

Capital(ism), the Progenitor of Socialism

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After clarifying the question of “socialism” in Marx’s understanding, this paper draws from “Capital”—Marx’s economic writings in the period 1857–81, including manuscripts in different notebooks and his correspondence with different people—to throw light on his argument concerning the genesis of socialist society from the contradictions of the existing one.

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This paper is part of a much larger project whose subject is “Socialism in Marx’s Capital,” being written to celebrate the 150th anniversary of Marx’s great work. “Capital” here refers to all of Marx’s economic writings in the period 1857–81. In other words, the material for our work is drawn from all of Marx’s economic writings, *including* the manuscripts in his different notebooks as well as the relevant correspondence he had maintained with different people during almost a quarter century. The present paper is of course a short work which concerns the genesis of the socialist society out of the contradictions of the existing one, where some of the relevant texts are presented.

On the Question of Socialism

Before coming to the proper subject of this paper, it is necessary to clarify in what sense the term “socialism” is employed here, since there are different senses in which it has been used: guild socialism, anarchist socialism, national socialism, market socialism, etc. It should also be stressed at the outset that the socialism of this paper has little in common with what passes for socialism in the popular parlance where socialism signifies a society governed by a single political party—basically the communist party—and where the means of production are owned predominantly by the state—dubbed “public property”—the economy being directed by central planning. The two most important points stressed for this latter socialism are the existence of a central authority exercising political power, and the institution of the so-called “public ownership”—claimed to be the negation of private ownership in the means of production.

This particular conception of socialism owes its origin largely to the practice of the post-1917 regimes under the rule of the communist parties. Given that the two central pillars of this socialism have been State and Party, we could quite appropriately call this socialism “Party–State socialism.” By a remarkable misreading of Marx’s texts, the upholders of this conception tend to assert the origin of this socialism in the ideas of socialism in Marx’s own writings. Of course people have the right to create a social system and call it socialism, like the types of socialism mentioned above. But why bring in Marx?

The single most influential work propagating this socialism is Lenin's 1917 brochure *State and Revolution*, wrongly considered by many as a libertarian work. The great merit of this work is undoubtedly that it restores Marx's original emancipatory ideas on socialism which had been consigned to oblivion by the bulk of Marx's followers. However, leaving aside the quotations from Marx's own work, Lenin's own construction of the future society, claimed to be Marxian, is a remarkable misreading of Marx's texts. There, contrary to Marx, Lenin distinguishes socialism from communism and he considers socialism both as the first stage of communism and transition to communism. He considers the socialist economy as a single factory where the employed citizens are wage labourers, that is, the "hired employees of the state receiving wages."

This is simply standing Marx on his head. Lenin's construction of socialism is simply what Marx would call, in more than one text, state capitalism. Remarkably, Lenin's concept of socialism is basically juridical, the ownership relation, not the relation of production, not the real relation of the producers with the means of production, that is, separation or union. For Lenin, socialism is "social ownership" in the means of production, and social ownership is taken to be the equivalent of the abolition of "private ownership" where, again, the latter ownership is defined as "ownership by separate persons," whereas we read in Marx that juridical relations arise from real relations of production. For Lenin, socialism is "social ownership" which again is specified as ownership of means of production by the working class state.¹ However, our concern here is with Marx's socialism, which is essentially emancipatory, the exact opposite of Party-State socialism where the immediate producers are wage labourers.

In complete contrast with Party-State socialism, let us remind ourselves, the socialism envisaged by Marx has neither State nor Party as its component. In fact, conceived as an association of free and equal individuals, its ruling principle is: "The emancipation of the working class is the task of the working class itself." Second, there is no distinction in Marx between socialism and communism which is equivalently also called (more often) association of free and equal individuals, republic of labour, cooperative society, etc. Third, in this society where there are no classes, at least no contending classes, public power has no political character, that is, there is no state, as Marx very clearly underlines in his two successive works: the 1847 *Poverty of Philosophy* and the 1848 (together with Engels) *The Manifesto of the Communist Party*.²

Beginning with his attack on bureaucracy in his critique of Hegel's political philosophy, Marx came to consider state to be an enemy of human freedom. Already in his 1844 polemic with Ruge, Marx asserted that the existence of state is inseparable from the existence of slavery. This trend continued in Marx till the end of his life. In the same way, the organisation of socialism, as we read in the (1845–46) *German Ideology*, is essentially economic and not political. Indeed, politics is conspicuously absent from Marx's texts on post-capitalist society in complete contrast with the dominance of politics in the Party-State socialism. As well, Marx's socialism has no place for a wage system, thereby no private ownership in the means of production, and no commodity-money relation.

