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Money as social power: The economics of scarcity and working class reproduction

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Abstract

This article suggests that commodity exchange mediated through the money-form is a fundamental moment in the process of forming the capitalist relations of exploitation and domination. Money is re-examined as a moment of social power to command living labour, enforcing the moment of alienation that gives rise to the fundamental commodity within capitalism – labour-power. This article argues that this power is not intrinsic to money, but exists via a socially constructed scarcity mediated through the dynamics of working class reproduction. The article finally suggests that this understanding of money as the power to command labour can be identified in economic theory from mercantilism to the marginal revolution and beyond.

Keywords

Money, scarcity, social power, economics, reproduction

> 'Money in one's possession is the instrument of liberty; money one pursues is the instrument of servitude.' (Rousseau 1953: 46)

Introduction

Despite a revival of interest in Marx's writings on money following decades of neglect, current Marxist writings on money give rather limited attention to how this social form ceaselessly replicates the core class relation in capitalism – that between labour and its alienated self of capital – through its ability to subordinate social life to the expanded reproduction of capital through the exchange of commodity-forms: 'the simplest, most ordinary and fundamental, most common and everyday *relation* of bourgeois (commodity) society, a

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relation encountered billions of times' (Lenin, cited in Rosdolsky 1977: 133). Money typically takes the stage in Marxist political economy as the independent form of value after the 'moment' of exploitation has occurred, measuring and then expressing *ex post* the substance of value (labour as social, necessary and abstract). In short, the successful exploitation of labour is already presupposed when discussing the money-form.

Such approaches largely reflect money's now lost commodity status, where its corporality as congealed labour-time identified it as universal equivalent. While the severing of the final link between money and a commodity anchor in 1971 posed obvious challenges to a synchronic understanding of money where value is 'frozen' at a singular point, it has opened opportunities to reconsider the Marxist understanding of money, to develop in short a diachronic conception of money where it is value in the constant process of becoming (Bellofiore 2009: 11). Bellofiore, for example, outlines capital accumulation as a monetarised circuit in which money has a value content prior to the moment of exchange derived from the production it ante-validates in the form of loan capital.

What remains unexplored in even these diachronic approaches is a further dimension to money's value content derived from its monopolisation of exchangeability (Lapavitsas 2005) in a society structured by the commodity-form. This article suggests that commodity exchange mediated through the money-form is not simply an act of commensuration and measurement, but also a fundamental moment in the process of *form-ing* the capitalist relations of exploitation and domination (Holloway 2005: 89–90): it is simultaneously the realisation of surplus-value and a constitutive presupposition for the ongoing alienation of living labour to the social power of money; that is, to the capitalist relation of wage labour. Money in capitalism is not just 'social power in the form of a thing' (Marx 1973: 158), but the *social power to command living labour* (Cleaver 1995), to enforce the moment of alienation that gives rise to the fundamental commodity within capitalism – labour-power – a 'commodity' that is neither produced nor inherently a thing, but rather 'exists in the personality of the worker' (Marx 1990b: 678). Living labour, which is 'sentient, embodied, thinking, self conscious', must be alienated, subsumed and instrumentalised (McNally 2004: 198).

This article develops that argument by suggesting that this social power is not intrinsic to the money-form, given that commodity exchange is not underpinned by any formalised coercion. It is the *need* for money by the worker that is the catalyst igniting this social power exercised through the act of exchange. To obtain this social form, workers have but one thing to exchange: their time; that is, abstract labour (Bonefeld 2010). The argument, in short, is that a diachronic view of money should extend to identifying value content in the social labour time that it is able to command from the worker.

The focus of this analysis is therefore on 'exchange', although this is to highlight what I believe to be a neglected link in the circuit or process of form-ation of capitalist class relations, not a claim over the primacy of 'exchange' over 'production'. Orthodox economics of course has no need to extend the analysis beyond exchange relations, and money is primarily a medium of exchange, a mechanism driving market efficiency by lowering transaction costs. Even this modest function appears problematic within general equilibrium theory, given that exchange is reduced to a frictionless system of barter. The limitations of this orthodoxy are not the concern of this paper; rather, it is suggested that it is possible to identify, from mercantilism to the marginal revolution and beyond, a fundamental concern with understanding the mediating role of money in establishing and enforcing the relationship of work in the form of wage-labour. While the 'economic science' deployed has often been vulgar,[1] the underlying concerns of this economics of scarcity have been clear: what determines money's power to command labour in a capitalist economy, and what can strengthen or weaken this power.

The paper briefly reviews Marxist monetary theory based on the distinction between two competing conceptions of money – synchronic and diachronic – before turning to an analysis of the dynamics of monetary exchange and working class reproduction. The paper ends with a potted history of orthodox economic theory that tries to bring these issues to the forefront by uncovering its class content as an economics of scarcity.

Synchronic and diachronic money

Money as a diachronic social form moves in and out of phase with its exploitative value content, at times heightening this contradictory unity to a point where the internal relation between form and content can potentially rupture. While Marxism has long understood this, the analysis has tended towards a synchronic understanding based on money as a moment of commensurability. Fragmented into countless uncoordinated points of private production, capitalism is a system necessarily reliant on the social act of exchanging this output in the market; yet this apparently simple task runs into immediate problems, for this private/social split manifests itself in both labour and value, having a twofold nature that in turn lies immanent in the commodity itself. Each commodity is simultaneously particularistic, a use-value created through concrete labour, and a 'bearer' of the general social forms particular to capitalism, exchange-value produced by abstract labour. While each commodity is commensurable to another commodity through the labour-time immanent within each, they remain trapped within the particularism of their use-values. A mechanism must be found to subordinate a commodity's use-value by giving independent expression to its immanent labour-time, its exchange value. For Marx, this mechanism was money, a universally recognised general equivalent that overcame the contradiction within the commodity, but at the price of generalising crisis tendencies. Critically for our purposes, if money is to measure and commensurate labour-times, it must take the form of 'labour time materialised in a specific substance, hence itself value' (Marx 1973: 791). In other words, money must itself be a commodity, albeit one that is *sui generis*, for it alone has resolved the contradiction lying within it, for its use-value is simply its exchange-value as universal equivalent.

While Marx's own analysis saw growing qualifications and caveats on the exigencies for commodity-money (Ganßmann 1998), in a synchronic view, if money is unable to adequately express commensurability between different exchange values produced in an 'anarchical exchange process', the law of value is unable to operate and the equilibration of values, prices and market coordination itself breaks down, with 'pathological implications' for capitalism (Itoh and Lapavitsas 1999: 56-264). With no universal equivalent, the law of value, when conceived as a general equilibrium model based on a labour theory of value, becomes indeterminate (Sweezy 1942/68: 53). In short, it is an economic breakdown with potentially catastrophic political costs, given the tendency of capitalism to inter-state conflict whenever accumulation begins to break down.

Synchronic conceptions of money as universal equivalent have fared badly since the final collapse of commodity money in 1971. While the implications of this were initially ignored, a number of more recent attempts have been made to address the issue of what anchors the relationship between social labour and its representation by a given quantity of money, given the latter's dematerialised 'symbolic' form (Mosley 2005: 15; Ganßmann 1998: 154). One approach is to conclude that contemporary money, being devoid of 'value', is not in fact 'money' at all. Late capitalism, in short, has become an economic system independent of money, superseding the law of value (Kennedy 2000). To suggest however that dematerialised money lacks the 'ontological' depth required to maintain an internal relation between value-form and content sits uneasily with the experience of the past thirty years, in which the rule of money has rolled back the 'institutional management of money'. Further, once the analysis of this social form is no longer grounded within class relations, the analysis becomes vulnerable to conceptualising money as symbolic that exists as a moment of trust, rather than an exercise of power and exploitation.

