

ON THE NOTION OF A CRISIS OF SOCIAL REPRODUCTION: A THEORETICAL REVIEW

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INTRODUCTION

Since the 1997 "Asian Financial Crisis" there has been a continual drum roll of domestic currency devaluation, banking system collapses, stock market bubble burstings, and classical defined recession that moved from the periphery to the heart of the capitalist system. At the touch of this dark wand of crisis all the Brave New Economy talk of the 1990s which projected infinite, conflict-free increases of profit and wages due to high tech advances and international trade vaporized. A new somber tone has taken over

the ideological high ground. If Michael Rothschild's "The Coming Productivity Surge" was typical of the New Economy literature of the mid-1990s, then Niall Ferguson's *The Cash Nexus* is typical of the current age of crisis (Rothschild 1993) (Ferguson 2001). Instead of computers and biotech, Ferguson argues that only blood and guns will do in this period. He concludes:

Far from retreating like some giant snail behind an electronic shell, the United States should be devoting a larger percentage of its vast resources to making the world safe for capitalism and democracy. This book has tried to show that, like free trade, these are not naturally occurring, but require strong institutional foundations of law and order. The proper role of an imperial America is to establish these institutions where they are lacking, in necessary--as in Germany and Japan in 1945--by military force (Ferguson 2001: 418).

This simultaneous loss of confidence and trumpeting of the violent foundation of capitalism, is inevitably calling forth a critique of economics that will be provided by Marxists and other anti-capitalist who, just a decade ago, had been dismissed to history's ample dust bin. This revival of Marxism will prove an occasion for reviewing the classical (and no so classical) Marxist theories of crisis from the falling-rate-of-profit to the underconsumptionist version.

I am looking forward to this revival of Marxist theory and the review of basic principles and texts that it will invite. But the following essay is not a contribution to a revival of the classical debates on crisis theory for two reasons. First, the essay was originally drafted in the Winter of 1994 after spending January in Mexico following the outbreak and development of the Zapatista revolution. A revised version of the essay was published in 1995 in Italian and later in 1999 in English. The version that follows is from Mariarosa Dalla Costa and Giovanna Dalla Costa (eds.), *Women, Development, and Labor of Reproduction: Struggles and Movements* (Trenton, NJ: Africa World Press, 1999). Consequently, its inspiration arises from developments that antedate the post-1997 crises of capitalism.

Second, my essay takes classical Marxist crisis theory to task for defining crisis in such a narrow way that even bourgeois economics has transcended it. Moreover, anyone concerned about the fate of

human beings would want to understand both why unemployment in the United States increased from 4 to 6% in the last couple of years as why the World Bank predicts that tens of millions of African will die of AIDS in the next couple of decades.

Certainly there has been an enormous expansion of "economic reasoning" far outside the confines of the traditionally defined market since the 1960s whereas many Marxists are still afraid to go beyond the sphere of waged labor. For example, interruptions of social reproduction that had previously been seen as acts of Malthus-loving God via meteorology like famines have become the objects of an important economic debate. But in the post-1973 period, a series of famines, especially in Africa, stimulated innovations in the theory of famines. For with the increased world-wide food surpluses and the efficiency of long-distance grain shipments, the "naturalness" or "inevitability" of famine became less plausible. There had to be other reasons for the starvation of millions of people besides the brute "fact" that there was a "food availability decline."

On the institutional side, therefore, famine was increasingly seen as a planned crisis in analogy with the Kaleckian planning of recessions of "advanced capitalist economies" in response to workers' wage struggles. There followed a debate on the identity of contemporary famine-generating agents, methods and ends.

On the side of the individual, famine was increasingly seen not as an absolute dearth of food in a region, but as a sudden loss of one's entitlements to food and/or the means of subsistence. Famine theory, thus, went through a conceptual revolution in the early 1980s by shifting from "supply side" (Malthusian, climatic, or ecological factors) to "demand side" (entitlement or market failure) explanations. On the basis of new historical work, the great famines of past were shown not to be due to the lack of food in the countries or regions of the famine areas. For example, food was being exported from Ireland in the years that starving Irish cottiers were begin driven off the land and on to the death ships that were to bring them to the other world. Sen argued that the key to the onset of famine was either a rise in the price of food and/or a fall in the "exchange entitlements," i.e., the food one can obtain in the "normal" course of events by any combination of buying, or growing food, or receiving it as payment for rent, interest or wages.

Similar developments can be seen in the examination of other large-scale interruptions of social reproduction like plague, flood and war. Thus ecological economists have shown that many of the subsistence crises of have been caused by "externalities" in the process of capitalist production while a new discipline of catastrophe studies is showing the differential impacts of floods, earthquakes, and volcanic eruptions have an economic etiology.

It now appears like the Four Horsemen of the Apocalypse have been unleashed not by a furious God's command, but were prodded by the intensification class conflict and a profits crisis.

My essay addresses the practitioners of these new disciplines studying crises of social reproduction and attempts to locate three possible paradigms for them. I argue that the paradigm developed by feminists which located the basis of surplus value production in the labor of daily and generational reproduction offers the most promising basis for their work.

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What is the role of extra-market relations in the process of social reproduction, when market relations become the paradigm of social exchange? Are "extra-market" relations and activities (e.g. having a friendly conversation, parenting a child) just a shadow of the central, radiating presence of the market, or are they the bulk of social matter? Is paying exclusive attention to market phenomena--the tip of the social iceberg-- justified, or is this a prescription for conceptual and practical disaster? These questions have long been essential to the self-definition of sociology, as opposed (until recently) to economics.

To get a concrete idea of the issues involved imagine the telephone calls made or e-mail messages sent in a day, in any city of the United States. We may label them as market exchanges, as most calls and messages are bought from a telephone company, and many are made in the context of market activities. But what about the non-marketable exchanges made possible by them? What about the calls and messages that people make, not to buy or sell, but in the context of family relations, love affairs, struggles, including those against the telephone company? These calls and messages certainly have a "use value". Can we say that it is irrelevant to social wealth?

As Marx writes, "The wealth of those societies in which the capitalist mode of production prevails, presents itself as 'an immense accumulation of commodities' (Marx 1967, Vol. 1 : 35)." In the case of a telephone company, wealth presents itself in the form of the company's revenues. But revenues do not reveal the web of information and social coordination that moves through the wires. What is the relation between this informing, imaginative wealth and the commodity form? We know that a telephone workers' strike, or an increase in the interest rate will affect how many calls are made and their price. But what about the social wealth produced in these exchanges? Can all be measured by market means?

