Table of Contents

Introduction 1
The difficulty of a category 3
The surplus proletariat at present 6
The struggle of the surplus proletariat 9

Trapped at a Party Where No One Likes You

Surplus Club
2015

Written in early 2015 by *Surplus Club* on the topic of the 2007-08 financial crisis. From https://surplus-club.com/2015/04/08/trapped-at-a-party-where-no-one-likes-you-en

When considering unemployment, social exclusion or precarity, it is inadequate to simply take refuge within the empirical question of which groups live under these conditions. Contemporary sociological identities are themselves forms of appearance, moments of the totality of the reproduction of the capital-labor relation and therewith in the devaluation of the labor-power commodity presently unfolding through the category of the surplus proletariat.

Introduction

At the outset of 2015, anyone hoping for a recovery of labor markets is told to lower their expectations.[1] Specious apologetics on the resilient turnaround of unemployment rates and job creation stumble against continuously revised growth forecasts reflecting the inertia of both high-GDP and emerging market economies. On a global level, the period since the crisis of 2007-08 has witnessed, at best, tepid economic activity despite unprecedented monetary stimulus and liquidity injection. Business investment remains predominantly stagnant, most recently with energy producers dramatically cutting back total capital investment.[2] Even China is stuttering and decreasing its appetite for raw materials[3] , while the professed German success story cannot be read without the unfolding process of precarious capital concentration of a rapidly declining Eurozone, rather than as an indicator for lasting growth.[4] At the

[1] Most notably, [t]he International Monetary Fund has cut its growth forecasts for the global economy on the back of a slowdown in China, looming recession in Russia and continuing weakness in the eurozone.. Additionally, the International Labor Organization forecasts a grim employment picture for the global economy as a whole over coming years.. Expectations for Latin America fare no better as the IMF said it expects economic contraction in Venezuela and Argentina and growth of just 0.3 percent in Brazil in 2015, and it also lowered its forecast for Latin American growth in 2016 to 2.3 percent, down from 2.8 percent.. Brazil's economy in particular nears implosion as economists for the fourth week in a row raised their inflation forecast for this year and lowered their estimate for economic growth.. Nor is northern Europe immune to slowdown as Sweden's government cut its economic growth forecasts and predicted it will fail to reach a budget surplus over the next four years..

[2] Chevron Tightens Belt as $40 Billion Makeover Sweeps Oil Sector.

[3] We Traveled Across China and Returned Terrified for the Economy.

[4] The allegedly "stable" economic boom in Germany is based on the restructuring of the labor market of the last decade that resulted in a significant decrease in the cost for the reproduction of the social labor force. Additionally, an economy predominantly based on exports to other countries, the purported resilience of the German economy can end very rapidly with the next downturn in the global economy because of its export dependency and low wages..

same time, the world economy continues its recourse in unrestrained leveraging[5], further exacerbating credit-to-GDP ratios, with, according to a recent report by the International Centre for Monetary and Banking Studies, total public and private debt reaching 272% of developed-world GDP in 2013.[6] The recent alarm of deflation means a rise in the real value of existing state, corporate, and household debt. Corresponding to the fiscal approach of higher budget deficits is, since 2010, the outright purchasing of government, corporate and real estate bonds by central banks and paid for with newly printed money – i.e. 'quantitative easing'. The European Central Bank has, most recently, followed the Federal Reserve, the Bank of England and the Bank of Japan in the latter policy despite the fact that it has yet to demonstrate itself as an effective response to decelerating economies. Instead, the money created enters into the banking system, shoring up balance sheets on finance capital and fomenting bubbles within assets held.

These conditions outline the phenomenal contours of the present crisis of capital accumulation, which is at the same time a crisis of the reproduction of the capital-labor relation. Since the economic restructuring of the 1970s, deregulation has expanded the flexibility of labor markets and fundamentally reoriented the conditions of the class relation. While unemployment remained relatively abated during the postwar period – alongside the assurances of the welfare state – developments in capital accumulation since then have witnessed an unprecedented ascendance, in terms of duration and concentration, of both unemployment and underemployment.[7] Since the early 1970s and through the dismantling of the Keynesian wage-productivity deal of the postwar period, the capitalist mode of production has been stumbling to combat the anguish of diminishing returns. Its recourse of economic restructuring consisted in the expansion of finance capital and increasing the rate of exploitation in an attempt to stabilize and defer its own inherent propensity to undermine the process of self-valorization. The 21^st century thereby opened with a reign of labor-power devaluation that has only intensified its duress, which, alongside fiscal and sovereign debt crises expressed in austerity, continues to wield unrelenting *immiseration*.