Let us stress, the principal justification for considering the Party-State regimes baptised "socialist" has been the claim of their spokespersons that here there is no private ownership in the means of production in as much as the means of production are not owned by private owners as under capitalism where private ownership signifies, directly following bourgeois jurisprudence—derived

from Roman law—ownership by individuals. As mentioned above, Lenin accepts this conception of private ownership in the sense of ownership by “separate persons.”³

In fact, the spokespersons of the Party–State regime in the Union of Soviet Socialist Republics (USSR) claimed the “realisation” of the “first phase of communism” (that is, socialism) in their land arising from the ownership of 98.7% of means of production by the state and cooperative–collective farms generating 99.1% of national income on the basis of the fulfilment of the Second Five Year Plan (1933–1937).⁴ However this position is pre-Marxian. The remarkable thing in this whole position, following Lenin’s lead mentioned above, is that it completely leaves aside the social relations of production. A few words from Marx may not be irrelevant here. In the sixth manuscript of his draft for the second volume of *Capital* we read:

Whatever be the social form of production labourers and the means of production always remain their factors ... the specific way (*Art und Weise*) in which this union is effected (*bewerkstelligt*) distinguishes the different economic epochs of social formation.⁵

Let us briefly state Marx’s position. At a particular stage of capital accumulation, the ownership of capital ceases to be that of the individual capitalist. It becomes collective as is illustrated by the rise of share companies. Marx calls this in the “main manuscript” of his *Capital*, Volume 3 “the abolition of private property within the limits of the capitalist mode of production itself.”⁶ Within the Marxian framework, the capitalist is not necessarily the individual owner of capital; the capitalist is, more importantly, the functionary of capital, mere manager, simple administrator of other people’s capital whose function is basically to extort surplus value from the immediate producers.

However, there is another meaning of private ownership in Marx, completely ignored by bourgeois jurisprudence as well as by the bulk of Marx’s readers, including his followers. With the great majority of the society totally separated from the means of production having nothing but their own labour power to sell to the society’s minority in possession of the conditions of production, such that they become, in Marx’s words in his 1862 Notebook 6, “ownership of a definite class,” ownership of part of society.”⁷ In other words, they become the private ownership of a *class*. Marx underlines this in more than one text. It follows that the existence of waged or salaried labour, signifying total separation of the producers from the means of production, is a necessary and sufficient condition for the existence of private ownership in the means of production, which of course has been the reality of Party–State socialism in the post-1917 world almost from the beginning.⁸

Socialism’s Genesis in Capital

The future society, often called by Marx simply “Association” arises from the contradictions of the present society itself. This process is best understood by recalling the two principles, derived respectively from Spinoza and Hegel, which inform Marx’s “Critique of Political Economy.” In his first manuscript for *Capital* II, Marx completed Spinoza’s famous saying “all determination is negation” by adding “and all negation is determination.”⁹ Years earlier, in his so-called *Economic and Philosophical Manuscripts* of 1844, while critically commenting on Hegel’s *Phenomenology of Spirit*, Marx had observed that the latter’s “greatness” lay in the “dialectic of negativity as the

moving and creating principle.”¹⁰ In his 1847 critique of Proudhon, Marx stressed that “it is always the bad side that in the end triumphs over the good side ... It is the bad side that produces the movement which makes history by producing struggle.”¹¹ Marx shows how capital creates the objective and the subjective conditions of its own negation and, simultaneously, the elements of the new society destined to supersede it.