If we extend the example of the telephone calls and e-mail messages to include all material exchanges (e.g., conversations, amorous encounters), we begin to discover the great "Other" of the market. This realm, subsisting outside the circulation of commodities and money, has been, since the late 1960s, a pole of attraction for the social sciences. For there has been a growing realization that non-market exchanges can challenge and disrupt the formal economy, and yet are essential to its existence (Swedberg 1987; Swedberg 1990; Smelser and Swedberg 1994). Thus, measuring their quantity, and assessing their potential have become crucial questions in social theory. This is especially true in the study of societies in many areas of Africa, Asia and the Americas, where the commodity form is not dominant, and in the study of housework and the other activities involved in the reproduction of labor-power, which are mostly performed outside the space of formal market exchanges in most of the planet.

To describe the sphere of non-market relations new terms have been developed by the last generation of political theorists: the "unwaged work" sector (Dalla Costa and James 1972), the "social factory" (Tronti 1973), the "shadow economy" (Illich 1981), the "general economy" (Bataille 1988), the "moral economy" (Thompson 1991), the "informal economy" (Latouche 1993). With them, a new set of social-economic polarities has emerged: formal/informal, production/reproduction, market/moral, rational/customary, modern/post-modern, and a deconstruction of social forms has begun. For no sooner were apparent dichotomies identified, than their presumed positive and negative poles were displaced, or inverted, to reveal new fields of relations. Once, for instance, reproductive work, including subsistence farming, was made visible, it could no longer be ignored that the quantity of unwaged labor dwarfs the mass of wage labor, which was previously given pride of place in economic analysis, Marxist and non-Marxist alike.

The first question this theoretical revolution poses for us concerns the status of the older concepts in light of these developments. How has the reappraisal of the importance of non-market relations in social life transformed the concept of social reproduction, previously analyzed by political economy on

the basis of the market alone? More specifically, how does the notion of a "crisis of social reproduction," intended as a break in "normal" market exchanges, and associated (by Marx and the classical economics tradition) with depressions, panics, and bubbles, relate to this realm? Can we develop a more general notion of such crises, by analogy to those rooted in commodity exchanges? Can famines, genocides, wars and other "breaks" in social reproduction be explained through a generalization of the classical notion of crisis?

These questions are the focus of this essay, as they have been for social theory since the 1980s, when it was recognized that famines, and many other catastrophes are by no means natural disasters, but are socially imposed consequences of the negation of entitlements--to food, land and other factors of subsistence--as the work of A. K. Sen and others has demonstrated [cf., (Sen 1981); (Macrae and Zwi 1994); (De Waal 1989)].

My discussion starts with an analysis of Marx's theory of social reproduction, still the most sophisticated classical economic theory on the matter. I, then, identify three alternative approaches that acknowledge the importance of non-market relations, but differ in the way they account for them. The first approach explains non-market exchanges by generalizing the commodity form, the second generalizes the social-exchange relation, the third stresses the value-producing aspects of non-market phenomena. Each also provides a different perspective on the concept of a crisis of social reproduction, which, in my view, is a test of their explanatory power. I conclude that the third approach has the greatest potential for explaining crises of social reproduction like famines.

SOCIAL REPRODUCTION : GENEALOGY AND CRISIS. A MARXIAN VIEW

"Social reproduction" is an odd term. "Reproduction" evokes naturally reoccurring biological cycles, while "social" connotes a set of intentional and voluntary interactions. Nevertheless, the belief that modern capitalist societies have natural reproductive cycles has been central to the development of economics and sociology. The tension present in the concept is evident in the continuing tension between these disciplines. The reasons for it can be illustrated etymologically. "Sociology" is rooted in the Latin *socius*, that stands for a freely chosen companion with whom there are no blood ties. "Economics" derives, instead, from the ancient Greek word *oikos* ("hearth and home"), that describes the bonds of blood and slavery. One could talk about the reproduction of the *oikos*, because the household was not seen as a terrain of choice and freedom, but as the threshold between nature and convention, *physis* and *nomos*, thus sharing the automaticity and repetitiveness of the physical world. From this viewpoint, economic relations were in the realm of necessity. They occurred between husband and wife, parents and children, masters and slaves, and their reproduction was rooted in seemingly "natural" rhythms. Social relations, instead, were in the realm of freedom, being established by mutual agreement among equals, free from "natural" bonds. It was inconceivable that these unique relations, built on desired coincidences, could be reproduced. At best (as in Aristotle's *Ethics*), rules could be set for their preservation.

The Greco-Roman distinction between *socius* and *oikos* eroded, however, with the development of capitalism, as familial, subsistence production was replaced by dependence on monetary exchanges (the foundation of the bourgeois concept of "freedom"). From this development, that affected both the proletariat (after the enclosures) and the rentiers (who had been accustomed to consume goods produced on their estates)--originated the very concept of "society," as a term describing human togetherness, and later the concept of "political economy," where the Greek *politikos* was made synonymous with the Latin *socius*. Locke's "social contract" theory formalized the perception, widespread among the 17th century bourgeoisie, that the "natural" relations of the *oikos* (husband-wife, father-children, master-servant) were

becoming “social,” that is, a matter of individual decision and contract among equals. But a converse recognition was also taking shape, revolving around the idea that society too has a biological metabolism and reproductive cycle. This recognition led to the concept of “social reproduction,” the main object of study for political economy in the period of the Enlightenment.

The first theory of social reproduction was presented by Quesnay in the *Tableau économique*, in the mid-18th century. With a new approach, Quesnay asked how a collection of associated individuals, members of specific classes (rentier, capitalist, worker) and connected only by contract, could reproduce itself in such a way that, after a cycle of production and circulation of commodities, the same individuals and classes would reappear. As Marx was to point out, the analytic power of Quesnay's approach derived from the fact that he rooted his analysis in the old locus of the *oikos*: land and agricultural production. Yet, this was also the limit of the *Tableau*, as manufacturing appears in it only as an embarrassing “miscellaneous,” though, by the late 18th century, industrial production, in Western Europe, was beginning to overshadow agriculture.

In the trajectory from Quesnay to Marx, the most important development in the analysis of social reproduction, was Adam Smith's theory that value production must include industrial labor.(1) But it was Marx, the theorist of the capitalist crisis and proletarian revolution, that was to elaborate the most definitive analysis of the conditions for the reproduction of capitalist society.

