

Karl Marx's changing picture of the end of capitalism

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GARETH STEDMAN JONES

Fellow of the Academy

Abstract: This essay examines three successive attempts Marx made to theorise his conception of the 'value form' or the capitalist mode of production. The first in the 1840s ascribed the destruction of an original human sociability to the institution of private property and looked forward to its destruction and transcendence in the coming revolution. This vision was shattered by the disenchanting failure of the 1848 revolutions.

The second attempt, belonging to the 1850s and outlined in the *Grundrisse*, attempted to chart the rise, global triumph, and the ultimate destruction of what Marx called the 'value form'. Its model of global triumph and final disintegration was inspired by Hegel's *Logic*. But the global economic crisis of 1857–8 did not lead to the return of revolution. Marx's disturbed reaction to this failure was seen in his paranoia about the failure of his *Critique of Political Economy* (1859).

Marx's third attempt to formulate his critique in *Das Kapital* in 1867 was much more successful. It was accompanied by a new conception of revolution as a transitional process rather than an event and was stimulated by his participation in the International Working Men's Association and the accompanying growth of cooperatives, trade unions, and a political reform movement culminating in the Reform Bill of 1867. This multifaceted picture of transition took the place of the neo-Jacobin conception of revolution dominant in 1848.

In the 1870s, this optimistic sense of development was halted by the Franco-Prussian War, the Commune, trade union moves towards the Gladstone Liberal Pact, and the increasing repression of the Social Democrats in Germany. In this context, especially after Marx's death, transition to socialism came to be considered the result of the collapse of capitalism rather than the political activity of progressive parties. This was the context in which so called 'Marxism' was born.

Keywords: value form, human sociability, *Grundrisse*, Hegel's *Logic*, economic crisis, transitional process, Marxism, multifaceted picture of transition.

If we are to answer the question—what is living and what is dead in Marx’s theory of history?—we must first separate Marx from *Marxism*, for *Marxism* still dominates prevalent ideas about Marx. The popular idea of Marx still associates him with a ‘determinist view of history’, ‘historical materialism’, and so-called ‘scientific socialism’. Yet these were largely the creation of his collaborator and friend, Friedrich Engels and his 19th and 20th-century socialist and communist successors. They were not the ideas which inspired Marx.

Central to any assessment of Marx’s achievement was his *Critique of Political Economy*. This was the subtitle of his major work, *Das Kapital (Capital)*, published in 1867 and whose 150th anniversary we commemorated in 2017. The idea of the *Critique* was not simply to criticise capital, but to treat it like the Romantics of Schelling’s and Hegel’s generation did, as an ‘organism’, a body which grew, reached maturity, and eventually would expire. Marx’s writing was one response to the development in the 1830s and 1840s of what contemporaries across Europe called ‘the social question’—the condition and future of what the political economist, Simonde de Sismondi, had first in the 1810s termed ‘the proletariat’. In part, the anxiety of contemporaries derived from the revelation of the social realities of industrialisation revealed in reports on the poverty and ill-health of town-dwellers, on overcrowding, on the extent of child labour, and on the oppressive conditions of factory work. But in an epoch shaped by revolutions in France and America, anxiety also attached to the political sphere. The exclusion of the new industrial working classes from the suffrage, widespread censorship, repression, and the continued rule of traditional aristocracies were producing mounting political discontent among the middle and working classes of Europe.

Karl Marx was a critical follower of Hegel and radical democratic editor of the *Rheinische Zeitung*. He left the Rhineland for Paris in 1843 following the banning of his newspaper, and in 1844, despairing of political progress in Germany, became a ‘Communist’.¹ Whether as a philosopher of history, an analyst of the capitalist mode of production, an observer of the industrial revolution, or a theorist of class struggle, Marx’s writings remain among the most vivid and provocative testimonies to an age of industrialisation, political revolution, and of the advent of modern political democracy.

¹In the 1840s, ‘communism’ was popularly associated with what Marx called ‘the spectre of communism’, a predatory antagonism towards private property thought to be universal among the ‘proletariat’ and ‘the dangerous classes’. Real ‘communists’ were few, members of the Communist League, mainly exiled intelligentsia or German artisans settled in Paris as economic migrants. Politically, they combined radical democratic demands with a commitment to the emancipation of labour. See ‘Demands of the Communist Party in Germany’, March 1848 (*MECW*, vol. 7: 3–4).

The subtitle of my book, published in 2016, was *Greatness and Illusion*, for I do not see Marx's work as a steady progress towards a triumphant conclusion. Nor do I see it as the dramatic move from ideology to science. Instead, I see his career as a succession of attempts to conceptualise the advent and development of a novel social form, whether called 'commercial society', 'civil society', '*Industrie*', 'bourgeois society', or 'the capitalist mode of production'. Each of these attempts contained exceptional and lasting insights, and also glaring instances of a myopia which often blinded Marx to the discordance between political reality and his reading of events.

I shall concentrate in particular on three of these attempts. The first belongs to the 1840s. It was governed by a picture of original human downfall coincident with the advent of private property, and the development of class struggle, culminating in an epic confrontation between bourgeois and proletarian. This struggle, to be expected in the coming revolution, would end in the supersession of private property and the final restoration of human sociability. This vision was shattered by the disenchanting failure of the 1848 revolutions.

