

AMAZON: A NEW BUSINESS MODEL BETTER ABLE TO MANAGE THE CONTRADICTIONS OF THE CAPITALIST MODE OF PRODUCTION

Why Amazon?

Amazon constitutes a particularly interesting case study in capitalist development. This enterprise on a colossal scale, whose sphere of activity is the whole world, leader in its market, is one of the most important in the present period in terms of valorisation. It is part of what is called GAFAM: the five big American companies, “giants of the web”, along with Google, Apple, Facebook and Microsoft. Amazon has managed to integrate on a high level the flexibility of labour and various productive processes, involving its own internal workforce as well as numerous sub-contractors. This allows it to skilfully combine the concentration and centralisation of its capital.

Amazon is a capitalist organisation capable of enormously concentrating capital, while not autotomizing the different functions of capital, leading to efficiency in its management. In effect, contrary to appearances, Amazon is far from only being active in the sphere of commercial capital. It fulfils all the functions of industrial capital (financial, commercial and productive) and draws advantage from this integration, notably by controlling flows of money, which means at the same time maximum capture of surplus value (which it does not have to share with other companies) and the acceleration of the turnover of its capital.

Amazon is not content with just massively adopting new information technologies (e-commerce, “artificial intelligence”, “cloud” services) it also uses, transforms and optimises various classical infrastructures which its commercial, productive and financial activities are based on. Amazon has succeeded in combining the use of classical and innovative processes, to reduce overall costs of functioning on all possible levels. It has reduced the time necessary to reach the final customer on a scale never before achieved by any company and invested in the development of innovative products (like the Kindle and Alexa’s voice recognition). Amazon has thus succeeded in giving itself a dominant role, almost a monopoly, in numerous sectors of the global economy. From this position, it has thus been able to counteract the tendency for the rate of profit to fall by realising super-profits. But, certainly, this is not the only way to counteract the fall in the rate of profit. Another way is to increase the rate of exploitation. Once again this validates the thesis of Marx that it is always necessary to mobilise more constant capital in relation to variable capital to increase the productivity of labour – to put it another way, to concentrate crystallised labour as opposed to living labour, which means increasing the rate of exploitation.

Amazon, finally, is a capitalist business capable of centralising capital to a very advanced degree for a long time, while avoiding the pitfalls of an excess of centralisation – that is, the lack of competition, which constitutes a powerful, vital and fundamental motor of the capitalist mode of production.

Amazon manages to directly centralise capital via the acquisition of weaker capitals and via stock market capitalisation, but also indirectly via sub-contracting and, what is truly original on its part, via the aggregation of a myriad of small and medium capitals and the relation of command/dependence which it implements with them over the whole area of the capitalist territory. These capitals, who wouldn't exist on the world market (and perhaps not at all) without Amazon, have the function of taking on basic industrial risk, that of failing to realise the value and surplus value contained in commodities. What's more, Amazon maintains and even stimulates competition on all levels between the capitals that are attached to it, so permanently favouring the emergence of new commodities whose use value will have been able to find a buyer and whose exchange value will be under pressure to fall, whether by the development of the productive forces of labour or, a prominent feature today, by the intensification of the exploitation of living labour and the maximum compression of the price of labour power.

Interesting ourselves in the functioning and the evolving realities of capital, making use of and verifying the operation of Marxist categories, is a basic theoretical and practical task for communists. The analysis conducted in this text addresses several important points concerning the originality of Amazon and shows how it constitutes a particularly powerful business model which the proletariat needs to investigate

Why are we interested in the Amazon model? Because it's a new and very efficient cocktail which integrates the three forms of capital's function

An overview of the development of Amazon

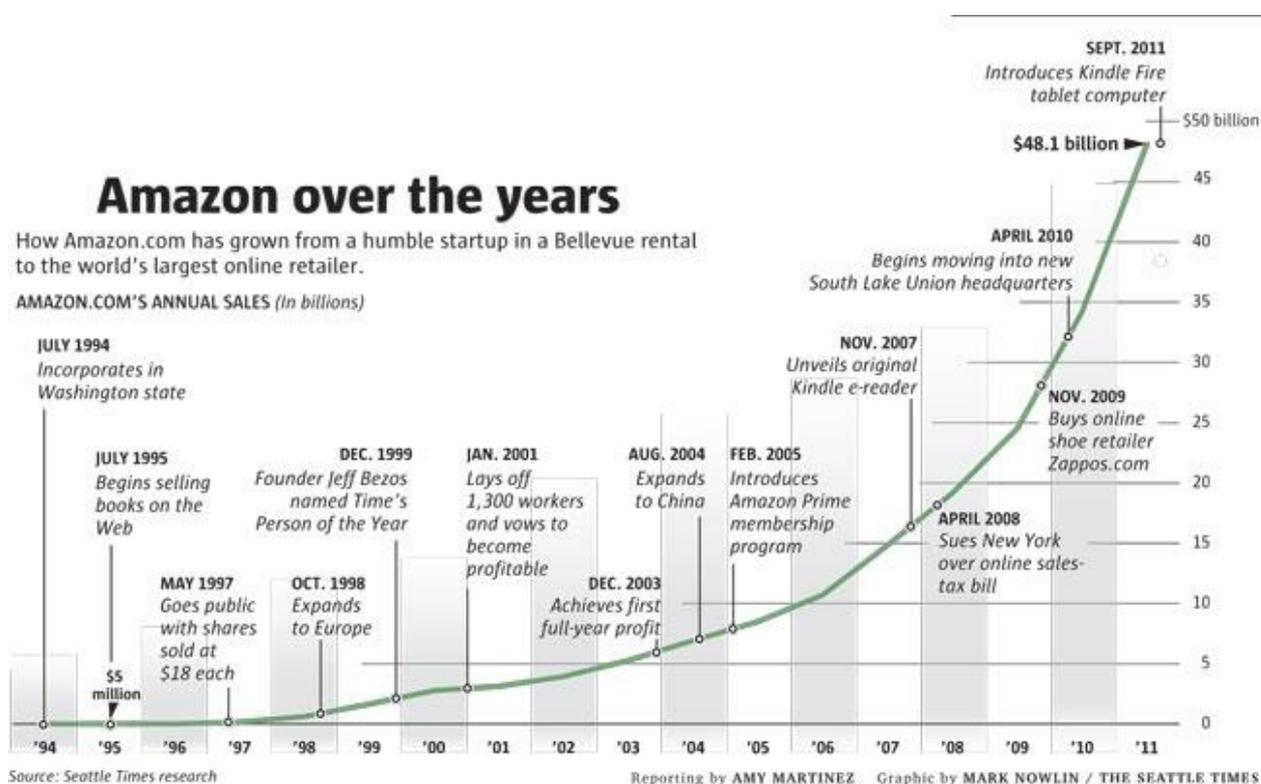
Created in 1994 in Seattle by Jeff Bezos, Amazon was originally a site for online sales of books which very rapidly competed with physical bookshops and those selling by mail order, thanks to the numerous titles which it had on offer. It was floated on the stock market on 15 May 1997, at the price of \$US18 a share, at the time of the bubble in stock market capitalisations of young American companies active on the markets of IT and telecommunication (AOL, Yahoo, eBay, etc.). The thing these companies had in common was a potential for enormous growth and a very strong stock market capitalisation, but little or no profits. Amazon was no different in this respect: from the start, the company always preferred to expand its growth rather than give out generous dividends to shareholders.