This subject is treated in Volume II of *Capital*, where Marx shifted from the class struggle (the focus of Volume I) to the analysis of those social phenomena of capitalist society that return to themselves: circulation, rotation, turnover, circuit, reproduction. Instead of changes in linear variables (e.g., rises in wages, falls in profit), in Volume II, Marx examined those changes that return a system to its starting point, showing how the transformations it undergoes in the process are crucial for both the reproduction of the system as well as its subversion.

The model Marx used to analyze the reproduction of capital, in Vol. 2, was the mechanical theory of heat, developed by mid-19th century physics, that explains macroscopic phenomena as the products of millions of microscopic events and entities (2). In conformity with this method, Marx described the macroscopic aspects of capitalism as the product of millions of micro-events, and accounted for the reproduction of social capital on the basis of the circuits of individual capitals, with their microphysical orbits, different velocities and periods. Marx gave a graphic account of the movement from the micro - to the macro - level in the Introduction to Part III, that deals with “The Reproduction and Circulation of Social Capital”:

...the circuits of individual capitals intertwine, presuppose and necessitate one another, and form, precisely in this interlacing, the movement of the total social capital. Just as in the simple circulation of commodities the total metamorphosis of a commodity appeared as a link in the series of metamorphoses of the world of commodities, so now the metamorphosis of the individual capital appears as a link in the metamorphoses of the social capital (Marx 1967b: 357-358).

Marx's vision of capitalist economy is that of an immense collection of exchanges, with individually coherent circuits, where value is conserved, increased or decreased, and where commodities and money leap back and forth to other circuits in the course of each exchange, transmitting impulses in every direction. (3) It is an image reminiscent of the play of the atoms in the organic chemistry diagrams so popular in Marx's time. For we can imagine capitalist A (i) selling the produced commodity to another capitalist B who uses it as means of production, (ii) taking part of the money so realized and buying some luxury goods from capitalist C, (iii) buying labor power from worker D and new means of production from capitalist E who, in turn energizes, new circuits of other individual capitals.

However, exchange must be profitable for the system to reproduce itself, on the micro-and macro level. Thus, "[a]ll three circuits have the following in common: the self-expansion of value as the determining purpose." (Marx 1967b:103). But no exchange is necessary or guaranteed; each connection can be broken, or its purpose may not be realized; hence the permanent possibility of micro-crisis and even the dissolution of the system as a whole (4). Marx attributes a tremendous importance to the possible breaking of the exchange symmetry. On the breaking of the micro-bonds of capital's circuit, rests for him the possibility of the crisis and the end of capitalism, as we can see from the following passages published (respectively) in 1859 and 1867. "The division of exchange into purchase contains the general possibility of commercial crises ... because the antithesis of commodity and money is the abstract and general form of all contradictions inherent in the bourgeois mode of labor (Marx 1970: 96). And again :

If the interval in time between the two complementary phases of the... metamorphosis of a commodity become too great, if the split between the sale and the purchase become too pronounced, the intimate connexion between them, their oneness, asserts itself by producing - a crisis. The antithesis, use-value and value; the contradictions that private labor is bound to manifest itself as direct social labor, that a particularized concrete kind of labor has to pass for abstract human labor; the contradiction between the personification of objects and the representation of persons by things; all these antitheses and contradictions, which are immanent in commodities, assert themselves.... in the antithetical phases of the metamorphosis of a commodity (Marx 1967a: 113-114).

For Marx the crisis brings to the surface the truth of the capitalist system of social reproduction. For the metamorphosis of the commodity into money and profits, requires a continuous suppression of needs and glaring contradictions. But once the bond between the commodity and money temporally loosens, a gap grows that can explode all the contradictions of capitalist life. As we know, the main contradiction for Marx is in "the bourgeois mode of labor." This may appear irrelevant in the sphere of circulation, since people generally buy goods to satisfy their needs, not because of who made them. But the primary objective of market-exchanges is the expansion of value, and here the labor that goes into the commodity becomes the key factor. For its "contradictions," beginning with workers' struggles, can cut into the capitalists' profits, and put the circulation process into crisis.

As Marx pointed out, the process of social reproduction brings everything back - Money, Commodity, Production - to the starting point. But this return is not guaranteed, since in reproducing itself, capitalism also reproduces its contradictions. "Capitalist production, therefore,..... produces not only commodities, not only surplus-value, but it also produces and reproduces the capitalist relation; on the one side the capitalist, on the other the wage-laborer" (Marx 1967a: 578). Far from being natural, the reproduction of the contradictory, conflictual capitalist relation, is permanently vulnerable to the possibility of crises and catastrophe.

THE CRISIS OF MARX'S THEORY OF SOCIAL REPRODUCTION

Not surprisingly, then, from the publication of *Capital*, Vol. I, in 1867, to the late 1960s, "crisis theory" has been a key component in the development of Marxist thinking, while the attempt to exorcise the danger of the crisis, in theory and practice, has been the driving force of bourgeois economics. Marxists largely accepted and often revisited Marx's account of social reproduction (Palloix 1973; De Brunhoff 1976). But their main concern was establish the possible causes of its crisis, and here Marx's explanation was of little help. Did crises arise from a disproportion in the production of consumer- goods

versus producer-goods? Were they caused by a chronic insufficiency of aggregate demand, or were they a response to the falling rate of profit during periods of expansion and investment (Foley 1986)? Though many times reinterpreted, the text of *Capital* could not resolve the matter.

Still, "crisis theory" generated provocative hypotheses. From Luxemburg's, Hilferding's, Lenin's and Bukharin's underconsumptionist explanations of imperialism, to Kalecki's "political business cycle" theory during World War II, to Baran and Sweezy's "realization" hypothesis and Paul Mattick's "rate of profit" retort in the 1960s, the field of crisis theory was contentious (Luxemburg 1968; Bukharin 1966; Kalecki 1971; Baran and Sweezy 1966; Mattick 1969).(5)

Soon after the publication of Volume I of *Capital*, bourgeois political economy itself underwent a major change. Under the newly adopted name of "economics," it ceased all attempts to explain the totality of social exchanges, and turned its attention to the way in which fields of desire and modes of rational calculation lead to the maximization of utility in individual subjects (whether consumers or firms) at any particular time. Older questions of social reproduction were either refracted in the categories of the new discourse, or became meaningless for economists. For late 19th century economists- such as Walras, Pareto, Jevons and Menger- there could not be such a thing as a crisis. The market was supposed to tend toward an equilibrium, assuring the full employment of all factors of production, and maximizing every one's desires (although under budget constraints). Thus, any movement away from equilibrium had to take the form of a "shock, " i.e. it had to be a phenomenon exogenous to the sphere of economic relations, as, e.g., a change of customs and tastes, an earthquake, or a government decree. The result, for the most part, was that a century of oblivion enwrapped the Marxian problematic of reproduction and crisis in economics. This state of affairs came to an end, however, in the 1960s, when the growth, worldwide, of new social movements, threatening the foundations of capitalist society, forced a reappraisal of both the Marxist analysis of the reproduction/crisis nexus, and its evasion in bourgeois economics.

