

An Introduction to the Three Volumes
of Karl Marx's *Capital*

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1. Capitalism and Marxism

1.1 *What Is Capitalism?*

Contemporary societies are traversed by a variety of relations of domination and oppression that are expressed in various forms. We find asymmetrical gender relations, racist discrimination, enormous differences of property ownership with corresponding differences in social influence, anti-Semitic stereotypes, and discrimination against certain types of sexual orientation. There has been much debate concerning the connection between these relations of domination, and particularly concerning the question as to whether one of them is more fundamental than the others. If relations of domination and exploitation rooted in the economy are placed in the foreground in the following account, then it is not because they are the only relevant relations of domination. However, one cannot simultaneously address all such relations of domination. Marx's critique of political economy is primarily concerned with the economic structures of capitalist society, and for that reason they are placed at the center of the present work. But one should not succumb to the illusion that with an analysis of the fundamentals of the *capitalist mode of production* that everything decisive has already been said about *capitalist societies*.

The question of whether we live in a “class society” seems to be a matter of controversy, especially in Germany. The mere use of the term “class” is frowned upon. Whereas England’s arch-reactionary former prime minister Margaret Thatcher had no problem referring to the “working class,” even Social Democrats in Germany have problems uttering the word. Over here, there are only “*Arbeitnehmer*,” or employees, “*Unternehmer*,” or entrepreneurs, “*Beamte*,” or civil servants, and above all else the “*Mittelschicht*”—literally: “middle level,” avoiding any use of the term class—or “middle class.” At the same time, talk of classes is in no way in and of itself particularly critical. That’s not only the case for conceptions of “social justice” that aspire to an equilibrium between classes, but also for some allegedly “leftist” conceptions of bourgeois politics as a sort of conspiracy of the “ruling class” against the rest of society.

The existence of a ruling class, opposed to a “ruled” and “exploited” class, might be a surprise for a conservative social studies teacher who only knows “citizens,” but this fact alone doesn’t say very much. All societies that are known to us are “class societies.” “Exploitation” only means in the first instance that the dominated class not only produces its own subsistence, but also that of the ruling class. These classes have manifested themselves in different ways throughout history: slaves existed opposite slave owners in ancient Greece, serfs existed opposite landlords in the Middle Ages, and in capitalism the bourgeoisie, the propertied class, exists opposite the proletariat, wage-dependent laborers. What is decisive is *how* class domination and exploitation function in a particular society. And in this, capitalism distinguishes itself fundamentally from precapitalist societies in two respects:

1. In precapitalist societies, exploitation rested upon a *relationship of personal domination and dependency*: the slave was the property of his owner; the serf was bound to his respective lord. The lord had direct authority over his servant. On the basis of this authority, the “lord” appropriated a portion of the product that the “servant” produced. Under capitalist relations, wage laborers enter into a contract with a capitalist. Wage laborers are *formally free* (there is no external force that compels them to sign a contract, and contracts, once signed,

can be annulled later) and are *formally equal* to capitalists (there are actual advantages to the ownership of a large estate, but there are no “inherited” legal privileges such as exist in a society characterized by the existence of a nobility). A *personal* relationship of force does not exist—at least not as a rule in the developed capitalist societies. Therefore, for many theorists of society, *bourgeois society*, with its free and equal citizens, appears to be the opposite of the feudal society of the Middle Ages with its caste privileges and personal relations of dependency. And many economists contest the notion that something like exploitation even exists in capitalism and, at least in Germany, prefer to speak of a “market economy.” Thus it is alleged that various “factors of production” (labor, capital, and land) act together and receive a corresponding share of income (wage, profit, and ground rent). The question of how domination and exploitation in capitalism are realized precisely *by means of* the formal freedom and equality between “partners in exchange” will be discussed later on.