In fact, the whole process of production and exploitation under capital contributes to the genesis of its opposite—the new society.¹² This idea we find affirmed in different places in Marx’s work on *Capital*—in the sense given above as his economic work written between 1857 and 1881. Here we refer to a few of the relevant passages. Thus in his 1857–58 manuscripts (Notebook 7), he admiringly refers to one of his teachers, Robert Owen, who held that the development of capital was the necessary condition for the recreation of the society. Referring to the hopelessness, misery and degradation of workers under the capitalists, Owen opined that “these proceed in the regular order of nature and are the preparatory and necessary stages for the great and important social revolution which is in progress.”¹³ Elsewhere in the same work we read:

The extreme form of alienation in which appear the relation of capital and labour, labour, the productive activity, to their own conditions and their own product is a necessary point of transition and thereby in itself ... already contains the dissolution of all the limited presuppositions of production, and rather creates the indispensable (*unbedingt*) preconditions of production and therewith the full material conditions for the total, universal development of the productive powers of the individual.¹⁴

In the first volume of *Capital* we read:

Fanatically bent on making value expand itself, he (the capitalist) ruthlessly forces the human race to produce for production’s sake; he thus forces the development of the productive powers of society, and creates those material conditions which alone can form the real basis of a higher form of society, a society in which the full and free development of every individual forms the ruling principle.¹⁵

In the so-called “sixth chapter” of the first volume of *Capital* (which could not be included in the published book), forming the transition to the second volume, “Results of the Immediate Process of Production,”¹⁶ while analysing the capital–labour relation, where capital dominates labour, product dominates the producer, Marx underlined:

Historically considered, this inversion (*Verkehrung*) appears as the *necessary point* of the passage for creating ruthlessly wealth as such, that is, the productive powers of the social labour which alone can build the material basis of a free human society at the cost of the majority. To go through this antagonistic form is a *necessity* just as the humans at first have to give their spiritual powers an independent religious form confronting them.¹⁷

In another passage of the same chapter we read this opposition-negation:

Labour produces its conditions of production as capital, and capital produces labour as the means of its realizing (*Verwirklichung*) as capital, as wage labour. Capitalist production is not only the reproduction of relation, it is its reproduction at an ever extending scale; and to the same extent as the social productivity of labour develops

with the capitalist mode of production, stretches also the world of piled up wealth in opposition to labour, alienated from it and dominating it. To the same extent also develops its subjective poverty and dependence. Its emptiness grows to the same extent as the fullness of the opposite. The growth of capital and the increase of the proletariat thus appear as growing together, though at the opposite poles.¹⁸

At the same time Marx emphasises the difference of his approach with that of the bourgeois economists,

the conception presented here is essentially different from that of the bourgeois economists imprisoned within capitalist ideas who of course see how production is effected within the capitalist relation but not how this relation itself is produced along with the material conditions of its dissolution thereby removing its *historical justification* as *necessary form* of economic development, the production of social wealth.¹⁹

Coming to the fourth book of *Capital*, “history of the theory” (1861–63), second Notebook, we read (in Marx’s own English):

(T)he capitalistic production is most economical of realized labour, labour realized in commodities. It is a greater spendthrift than any other mode of production of human, of living labour, spendthrift not only of flesh, blood and muscles, but of brain and nerves. It is in fact only at the greatest waste of individual development that the development of general men is secured in the epochs of history which preclude to a socialist constitution of mankind.²⁰

In the third Notebook of the same “fourth Book” Marx noted:

(T)o the extent, in the capitalist production, capital forces the worker to work beyond her/his necessary labour, it creates, as the domination of the past labour over the present labour, surplus labour, thus the surplus value ... Surplus labour is in fact the labour for the society, even though it is the capitalist who at first cashes it in the name of society. This surplus labour is on the one hand the material basis of society’s development, the basis of the general culture. To the extent that it is capital’s constraint which forces the masses of society to work beyond their immediate needs, capital creates the culture, fulfils a socio-historic task.²¹