Materially, the crisis of 2007-08 has only worsened the conditions of labor with, for example, the labor participation rate in the US now at a 36-year low[8] eclipsing any earnestly lauded low-wage job creation and its feeble average hourly earnings. For that segment of the proletariat not losing their jobs or dropping out of the labor force altogether – for which unemployment statistics have very little to say – the types of employment still available are largely temporary, part-time, seasonal, freelance, and in general, precariously informal without contractual guarantee of compensation. Thus, as the present moment finds an overcapacity of surplus capital unable to find lasting investment, the effective demand for labor-power follows suit and diminishes. Through the critique of political economy, this phenomena finds systematic expression in what Marx refers to as the "general law of capital accumulation". Here, the proportional expansion of total capital, itself resulting from the productivity of labor and therewith in the production of surplus value, yields a mass of workers

[5] Debt mountains spark fears of another crisis

[6] Deleveraging, What Deleveraging? The 16th Geneva Report on the World Economy. Southern European countries in particular have seen their debt-to-GDP ratios climb 15% in the last 3 years. Germany faces impossible choice as Greek austerity revolt spreads. Most notably as of late is China's debt, which, now at 282% of GDP, has quadrupled since 2007 and is, alongside latent overcapacity, predominantly attributable to an overheated real-estate market. Debt and (not much) deleveraging and How addiction to debt came even to China.

[7] Most of the world's workers have insecure jobs, ILO report reveals

[8] The December Jobs Report in 10 Charts.

relatively redundant to the needs of the valorization process. This tendency arises simply from the nature of capital.[9] As capital develops labor as an appendage of its own productive capacity, it decreases the portion of necessary labor required for a given amount of surplus labor. Therefore, the relation of necessary labor needed by capital continuously declines. This occurs through the organic composition of capital in which competition between competing capitals induces the generalization of labor-saving technologies such as automation, thereby increasing constant capital at the expense of variable capital, resulting in a relative decline in the demand for labor.[10] The production of this relative surplus population is the devaluation of the total labor-power that takes on the form of a dislodgement of workers from the production process and in the difficulty of absorbing them through customary or legally regulated channels. If the labor-power of the proletariat cannot be realized, i.e. if it is not necessary for the realization of capital, then this labor capacity appears as *external* to the conditions of the reproduction of its existence. It turns into a crisis of the reproduction of the proletariat who is surrounded, on all sides, by needs without the means to adequately satisfy them.[11]

Friends have pointed out that surplus population is a *necessary* product of capital accumulation and therefore a structural category deriving from the ratio of necessary and surplus labor. It is a tendency that is *always already there* and inherently constitutive of the capital-labor relation independent from its historical configurations. So why might one justify its emphasis within the present conjuncture? After all, the notion of a surplus population "is already contained in the concept of the *free labourer* that he is a *pauper*: virtual pauper." (*Grundrisse*) The task therefore remains to demonstrate why the relative surplus population is paradigmatic of the class relation in the present moment and what are the implications for contemporary class struggle.

The difficulty of a category

After the restructuring of 1970s, the foregoing spectacular representation of expanding prosperity and full employment, which would ostensibly lead to greater and more stable social integration into the spheres of production and consumption, reversed. Since this retraction, the undiminished centrality of production is confronted with a structurally distanced and weakened position of those employed. During the postwar

[9] As Marx writes, "Die Vermehrung der Produktivkraft der Arbeit und die größte Negation der notwendigen Arbeit ist die notwendige Tendenz des Kapitals." (*Grundrisse*)

[10] Here it is worth emphasizing the *relativity* of this decline – that is, even if capital quantitatively increases the number of people employed, the general law of capital accumulation posits that it will do so *proportionately slower* than the overall rate of accumulation. This means that "the working population always increases more rapidity than the valorization requirements of capital", and that "in proportion as capital accumulates, the situation of the worker, be his payment high or low, must grow worse." (*Das Kapital Band I*)

[11] As Marx writes: "Das Arbeitsvermögen kann nur seine notwendige Arbeit verrichten, wenn seine Surplusarbeit Wert für das Kapital hat, verwertbar für es ist. Ist diese Verwertbarkeit daher durch eine oder die andre Schranke gehemmt, so erscheint das Arbeitsvermögen selbst 1. außer den Bedingungen der Reproduktion seiner Existenz; es existiert ohne seine Existenzbedingungen und ist daher a mere encumbrance; Bedürfnisse ohne die Mittel, sie zu befriedigen; 2. die notwendige Arbeit erscheint als überflüssig, weil die überflüssige nicht notwendig ist. Notwendig ist sie nur, soweit sie Bedingung für die Verwertung des Kapitals." It should further be emphasized that this forceful compulsion of need satiation is a result of this crisis of the exchange relation: "daß es also die means of employment und nicht of subsistence sind, die ihn in die Kategorie der Surpluspopulation stellen oder nicht. Dies ist aber allgemeiner zu fassen und bezieht sich überhaupt auf die soziale Vermittlung, durch welche das Individuum sich auf die Mittel zu seiner Reproduktion bezieht und sie schafft; also auf die Produktionsbedingungen und sein Verhältnis zu ihnen." (*Grundrisse*)

