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Abstract: This inquiry seeks to establish that both Rosa Luxemburg and Joan Robinson advanced ideas on the accumulation of capital. Related to their social status in their respective eras, each proposed their distinct ideas on the expansion of production and the accumulation of capital. Both scholars bring into consideration the alarming ways that a seemingly ceaseless expansion in turn calls for an expansion of a marketplace for generating sufficient levels of demand for output. These two authors offer historical examples drawn from around the globe, ranging from the commodification of land on the Indian subcontinent to the Opium Wars in China, and beyond.

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This inquiry seeks to establish that both Rosa Luxemburg and Joan Robinson advanced ideas on the accumulation of capital. Published 38 years apart—1913 and 1951, respectively—each of their versions of *The Accumulation of Capital* drew on similar influences while also reflecting the era in which each lived. Both Luxemburg and Robinson approached their analyses of capitalism with varying degrees of critique. While Luxemburg devoted much of her efforts towards analyzing the ideas of her predecessors, such as Karl Marx and Jean Charles Leonard de Sismondi, Robinson took an applied approach and applying economic principles towards understanding profits and accumulation. However, as will be demonstrated herein, both Luxemburg and Robinson share similar views regarding the methods that capitalist nations rely upon for exerting their influence through supporting their national interests abroad.

Luxemburg on the Accumulation of Capital

The manner in which capitalist and non-capitalist societies make production and distribution decisions vary greatly. Luxemburg begins *The Accumulation of Capital* [1913] by taking a critical look at how exactly these decisions are made in a capitalist society and what effects those decisions have. In analyzing motive, Luxemburg (1913, 6) notes that in a capitalist society, profit becomes the primary incentive of production, rather than the needs of society. In her analysis, firms are encouraged to act in, and rewarded for, their own self-interests. This can very often leave the overall needs of society unmet, despite it being fully within the firm's capabilities to do so. Luxemburg (1913, 9) references Marx in her discussion of the disparity between supply and demand when firms are permitted to perform in this way, arguing that a disconnect in supply and demand is a detriment to society. Noting Marx once again, Luxemburg echoes his assertion that given a constant amount of capital, a profit-seeking firm will aim to cut variable costs. Variable costs often taking the form of wages for labor, reducing these costs results in a larger economic divide between owners of capital and laborers.

Many of the downsides of capitalism in which Luxemburg cautioned are still starkly evident today, more than one hundred years later. An unending thirst for profits, Luxemburg (1913, 12) warned, would lead to ceaseless expansion of reproduction. This, in turn, would lead to the cheapness of commodities which would only further commodify our capitalist societies. As soon as one firm in an industry opts for expansion, all firms are impelled to do the same, or risk losing their market share as they will not be able to compete with the increased economies of scale gained by the expanding firm. Examples of this in action have been seen in recent years by both tech companies and coffee companies. As some tech companies grow larger and larger, some of the smaller ones are forced to exert their influence in an attempt to grow, allow themselves to be bought out or run the risk of being squeezed out of the market. Similarly, as companies such as Starbucks and Dunkin Donuts continue to expand their coffee production, smaller companies have had to fight hard to maintain a market presence, while even smaller shops have been forced out.

Luxemburg (1913, 13) discusses how it was only after reproduction had managed to expand that exchange was allowed to take place. Prior to expanded reproduction, which allowed for surplus, there was no need to exchange. Once this exchange became possible, it is what lead to the stratification of classes in society, as whomever controlled the surplus, would be able to control the exchange of these goods. Laborers, bound by the wages paid to them by the owners of capital, had finite resources to exchange back for commodities and were often limited to the most basic commodities necessary for survival.

Creating surplus value and accumulating capital was a multi-step process. As Luxemburg (1913, 16) outlines, there are four conditions necessary for the accumulation of capital. The first being that the production being considered should be one that will allow for surplus value. If surplus value is not possible then a firm will be unable to accumulate capital. The second condition, that the surplus value attained can be converted into money, indicates that not only must a surplus value be possible, but there must also be consumer demand to purchase those surplus goods. The third condition of capital accumulation is that this conversion of surplus value into money can then be redirected into capital improvements. The fourth and final condition is that these capital improvements allow for an increased quantity in production to be realized.

Both Marx and Sismondi discussed the benefits, and where they lay, of machines and the increased production they allow for. As outlined by Luxemburg, (1913, 151) Sismondi saw the expansion of reproduction as the rise of bourgeois economics which brought with it a decrease in small enterprise, a class shift—proleterizing the middle class while impoverishing the working class—while also cautioning the risks of automation and credit. As noted by Luxemburg, these sentiments ran counter to the consensus of the time. Luxemburg (1913, 153) is in agreement with Sismondi in his assertion that the benefits of this automation are being unevenly distributed, while society focuses on the positive effects on the aggregate of private fortunes. Similarly, Marx struggled with the idea of who benefits from this increased production as well. While he acknowledged the capabilities of increased reproduction, Luxemburg (1913, 309) notes that Marx was never able to distinguish the issue of who the new consumers are to offer demand for that increased production. Marx viewed this as a limitation of production for production sake. However, Luxemburg argues that Marx's failure in this regard was failing to realize that the capitalist and the worker were not the sole agents at play.