Again in the 1861–63 manuscripts (Notebook XI), referring to Ricardo’s insistence on production for the sake of production, Marx defended Ricardo against the latter’s sentimental adversaries who upheld that production for production’s sake was not the goal, saying that the upholders of this argument forgot that

production for the sake of production signified nothing but the development of the productive powers of the humans, therefore the development of the wealth of the human nature. If one opposes this to the good of the individual this would mean that the development of the species should be stopped (*aufgehalten werden*) in order to guarantee the welfare of the individual. Such a view reveals a failure to understand that this development of the capacities of the human species, though at first taking place at the cost of the majority of the human individuals and even of classes, finally breaks through (*durchbricht*) this antagonism and coincides with the development of the particular individuals, and therefore the higher development of the individuality is bought only at the price of a historical process in which individuals are sacrificed.²²

The negativity of the social process through union–separation–reunion is again stressed by Marx in the Notebook XVIII (of the 1861–63 manuscripts) of the “History of the Theory”:

The original union between labourer and the conditions of labour (leaving aside slavery where the labourer her/himself belongs to the objective conditions of labour) has two principal forms: the Asiatic community and the small family agriculture, in one or the other form. Both are embryonic forms (*Kinderformen*) and equally little suited to develop as social labour and the productive power of social labour. Hence the necessity of separation and of tearing apart (*Zerreissung*), opposition, between labour and property. The extreme form of this rupture in which the productive forces of social labour are most powerfully developed is capital. Only on the material basis that it creates and by means of the revolutions which in the process of this creation the working class and the whole society undergo, can the original unity be re established.²³

In the first “Book,” that is, the first volume of *Capital*, in the chapter on large-scale industry we read that however terrible, however disgusting the role of the big industry in the dissolution of the traditional family be, by the role that it assigns to the women and children, it creates nevertheless the new economic basis for a superior form of the family and the relation between sexes. Even the composition of the collective labourer of the individuals of the two sexes and of different ages, this source of corruption and slavery under the capitalist regime, carries in itself the germ of a more humane evolution. “In history as in nature putrefaction is the laboratory of life.”²⁴ Marx emphasized that the development of contradictions of a historical form of production was the only historical way of its dissolution and a new configuration.²⁵

Let us conclude with a passage which sums up the process of revolutionary trajectory to the future society engendered by capital itself through negativity:

Capitalist appropriation following from the capitalist mode of production is the first negation of the private property which is only the corollary of independent and individual labour. But the capitalist production itself engenders its own negation with the fatality which governs the metamorphosis of nature. This is the negation of the negation. It re-establishes not the private property of the labourer, but his (her) individual property founded on the acquisitions of the capitalist era, on co-operation and the common possession of all the means of production produced by labour itself, including land.²⁶

Notes

1 Let us recall that “social ownership” in Marx is ownership by society, where state does not exist.

2 In his (1844) letter to Ruge, Marx wrote: “All revolution is a political act. Without revolution socialism cannot be made possible ... as it stands in need of destruction and dissolution. But as soon as the organising functions begin ... socialism throws its *political mask* aside.” In Karl Marx, *Early Writings*, New York: Vintage, 1975, p 420. Emphasis in text.

3 In the Moscow English version the term separate (*otdelnyi*) does not appear.

4 See Vinogradov et al (1978), *Istoriya sotsialisticheskoi ekonomiki SSSR v 7 tomakh*, Vol 4 (Moscow: Nauka), pp 64, 335–36.

5 Marx (2008: 672, 1956: 36–37).

6 Marx (1992: 502, 1984: 438).

7 Marx (1956: 9, 20, 21, 1969: 43, 54, 56).

8 Already in his 1844 manuscripts on economics and philosophy Marx had asserted, “wages and private ownership are identical.” See Karl Marx, *Early Writings*, New York: Viking, 1975, p 332.

9 Marx (1863–67), *Ökonomische Manuskripte* in MEGA² (*Marx–Engels-Gesamtausgabe*) II.4.1, Berlin: Dietz Verlag, 1988, p 216.

10 Marx (1844) *Early Writings* (New York: Vintage 1975), p 386. In the “Afterword” to the second edition of *Capital* volume 1, Marx underlined that as opposed to the “mystified form” of the dialectic, “in its rational form, the dialectic includes in its positive understanding of the existing things at the same time their negation and their necessary downfall” (1987: 709, 1954: 29).

