



# **Encyclopedia of Environment and Society**

## **Second Contradiction of Capitalism**

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Edited by: Paul Robbins

Book Title: Encyclopedia of Environment and Society

Chapter Title: "Second Contradiction of Capitalism"

Pub. Date: 2007

Access Date: February 28, 2019

Publishing Company: SAGE Publications, Inc.

City: Thousand Oaks

Print ISBN: 9781412927611

Online ISBN: 9781412953924

DOI: <http://dx.doi.org/10.4135/9781412953924.n963>

Print page: 1580

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The second contradiction of capitalism is an ecological Marxist theory predicting an environmental crisis that develops from the capitalist economy. This theory, developed out of Marx's writing by later theorists, points to reasons that capitalist societies, no matter how well-meaning and conservation-oriented, face environmental limits to their system of production.

Though Marx himself believed that capitalist farming produced negative ecological consequences, he never articulated a broader ecological theory of capitalist contradiction. Rather, the exploitation of labor played the central role while nature and natural resources occupied a peripheral concern. For Marx, capitalism is understood to contain within it the seeds of its own downfall in the form of an internal contradiction.

Specifically, Marx posited that the relationship between the “forces of production” (a combination of labor and infrastructure) and “relations of production” (the social system supporting capitalism) tends to produce an overproduction crisis that threatens continued capital accumulation, potentially leading to its unraveling.

Marx suggests this contradiction threatens continued accumulation. As unpaid labor diminishes, he explained, “a reaction sets in: a smaller part of revenue is capitalized, accumulation slows down, and the rising movement of wages comes up against an obstacle.” In such a situation, consumption ultimately cannot keep up with production. This overproduction crisis, referred to as the first contradiction of capitalism, provokes a crisis point in capitalist relations of production, leading to social change and a new, more sustainable economy.

This predicted crisis does not include or consider environmental factors. Marx was not alone in overlooking the role of resource exhaustion in capitalist production. Neo-Malthusian explanations of environmental degradation, though positing limits to growth, also ignored the endemic feature of resource exhaustion in capitalism.

More recent ecological Marxist critiques of capitalism, however, suggest an additional contradiction, that between the relations of production and the conditions of production (including such things as soil, water, and worker health). In the first issue of the journal *Capitalism Nature Socialism*, James O'Connor (1988) sought to explain the emerging and increasing environmental crises that he argued originated from treating nature as a marketable, and undervalued, commodity. He elaborated this ecological Marxist critique by suggesting that capital's uses and abuses of nature constitute a distinct form of contradiction in capitalism and a threat to environmental systems. This is rooted in the fact that capitalist production necessarily relies on certain conditions such as the free and unfettered access to the raw materials of production. This capitalization of nature externalizes the true costs of production thus raising production costs elsewhere in the system.

O'Connor was influenced by Karl Polanyi's work on the development of free market capitalism. Polanyi suggested that the 19th-century liberal state's reliance on a self-regulating market treated land, labor, and money as mere commodities. The liberal creed that emerged in the early 20th century sought a highly regulated form of a “free” market as the only means to maintain access to the inputs of capitalist production. O'Connor suggested that the commodification of nature inevitably leads to an undervaluation of natural resources. For example, as the raw material for forestry timber becomes lumber only through a production process that demands cheap, unfettered access to forest resources. This pattern provokes resource exhaustion as the true costs of resource access are not borne by those exploiting the resources. Polanyi suggested that such a scheme “could not exist for any length of time without annihilating the human and natural substance of society.” Much as with the contradiction between forces and relations of production, the second contradiction leads inexorably to the destruction of the very conditions on which it relies, in this case the biophysical foundation of life.

Sympathetic critics have argued about O'Connor's notion of a second contradiction in the pages of *Capitalism Nature Socialism* and the *New Left Review*. The debates have included V. Toledo's concern that O'Connor's theory “impute(s) every ecological problem to capitalism,” or, more directly, that the distinction is merely a different form—natural conditions versus social conditions—of the contradiction Marx defined between forces and relations of production.

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<http://dx.doi.org/10.4135/9781412953924.n963>

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- [Capitalism](#)
- [Commodification](#)
- [Communism](#)
- [Markets](#)
- [Malthusianism](#)
- [Marx, Karl](#)
- [Trade, Free](#)

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