Amazon was born at the start of the famous period of the "new economy" (introduction of computers into businesses and homes, the Internet, etc.) whose social process of valorisation of capital was largely founded on the technical basis of new information technologies. This wave of investments had to overturn the organisation of production and raise the level of the productivity of labour¹. The enthusiasm created by the fabulous perspectives that the application of these new

¹ "The impact of these important technological transformations on production and the productivity of labour are all the more important as their diffusion is concentrated over time. "This rapid progress is probably at the origin (or at least permits) the strong growth of productivity recorded in the US in the years 1994-1995", claims the French economist, not without justification. Thanks above all to IT, "average hourly production in American private companies increased by 2.2% per year over the period 1996-1998, a percentage unseen since the 1960s", says Karl Whelan, an economist in the Research and Statistics Division of the US Federal Reserve Bank, in his important study "Computers, obsolescence and productivity" dated February 2000". Mouvement Communiste, Document de travail N°4. "Critique du concept de nouvelle économie" [not available in English at the time of writing].

technologies promised (generating a super-abundance of productive and financial capacities) fell quickly enough when the expected substantial gains in productivity² were slow to arrive, and above all to maintain themselves over time. An overturning of the conditions of production capable of generating an important jump in the productivity of labour always takes much longer than is foreseen. This was translated into the crisis of 2001 which saw a number of technology companies simply disappear while others had to drastically trim their sails.

Amazon was not only capable of getting through this crisis but it was also one of the rare companies in that sector which could grow on a directly global scale. It was also amongst the few businesses which escaped the crisis of 2007. What's more, over the course of the last ten years, Amazon has known how, in an original way, to grab a maximum profit while labour productivity stagnates (or increases very little). If we consider its commercial pole, in 2009, while the large-scale distribution sector was in difficulty, the significant rise in Amazon's profits (\$US 199 million for the last three months, a rise of 68% relative to the same period of the previous year) sur-



prised the financial experts. Sales grew by more than a quarter to \$5.45 billion.

Amazon was and still is to this day an extremely dynamic and aggressive company which has no dogma about its scheme for capitalist development. If one road is a dead end, it takes another one, the important thing being to saturate to the maximum all the pores of a market judged to be insufficiently exploited. With a net result of global sales of more than \$177 billion in 2017 (\$135 billion in 2016) and a stock market capitalisation of \$1,000 billion, it is today the number

See: https://mouvement-communiste.com/documents/MC/WorkDocuments/dtmc_4_critique_concept_nouvelle_economie.pdf

² The rise in productivity was for example inferior to that which followed the introduction of steam and electricity, or even the introduction of the Taylorist organisation of work.

one online sales business in terms of return on capital and stock market capitalisation³ and the second after Alibaba in terms of number of sales. Its operating profit reached \$US 2.2 billion in 2015; 4.2 billion in 2016; 4.1 billion in 2017. These figures include negative results in the international segment (which is explained by a strategy of expansion, notably in India and China) compensated by very positive results from Amazon Web Service (AWS) which is expanding rapidly on a global level.

Operating profits of Amazon by segment from 2015 to 2017 (\$ millions)⁴

	2015	2016	2017
North America	1 425	2 361	2 837
International	- 699	- 1 283	- 3 062
AWS	1 507	3 108	4 331
Consolidated Total	2 233	4 186	4 106

The company's secret? Concentrate over the long term: Amazon tries hard to grow its parts of the market in anticipation of the next sudden change.

A theoretical recap of the three functional forms of capital

In the process of capital accumulation, each capital goes through a movement of transformation where it takes various forms. The cycle of capital begins with a sum of money, whether it comes from a previous cycle of accumulation or, and this is crucial, is borrowed on the credit market. This money, to become capital, tries to get itself invested in production of new additional value and to that end to be exchanged against commodities which will be consumed productively. It is a question of means of production and labour power, that is constant capital – fixed and circulating – and the variable capital which sets it in motion. Coming out of the process of production, the product which is created incorporates the part of the value of constant capital which has been transferred to it, the value of the labour power which has been injected into it and the surplus value. This product is then sold as a commodity with the aim of realising its value and the surplus value which it contains, in the form of profit. It is then, if all goes well, reinvested in the following cycle of accumulation and constitutes the process of enlarged reproduction of capital.

To each function of capital, corresponds a form: money-capital (essentially acting through the sector of interest-bearing credit), commodity capital (the actors of the commercial sector) and productive capital (the sector which generates new value, which includes classical manufacturing industry but also the productive services of so-called immaterial commodities, transport and commercial logistics). The first two forms of capital belong to the sphere of circulation while the third form belongs to the sphere of production, the only one capable of generating new value by the activity of human labour. Part of the surplus value created in the sphere of production is appropriated in the sphere of circulation. These three functions form an inseparable whole, industrial capital proper to the capitalist mode of production.

³ Amazon reached the threshold of \$1,000 billion of stock market capitalisation, just after Apple, in September 2018.

⁴ Source: Amazon Activity Report 2017.

“The capital which assumes these forms in the course of its total circuit and then discards them and in each of them performs the function corresponding to the particular form is industrial capital, industrial here in the sense it comprises every branch of industry run on a capitalist basis. Money-capital, commodity-capital and productive capital, do not therefore designate independent kinds of capital whose functions form the content of likewise independent branches of industry separated from one another. They denote here only special functional forms of industrial capital, which assumes all three of them one after the other” – Marx, Capital Volume II, “IV. The Circuit as a Whole”⁵

At each stage in its cycle, capital is exposed to risks: money may not be able to be invested, production may not be able to generate sufficient surplus value relative to the average rate, and the commodity may fail to be sold. So far, Amazon has succeeded in protecting itself from these risks by developing a particular model of integration of these three functional forms of capital which allows it to avoid sharing surplus value with other capitalists while putting part of the industrial risk (productive, financial, commercial) onto the shoulders of individual capitals external to its structure and to which it opens up direct access to the world market of commodities, something which they are not capable of doing by themselves.

Within companies which have become very big, capitalists have often ended up separating the various functions of industrial capital, mostly out of concern for efficiency. But some companies have done the reverse, such as the big car making groups which at the same time run sites of production, sales networks and financial networks (loans to individuals or to businesses). This is also the case with Amazon, which is active in all the spheres of capital. Its business model therefore gives it strength to resist the risks incurred at each stage in the cycle of capital. This rests on at least three pillars.

- Firstly, the mastery of sales data to guide and command production to the point of being able to predict future tendencies and best-sellers.
- Secondly, capitalist risk is partially distributed to the vendors attached to its sales platform (*Marketplace*) since Amazon only itself markets 50% of the commodities available. A part of these producers is financed by the activities of Amazon’s investment bank.
- Thirdly, Amazon has created means of payment aimed at individuals with the aim of facilitating the sale of commodities, but also in order to make the circulation of money more fluid inside its ecosystem and therefore to control the enormous *cash flow* (the flow of liquidity, to put it another way: the circulation of capital in the money form) generated by the sales. This facilitates the diversification of its activities, notably on booming markets like, for example, that of “artificial intelligence”.

Amazon as commercial capital

Selling online is the historic point of departure for Amazon (the online bookstore). But since then Amazon has massively extended and diversified its range of commodities. In return this has led to increased competition in all the markets and market segments where Amazon is active. Yet the backbone of the Amazon business model still consists of retail sales. Presently, the “all digital”

⁵ E-book version available on Marxists.org

strategy of Amazon is reaching its limits and Amazon is moving more and more from e-commerce to selling in physical shops. In the US online sales still only represent 10% of retail commerce.