11 Marx (1963) *Misère de la philosophie* (1847) in Karl Marx *Œuvres: Economie I* (Paris: Gallimard), p 89. Years later, Friedrich Engels in his 1886 brochure “Ludwig Feuerbach” cites from Hegel’s *Philosophy of History*: “One believes one is saying something great if one says that the human is by nature good. But one forgets that one says something far greater when one says that the human is naturally evil.”

12 In an earlier text (1847), addressed directly to the workers, Marx underlined what he called the “positive side of capital”: “Without the big industry, free competition, the world market, and the corresponding means of production, there will be no material resources for the emancipation of the proletariat and the creation of the new society.” In “*Arbeitslohn*,” *Marx–Engels Werke* (MEW) 6, p 556.

13 Marx in *Grundrisse* (1953: 602, 1993: 714). This is cited by Marx.

14 Marx (1953: 387, 1993: 487).

15 Marx (1987: 543, 1963: 1096, 1954: 555). Readers will notice that this last sentence is simply a paraphrase of the last sentence of the second section of the 1848 *Communist Manifesto*.

16 Originally intended to be the last chapter of *Capital*, Volume I and passage to *Capital*’s second volume, it could not be included in the printed book. On the other hand it has been considered by the distinguished Marx scholar Rolf Hecker as a good starting point for reading *Capital*. See his preface to its 2009 edition published by Dietz-Verlag, Berlin. Also see the important paper by Irina Antonowa, “Der Platz des Sechsten Kapitels “Resultate des unmittelbaren Produktionsprozesses in der Struktur des Kapitals” in *Beiträge zur Marx-Engels Forschung* 11 (1982).

17 Marx (1988) MEGA² II.4.1 (*Ökonomische Manuskripte* 1863–1867), p 65; “Results of the Immediate Process of Production” in *Marx–Engels Collected Works*, Vol 34, 1994, p 399. Emphasis added.

18 Marx (1988), MEGA² II.4.1, “Results of the Immediate Process of Production,” pp 126–27; MECW, Vol 34, p 463.

19 Marx (1988), MEGA² II.4.1, p 129; 1994, p 466. Emphasis in text.

20 Marx (1976) Manuscripts 1861–63, MEGA² II.3.1, pp 324–27.

21 Marx (1976) Manuscripts 1861–63, MEGA² II.3.1, pp 172–73.

22 Marx (1959) *Theorien über den Mehrwert* II, p 107; (1968) *Theories of Surplus Value* II, p 118.

23 Marx (1962) *Theorien über den Mehrwert* III, p 419; (1971) *Theories of Surplus Value* III, p 423.

24 Marx (1987: 468, 1963: 994, 1954: 460). The last sentence appears in the French version only.

25 Marx (1987: 467; 1963: 993; 1954: 458). The term “contradiction” in the original German text was changed by Marx into the stronger term “antagonism” in the French version. Let us note that in a letter to his friend Kugelmann at about the same period (17 March 1868) he wrote, “I represent the big industry not only as the mother of antagonism, but also as the creator of the material and spiritual conditions necessary for the solution of this antagonism, which naturally cannot be accomplished in all comforts.”

26 Marx (1987: 683, 1963: 1239–40, 1954: 715). It is worth noting that L Althusser found Marx’s phrase “negation of negation” as an “imprudent formula,” and positively reacted to Stalin’s “suppression” of this formula “from the laws of dialectic.” See Althusser (1969). “Avertissement” in “Karl Marx *Le Capital*,” Vol 1, Paris: Garnier Flammarion, p 22.

In his turn, Maximilien Rubel, arguably the most informed Marx scholar after Riazanov, mistakenly thought that the expression “negation of negation” was used by Marx only here, and nowhere else (Marx 1963: 1709). However (to our knowledge) there is at least another place where Marx used it: in his *Mathematical Manuscripts*, where in the opening chapter “On the concept of the derived function” he spoke of the “differential operation” as an example of “negation of negation.” (See the English version of the book published by New Park Publication, London, 1983, p 3.)

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