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Fictitious Capital and the Re-emergence of Personal Forms of Domination

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Abstract:

Through analysing the link between fictitious capital and social reproduction, this article shows how the increased circulation of fictitious capital leads to the re-emergence of personal forms of domination. This re-emergence of personal forms of domination takes place in the context of the impersonal domination that structures capitalist social relations. However, since fictitious capital is not a product of production, it therefore has not gone through the valorisation process necessary for the realisation of capital. Thus, fictitious capital represents unrealised value. In order to account for this inconsistency, fictitious capital is premised on a contract (debtor-creditor) that makes a claim on future labour, and therefore the valorisation of fictitious capital is suspended and accounted for by the dependence on the valorisation process to occur in the future, with its premise in future labour rather than past as in the case of realised capital. This temporal discordance results in placing increased pressure on social reproduction, a function that insures the reproduction of labour power, a variable at the heart of the justification of the circulation of fictitious capital. Significantly, this re-emergence of personal forms of domination is not solely based on the relation of the debt contract, as the debtor might not be a worker or even an individual but a bank or a hedge fund, but also the personal relations that uphold the ability for society to as a whole to reproduce the

labour power that will in the future account for the repayment of the debt. Therefore, personal forms of domination implicated in social reproduction of labour power re-emerge as a site with increased pressure as a result of an increased circulation of fictitious capital.

Keywords: Fictitious capital, personal domination, social reproduction, time, value-form.

In a footnote to the chapter 'The Transformation of Money into Capital,' in *Capital Volume One*, Marx makes a brief reference metaphorically establishing the distinction between personal relations of domination and impersonal power structured by money in capitalist societies.

The antagonism between the power of landed property, based on personal relations of domination and servitude, and the power of money, which is impersonal, is clearly expressed by the two French proverbs, "Nulle terre sans seigneur" and "L'argent n'a pas de maitre. ('No land without its lord' and 'Money has no master.')"²

Impersonal domination is the form of domination structuring the function of the fetish character in capitalist societies, where social relations objectified in things dominate and act on people. This means that people relate to each other indirectly through things and hence this form of domination is impersonal or based on 'rule by abstractions.'² The social form behind this rule by abstractions is described by Marx in his theory of valorisation which shows how value is extracted from labour time to create surplus value: the premise for the accumulation of capital. This process of abstraction renders labour time to be both abstract and concrete. Abstract labour being labour measured by time and appropriated into value on the one hand, and concrete labour making up the actual physical labour that contributes to producing things on the other. Abstract labour time then becomes the premise of the mode of abstract domination, entailing that in capitalist societies we are dominated by time.³ This theory of valorisation is a mechanism based on the understanding that in capitalist social relations, through the abstraction of labour time into value, human sociality is objectified in and redirected through the circulation of value embedded in commodities. A process that bases itself on the exploitation of the special commodity

of labour, aiming towards the end goal of perpetually increasing the production of capital or realised value. However, with increased financialization based on the circulation of credit, money in circulation is not necessarily money that has been valorised byway of the process of abstraction generated within the circulation process. This form of money is referred to by Marx as fictitious capital. Fictitious capital, capital that has been credited in the form of money, represents future valorised capital and therefore represents a form of capital that is not yet valorised and therefore exists based on the suspension of its valorisation process. While although fictitious capital is a form of money and therefore represents the mechanism of impersonal forms of domination, what I will demonstrate is that within the particular structural relation of capital's reproduction process where fictitious capital finds itself, the increased use of fictitious capital results in the re-emergence of directly personal forms of domination.

The basic premise of the argument is that, since there is no realisation of capital without valorisation (*verwertung*) there is therefore also no realisation of capital without circulation, where capital is accumulated from production and thus labour. Since fictitious capital is not a product of the circulation of value, there is no moment of capital realisation for this form of capital. This means that the forms of abstract domination imposed by the circulation of the value-form does not fully determine the nature of the particular social relationship involved in credit operations. This leads to the second proposition that credit means debt and therefore the subjects or bearers of this operation are not involved in the process as subjects to the value-form only, but are also creditors and debtors and so they are also subject to another form of power relation. Finally, building on these two points, the particular power relation involved in credit operations has a personal dimension of dependency, which in turn is premised on the realisation of capital through the valorisation process. Further, this personal form of domination at the centre of this debt contract is not wholly without its own abstractions as "to receive a 'juridical qualification' [the contract] is inscribed in a legal system marked by its abstract universality."⁴ Thus it is not abstraction qua abstraction that makes the value-form based on impersonal domination, but that there are no personalised agents that represent the abstraction of value-form as in the case with legal contracts that are represented by an owner or a group of owners who are people. Hence there are different modalities of abstraction,⁵ and what makes the form of abstract domination imposed by the value-form impersonal is not the abstraction itself but rather that the

actor representing the abstraction is not a person but rather a thing. Value, a product of human labour, when moving from one commodity form to the other itself becomes an independent actor, what Marx terms the 'automatic subject.'⁶