2. In precapitalist societies, the exploitation of the dominated class served primarily the consumption of the ruling class: its members led a luxurious life, used appropriated wealth for their own edification or for that of the public (theater performances in ancient Greece, games in ancient Rome) or to wage war. Production *directly* served the *fulfillment of wants*: the fulfillment of the (forcibly) restricted needs of the dominated class and the extensive luxury and war needs of the ruling class. Only in exceptional cases was the wealth expropriated by the ruling class used to enlarge the basis of exploitation, such as when consumption was set aside to purchase more slaves, to produce a greater amount of wealth. But under capitalist relations, production for the sake of increasing the capacity to produce is typically the case. The gains of a capitalist enterprise do not serve in the first instance to make a comfortable life for the capitalist possible, but are rather invested anew, in order to generate more gains in the future. Not the satisfaction of wants, but the *valorization of capital* is the *immediate* goal of production; the fulfillment of wants and therefore a comfortable life for the capitalist is merely a by product of this process, but not its goal. If

the gains are large enough, then a small portion is sufficient to finance the luxurious existence of the capitalist, and the greater portion can be used for the accumulation (enlargement) of capital.

The fact that earnings do not primarily serve the consumption of the capitalist, but rather the continuous valorization of capital, that is, the restless movement of more-and-more accumulation, might sound absurd. But the issue at hand is not an individual act of insanity. Individual capitalists are *forced* into this movement of restless profiteering (constant accumulation, expansion of production, the introduction of new technology, etc.) by competition with other capitalists: if accumulation is not carried on, if the apparatus of production is not constantly modernized, then one's own enterprise is faced with the threat of being steamrolled by competitors who produce more cheaply or who manufacture better products. A capitalist who attempts to withdraw from this process of constant accumulation and innovation is threatened with bankruptcy. He is therefore forced to participate, whether or not he wants to. In capitalism, "excessive profit-seeking" is not a moral failure on the part of individuals, but rather a necessity for surviving as a capitalist. As will be shown more clearly in the following chapters, capitalism rests upon a *systemic* relationship of domination that produces constraints to which both workers and capitalists are subordinated. For that reason, a critique that takes aim at the "excessive profit-seeking" of individual capitalists but not at the capitalist system as a whole is too narrow.

By *capital* we understand (provisionally; we'll get more precise later) a particular sum of value, the goal of which is to be "valorized," which is to say, generate a surplus. This surplus can be obtained in various ways. In the case of interest-bearing capital, money is lent at interest. The interest thus constitutes the surplus. In the case of *merchant capital*, products are purchased cheaply in one place and sold dearly in another place (or at another point in time). The difference between the purchase price and the sale price (minus the relevant transaction costs) constitutes the surplus. In the case of *industrial capital*, the production process itself is organized along capitalist lines: capital is advanced for the purchase of means of production (machines, raw materials) and for the employment of forces of

labor, so that a process of production comes about under the direction of a capitalist (or his agents). The products produced are then sold. If the revenue is higher than the costs used for means of production and wages, then the originally advanced capital has not only reproduced itself, but has also yielded a surplus.

Capital in the sense outlined above—primarily as interest-bearing and merchant capital, not so much as industrial capital—has existed in practically all societies in which exchange and money existed, but it played mainly a subordinate role, whereas production for need was dominant. One can first speak of *capitalism* when trade and, above all, production is conducted in a predominantly capitalist manner—that is, profit-oriented rather than needs-oriented. Capitalism in this sense is primarily a modern European phenomenon.

The roots of modern capitalist development in Europe extend back to the high Middle Ages. Initially, foreign trade was organized on a capitalist basis, with the medieval crusades—wars of plunder—playing an important role in the expansion of trade. Gradually, merchants who had initially bought preexisting products to sell in a different locale started to take control of production: they contracted out the production of certain products, advanced the costs for the raw materials, and dictated the price at which they purchased the final product.

The development of European culture and European capital experienced a decisive upturn in the sixteenth and seventeenth centuries. What is often described in schoolbooks as an “Age of Discovery” was summarized by Marx in the following manner:

The discovery of gold and silver in America, the extirpation, enslavement and entombment in mines of the indigenous population of that continent, the beginnings of the conquest and plunder of India, and the conversion of Africa into a preserve for the commercial hunting of blackskins, are all things which characterize the dawn of the era of capitalist production. The treasures captured outside Europe by undisguised looting, enslavement and murder, flowed back to the mother country and were turned into capital there. (*Capital*, 1:915, 918)