period of the Situationists' critique, the spectacular appearance of the proletariat had shifted from its role as workers to that of consumers. Today, the spectacular image of proletarian conditions instead appear as an "exclusion", referring to parts of the population unlikely to ever be exploited under conditions that would make them respectable consumers. When describing the general law of capitalist accumulation, Marx observes stagnant, floating, latent and pauperistic tendencies within his elucidation of the relative surplus population. Thus, even beginning with Marx, the phenomenon of surplus populations elicits a heterogeneity of contemporary working conditions in more or less dynamic oscillation between the poles of employment and unemployment. From the erratic nature of seasonal, part-time, informal and freelance work[12] to the treacherous ruse of entrepreneurialism under "sharing economy"[13] and unpaid internship regimes; from the labor migrations of the countryside to the slum-dwellers of the urban metropolises; from the indentured parody of student debt and political Islam[14] , to the universal uncertainty facing younger generations – as a whole, the proletariat today is colored by an unprecedented objective imperative of significant labor-power devaluation that puts its conditions of reproduction into total ambiguity. As such, dividing an absolute line between employment and unemployment for grasping the dynamic of surplus population appears grossly inadequate for comprehending its logic as emanating from the historical development of capital accumulation. Instead, in order to resist the temptation to simply focus on the immediacy of the given – and with it the enchantment surrounding the moniker "concrete" – we attempt to elucidate the essence of the concept of relative surplus population as a category of social mediation unfolding the self-reproducing totality of capital.

Adorno observes that "[s]ociety becomes *directly perceptible* where it hurts." In fact, there is no shortage of sensationalized and emotionally arousing imagery presenting its audience with the conditions of structural unemployment. Temptations abound to hold fast to the immediacy of moralistic categories of discrimination, exclusion and expulsion that can, at best, promote the equitable distribution of exploitation. Celebrated political agents such as the "multitude", "precariat" and "excluded" – all seeking, at heart, to triumph over inequality under the horizontalist banner of full employment – obscure the truth of the class relation while praising a narrow practicism in the service of *that which is simply the case*.[15] Symptomatic of these surface-level observations is the withdrawal from communism to egalitarianism and communitarianism, from critique to moral concern. Identitarian divides along a hierarchy of privilege or oppression carry little conceptual weight beyond the tokenized glorification of those at the margins and in the reification of deprivation. While the essence of a category cannot but be apprehended through its forms of appearance, critical reflection is impelled to move beyond those immediacies without leading into empty abstractions.[16]

---

[12] One in Three U.S. Workers Is a Freelancer

[13] Against Sharing

[14] ISIS Paying Off Student Debt to Lure American Recruits

[15] As Adorno writes: "Nominalism is perhaps most deeply allied with ideology in that it takes concretion as a given that is incontestably available; it thus deceives itself and humanity by implying that the course of the world interferes with the peaceful determinacy of the existing, a determinacy that is simply usurped by the concept of the given and smitten with abstractness." (*Aesthetic Theory*)

[16] As Zamora writes, "the categories of"the unemployed," "the poor," or the "precarious," are swiftly disconnected from being understood in terms of the exploitation at the heart of capitalist economic relations, and find themselves and their situation apprehended in terms of relative (monetary, social, or psychological) deprivation, filed under the general rubrics of "exclusion," "discrimination," or forms of "domination." Zamora, Daniel. When Exclusion Replaces Exploitation

Marx's conception of the relative surplus population refers to a structural phenomena of a contradictory totality and is not your run-of-the-mill sociological category. As such, the empirically given conditions of the capitalist mode of production are only moments that methodologically disclose objective law-like tendencies for which capital posits its own conditions of existence. As has been said before, "[t]he concrete is concrete because it is the concentration of many determinations, hence unity of the diverse." (*Grundrisse*) The categories of the critique of political economy cannot be reduced to an overtly empiricist perspective for which quantitative facticity reigns. Against the positivism of presuming the existence of social facts *in themselves*, the immediacy of the conditions of surplus populations must reveal deeper mediations. These deeper mediations can be found in the concept of class insofar as class does not refer to a collection of individuals sharing common attributes such as income, consciousness, cultural habits, etc., but is instead an inherently antagonistic relation between capital and labor that structures the lives of individuals.[17] Strictly speaking, there can be no such thing as class "membership". Such an understanding cannot help but wield the perspective of totality without which class collapses against a spatial schematic of discrete social "spheres", "levels" or "instances". There is no mono-causal determination, but different moments of a totality of the class relation of capital-labor of which the phenomenon of relative surplus population is derivative.

In analyzing surplus population, it becomes clear that an ordered aggregation of social tragedy elevated through quantitative facticity is not a substitute for immanent criticism. The concept of relative surplus population is not an empirical category and yet incorporates the concrete within itself. As both concrete and abstract, the relative surplus population is at once both a directly observable and universal component of the accumulation process.[18] The surplus proletariat is a qualitative category of the productivity of labor in the capitalist mode of production that has quantitative dimensions because the productivity of labor is determined by the ratio of constant and variable capital. Without this understanding, one risks regressing into the assumption that the employed and unemployed constitute two different segments of the population, rather than a dynamic of the capital-labor relation. This dynamic is characterized by the insecurity in realizing labor-power against capital's prerogative to increase surplus labor, and not as a sociological taxonomy for which individuals are organized. It has been observed that Mike Davis' useful characterization of the phenomenon as a "continuum", rather than as a sharp boundary between the