Most compelling of Luxemburg's examination of the accumulation of capital, and perhaps most telling of her time—at the peak of the era of global expansion policies—is her discussion of capitalism versus natural economies. This concept is viewed through the lens of capitalist countries exerting their influence and policies on to more traditional societies: finding additional markets for the capitalist's expanded production. Luxemburg (1913, 348) begins by outlining her definition of a natural economy. Feudal or peasantry with common ownership, Luxemburg declares, are versions of natural economies in which all demand is internal, there is no excess demand or surplus in these mostly agrarian societies. Capitalists will struggle to inject themselves into these economies in an effort to destabilize these natural economies. This struggle can take the form of revolution or war.

This struggle, Luxemburg (1913, 349) breaks down into four steps. Firstly, gaining possession of production source, such as land or minerals. Secondly, the capitalist will claim to liberate the laborer who was once confined to working only for bare minimum sustenance. The now supposedly free laborer can now be easily coerced into working for a wage. Thirdly, a capitalist will introduce the commodity economy, often by first introducing cheap goods, inspiring laborers to work for wages so as to be able to purchase these goods. The fourth step is to separate agriculture from industry. Once the farmer is no longer the one to make their own tools—once tool manufacturing has been industrialized—the farmer must earn enough surplus so as to be able to afford to purchase tools. This separation, Luxemburg (1913, 376) warns, is sold on the benefits of economies of scale, specialization and efficiency. While in reality, it is aimed at separating producers from the communities that protect them.

Capitalists will argue that without putting these processes in place, global society as a whole will fail to reach its maximum societal benefits. Without introducing the commodity exchange, Luxemburg (1913, 350) acknowledges, many resources which are located in countries without an existing commodity exchange will fail to be realized. Whether that is buried minerals requiring large amounts of capital to extract or timber or game. This dubious justification was used throughout the 18th and 19th centuries to justify colonization of vast swaths of the world by European powers and later, the United States. A prime example laid out by Luxemburg (1913, 351) is that of Britain and India. India, prior to the arrival of the British lived in small village communities, with no private land ownership. This system had lasted thousands of years, through multiple foreign invasions. Upon the arrival of the British, the land was essentially privatized and then taken. Those who had once worked on community farms were then forced to work for wages, which after taxes were levied, left very little.

The British would add very little to the infrastructure in India; however, most notably, they built an expansive rail network across the region. Luxemburg (1913, 366) notes that while almost all accumulation gained through Britain's occupation remained with the British, the one exception is this expansive rail network, still vital to the nation today. However, transportation projects like this have ulterior motives: they are built to widen the commodity market, incorporating farther regions into the network. The further the transportation network expands, the larger the marketplace for Britain's commodities are.

Introducing transportation in an effort to expand the commodification of a region is one very effective strategy to increase the market for a capitalist's expanded production. Luxemburg (1913, 367) also details some other ways in which a capitalist country can force a natural economy to commodify. Through funding of wars and revolutions, natural economy nations can be forced into debt, in which they must pay off by commodifying their economies. This can also be accomplished through less sinister, but just as damaging, loans, such as those for infrastructure projects. When a country with a natural economy accepts these loans, whether directly from another nation or the World Bank, the necessity to repay it forces them to commodify their resources and force their citizens into a wage economy. Luxemburg notes the case of China, which had staunchly resisted western trade. After being flooded with opium, creating an ever-growing demand for the product, China was forced to open its ports after incurring significant debt through the Opium Wars. This is perhaps one of the most striking examples of a society being forced to commodify. So effective was it that a similarly resistant Japan, fearing a similar strategy being used against them, agreed to open its ports as well.

Today, China levies some of these same tactics against other nations in order to gain access to their economies and resources. China's Belt and Road Initiative, aimed to revive the former Silk Road and improve trade access between China and the rest of the world has parallels to Britain's rail network in India and the American rail network through the West. Additionally, there is evidence of China's usage of debt diplomacy, such as in Sri Lanka in which a loan was given to be used to build a new deep sea port; however, failure to repay the loan on time allowed China to take control of the port for use by its navy. Lending and funding of wars and infrastructure projects has been an extremely effective tool by nations seeking to gain access to other country's resources for centuries now.

Robinson on the Accumulation of Capital

Taking a more applied approach to the idea of accumulation, Robinson begins her *The Accumulation of Capital* [1951] by laying out the economy in a more simplistic manner. Robinson (1951, 3) discusses what she refers to as the "robin economy" in which robins occupy their own territory, their labor is to find food, of which there is no surplus, and if they dare to venture into another robin's territory, they do so cautiously. For much of her analysis, economies are discussed in simplistic terms such as this, but Robinson cautions that in reality economies are much more complex than her robin economy.