In contrast, the value theoretic approach of Reuten and Williams (Reuten 1988; Williams 2000) conceives of money as a 'pure transcendental form' whose usefulness is no longer 'related to abstract labour represented by money commodity' (Williams: 442). Instead, money's autonomous existence (its social utility) is grounded with reference to a 'socio-economic' content that manifests at a less abstract level in the social institution of the state. Money's content is emptied and then reconstituted through an external connection via the state's guarantee (and through the central bank the entire pyramid of credit-monies). It is no longer a content rooted in the exploitation of labour, whether in the past, present or future. Money is a 'result of state sovereignty', while its social usefulness ultimately depends on the ability of the central bank to exercise the 'social sovereign powers of the state' to ensure it continues to be recognised as sole general equivalent. This radicalised chartalism replicates the reification of autonomous political and economic spheres that characterises orthodox economics (Kennedy 2000), while historical contingency is identified as logical necessity, for monetary sovereignty is largely a construction of a specific historical conjuncture of class forces that has lost much of its force following the collapse of Bretton Woods.

While debate continues, it is difficult to conceive of a way out of the impasse caused by fiduciary money if money's 'value' can itself only be posited in relation to a synchronic understanding of abstract labour. If, however, the 'value' content of the money-form is reformulated as diachronic, as ceaselessly positing itself as value in motion through the expanded circuit of capital, then the issue of money's commodity status falls away.[2] Bellofiore, for example, argues for a diachronic conception of money and abstract labour through a 'macro-monetary reconstruction' of Marx (2009: 11). Money ante-validates production via the extension of loan capital by banks on the expectation of realised surplus value. While this 'expected' abstract labour is realised in exchange, the value content of money in its ante-validation phase is real (2009: 8). For Bellofiore, this ex ante value is the congealed labour time in the bundle of subsistence goods needed to initiate the labour process, while 'money as capital' entails the buying of labour-power as a source of living labour before its ex post determination – its explicit social validation – through monetary exchange.

Bellofiore's focus here is on 'phases of the cycle of capital which precedes the "final" exchange on the commodity market' (2009: 11), and while not in disagreement with the thrust of his arguments, this paper looks to shift the analysis to this final stage as a necessary continuation of a diachronic understanding of money and its value content. Money is a social relation stretching forever forward even as it attempts to freeze time by positing itself as an eternalised value, as social wealth. But value in capitalism exists only in motion, and money, in the act of exchange, must exert its social power to command labour, a constitutive presupposition of the capitalist social relation of wage labour. This aspect remains neglected, or taken as a given datum – a bundle of subsistence goods – determined through wage bargaining by workers. Yet this alienation is the essential first step in the abstraction of labour, for it reduces the concrete, corporeal labour potential of the individual to nothing more than abstract time. It is also unpredictable, contradictory and contestable.

Needs, separation and money

For Marx, the objective behind the circulation of commodities as 'bearers of exchange-value' lay elsewhere, rather than in the satisfaction of needs (1990b: 293). The purpose of capitalist production is not, *contra* Smith, consumption, but rather the expanded reproduction of capital. Yet the fact that needs are met through the purchase of commodified use-values in the circuit of monetary exchange is fundamental to the capitalist mode of domination. This insight is lost if working class reproduction is reduced to simple assumptions of subsistence bundles or asides over historically determined levels of consumption. To focus on working class reproduction exposes a lacuna within orthodox Marxism, one perhaps encouraged by Marx's claim that the capitalist 'may safely leave this to the worker's drives for self-preservation and propagation' (Marx 1990b: 718). While Marx admitted a 'historical and moral element' to working class consumption, the value of labour-power became, for analytical purposes, a '*known datum*' in order to clearly expose the existence and source of surplus labour (Marx 1990b: 275). The impact, however, of such a 'one-sided' reading on the development of Marxism has been profound (Lebowitz 1992; for an alternative view, see Lapides 2007), although here I simply wish to highlight that in relaxing such assumptions we can begin to see the linkages between the imposition of the commodity-form over working class reproduction and money's social power to command. As this article argues, the strategic manipulation of commodified needs by capital (less, more, one type over another), and the working class's own demand for use-values (including that most dangerous use-value, free time) becomes a constitutive moment in form-ing money's social power to command living labour and thus the social relations underpinning the exploitative foundations of capitalism.

Money's social power to command is limited, however, for as long as its mediation between the individual and their needs, however defined, remains haphazard and partial. This has generally been a characteristic of pre-capitalist societies given the spasmodic nature of exchange-relations. Pre-capitalist money, at least in the post-Axial Age, functioned largely as a unit of account; a simple tallying device (Graeber 2011). The rise of capitalism witnessed a qualitative shift in this mediation, for the commodity-form became the 'universal structuring principle' organising societal reproduction (Lukács 1993: 85). Clearly the constitutive presupposition underpinning this shift lies in the separation of the labourer from the means of production. Money, and hence the capitalist form in 'which surplus labour is extorted from the immediate producer, the worker' (Marx 1990b: 325), can find no social traction without this moment of separation. 'My farm gave me and my family a good living on the produce of it' wrote a 19th-century

New England farmer. 'I never spent more than ten dollars a year … Nothing to eat, drink or wear was bought, as my farm produced it all' (cited in Ewen 1976: 114).[3] Clearly, money's social power to command labour is neither universal nor timeless, but rather requires a specific configuration of social relations. Indeed, the genesis of this power has been clearly exposed in path-breaking studies in Marxist historiography tracing the breakdown of pre-capitalist society and charting the complicated, contested and deadly boundaries between the customary rights and perquisites (the chips, sweepings, cabbage and sockings) of the 'moral economy' and the encroaching commodity and wage-forms of capitalism.[4] Enclosure and criminalisation – or as Foucault termed it, the restructuring of the economy of illegality (Foucault 1991: 87) – created the cracks and fissures for the social power of money to gain hold, dissolving organic society and the paternalism and communalism of the moral economy. 'Enclosure', argued Adam Moore in 1653 (a century in which 24 per cent of England's surface area was enclosed through non-parliamentary means [Wordie 1983: 502]), 'will give the poor an interest in toiling whom terror never yet could enure to travail' (cited in Hill 1988: 52). These toeholds were further widened by the rule of law, which, even as the number of capital offences accelerated from 1760 onwards, almost exclusively inflicted death for economic offences alone by the 1780s (Thompson 1976: 65).