Crucially this re-emergence of personal forms of domination is not only based on the relation of the debt contract but also the personal relations that uphold the ability for society to reproduce the labour power that will in the future account for the repayment of the debt. Therefore, personal forms of domination implicated in social reproduction re-emerge as a site with increased pressure as a result of an increased circulation of fictitious capital. This is because society as a whole is struggling to not only produce capital in the present but also to make up for the fictitious capital that is in use. This means presupposing the reproduction of labour power and the conditions of production in the future as well as the present. However, these personal forms of power relations come into being by the very process of exchange that is described abstractly by Marx as completely impersonal and formal based on the 'high-level *logic* of abstraction'⁷ intrinsic to the value-form, since in capitalist societies the social relations of credit operations are built on the social relations of the value-form. Hence the phenomenon of personal forms of dependency coming to the fore by way of the suspension of valorisation with fictitious capital, does not mean that abstract forms of domination are not also present nor that the juridical qualification behind the debt contract is not itself a form of abstraction. Rather this means that the abstract forms are upheld by personal forms of domination functioning in the realm of the reproduction of capitalist social relations that internally include the reproduction of labour power (everyday life composed of personal relationships that sustain one's ability to labour). In this way, we find the conditions for the re-emergence of the exploitation of forms of domination that have been manipulated to uphold reproductive aspects of capital production, within the process of capital valorisation itself. With 'fictitious capital' directly personal power relations come to the fore, facilitated by the impersonal power of commodity fetishism. As Harvey notes "the credit system becomes the locus of intense factional struggles and personal power plays within,"⁸ while Shulamith Firestone rightly predicted with increasing technologization of the mode of production that facilitates the unprecedented amount of fictitious capital in circulation, "cybernation may aggravate the frustration that women already feel in their roles."⁹ With the dominance of 'fictitious capital,' social reproduction relies on an intensification and aggregation of personal power where power structures functioning from the point of view of outside

of the production process re-emerge within the process of capital valorisation in a renewed way, yet under different structural relations.

In order to show how fictitious capital re-centres these forms of 'personal power' internal to social reproduction of both labour power and capitalist societies as a whole, and thus also how fictitious capital re-centres power relations that 'appear' as external to the process of capital valorisation, we will need to first understand what Marx meant by fictitious capital and how fictitious capital relates to the impersonal domination exemplary of the role of money. Following this we will analyse what role fictitious capital plays in the context of Marx's theory of capital valorisation by undertaking analysis of value-form. Finally, we will merge our findings of the implications regarding increased fictitious capital within the process of capital valorisation, with an analysis of social reproduction.

Fictitious Capital

While fictitious capital, a concept referred to by Marx in *Capital Volume Three*, has largely been left idle and loosely defined, it now finds itself in the centre of discussions and elaborations concerning the forms and effects of financialization. What Marx means by fictitious capital is the practical use of one form of value more than once, indicating that the multiplication of the use of one thing involves a fictional element. This dynamic occurs in the case of credit operations as credited value is at once owned by the creditor and practically used by the debtor (who could be an individual or a manager of money representing a banking or investment operation). Fictitious capital is lent money that represents a title to future value, functioning as a fictitious appearance of the original money still owned by the lender. This copy mimics the original with the exception that its valorisation is suspended, despite being considered inevitable. The suspension of inevitable valorisation is constitutive of fictitious capital itself because its very valorisation (repayment) is the cause of its disappearance. It is through charging interest that this form of money is able to generate more money described by Marx as $M-M^1$ opposed to $M-C-M^1$ which indicates that more money is generated due to its role in the circulation process that requires the mediation of commodity. The 21st century has seen a cyclical moment in the capitalist mode of production where we find the intensification of the function of the credit system and the use of 'fictitious capital,' accompanied by technological change. This intensification has changed the quality of how capital generates profit

through exploitation and subjection of members of capitalist society. Further, this change in quality of capital exploitation has a temporal component. When a single form of value exists twice, the doubling of that value involves a temporal displacement in the process of valorization. For the value to exist twice and thus to contain a fictional element, the second use of the value is upheld by the anticipation of future production that is understood to represent the second manifestation of value. However, this second value-form is not yet valorized which is why it needs to become represented as a fictitious token or entitlement. If the loan is repaid to the lender, the fictitious aspect of the said value disappears. In this way, fictitious capital is never valorized since it is a placeholder waiting for the appearance of a second form of value to arrive from the future. At the moment the debt is paid the fictitious capital disappears and the value returns to its original form as functioning as one, hence fictitious capital is never realized capital.

