produces him or herself as a free individual who is also free from the means required for the autonomous realization of his/her labour-power, and thus produces him/herself as an individual that is forced to sell his/her labour-power to live. As a result, the product of the process of production confronts the worker as capital: self-valorizing value, the autonomous subject actually governing the human process of metabolism. All this shows that the presupposition of capital – ie the existence of labour-power as a commodity – is actually a *result* of its own process of production and reproduction.[35]

As we move on, it becomes clear that if capitalist production means the production of the proletariat, capitalist production on a progressively increasing scale entails the growth of the proletariat. Inasmuch as this growth is biologically constrained, capital accumulation appears at first sight to be absolutely limited by nature. But capital accumulation actually brings about the constant revolution of the productive powers of labour, and therefore a rising organic composition of capital, which means that constant capital grows faster than and at the expense of variable capital, allowing the release of workers previously active into the ranks of the reserve army. By this mechanism, ie the production of a relative surplus-population, capital secures for itself an adequate provision of labour-power, the absolutely necessary condition for capitalist production. Finally, Marx's investigation of the so-called primitive accumulation deals with the historical process of the separation of direct producers from their means of production and subsistence that *ignited* the self-movement of value as capital.[36] At this point, the *presupposition* that constituted the actual ground for the investigation of the origin of the surplus-value, and thus of capital itself as self-valorizing value, namely, the general presence of labour-power as a commodity in the marketplace, is fully posited as the constant *result* of the capitalist

[35] Marx, *Capital*, Vol. 1, op. cit., pp. 711–724.
[36] Marx, *Capital*, Vol. 1, op. cit., pp. 725–930.

process of production and reproduction, and also unveiled in its historical emergence. And this is so because both the historical emergence and the constant result bring about one and the same outcome: the separation of labour-power from the means of production.[37]

All this entails at the same time the further determination of money. Indeed, the result of the capitalist process of production is the 'immense collection of commodities' that was once our point of departure, but that we now know as a qualitatively distinct collection. One that includes, beyond the commodities that constitute the outcome of the immediate process of production – ie means of production and means of life – a peculiar specimen: *labour-power*. Therefore, the 'world of commodities' from within which a particular commodity is excluded as the general equivalent – ie as *money* – is not exactly as we thought it was at the beginning. It is a different world, and as a result the money that arises from it is also different. The peculiar spectrum of use-values that count as the use-value of money, which appears 'only ideally in the series of relative value within which it confronts all the other commodities as the totality of real embodiments of its utility',[38] determines money as 'money that begets money', that is, as *capital*. Therefore, the money that this peculiar 'world of commodities' sets apart *is* already *capital*, potentially, even before it acts as such.

> The capital relation arises only in the production process because it exists implicitly in the act of circulation, in the basically different economic conditions in which buyer and seller confront one another, in their class relation. It is not the nature of money that gives rise to this relation; it is rather the existence of the relation that can transform a mere function of money into a function of capital.[39]

Thus, if the first time we confronted capital as a self-moving subject we discovered – with Marx – that 'capital is commodities, capital is money', the crucial question is not really to understand that capital is commodities or that capital is money, but to uncover instead 'how, why and by what means' commodities and money become capital. Hopefully, how Marx does so has already been disclosed.

At this point, the essential determination of capital as our materialized social relation (ie as the objectified organization of social production and consumption), which is involved in a self-moving process that has no other end than the augmentation of this materialized relation – *capital* – itself, is actually accomplished. The result of the investigation of the process of production of capital is thus capital fully *posited* as self-valorizing value that only maintains itself as such through a process of constant increase and internal change; that is, by producing more of itself, in an

[37] In the first chapter of *Capital II*, where Marx posits the question about what it is that determines money as capital in the act M–C, which opens the cycle of money capital, his answer recalls synthetically this crucial point: 'Thus the situation that underlies the act M–C(L;mp) is one of distribution; not distribution in the customary sense of distribution of the means of consumption, but rather the distribution of the elements of production themselves, with the objective factors concentrated on one side, and labour-power isolated from them on the other' (*Capital* 1992: 116).

[38] Marx, *Capital*, Vol. 1, op. cit., p. 199.

[39] Marx, *Capital*, Vol. 2, op. cit., p. 115.

endless roundabout. In other words, we know why capital exists, and at the same time why capital *must* prompt itself forward in this recurring movement, in order to exist.

We also know, from the beginning, that the movement of capital follows the cyclical form M–C–M', which the investigation of the process of production allowed us to further expand into M–C(L;mp) … P … C'-M'. The investigation of the transformation of money into capital deals with the first phase, M–C; while the investigation of capital in production deals with the second phase, P, of which the result is C'. Thus, the investigation of the process of reproduction already entails the *closing* of this enhanced *cycle*, that depicts the whole movement of capital – through the sphere of circulation into the sphere of production, and back into the sphere of circulation – and constitutes the *circulation of capital*.

Therefore, at last, we know capital as self-valorizing value, that, having emerged historically through a process of separation of the direct producers from their means of production and subsistence, constantly produces this condition of its existence through its own movement of self-expansion and inner change, in which, merely to *exist* as the automatic subject it is, and also because it is this automatic subject, it must *necessarily* prompt itself forward, again and again, into its endless cycle: *the circulation of capital*.

## Conclusion

Let us now briefly lay down our main findings. The purpose of this article was to investigate an aspect of Marx's *Capital II* that in general has been neglected by its commentators: ie its internal or necessary connection with *Capital I*. We explored this at first by tracing the development of two crucial contradictions that ultimately converge: the contradiction between capital in production and capital in circulation; and the contradiction between global social capital and individual capital. The first makes reference to the widening gap between the expression of capital in circulation as a qualitatively undifferentiated magnitude of value that must valorize itself in proportion of its own amount, and the real content of capital's valorization in the process of production, where only variable capital valorizes, and therefore the valorization capacity of individual capitals diverges when their organic composition diverges. The second makes reference to the equally widening gap between the total social capital as the actual *subject* of the movement of our social process of metabolism as human beings, and the individual capitals, that act autonomously, and therefore appear to be subjects in their own right. Taken together, the unfolding of these contradictions through the investigation of capital in production pointed towards the process of circulation as the place to look for a solution to those apparent incongruences. However, to unveil the actual necessity of the transition from capital in production to the circulation of capital a different course of inquiry was required. In the first place, we showed that the investigation of capital in production entails the closing of the cycle which constitutes the circulation of capital, providing the *formal* connection between *Capital I* and *II*. In the second place, we identified the abstract determinations of the necessity of the transition from capital in production to the realization of capital in the sphere of circulation, already present in the features of the commodity as the elemental form of capital. Finally, we moved forward until the full content of the process of production of capital was spelt out, and therefore capital was fully posited as the *result* of its own movement as self-valorizing value that only preserves itself as such through the endless cycle of constant increase and internal change which constitutes the circulation of capital.

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