To unleash the hidden sanction of market relations – the threat of hunger and starvation – thus required the liquidation of 'organic society' (Polyani 1944: 165). Yet this moment of separation, a drawn out and incomplete affair that is played out even today in the 'new enclosures',[5] while necessary, proved insufficient in enforcing the wage relation. While money disappears from our grasp at the moment of satisfying a need, this alone cannot ground money's social power to command living labour. It provides traction, but no guarantee. Separation in itself creates vagabondage, criminalisation, household production, self-provisioning, relationships of debt and social obligation and spasmodic entry into market relations to access 'ready money', creating a dynamic and complex interplay between monetarised and non-monetarised reproduction. As Perelman (2000) demonstrates, economic science in the 18th century devoted considerable effort to calculating the exact point where self-provisioning (reducing necessary labour costs for capital) broke the compulsion driving the individual into the wage relation. Without such compulsion, 'labour is shunned like the plague' (Marx 1984a: 326); yet resistance to market sanctions, or what economists might label a backward bending supply curve, proved awkward to overcome, particularly in a period of generally rising real wages. The difficulties in harnessing money's social power to push labouring men to work 'further than necessity prompts them' were legend (cited in Reid 1976: 78). While more than half of Britain's population probably comprised wage labourers of some form by the beginning of the 18th century, they formed a 'penumbra of causal labour' (Wrightson 2000: 313). Access to 'ready money' through haphazard and sporadic work, without the corresponding pathologies of acquisitiveness or self-improvement, actually undermined money's social power: paraphrasing Dostoevsky, money is coined idleness. While the idleness of workers was no doubt exaggerated, the 'work pattern', noted Thompson, 'was one of alternate bouts of intense labour and idleness, wherever men were in control of their own working lives' (1967: 73), and Saint or Blue Monday, and even Saint Tuesday and Wednesday, were widely practised (Reid 1976).

In short, the social power of money was intermittent, partial and unstable.[6] In the following section, the foundations of money's social power effected through the social bond(age) of market exchange and the contradictory nature of this power are explored in greater detail, as they will link us back to the strategies developed by economic science to manipulate working class reproduction in order to buttress money's social power to command.

Money as mediator

In recent contributions to the Marxist analysis of money (e.g. 2005), Lapavitsas has argued that money's power to buy is fundamental. It has, in short, a monopoly of exchangeability. While this approach seems to me to be the correct one, the rather transhistorical construal of this category leads to a failure to highlight one very specific exchange socially mediated by money in capitalism: the buying of labour-power via the wage relation. It is this unique 'exchange' between those who own the products of alienated labour and those who must estrange that which is not a commodity – their creative potential to engage in productive activity – that highlights money's *sui generis* power under capitalism to force into a mutually reinforcing circuit the systemic and systematic production of commodities with the alienation of living labour into abstract labour. In order to understand this social form, one must untangle the peculiarities of how it posits a content of exploitation and how, in the moment of positively affirming itself as money, it negates the foundations of its social power to command.

The analysis begins with the observation that money is not simply a social relation that appears as a thing, but rather a social relation that has thing-like properties. This places the individual in a unique position, for money as a thing has no social connection to the individual, although its possession gives to the individual a general power over society through the access it provides to social wealth. This social power incarnated in a thing does not rest on any internal relation to the individual. The gossamer thread uniting subject (owner) and object (money) appears as the result of chance or accident. It 'may be randomly searched for, found, stolen, discovered … [or] Mechanically seized, and lost in the same manner'. While the 'individual carries his social power, as well as his bond with society, in his pocket', it is the peculiarity of money that it can forge this bond without reliance upon ties of dependence, modes of behaviour, or particular notions of communal or political adherence. It is objective, external, sensuous and indifferent, positing a universal community restricted only by the limits of the market itself. Money is insouciant to all except the moment of exchange, where individuals stand in formal relation to one another as equals without a trace of difference. This exchange of monetary 'equivalents' is defined as a sphere of freedom, for there is no external compulsion exerted upon the individual to enter this relation: 'it is only my own nature, this totality of needs and drives, which exerts a force upon me' (Marx 1973: 221–2, 157, 245). This, of course, is the liberal promise of capitalism. Replacing a raft of archaic and subjective bonds with the abstract, alien and impersonal rule of money appears to presage a society founded on the ideals of freedom and equality. Frankel, in a classic restatement of this position, associates a free monetary order with impartiality, personal freedom, individuality and trust (Frankel 1977).

It is the formal act of exchange realised through the mediation of money that forges the bonds constituting this 'levelled' community. This simple circuit can be represented in the standard notation C-M-C. It highlights the finite nature of this exchange process, as it vanishes on completion. Money completes its transformative mediation between two singularities, turning use-value into commodity and vice versa, before disappearing. Continuing access to social wealth depends in turn on reactivating this circuit, achievable only by flinging in anew the universal equivalent. Paradoxically, the individual who gained personal freedom in the sphere of civil society by alienating himself from all others and from the community becomes instead 'a plaything of alien powers' (Marx 1984b: 220). Freed from personal ties of dependence, the individual now experiences this relation in a generalised and objectified form, an abstraction felt as the need for money. Money interposes itself between individual 'needs' and object (social wealth) as a moment of exclusion or inclusion. It is 'the *pimp* between need and object, between life and man's means of life' (Marx 1984a: 375).

Money is the 'bond of bonds' that drives us back day after day to the market mechanism to survive; the ceaseless micro-production of capitalist social relations. Why? For the 'trivial but neglected' reason 'that those who cannot pay must acquire money, and that the standard way to acquire money is to work for those who already have it' (Ganßmann 1988: 304). While Ganßmann's comment that money should be seen as a symbol for the obligation to work rather than as an independent object representing value is suggestive, this 'symbol' is more accurately a social relation with the power to enforce work and create the basis for value creation under capitalism (Ganßmann 1988; 1998). While these are not startling revelations, they surely warrant a central place in the analysis of money in capitalism, as the early ideologists of this new order clearly understood. Malthus saw money as a 'patent' obtained by work 'which they [the labouring poor] may show in order to be awarded a proper share of the food and raiment produced by society' (1986: 105); while Bastiat observed, 'You have a crown piece. What does it mean in your hands? It is, as it were, the witness and the proof, that you have at some time done some work' (cited in Frankel 1977: 35). Bishop Berkeley, in his remarkable publication *The Querist*, looked at this more dynamically in asking, 'Whether Power to command the Industry of others be not real Wealth? And whether Money be not in Truth, Tickets or Tokens for conveying and recording such Power, and whether it be of great Consequence what Materials the Tickets are made of?' (1910: 13).

Clearly one form of monetary exchange is *sui generis*, for the simple circuit C-M-C is actually C-M-M-C, where C-M is the exchange L-M, that is, labour-power for money in the form of wages. Indeed, the 'crux of the entire [capitalist] process is the exchange of *objectified labour* [in the form of money] for *living labour'* (Marx 1990b: 1009). Money is still a vanishing mediation, but now between the equivalents (L), the use-value of capacity to work and (C), the commodities necessary for the continued reproduction of the worker. If we assume that the worker 'emerges from the process as he entered it, namely as a mere subjective labour-power which must submit itself to the same process once more if it is to survive' (Marx 1990b: 1061), this singular mediation multiplies. The circuit C-M-C becomes continuous and infinite as it extends to C-M-C-M-C $\ldots^{n}$. Only with the moment of alienation of the individual's 'creative power' through exchange with its monetary equivalent (C-M-C) can '*money … as capital …* [lose] *its rigidity, and from a tangible thing … become a process*' (M-C-M')' (Marx 1973: 263). Money is 'the sensuous, corporeal existence of that *alienation'* (Marx 1984c: 270), and its value-content is proven only by positing value as a process of *becoming* through its power to ceaselessly command (alienate) living labour.