The company offers products with a quality/price ratio which is unbeatable by the big competitor brands⁶. Sales have increased overall (correcting for exchange rates), in 2015 (+26%), 2016 (+28%) and 2017 (+31%). In 2017, 60% of sales were from North America, 30% were international and 10% from AWS (*Amazon Web Services*). The growth of sales came from the downward pressure on the prices of commodities and the costs of packing, along with the optimisation of stock management.

Amazon itself sells the commodities which are most commonly sold and for which it can control supply and demand. This accounted for half its sales turnover in 2017. The other half happens on Marketplace⁷. It is literally a virtual marketplace, an online commercial platform on which *small and medium-size businesses* (SMB) try to sell products whose supply and demand are more fluctuating. In 2017, 300,000 SMBs had begun to sell on Amazon. The same year, more than 140,000 SMBs made more than \$100,000 in sales on average. Here Amazon serves as the classical commercial intermediary and makes a commission on the sales achieved on its platform, but it does not charge fees for simply making products available. Amazon charges fixed fees, a percentage of sales, unitary fees, or a combination of all three.

Amazon as productive capital

Starting from its role as a commercial intermediary, Amazon has extended its activity to the production of commodities which it sells on its platform. It has thus created numerous brands of its own including a range of electronic products (examples: the Amazon Basics range, the Kindle reader), artificial intelligence and machine learning for domestic use (example: the connected Echo speakers, which include the voice assistant Alexa). Amazon has also created clothing lines (example: Meraki) – fashion being a sector under development for Amazon – and invested in the production of cultural content. Amazon Studios has produced its own films and TV series since 2010.

As for electronics, Amazon has them produced by a well-known subcontractor, Foxconn. In this, Amazon isn't really any different from other high-tech companies like Apple. For the other products, it is very difficult to know their place of manufacture, which is probably also integrated into a classical model of subcontracting.

The originality of Amazon rests rather on its capacity to aggregate “independent” producers, who sell their products on the online platform and who in return get immediate access to the global market of commodities, which would otherwise be inaccessible to them. Some of them

⁶ Faced with competition, Amazon developed a very aggressive pricing strategy, also variable according to the country where its sales platforms are based, and which can include reducing its own profit margins. Another example of its capacity to get its way: Amazon is the only company in the world which has managed to sell the latest Apple products cheaper than Apple itself (and with the agreement of Apple). In fact, for Apple, products sell themselves, but not as well as hoped for, for various reasons: the smartphone market is mature, the commercial war with China which has led to a certain level of boycott of iPhones by the Chinese etc. Amazon sells quality products at bargain prices. It burns through cash, as Bezos loves to say repeatedly, and doesn't hesitate to sell at a loss, even if legislation doesn't allow it, so as to capture a market.

⁷ See: <https://sellercentral.amazon.co.uk/gp/help/external/200421970>

probably depend entirely on Amazon, even being created around the giant company, an example being “Taobao villages”, after the name of the e-commerce platform Alibaba in China⁸. This dependence is certainly amplified by the provision of loans by Amazon (see below). In this case, the effective demand of capital comes from the distributor (Amazon), which is therefore not formally the owner nor the direct purchaser. This shows that the criteria of the formal status of juridical ownership of the company is not the most important thing for the functioning of capital in general. What is important, in contrast, for a model of the functioning of capital, is its capacity or not to generate new value in sufficient quantity and for long enough.

The case of the cloud

Amazon Web Services (AWS) is dedicated to supplying *cloud computing* services for companies and individual customers. This is principally a productive activity (made to measure software developments, maintenance and technology). Created in 2006, it constitutes a good example of the strategy of diversification of Amazon. In 2017, AWS turned over \$20 billion. It's the segment that has the strongest growth in sales (+43% in 2016 and +55% in 2017). AWS needs and continues to attract enormous investments. The technology was perfected internally to respond to the needs of Amazon then, once mature, was sold to external clients. Today AWS occupies more than 30% of the world market in *cloud computing*, far ahead of its rivals. Amazon has in effect a head-start (infrastructure, experience) on its competitors who are amongst the biggest companies in the world (Microsoft and IBM in particular, but also Google and Apple).

Amazon as financial capital

Merchant/investment bank function

Amazon pre-finances certain companies whose products it thinks will sell well. Amazon Lending was launched in 2011, and allows merchants to get short-term loans for amounts from \$1,000 to \$750,000. For the moment, this service is only available in the US, the UK and in Japan, where Amazon has already dispersed more than \$3 billion of loans⁹. Thanks to credit, Amazon puts itself in a situation of considerably extending its zone of activity to productive companies, and more simply commercial ones. What's more, its system allows it to dilute the industrial risk because, on one side, it is principally borne by the external companies which Amazon makes loans to. And, on the other side, Amazon only makes loans “by invitation”, when it thinks it's the right time. As mentioned above, Amazon develops an analysis in real time of the evolution of its market and therefore exposes itself to very limited risks.

Retail bank function

Another domain, in which Amazon is very active, is payments by individuals. In 2002, Amazon launched its first payment card with JP Morgan and, in 2018; a partnership between the two companies was set up to launch Amazon current accounts. Since 2007, the service Amazon Pay has become an online payment solution in its own right and is usable on other e-commerce sites. To put it another way, it is now possible to pay for purchases starting with an Amazon account which has a credit card number registered to it. This allows Amazon to increase the data collected

⁸ Source: <http://chuangcn.org/2017/04/working-for-amazon-in-china-where-the-global-giant-is-a-dwarf>

⁹ Source: <https://www.forbes.com/sites/zackfriedman/2017/07/25/amazon-bank/>

about its clients, while not limiting itself to the sales carried out on its own platform. What's more, Amazon could reduce the fees on payment transactions relative to financial companies (MasterCard, Visa, card issuing banks etc.). Finally, Amazon has also conceived various payment solutions aimed at “unbanked” households, including Amazon Cash, put in service in April 2017. Clients can reload their Amazon account with cash in a supermarket or at terminals with a personal barcode. In Mexico, where the rate of “unbanked” households is particularly high, in March 2018 Amazon launched its Amazon Rechargeable programme, an offer of debit cards which allow payment everywhere without having to open a classical bank account¹⁰. Amazon has also developed a whole panoply of credit cards aimed at clients with or without a Prime subscription, allowing them to benefit from all sorts of reductions on Marketplace.

Logistics, a bridge sector between productive and commercial capital

Amazon's ultimate weapon on the online sales market rests on its power in logistics¹¹. What's more, its war chest – Amazon sales generate a pretty important circulation of money¹² – depends strongly on its control of the cycle of stocking/destocking/receipt of payment. In the face of competition, massive investments are therefore earmarked for constant optimising of the technical process of storage (maximising the occupation rate) and parcel handling (optimising the time of *picking and packing*).

From the start, Amazon built its own network for transporting commodities.¹³ It's a sector which, according to the categories adopted by Marxist theory, is clearly productive because it adds value to commodities transported to the final buyer.