The second attempt belongs to the 1850s and involved a more precise engagement with political economy. It rejected Adam Smith's association of commercial society with man's innate tendency to 'truck, barter and exchange', and, instead, traced its origin to the destruction of primitive communities and the superimposition of what Marx called 'the value form' or 'capital', initially upon the development of exchange, and eventually also of production. There had thus been a transition from the simple exchange of useful objects ('use values') to the ever-enlarging and crisis-prone circulation of commodities ('exchange values')—a global process that sucked in all precapitalist societies. This process would end in self-destruction and replacement by a higher social form. Around the end of the 1850s, this second attempt to depict the rise and imminent fall of the 'value form', expounded in the so-called *Grundrisse*, was confounded, this time by the failure of any crisis to occur. There was no disruption of global politics, no destruction of the global market, and the expectation that the universal expansion of the 'value form' would simply destroy precapitalist forms, whether in India or China, was disappointed.

The third attempt accompanied the appearance of novel forms of radicalism in the mid-1860s. It found political expression in the development of the International Working Men's Association and theoretical articulation in the analysis put forward in *Das Kapital* in 1867. Unlike the preceding *Grundrisse*, in *Capital*, Marx held back from the depiction of the supposed rise and fall of an organism, and implied a more modulated vision of the transition from 'the capitalist mode of production' to a society of 'associated producers'. His hopes of this transition foundered around the time of the Franco-Prussian War and the Paris Commune. But this attempt bequeathed a language of social democratic aspiration which inspired and shaped the conflicts of the following century.

MARX'S 'CRITIQUE' IN THE 1840s

Let us describe the relationship between these three attempts in more detail. The first provided the context in which his *Critique* was originally formulated, and therefore requires to be described at greater length.

1844 marked the beginning of Marx's preoccupation with political economy. As editor of the *Deutsch-Französische Jahrbücher*, an exile journal in Paris, he received an article, 'Outlines of a Critique of Political Economy' by Friedrich Engels, the son of a textile manufacturer and a radical follower of the Berlin-based Young Hegelians. In 1842, while on his way to England, where he had taken up a position as a manager in his father's Manchester factory, he had been converted to 'communism' by Moses Hess in Cologne. While in Manchester, Engels was attracted to the socialism of Robert Owen, and he drew much of the material for his essay from the ideas of the Manchester Owenites, whose lectures he regularly attended. The Owenites particularly attacked competition and 'the practice of buying cheap and selling dear'. Engels combined this position with a direct attack on private property, inspired by the writings of the French socialist, Pierre Joseph Proudhon.²

It was this equation between political economy and private property, which first inspired Marx to embark upon his own *Critique*. Private property was responsible for the destruction of Man's social nature. The guiding question was how the development of exchange relations had transformed this originally sociable state into social interactions based upon individualism, class antagonism, and domination by the world market. Political economy was the theoretical expression of a world 'estranged' by the advent of private property. What was now required, Marx argued, was no longer a political revolution like that of 1789, but rather a 'human' revolution carried out by a class outside and beneath existing society: the 'proletariat'. Marx began work on his *Critique* in Paris and continued it from 1845 to 1848 in Brussels. After the failure of the 1848 revolutions, he worked in London—particularly at the British Museum—from 1849 through to the publication of *Das Kapital* in 1867.

The vision of socialism and the proletariat which Marx developed from the mid-1840s derived from a combination of sources. The first and most basic was a new conception of the historical significance of labour. This was inspired not by a putative materialism, as Engels and later 'Marxists' maintained; but rather, a particular appropriation of the basic assumptions of German Idealism. The importance of Marx's continuing affinity with Idealism becomes clear when his approach is compared with

²Proudhon's claim that 'property is theft' was less radical than it seemed. Property was that which provided an income without any work, namely rent and interest, which sustained an unproductive class of 'oisifs'. It was sharply distinguished from 'possession'—the dwelling, land, and tools necessary to work.

that of other radicals and socialists at the time. Their outlook was shaped by a naturalistic version of materialism, standardly accepted by English thinkers from the time of Locke through to Bentham, which was prevalent among *Philosophes* and *Idéologues* in France, and was not only shared among the followers of Spinoza in Germany, but also espoused by Feuerbach himself. Man was a natural being; his actions were motivated by the pursuit of happiness and the avoidance of pain; as a creature of nature, a 'sensuous being', Man was primarily defined by his needs and impulses. Throughout the 18th and early-19th centuries, this position offered a welcome alternative to the Christian emphasis upon original sin.

It was also the position explicitly espoused by the largest socialist groupings in the 1840s, the followers of Owen in England and of Cabet in France.³ For them, Man was a product of his environment, a consumer governed by his appetites and needs. By improving this environment through better education and a more enlightened attitude towards reward and punishment, it would be possible to transform human nature and increase the extent of human happiness.

By contrast, Marx's innovation, spelled out in his writings in the course of 1844 and after, was to apply the insights of German Idealism to the understanding of labour, to recuperate the emphasis found in Idealism upon human activity and Man's position as a producer. Most striking here was the connection Marx made between two areas of discourse hitherto unrelated to each other: 'the social question' and the plight of the proletariat on the one hand, and the world-transforming significance accorded to labour in Hegel's *The Phenomenology of the Spirit* (1807) on the other. By making this connection, Marx identified socialism with human self-activity as it had been invoked in the Idealist tradition following the philosophical revolution accomplished by Kant.⁴

Kant and Fichte had challenged the passivity of the image of Man as a natural being, but it was in *The Phenomenology of the Spirit*, that Hegel, building upon this idealist inheritance, translated it into a vision of history. According to Marx, Hegel had grasped 'the self-creation of Man as a process' and in so doing had grasped the essence of labour, the creation of Man as 'the outcome of Man's *own labour*'.⁵ Man, according to Marx, was not merely a 'natural being', but 'a *human* natural being', whose point of origin was not nature, but history. Unlike animals, *Man* made his activity 'the object of his will'. Thus history could be seen as the humanisation of nature through Man's 'conscious life activity'.