Money and scarcity

Money's social power is, in its most basic form, based upon 'the powerlessness of the individual with respect to society', which 'is experienced as the absence of a thing, money' (Lebowitz 1992: 79). Yet this powerlessness is experienced not as direct compulsion, but rather as *indifference*. This is fundamental, for money appears as a subjectless object whose impartiality and impersonality marks the relationship between capital and labour as non-coercive, even consensual, in stark contrast to that of serf/lord or master/slave. Furthermore, this freedom and equality are not illusory. They are real, or perhaps more correctly, they have social existence as necessary halves of the dualisms formed with money's class content of unfreedom and inequality. These categories are an unavoidable and necessary expression of the social form of money if it is to constitute its own value-content as a process of forming the relation of capitalist work. Fervent theorists of the new order initially imagined a social form of value creation under capitalism without such freedom and equality; that is, without the mediation of money. At the extreme, Andrew Fletcher (1997) sought to revive the slavery of the ancients as the means to discipline an unruly working class. Berkeley, usually more aware of capitalism's subtle contours, enquired whether 'all sturdy Beggars should not be seized and made Slaves to the Public, for a certain Term of Years' (Berkeley 1910: 72), while Bentham plotted a National Charity Company with one million imprisoned pauper workers. While the workhouse remained a central feature of late mercantilist policy, with at least 110 'corporations of the poor' quickly built following the introduction of the 'workhouse test' in Knatchbull's Act of 1723 (with 2,000 listed by Parliament in 1776, with a capacity for 90,000 inmates, rising to 4,000 by 1815), their raison d'être came to increasingly focus on their role in 'disciplining the people' rather than any real hope of profit. At least for the able bodied, outdoor relief came to predominate, especially after its legislative sanction in 1786 (Perelman 2000: 21; Poynter 1969; Furniss 1920; Neuman 1971; Pollard 1965, especially 165–72; Thompson 1976: 369).

While unfree labour played a role in the emerging factory system, it was largely restricted to pauper apprentices within the textile industry, a necessity driven by the refusal of parents to sacrifice their own children to the 'satanic mills'. By the 1770s, the employers' own demands for free labour made it difficult 'to justify the use of power other than economic necessity in forcing the poor to labour hard and regularly' (Pollard 1965: 310). Aside from its 'expense' (the costs of supervision, victuals and theft), inefficiency and low productivity, institutionalised slavery, as well as other forms of political-legal coercion such as sharecropping, were inimical to the emerging ideology that 'the natural state of the relation between capitalist and the labourer' was one of mutual self-interest (Senior 1830: 4). While workers were subject to harsh legal sanctions, such as the Master and Servant Law, these were deployed to enforce contractual obligations that had been freely entered into by workers, not to force individuals to enter into a relationship of work (see Eden 1966: 476; Malthus 1986: 103; Smith 1999: 183; Reddy 1987: 68).

In short, only the 'cash-nexus' could provide the coercive underpinnings necessary for the formation and reproduction of capitalist social relations, in turn presupposing not only the separation of the worker from the means of production, but also the formal separation of 'political' from 'civil' society. Feudal civil society, permeated as it was by social relationships of a political or extra-economic character, was inimical to the emerging market imperative of capitalism. Dissolving 'the political character of civil society' allowed the social power of money to take root and in turn for life experience to sink 'to the level of a purely individual significance' (Marx 1984b: 232–3). Indeed, the processes of monetarising and de-politicising civil society were virtually synonymous, highlighted in the shift from the medieval proverb of 'no land without its master' to one more fitting for the new epoch: 'money knows no master' (Marx 1984a: 319). Fundamentally, it also effaced the presuppositions underpinning money's own social constitution as a class relation. As supreme ruler of this depoliticised civil space, money could itself assume a depoliticised mantle, becoming a mere 'thing', and thus all the inequities and inequalities of the market to an apparently random and capricious act of nature: the tragic spectacle of the individual dominated by the alien force of the rule of money.

In the absence of this de-politicised social power, capital would be forced to 'give it to persons to exercise over persons', re-establishing an explicitly politicised civil society (Marx 1973: 158). In short, the disembodied mediation of money allowed for the cleaving of the individual into the abstract categories of de-politicised worker and politicised citizen even as this mediation fetishises the moment of class domination necessary to the constitution of the social relation of work. The birth of this dualism was painful and protracted, especially during the counter-revolutionary period, as the *ancien régime* reacted against 1789, although the underlying sympathy between Paine and Smith prevailed over time (Thompson 1976: 105).

'It is an inherent property of money', noted Marx, 'to fulfil its purposes by simultaneously negating them' (1973: 151); and the depoliticised 'thingness' (or fetishism) of this social form only intensifies this tendency. This self-negation unfolds from the necessity of money to express its content without contradicting its own formal nature as non-coercive, indifferent and neutral. It instead relies on a non-coercive compulsion, which we may term a need, which impels the individual to enter into a social bond formed by the act of exchange mediated by money. This is the only mechanism of social reproduction, and hence subordination, recognised within a market system. In a regime of private property, money expresses the alienability of everything, including 'man', but it is only the act of satisfying our material needs that can draw us into this web created by the 'callous "cash payment"'. Yet for the individual, money is no more than a means, and on achieving the desired end through the satisfaction of the initial need prompting her to enter into a market transaction, the foundations of money's social power have dissipated. It is a chemical power that dissolves social relations as effectively as it cements them (Marx 1984a: 377). Even as money as capital (the circuit M-C-M') seeks to enforce the wage relation, money as money (the circuit C-M-C) dulls the 'silent compulsion of economic needs' (Marx 1990b: 899). These two circuits are mutually constitutive, yet antagonistic. As succinctly summed up by Lebowitz, 'what the capitalist wants is the growth of value; what the worker wants, on the other hand, is the growth of use-values' (Lebowitz 1992: 98). The critical point is that the mediating category of this social antagonism is money (Negri 1991: 28). To make this a permanent bond, money must be able to endlessly *reposition* itself between needs and social wealth. Indeed, recent studies questioning the free/unfree labour 'binary opposition' by highlighting the use of coercive mechanisms such as debt bondage, contract enforcement and wage withholding, in fact highlight the difficulties posed by money (e.g. Banaji 2003; Steinfeld 2001). Those with sufficient means of exchange to meet their need*s* fail to experience money as a moment of coercion. Following Kornai's terminology, their actions are not constrained by hard monetary constraints (Kornai 1979: 807). Instead, 'money has only a passive role', for soft budget constraints do not impose market discipline and indeed, at a more general level, fray the threads binding the rationality of the market system.

Money is thus a transitory and fleeting power that requires augmentation to meet capital's own 'need' for an unremitting pressure to work, i.e. a naturalised and totalised social power to command. Money's form means it is unable to overcome this negativity and is thus unable to guarantee any necessary relation to an exploitative content. Indeed, the negation of the negation necessary for the money-form to posit itself as a moment of command must lie external to itself. This external grounding is, I suggest, found in money being experienced as a *continuous moment of scarcity* mediating between the 'totality of needs and drives, which exert a force' upon the individual, and their satisfaction.[7] Only then can it flex its full social power by effectively applying a hard constraint forcing the individual to re-enter the market as the seller of alienated labour.