Within Europe, capitalist production took hold of further areas, manufacturing and factories emerged, and industrial capitalists employing constantly growing labor forces inside of increasingly large production facilities established themselves alongside the merchant capitalists. This industrial capitalism developed initially in England in the late-eighteenth and early-nineteenth centuries, with France, Germany, and the United States following in the nineteenth century. In the twentieth century, there occurred a thorough capitalization of almost the entire world, but there were also attempts by a few countries, such as Russia and China, to extract themselves from this development by building a “socialist system” (see chapter 12 below). With the collapse of the Soviet Union’s and China’s orientation toward a capitalist market-economy, capitalism at the beginning of the twenty-first century knows no boundaries, at least not of the geographical sort. Although no part of the world is without capitalist influence, not all parts of the world are thoroughly capitalized (as a glance at large parts of Africa will show), but this isn’t because capital would encounter resistance, but because the conditions of valorization are of varying favorability, and capital always seeks out the best possibilities for profit and leaves the less profitable ones alone for the time being.

1.2 The Emergence of the Workers’ Movement

Not only was the development of appropriately large fortunes a precondition for the development of industrial capitalism, it also involved the “freeing” of forces of labor: people who were no longer subject to feudal relations of dependency, who were formally free, and therefore had the possibility for the first time to sell their labor-power, yet also were “free” from every source of income, who possessed no land they could cultivate in order to survive, and thus were forced to sell their labor-power to survive.

Small peasant farmers who had been impoverished or expelled from their land (landlords had often transformed cropland into pasture land, since this was more profitable), as well as ruined artisans and day laborers constituted the core of this “proletariat,” which was often forced

into permanent wage labor by the deployment of the most brutal state violence—persecution of “vagabonds” and “beggars,” the erection of so called workhouses. The emergence of modern capitalism was not a peaceful, but rather a deeply violent process, concerning which Marx wrote in *Capital*:

If money, according to Augier, “comes into the world with a congenital blood-stain on one cheek,” capital comes dripping from head to toe, from every pore, with blood and dirt. (*Capital*, 1:925–26)

At the cost of enormous human sacrifice, industrial capitalism developed in Europe (initially in England) at the beginning of the nineteenth century. Workdays of up to fifteen or sixteen hours and labor forced upon children of six or seven years of age were just as widespread as extremely unhealthy and hazardous conditions of work. And for all that wages were hardly sufficient for survival.

Resistance arose against these conditions from various quarters. Workers sought higher wages and better working conditions. The means used to achieve these goals varied, and ranged from petitions to strikes to militant battles. Strikes were frequently put down violently through the deployment of police and the military, and the first trade unions were often persecuted as “insurrectionary” associations, their leaders often convicted as criminals. Throughout the entire nineteenth century, battles were carried out for the recognition of trade unions and strikes as a legitimate means of struggle.

With time, enlightened citizens and even individual capitalists criticized the miserable conditions under which a large part of the constantly growing proletariat vegetated during the course of industrialization.

Ultimately, the state was forced to notice that the young men who were subject at an early age to the overly long work hours of the factories were no longer suitable for military service. Partially under pressure from the increasingly strong working class, partially due to the insight that capital and the state needed halfway healthy people as forces of labor and as soldiers, the “factory laws” were introduced in the nineteenth century, again with England leading the way. Minimal health protections for employees

were mandated, while the minimum age for child labor was raised and the maximum daily working hours for child laborers lowered. Ultimately, the working time for adults was limited. In most sectors, a normal workday of twelve and later ten hours was introduced.

During the nineteenth century, the workers' movement grew increasingly strong, and there emerged trade unions, workers' associations, and ultimately also workers' political parties. With the extension of suffrage, which was initially limited to property owners (or more precisely: property-owning males), the parliamentary fractions of these parties continued to grow. A constant source of debate was the question concerning the goal of the struggle of the workers' movement: was the issue merely that of a reformed capitalism or of the abolition of capitalism? Also debated was the question of whether states and governments were opponents that should be fought just as much as capital or whether they were possible coalition partners who merely needed to be convinced of the proper perspective.

Since the first decades of the nineteenth century, there emerged an abundance of analyses of capitalism, utopian conceptions of socialism, reform proposals, and strategic blueprints as to how particular goals were to be best achieved. From the middle of the nineteenth century onwards, Marx and Engels won increasing influence within these debates. Toward the end of the nineteenth century, both had already died, but "Marxism" was dominant within the international workers' movement. However, even back then it was questionable as to how much this "Marxism" had anything to do with Marx's theory.