“If on the other hand we consider the process in relation to commodities, in this case there certainly takes place, in the labour-process, a change in the object of labour, the commodity. Its spatial existence is altered, and along with this goes a change in its use-value, since the location of this use-value is changed. Its exchange-value increases in the same measure as this change in use-value requires labour — an amount of labour which is determined partly by the

¹⁰ Source: <https://www.reuters.com/article/us-amazon-com-mexico/amazon-launches-first-debit-card-in-mexico-e-commerce-push-idUSKCN1GP35A>

¹¹ “You're never as well served as when you do it yourself. Such seems to be the logic of Amazon. Thus, it has thrown itself into the maritime freight business between Asia and the US. It has also for a little while been reserving cargo planes to convey its merchandise across the American continent and even expects to have its own air hub in Kentucky! What's more, it's beginning to have trucks. Another initiative, its sorting centres for parcels are regrouped under its supervision and no longer sent to those of the transporters. Two centres have been recently launched in France, close to their warehouses in Lauwin-Planque (North) and Saran (Loiret). Amazon deploys agencies for the final distribution to clients. There are six of them in France, the latest having opened in Toulouse. There as well, in place of parcels handled by local transport agents, they are gathered in one place and then delivered via sub-contractors. That's not all. For those who have complicated timetables, Amazon deploys lockers from which you can collect your packet at all hours. It is even testing solutions for delivery to the boot of a car at the home of a customer if they are out...”, B. Declaireux, capital.fr, 21 December 2017.

¹² Net results of Amazon sales: \$74.452 billion in 2013; 88.988Bn in 2014; 107.006Bn in 2015; 135.987Bn in 2016 and 177.866Bn in 2017. Cash flow available: \$5,553 billion in 2013; 6,848 in 2014; 12,039 in 2015; 17,272 in 2016 and 18,434 in 2017. Source: Amazon Activity Report 2017.

¹³ “If Amazon drones have still not taken flight to deliver parcels, cargo planes have been doing it for two years. Amazon's Prime Air first saw the light of day in 2016 with 40 transport planes, to make deliveries within two days to the whole of the US. Today the fleet has 10 new additions. 10 Boeing 767-300s expand the ranks of the e-commerce giant's fleet to increase its delivery capacity even more. In addition, the company took the opportunity to rename Prime Air as Amazon Air. Its 50 planes take off from 20 different airports in the country of Uncle Sam, “making possible delivery in two days to almost anywhere in the United States”, according to the statement. Next year Amazon will also open a Regional Air Hub in Fort Worth Alliance airport and at Wilmington, in Ohio. Another will open at the Cincinnati-Northern Kentucky International Airport in 2021.”

Source: <https://fr.ubergizmo.com/2018/12/24/amazon-50-avions-cargo.html>

wear and tear of the constant capital, that is, the total materialised labour which enters into the commodity, and partly by the quantity of living labour, as in the process of increasing the value of all other commodities.

*When the commodity has reached its destination, this change which has taken place in its use-value has vanished, and is now only expressed in its higher exchange-value, in the enhanced price of the commodity. And although in this case the real labour has left no trace behind it in the use-value, it is nevertheless realised in the exchange-value of this material product; and so it is true also of this industry as of other spheres of material production that the labour incorporates itself in the commodity, even though it has left no visible trace in the use-value of the commodity.” – Marx, *Theories of Surplus Value*, Chapter 7, “(J) The Transport Industry as a Branch of Material Production. Productive Labour in the Transport Industry”¹⁴*

Amazon has 175 logistics centres spread over more than 20 countries¹⁵. Amazon’s offer to vendors is to stock their commodities in its warehouses and also charge them for the services of delivery, preferential search result ranking and after-sales service. Amazon can also return unsold goods or destroy them. These warehouse-factories still belong to the productive sphere of capital in so far as the products complete their transformation there before selling. Stocking, packing and transport to the final customer constitute the stages of incorporation of new value and in this way make up part of the costs of production. Effectively, the warehouse does not constitute an interface for contact with the customer. That role is played by the website, and, more recently by a physical shop (the commercial capital of Amazon properly speaking). But, above all, the labour process in the warehouses is industrial. The workers labour under the orders of computers which indicate the instructions to follow. During the whole of their trajectory from entering to leaving the warehouse, the commodities are entirely tracked and controlled by machines. These methods contribute to reducing the problems of delivery, customer dissatisfaction and the associated costs. Each employee, from restocking to packing commodities, is dedicated to one task and one well-specified function in the logistics chain, like an assembly line in a car factory.

Amazon is therefore, from the start, a distributor which has succeeded in minimising the part played by commercial capital in its model – and so making it particularly efficient¹⁶ – and maximising the part of productive capital generating surplus value. And because Amazon occupies the three segments of industrial capital, it appropriates almost all the surplus value created without having to share it with the other capitalist actors (except for the state, certainly, via taxes).

But there as well, Amazon has known (in the same way as the others of GAFAM or similar companies) how to take advantage of the exceptional installation conditions laid out by states wanting to welcome its warehouses and other industrial sites. These conditions consist of offering substantial reductions in taxes on companies. In the generalised context of the fiscal crisis of states following on from the crisis of 2007, more and more voices are raised against the advantages provided to these companies and are beginning to pose serious problems for them.

¹⁴ E-Book available on marxists.org

¹⁵ See the appendix concerning the details of where Amazon facilities are located.

¹⁶ Amazon has thus succeeded, probably without wanting to, in influencing the whole of the logistics sector which is presently trying to catch up by a forced march of automating its technical processes. Proof of the importance of the Amazon model.

These internationalised companies, which are the best representatives of modern capitalism, are also in the sights of various national sovereignty ideologies developing all over the world.

Why is the Amazon model innovative from the point of view of capital? Because it puts forward an original solution to the contradiction between the concentration and centralisation of capital

Amazon has achieved a very high level of concentration and centralisation of capital in its three spheres: productive, commercial and financial. It has invested massively in constant capital and also, but on a smaller scale, in variable capital. This colossal injection of constant capital happens almost mechanically – the conditions of exploitation of labour power remain practically unchanged over the period concerned – a fall in the rate of profit of Amazon is largely compensated by the growth of the mass of its profits qui, in their turn, are re-invested in the company in the form of additional constant capital etc.

This course towards investment is the direct consequence of the competition going on between companies (another potential cause being the class struggle). Individual capital is in fact constrained and forced to grow ceaselessly on pain of being overtaken by its competitors.¹⁷

“Commensurately with the development of capitalist production and accumulation there develop the two most powerful levers of centralisation — competition and credit. At the same time the progress of accumulation increases the material amenable to centralisation, i.e., the individual capitals, whilst the expansion of capitalist production creates, on the one hand, the social want, and, on the other, the technical means necessary for those immense industrial undertakings which require a previous centralisation of capital for their accomplishment. Today, therefore, the force of attraction, drawing together individual capitals, and the tendency to centralisation are stronger than ever before. But if the relative extension and energy of the movement towards centralisation is determined, in a certain degree, by the magnitude of capitalist wealth and superiority of economic mechanism already attained, progress in centralisation does not in any way depend upon a positive growth in the magnitude of social capital. And this is the specific difference between centralisation and concentration, the latter being only another name for reproduction on an extended scale. Centralisation may result from a mere change in the distribution of capitals already existing, from a simple alteration in the quantitative grouping of the component parts of social capital.” - Marx, Capital Vol I, Section VII. Chapter 25¹⁸.

“In any given branch of industry centralisation would reach its extreme limit if all the individual capitals invested in it were fused into a single capital. In a given society the limit would be reached only when the entire social capital was united in the hands of either a single capitalist or a single capitalist company.