Herein lays the crux of the problem, for there is nothing inherent to this social form itself that can guarantee such scarcity as an ontological certainty. Of course, orthodox theory predicates the very existence of the market system on 'scarcity' – an unproblematic concept for economists, but one redolent in meaning for those seeking to expose the social relations underpinning market exchange. It is money, via the operation of the price mechanism, that acts as both enforcer and messenger of the scarcity driving market exchange. In order to successfully accomplish these roles however, money must itself be subject to the discipline of scarcity: it too must be scarce (Altvater 1993: 5). 'Soft' money allows one to 'consume without producing, and thus seize the output of the economy from the genuine producers'. Only if money is 'hard' can it exist as a moment of domination, experienced by the individual as an *absence* which may only be reversed 'by purchasing it [money] with one's goods or services' (Rothbard 1962: 98–9): work for you and me. One might immediately object that this emphasis on scarcity rehashes neoclassical value theory applied to money itself, an approach recently used by orthodox economists to ground money's existence on more rigorous microeconomic foundations. Foley critiques this commonsense view of scarcity, highlighting the elasticity introduced by credit structures and shifts in the velocity of money and near-monies that undermine any crude conception of scarcity induced simply through supply rigidity (Foley 2005: 44). I would argue, however, that a critical engagement with scarcity as a class weapon is fundamental to any political reading of money's social power. Any resemblance to orthodox conceptions of scarcity is superficial, for here it reflects a social process rather than natural properties, although these can of course be harnessed. Commodity money, in particular gold, has historically expressed this scarcity principle in its purest form; for gold 'is, and always has been, an extraordinarily scarce commodity' (Keynes 1930: 290). However, rigidity in the supply of money is not a necessary condition for money to express scarcity relations. It depends rather on whether money assumes a form capable of *expressing* a socially constructed scarcity mediated and articulated through the mechanism of market exchange, which is quite different to the commonsense meaning used by orthodox economists.

As money lacks the ontological depth to itself ground scarcity as a social category, it must be located externally. It is possible to identify at least two such external, but inimically entwined, modalities capable of transposing scarcity to money itself. The first seeks to apply an externalised scarcity directly to money by introducing global rigidities into the supply of money itself. Reaching its most generalised form in the global monetary standards (GMS) – from the classical gold standard to post-Bretton Woods – this modality seeks to impose capitalist rationality over the organisation and integration of private, state and world money *in toto* (Hampton 2006). Here, however, I explore a second modality, one which is brought to bear directly on the individual subject commanded by the social power of money by manipulating the subject's needs in order to intensify the experience of money as a moment of scarcity. Borrowing from Foucault, this is the micro-physics of money's social power to command, working upon not so much the docile body, but rather the needing body, or better still, a body made docile through the encouragement or denial of needs. From the first, the theorists and technicians of capitalism have understood, and sought to defuse, money's negativity. Various strategies for buttressing money's social power were identified: the criminalisation or denial through enclosures of traditional means of accessing social wealth; the political economy of 'hard times'; the (re)commodification of use values; and, perhaps most effectively, the endless expansion of working class 'needs'. It is the latter that I highlight in the following section through a potted history of orthodox economics where I highlight strategic shifts in this economic science as it sought to govern, manipulate, or otherwise intervene into working class reproduction in order to subsume or negate working class resistance to the social power of money.[8]

Money, reproduction and economic science

It is against this backdrop that economic theory struggled to develop a coherent strategy (or rather economic science) capable of undermining the resistance of a dispossessed working class to its own alienation through the money-form. Formulated initially as a problem of idleness, before being recast in more theoretical terms by classical political economy as one of a naturalised scarcity, it received its modern formulation as consumption theory, where the problem is one of constrained choice, in which individuals seek to maximise utility, although the parameters of this problem, once stripped of its technical form, remain surprisingly close to its classical forebears.

The starting point for any such strategy is to understand that labour is forced because it is 'not the satisfaction of need but a mere *means* to satisfy needs outside itself' (Marx 1984a: 326). This 'means' is money, and its leverage depends critically on the conception of 'needs'. At its most extreme lies the oblique but unyielding threat to which money gives corporeal, sensuous form: the complete non-satisfaction of needs and ultimately, starvation and death:

> If life was a thing we could buy, The rich man would live – what thousands he'd give! While a poor man he might die.[9]

This is scarcity in its most primitive form as the coercive moment underpinning the money relation. Of course, as with any parasite, the goal is not the host's death, and by the time of Bentham and Colquhoun, economic science clearly demarcated the strategic goal of creating a 'labouring poor' rather than an indigent one. The former were defined as those 'whose daily subsistence absolutely depends on the daily unremitting exertion of manual labour', and political economy was largely unanimous, at least until Senior, in holding firm to the 'social utility of hard times' to enforce the capitalist relation of work (Eden 1966: 2; Furniss 1920: 127).[10] Man in his natural state is 'inert, sluggish, and adverse from labour, unless compelled by necessity' (Malthus 1986: 127), and most apologists for the new order looked to the sanction of hunger, or the threat thereof, as the force that could animate money's social power.

More prescient theorists quickly realised that the ceaseless proliferation of 'artificial needs' might better magnify this social power by creating a socially determined scarcity that acted as an inducement to work. While the moniker 'artificial' reflected 'the inner desperate poverty which forms the basis of bourgeois wealth and its science', its strategic purpose was clear: 'every real or potential need is a weakness which will tempt the fly onto the lime-twig' (Marx 1973: 228; Marx 1984a: 359). The proto-Keynesian Vanderlint, suggested that rising real wages would increase industry as the worker sought to satisfy an insatiable array of wants; while Berkeley enquired, 'Whether the creating of Wants be not the likeliest way to produce Industry in a People?' Steuart argued, 'men are now forced to work because they are the slaves of their necessities', which if multiplied become 'a stimulus to their labour on behalf of the "more delicate"', a view reiterated by Eden, who agreed that the acquisition of new tastes ensures the individual falls 'under the domination of an imperious master, who will compel him to labour indefatigably for the attainment of new gratifications' (Vanderlint 1734; Berkeley 1910: 11; Steuart in Marx 1990b: 801; Marx 1990b: 801; Eden 1966: 438).

Such 'defenders' of the working class were in the minority, and increasingly so as hostility to the labouring poor grew over the course of the 18th century, as evidence accumulated 'that the labourer preferred idleness to employment and pauperism to a life of industry' (Marx 1990b: 386; Furniss 1920: 78). This hostility crystallised in the counter-revolutionary years following the events of 1789 into an orthodoxy within political economy that located an absolute and eternal scarcity at the heart of the market mechanism.[11] Scarcity as a grand 'state of nature' underpinned, however, the rather more prosaic goal of goading the masses into ceaseless toil through the fear of severe privation. While inculcating a response within the indolent, improvident and non-acquisitive labouring poor to the stimulant of the cash-nexus was fundamental, the impulse would not be that of reward, but rather of fear: 'fear of hunger, of eviction, of prison' (Pollard 1965: 172). The mediation of money was to be strengthened, but only to a point barely sufficient to ensure the physical reproduction of the working class. Money, by its absence, would amplify its social power to command the working class, reducing the individual to 'an abstract activity and a stomach', and a hungry one at that (Marx 1984a: 285). Thankfully for the new order, the worker could not live on air alone, although hope remained, *a la* Count Rumsford's recipe books, that a watery top-up would suffice (Marx 1990b: 748).[12]