Fictitious capital first plays a role in Volume One of *Capital* before Marx develops the role of the credit system, standing in for the monetary form as credit-money. Credit-money first appears in the dynamic of simple circulation as a symptom of the role of time in the practical development of value, as value moves from one form to another in its ultimate production of surplus-value and later capital. Within simple circulation there are two initial roles played by time: labour time (both concrete and abstract) and the time of circulation. Labour time is operatively used as a measure of value while the time of circulation is concerned with empirical time or the time it takes for capital to circulate throughout social relations. It is due to the non-linearity of the C-M-C relation that requires the modification of credit-money. That is Marx “saw credit as a modification of the commodities/money/commodities exchange, which in a market circulation mode necessarily takes place in a simultaneous manner”¹⁰ i.e. in the case that the commodity buyer does not and cannot pay in hard cash. Due to the expected future hard cash the exchange promises, credit steps in not only to play the role of future money, but to create the conditions of possibility for future money. As such, credit-money must be non-synchronic with the accumulation of capital in order to fulfil its role in the facilitation of commodity exchange. By necessity credit exists within an aleatory temporality in order to fill in for the temporal contradictions in the logic of capital accumulation. As de Brunhoff claims, credit does not share temporality with capital.¹¹ Thus, credit introduces time as a form determination of value in its money-form, within the process of simple circulation; a complex formulation that will be

described in detail as we develop the argument further. These temporal discrepancies represent a discordance that comes into being in order to compensate for temporal inconsistencies found in the social form of capital accumulation as a whole.

The function of credit-money within the context of simple circulation is referred to as 'commercial credit' and forms the basis of the development of the credit system.¹² As a direct product of the use of money as a means of payment, commercial credit (or simple credit money) is at once no longer simple money-form, and not yet indicative of the role of credit within the credit system. Hence, commercial credit can be found

on the borderline between the monetary system and the credit system. Incorporated into the later, it introduces into it the contradiction inherent in the function of money as a means of payment, which represents simultaneously the ultimate dematerialization of money and its re-embodiment.¹³

When credit-money fills in the role for money as means of payment, credit-money makes clear its role as a form determination (and not an objective thing with inherent value) since what is necessary about the money-form operatively is that something stands in for the form in order to ensure its role. However, money's 're-embodiment' in the form of credit-money presents problems in terms of what constitutes its monetary character as it represents both less and more than money. Less in the sense that it stands in for future money, and more in the sense that it is up held by an additional juridical contract, one that is based on the debtor-creditor relationship. A contractual relationship that is additional to the basic formal contract that money already abstractly represents. Further, credit-money bases itself on the circulation of debts and thus is the "non-circulation of money."¹⁴ Yet credit-money has by necessity 'monetary characteristics' as a medium of circulation and a measure of value, albeit a measure of value with a different temporal relationship to production. It is this temporal difference that brings about the problematic of money's non-equivalence to credit-money. That is, the measure of value by credit money cannot be fulfilled in a direct way as future value (the kind of value bared by credit-money) has not yet come into being. Although the credit money stands in for future value in a nominal way, it cannot confirm the existence of future value and

thus as it bears the form of the form of value and not value directly embedded in a form. Hence credit-money's monetary characteristics carry a purely theoretical significance and does not indicate practical convertibility. As de Brunhoff shows,

the first function of money, that of the measure of values, cannot be directly fulfilled by credit money. In that sense, "credit money" is only 'money in so far as it absolutely takes the place of actual money to the amount of its nominal value.' But this convertibility has only theoretical significance; in normal times it does not in any way imply an effective convertibility.¹⁵

While it is clear that credit-money thus can only act as money-form due to its nature as containing monetary characteristics, it follows that credit-money cannot merely replace the function of money. This is because the temporal inadequacies will ultimately reveal themselves in a time of crisis when there is no longer speculative evidence for the reproduction of future value as this forms the basis of the debtor-creditor contract. In the case of the lack of speculation that the future will bring the reproduction of value as seen in times of crisis, credit-money loses its 'credibility' as a stand in for money-form and will need to be replaced by the money-form proper.

Fictitious capital, based on an institutional relationship between two parties, essentially splits the money-form into two. This split is governed by a legal contract acting as a claim over money. Here we find two opposed legal subjects, the debtor on one side and the creditor on the other. Money thus takes on two forms. The first form, in the case of the creditor's relationship to the money, is one in which the money becomes a 'unit of account' for a sum that is due in the future, while the debtor holds money that represents their future labour. It is this labour that will then produce money to act as a means of payment for the settlement of the debt. This relationship is "a specifically constrained *institutional* relationship that is governed by contract and law,"¹⁶ added on top of the always already institutional nature of money as legitimised by the state in the first instance. However, this former relationship is necessary for the temporal manifestation of the credit relationship.¹⁷ That is, the contract functions to legally uphold the manipulation of time in order to insert money into the circulation process. Money that ultimately 'would have been' the result of the process and not present in earlier stages. Credit-money, in order to act as a form determination of the money-form, bases itself on the subjection of the representatives of the owner of the money used to create credit-money and the