³See Claeys (1989: 115–19), Johnson (1974: 45–6).

⁴On Marx's relationship with the idealist tradition, see Moggach (2011: 179–203).

⁵Marx, 'Critique of the Hegelian Dialectic and Philosophy as a Whole' (*MECW*, vol. 3: 332–3).

From this conception, it was a short step towards one of Marx's most memorable insights: the identification of history with the advance of 'the forces of production'. By taking this step, Marx, more powerfully than anyone else in the 1840s, was able to invoke the unparalleled productive powers of modern industry. As he wrote in the *Communist Manifesto*:

The bourgeoisie ... accomplished wonders far surpassing Egyptian pyramids, Roman aqueducts and Gothic cathedrals ... in one hundred years, it has created more massive and colossal productive forces than have all preceding generations together.⁶

Hegel's optimism about the possibility of transforming the state had been born in the 'Reform Era' in Prussia (1807–19)—a series of fundamental reforms, both of the army and of the state, following the disastrous defeat of Prussia by Napoleon at the Battle of Jena in 1806. Four years after the Battle of Waterloo, however, Prussia once more turned its back on reform, and thereafter remained resistant to liberal change in the years up to 1848. In 1840, this reactionary turn had been further intensified by the accession of a new king, Friedrich Wilhelm IV, who was keen to insist upon Prussia's identity as a 'Christian State'.

In this changed political and philosophical climate, Hegel's optimistic reason-based reconciliation between Christianity, the modern state, and the modern economy became impossible to sustain. Between 1830 and 1848, radical followers of Hegel, including David Strauss, Bruno Bauer, Arnold Ruge, and Ludwig Feuerbach—a group soon to become known as the Young Hegelian—engaged in a process of fundamental historical and philosophical criticism of the Biblical narrative, and beyond that, of religion itself. Their most important conclusion—associated in particular with Ludwig Feuerbach—was that Man projected his own power and creativity onto God, and presented himself as the creation of God. Feuerbach's procedure was to reverse the equation: God did not create Man; Man created God. Once this truth was recognised, the emancipation of Man could proceed.⁷

The most distinctive features of Marx's thinking about private property and capital had been reached through the development of this criticism of religion. Marx started as a student of the radical Bible critic, Bruno Bauer, in Berlin, but from 1843 shifted his intellectual allegiance to Ludwig Feuerbach. His innovation was to maintain that the critique which Feuerbach had developed in relation to God could be applied to other 'abstractions'—to the state, to the commodity form of economic exchange, and to human labour.

⁶Stedman Jones (2002: 222).

⁷Feuerbach's most important work, *The Essence of Christianity* (1840), made a European impact. It was translated into English by George Eliot.

The genealogy of this claim can be traced back to David Strauss's *Life of Jesus, Critically Examined*, published in 1835. Strauss claimed that, if Christianity were to be saved for modern science, the figure of Christ would have to be replaced by the human species or the idea of 'humanity' in the whole of its history. For only the infinite spirit of the human race could bring about the union of finite and infinite, as depicted in Hegel's portrayal of Absolute Spirit.

The next step was taken by Feuerbach in *The Essence of Christianity* in 1840. Feuerbach replaced Hegel's idea of 'Absolute Spirit' and Strauss's idea of the spiritual advance of the 'species' by the more naturalistic notion of 'species-being' whose expression would enable the flowering of Man's communal nature. 'Species-being' was defined as '*the unity of I and Thou*', not simply the relationship between man and woman, but more generally the fact that Man was dependent upon other beings outside himself. Man was not pure spirit; Man's true human nature was an expression of the fact that he was both a spiritual and a natural being.

But awareness of Man's true 'species-being' had been blocked by the development of Christianity with its ascription of human agency to the divine. In the place of recognition of Man's communal character, there had developed the individualism of modern society and in Marx's extension of Feuerbach's approach, in politics, the attribution of Man's creative propensities to the agency of the modern state. In removing these obstacles by uncovering the natural basis of 'the unity of Man with Man', Feuerbach was saluted by Marx for discovering the philosophical basis for socialism.⁸ In Marx's extension of this idea in 1844, Man was subjected to the false reality of private property in political economy, just as in religion he was subjected to the false reality of God. The task of the critic was to restore 'Man' to a true consciousness of himself by uncovering the essential reality of 'species-man' buried beneath an inverted world.