1.3 Marx and "Marxism"

Karl Marx (1818–1883) was born in Trier. He came from an educated petit-bourgeois family; his father was a lawyer. Marx formally studied law in Bonn and Berlin, but occupied himself above all else with the then-dominant philosophy of Hegel (1770–1831) and the Young Hegelians, a radical group of followers of Hegel.

In 1842–43 Marx was the editor of the *Rheinische Zeitung*, which functioned as an organ of the liberal Rhineland bourgeoisie in opposition

to the authoritarian Prussian monarchy. In his articles, Marx criticized Prussian policies, whereby the Hegelian conception of the “essence” of the state, namely the realization of a “reasonable freedom” standing above all class interests, served as the benchmark of criticism. During the course of his journalistic activity, Marx came into more and more contact with economic questions, which made the Hegelian philosophy of the state appear increasingly dubious.

Under the influence of Ludwig Feuerbach (1804–1872), a radical critic of Hegel, Marx attempted to take “real human beings” as his point of departure rather than Hegelian abstractions. In doing so, he wrote his *Economic and Philosophical Manuscripts* of 1844, which were never published during his lifetime. In these texts, he developed his “theory of alienation,” which would go on to enjoy an extraordinary reception in the twentieth century. Marx attempted to show that under capitalist relations the species being (*Gattungswesen*), the human essence of real humans—that is to say what separates them from animals, namely that they developed their potential and ability through labor—is “alienated”: as wage laborers they do not possess the products of their labor, nor do they control the labor process, both being subject to the rule of the capitalist. *Communism*, the abolition of capitalism, is therefore conceived of by Marx as the transcendence of alienation, as the reappropriation of human species (*Gattungswesen*), the human essence being by real humans.

During his time with the *Rheinische Zeitung*, Marx got to know Friedrich Engels (1820–1895), the son of a factory owner from Barmen (today a part of Wuppertal). In 1842, for the purposes of completing his training as a merchant, Engels was sent by his parents to England and witnessed the misery of the English industrial proletariat. By the end of 1844 there existed between Marx and Engels a close personal friendship that would endure until the end of their lives.

In 1845 they jointly wrote the *German Ideology*, a work (unpublished during their lifetimes) that was intended as a settling of accounts not only with the “radical” Young Hegelian philosophers, but also, as Marx later wrote, “with our former philosophical conscience” (MECW, 29:264). In this work, as in the *Theses on Feuerbach* that Marx wrote shortly before the *German Ideology*, Marx and Engels criticized in particular the philosophi-

cal conception of a “human essence” and of “alienation.” The really existing social relations under which people live and work became the object of investigation. Subsequently, the concept of a human species-being or essence no longer surfaces in Marx’s work, and he only rarely and vaguely speaks of alienation. In discussions concerning Marx, it is a point of contention as to whether he actually discarded the theory of alienation or whether he simply no longer placed it at the foreground of his work. The debate as to whether there is a conceptual break between the writings of the “young” and those of the “old” Marx is primarily concerned with this question.

Marx and Engels would become widely known through the *Communist Manifesto*, published in 1848 shortly before the outbreak of the revolutions of the same year, a programmatic text that was composed under the auspices of the League of Communists, a small revolutionary group that existed only for a short time. In the *Communist Manifesto*, Marx and Engels concisely and succinctly outlined the rise of capitalism, the increasingly fierce emerging antagonism between bourgeoisie and proletariat, and the inevitability of a proletarian revolution. This revolution would lead to a communist society, based upon the abolition of private property over the means of production.

After the suppression of the revolution of 1848, Marx had to flee Germany. He settled in London, which was then the capitalist center *par excellence* and also the best place to study the development of capitalism. Furthermore, Marx could draw upon the resources of the enormous library of the British Museum.

The *Communist Manifesto* originated more from an ingenious intuition rather than from any far-reaching scientific knowledge (some assertions, such as the allegation of an absolute immiseration of the workers, were later revised by Marx). Marx had already started to deal with economic literature in the 1840s, but he only began a comprehensive and deep scientific engagement with political economy in London. This led him at the end of the 1850s to the project of a planned multi-volume “Critique of Political Economy,” for which a series of extensive manuscripts were developed starting in the year 1857, none of which, however, were completed or published by Marx (among these were the *Introduction* of 1857, the *Grundrisse* of 1857–58, and the *Theories of Surplus Value* of 1861–1863).