The problem with Marxist theory was that it could only explain the reproduction of the capitalist-waged-worker relation. But the revolutionary subjects of the '60s were mostly unwaged. They were subsistence farmers in the Third World, housewives, students, and all the "minorities" that make up the bulk of the world's population. Marx's theory was practically silent about these figures, leading many Marxists to underestimate the political potential of the anti-colonial movement, the welfare mothers' and black power movements, the student movement, the womens' movement, and, today, the indigenous peoples' movements.

A similar problem confronted bourgeois economics, as the "unemployed", the "underemployed", the "non-productive" of the neoclassical economic synthesis were making history; and were becoming the subjects of government policies and corporate investment. New paradigms were needed; governments and corporations demanded new reports; and obligingly, the economists came to the rescue with new theories reappraising the economic significance of non-market spheres, from family, to sexuality, racial discrimination, education, health. In both the Marxist and bourgeois research programs, the analysis of what had been left to the rest of the social sciences, especially sociology, now became a priority. The core of this new activity was the re-examination of the concept of social reproduction.

Three new research programs directed at social reproduction emerged in this period, in response to the shortcoming of bourgeois and Marxist political economy. Each can be understood as a generalization of one, or another, moment of the commodity-money-production circuit, as presented in Marx. As we know, this process begins with the commodity, C, that is exchanged for money, M, with which the means for producing the commodity are bought and put into action in the production process, P, leading to a new commodity, C', that incorporates more value than the money invested in the production process. Each moment of this process, that moves from the commodity (C), through a series of

exchanges (M and P), to the commodity C', as increased by the surplus value, allows for a generalization of the economic into the social. The new theories of reproduction and crisis differ from each other with regard to what part of the social reproduction circuit they generalize.

THE TOTALIZATION OF THE COMMODITY FORM : THE MARKET IS ALL.

The first approach explains social reproduction through a generalization of the commodity form. Classical political economy defines a commodity as something that is owned and can legally be exchanged. But even in "advanced" money economies, where the commodity form seems to dominate all aspects of life, there is much that escapes its grip. Much housework is unpaid, and so are many instances of sexual intercourse, most babies are not produced in exchange for money, most votes are not directly bought. Moreover, a large part of the U.S. population is not made up of wage earners nor of private capitalists, and most of the average person's day is not directly involved in wage or profit-earning activities. The vast terrain of love, friendship, sleep and dreams, sickness and death, as well as much religious, scientific, or artistic activity are crucial aspects of social reproduction, though they escape the hold of the commodity form. Or so it seems. For there are economists, like G. Becker, who are ready to dispute that we can ever exit from the world of commodities.

As Blaise Pascal showed in the 17th century, a market logic can be applied even to the question of the salvation of the soul, as he argued that a reasonable person should believe in God and wager his/her energies in living a Christian life, even if there is only an infinitesimally small probability that Christian beliefs may be true. For the infinite pain of going to Hell multiplied by the small probability that Christian beliefs may be true is still much greater than the discomfort of leading a moral life multiplied by the large probability that Christian beliefs may be false.

Pascal's famous wager provides a model for what some have called "the economic approach to human behavior," or the "rational choice theory," "neo-liberalism" and still others have described as a form of "economic imperialism" [(McKenzie and Tullock 1978), (Tullock 1972), (Boulding 1969)]. For if the soul can be treated as if it were a commodity to be invested in, then our leisure time, our children, sexual desires, even our taste for revolution are open to the same treatment under the dominance of capitalism. This, at least, has been the contention of Nobel Prize winner Gary S. Becker, who claims that his economic approach stems from: "The combined assumptions of maximizing behavior, market equilibrium, and stable preferences, used unrelentlessly and unflinchingly, form the heart of the economic approach as I see it" (Becker 1976: 5).

The ideal object of Becker's analysis is the "behavior" of a set of "agents" (e.g., a married couple who behaves like an ideal firm), who treat every decision they make (whether or not to have a child, sleep or stay up, brush their teeth) as if they were rational consumers choosing to buy a car. Becker's model, in effect, applies the logic of commodities to things and activities that are legally or morally inalienable, e.g., children, votes, life, sexuality, or are not given an explicit economic value (rarely, e.g., anyone is paid to dream). Becker and other "rational choice" theorists, explain how people make choices about their personal lives, by taking the market as the model. A "rational agent" would treat all the alternatives "as if" they were commodities with a price attached, calculated by how much time and money it would take (for instance) to bring up a child, or spend an evening with one's lover, where the value of one's time is measured by the amount of money one could earn in the formal labor market in same time period. The "rational agent" would likely have a budget constraint, that would be calculated as a quantity of time, valued at its market value; and s/he would have, then, to choose the combination of "as if"

commodities that would maximize his/her utility. Becker does not claim that actual human beings behave according to these "economic assumptions," but he believes that every actual "behavior" can be compared to what an ideally rational being, embodying the "economic" assumptions of the market, would do, and that the distance between the actual and ideal results can be computed.

Not only has the "rational choice" approach allowed economists to apply their analyses to regions of social life that economics had largely ignored (because it considered them economically irrelevant or because of legal restrictions on their commodification). The growing hegemony, in the 1980s, of a neoliberal perspective that makes of the market the arbiter of all social decision-making has given this theory a new use. Surrogate mothering, the adoption market, the legal traffic in organs-- all have drawn upon it, in their attempt to acquire a legal status.(6) Neoliberals want these new "trades" to be fully legalized, they want polices devised so that bottlenecks in these areas (e.g. the resistance of a surrogate mothers to relinquishing "her" commissioned child) are eliminated, and the social utility of these exchanges maximized. They also want to erase the stigma still attached to the commercialization of these sphere of life, and this is where "rational choice theory" becomes important. The logical conclusion and aspiration of neoliberal politics is to apply Becker's "economic approach" to every aspect of social and individual life, so that commodity logic can prevail even in fields where moral or psychological prejudices have so far barred its application (Posner 1992: 3-4).

Once "rational choice" theory is applied to such fields as demography, then it can claim to provide a general theory of social reproduction, taking into account non-formal as well as formal exchanges. Thus, it is no coincidence that this generalization of commodity logic has led to a "new institutional economics" that tries to provide a "rational explanation" (and justification) for the very existence of commodities, money, firms and capitalism itself (in this way, it gives capitalism the same boost that medieval philosophy gave to the Church, when it devised "proofs" for the existence of God).