The difference between Marx's account of socialism and that found in France or England (or later Germany) was most marked in relation to the meaning attached to the 'proletariat'. In France, the basic demand of French republicans or socialists was that the proletariat should be recognised as 'citizens' and reunited with an undivided nation, a demand which they achieved in February 1848. In England, the position of the Chartists, with roots going back to John Locke's *Two Treatises of Government* of 1689 and the 1689 Settlement, was that the working classes be fully recognised as part of the people, whose consent was necessary as the legitimate basis for any government. In Germany, on the other hand, in Marx's account, there was no historic appeal

⁸In a letter to Feuerbach written from Paris in the summer of 1844, Marx congratulated Feuerbach for providing 'the philosophical basis for socialism'. 'The unity of man with man, which is based on the real differences between men, the concept of the human species brought down from the heaven of abstraction to the real earth, what is this but the concept of society!'. 'Marx to Feuerbach', 11 August 1844 (*MECW*, vol. 3: 354).

to a pre-existing or aboriginal constitution. Unlike the ‘working classes’ in France or England, the proletariat was depicted by Marx as outside and beneath society, and defined by a ‘vocation’. As Marx explained in *The Holy Family* in 1844:

It is not a question what this or that proletarian, or even the whole proletariat, regards as its aim at the moment. It is a question of *what the proletariat is*, and what in accordance with this *being*, it will historically be compelled to do.⁹

Superimposed upon this highly abstract account of the communal character of human nature was an attempt to add a discourse derived from French thought about the unfolding of class struggle. Compared with the Hegelian emphasis upon human activity and Feuerbach’s attack upon religion, the argument about classes was a relatively belated and superficial addition. Shortly before his move to Paris at the end of October 1843, in search of an image which might signify the place of money and the individual pursuit of wealth in modern society, Marx briefly picked upon ‘the Jew’, whose ‘worldly God’ was ‘money’.¹⁰ The anti-Semitic character of this identification was quite common in French socialist discourse at the time. It was not, therefore, surprising that Marx should adopt this parlance in his first attempt to characterise commercial society.¹¹

Once arrived in Paris, Marx promptly dropped this mode of analysis, and instead adopted the terminology of Louis Blanc, who had elaborated the picture developed in different ways by Sismondi and Guizot, according to which it was the ‘bourgeois’ revolution of 1789 that had ushered in a competitive free market society. According to Blanc, what had been developed was a system of ‘extermination’, leading both to the impoverishing of workers and to the ruin of large sections of the bourgeoisie.¹² But, as in the case of ‘the Jew’, the looseness of definition is striking. In Saint-Simonian and Republican parlance, the bourgeoisie were not defined as an active class pushing forward the forces of production, but idlers living off the earnings of the productive classes; these bourgeois were nearer to Balzac’s Monsieur Crevel than to Jean-Baptiste Say’s depiction of the ‘entrepreneur’.¹³ In this sense, in France, *The Communist*

⁹ Marx & Engels, ‘The Holy Family’ (*MECW*, vol. 4: 37).

¹⁰ Marx, ‘On the Jewish Question’ (*MECW*, vol. iii: 170).

¹¹ Around the mid-1840s, denunciation of ‘the Jew’ among socialists was frequent, especially in the case of Fourier and his followers. But the definition of the ‘Jew’ was very loose, and virtually without religious or ethnic connotations. The Fourierist, Alphonse Toussenel, wrote a well-known tract in 1845, *Les Juifs rois de l’époque*, in which the English, Dutch, and Genevans were equally denounced, for ‘qui dit juif, dit protestant, sachez-le’. See Alexandrian (1977: 227–8); on the development of Marx’s position, see Leopold (2007, ch. 3).

¹² Blanc (1848: 84–97), Sismondi (1819).

¹³ See Balzac (1846); on Say, see Stedman Jones (2004: 135).

Manifesto's attribution of the extraordinary transformation of the world to 'the bourgeoisie' would have appeared deeply implausible.

Marx's resort to the vocabulary of class struggle was an attempt to evade the criticism by Max Stirner in his *The Ego and its Own*, of the theological character of Feuerbach's idea of 'species-being'.¹⁴ According to Stirner, in Feuerbach's work ideal human attributes were detached from human individuals, and presented as the attributes of a fictive God. But these attributes were not returned by Feuerbach to these individuals. Instead, they were re-assigned to an equally fictive creation, 'Man' (*Der Mensch*) or 'species-being'. 'Man' continued to be presented to individuals as their 'vocation' or 'ethical goal'. In other words, this was yet another version of the Christian God. Marx, whose own approach was heavily implicated in Feuerbach's position, tried to evade this criticism by claiming that his position was nothing more than an empirical observation. Communism, he claimed, was not an 'ideal', it was 'the *real* movement which abolishes the present state of things'.¹⁵ But behind this empirical facade were still to be found the traces of Young Hegelian Christology. For without the quasi-theological task assigned to Spirit or Man by Hegel, Strauss, or Feuerbach, it is unclear why this 'real movement' should have existed.

The unreality of Marx's attempt to equate the events of 1848 with the supposed 'vocation' of the proletariat was apparent in his writings for the *Neue Rheinische Zeitung*, especially those which Engels was later in 1895, to entitle rather optimistically *Class Struggles in France*. Cast in this form, it was a strange text. There was virtually no mention of either the political or the economic context of the Revolution of 1848. The text focussed upon the battle in Paris in June 1848 following the decision of the National Assembly to close down the *ateliers*, workshops which it had set up to provide work to the capital's many unemployed.¹⁶ The closure occasioned an insurrection led for the most part by those discharged from the *ateliers*, artisans and heads of families.

These events were described by Marx as the class war between the bourgeoisie and the proletariat: 'the first great battle ... fought between the two classes that split modern society'. But neither the proletariat nor the bourgeoisie were defined in any clear manner.¹⁷ Their identity even in terms of the Marxian conception of 'the relations of production' remained obscure. References to the 'proletariat' occasionally slipped back into 'the people', while references to the 'bourgeoisie' were ubiquitous, but could

¹⁴ See Stirner (1844: 40–7, 55–6).