The 'scientific' formulation of this strategy can be traced from writers such as Robert Wallace and Townsend, to Burke and finally Malthus. The Reverend Joseph Townsend, a noted travel writer, mineralogist, and expert on Moses, identified the basic mechanism of hunger as Natural Law in his 1786 *Dissertation*. 'In general', declared the Parson, 'it is only hunger which can spur and goad them [the poor] on to labour … hunger is not only a peaceable, silent, unremitting pressure, but, as the most natural motive to industry and labour, it calls forth the most powerful exertions … Hunger', he continued, 'will teach decency and civility, obedience and subjection, to the most brutish, the most obstinate, and the most perverse'. Townsend further identified, drawing upon picturesque anecdotes from the New World, the exquisite law of naturalised scarcity that generated the hunger necessary to inspire such work discipline amongst the recalcitrant (Townsend 1971: 23–4, 27). Burke came to a similar conclusion when briefing Pitt on the 'years of scarcity', although in terms more aligned with the ideology of *laissez faire*. Railing against the moral economy of the working class, Burke insisted 'it is [not] within the competence of government … or even of the rich … to supply to the poor those necessaries which it has pleased the Divine Providence for a while to withhold from them', for 'the laws of commerce [are] … are the laws of nature, and subsequently the laws of God' (Burke 1999: 210).

It is, however, the clash between arithmetic and geometric progressions made famous by Malthus that is most closely linked to this tradition. While Malthus is remembered as a founding figure of demographics, it is important to position this aspect of his work as but a divine adjunct to the more strategic intervention in enforcing the capitalist relation of work. Malthus simply turned the threat of starvation into a dynamic model. The sanction of hunger was now both necessary input and pre-determined output of the process of accumulation. 'The gracious designs of providence', by ensuring population increased faster than food, created 'the most unremitted excitements', that is 'the goad of necessity', in particular the 'necessity of food', to force hard labour. 'Evil exists in the world' noted the good Parson, 'not to create despair, but activity' (Malthus 1986: 55, 127, 137).

The Malthusian discourse on population and poverty 'dominated political economy for fifty years … mak[ing] classical economics an open enemy of the working class' (McNally, 1988: 91). It was not until the mid-1850s that the first tentative arguments in favour of a high wage economy again began to emerge (Hobsbawn 1964: 357), although inconsistencies in this orthodox vision of scarcity located in Nature Divine became readily apparent. Even as he demanded working class abstinence, Malthus fretted over secular stagnation caused by underconsumption. This apparent paradox was resolved for Malthus in the perverted nature of the worker, who valued leisure over increased consumption. An efficient taste for luxuries and conveniences noted Malthus, 'that is, such a taste as will properly stimulate industry, instead of being ready to appear the moment it is required is a plant of slow growth', hence his support for the landed gentry (cited in Harvey 1985: 45). His disciples proved more optimistic however, Senior suggesting the desire to accumulate 'the means of purchasing decencies which give a higher social rank' enforces work and sexual discipline over the labouring poor. Human acquisitiveness, declared Senior, is to 'Political Economy what gravitation is in Physics' (Senior 1951: 28), although to his chagrin the working class occasionally revealed its barbarity by failing to comprehend this cosmic impulse to consume: 'the poor seem to be unaware of the indefinite variety and extent of men's wants' he lamented, after returning from Ireland (cited in Perelman 2000: 318).

More fundamentally, this Malthusian orthodoxy contradicted Classical optimism over the possibility of increasing physical output through technological advances. The resolution of this contradiction came at a cost, for the disciplinary power of socially-imposed scarcity was seriously weakened at both a practical and ideological level as the threat of naturalised scarcity receded to a long-term steady state theorised as the iron law of wages. A panacea of sorts was applied by Ricardo's followers, who, drawing on the

Malthusian inspired notion of a fixed Wage Fund, argued working class agitation for more could never rise above a zero sum game. While remaining ideologically useful for capitalists resisting working class demands (Sidgwick 1879: 401), a more rigorous conception of scarcity was needed, one more attuned to the real subsumption of labour under the emerging 'factory system' and the concomitant rise of a massified and organised working class swayed by 'erroneous and practically mischievous' theories (Jevons, cited in Meek 1976: 248) – one more supportive of the counter-ideologies of individualism and self-improvement. Moreover, the very absolutism of this earlier conception of scarcity, with its limited conception of human needs, paradoxically opened up the potentiality of its own negation, as evident in Mill's late brush with socialism, which was driven by a belief that the England of the 1870s was approaching a level of social wealth requiring no further augmentation, but rather a more equitable distribution. The challenge lay in sheering off the explicit recognition of antagonistic class interests so evident in the absolute scarcity of Malthus, while allowing for the full burgeoning of capitalist class relations.

The solution was to be found in the further development of those categories critical to a more sophisticated, deep-rooted and supple mediation of these social relations through the money-form. In particular, we find a dramatic theoretical shift from a paradigm of working class reproduction over time to an analysis of the *individual's* realisation through the exchange mechanism's ability to efficiently satisfy a bundle of subjectively determined 'needs'. Subsistence of a class over a cycle of economic growth is replaced by an open-ended concept of individual consumption ideally suited to the featureless plasticity of money, in turn magnifying its power to posit the relation of capitalist work as boundless. Developing an individual's needs is the way 'I exercise compulsion over the other person and draw him into the system of exchange' (Marx, cited in Rosdolsky 1977: 176). A strategy of subjective – and thus limitless – needs, better reflects money's boundless potential to alienate. As general equivalent facing an infinite set of commodities, 'the need for money … the real need created by the modern economic system' becomes itself limitless, and hence, 'with the mass of objects grows the realm of alien powers to which man is subjected' (Marx 1984: 358).

This leap from hunger to unlimited wants was central to the development of the concept of socially imposed scarcity, for the latter allowed for a continuous and expanding proliferation of monetary exchanges, habituating the worker to the mediation of money and normalising the reproduction of everyday life through the commodity-form. Moreover, a conceptual framework was created wherein the accumulation of capital appears as nothing more than the naturalised by-product formed through the reproduction of society through the commodity-form. It signalled a shift in the conceptualisation of scarcity within economic science from a *state of nature to a state of sin*; that is, a reflection of our own pathology of unlimited wants as opposed to the absolute barriers of starvation. The strategic objective was obvious. As wants 'are of a social nature, they are of a relative nature', opening up possibilities for distorting human behaviour through an eternalised 'subjective poverty' that impels the individual to alienate their 'life expression' (Marx 1990a: 259). Extending the circle of working class enjoyments simply strengthens the golden chains forged by the workers' objectified alienated labour.

Cotemporaneous to this 'subjective turn', however, was a more rigorous theorisation of the limits of the market as working class resistance to money's despotic rule became more organised (Clarke 1982). The rise of the reformist state, with its carefully demarcated public sphere, provided a mechanism for managing the most degrading manifestations of money's power to enforce socially imposed scarcity. The liberal-democratic state also however, with its widening franchise, exposed money to the threat of debasement as the possibility of political interference loomed large. It can barely be coincidental that the 1870s also witnessed the rapid emergence of the classical gold standard, as one state after another retreated from the laxity of bimetallism as silver supplies threatened to glut the world market. The 'constitutionalism' of the gold standard effectively subordinated the state to the world market, shackling it to the dictates of 'sound' money and the logic of scarcity.