One of the key question for "institutional economics" is how to account for the existence and reproduction of super-individual structures, given the dramatic changes in the preferences of the individuals who create them (Williamson 1994). If every aspect of social life is determined by a commodity logic, based on atomized human desires, and if human preferences are continually changing, why (it is asked) do some institutions, for example, the monetary system, survive over long historical periods? The answer given rests on the concept of "transaction costs," these being the additional costs involved in the carrying out of exchanges, production and consumption. A classic example of "transaction costs" are transport costs, but there are other costs as well, e.g., the cost of acquiring information about market prices. A now classic account argues that the "transaction costs" of monetary exchange are lower than those of the alternative, the barter system, because the transportation and information costs of finding someone who has what we want, and wants what we have, in a barter system are very high (Clower 1967). A monetary system, enabling us to exchange commodities for money, short-circuits these costs, and this (we are told) is what makes the institution of a money system reasonable for all market participants. According to this "institutionalist" approach, once a monetary system comes into being its positive features become evident to all, and this is why it survives and is reproduced through time.

It is easy to see why this "economic approach" is a perfect expression of neoliberal ideology. By explaining super-individual structures as the result of rational choices among individuals, it generalizes the commodity form to all aspects of life, and presents the basic components of capitalism as the embodiment of Reason in the social world. However, this approach ignores the beliefs and desires of the very subjects whose behavior it supposedly explains. Many women e.g. have demanded wages for housework, but not to become little entrepreneurs, but to refuse more work and economic dependence (Federici 1982). Similarly, subsistence farmers have struggled, throughout this century, under the slogan "Tierra and Libertad". But this did not mean "Real Estate and Cash Crops." The demand for land, as in the Mexican revolution of 1910-1917 and the Zapatista movement of 1994, expressed the desire to

decommodify the earth, and disentangle it from real estate and the grip of agribusiness (Collier and Quaratiello 1994).

A further problem with "rational choice" theory is that it cannot conceptualize the crises of social reproduction except as shocks exogenous to the commodity system. The shocks must come from "outside," because every process "inside" the system is driven by the decision of rational agents facing budget constraints, and by a predetermined commodity distribution that is supposed to lead to an equilibrium. This explanation is similar to the way in which standard crises are explained in neoclassical economics. According to the latter, changes in tastes and in the natural or social environment (from a craze for chocolates to the discovery of new oil fields) transmit, through the price mechanism, information concerning new desires, new commodity stocks, or new restrictions. As the explanation goes, rational economic agents interpret the new price structures with their budgets in mind, and then shift their pattern of exchanges. As it filters through the market, this shift, at first, can cause catastrophic results, e.g., sudden pockets of unemployment or large stocks of unsold commodities. But, in time, the equilibrium is presumably restored: the unemployed move to areas of high employment, or accept a lower wage at their present jobs; and the unsold commodities are reduced in price or destroyed, if storage costs are greater than any likely future return on their sale. A new equilibrium is reached, with all the market participants (or, at least, those who managed to survive) maximally satisfied, at the end of the adjustment, as they were prior to it.

However, once this neoclassical model is generalized to encompass *all* areas of social life previously excluded from the study of formal market relations, a logical problem appears. Once the commodity logic is generalized, e.g. to the realms of psychology and politics, then changes in these realms cannot be treated as exogenous, nor can they function as the source of shocks to account for the origin of crises. If a new set of desires or a new governmental policy is the product of rational choice, then it cannot be an extra-systemic source of crisis. It becomes part of the formal market. Consequently, one has to either invent a new extra-systemic sphere, or accept the possibility that the system of rational choice is not equilibrium tending, but creates within itself perturbational forces. In other words, *the generalization of commodity logic to the realm of social reproduction puts the logical framework of neoclassical theory itself into crisis.*

B. EXCHANGE GENERALIZED

The second approach to social reproduction sees commodity exchange as a special case of a more general social exchange relation. The main spokesmen for this theory that I will comment on are Granovetter and Foucault, who argue that market relations are "embedded" in a wider network of social relations. Granovetter, echoing the work of Karl Polanyi, emphasizes the importance of trust and obligations as essential conditions for the existence of market relations and the formation of markets. He argues that without some protection against generalized malfeasance and opportunism, and some guarantees of mutual confidence, even the simplest market transactions would not be possible. How could we go to a market--the argument runs--if we could not obtain any trust-worthy information, or ever turn our eyes from our possessions without fear of losing them?

The claim is that protection and guarantees are provided by the "embeddedness" of market relations in "networks" of concrete personal relations (Granovetter 1992: 60). In other words, social reproduction rests on relations of reciprocity and redistribution, as well as market exchanges (Polanyi 1992). According to Granovetter, only in the context of non-utilitarian personal relations of loyalty and mutual recognition, can we understand the "altruistic" behavior required for the operation of a commodity

market driven by egoistic buyers and sellers. Paradoxically, the existence of an economic agent capable of "standing true" to a contract depends on non-economic forms of social behaviors that can be learned only in an environment pre-existing outside the market. In effect, Granovetter "humanizes the market" by claiming that trust, community solidarity, and reciprocity are preconditions, not consequences, of a market society. This position, however, faces a major contradiction: inherent to the advance of market relations is the tendency to destroy the very relations of trust, solidarity and reciprocity the market presumably depends upon.

For both Granovetter and Polanyi it is this tendency that is responsible for crises of social reproduction. Polanyi, for example, has described how the rise of capitalism in the 16th through 18th centuries--the "Great Transformation" of Land, Labor and Money into commodities (Polanyi 1944/57)--destroyed the sociality that was at the root of market relations in medieval Europe. But how could the "Great Transformation" occur, and why, would the market destroy what is vital to its survival? If we accept Granovetter's and Polanyi's assumptions, such phenomena are bound to remain incomprehensible.

This impasse is evident in the politics of "communitarianism," the movement in which the theories of Granovetter and Polanyi have found their political expression. With its revaluation of volunteerism, its praise of "non-governmental organizations," and its fore-grounding of the "non-profit sector" (Etzioni 1988, 1995; Rifkin 1995), communitarianism makes a stand in favor of a market economy but with a "human face." Like Granovetter, the communitarians believe that a triumph of commodity logic--as in the aspirations of the neoliberals--undermines the very market society it wants to consolidate. Thus, non-governmental organizations inspired by this approach have rushed into the various catastrophes caused by neoliberal structural adjustment policies around the planet (from Detroit to Somalia) to save "humanity." But, in this process, they have also helped save "the market" and, by the same token, the very policies which allowed for the development of such catastrophes.