Centralisation completes the work of accumulation by enabling industrial capitalists to extend the scale of their operations. Whether this latter result is the consequence of accumulation or centralisation, whether centralisation is accomplished by the violent method of annexation —

¹⁷ *“The battle of competition is fought by cheapening of commodities. The cheapness of commodities demands, caeteris paribus, on the productiveness of labour, and this again on the scale of production. Therefore, the larger capitals beat the smaller.” Marx, Capital. Vol. I., Section VII, Chapter 25. E-book available from: <https://www.marxists.org/archive/marx/works/download/index.htm>*

¹⁸ E-book available from Marxists.org

when certain capitals become such preponderant centres of attraction for others that they shatter the individual cohesion of the latter and then draw the separate fragments to themselves — or whether the fusion of a number of capitals already formed or in process of formation takes place by the smoother process of organising joint-stock companies — the economic effect remains the same. Everywhere the increased scale of industrial establishments is the starting point for a more comprehensive organisation of the collective work of many, for a wider development of their material motive forces — in other words, for the progressive transformation of isolated processes of production, carried on by customary methods, into processes of production socially combined and scientifically arranged.

But accumulation, the gradual increase of capital by reproduction as it passes from the circular to the spiral form, is clearly a very slow procedure compared with centralisation, which has only to change the quantitative groupings of the constituent parts of social capital. The world would still be without railways if it had had to wait until accumulation had got a few individual capitals far enough to be adequate for the construction of a railway. Centralisation, on the contrary, accomplished this in the twinkling of an eye, by means of joint-stock companies. And whilst centralisation thus intensifies and accelerates the effects of accumulation, it simultaneously extends and speeds those revolutions in the technical composition of capital which raise its constant portion at the expense of its variable portion, thus diminishing the relative demand for labour.

The masses of capital fused together overnight by centralisation reproduce and multiply as the others do, only more rapidly, thereby becoming new and powerful levers in social accumulation. Therefore, when we speak of the progress of social accumulation we tacitly include — today — the effects of centralisation.” - Marx. Capital Vol 1, Section VII, Chapter 25¹⁹.

In the course of the process of accumulation, the development of the productive forces of social labour leads to quantitative and qualitative changes in the organic composition of a given capital, which has a general tendency to increase. On one side, the technical composition of capital is modified: the objective factor (machines, infrastructures, materials) grows proportionately more rapidly than the subjective factor (labour power). To put it another way, the relative quantity of labour power necessary to set to work a growing mass of objective factors is less and less large. On the other side, these changes in the technical composition of capital find their complement in its value composition and manifests itself in the significant growth of constant capital (fixed and circulating, laid out in the purchase of machines, infrastructure and primary and secondary materials) relative to variable capital (laid out in the purchase of labour power). But, this relative shrinkage of variable capital relative to constant capital, the change in the value composition of capital, says nothing about the change which happens in technical composition.

“If, e.g., the capital-value employed today in spinning is 7/8 constant and 1/8 variable, whilst at the beginning of the 18th century it was 1/2 constant and 1/2 variable, on the other hand, the mass of raw material, instruments of labour, &c., that a certain quantity of spinning labour consumes productively today, is many hundred times greater than at the beginning of the 18th century. The reason is simply that, with the increasing productivity of labour, not only does the mass of the means of production consumed by it increase, but their value compared with their

¹⁹ Ibid.

mass diminishes. Their value therefore rises absolutely, but not in proportion to their mass. The increase of the difference between constant and variable capital, is, therefore, much less than that of the difference between the mass of the means of production into which the constant, and the mass of the labour power into which the variable, capital is converted. The former difference increases with the latter, but in a smaller degree.” - Marx, Capital Vol 1, Section VII, Chapter 25²⁰.

The evolution of the relative parts devoted to wages and means of production indicates a tendency towards the development of productivity by mechanisation and a growing division of labour. But, to start from the moment where constant capital grows considerably, the rate of profit has a tendency to diminish – even if at the same time the total mass of profit continues to grow – because it expresses the relation between surplus value and the total mass of capital advanced (constant and variable). The more there is mechanisation, the more the rate of profit tends to decline while the rate of exploitation (the relation between surplus value and variable capital) increases.

At the same time that it concentrates itself, capital generates a mass of profit which is bigger each time. Profit is the difference between the price and the cost of production of a commodity. It expresses the “return on investment”, that is to say the profit obtained from an expenditure of capital, with all factors of production taken together because the capitalist does not discriminate between constant capital and variable capital from the point of view of the creation of new value. It is a mystification which hides the relation of exploitation, since profit is one of the expressions of surplus value.

To counter the tendential fall in the rate of profit, capitalists are forced to continuously increase the mass of profit. To this end, it is necessary for capital to concentrate itself even more. Capital thus constantly develops the productive forces with the aim of maintaining the accumulation of value. In this sense, the increase in the organic composition of capital favours the concentration of capital. However, increasing the part of constant capital with the aim of producing on an always greater scale means at the same time reproducing the very cause of the tendential fall in the rate of profit.

But the capitalists also look for ways to intensify productive labour, that is to say that they increase the rate of exploitation so as to obtain more surplus value by starting from its unique source, living labour. They also try, whenever possible, to reduce the wage to below the value of labour power and also to lower the price of the constituent parts of constant capital. To produce *en masse*, is always to produce more commodities which always concentrate less value in themselves and are therefore sold more cheaply, which allows for the conquest of new markets or segments of markets. This process of competition also brings down the price of labour power, and therefore increases the part of labour which is not paid, by reducing the value of the commodities which contribute to its reconstitution.

Finally, as a tendency, all the capitalists try to make super-profits to compensate for the tendency of the rate of profit to fall. Since they only make investments when forced to by competition and by class struggle, it is to be expected that they try by all means to make profit from and

²⁰ Ibid.

to valorise their investments before their competitors apply the same methods and the rate of profit once more equalises downwards.

Super-profits are linked to the dialectic created by competition. They exist because:

- The market situation: being in a monopoly position, or being the first into a market allowing prices to be set.
- The capacity of factors of production: while the capacity for accumulation is elevated (that is to say when the organic composition of a capital is higher).

Another means of concentrating capital is to appropriate means of production created by other capitals, often weakened or even ruined competitors, via projects of merger-acquisitions which centralise multiple capitals into a single bigger capital. Or via the constitution of companies by shares, which allows the centralisation of capital in its abstract form, money. The downside of an excessive centralisation of capitals is the risk of lack of competition, such as situations of monopoly which put the dynamic of capital in peril. Competition is the intrinsic movement of capital and it is subjected to an internal, permanent, dialectic between concentration and centralisation. The most important risk on the level of the system during the process of centralisation is precisely that of reducing, as a tendency, the movement of competition, which can really lead to the end of the dynamic of capital in certain sectors. In the end this threatens the efficiency of capital, and that is why there are, for example, anti-trust (i.e. anti-monopoly) laws.

“The rate of profit, i.e., the relative increment of capital, is above all important to all new offshoots of capital seeking to find an independent place for themselves. And as soon as formation of capital were to fall into the hands of a few established big capitals, for which the mass of profit compensates for the falling rate of profit, the vital flame of production would be altogether extinguished. It would die out. The rate of profit is the motive power of capitalist production. Things are produced only so long as they can be produced with a profit” - Marx, Capital Volume III, Chapter 15.²¹

The Amazon company model presents an original form of centralisation. Amazon does not take the risk of acquiring the small and medium-sized businesses which sell their commodities on Marketplace – while it can encourage their activity via its loan service. Amazon offers its “partners” the opportunity to start storming the world market while without it being an intermediary many of them wouldn’t be able to do it. By opening wide the gates to the world market, Amazon helps to enlarge the channels of circulation of commodities, therefore to augment super-profits in new markets, to accumulate more capital and to massify the production of commodities.