owner of the future-money, to each other in co-dependency. This co-dependency is secured, not by the dynamics of capital accumulation premised on the value-form, but by a legal contract. Here credit-money as a form of appearance of value, appearing from the future, becomes implicated in the bearer of the form. This brings full circle the two concepts of time developed so far (abstract labour time and the empirical time of social practice found in the realm of the circulation of capital) through their shared structural role in implicating the subject in the abstraction of the value-form. 'Labour time' supplies the content of the measure of value in its form of representation as money, while the debtor supplies the solution to circulation's temporal inconsistencies through supplying future labour time as content to the measure of its value in credit-money. Thus, there is no function of 'time' as an abstract form underpinning capital accumulation without subjection.¹⁸ However there is more than one kind of subjection at work that corresponds to different temporal categories; subjection to value-form on the one hand and subjection to future valorization on the other. The later form anticipates future subjection to the value-form based on the 'personal' memory of one's past. This indicates a suspension of subjection to the subsumptive function of value-form. A function that, although remains latent, is replaced by a different kind of subjection, one that is based on a personal relationship of dependency made up of a different temporal function that involves one's use of memory and anticipation of future. While, subjection to the value-form is a kind of subjection based on the Hegelian claim that the subject is a formally determined empty place holder. This indicates that the subject is constituted by practice that is historically determined by social-form and thus a product of phenomena and therefore substantial. We become a product of what we do and what we do is conditioned historically. While subjection to the debt contract maintains within its concept the Kantian transcendental subject, determined based on its opposition to object, that internally contains a component of individual humanity that has an 'ego,' an object of inner sense that appears as substantial (an illusion that gives us the ground for an ego), resonating in the freedom to act with a moral 'personality.'¹⁹ This entails a focus on ego that can lead to misrepresentations of the 'will' as Nietzsche points out the false belief that *'l'effet, c'est moi.'*²⁰ Each side, representing two paradigms that cannot be strictly said to be independent of one another. It is the significance of the temporal implications of money and its subsequent forms of appearance that provides a central link between the abstract self-movement of the value-form (based on abstract labour-

time) forming the temporality of capital, and the temporality of the individual subject. A subject that is implicated in the temporality of capital by the temporalizing nature of social practice that may or may not be effected by the temporality of the value-form. It is from this point of view of the individual subject where we find the temporal site of personal forms of domination.

The Implication of Fictitious Capital for Value-Form

In Marx there are different expressions of the commodity form including the object-commodity of production, labour as commodity and the money commodity. Thus, what makes a commodity a commodity is not its materiality but rather its social form. However, different appearances of the commodity form will constitute different social relationships with different temporal structures that are cause for different outcomes. For example, in the case of the exchange of a service the only difference between a material product and an immaterial one is that they have a different relationship to the timing of production and consumption. According to Heinrich, “the difference between services and physical objects consists of a distinction of the *material* content; the question as to whether they are commodities pertains to their *social form*, and that depends upon whether objects and services are exchanged.”²¹ Here presence of so-called immaterial labour does not entail a need to re-examine Marx’s value theory since the social form remains the same. With immaterial labour we see a temporal shift because production and consumption happen simultaneously rather than through the mediation of an objective (and thus future) use-value since there remains the mediation of use-value with the phenomenon of instantaneous consumption. In this dynamic the commodity does not require its objective form, just like how money does not need its objective form (gold standard) in order to fulfil its function as a form-determination of the commodity as universal equivalent distinct from all other commodities. While money has a use value (it is used as a mode of value’s circulation) and an exchange value (it represents a quantity of value) and therefore is an expression of the commodity form, when functioning as fictitious capital its use value is the latent potential to create greater value. Thus its value is entirely irrational, as to quote Marx “the value of its value is that it produces greater value.”²² And therefore we find that fictitious capital has a use value but no definable value, indicating that it does not involve the material production process where we find the embodiment of labour embedded in it as in a

commodity form.²³ According to Harvey the primary role of the money 'commodity' is to function as "a medium of circulation as its use value is that it facilitates the circulation of commodities,"²⁴ and therefore, as Harvey continues, "from the standpoint of a pure medium of circulation, money can equally well take any number of forms."²⁵ It is because money represents the universal equivalent of exchange value, money is essentially opposed to other commodities as, "money assumes an independent and external power in relation to exchange because, as the universal equivalent, it is the very incarnation of social power."²⁶ Thus we can see that the reliance on the gold standard as the objective form of money was, rather than a necessary component of Marx's critique, a formation he assumed as one stage in the process of the development of the money commodity. Using this same logical frame, for Heinrich, it is not a problem for Marx's theory of value to merely replace the objective use-value component of a commodity with an exchange of property, as the result of a temporal shift.