[17] C.f. Gunn, Richard. Notes on 'Class'

[18] It is for this reason – i.e. the simultaneity of the abstract and concrete – that, hereafter, the category of "surplus population" will be referred to as "surplus proletariat". As Marx notes in the introduction to the *Grundrisse*, the category of "population" – which presumes society to be a quantitative collection of atomistic individuals – is itself a "chaotic" abstraction from the class relation. "Population" is therefore a convoluted subjectification of a concept which the present text is attempting to emphasize not as an identity but as a dynamic social relation. As for Marx's own use of the term "surplus population", it should be recalled that his invocation of the category has largely to do with the debate against Malthus and as an argument against overpopulation as a biological necessity. As such, Marx establishes the category to bring attention back to the historical and social determinations of the phenomena of overpopulation. In a way, it might be said that Marx's categorial employment of "surplus population" is a sort of *détournement* of Malthus, i.e. a polemical appropriation of Malthusian categories of classical political economy by inverting their upside down standing. It is for this reason that Marx refers to *relative* surplus population, rather than *absolute* surplus population. It remains an open question how seriously one should contend with the ideological force of Malthusian overpopulation theories in the present moment. This is a legitimate inquiry insofar as there implicitly remains Malthusian presuppositions about demographics within sociological discourse that effectively mystifies the historical specificity of labor productivity in the production of surplus populations. A more topical example would be the populism surrounding ecological catastrophe and its adherence to issues of consumption and demographic patterns, rather than to the real subsumption of nature by the form-determinations of value.

employed and unemployed, is a more suitable description.[19] By defining the surplus proletariat as a continuum, one is capable of grasping the phenomenon as a general dynamic that exists of the capital-labor relation, one which signifies individuals frantically moving along the spectrum of unemployment, underemployment and employment at an unprecedented rate of precarious transitioning. For this, the surplus proletariat expresses the truth of *class mobility*. The point is to break down a rigid separation between employed and unemployed as if these were static social positions within the economy. The problem of the surplus proletariat is not reducible to the seemingly simple question of who works and who does not, but a dynamic that runs through and constitutes each of these positions. Expulsion from the formal labor markets derives from a contradiction embedded within the wage relation itself. Those suffering from chronic unemployment are part of production as much as they are its product. Unemployment must therefore be grasped as a category of exploitation and not external to it. Additionally, diffuse underemployment translates into both a disciplining mechanism by capital for those that are employed in seemingly stable positions and as a means for lowering the value of labor-power and increasing the rate of exploitation. Contractual workers have to "discover that the degree of intensity of the competition among themselves depends wholly on the pressure of the relative surplus population" (Marx). In this way, there is nothing superfluous about the surplus proletariat. The surplus proletariat is actually a dynamic *within* the proletariat *qua* concept. Because of this, it can further be said that, like the objective antagonism of the class relation itself, the structure of surplus proletariat permeates the lives of every individual in differentiated ways and yet, is not reducible to identity. The totality of the surplus proletariat, as it derives from the capital-labor relation and in the imperative to devalue the total value of labor-power, is present within all individuals.[20]

The surplus proletariat at present

The novelty of the production of the surplus proletariat within the present moment can be respectively approached from the tripartite perspectives of labor, capital and state, each of which reveal nuances about the present gap between the supply and demand for labor. Present accessibility to contracting labor markets is wrought with the conditions of a flexibilized workforce and casualized employment contracts to an extent that effectively renders most employed already half unemployed. The activity of the surplus proletariat presupposes its exclusion from the market as a precondition for its entrance. The renewed trumpet of entrepreneurialism, for which anybody can become a teacher, taxi driver or motel manager, is only the language of a labor force intensifying its internal competition. Self-employment, while once appearing as a sign of success, now signals the procession of atomization marching steadfast into utter peril. Further, since the 1990s, those living near or below the poverty line as a result of mediocre labor markets have become increasingly reliant on low-interest rate consumer credit in order to augment the languishing strength of wages.

---

[19] Davis, Mike. Planet of Slums. 2006.

[20] In accordance with the extent to which the capital-labor relation, expressing itself through the surplus proletariat, pervades both relations *between* individuals as well as *through* individuals, the following articles describe, in one way or another, the bleak horizons of struggling with the affliction of being recognized only partially by capital: Young people 'feel they have nothing to live for', Spanish Suicides Rise To Eight-Year High, Is Work Killing You? In China, Workers Die at Their Desks, The Greek Mental-Health Crisis: As Economy Implodes, Depression and Suicide Rates Soar, Suicide rates increased with global economic crisis, US suicide rate rose sharply among middle-aged, Banker Suicides Return

For all of this, it can be said that the restructuring has qualitatively shifted the proletariat from *virtual* unto what has been described as its *concrete lumpenization*.[21] If, during the mid-19^th century, the surplus proletariat consisted in the *potential* pauperization of the free-laborer, the restructuring of the 1970s-80s has established *the concrete realization of the virtual pauper as a permanent condition of the proletariat in its relation to capital*. As such, the surplus proletariat refers to the current position of labor-power in its difficulty in confirming and realizing its sociality through – and because of – the wage relation. Further, the antagonistic relations of the surplus proletariat tend to express themselves along gender, racial and generational lines.[22]