Analyzing the concept of income, Robinson (1951, 13) breaks it down into 4 sources: wages, rent, interest and profit. The first 3 being contractual, meaning they are agreed upon beforehand. Profit however is the surplus which the entrepreneur can use to increase capital. Robinson (1951, 15) discusses the motives of the individual as well, outlining that it is the motive of the individual to gain control of money, and it is with this control that wants are born.

There are various ways of measuring capital. Robinson (1951, 118) lists four of them, with varying degrees of usefulness. The physical quantity of capital is the first measure, which she cautions has limited practicality due to the inability to compare this quantity between industries, as well as even within the same industry, the significance is different depending on the setting. Productive capacity is another measure, described as the rate of output per unit of labor. The value of capital in terms of commodities Robinson notes as being a particularly useful measure as it accounts for the future selling price, the costs incurred so far and future profits which can be compared to others. The final measure listed by

Robinson is measuring capital in terms of the amount of labor time used. This is described as the value of the stock of capital per unit of labor. This measure is the most significant because it removes wage differential from the comparison. Despite offering these four options for measuring capital, Robinson (1951, 122) warns that the measure of quantity of capital is largely just a linguistic issue, it can be called many things, but the quantity of capital will always be what it is.

Paramount to the accumulation of capital is investment. Robinson (1951, 192) discusses how an entrepreneur will seek to maximize accumulation, while hiding profits for tax purposes and simultaneously projecting larger upcoming profits so as to continue to bring in investment. As Robinson (1951, 198) states, accumulation of capital over the long run is a result of a succession of investments in the short run. It is the entrepreneurs who can successfully navigate these concepts who will be most successful in achieving an accumulation of capital in the long run.

In discussing the roles of landlords and workers in commodity production, Robinson (1951, 296) explains the ways in which production could fluctuate based on who is making—and benefiting from—production decisions. Robinson describes the wealthy landlord, overseeing surplus production. This surplus is then turned into exports, further enriching the landlord who can then purchase luxury goods and excess. In this system, workers are required to work long hours and eat only what their meager wages can afford them. All benefits from the surplus serve to elevate the status of the landlord. Robinson argues that if the workers were to run off the landlord and take over control of production, this surplus, this excess, would cease to exist. Rather than seek to elevate their own statuses through export and luxury goods, the workers would opt instead to downsize production to what is necessary only for their survival: eating more and working less. However, Robinson also notes that even if the workers gain control of production, other industrialists will seek to inspire desire for commodities by offering cheap goods. If industrialists are successful in this, even worked controlled production will again seek to produce a surplus in an effort to afford these goods.

Their Similarities and Dissimilarities

Where both Luxemburg and Robinson share similar reservations is when discussing these methods in which a capitalist nation can exert its influence on less developed nations in order to commodify their economies and further expand the market of the capitalist country. Luxemburg and Robinson go into great detail on the devious methods in which these economic transformations are executed. While Luxemburg detailed the cases of the British in India and China and French in Algeria, Robinson (1951, 396) discusses these methods in more general terms, while echoing Luxemburg by also specifically noting the Chinese Opium Wars and one of the most alarming and lasting examples.

Robinson goes into detail on the strategy of creating wants within a community. If a closed, or agrarian economy has a good that another community or nation desires but is unwilling to trade—be it minerals, spices, fabrics—then the capitalist country seeking trade will strategize to create wants within that community. These wants will be specific wants that the capitalist country would be able to meet. Luxemburg (1913, 376) discusses the ways in which the American railroad system connected previously disconnected Native American tribes into the American economy. A strategy used to manipulate the needs and wants of the Native American communities is noted by Robinson (1951, 369), which was to introduce alcohol to these communities; the ramifications of which can still be felt today. Once there was demand for alcohol in the Native American communities it because much easier to negotiate 2-way trade for other goods. Robinson refers to this strategy as changing the tastes of a desired trading partner. Introduction of alcohol, opium and tobacco being some of the most effective ways of achieving this. However, Robinson also describes other ways communities have been manipulated into changing their tastes, such as using religion to shame communities who have traditionally worn little clothing. This shame leads them to adopt forms of dress from the oppressing country, thus, creating a demand for their cloths and fabrics.

While both Luxemburg and Robinson discussed the ways in which capital is accumulated from slightly different perspectives and at different times, they were both led to the same alarming conclusion: that a ceaseless reproduction of capital would also require a ceaseless expansion of the marketplace. This expansion would eventually consume the domestic marketplace and force producers, and the capitalist nations in which they influence, to seek market expansion elsewhere, regardless of the willingness of other economies to be incorporated into this production cycle. Both startling and seemingly innocuous examples of this expansion are outlined by both women, from the introduction of narcotics to the building of railways and ports, capitalist producer countries have seemingly limitless options to manipulate others in an attempt to expand their seemingly limitless production and the corresponding accumulation of capital.

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