These contradictions may in part explain why, in the intellectual tides of the post-1968 period, Granovetter's (and Polanyi's) analyses have been overshadowed by the work of Michel Foucault. Like other theorists of the "sociology of economic life," Foucault agrees that non-commodifiable relations condition the possibility of capitalist exchange. But, while Granovetter highlights the moral virtues necessary to the life of *homo economicus*, Foucault questions the very concept of "rationality" and the "rational economic agent." In a series of historical works, written between the early 1960s to the early 1980s, he argues that not only is rationality a social construct, but it is shaped in a field of power relations, forming a "general economy" that does not function according to the calculations of a pre-existent rational ego (as believed by the theorists of commodity logic), because it is precisely these power relations that define what "rationality" and the "ego" must be in any particular epoch (Foucault 1971a; Foucault 1971b; Foucault, 1973; Foucault 1977; Smart 1983: 123-137).

Power relations are as essential to Foucault's account of social reproduction as they are to Marx's. In place of the optimistic picture presented by Granovetter and Polanyi, of a network of reciprocity relations surrounding any economic agent, his work confronts us with a somber scenario, where economic rationality is genetically the offspring of regimes organized to produce pain, confinement, control, and of technologies by which power is exercised over its Others (the mad, the ill, the criminal, the sexually deviant).

Foucault rejects, however, the traditional view of power. First, he criticizes the "juridical/monarchical" model of power which poses a central stabilizing axis (the Rule of Law, or the Divinely Sanctified King) at the peak of the social hierarchy legislating, and repressing any deviations from the norm. Echoing Nietzsche's slogan "God is Dead," he asserted that there is no Ruling Class, Judge or King imposing the law on all social agents and punishing its transgressions with death. Nor is there an

opposing class struggle against its rule and prohibitions. In the place of the "binary and all-encompassing opposition between rulers and ruled" serving as a "general matrix" for all power relations, he identified a manifold of omnipresent "relationships of force" that "come into play in the machinery of production, in families, groups, institutions, and are the basis for wide-ranging effects of cleavage running through the social body" (Foucault 1981: 94).

Foucault also rejected the assumption that "power" operates only, or primarily, through a structure of prohibitions, and emphasized instead its productive character. Power relations do not only forbid or restrict social or individual possibilities, but produce new strategies, techniques of control (as exemplified by the development of "Reason" and "economic rationality") and, correspondingly, new capacities in the social individual.

As is well-known, much of Foucault work is concerned with the description of the emergence of new regimes of Power. Particularly influential, in this context, has been his analysis of the development of "bio-power", which he identifies as the distinguishing feature of European societies in the "modern era", beginning with the 18th century. Through this term Foucault describes the forces upon which the social reproduction of capitalist relations has historically depended, and capitalism has in turn developed. Thus, "bio-power" is largely reminiscent of the Marxian "labor-power" and, indeed, Foucault admitted that capitalism would not have been possible without the controlled insertion of bodies into the machinery of production and the adjustment of the phenomena of population to economic processes (Foucault 1981: 140-141). But he adds that "this was not all it required, it also needed the growth of both these factors, their reinforcement as well as their availability and docility; it had to have methods of power capable of optimizing forces, aptitudes, and life in general without at the same time making them more difficult to govern" (ibid.).

Thus, while Marx concentrated on power relations in the factory, Foucault looked at the development of the sciences of sexuality (from demographics to psychoanalysis) that arose in the 19th century to control and develop that main component of bio-power: sexuality. In this way his theory anticipated some of the insights of the feminist and gay movements that equally have stressed sexuality and the family as terrains of power relations. This is, undoubtedly, one of the reasons for the popularity his theory has enjoyed among post-1968 radicals. However, his concern with disentangling power relations from any specific political and economic structure, his insistence on the omnipresence of power relations, and above all his suspicion towards any liberationist project have prevented him to play for the post-1968 generation the role Marcuse played for the activists of the 1960s.

There is the further problem that in his effort to stress the productive (rather than repressive) character of power relations, Foucault has often seemed oblivious to the fact that (a) the "production of life" in the "modern era" has had a purely instrumental character, being finalized to the development of the capacity of work; (b) the production of death has been a permanent component of the capitalist political economy, in all of its stages, as essential to its goals as the "production of life," as proven by the history of colonial conquest, the mechanized slaughters of the First and Second World War, the continuing threat of atomic annihilation, and the economic and ecological catastrophes today plaguing, with increasing frequency, people all over the planet.

By contrast, in his account, so firm is the assumption that, starting from the 18th century, the goal of the state became the "production of life" that his description of the emergence of bio-power on the historical scene, almost recalls a myth of origin, if not the textbook tales still so often rehearsed to establish the progressive character of capitalism:

...the pressure exerted by the biological on the historical had remained very strong for thousands of years; epidemics and famine were the two great dramatic forms of this relationship that was always dominated by the menace of death. But through a circular process, the economic- and primarily agricultural- development of the eighteenth century, and an increase in productivity and resources even more rapid than the demographic growth it encouraged, allowed a measure of relief from these profound threats: despite some renewed outbreaks, the period of great ravages from starvation and plague had come to a close before the French Revolution; death was ceasing to torment life so directly (Foucault 1981: 142).

No trace is to be found here of the famines, massacres, executions that have been the stigmata of capitalism from its beginning to the present. Of the slave trade, of imperial conquest in the ancient and new world, which transferred to Europe tremendous amounts of vital resources nothing is said, instead, productivity has the lion share in the alleged displacement of death from history. Again no mention is made of the Irish famine of 1846. Unacknowledged is also the fact that concern with population growth and the techniques to stimulate it was already rife under the Ancien Regime, as the mercantilists well realized (Heckscher 1955).

Foucault's theory also fails to explain crises of social reproduction, because for him crisis and discontinuity are permanent condition of social reproduction. As mentioned, Foucault rules out both the neo-classic assumption that social reproduction is governed by a centripetal, equilibrium-tending market, and the marxian view of crisis as a product of class conflict. Rather, he pictures it as the result of "unbalanced, heterogeneous, unstable, and tense force relations". This means that crisis is literally everywhere; it is another name for Power itself, it is the norm in a society where, a la Hobbes, war is omnipresent, so that war itself needs no special explanation.