These developments within labor markets signal a crisis of the reproduction of the labor force. Indeed, for Marx, writing in the *Grundrisse*, it is the means of employment that characterizes the surplus proletariat: "this should be conceived of more

[21] As Rocamadur from Blaumachen writes, "[t]he dangerous classes of the 21st century are not the traditionally defined lumpen-proletariat which, as a permanent fringe of the reserve army of labour, used to live in its own world, and therefore represented from the start an 'outside' from the central capitalist relation. The new 'lumpen-proletariat' (the new dangerous classes) is encroached by the normality of the wage relation, precisely because the 'normal' proletariat is lumpenised. The crisis, on the one hand, causes an abrupt pauperisation of many workers (as is the case in the whole western world), under the burden of increased unemployment/casual employment and debt (loans which they are now unable to repay, which is aggravated by the fact that those who have mortgages cannot always claim benefits to cover their housing costs) or restriction of access to credit. Even more, though, it produces the increased lumpenisation of the proletariat itself–a lumpenisation that does not appear as external in relation to wage labour but as its defining element." "The Feral Underclass Hits the Streets". *Sic Volume* 2 (2014).

[22] The suggestion that the dynamic of the surplus proletariat expresses itself through relations of gender, race and generation remains an open question to be pursued in further discussions. Nevertheless, some preliminary remarks might be offered to propel the theorization of the surplus proletariat along said lines:

1. Regarding gender, it might be posited that the surplus proletariat, in its essential entirety, is *feminine* insofar as "the general tendency towards"feminisation" is not the gendering of the sex-blind market, but rather the movement by capital towards the utilization of cheap short-term flexibilised labour-power under post-Fordist, globalized conditions of accumulation, increasingly deskilled and "just-in-time". "The Logic of Gender." *Endnotes Volume 3* (2013). Here, it can be said that the production of the surplus proletariat is the *feminization of the proletariat* itself. Such a line of thought must also examine the re-privatization of reproduction and the actualization of traditional family roles implied by current developments since the crisis.
2. Similarly, processes of racialization can be understood from the antagonistic relations of the surplus proletariat. Through the condition of the surplus proletariat, labor-power is taunted by the limits of its own exchangeability and is left with an unrealized use-value for capital, a hollow materiality meagerly grasping for the social validity of the exchange relation and instead finding recourse in the naturalization of phenotypic differences. Further, it might be said that immigrants and migrant labor are constitutive of informal labor markets themselves and therefore structurally necessary personifications of total labor-power devaluation. As such, a racialized labor force does not refer to a particular segmentation of the proletariat, but is the resulting social instantiation of the dynamic of the surplus proletariat expressed through ethnic, national and phenotypic attributes. C.f. R.L. "Inextinguishable Fire: Ferguson and Beyond" and "Burning and/or Demanding. On the Riots in Sweden". *Sic Volume 3* (forthcoming).
3. In accordance with the ways in which the essence of the surplus proletariat appears through generational disparity, see R.L. "Inextinguishable Fire: Ferguson and Beyond". *Sic Volume 3* (forthcoming) and "Old People are Not Revolutionaries!" Labor Struggles Between Precarity and Istiqrar in a Factory Occupation in Egypt Marx's description of the *floating* surplus population specifically pivots along the ageing process of the labor force. In his time, once workers' reached a certain age, they were no longer vital enough to carry out the demands of the production process. Today, the situation has changed considerably insofar as capital is now capable of accommodating the elderly within a vast service sector for low-pay and part-time jobs without social benefits or pensions, most notably within the fast-food industries. C.f. Low-Wage Workers Are Older Than You Think, In Tough Economy, Fast Food Workers Grow Old

generally, and relates to the social mediation as such through which the individual gains access to the means of his reproduction and creates them." Attempts to simply define the surplus proletariat as a specific location within the production process falls short of grasping its dynamic in accordance with a form of social mediation and in relation to the sphere of reproduction. If, in the present moment, capital no longer guarantees the regularity and sufficiency of the wage relation in the reproduction of labor-power, the proletariat enters a crisis at the level of its own reproduction. The surplus proletariat is thereby the expression of capital's attack on the reproduction of labor-power, a position of stark contrast to postwar social democracy for which stronger wages and larger state welfare expenditure characterized the conditions of exploitation. During this time, capital refused its deal between itself and labor, which had aimed at an integration of labor into the process of accumulation. It can also be said that this rupture in the reproduction of the class relations was a reaction of capital on the cycle of class struggles of the 1960s-70s in which the proletariat put pressure on the preceding wage-productivity deal by succeeding in acquiring massive wage increases and thus raising the costs of the reproduction of labor force.[23] In contrast to this situation, the present expression of the surplus proletariat is the *permanent* devalorization of labor-power inextricably connected to the depreciation of capital currently accelerating within the crisis. The proletariat of the global slums and ghettos is only the condensed form of this overall crisis of reproduction. This process, in what the late Robert Kurz has referred to as a "spiral of devalorization"[24] outlines the contours of an era of lagging growth alongside the proliferation of the surplus proletariat and its crisis of reproduction[25] The safest prediction is incremental deterioration lasting decades.