This observation is important in maintaining the way in which we think about the relationship between value-form and labour, even in the case of the exchange of fictitious capital, where Marx shows we find that capital accumulation 'appears' to occur without the mediation of production. This is because the M-M formation nonetheless relies on labour to generate value in the first place. However, what happens when capital that is valorised through labour is no longer is the site that extracts the predominant quantity of value within the process of the accumulation of capital? In neglecting the meaningful repercussions of a temporal shift in the relationship between production and consumption Heinrich does not see the possibility that a temporal shift has the power to have social implications that exceed what can be accounted for through the value-form analysis of commodity as the object of the production process. It is a temporal shift in the relationship between production and consumption that differentiates the object commodity of production from the money commodity of fictitious capital. In fictitious capital, the producer receives a sum of equivalence for an exchange-value before they produce what will account for this exchange value, while the owner of capital essentially owns the speculative future production. This formulation, marked by a temporal shift, means that the relationship is no longer a relationship of exchange where equality is constructed between two things, as Macherey puts it, "so as to have value appear and destroy things."²⁷ This is because the subsumptive force of exchange in the construction of equivalents in the movement towards valorisation is only retroactively

constituted (or made real) after the capital has been valorised. Following the position of the Neue Marx-Lektüre, value remains abstract or immaterial and thus not yet valorised until the final exchange in the commodity market. While fictitious capital acts as exchange-value when used on the market and creates profit through interest, it does not create value. This is due to a temporal difference in the process since valorisation has not yet occurred. To maintain this formation, while the money engages in relationships of exchange, the bearer of the fictitious capital is tied to the money-form beyond the performance of this exchange, in a relationship of dependency that is directly personal as it involves social relations that are unmediated by value-form to uphold its legitimacy. Something symptomatic of the latent effectivity of value before the final exchange of the commodity.²⁸

A temporal shift entails the restructuring of social relationships and therefore the nature of subjection. For fictitious capital to exist there must be no moment of valorisation of capital because valorisation is suspended and replaced by a person who represents the guarantee that in the future they will extend their labour. This bearer of fictitious capital represents, as Marx puts it, a “claim” or “legal title to future production.”²⁹ If we consume first and produce later, the later production is determined by a form of subjection that functions to ensure future labour. With this formal shift, we find a directly personal relationship of dependency is upheld where the direct domination between persons is extended over time and formalised in a contract. As in the case of landed property, the owner of the fictitious capital is Lord up until fictitious capital becomes valorised. Once fictitious capital is valorised the directly personal contract disappears and we once again enter the world of impersonal exchange.

The fact that fictitious capital eludes the valorisation process and thus capital realisation, is in line with the ontological claim that Marx’s theory of valorisation is making: there is no value without the expenditure of human effort through labour that is then represented abstractly by the measurement of labour time used to produce value as an abstract form. Thus ‘surplus value’ appears as the portion of the working day that seems to be paid. This is due to wage representation that covers over a portion of time that is in fact unpaid labour time. The premise that capital accumulates from seemingly nothing is based on the extraction of value from labour, where the value extracted exceeds the amount paid in wages. While fictitious capital is fictitious based on that this form of capital did not go through the circulation process, this also means that fictitious capital is fictitious because it does not contain

its premise in labour. In this way, fictitious capital has come to “evade the conditions of the circulation of capital”³⁰ and thus commodity circulation and production.

The increased use of fictitious capital that has evaded the conditions of production is something seemingly in contrast to the fact that we have nonetheless seen an intensification of industrial factory work and thus the proliferation of labour-time functioning as a measure of value. This dynamic has paradoxically been driven by investments in technology that have limited the need for labour, creating relative surplus value. This production of relative surplus value over time leads to the depletion of the primary source of value, which is labour producing absolute surplus value. However, on a broader scale, capitalists that cannot invest in technology are forced to compensate through devaluing the cost of labour power in order to be able to compete with the change in socially necessary labour time that has been redefined by relative surplus value. This is a driving factor behind the falling rate of profit that becomes compensated for by finance capital through the evasion of production and the extraction of profit in circulation. Postone characterises this dynamic as follows:

With the increase of productivity, you have increases in material wealth greater than increases of surplus value but surplus value remains central to the system. This means that the system generates accelerating production, using the accelerating use of raw materials for smaller and smaller increases in surplus value.³¹

Tomba has further pointed out that the idea that there has been a decrease in labour that facilitates the abstract labour embedded in the value-form is profoundly one sided and can be said to be true “only in relation to the productive force and intensity of a socially necessary labour-time [where the] average does not pass through the north-western and non-US axes.”³² It is this dynamic that is at the centre of Chakrabarty’s argument in *Provincializing Europe* in which he describes how with the majority of socially necessary labour time occurring in the global south, the dominant temporality of global capitalism needs to be understood from a renewed perspective. Labour time, internal to the generation of value in capitalist societies has in fact increased, yet has been greatly devalued by low wages in the global south. While in countries where capital accumulation is centrally organised, industry has greatly depleted and has been replaced largely with unemployment and low paying

service industry jobs, combined with the increased creation of value through the M-M relation of fictitious capital. As Postone has noted, in this dynamic, the increase of productivity occurs without the increase and even decline of surplus value, that nonetheless remains structurally central. Here we find that “value’s growing inadequacies as a measure of social wealth remains the necessary structural presupposition of capitalist society, and this is the basis of capitalism’s fundamental contradiction.”³³ This contradiction is between value as the product of labour and the potential for other forms of wealth to develop, such as fictitious capital, representing a historical contradiction internal to capital (as stressed by Marx) that capitalist social relations at once create the conditions for the possibility of generating new forms of wealth while the general realization of this new form of wealth is constrained by old forms (i.e. value’s reliance on labour).