It is important to stress that the shift to an economic science of infinite working class 'needs' did not entail a rejection of the naturalised scarcity of classical political economy. Indeed, it would uphold the rational underpinnings of capitalist accumulation more rigorously, reintroducing a naturalised scarcity through the back door by modelling a static system in general equilibrium, while incorporating a methodology appropriate for this 'new problem of "scarcity"' (Meek 1976: 248). Assuming 'no further possibility of increasing the total quantity of resources', this methodology concentrated exclusively 'on the possibilities of increasing economic welfare by a more efficient allocation of given resources and by a better method of resolving the competing wants of different individuals which act as "obstacles" to each other' (Myint 1948: xii). The Economics of Shopping was about to make its dramatic entrance onto centre stage. This new 'science' (requiring 'the substitution for the name Political Economy … the single convenient term *Economics' (Jevons 1888: 5)*) would resolutely focus on wants – unlimited, boundless, eternally proliferating, and competing – without reference to increasing the 'pie' or its distribution between classes. As one of its founders argued, 'the supposed conflict of labour with capital is a delusion. The real conflict is between producers and consumers' (Jevons 1887: 98).

It received its modern and most famous form in 1932 with the publication of Robbins's subjectivist inspired sermon. 'Economics', he famously declared, 'is the science which studies human behaviour as a relationship between ends and scarce means which have alternative uses'. Unlimited 'ends', combined with limited resources, creates a scarcity that manifests itself in the problem of 'choice'. Again, the problem is naturalised as 'an almost ubiquitous condition of human behaviour', but in a purely subjective form eternalised and internalised within human nature as endless wants – a pathological trait – rather than as an external objective barrier. Scarcity is the social manifestation of our Original Sin. 'We have been turned out of Paradise' and the price paid for our fall from grace is endless work, especially in an 'Exchange Economy' where our sinful nature is allowed to express itself most fully (Robbins 1937: 15-16). This plasticity of wants was given further free rein during the 1930s with the final shift in mainstream analysis away from psychologically based theories of choice, such as cardinal utility, which attempted to understand the motivations of particular wants, as well as the welfare implications of consuming these and by whom, to indifference curves based on ordinal utility functions that represented budget constrained preferences that 'exhibited nonsatiation, transitivity, and convexity' (Backhouse 2006: 309), i.e. three aspects of the boundlessness of wants.

To exist within this network of 'scarcity relationships' requires acts of exchange, in turn requiring a medium of exchange – money. According to Robbins, 'money-making

… means securing the means for the achievement of all those ends which are capable of achievement by the aid of purchasable commodities'. While money here 'is merely a means', it is clearly a pivotal one. Indeed, to deny scarcity, to try to 'escape from the tragic necessities of choice' by increasing access to this 'means' through the artificial manipulation of the money supply is, according to Robbins, the 'ultimate negation' of capitalism. To contemporaries, such a negation seemed a distinct possibility during the inter-war period, 'red with fratricidal strife' (Robbins 1937: 30–3, 157). The Great War had, through loose credit policies, exposed the possibility of 'consumption for all' to a restless, potentially revolutionary working class (Keynes 2005: 22), while central bankers undermined the internationalism of the inter-war GMS through techniques of fiat money manipulation in an effort to cut through impossible policy dilemmas generated by a labour force now rigid and massified. Clearly these two modalities of socially imposed scarcity feed into each other in ways that can moderate or heighten the social power of money. For Robbins, the inter-war period demonstrated the explosive potential of positive feedback in the economic system, for a lax GMS led directly to depression by encouraging excessive consumption, or 'pluck[ing] the fruits of prosperity before they are actually ripe' (Robbins 1932: 427). 'The authorities', chided Robbins in 1932, 'must work the gold standard on lines much more severe than those which have been the rule in recent years' (cited in Morgan-Webb 1935: 68).

It was on the 'gold question' that the apostasy of Keynes – the most dangerous protagonist challenging the orthodoxy as propounded by Robbins and Hayek at this time – first became apparent, although it was only with the publishing of the *General Theory* that the full theoretical and political significance of working class consumption freed from the shackles of gold became apparent. For Keynes, the problem facing economic science was not one of scarcity per se, but rather 'the paradox of poverty in the midst of plenty' (Keynes 1942: 30). Moreover, the orthodox solution for reactivating faltering accumulation through further retrenchments in working class consumption was too 'dangerous [an] enterprise in a society which is both capitalist and democratic' (Keynes 1930: 385). Keynes instead argued that only an 'Economics of Abundance', not the socially imposed scarcity of neoclassical economics, would reinvigorate capitalist accumulation.

This strategic shift was guided by an understanding of the barriers holding back accumulation that in turn was premised on an ontology of finite wants. Like Mills before him, the 'economic problem' of consumption was for Keynes historical; it was not '*the permanent problem of the human race*' (Keynes, 1963: 366). It could and would be solved, for absolute (legitimate) wants are satiable; only relative (pathological) wants are unlimited. This finite nature of wants, as opposed to the eternalised subjective scarcity of neoclassicism, formed a theoretical centrepiece of the *General Theory* as one of the three 'psychological laws'. For Keynes, the law of limited wants is 'absolutely fundamental to the theory of effective demand', and where 'the key to our practical problem is to be found' (Keynes 1973: 120; Keynes 1942: 29). The propensity to consume, given this 'psychological characteristic of the community', will never be unity in relation to a rise in current income, forming a gap between income and consumption and the likelihood of insufficient effective demand to ensure full employment equilibrium. Furthermore, this tendency worsens as the wealth of a community increases, for wants are increasingly satiated and a lower proportion of income spent on consumption. This diminishing marginal return on consumption was for Keynes a cardinal psychological law of human nature, breaking the self-equilibrating cybernetics of Say's Laws.

It is here that the higher propensity of workers to consume becomes fundamental – no longer a sign of moral degeneration, but instead a tool for rectifying sub-optimal investment decisions. This revolutionised the techniques of imposed work by creating a political economy of the mass worker that transmogrified working class insurgency and rigidity into the raw fuel powering a virtuous cycle of abundance *and* accumulation. Confining class struggle within 'economic' parameters – the demand for more (modelled as aggregate demand) – promised a high-octane capitalism linking endless work to vast outputs. Only the promise of high employment and increasing consumption of wage goods over time would overcome the 'utter doubt, precariousness, hope and fear' that choked investment (Keynes 1973: 122). Keynesianism, in effect, transformed the business cycle – the accumulation of capital over time – into a political problem of working class reproduction.

While macroeconomic research focused on consumption theory after the Second World War, amidst fears of a collapse back into stagnation (Modigliani 1986: 297), economists responded quickly to moderate the political implications of Keynes's consumption function with the emergence contemporaneously in the 1950s of the life cycle and permanent income theories (Friedman 2008; Modigliani 1986; Modigliani and Brumberg 2005). These theories, which continue to dominate economics (see Attanasio 1998; Fernandez-Corugedo 2004; Kankaanranta 2006), restored not only the role of thrift but also pared back the centrality of working class consumption within macroeconomics. Workers, once again utility maximising atomistic individuals, are rational and farsighted, labouring and consuming on the basis of an annuitised income stream calculated on the basis of their expected life-cycle or permanent income. Saving, instead of a drag, is simply deferred consumption, used for smoothing life-time consumption. Consumption in short is a problem of 'bounded' rather than 'sub' optimisation. The impacts on Keynesianism as economic science were clear; for example, Modigliani and Brumberg noted in their seminal 1954 paper that the motives for saving under the life-cycle theory suggested that policies of 'reducing the average propensity to save' through 'income redistribution' were misguided (Friedman 2008: 237; Modigliani and Brumberg 2005: 32). More fundamentally, the marginal propensity to consume appeared both lower and less responsive to income fluctuations; working class consumption was in effect largely 'autonomous' from 'current income', in turn breaking the link to investment decisions and the business cycle (Friedman 2008: 238).