However, this nominalist view leads to logical difficulties. How are the great breaks, "the radical ruptures, [and] massive binary cleavages" possible? How, e.g., did the great transformation of the 18th century from "the Right of Death to the Power over Life" take place? How did the regime of bio-power begin to reproduce itself?

Foucault does not say. Instead, he resorts to Heideggerian statements that project the whole problematic in the realm of metaphysics. Such are the claims that the emergence of bio-power represents "The entry of life into history..."(Foucault 1981:141-142), and that "modern man is an animal whose politics places his existence as a living being in question" (Foucault 1981: 143). We are here reminded of the Heracliteans of old, who forced to explain the large-scale features of the universe, reverted to "harmonies in tension" and the Logos.

C. THE PRODUCTION PROCESS GENERALIZED

The third approach, that I describe as resulting from a generalization of the Marxian idea of production, is the one developed by the feminist theorists and activists politically associated, in the 1970s, with the "wages for housework" campaign and the "housework debate" (Malos 1982). (7)

Fundamental to this approach is the argument that value is created not only by the work needed for the production of commodities, but also by the work needed to produce and reproduce labor-power (Dalla Costa and James 1972). This contrasts with Marx's view that value is only created in the process of commodity production.

For Marx the value of labor-power was measured by the value of the commodities consumed in its production, i.e., by a bundle of "wage goods." Marx refused to give an ontological determination to the value of labor and rejected any supply-and-demand theory of wages. The value of labor-power is for him the product of a "historical and moral" struggle, like that over the length of the working day. Marx, however, did not recognize the unwaged labor that is consumed in the production of labor-power and did not include it in the realm of "productive labor." Aside from a few exceptional passages, he barely took note of the labor involved in child birth, child rearing, housework, the care of the sick and elderly. This aversion to recognizing the productivity of housework has persisted for almost a century in the Marxist tradition, although the "Woman's Question" was crucial in the development of socialist and communist ideology and state planning.

While not the first to challenge this Marxist omission, feminists like Dalla Costa and James in the early 1970s forcefully argued that housework is a value producing activity (Dalla Costa and James 1972). For labor-power is not a natural given, but has to be produced and reproduced as an essential condition for social reproduction. This early work was subsequently developed by James, Dalla Costa and others within the same political and theoretical framework (Dalla Costa M. 1974, 1981, 1983; Fortunati 1995; Federici and Fortunati 1984; Dalla Costa G.F. 1978, 1989, 1995). This perspective was hotly debated within feminist circles throughout the 1970s, and many of its insights have become the starting point for feminist economics and social theory (Picchio 1992; Berch 1982). But though this approach was developed at the same time as Becker's and Foucault's theories of social reproduction, there was very little direct confrontation between them (with the exception of [Federici and Fortunati 1984]).

Dalla Costa and James argue that the primary subjects of the reproduction process--commonly referred to as "housework"--are women, who do not receive any direct payment for their work, although this work is directly productive of value. These facts explain the invisibility of housework, the dependent status of women in capitalist society, the persistent concern by both employers and the state with the stability of "the family." Since housework has largely been unwaged and the value of workers' activities is measured by their wage, then, women, of necessity, have been seen as marginal to the process of social production.

The invisibility of housework hides the secret of all capitalist life: the source of social surplus--unwaged labor--must be degraded, naturalized, made into a marginal aspect of the system, so that its producers can be more easily controlled and exploited. Marx recognized this phenomenon in the case of the 19th-century European wage-earning proletariat. But the post-1968 generation of feminists, who identified the work of reproducing labor power as an unpaid source of value, generalized his analysis to encompass the work of housewives. In time students, subsistence farmers, child laborers, the increasing number of workers, especially sex workers, in near slave conditions were included in the same category [Cf. (James 1975), (Mies 1986) (Caffentzis 1992: 265-268), (Federici 1992), (Dalla Costa M. 1995)]. All the unwaged reproductive activities that orthodox economic theory had either ignored, included in the "wage bundle," or put in the realm of "indirect costs," were introduced by feminist theorists as hidden variables essential to explaining the process social reproduction.

This is not to say that social reproduction is reducible to the reproduction of labor-power. The reproduction of commodities, C, of money, M, and of the production processes themselves, P, require labor power, but are not defined by it. The complex circuits of exchanges that Marx described in *Capital II* remain crucial for an explanation of social reproduction. However, adding the production and reproduction of labor power to Marx' theory of social reproduction, changes the whole Marxist paradigm on a practical and theoretical level. Practically, it changes the concept of "workers' struggles." In Marx, the site of class conflict is the factory, the exemplary place of value production. But if the unwaged also produce value, then their struggles are a key aspect of the class struggle, and can threaten the production

of value. Consequently, "social movements"--whose negotiations/antagonism with capital (public and private) have comprised much of the overt social struggle of the last twenty years (from welfare women's, to gay rights, indigenous people's, environmental and anti-nuclear movements)--become *class movements* .

Theoretically, the "addition" of housework and the circuit of labor-power reproduction changes our perspective on social reproduction. It is well-known that money (M), commodities (C) and the commodity production process (P) can have dichotomous meanings for waged workers and capitalists (Cleaver 1979). For the capitalist, money is a means for investment, while money for the waged worker is the primary access to the means of subsistence. But the inclusion of housework circuit, L, brings a new "perspective" on M, C, and P: the perspective of the unwaged, mostly female worker. This perspective reveals the power relations and divisions within the working class. For example, money is a means of control of her behavior by waged workers who do not recognize the housework as a object of exchange. The "household money" the houseworker spends does not give her the autonomy that wages--the result of a socially recognized exchange between capitalist and worker--do. A network of "informal," but determining, often violent power relations among workers themselves is inscribed in this money with "strings attached,"

The exploration of the power relations operating in the generalized process of social reproduction (C, P, M) from the perspective of the unwaged worker transforms Marxist class analysis and makes it possible to analyze racism and sexism (in all their material embodiments) as class phenomena. It also provides a more subtle foundation to the explanation of crises of social reproduction. A classical Marxist can easily explain how a series of successful strikes in the large plants of a capitalist country can lead to an "economic crisis." But the labor-power production approach allows one to see how "the subversion of the community," through, for example, women's mass refusal to conceive children or to train their children to accept certain kinds of work and wages, can also lead to a crisis of social reproduction as well. For a break in the L circuit brought about by a large-scale (though often silent) struggle of the unwaged houseworkers can have more serious effects on capitalist society than a thousand strikes. The great factory struggles of the late 1960s and 1970s in Italy undoubtedly affected capital, but the decision of Italian women since the late 1960s to struggle for a family size below replacement levels has had probably a much greater impact (Dalla Costa 1974).