As a dynamic of the capital-labor relation, the relative surplus proletariat emanates from the present crisis. Simply invoking the "industrial reserve army" – for which the term reserve and its association with a potential trajectory of implementation no longer captures the conditions of the surplus proletariat – does not reveal much about the present conjuncture – that is, that the growth of the surplus proletariat cannot be understood as an exclusive crisis of *labor* but indicative of the present limitations of *capital* accumulation.[26] This crisis accelerates capital to make labor more productive to lower the portion of necessary labor, which means – in Marxian terms – to increase the organic composition of capital. The other side of the coin is that this development is also undermining capital's own precondition for valorization: human labor force.

Furthermore, any industrialization that has taken place over the last decades – largely stimulated by the liberalization of finance capital – is hardly labor-intensive and employs a proportionately smaller number of proletarians compared to earlier periods and industries of the 20^th century. For instance, when considering the economic growth of the BRICS markets (Brazil, Russia, India, China, and South Africa), of course it can be observed that in these areas capital accumulation has, as of late, proceeded at quicker rates than those economies that developed at an earlier period.

[23] The rising cost of state welfare expenditure, and its use by proletarians which aimed at decoupling income from wages, was another manifestation of proletarian defiance at the time.

[24] Robert Kurz, Double Devalorization

[25] On the connection between the depreciating currencies and the migration patterns of the surplus proletariat from the former Eastern Bloc, see Russian Rouble Crisis Poses Threat to Nine Countries Relying on Remittances

[26] A most striking example concerns those instances in which employers propagate policies of connecting wage rates to profit under the laughable rubric of combatting inequality. C.f. Fiat Chrysler CEO Takes Aim at Two-Tier Wages for UAW Workers, Fiat Chrysler Sets Bonus Scheme for Italian Workers

Indeed, these countries, most notably China and India, have seen accelerating growth rates accompanied by considerable geographical shifts in global manufacturing output and employment. However, within these markets and since the 1980s, there is only a slight increase in *industrial* employment as a portion of the total employment[27], with nonagricultural employment predominantly moving towards service sectors, most notably in Brazil. As a percentage of, for example, China and India's total workforce, the proportion of manufacturing employment barely approaches 15%. Additionally, in China since the 1990s, there has been a gradual decrease in the number of proletarians active within the production process relative to the total population.[28] Here, despite the fact that there has been expanding industrial operations within China during this period, this has not resulted an automatic increase in the size of its workforce, but rather in its decline. As China thereby loses manufacturing jobs in its older industries, relocating to areas of even greater labor-power devaluation in Southeast Asia (e.g. Cambodia, Vietnam, Bangladesh), the newly emerging industries "have absorbed tendentially less labour relative to the growth of output"[29] Here, Marx's description of the *latent* surplus population bears a noteworthy resemblance to the urbanized and migrating labor force of the Chinese surplus proletariat[30] whose forced expeditions across both countryside and continents – itself the result of the capitalization of agriculture – are plagued by uncertainty.[31]

The global stagnation of the number of industrial workers as a percentage of the total workforce correlates with an expanding low-wage service sectors characterized by the labor flexibility of the surplus proletariat. As such, while the capitalization of emerging markets might reduce the absolute number of poor in these countries, this process predominantly entails the proliferation of low-wage work. Telecommunications and computerization in India might yield higher rates of GDP, but increasing underemployment remains the rule. Further, in the past, the state expenditures of the BRICS countries concealed the reality of an industrialization that is not absorbing a workforce at a rate congruent with the rate of accumulation. These safety nets, which often took the form of subsidies for staple commodities, are now largely dissolving through privatization and austerity.

The main problem for capital in the contemporary crisis could be expressed in the following tautology: Capital is forced to make labor more productive and needs more capital to do so. However, against the historical background of an already very high organic composition, the minimum amount of capital needed to invest in order to receive a certain return of profit is too high. As such, to get more capital needed

[27] For a discussion of this issue in relation to the historical obsolescence of the party-form of workers' organization, see Benanav, Aaron and Clover, Joshua. "Can Dialectics Break BRICS?". South Atlantic Quarterly (2014).