More subtly, but perhaps more importantly, the new approaches also introduced a sharp break in the conceptualisation within economics of working class reproduction and the social power of money to command, for the implications of these theories is that while hard money continued to apply over the life of the worker, it was rational for the worker to supplement money with savings or *credit* over the entirely of this cycle. Income and consumption can shift to different 'time-paths' (Kankaanranta 2006: 4) over segments of the life-cycle, as consumption is smoothed through dis-saving or debt. We see here the emergence of the individual (and the working class household) as an embodied balance sheet that must optimise the ratio of income to debt over the life-cycle. Like a corporate entity, individuals should 'gear up' with debt in their start-up phase, increase 'equity' and reduce leverage over the maturing phase, before retiring all liabilities in anticipation of the orderly wind-up of the worker.

The centrality of worker-class consumption was thus deadened; or perhaps more correctly, shorn of those aspects eroding money's social power of command, for this economics of 'abundance' was predicated increasingly upon debt rather than access to ready money. While debt (and 'social' credit) was common, even necessary, to support working class reproduction long before the 20th century, credit for working class consumption largely originated in the 19th century, while respectability (at least in the USA) only emerged in the 1920s with the rise of 'consumer credit' (Calder 1999). It was not, however, until the life-cycle theories that this became theoretically incorporated into economic science, mirrored in turn by the explosive growth of 'consumer' indebtedness in the years following 1945. Fundamentally, this approach remains unchanged, and the slow unravelling of the Keynesian class compromise following the collapse of Bretton Woods has ensured the 'great leveraging' of the worker and neither sabotaged capitalist work discipline nor diminished the social power of money to command. In fact, working households have increasingly struggled under the rigours of 'money management'. Household reproduction, following life cycle theory, has become a complex 'balance sheet' calculation that involves juggling instalment loans (e.g. mortgages), revolving credit facilities (e.g. credit cards), asset management (e.g. equity drawdown mortgages) and cash flows (e.g. wages). 'Poor money management', in turn, leads to personal crisis, hard budget constraints, and a fall back to earlier modes of social scarcity.[13]

Conclusion

This article has attempted to further develop a diachronic understanding of money based on its social power to command labour, in order to highlight not only the relevance of Marx's insights into the inner workings of the capitalist mode of production, but also the antagonistic and contradictory mode of working class reproduction within these relations. Marx was only too aware that the capitalist constantly seeks 'to inspire [the working classes] with new needs by constant chatter … It is precisely this side of the relation of capital and labour which is the essential civilising moment, and on which the historical justification, but also the contemporary power of capital rests' (1973: 287).

The social power wielded by money is irreducibly connected to the shifting, contradictory and antagonistic dynamics of working class reproduction through the consumption of the commodity-form. As this article has tried to demonstrate, money's social power is dependent on a scarcity that is socially constructed, ranging from the absolute scarcity of starvation to the subjective scarcity of limitless wants. Globally, the working class exists across a spectrum of socially imposed scarcity spanning a 'state of nature' of near starvation, to a subjectivity saturated by infinite and insatiable wants. Clearly, for vast numbers of the global working class their ongoing reproduction balances on a knife edge. But likewise for many millions of workers, capitalism has, paraphrasing Marx, ceased offering any civilising possibilities resulting from increased access to social wealth.

As Perlman argues, money has no 'power' per se: 'when men refuse to sell their labour, money cannot perform even the simplest task … [money's] "Power" consists of the disposition of people to sell their daily activities in exchange for money' (Perlman 1977:

64). It is re-constituted in the reproduction of our daily lives, and how we seek to resist and re-shape this process impacts upon the social power of money to command, and in a very real sense, upon the reproduction of capital itself.

Notes

1. De Angelis (1997: 4) defines economic science as 'the elaboration of theoretical and analytical tools that, in a particular historical context, may be appropriate to inform and frame strategies of capitalist accumulation'.
2. De Brunhoff (1979) provides an early analysis of how credit-money can 'pseudo-socially validate' production prior to its realisation, and how any failure of the latter results in a socialised loss through inflation.
3. In 1800, 19 out of 20 Americans still lived on farms, where 'weeks and even months went by without money passing through a person's hands' (Calder 1999).
4. For example, Linebaugh 2003; Thompson 1967; 1971; 1976. Perelman 2000 specifically examines the complicity of classical political economy in this historic task.
5. Debate over the meaning and continuing relevance of primitive accumulation has been much debated recently. Given space constraints, I have not discussed these in this paper; contributions from Bonefeld, De Angelis and Zarembka can be found in The Commoner (www.thecommoner.org). David Harvey has also developed similar arguments around neoliberal 'accumulation by dispossession'.
6. Graber (2011) provides an example of villagers in Madagascar self-consciously giving 'wages' to elders so as to resist the trap of 'wares' and thus the social power of money to command their labour.
7. One anonymous reviewer argued that 'explaining the power of money by means of scarcity seems to contradict the intended critique of orthodox political economy', further noting that 'in Marx, scarcity does not explain money, nor does scarcity inform capitalist social relations'. I would agree that money is not explained by scarcity, as in the sense of a 'rationing' mechanism for allocating limited resources as argued, for instance, by Austrian approaches. The article is suggesting, however, that 'scarcity', which I have argued is a socially constructed concept, is critical to understanding how this social form has a content of exploitation. I would reject the suggestion that scarcity does not infuse capitalist social relations; to my mind, 'scarcity' is critical to any critique of capitalism; it is the output of an economic system alienated from human needs but predicated upon a cycle of infinite reproduction based on profit.
8. It is important to stress that while I focus on the development of economic science, this is but one side of the story, and a largely reactive one to perceived 'barriers' of working class rigidity. Nor do I discuss the worker's own 'rich' needs outside the distorted or negated form presented by the commodity (see Lebowitz 1992).
9. A traditional folksong (Hobsbawn and Rudé 2001: 286).
10. As Marx notes, the term 'labouring poor' was first used in English legislation in opposition to the 'idle poor', before being appropriated by political economy (1990b: 925).
11. For a different view, see Coats 1958–59, although his suggestion of a softening towards labour from 1750 onwards is harder to sustain after the French Revolution.
12. See Eden 1966 for a discussion of the benefits of soup for the masses.
13. An anonymous reviewer of this article suggested that the argument could be extended by analysing the dialectics of, first, exclusion of workers from money as capital in a true monetary economy and, later, subaltern inclusion of the 'household' to the stock exchange and bank debt. I agree absolutely, but in the interests of keeping the paper to a manageable size I have not done so here. Marx's acid-laced musings on penny savings banks in the *Grundrisse* remain relevant here. More fundamentally, the disciplining power of labour's alienated

self is powerfully illustrated through the global activities of pension schemes; workers as disenfranchised equity owners effectively demanding – via their appointed institutional 'agents' – increased shareholder 'value', i.e. their own intensified exploitation.

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