Marx worked on this project until the end of his life, but would publish very little. As a prelude, the *Contribution to the Critique of Political Economy*, a small text concerning the commodity and money, was published in 1859, but was not continued. Instead, the first volume of *Capital* came out in 1867, and in 1872 the revised second edition of the first volume was released. Volumes 2 and 3 were brought out after Marx's death by Friedrich Engels, in 1885 and 1894, respectively.

Marx did not limit himself to scientific work. In 1864, he was a decisive participant in the founding in London of the International Workingmen's Association, and formulated its "Inaugural Address," which contained its programmatic ideas as well as a draft of its statutes. In the following years, as a member of the general council of the International, he exercised considerable influence over its policies. Not least through its various national sections the International supported the founding of Social Democratic labor parties. In the 1870s the International was dissolved, partly due to internal conflicts, partly because a centralized organization alongside the individual parties had become superfluous.

For the Social Democratic parties, Marx and Engels constituted a sort of think tank: they engaged in an exchange of letters with various party leaders and wrote articles for the Social Democratic press. They were asked to state their positions concerning the most varied political and scientific questions. Their influence was the greatest within the German Social Democratic Party (SPD), founded in 1869, which developed at a particularly rapid pace and soon served as a model for the other parties.

Engels composed a series of popular works for the Social Democracy (the SPD), in particular the so-called *Anti-Dühring*. The *Anti-Dühring* and above all the short version, *Socialism: Utopian and Scientific*, which was translated into many languages, was among the most widely read texts of the workers' movement in the period before the First World War. *Capital*, on the other hand, was usually taken note of by only a small minority. In the *Anti-Dühring* Engels critically engaged with the ideas of Eugen Dühring, a university lecturer in Berlin. Dühring claimed to have developed a new, comprehensive system of philosophy, political economy, and socialism, and was able to win an increasing number of adherents in the German Social Democracy.

Dürring's success rested upon a strong desire within the workers' movement for a *Weltanschauung*, or "worldview," a comprehensive explanation of the world offering an orientation and answers to all questions. After the worst outgrowths of early capitalism had been eliminated and the everyday existence of the wage-dependent class within capitalism was somewhat secure, a specific Social Democratic workers' culture developed: in workers' neighborhoods there emerged workers' sports clubs, workers' choral societies, and workers' education societies. Excluded from the exalted bourgeois society and bourgeois culture, there developed within the working class a parallel everyday life and educational culture that consciously attempted to distance itself from its bourgeois counterpart, but often ended up unconsciously mimicking it. And so it was that at the end of the nineteenth century August Bebel, the chairman of the SPD over the course of many years, was graciously honored in a manner similar to the way that Kaiser Wilhelm II was honored by the petit-bourgeoisie. Within this climate, there emerged the need for a comprehensive intellectual orientation that could be opposed to the dominant bourgeois values and worldview, in which the working class played no role or merely a subordinate role.

Insofar as Engels not only criticized Dürring but also sought to counterpose the "correct" positions of a "scientific socialism," he laid the foundations for the worldview of Marxism, which was appreciatively taken up in Social Democratic propaganda and further simplified. This Marxism found its most important representative in Karl Kautsky (1854–1938), who until the First World War was regarded as the leading Marxist theoretician after the death of Engels. What dominated the Social Democracy at the end of the nineteenth century under the name of Marxism consisted of a miscellany of rather schematic conceptions: a crudely knitted materialism, a bourgeois belief in progress, and a few strongly simplified elements of Hegelian philosophy and modular pieces of Marxian terminology combined into simple formulas and explanations of the world. Particularly outstanding characteristics of this popular Marxism were an often rather crude *economism* (ideology and politics reduced to a direct and conscious transmission of economic interests), as well as a pronounced historical *determinism* that viewed the end of

capitalism and the proletarian revolution as inevitable occurrences. Widespread in the workers' movement was not Marx's critique of political economy, but rather this "worldview Marxism," which played above all an identity-constituting role: it revealed one's place as a worker and socialist, and explained all problems in the simplest way imaginable.