With the aim of realising the value contained in each commodity, the constant search to enlarge the channels of commercialisation is a major preoccupation for all enterprises. This is war of all against all which reigns. Amazon responds to this by agglomerating a multitude of companies whose principal market for the sale of its commodities lies outside their immediate geographic sphere.

²¹ E-book version available on Marxists.org.

First considerations on the consequences for workers

Amazon distinguishes itself from the other GAFAM companies not only by the number of its employees, very large and growing rapidly, but also by the technical composition of labour power. Amazon is one of the rare US companies to employ more than 500,000 workers. It is in fact the second largest private employer in the US (after Walmart which has 2.3 million employees, including 1.5m in the US itself). In 2017, the company employed 566,000 people worldwide, and was estimated to have 1.7 million directly and indirectly linked to it. It created 340,000 new jobs in 2016 and 130,000 in 2017 – notably with the acquisition of Whole Foods (a chain of physical shops) which brought in 90,000 workers. In Europe, thanks to €27 billion of investments since 2010, the company employs more than 65,000 workers, including 25,000 in the UK and 16,000 in Germany (the biggest market for Amazon after the US). In France, Amazon employed 5,500 full-time staff in 2017. It also recruits seasonal workers for its warehouses, some of whom are later integrated into the permanent workforce.

Concerning the composition of the workforce, Amazon employs a large number of low-skilled workers (mostly active in the distribution and sorting centres) relative to the number of highly qualified positions (software engineers and in research and development). This can be verified by the overall mass of wages: in the US, Amazon dispenses 8 times less than Facebook and 7 times less than Google. Another indicator is the level of wages: in 2017, the average wage at Amazon was \$28,446 per year, \$240,430 at Facebook and almost \$200,000 at Google²². By comparison, the median yearly wage in the US was \$31,099 in 2016.²³

Various reports, whether authorised or not by the management, compiled in warehouses²⁴ and by Amazon managers²⁵, show that the working conditions in force in this company are comparable, equivalent, to those experienced by the majority of proletarians in the advanced countries in industry or largescale distribution. The physical strain, in particular in the little-mechanised warehouse-factories where the *pickers* walk 10 to 15 kilometres per day and where, conversely, the *packers* experience long periods of standing in one place, the duration of work, the repetitive tasks at a frantic rhythm imposed by the machines, the surveillance and the permanent pressure from the managers, is accompanied by a company patriotism based on a culture of always producing more. The big boss, the big cheese of Amazon who is the centre of everything, Jeff Bezos, promotes an ideology of “*high standards of quality*”²⁶ and a “*customer orientation*” with slogans such as “*You make history*” (“*Work hard, have fun, make history*” plastered everywhere). Yet,

²² Source : <https://www.recode.net/2018/4/30/17301264/how-much-twitter-google-amazon-highest-paying-salary-tech>.

²³ Source : <https://fred.stlouisfed.org/series/MEPAINUSA672N>.

²⁴ See, for example: <https://www.dailymotion.com/video/x5vqyfl>.

²⁵ In 2015, the *New York Times* published an article following a long enquiry into working conditions at Amazon. This article made a big noise, to the extent that Jeff Bezos *himself* had to speak out, describing the published testimonies as “*anecdotes*”. Source : <http://www.nytimes.com/2015/08/16/technology/inside-amazon-wrestling-big-ideas-in-a-bruising-workplace.html>.

²⁶ “*Building a culture of high standards is well worth the effort, and there are many benefits. Naturally and most obviously, you’re going to build better products and services for customers – this would be reason enough! Perhaps a little less obvious: people are drawn to high standards – they help with recruiting and retention. More subtle: a culture of high standards is protective of all the “invisible” but crucial work that goes on in every company. I’m talking about the work that no one sees. The work that gets done when no one is watching. In a high standards culture, doing that work well is its own reward – it’s part of what it means to be a professional. And finally, high standards are fun! Once you’ve tasted high standards, there’s no going back.*”, J. Bezos, Amazon Activity Report 2017.

the average time served in the company²⁷ is no more than a year... Here is a good example of how the proletariat has not disappeared in the advanced countries, neither *a fortiori* have the fundamentals of the social relation between classes.

Concerning its wages policy, Amazon tends to pay slightly above the minimum wage in force in the states where it is established. For example, in 2018, Amazon stated that permanent staff would get €12.22 per hour starting salary, in Germany, and €14.31 in Spain. In the UK, the basic wage in the company is £9.50 per hour (£10.50 in the London area)²⁸. In France, Amazon refuses to apply the collective labour agreement in force in logistics, preferring its own scale which starts at 2.79% above the SMIC (minimum wage). In 2018 the management granted a wage increase of 2.8% to all employees in warehouses in France.

In the US, Amazon has stated that it pays employees working full-time in warehouses (250,000 people) at the rate of \$15 per hour on average (special payments and bonuses included), and that it is also committed to paying seasonal workers (100,000 people) the same starting from November 2018, anticipating significant recruitment needs during the end of year holidays. In the context of a low unemployment rate (3.9%) which very slowly pushes up wages, but also of a very strong demand for less skilled workers in retail sales, transport and storage, Amazon tries to remain attractive for the labour that it needs and at the same time to equalise the conditions of competition (for example, Walmart has said that it is going to raise its minimum wage to \$11). Amazon has therefore decided to carry on a political fight for the raising of the federal minimum wage (\$7.25 since 2009), which is already well below the minimum wage imposed in various US States (\$11 in California, for example). In the face of the attacks that are regularly made on the company this is also a PR coup, receiving the felicitations of both Bernie Sanders – who has pushed the Democrat agenda of a \$15 hourly wage – and the chief economic adviser to Donald Trump at the time (Larry Kudlow) who declared himself “happy” with such a rise in wages.²⁹

Amazon is known for not allowing much space for unions and collective negotiation. In Germany, the strike days led since 2013 by the Verdi union during the *Prime Day* and *Black Friday* sales pushes, concerning wages and working conditions have prodded the boss somewhat (better ventilation, better lighting, “fruit days”). In Spain, in particular in the San Fernando warehouse in Madrid, the union-organised strike (simultaneous in several countries), from 16 to 18 July 2018, was also conducted with a demand to raise wages (+2.5% for those taken on recently, making an annual basic wage of €19,790, and +5.6% for those with more than 4 years’ experience, making an annual wage of €21,041). This action will probably not undermine the intentions of Amazon to reduce the cost of labour power in the medium term³⁰, whether by direct attacks on the wage or by a mechanisation pushed ever harder in the warehouses allowing a significant jump in productivity.

²⁷ Against 1 year and 1 month, at Google, and 2 years at Apple.

Source: <https://www.forbes.com/sites/forbesbusinessdevelopmentcouncil/2018/06/29/the-real-problem-with-tech-professionals-high-turnover>.

²⁸ The hourly minimum wage in Germany in 2018 rose to €8.84 and to €4.46 in Spain. It was £7.83 in the UK.

²⁹ Source: <https://www.wsj.com/articles/amazon-to-raise-its-minimum-u-s-wage-to-15-an-hour-1538476027>.