¹⁵ Marx (*MECW*, vol. 5: 49). This formulation has been standardly attributed to the so-called German Ideology. But the authenticity of this text has now been seriously questioned. See Carver (2010: 107–27).

¹⁶ See Traugott (1985).

¹⁷ Marx, 'The Class Struggles in France 1848–1850' (*MECW*, vol. 10: 66).

easily be exchanged for the term, ‘republic’. The executive of the new Republic was not composed of employers, nor were the insurgents by any means exclusively composed of wage workers; many bankrupt or penniless small masters were also involved. There was similarly no account of what prompted the resistance of the insurgents—the threat of destitution following the closing down of the *ateliers*—nor of their main grievance—the Republic’s renegeing on its promise to fulfil the ‘right to work’. The rebellion was not caused by the action of the employing class, but by the Assembly’s antagonism towards what they feared as ‘communism’. The June insurgents possessed no nationally recognised leaders, nor did they make any demands beyond the insistence that the ‘democratic and social’ Republic honour the promises of work it had made in February 1848. Marx could produce no solid evidence of the existence of ‘class war’ between the proletariat and the bourgeoisie in this instance and was reduced to defending his argument by inventing a fiction.

In place of its demands, exuberant in form, but petty and even bourgeois still in content, the concessions of which it wanted to wring from the February Republic, there appeared the bold slogan of revolutionary struggle: Overthrow the bourgeoisie! Dictatorship of the working class!¹⁸

MARX’S ‘CRITIQUE’ IN THE 1850s

The second attempt to chronicle the ascent and approaching demise of bourgeois society occurred in the 1850s and was closely connected with the *Grundrisse* of 1857–8, which Marx had been in a hurry to write up before the expected return of revolution following the trade crisis of 1857.

In the early 1850s, Marx continued his use of ‘class struggle’ (which he had adopted in 1844–5) as if nothing had occurred in the 1848 revolutions to challenge his assumptions. ‘The *existence of classes*’, he wrote to Joseph Weydemeyer, ‘is merely bound up with *certain historical phases in the development of production*’.¹⁹ But he was unable to enlarge upon the thought. In the unpublished manuscripts intended to form part of the second volume of *Das Kapital*, he embarked upon a chapter on ‘Classes’. But he found that he had nothing illuminating to say, and after a little more than a page, abandoned it.²⁰

Instead, Marx increasingly adopted the terms, ‘labour’ and ‘capital’. His researches on the emergence of ‘bourgeois economy’ or the ‘value form’, as he called it in the

¹⁸ Ibid: 69.

¹⁹ ‘Karl Marx to Joseph Weydemeyer’, 5 March 1852 (*MECW*, vol. 39: 62).

²⁰ Marx, *Capital*, vol. III (*MECW*, vol. 37: 870–1).

Grundrisse, highlighted the fact that ‘capital’ was not like other ‘modes of production’. Nor would its destruction be like the victory of a republican or democratic movement over a particular form of political rule. The emergence of ‘the value form’ was neither the result of conquest by an external force (slavery, feudalism), nor was it the result of domination by an extra-human power (God or Nature). Rather, it was the spontaneous creation of human beings themselves and had emerged within civil society. ‘Capital’ was the product of free human activity in the form of the exchange of goods. It could not, therefore, be understood like slavery or feudalism in terms of the crude polarities of class struggle. Its development into a system of production was a process that had taken place behind the backs of human beings, but was no less for that, a result of human activity. To believe that ‘the value form’—like God—possessed an existence independent of human activity was an ‘objective illusion’. What was required instead was a return to the analogy between the mystifications of religion and the mystifications surrounding the economy, a theme he examined in the *Grundrisse* and discussed again in *Das Kapital* in his treatment of ‘the fetishism of commodities’.²¹ It is one of the most important and still living facets of Marx’s achievement.

As in his writings of the 1840s, the *Grundrisse* examined Man’s loss and recuperation of his ‘social’ or ‘human’ being, concealed beneath the abstract form it had assumed in civil society. But unlike the writings of the 1840s, there was now an attempt to delineate a contradiction specific to the modern bourgeois economy. In the 1840s, the entity that had subjected Man to competition and turned the worker into a commodity whose creation or destruction depended on changes in demand had been private property. The tension between ‘forces’ and ‘relations of production’ had not been related to any specific economic system. Similarly, Marx’s use of Ricardo’s concept of value as an answer to the ideas of Proudhon had been cursory. In the 1840s, there had been no sustained examination of Ricardo’s economic theory. Ricardo’s work had simply been treated as the ultimate expression of ‘classical’ political economy before it declined into a ‘vulgar’ process of reiteration after 1830.²²

Settled in London from 1850, Marx now began to enquire how the ‘bourgeois economy’ or, as he now called it, ‘capital’ or ‘the value form’, drove forward the forces of production. In the face of a worldwide boom and a return to prosperity, which, Marx supposed, had killed off the revolution in Europe in 1848, he now placed his greatest hope in the reappearance of the cyclical character of the growth of productive forces, paying special attention to the volatile development of modern industry associated with the spread of steam power and the factory system. Such growth was associated with recurrent bouts of overproduction; and this could bring about

²¹ Marx, *Capital*, vol. I (*MECW*, vol. 35: 81–94).

²² On Marx’s reading of Ricardo during this period, see Tribe (2015).

renewed unemployment, the re-emergence of the workers' movement and the return of revolution.