Fictitious capital is speculative in nature as it exists as the placeholder for a dialectical result of the reversed movement between the universal object of exchange (money) and labour. This process is premised on fictitious capital’s disappearance at the moment of valorisation. When fictitious capital is repaid, instead of valorising the the capital, the repayment eliminates the fictional element and the fictitious capital no longer exists. Hence, fictitious capital does not exist beyond the moment of the result of the speculative proposition that future labour will supply its repayment and so fictitious capital is always money advanced for future labour not yet secured. In Hegelian terms fictitious capital represents a determinant ‘nothingness’ that negates the contradiction that contains within it a weakness that will fall apart by the end of its movement. The function of fictitious capital is then at once less and more than the actual function of money as commodity because ‘fictitious capital’ does not contain the same boundaries as other money commodities do, nor does it require the same labour relations. However, fictitious capital’s speculative nature is but a derivative expression of another type of exploitation: production and the corresponding extraction of surplus value. That is, the doubling of fictitious capital is a mere appearance of a sum initially extracted as surplus value from wage labour. For Marx, anything fictitious (or speculative) will at some point return to the real and at that moment the illusion will no longer suffice as a placeholder for valorised capital. This is considered to be by Marx a major cause for cyclical crisis in the history of capitalism. Using the same amount of money more than once is itself a contraction and at some point the mystification will concretely reveal its material inadequacies. Yet, the more strain placed on the production

process (decrease in wages, outsourcing of labour etc.) the less it is possible for fictitious capital to be valorised since when production is weak it becomes increasingly difficult for interest on loans, bonds or investments to be recovered, let alone repayment. Further, this suspension of valorisation is the very program of the financier since so long as interest payments are recovered, a permanent suspension of repayment is in their favour. Meanwhile, the suspension of valorisation imposes a very different kind of exploitation of the subject than seen in wage labour, as the movement towards valuation becomes based not only on the discipline of our time spent engaging in labour, but our ability to be someone who can labour in the future. Our free time is therefore overdetermined by the struggle to reproduce our labour power further. A crucial part of the legitimation of fictitious capital relies on the constitution of a corresponding subject who lives a life that is pathologically driven towards the ability to repay and pay for what has been credited to them. However, exploitation outside of the confines of the working day is not unique to the function of fictitious capital as exploitation of one's whole life is also a central aspect of consumer culture, colonization, the disciplining of the unemployed, women's unpaid work as well as explicitly political forms of domination. Thus we can see that capitalism bases itself on the heterogeneity of different types of exploitation, namely the exploitation of wage labour and one's life in society that together make up the contradictory unity of production on one side and realization on the other.

Social Reproduction and Personal Domination

What is generally overlooked in Marxian value-form theorizations of impersonal abstract domination is how the labour commodity, that functions as the premise for the abstraction, is produced and reproduced. The study of such is referred to as 'social reproduction theory.' A theory that has been developed counter to socialist feminist theory, which has sought to understand the relationship between women's oppression and capital based on the analysis of dual systems of oppression, later revised as triple systems to include race, class and gender. This form of analysis implies that each system has its own history and thus interacts in people's lives separately, informing aspects of what feminist theory calls intersectionality. From this point of view Marxism is often understood reductively as a tool to understand class only and is not seen as a theoretical field that can help us to understand other forms of social exclusion or power structures, such as domination

by way of abstractions. In contrast, social reproduction theory assumes that Marxian theory can be extended to encompass not only gender and race but a wide realm of diverse forms of exclusion that determine how one relates to the production process, a process that is understood to impose forms of impersonal abstract domination that cannot be reduced to a class analysis. This framework is developed with focus on the reproduction of labour-power in capitalist societies based on the observation that while capitalist accumulation relies on labour, it does not produce labour. Further, “there is no mechanism in the direct labour/capital relation to ensure labour’s daily and generational renewal.”³⁴ As a result, daily and generational renewal of labour is ensured at the level of kinship structures and individual consumption. Social relations that are internally structured based on personal forms of domination as the realm of social reproduction regulates daily survival and reproduction such as eating, sleeping, sexuality, general caring for each other and raising children. As Vogel explains,