³⁰ For the example of Spain, see: https://elpais.com/elpais/2018/03/21/inenglish/1521632646_173135.html.

Hyper-automated distribution centres presently only make up 25 out of the 140 across the world, with 100,000 robots (including 8,000 in Europe) and are mostly in the US and in the UK. In France, the future site of Brétigny-sur-Orge will be equipped by Kiva robots (owned by Amazon Robotics since 2012), just like the distribution centres in Dunstable, in the UK (2,000 robots and 2,000 staff)³¹, Wrocław, Poland, and Barcelona, Spain. In China, where Amazon struggles to gain ground, JD, the main competitor to Alibaba, is expanding rapidly, as it is in Thailand, Indonesia and Vietnam and is beginning to penetrate Europe. The company pushes the limits of automation, including in delivery: drones deliver the commodity in rural areas and experimental self-driving pods criss-cross towns.³²

Amazon has revolutionised the logistical pole of its activities by developing an extraordinary extension of its warehouses and by imposing a new mechanised organisation of labour by gigantic investments. And when the supply of labour becomes a limit for the optimisation of the functioning of warehouses and an economic obstacle to accumulation, a workforce which proves to be also a potential source of social problems, Amazon overcomes it by the introduction of new processes (robotisation of everything that can be robotised)³³ which push back the barriers to growth outside the material means of production relative to the labour employed.

The notion of productive territories in the light of the Amazon model

Since the first “industrial revolution”, industrialisation has affected not only the productive sector, but also international commerce. In particular, transformations in the areas of transport and telecommunications have had an enormous impact. The technological evolution going on (digitisation, generalisation of the use of sensors and robots, the *cloud*, etc.), at the same time inside and outside factories, does not simply transform the processes of fabrication but also has a powerful effect on the model of internationalisation of capitals and on the international division of labour, profoundly altering the composition of the workforce and increasing the facilities for accessing the world market for a whole panoply of businesses active in the spheres of circulation or finance.

In so far as the technologies of information and production converge, companies are beginning to find new means of replacing physical connections, between each other and internally, by a growing number of digital links. Data gathered about suppliers, customers and businesses can be aligned with detailed information about production, which means that processes can be adapted in real time. The physical and digital worlds³⁴ have become irrevocably linked, with the result that machines, systems and people are from now on capable of exchanging information and adjusting themselves automatically.

³¹ Source: <https://www.thisismoney.co.uk/money/markets/article-4052628/Robot-army-save-Amazon-scandal-don-t-paid-don-t-breaks-travel-hundreds-miles-day.html>

³² Source: <https://www.wired.co.uk/article/china-jd-ecommerce-store-delivery-drones-amazon>

³³ “Adopted a long time ago by Amazon, this system has gained a following in the whole e-commerce sector. In the future, dealing with orders will be even quicker (and with less people during peak times...) thanks to Kiva robots, which it bought in 2012. “They automatically move the shelves to the assistants”, stresses Franck Journo, consultant in e-logistics. Several tens of thousands of robots are already in service, essentially in the US. In France, Brétigny-sur-Orge will be the first site to adopt them, guided by machine.”, B. Declaireux, capital.fr, 21 December 2017.

³⁴ A digital world which cannot have a real existence without massive investment in constant capital in gigantic server centres and other very tangible bits of infrastructure.

At the dawn of “*industry 4.0*”, businesses use more and more complex global supply chains and data networks in their operations. Productive geography has less and less to do with physical geography. Growing connectivity means that companies are increasingly subjected to international competition, so they must be even more competitive on the world scale and can no longer be dependent on their geographical region to expand their activities. Greater flexibility and greater automation of production allow them to accelerate the rotation of their capital and increase the speed of their responses to market demands, which improves their competitiveness and leads to the process of concentration/centralisation of capital in general.

“The need of a constantly expanding market for its products chases the bourgeoisie over the entire surface of the globe. It must nestle everywhere, settle everywhere, and establish connections everywhere. The bourgeoisie has through its exploitation of the world market given a cosmopolitan character to production and consumption in every country. To the great chagrin of Reactionists, it has drawn from under the feet of industry the national ground on which it stood. All old-established national industries have been destroyed or are daily being destroyed. They are dislodged by new industries, whose introduction becomes a life and death question for all civilised nations, by industries that no longer work up indigenous raw material, but raw material drawn from the remotest zones; industries whose products are consumed, not only at home, but in every quarter of the globe. In place of the old wants, satisfied by the production of the country, we find new wants, requiring for their satisfaction the products of distant lands and climes. In place of the old local and national seclusion and self-sufficiency, we have intercourse in every direction, universal inter-dependence of nations.” - Marx/Engels, Communist Manifesto³⁵

These transformations do not only concern the process of production, they also always overturn the world of work a bit more and reinforce the opposition between labour and capital. Thanks to software in the *cloud*, an employee can contribute to a project no matter where they are physically. Companies can thus optimise their international networks of staff and subcontractors by using digital connectivity, offering expertise at a distance in real time. In the end, this operational model can mean that centres of strategy, decision making and implementation of the most internationalised companies have no need for a significant physical presence across the world, but will be able to function on the basis of a just a few small groups, dedicated to specific tasks, which will have a significant impact on the intermediate layers of the workforce. This reconfiguration of the labour market does not imply the disappearance of the less skilled workforce, but it does promise an even more significant dividing line between manual and intellectual workers.

The strong spatial dislocation of productive territories, their tendency to global dispersion, can be a hindrance to class struggle or, on the contrary, a vector for its transmission. A hindrance in the sense that, to take the example of Amazon again, in the case of a strike in one of its warehouses, other warehouses in other parts of the world can stand in for the blocked site and ensure business continuity without too much damage to the company. Inversely, companies like Amazon depend for their good functioning on a large number of subcontractors spread all over the planet; the blocking of some of these subcontractors could have significant repercussions for the global activity of the group. Finally, a growing connectivity can also facilitate cooperation between pro-

³⁵ See: <https://www.marxists.org/archive/marx/works/download/pdf/Manifesto.pdf>

letarians around their working conditions, their wages, joint actions etc. Independent workers' organisation is from now on faced with a historic challenge: base itself on globalised productive territories or perish. Its territorial foundation anchored in administrative and regional subdivisions is no more. Proletarian internationalism reveals itself more than ever to be an absolute necessity for workers' autonomy.

By way of a conclusion

Is Amazon really a new business model capable of resisting the destructive violence of the permanent revolution in the productive forces (in which it is one of the central actors), even capable of long-term domination over all the functions of capital that it presently makes use of? The company seems very well armed to face the vicissitudes of its capitalist future, but it's obviously difficult to predict.

When Karl Marx analysed the capitalist development of Britain, he took from it lessons about the future path of the capitalist mode of production. Can we say the same today about Amazon? Manifestly, the Amazon model exercises not only a practical domination over its market, but it is also logically capable of assuring a dominant position as a reference model that other companies will try to transpose into their organisations. Amazon has already overturned the whole of the logistics sector and the *cloud*, where it has planted itself in first position or near enough, pushing companies, including the biggest (like Microsoft) or the oldest (like the French post office) to espouse the movement that it is imprinting on the world market.