Marx now believed that he had developed a new way of demonstrating the exploitative character of capital. The capitalist's desire in purchasing labour power was to increase the value created by labour beyond what was necessary to sustain the subsistence of the labourer. This 'surplus value' was extracted either by lengthening the working day or by increasing the productivity of the labourer during each hour of work. The increasing use of machines made available an ever-greater quantity of surplus labour, creating a reserve army of labour and increasing the chances of sinking into pauperism.

Most important, however, Marx now believed he had discovered a fundamental flaw in modern capitalist development. Profit, he asserted, could only be derived from living labour. But with the advance of machinery, there was a proportionate fall in number of labourers from whom surplus value could be extracted; and this would mean decline in the rate of profit. 'In every respect', Marx wrote, 'this is the most important law of modern political economy'.²³ For what it proved, he thought, was that there was a mechanism inherent within capital itself which was productive of crisis. Thus the 'highest development of productive power ... would coincide with the depreciation of capital and the degradation of labour', and 'these regularly recurring catastrophes ... would lead to their repetition on a higher scale, and finally to its violent overthrow'.²⁴

The centrepiece of Marx's new theory was the development of a 'social form', which at a certain point in human development had been superimposed progressively upon relations between and within societies. Assisted by the growth of monetary relations, simple exchange of useful products gave way to the exchange of commodities as embodiments of exchange value. Henceforth, history concerned the dual development of material production and of 'the value form' or process of 'valorisation'. Thus, commercial society was not, as Adam Smith thought, a simple expression of human nature, but the product of a social form which would be superseded at a higher stage. It was this global historical process not only of the exchange, but also of the production of exchange values, which had transformed men from tribal beings into individuals and created a self-sustaining cycle of production and circulation, leading to the dissolution of old forms of landed property and new concentrations of monetary wealth.²⁵

²³ Marx, 'Economic Manuscripts of 1857–58' *Grundrisse* (*MECW*, vol. 29: 133).

²⁴ *Ibid*: 134.

²⁵ Stedman Jones (2016: 382–7).

Inspired by the use in Hegel's *Logic* of circular processes or a spiral of concepts of increasing universality, Marx similarly presented the growth of the value form as a series of cycles, or of one great spiral embracing more and more universal forms of human interaction.²⁶ In this way, the circular trajectory of the commodity proceeded from the simplest beginnings through to its apogee in the world market. Like other organisms, however, capital as a whole was characterised by a life cycle, which meant that its ultimate global conquest would at the same time mark the beginning of its dissolution.

In the 1840s, the high hopes invested in the coming revolution had been dashed. The monarchies of central Europe survived, while radical or revolutionary bodies declined or were crushed. But for Marx, disappointment around the end of the 1850s was all the greater. The hoped-for world economic crisis came and went in 1857–8, without producing any revival of revolutionary politics. Marx found himself virtually without allies, and increasingly isolated. He was also slow to recognise the new forms taken by the revival of English, Italian, German, and American radical politics from around the beginning of the 1860s, and was therefore in danger of being bypassed.

Marx was also encountering increasing theoretical difficulties. The idea of a spiral encircling the world with increasing speed and intensity and resulting in organic self-destruction came to nothing. Even in more parochial terms, he was unable to connect production and circulation in an overall theory and therefore unable to demonstrate the existence of a process which might lead to the crisis and dissolution of the capitalist mode of production. At his lowest point, he exhibited increasing symptoms of mental disorder, expressed in alternating bouts of paranoia and megalomania. This was clear in his attitude towards the publication of his *Critique of Political Economy* of 1859. He attributed the failure of the book to a plot hatched by his publisher, Franz Duncker, and Ferdinand Lassalle, the man who had actually secured its publication in the first place.²⁷ A more obvious explanation for failure would have been that the key chapter on capital or 'the value form' was missing, while the existing chapters on money and the commodity, let alone the long excursus into the history of economic thought, made little impact alone. Publishing his findings on capital, which had already been in preparation for the previous fifteen years, would take another eight.

²⁶Marx to Engels', 16 January 1858 (*MECW*, vol. 40: 249).

²⁷See Stedman Jones (2016: 401–10).

MARX'S 'CRITIQUE' IN THE 1860s

The third attempt to construct a viable theory was far more successful. The years 1864–7 were among the most fulfilling in Marx's life. Not only were these the years, in which he wrote up *Das Kapital*, it was also the period in which he became engaged in the new politics of the 1860s, becoming an active and influential participant in the International Working Men's Association, which had been founded in London in 1864. Almost by chance, it had fallen to Marx rather than the followers of Mazzini or Robert Owen, to compose the Inaugural Address of the Association and formulate its rules.²⁸ In writing the Address, which gained the unanimous acceptance by the General Council of the Association, Marx made his greatest and most permanent contribution to the International.²⁹ More clearly than anyone else, he had formulated the new social democratic language of the 1860s, both in the definition of the political and social aims of the Association, and in his global diagnosis of the condition of workers.

In England, this was the period which culminated in the Second Reform Act of 1867, an era of constitutional transformation and of mounting political excitement. The rule of Palmerston and the apparent 'equipoise', that had governed domestic politics in the preceding fifteen years, had come to an end. In the 'Preface' to *Das Kapital*, written in July 1867, Karl Marx wrote about 'the actuality of the process of revolution in England'.³⁰ Although barely explored by subsequent commentators, his picture of the process of transition in *Das Kapital*—from the capitalist mode of production towards the world of the 'associated producers'—closely mirrored his pronouncements in the *Inaugural Address*. Transition was a multifaceted process and it combined social and economic development with political upheaval, generated by campaigns of popular agitation, and described by contemporaries as 'pressure from without'.