[28] World Bank Labor force participation rate, total (% of total population ages 15+) (modeled ILO estimate)

[29] "Misery and Debt". *Endnotes Volume 2: Misery and the value Form (2010)*

[30] For a good summary on the origins of the contemporary latent surplus proletariat in China, see Land Grabs in Contemporary China

[31] It is also important to remember that the global division of labor, or segmentation of capital accumulation, is naturally also transforming the internal capital-labor dynamics of individual countries. For a long time, China played the role of a country with a low organic composition with great labor-intensive industries. While this is now changing, the industrialization of China in the last decades also expresses the production of surplus proletariat in the rest of the world. Popular narratives about the global economy in the 2000s consistently lamented the capital flight of core country manufacturing jobs eastward, towards areas of greater labor devaluation. The result produced a devaluation of labor-power within manufacturing industries in Western Europe and the US. As such, the proletarianization of the Chinese population – which is at the same time a production of its own the surplus proletariat – is the expression of production of surplus populations in other parts of the globe.

for investment, capital has to make labor more productive. Because of this tautology or aporia, capital increasingly flees the sphere of production and finds refuge investing in financial markets where it seems easier to acquire profits out of monetary, state treasury, or housing market speculation, etc. This tendency can also be described as an escape from the strict regimentations of the law of value – an escape that can never be, in the end, successful.

The present crisis takes on the appearance of a general devalorization that, besides entailing reconfigured terms of exploitation, elicits fiscal deadlocks resulting from exorbitant deficit spending. The state is at once both the precondition, and result of, conditions of capital accumulation. The present crisis of capital expresses itself as a crisis of the state, which in turn, appears as monetary stimulus, liquidity injection, austerity and, in the end, repression. Police are concentrated in areas emptied of capital. Within this context, state administration of the surplus proletariat corresponds to a globalized geographical zoning of labor forces expected to take on mounting importance in accordance with, for example, massive immigration and refugee flows, as well as an urban and suburban social division of labor.

Since the Second World War, the alleviation of crisis was implemented in the form of a massive destruction and devaluation of capital. Thereafter, the state was primarily geared at stabilizing the crisis by ever-increasing deficit spending, which in turn, secured the Keynesian wage-productivity deal between capital and labor.[32] While this deal would eventually come to a close in the crisis of 1970s, the period of 2007-08 affirmed the frivolity of such an approach in achieving real economic growth. Currently, the function of the state, regardless of its social democratic posturing[33], is continued austerity through which the state lowers its share of the cost for the reproduction of labor force – a policy that inevitably results in more criminalization and repression.[34] The state as a mediating moment of total labor-power devaluation can be most potently witnessed at present within Southern European countries for which creditors compel governments to, for example, reduce the amount of public holidays, overtime rates and severance packages, dissolve collective bargaining agreements, and generally rollback public expenditure on welfare programs, i.e. the indirect wage. Here, the state loses its integrating force as the possibility of political mediation tendentially disappears. It is therefore no coincidence that social struggles in recent years increasingly consist in a direct confrontation with the state.[35] In the past, the

[32] This historical moment produced – in exchange for the immense growth in productivity and the cheapening of commodities deriving from the massive devalorization of capital during the war – increased purchasing power and greater integration of the proletariat into the spheres of consumption. While this was reflected as a *relative* decrease in the value of labor-power to the total social value produced, it nonetheless occasioned an *absolute* increase in the real value of wages. This tendency was additionally accompanied by direct subsidies to the productive sphere as well as an increase in the indirect wage of the proletariat, which thereby obtained the luxuries of a slight increase in the price of its labor above the minimum necessary for the reproduction of that labor, as well as various supplements such as loans, credit, and welfare and retirement benefits.

[33] For a useful reflection on the prospects of Syriza in Greece, see Cognord. Is it Possible to Win the War After Losing All the Battles?

[34] As a most recent example in Spain, see Spanish government prepares new National Security Law

[35] The permanent feeling of being potentially disregarded by the exploitation process expresses the plight of proletarians who understand themselves as middle class. This is expressed as a political problem and is often construed under the rubric of a global *citizenry*. Such was a central dynamic of the movement of square occupations in 2011, themselves stimulated by issues of urbanization, state infrastructure and repression. On one hand, the state loses its integrating force, and on the other hand, a need for a new form of political mediation is formulated in the social movements. More generally, it can be said that the wave of struggles from 2008-2012 were distinctly characterized by an encounter with the state as their primary antagonist.

state was the stabilization of crisis. However, the Keynesian solution is no longer an option because of state insolvency after having subsidized the private sphere and heavy borrowing throughout the postwar period. In the past, the reproduction of the surplus proletariat could be mediated by the revenue of preexisting surplus value distributed through state expenditures and social benefits. In such a scenario, more plausible prior to the economic restructuring of the 1970s, the indirect wage of the surplus proletariat was filtered through the taxation of private enterprises. Now however, the state itself is in crisis and can no longer guarantee the reproduction of labor-power. This inability is an expression of the global devaluation of labor-power, leading to the unrivalled eruption of a generation of surplus proletarians with a bleak future.

The struggle of the surplus proletariat

Against the flippancy of mixed signals, we might now forewarn readers to withhold two concerns that may arise – potential dead-ends which, in essence, express two sides of the same coin: the idealization of labor either in its past glory or in its present volatility. Firstly, the foregoing discussion of the phenomena of surplus proletariat within the present moment is not to be understood as a lamentation on the marginalization of what is often imagined as a classical productive worker with a heavy hand at the bargaining table that may have characterized previous periods. If anything, the present conjuncture and the dynamic of the surplus proletariat signal a poverty of the workerist perspective. The point is not to attempt a restoration of prior conditions of exploitation, but to confront the historical limits of the reproduction of the class relation today. The production of communism is not the glorification of labor but its abolition. The internal opposite of this directionless mourning is the elevation of the conditions of the surplus proletariat into a unique revolutionary subject capable of feats for which others lucky enough to maintain preceding conditions of exploitation are structurally prohibited. The proliferation of riots within the present moment as an addendum to the development of the surplus proletariat does not necessitate a romantic projection that distinguishes an identitarian agent closer to communism than those more fortunate.[36] Even those most satiated can be recalled at their worst.