Will the future of Amazon be a long peaceful flow across the plain of capitalism? Not exactly. Jeff Bezos, the "*captain of business 4.0*", already anticipates the end of Amazon, contrary to the *leitmotiv* "*too big to fail*". First of all, while the impact of this new "wave 4.0" is already observable, it has not, to this day, yet met the expectations of capital in terms of raising productivity. The gains in this area are still mostly borne, or rather suffered, by the workforce. Secondly, Amazon, like many other internationalised companies (GAFAM but also General Motors, etc.) is affected by attempts at the recomposition of productive territories launched by the Trump government, including the economic war against China by the US, on the basis of the fiscal crisis and the defence of the fringe of his electorate threatened with economic demotion.

From the beginning of his electoral campaign Donald Trump took aim at Amazon, which he accused of being the cause of the closure of thousands of small businesses, which was in line with the Republican candidate calling into question the "giant", read *internationalised*, companies which had abandoned his electorate of choice, those "*left behind by globalisation*"³⁶. The Trump administration notably tried to bring a case for violation of anti-trust laws, to increase the tax rate paid by the company and to revise the level of postal charges paid by e-commerce companies (Amazon sends 45% of its parcels through the US Post Office³⁷ which is in difficulty be-

³⁶ In this regard, see Bulletin no. 13. "*The US presidential election consolidates the global tendency towards reactionary social blocs*", <https://mouvement-communiste.com/documents/MC/Leaflets/BLT1612EN%20vG.pdf>

³⁷ In fact, from 45% (according to: <https://savethepostoffice.com/usps-parcel-growth-slows-as-amazon-self-delivers-more/>) up to 60% (according to: <https://www.seattletimes.com/business/amazon/holiday-packages-hitting-record-level-as-carriers-scramble-to-keep-up/>).

cause of the shift to digital mail³⁸). It is joined in this by the new fringe of the Democrats, the Bernie Sanders tendency, which also takes up the war against GAFAM. Amazon is therefore ranged against the two poles of national sovereignty, representatives of the reactionary fringes of capital.

Amazon is thus confronted with a double problematic. The first, with a direct impact, is materialised in the fiscal crisis of the American state following the financial crisis of 2007. The renationalisation of the economy and the labour market is one of the priorities of the Trump government which therefore comes into conflict with the most internationalised companies. Yet to survive, Amazon, like all companies, must succeed in conquering new markets, which requires the development of the productivity of social labour and the capacity to appropriate super-profits on a world scale. This primary capitalist imperative is presently partly entering into contradiction with something which is also primary, states which are limited in their fiscal capacities because of the last major crisis, while searching at the same time to raise taxes wherever it is still possible. This also obliges big companies to fight to preserve their parts of the domestic market in their countries of origin while governments are, obviously for political motives, disposed to offer better conditions to some of their competitors who would not normally have the means to fight them.

The second problematic with which Amazon could be confronted is the possibility of a lack of competition, which will impact its capacity to continue to innovate and develop. Will Amazon suffer from structural problems coming from a lack of competition or an excessive centralisation of its capital? Given its model, that would be astonishing, but not inconceivable.

If Amazon expresses the innovative tendencies of capital, what of the proletariat which it employs – is it a question of a “new proletariat”? Contrary to the companies based on “uberisation” which rest essentially on the figure of the jobber worker, Amazon exploits its wage-workers in a much more classical way. It recruits and massively assigns workers to manual tasks and simple generic work on logistical chains commanded by machines, certainly always more sophisticated and more powerful. But the increased mechanisation of the workplace must not throw a veil of mystification over the reality of the conditions of exploitation which are invariant characteristics of the capitalist mode of production. The proletariat taken on by Amazon is also integrated into a productive territory even more globalised. Whatever is said by those who no longer see the flesh and blood proletariat, struggles remain to be led on the productive terrain, class struggles. Struggles for proletarian autonomy, for the development of offensive struggles around wages and against the working conditions determined by capital. Struggles which must root themselves and become massive first of all in territories of production and social reproduction, in the factories, in offices, in warehouses, in working class neighbourhoods. Even if for the moment, this perspective is not being realised.

MC/KPK, 19 January 2019

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³⁸ See: https://home.treasury.gov/system/files/136/USPS_A_Sustainable_Path_Forward_report_12-04-2018.pdf.

APPENDIX

Amazon facilities in November 2018³⁹

Flag	Country	Facility Type	Currently Active Facilities	Future Facilities	Active Square Feet	Future Square Feet
	United States of America	Fulfillment Centers, Supplemental Centers & Return Centers	139	36	107,572,249	28,412,636
		Pantry/Fresh Food FCs	21	0	3,985,456	-
		Whole Foods Retail Grocery DCs	12	0	1,043,850	-
		Prime Now Hubs	52	0	1,880,541	-
		Inbound Sortation Centers	8	2	4,683,164	1,230,880
		Outbound Sortation Centers	39	4	11,993,632	1,138,771
		Delivery Stations	114	2	9,669,018	260,000
		Other	0	0	-	-
		Airport Hubs	1	2	200,000	3,350,000
	SubTotal USA		386	46	141,027,910	34,392,287
	Canada	Fulfillment Centers	7	4	3,008,213	3,473,169
	Mexico	Fulfillment Centers	2	0	499,824	-
	Brazil	Fulfillment Centers	1	1	127,440	538,000
	United Kingdom	Fulfillment Centers	22	5	10,173,675	1,921,868
		Inbound Sortation Centers	1	0	-	-
		Outbound Sortation Centers	3	0	555,940	-
		Delivery Stations	45	2	4,031,608	129,410
		Prime Hubs	13	0	315,974	-
	Germany	Fulfillment Centers	20	2	9,891,130	1,614,000
		Inbound Sortation Centers	3	0	2,291,880	-
		Outbound Sortation Centers	0	1	-	365,840
		Delivery Stations	5	2	378,892	168,932
	Prime Hubs	4	0	26,900	-	
	France	Fulfillment Centers	10	0	5,205,020	-
		Sortation Centers	2	0	462,680	-
		Delivery Stations	7	0	629,373	-
		Prime Now Hubs	1	0	43,040	-
	Italy	Fulfillment Centers	5	0	3,314,080	-
		Prime Now Hubs	2	0	16,140	-
		Sortation Centers	1	1	-	365,840
		Delivery Stations	7	0	164,628	-
	Spain	Fulfillment Centers	7	3	3,604,156	1,936,800
		Pantry/Fresh Food DCs	1	0	301,280	-
		Prime Now Hubs	4	0	-	-
		Delivery Stations	10	0	587,820	-
	Czech Republic	Fulfillment Centers & Return Centers	2	0	1,291,200	-
	Poland	Fulfillment Centers	5	0	5,587,055	-
	Slovakia	Fulfillment Centers	1	0	645,600	-
	China	Fulfillment Centers	15	0	7,443,456	-
	Singapore	Prime Now Hubs	1	0	100,000	-
	Japan	Fulfillment Centers	15	0	6,599,306	-
		Prime Now Hubs	7	0	306,170	-
	India	Fulfillment Centers	50	0	3,544,129	-
		Sortation Centers	25	0	-	-
		Delivery Stations	150	0	-	-
	Australia	Fulfillment Centers	2	1	258,240	-
	United Arab Emirates	Fulfillment Centers	2	0	89,300	-
	Egypt	Fulfillment Centers	1	0	195,958	-
	Kuwait	Fulfillment Centers	1	0	28,750	-
	Saudi Arabia	Fulfillment Centers	1	1	91,342	100,000
SubTotal Rest of World			461	23	71,810,199	10,613,859
Global Total			847	69	212,838,109	45,006,146

³⁹ Source : http://www.mwpl.com/html/amazon_com.html.