The problem of this approach to crises of social reproduction is that the methodology needed to apply it is more subtle and the data it requires are not found in the standard volumes of national economics statistics gathered by governments or international bodies. The UN Development Program is only beginning to record the amount of unwaged housework done in many countries as part of its "human development index." There has been little study of the relationship between variables, like the length of the "labor-power reproduction work day," and other more well-known measures of economic and social crisis.

But these practical problems are outweighed by the contribution of this approach to an understanding of crises of social reproduction. First, it does not need to find an exogenous source of crisis. For crisis is endogenous to the capitalist system not only because of the asymmetry between buying and selling (as noted by Marx), caused by the inability of individual capitalists to satisfactorily complete the metamorphoses of their capital at a proper rate of profit, i.e., due to a contradiction between expectations in the orbit of circulation and the realities of conflict in the terrain of production.

There is also another conflict within capitalism that the labor-power approach brings out, but one that Marx ignored, i.e., the conflict between the needs of capitalist production and the demands of those whose work is centered in the arena of the social reproduction of labor power. This conflict can lead to major crises of reproduction appearing as dramatically falling (or rising) birth-rates, urban riots, or

agrarian revolts. These crises are often seen from the point of view of the market as exogenous, but once the activities of social reproduction are introduced into the cycle of capitalist society they become as relevant as the strikes of unionized workers. The reproduction of labor power is not a variable that can be determined by Keynesian "manpower planning" or neo-classical theories of the labor market; for just as the regular commodity market has the struggle of their producers inscribed within it, so too the labor market has the struggle of those who produce labor power inscribed within it. And that struggle is not dictated by the commodity status of its results nor by the demands of its purchasers. Certainly there is no preestablished harmony leading to the best of all possible worlds when buyer and seller meet, even if it is over the kitchen table.

The labor-power production approach, then, shares with Foucault's the recognition of the permanent possibility of crisis, but it rejects Foucault's claim for the permanent actuality of crisis. For capitalism has laws, material preconditions and class divisions that are standard to the system, and therefore it has a historical form which is reproducible over centuries and continents. Indeed, much of the social standardization that is such a marked aspect of contemporary reality (and is mistakenly called "westernization") is simply the repetition of this form throughout the planet on many different scales. Specific forms of capitalism are so reproducible that international agencies like the World Bank and the IMF are applying a prepackaged template of neoliberal capitalism for its realization in locales as widely divergent as Equatorial Guinea and Tajikistan. The apparent reality of infinite micro-variations of the power model that Foucault employs is vacuous, for there is a drive to totalization within the capitalist mode of production that makes these variations extinct even before they can take on a virtual existence. One of capital's laws, of course, is to make the reproduction of labor power completely dependent upon the wage form and hence to keep the reproducers of labor power both invisible to and controlled by the system. That is the reason for the relentless attack on any guarantees of subsistence, especially to those who reproduce labor power, that has been recently termed "the New Enclosures" (Midnight Notes Collective 1992: 317-333). Foucault's theory of polyvalent, decentered and fragmented force relations cannot account for the crises caused by ability of workers to successfully struggle against their expropriation from the commons of subsistence.

Thus the labor-power production approach escapes the metaphysical flaws of both Becker's Parmenideanism and Foucault's Heraclitianism and can give endogenous accounts of crisis because it posits the antagonism between circulation/production, accumulation/reproduction as a essential to the existence of capitalism.

NOTES

(1) See Schumpeter (1967) for further discussion of the relation between the Physiocrats and Smith.

(2) Physicists like Maxwell demonstrated that one can mathematically explain why a gas noticeably heats up when its volume is decreased by assuming that the gas is made up of millions of invisible, microscopic molecules in constant motion, colliding with other molecules and the walls of the gas' container.

3) Marx's study of this network of micro-circuits of value led to many important insights concerning capital, e.g., the deduction of the mathematical relation of turnover time and the rate of profit. But at the heart of the model was a retelling of the story of society and its reproduction. Marx rejected Locke's tale of rational individuals tacitly agreeing to exchange their natural rights for a system that is to protect their property. He substituted a more complex, but realistic story of millions of daily commodity exchanges between capitalists and workers weaving society together.

(4) J.B. Say ruled out the possibility of a crisis of social reproduction of the sort later described by Marx. He expressed what was later called "Say's Law" in his *Treatise on Political Economy or The Production, Distribution and Consumption of Wealth* with the following words: "It is worth while to remark, that a product is no sooner create, than it, from that instant, affords a market for other products to the full extend of its own value. When the producer has put the finishing hand to his product, he is most anxious to sell it immediately, lest its value should diminish in his hands. Nor is he less anxious to dispose of the money he may get for it; for the value of money is also perishable. But the only way of getting rid of money is in the purchase of some product or other. Thus the mere circumstance of the creation of one product immediately opens a vent for other products." (Say 1964: 134-135).

(5) A brief description of these crisis theories is in order. Underconsumptionist explanations identified the cause of capitalist crisis in the inability of the working class to purchase consumption goods, and the overproduction of the means of production. Rosa Luxemburg's version of this theory is the most resonant for the late 20th century. She argued that capitalism needs a non-capitalist world to absorb its surplus production (and realize the surplus value embodied in it). In her view, the control of the non-capitalist regions of Africa, Asia, and Oceania was crucial for the survival of various national capitals. Thus, inter-imperialist war was an inevitable outcome of a capitalism that had largely subsumed the land and labor of Europe and the Americas. For Luxemburg enters in a final crisis when the last non-capitalist world regions are absorbed into the capitalist mode of production. "Just as soon as reality begins to correspond to Marx's diagram of enlarged reproduction, the end of accumulation is in sight, it has reached its limits, and capitalist production is *in extremis*. For capital, the standstill of accumulation means that the development of the productive forces is arrested, and the collapse of capitalism follows inevitably, as an objective historical necessity." (p. 417) Luxemburg's theory will be decisively tested in the next decade of "globalization." By contrast Kalecki's business cycle theory sees crisis as a political choice of the state aimed to control wage demands.

(6) For a discussion of a neoliberal approach to the "organ shortage" see (Menzel 1990: 182-186) and (Caplan 1988).

(7) In the 1960s and early 1970s a number of French Marxist anthropologists applied a "mode of production" analysis to African societies in ways parallel to the work of Dalla Costa and James. Chief among them was Claude Meillassoux who saw two systems of production coexisting in colonial Africa. One was a system of domestic production whose result was the production and reproduction of labor power exploited by the colonial regime and the other was a mode of commodity production (Meillassoux 1981).

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