Twentieth-century associations have obscured this conception of revolutionary change. War and political upheaval in the tense and violent years after the Bolshevik Revolution of 1917, which in one form or another lasted until the 1980s, created an almost indelible association between Marx and a 'Marxist' language of revolution.

²⁸ For a detailed account of Marx's activities in the 1860s, see Stedman Jones (2016: ch. 11).

²⁹ The General Council was largely composed of English trade unionists. One of them, George Howell, a former bricklayer and future Secretary of the Reform League, wrote with understandable exaggeration, 'a Gladstone or a Bright could have accepted it with a good conscience'. Cited in Leventhal (1971: 53).

³⁰ Marx, 'Vorwort' (1867: xi). Marx used the term '*Umwälzungsprozess*', the standard German term for revolution. Samuel Moore and Edward Aveling in their English translation of 1887 wrote of 'the progress of social disintegration', a less immediate and less political image of upheaval than that conveyed in the original edition.

'Marxism' was identified with the violent overthrow of capitalism and the leading role of the revolutionary party. Twentieth-century communists followed strategies based upon what they presumed to be the correct reading of a small number of canonical texts, mainly Lenin, but a few items from Marx, especially *The Communist Manifesto*, and a few sentences from the 1859 *Preface to the Critique of Political Economy*. Little was made of the politics of *Das Kapital* itself, with the exception of one or two apocalyptic passages imagining the day on which 'the knell of capitalist private property sounds' and 'the expropriators are expropriated'.³¹

The difficulty of relating 20th-century visions of revolution to Marx's writings in the 1860s arises in large part because 'revolution' in those writings was conceived, not as an event, but as a process. Successful revolution meant the political ratification of changes which had already occurred or were already occurring in civil society. The greater the extent of such changes, the greater the possibility of imagining a revolution, which did not need to be violent; the conquest by English workers 'by peaceful means' of 'political supremacy in order to establish the new organisation of labour'.³²

The picture of the transition from capitalism to socialism was analogous to that from feudalism to capitalism depicted in *Das Kapital*. Just as Marx's text showed how critical changes in civil society, from the dissolution of the monasteries to 'the expropriation of the agricultural population from the land', preceded 'the bourgeois state' of 1689 and 'the industrial revolution', so comparable changes in contemporary England formed part of a transition to a society of associated producers. One major instance of this process of transition had been the success of the *Ten Hours Campaign*, the movement to restrict factory hours. Marx emphasised the importance of this victory for 'the political economy of the working class' by contrasting this 'modest Magna Carta of a legally limited working day' with 'the pompous catalogue of the "inalienable rights of man"'.³³

Part of the reason why this vision of revolution as process was largely forgotten is that Marx's most striking examples of transition in civil society belonged to the section on 'circulation', and was meant to appear in the second volume of *Das Kapital*.³⁴ On 7 May 1867, Marx wrote to Engels that his publisher wanted the second volume

³¹ *Capital*, 'The Historical Tendency of Capitalist Accumulation' (*MECW*: vol. 25: 750).

³² Marx, 'Speech at the Hague Congress of the International', Gerth (1958: 236). At the beginning of 1867, in a speech to commemorate the fourth anniversary of the Polish insurrection of 1863–4, referring to 'social revolution', Marx said, 'It is possible that the struggle between the workman and the capitalist will be less fierce and bloody than the struggles between the feudal lord and the capitalist proved in England and France. We will hope so.' 'Speech at the Polish Meeting in London', 22 January 1867 (*MECW*, vol. 20: 200–1).

³³ 'The Working Day', *Capital* (*MECW*, vol. 25: 306–7).

³⁴ Right up until the last moment it was intended that the section on circulation should go together with the section on production in a single volume.

by the end of the autumn. He thought this unrealistic, but expected that he would have 'shaken off the whole *opus* by next spring'. Engels agreed that it was '*indispensable*' that the volume be published by the following summer.³⁵

Included in the projected second volume were meaningful examples of transitional forms. The new form of stock company and the growth of cooperative factories were examples of how 'a new mode of production naturally grows out of an old one, when the development of material forces of production and of the corresponding forms of social production have reached a particular stage'.³⁶

But the unpublished part of *Das Kapital*, still in an unfinished state, only appeared some two to three decades after Marx's death, brought out in two supposedly separate volumes by Engels in 1884 and 1894.³⁷ Marx did not publish the subsequent volume because the theoretical problems he encountered, when he attempted to bring production and circulation together, proved impossible to solve. Had it been possible to publish the second volume around 1867, it might have been sufficient to maintain, as Marx had asserted in his 1859 *Critique of Political Economy*, that once 'the material productive forces of society' began to 'come into conflict with the existing relations of production', there would begin 'an era of social revolution'.³⁸ The mass campaigns and crowd pressure of the mid-1860s could have been seen as the beginnings of such an era.

If *Das Kapital* became a landmark in 19th-century thought, it was not because it had succeeded in identifying the 'laws of motion' of capital. Marx had produced a definitive picture neither of the beginning of the capitalist mode of production, nor of its putative end. But what he was able to do was to connect a critical analysis of the current capitalist economy with its longer term historical roots and, in doing so, to inaugurate a debate about the central economic and social landmarks in modern history which has gone on ever since.