The bearers of labour-power are, however, mortal. Those who work suffer wear and tear. Some are too young to participate in the labour-process, others too old. Eventually, every individual dies. Some process that meets the ongoing personal needs of the bearers of labour-power as human individuals is therefore a condition of social reproduction, as is some process that replaces workers who have died or withdrawn from the active work force. These processes of maintenance and replacement are often imprecisely, if usefully, conflated under the term reproduction of labour-power.³⁵

It is within the general framework of what Vogel refers to as a ‘unitary theory of social reproduction’ that reproduction of labour power is understood as internal to capitalist totality. This means that we cannot understand personal forms of domination as pre-capitalist, or post-capitalist, but forms implicit to the dynamic of capitalist social relations themselves. The theoretical premise of a ‘unitary theory of social reproduction’ is based on the inherent internal differentiation within the concept of totality. To quote the famous rational extracted by Vogel, Marx claimed

The Maintenance and Reproduction of the working class is and must ever be a necessary condition to the reproduction of Capital. But the capitalist may

safely leave its fulfilment to the labourer's instincts of self-preservation and of propagation.³⁶

Within Marxian social ontology, what Marx refers to as instincts will of course always be symptomatic of historically specific social relations. Hence it is within the concept of so called 'instincts of self-preservation and of propagation' that Marx leaves within his framework of capitalist totality room for the insertion of a theory of social reproduction that is inclusive of those whose lives are determined by differentiated social forms of domination and thus are at once excluded from labouring (or aspects of their their lives are) and appropriated to uphold the maintenance of labour.

Significantly, social reproduction does not premise its analysis on the idea that social reproduction necessarily relies on a gendered division of labour, kinship relations or the organizational foundation of the nuclear family. But rather, there are also other ways that capitalism has found to renew labour power through ensuring daily maintenance, and to facilitate the regeneration of new labour forces that have been so far outside of the current labour force. A process that is maintained "through hierarchically and oppressively structured institutions and practices, such as private households, welfare states, slavery and global labour markets."³⁷ Gendered forms of violence, colonial, racial and the exclusion of anyone who is unable to themselves labour, are thus central to the constitution of labour itself. This is due to the fact that the site of social reproduction is at once the site that produces and reproduces labour power, and also the site that produces and reproduces life qua life regardless of whether one is able to labour or not. Hence any form of exclusion from the market place, from racial exclusion and old age to increased unemployment or under employment, imposes additional stress on the realm of social reproduction. How then does fictitious capital's suspension of capital realisation intensify these personal forms of domination in the realm of social reproduction?

It is the suspension of labour time that reveals and brings to the fore the aggregate of personal forms of domination found in the realm of social reproduction, always already present but often hidden in production. This is because the subjective domination of the one who bears the fictitious copy of money capital (or credit money) entails that it is the very subjectivity of the bearer of fictitious capital that becomes the mediator between production and consumption. This subject has to prove themselves as a subject who can produce future valorisation and thus

prove to be a subject who can reproduce their labour power. This subject, generally foreclosed from the possibility of engaging in the actual production necessary for full repayment, then is required to stage themselves as actively apt at reproducing their labour power. The actual production of labour power is then a state that is upheld in suspension along with capital's valorisation. Here the personal forms of social domination intrinsic to social reproduction becomes a central justification to the legitimation of capital's very production of more value through the M-M relation. One must prove that they are able to command the kinds of domination needed for the production of their labour power or the production of future social wealth that will stand in for the fictitious capital in the future. Further, 'debtors' are mainly not individuals but financial institutions such as banks and hedge-funds who speculate on future production. Therefore, the power dynamic is not a straight-forward dichotomy between agents. However, when much of the money being used in the economy is fictitious that means that money in use is not a product of circulation and thus on a societal level has transposed the labour needed to uphold it from the past to the future. In this way, the production process that upholds this form of capital has been transposed to the future as well and so as a society many of the people who should have been subjected to the past process of production are subjected to the future process, meaning they have to appear as able to labour in the future, and thus be able to reproduce their labour in the present. Crucially, if future labour is indefinitely suspended so is the necessity to reproduce the pending labour. Hence, whether or not fictitious capital is repaid (much of fictitious capital is never repaid but rather re-bundled and sold as financial assets), society must nonetheless act 'as if' it will be repaid in the future. This can surface in the form of self-discipline (in Foucault's sense), yet this also has societal effects bearing on the structures of domination that socially uphold the possibility of reproducing labour power and thus culminates the increase of violence against those who themselves are already excluded from the production process and whose lives are appropriated for the upkeep of the possibility of labour power. Especially forms of exclusion from labour markets. Here the personal nature of domination, as the manifestation of the latent abstraction indicative of the value-form, infiltrates one's 'whole life.'

What is most striking about this analysis of 'fictitious capital,' as a form facilitating the renewed emergence of directly personal power within the process of capital valorisation, is the strong contradiction this implies as Marx claimed that fictitious capital is capital's most fetishized form and therefore most impersonal. The

great issue will be to decide whether these combinations of the personal and the impersonal merely reactivate or displace forms of subjection, or whether they genuinely produce unprecedented figures of the legitimation of capitalist social relations.