A continuation and further simplification of this worldview Marxism took place within the framework of "Marxism-Leninism." Lenin (1870–1924), who became after 1914 so influential, was intellectually rooted in worldview Marxism. He openly expressed the exaggerated self-confidence of this "Marxism":

The teaching of Marx is all-powerful because it is true. It is complete and harmonious, providing men with a consistent view of the universe, which cannot be reconciled with any superstition, any reaction, any defense of bourgeois oppression. (Lenin, *The Three Sources and Three Component Parts of Marxism*)

Before 1914, Lenin supported the Social Democratic center around Karl Kautsky against the left wing represented by Rosa Luxemburg (1871–1919). His break with the center came at the beginning of the First World War, when the SPD voted for war credits requested by the German government. From then on, the split within the workers' movement took its course: A Social Democratic wing that in the next few decades would move further away—both theoretically and practically—from Marxist theory and the goal of transcending capitalism stood opposite a Communist wing that nurtured a Marxist phraseology and revolutionary rhetoric, but existed above all to justify the zigzags in the domestic and foreign policy of the Soviet Union (such as during the Hitler-Stalin pact).

After his death, the Communist wing of the workers' movement turned Lenin into a Marxist "Pillar-Saint." His polemical writings, most of which were written within the context of contemporary debates within the workers' movement, were honored as the highest expression of "Marxist science" and were combined with already existing "Marxism" into a dogmatic system of philosophy (Dialectical Materialism), history (Historical Materialism), and political economy: Marxism-Leninism.

This variant of worldview Marxism served above all else an identity-constituting role, and in the Soviet Union in particular legitimized the political domination of the party and suffocated open discussion.

Ideas in general circulation today concerning Marx and Marxian theory—whether these are appraised positively or negatively—are essentially based upon this worldview Marxism. Readers of the present work might also have certain, seemingly self-evident, ideas concerning Marxian theory that are derived from this worldview Marxism. But the sentiment Marx expressed to his son-in-law, Paul Lafargue, after the latter gave an account of French “Marxism” also applies to a large amount of that which assumed the label of “Marxism” or “Marxism-Leninism” over the course of the twentieth century: “If anything is certain, it is that I myself am not a Marxist” (MECW, 46:356).

However, this worldview Marxism did not remain the only kind of Marxism. Against the background of the split in the workers’ movement into Social Democratic and Communist wings, as well as the disappointment of the revolutionary hopes that existed after the First World War, there developed in the 1920s and 1930s differing (and widely diverging) variants of a “Marxist” critique of worldview Marxism. These new currents, which are associated with, among others, Karl Korsch, Georg Lukacs, Antonio Gramsci (whose *Prison Notebooks* were published after the Second World War), Anton Pannekoek, and the Frankfurt School founded by Max Horkheimer, Theodor W. Adorno, and Herbert Marcuse, are often retrospectively aggregated under the label “Western Marxism.”

For a long time, Western Marxism only criticized the philosophical and theoretical-historical foundations of traditional Marxism: Dialectical and Historical Materialism. The fact that the critique of political economy was often reduced to a “Marxist political economy” by traditional Marxism and that the comprehensive meaning of the word *critique* had been lost only reemerged into view in the 1960s and 1970s. As a consequence of the students’ movement and the protests against the U.S. war in Vietnam, there was an upsurge of leftist movements beyond and outside of the traditional Social Democratic and Communist parties of the workers’ movement, and a renewed discussion concerning Marx’s theory. Now a

far-reaching discussion of Marx's critique of political economy emerged. The writings of Louis Althusser and his associates were very influential in this regard (Althusser 1965, Althusser/Balibar 1965). Furthermore, the discussion was no longer limited to *Capital*; other critical economic writings by Marx, such as the *Grundrisse*, were incorporated, the latter gaining popularity above all due to Roman Rosdolsky's book (1968). For the (West) German discussion, the writings of Hans-Georg Backhaus (collected in Backhaus 1997) and Helmut Reichelt's book (1970) played a central role; they provided a new impetus for the new reading of Marx's critical economic writings mentioned in the Preface to the present text. The present work also stands within the substantive context of this "new reading of Marx."² The differences between this new reading and traditional Marxist political economy, merely alluded to in this chapter, will become clearer throughout the course of this work.