

THE MARXIAN PROCESS OF CAPITAL ACCUMULATION

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1.1 THE LAST QUARTER of the 18th century witnessed the end of the transformation of an agrarian-Mercantile society into an Industrial-Capitalist economy, in Western Europe. Marxian analysis of capitalist development was framed against the backdrop of this process. The process of capital accumulation is central to his vision of the evolution of a capitalistic economy. Marx emphasizes over and over again that "The capitalist process of production is essentially a process of accumulation".¹ The underlying process involves an increasing trend in two directions : (1) The tendency to enlarge the scale of production and to reduce the number of production units. (2) The rate of substitution of capital for labour (or the rising organic composition of capital as Marx designated it, or the "deepening of capital" in modern usage) and the tendency to a falling rate of profit—providing the self-stultifying impulse to the very process of capital accumulation. Marx was first to analyse the capitalist mode of production, using Hegelian dialectic and scientific method of abstraction, on a materialistic foundation, in a purposive way. Marx wanted to show that capitalism must break up. The necessary destructive forces emanate from within the system itself, and operate through the class-conscious working-class who have "nothing to lose except their chains", being non-owners of the means of production and the permanent victims of capitalist exploitation. Thus he wrote, as Laski puts it, "The epitaph of capitalism and the prophecy of its outcome". Whether the prophecy has come true or not, whether it is going to take a Marxian path or not if at all it is going to come, is not our concern now. His analysis of the capitalist mode of production emphasized the underlying process as follows : (1) Growth of technology and productive forces. (2) Growth of capitalist production relations—employer-employee relationship with conflicting interests. (3) Mode of appropriation of surplus value as the character

¹ MARX, KARL, *Capital*, Vol. III, p. 694.