FROM MARX TO MARXISM

How is it possible, then, that throughout the 20th century, and up until the present, Marx's theory has generally been associated with the idea that capitalism will end in a

³⁵ 'Marx to Engels', 7 May 1867 (*MECW*, vol. 42: 371); 'Engels to Marx', 15 August 1867 (*MECW*, vol. 42: 402).

³⁶ 'The role of credit in capitalist production', *Capital*, vol. III (*MECW*, vol. 27: 438).

³⁷ The second volume was published in Hamburg in 1885, and was entitled 'The Process of Circulation of Capital'; the third volume was entitled 'The Process of Capitalist Production as a Whole', and was published in Hamburg in 1894.

³⁸ 'Towards the Critique of Political Economy', 'Preface' (1859) (*MECW*, vol. 29: 263).

final crisis. This idea was in large part a product of the changes in political conditions in Germany in the late 1870s and 1880s. From the mid-1870s, a Social Democratic Party had been established and possessed a growing number of representatives in the Reichstag. But from the time of the Paris Commune, Bismarck had become increasingly obsessed with the threat of socialism and intent upon its repression. Following a deepening crisis both in agriculture and industry after the great crash of 1873, Bismarck ended the alliance with the Liberals and formed in its place an openly conservative authoritarian and protectionist state, built upon the support of the army, bureaucracy, landlords, and industrialists. In 1878 after an anti-socialist campaign, Bismarck passed an anti-socialist law, which effectively outlawed the Social Democratic Party.³⁹

Social Democrats could still be elected to the Reichstag. But the possibility of a revolution as a process brought about by popular pressure or even a constitutional struggle for a *Freistaat* became wholly unrealistic. In these circumstances, party leaders drew instead upon Friedrich Engels's 1878 polemic, against the socialist and protectionist lecturer, Eugen Dühring, popularly known as *The Anti-Dühring*.⁴⁰ The conception of revolution put forward in this book was that of an entirely objective economic crisis produced by the contradictory development of the capitalist mode of production, and therefore unrelated to party activity.⁴¹

The success of this book led to the publication in 1880 of a much shorter pamphlet version, shorn of the detailed polemic against Dühring and entitled *Socialism, Utopian and Scientific*. As such, it was translated into many languages, and soon became the standard introduction to 'Marxism'. Engels' approach was successful, not least because it offered a means of escape from the political impasse, in which Social Democrats found themselves. His picture of 'scientific socialism' preserved the prospect of the revolutionary collapse of the Bismarckian *Reich*, but kept this event remote from the agency of the Party. The downfall of the *Reich* and other repressive states in Europe would come about, not as a result of the activities of a revolutionary party, but as a consequence of the inevitable progression of capitalism towards breakdown.

What was there in Marx's unpublished manuscript of the remainder of *Das Kapital* to authorise this idea of collapse? Volume I of *Das Kapital* had been disappointing, offering nothing to suggest when and how capital would fall, except one purple passage, which spoke about the negation of 'the negation' and 'the expropriation of the expropriators'. The leader of the Social Democratic Party, August Bebel, along with

³⁹ See Clark (2006: chs 15 & 16).

⁴⁰ *MECW* (vol. 25).

⁴¹ See Lidtke (2011: 780–810), Hunt (2009: ch. 8).

other prominent Social Democrats was expecting a real denouement in the second volume.

In response, in 1885 Engels, now editing Marx's unpublished volume, did his best to keep Bebel in a state of excited anticipation. In April of the year, he wrote to Bebel: 'Book III is in hand. It is quite extraordinarily brilliant. This complete reversal of all previous economics is truly astounding'.⁴²

Engels himself, however, evidently became frustrated by the absence in the manuscript (untouched since 1864) of any clear statement of the kind that the Social Democratic Party sought. The place to look would be the concluding chapter, 'The Law of the Tendency of the Rate of Profit to Fall'. In the *Grundrisse* and elsewhere in the 1850s, this had been the focal point of Marx's expectation of capitalism's approaching demise. In the manuscript of Volume III—written in the early 1860s—while Marx listed various factors which might lead to a fall in the rate of profit, in each case there were complicating counter-factors producing no clear end result. The most that Marx had assembled were a cluster of antagonistic circumstances, in which capital might be *erschüttert* (shaken). Engels was generally a scrupulous or even timid editor, but in this case, he substituted the phrase, would be brought to 'collapse' *zusammengebracht* ('würde bald die kapitalistische Produktion zum Zusammenbruch bringen').⁴³ Here was the origin of what became known between the 1890s and 1930s as *Zusammenbruchstheorie* (collapse theory) and the main source of the belief that Marx's theory was of capitalism's inevitable downfall.

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⁴² 'Engels to Bebel', 4 April 1885 (*MECW*, vol. 47: 271).

⁴³ Marx (1894), *Capital*, vol. III (*MECW*, vol. 37: 245); for the genesis of 'Marxism' and Engels's place in shaping it, see Stedman Jones (2016: 556–68); some account of the subsequent history of 'collapse theory' is to be found in Sweezy (1942: ch. xi).

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Note on the author: Gareth Stedman Jones is Professor of the History of Ideas at Queen Mary, University of London. He is also Director of the Centre for History and Economics, Cambridge, and a Life Fellow of King's College, Cambridge.

His major research interest is the history of British and European political thought from the aftermath of the French Revolution through to the First World War. His most recent work *Karl Marx: Greatness and Illusion* was published by Penguin in August 2016.

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