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- ¹ Marx, K. *Capital: A Critique of Political Economy Volume One*. New York: Penguin Books, 1990, p.247.
- ² Marx, K. *Grundrisse*. Harmondsworth: Penguin Books, 1973, p.164.
- ³ See Postone, M. *Time, Labour and Social Domination: A Reinterpretation of Marx's Critical Theory*. Cambridge: Cambridge University Press, 1993.
- ⁴ Bhandar, B. and Toscano, A. 'Race, real estate and real abstraction.' In *Radical Philosophy* 194, 2015, p.11.
- ⁵ Bhandar, B. and Toscano, Opt. cit.
- ⁶ Marx, K. *Capital: A Critique of Political Economy Volume One*. New York: Penguin Books, 1990, p.255.
- ⁷ Bhandar, B. and Toscano, Opt. cit.
- ⁸ Harvey, D. (1982) *The Limits of Capital*. Oxford: Blackwell, p.287.
- ⁹ Firestone, S. *The Dialectic of Sex: The Case for Feminist Revolution*. London: Verso, 2015, p. 202.
- ¹⁰ Brunhoff, S. Marx's Contribution to the Search for a Theory of Money. In Moseley, Fred ed., *Marx's Theory of Money: Modern Appraisals*. New York: Palgrave Macmillan. 2005. P 211.
- ¹¹ Brunhoff, S. *Marx on Money*. London: Verso, 2015.
- ¹² Marx, K. *Capital: A Critique of Political Economy Volume Three*. New York: Penguin Books, 1991, p.400.
- ¹³ Brunhoff, S. Opt cit, 81.
- ¹⁴ Brunhoff, S. Opt cit, 83.
- ¹⁵ Brunhoff, S. Opt cit, 85.
- ¹⁶ Brunhoff, S. "Marx's Contribution to the Search for a Theory of Money." In Moseley ed., *Marx's Theory of Money: Modern Appraisals*. New York: Palgrave Macmillan, 2005, p.211.
- ¹⁷ Brunhoff, S. Opt cit, 212.
- ¹⁸ It is the role of time to implicate the subject through creating the conditions for the measurement of labour, and thus facilitating the alienation of the subject by producing the abstraction of value-form that structures social form.
- ¹⁹ See Kant, I. *Immanuel Kant's Critique of Pure Reason*. New York: St Martin's Press, 1965.
- ²⁰ Nietzsche, F. *Beyond Good and Evil: Prelude to a Philosophy of the Future*. New York: Random House, Inc, 1989.
- ²¹ Heinrich, M. *An Introduction to the Three Volumes of Karl Marx's Capital*. New York: Monthly Review Press, 2004, p.44.
- ²² Marx, K. *Capital: A Critique of Political Economy Volume Three*. New York: Penguin Books, 1991, p.354.
- ²³ Harvey, D. *The Limits of Capital*. Oxford: Blackwell, 1982, p.259.
- ²⁴ Harvey, D. Opt cit, p.354
- ²⁵ Harvey, D. Opt cit, p.244.
- ²⁶ Harvey, D. Opt cit, p.245.

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- ²⁷ Macherey, P. (2016) "Chapter 3: The Analysis of Value." In *Reading Capital*, by L Althusser, E Balibar, R Establet, P Macherey and J Ranciere. London: Verso, 2016, p.199.
- ²⁸ The belief that fictitious capital will in the future produce value means that value-form's tendency towards realisation is latently present in the fictitious capital through imposing future actualisation of the valorisation process that is not actual in the present.
- ²⁹ Marx, K. *Capital: A Critique of Political Economy Volume Three*. New York: Penguin Books, 1991, p.599.
- ³⁰ Brunhoff, S. *Marx on Money*. London: Verso, 2015, p.94.
- ³¹ Postone, M. *Capitalism, Temporality and The Crisis of Labour*. Presentation: American Academy Berlin, 2016.
- ³² Tomba, M. *Marx's Temporalities*. Leiden: Brill, 2013, p.168.
- ³³ Postone, M. *Critical Theory, Philosophy, and History*. Presentation: Congrès Marx International V - Section Philosophie –Capital – Paris-Sorbonne et Nanterre, 2007.
- ³⁴ Ferguson, S. "A Response to Meg Luxton's "Marxist Feminism and Anticapitalism."" *Studies in Political Economy* Autumn, pp. 161-168. Waterloo: Wilfrid Laurier University, 2014, p.165.
- ³⁵ Vogel, L. *Marxism and the Oppression of Women*. New York: Haymarket Books, 2013, p.144.
- ³⁶ Marx, K. *Capital: A Critique of Political Economy Volume One*. New York: Penguin Books, 1990, p.718.
- ³⁷ Ferguson, S. Opt cit.

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