The dynamic of the surplus proletariat is a dynamic of the fragmentation of the proletariat – that is, a process that reconfigures the total labor force in accordance with the changing conditions of capital and its devaluation of labor-power, effectuating *internal* transformations to the proletariat as a whole and to its *differentiated* relations to the production process.[37] As a result, contemporary class struggle is frequently comprised by participants originating from varied backgrounds and experiences, often in conflict with one another. This *inter-classism* can perhaps most notably be seen in the conflicts surrounding what is on occasion referred to as "middle-strata" and in its angst at sinking into less favorable conditions of exploitation. Its crisis, which includes its appeal to fairer economic distribution, is itself a moment of

[36] It is for this reason, amongst others, that Marx's occasional apprehension towards the reactionary character of what he referred to as the *lumpen proletariat* warrants reexamination under present conditions.

[37] Of course it can be said that there is a normative understanding of the proletariat as always already fragmented by its very nature. This refers to general condition of separated from the means of production and reproduction, as well as the various mediations of value which render the proletariat's activity as alienated force "over and against it". However, as fundamental as these conditions might be as prerequisites to the exchange relation, these separations tell us nothing about the historical development of the proletariat's fragmentation within capitalism at the present moment.

the totality of the surplus proletariat, i.e. in and through the internal fragmentation of the proletariat. The present problem of the surplus proletariat thereby evokes the question of inter-classism as a dynamic within the contemporary struggles of the proletariat whose fragmentary nature often appears as its own limit. This problem has often been described as a problem of composition, i.e. as the complexity of unifying proletarian fractions in the course of struggle. Indeed, the content of revolution no longer appears as the triumph of overflowing proletarian class power as it might have during the first half of the 20th century.[38] Struggles whose site of conflict is less the realm of production, but increasingly the sphere of reproduction, expresses this development. The Arab Spring, Indignados, Occupy, Taksim, Maidan and the heterogeneous riots abroad, for example, have not seen the affirmation of the workers' identity in conflict with capital, but rather the unavailability of constituting a unifying identity in the dynamics of these movements. The recent racial upheaval against the police in the US, most notably in Ferguson and Baltimore, shares little in common with the employment ambitions of yesteryear. This is further corroborated by the expansion of the surplus proletariat alongside the increase in surplus capital and an overcapacity unable to find lasting investment. The workers' movement no longer provides consistency to class struggle. As such, fragmentation emerges as a new class consistency. Contemporary struggles express themselves less as a unity than as an aggregate of segmented interests sharing various affinities through material reproduction (evictions, food prices, transportation costs), abstract demands ("corruption", "inequality", "injustice"), or through self-sacrificing identifications with false fragments impersonating the social whole (with either national or religious sects). As a result, what was in the past the *centrality* of the wage-demand characterizing the struggles of the previous period has become *tangential*. The surplus proletariat, as a dynamic of class struggle in the present moment, cannot harbor the dreams of a Keynesian class compromise. The class affirmation of the proletariat is perpetually *on the defense*.

When considering the concept of the surplus proletariat within the context of class struggle, the preceding discussion should have made clear that it is not simply an empirical question of who these groups are in their composition. Contemporary sociological identities are themselves forms of appearance, moments of the totality of the reproduction of the capital-labor relation and therewith in the devaluation of the labor-power commodity presently unfolding through the surplus proletariat. The more important question for communist theory is what the personifications of the category of the surplus proletariat do against who they are – i.e. as an immanently negative force of their own proletarian condition as a class against itself in its crisis of reproduction. The discussion remains open as to how the concrete development of the surplus proletariat, which is at the same time the developing crisis of capital, intensifies the division and fragmentation of the proletariat, and along which lines does it do so within contemporary struggle (e.g. antagonisms between geographical locations, between a skilled and unskilled labor force, through the stigmatizations of age, race and gender, etc.). The concept of the surplus proletariat thereby elicits the more important question of how, within the present moment, the expropriated and exploited class – in spite of its intensifying divisions – can act in and against itself as a class of capital. In this way, the surplus proletariat is simply only the most

[38] This does not of course mean that struggles within the sphere of production are no longer important, but only that they attain a new meaning within a changed historical and social context of class composition. They cannot therefore be understood as a return of the old workers movement. The more important question about concerning such struggles is whether or not they entail a moment of negation of the existence of the class relation in all of its mediations.

contemporary *appearance* of the proletariat itself – one whose *essence* remains that of being unified in its separation from the means of its own reproduction.

Frankfurt am Main, Spring 2015