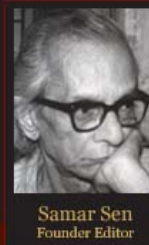


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Capital And Capitalist

The Unusual Genealogy of the Concept of Capitalism

Marcello Musto

Even though Karl Marx is considered the main critic of capitalism, he rarely used this term. The word was also absent from the early great classics of political economy. Not only did it not find a place in the works of Adam Smith and David Ricardo, but it was also not even used by John Stuart Mill, nor by the generation of economists contemporary with Marx. They rather used capital—commonly used since the 13th century—and capitalism.

The term capitalism did not appear until the mid-19th century. It was a word mainly used by those opposing the existing order of things and had a much more political rather than economic connotation. Some socialist thinkers were the first ones to use this word, always in a disparaging manner. In France, in a reprint of the renowned work *L'organisation du travail*, Louis Blanc argued that the appropriation of capital—and, through the capital itself, of political power—was monopolised by the wealthy classes. They concentrated it in their own hands and restricted access to it for the other social classes. Far from seeking to overturn the economic foundations of bourgeois society, he spoke in favour of the “suppression of capitalism but not of capital”. In Germany, the economist Albert Schäffle, mocked with the epithet ‘armchair socialist’, in his book *Capitalism and Socialism*, argued in favour of reforms from the state to ease the bitter conflicts that were widely spreading, due to ‘the hegemony of capitalism’.

Since its first use, there was no shared definition of the concept of capitalism, and this difficulty did not even change later on when the term widely spread and gained its popularity. The works *Modern Capitalism*, by Werner Sombart, and *The Protestant Ethic and The Spirit of Capitalism*, by Max Weber, were both published at the beginning of the 20th century and meant to show—despite some differences—the essence of capitalism in the spirit of initiative, in the cold rational calculation and the systematic pursuit of personal profit, greatly contributed to the popularisation of this term. However, it was mainly due to the spread of the Marxist critique of society that the word capitalism—to which the Encyclopaedia Britannica did not dedicate an entry until 1922—gained its citizenship in the social sciences.

Moreover, after being left on the margins, when not explicitly rejected, of the theoretical discourse of the main currents of political economy, it was through Marx’s work that the concept of capitalism gained centrality even in this discipline. Rather than being conceived as a synonym for political decisions aimed at benefiting the ruling classes, through Marx it took on the meaning of a specific system of production, based on the private property of factories and the creation of surplus value.

Marx’s unintended contribution to the propagation of the term ‘capitalism’ was, in some ways, paradoxical. Completely absent from the books he printed, even in his manuscripts the term Kapitalismus was used very sporadically. It only appeared on five occasions, always en passant, and without him ever giving a specific description of it. Probably, Marx felt that this notion was not sufficiently focused on political economy, but, instead, linked to a critique of society that was more moral than scientific. Indeed, when he had to choose the title of his magnum opus, he opted for Capital and not ‘Capitalism’.

In place of this word, he preferred other ones that he considered more appropriate to define the existing economic and social system. In the *Grundrisse*, he referred to the ‘capital mode of production’, while a few years later, starting with the *Economic Manuscripts of 1861-63*, he adopted the formula ‘capitalist mode of production’. This expression also appeared in the First Book of Capital, whose famous incipit, in fact, reads: “The wealth of societies in which the

capitalist mode of production predominates is presented as a huge collection of commodities". Thereafter, in the French translation, as well as in the second German edition, of *Capital* Volume I, Marx also used the formula 'capitalist system'. He repeated it in the preliminary drafts of the famous letter to Vera Zasulich of 1881.

Both in these and in numerous other writings on the critique of political economy, Marx did not provide a concise and systematic definition of what the capitalist mode of production was. An understanding of the modus operandi of capitalism can only be fully grasped by connecting the multiple descriptions of its dynamics contained in *Capital*.

In Volume I, Marx stated that 'the characteristic feature of the capitalist epoch is the fact that labour-power also takes the form of a commodity belonging to the worker himself, while his labour takes the form of wage labour'. The crucial difference from the past is that workers do not sell the products of their labour—which in capitalism are no longer their property—but their own labour.

For Marx, the process of capitalist production is based on the separation of labour-power and working conditions, a condition that capitalism 'reproduces and perpetuates', so as to guarantee the permanent exploitation of the proletariat. This mode of production 'forces the worker to constantly sell his labour-power in order to live and constantly enables the capitalist to buy it in order to enrich himself'. Furthermore, Marx emphasised that capitalism differs from all previous modes of productive organisation for another peculiar reason. It is 'unity of labour process and value-creating process'. He described the process of capitalist production as a mode of production that has a dual nature: 'on the one hand it is a social labour process for the manufacturing of a product, on the other hand it is a process of capital valorisation'. What drives the capitalist mode of production 'is not use-value or enjoyment, but exchange-value and [its] multiplication'. The capitalist was described by Marx as a 'fanatic of the valorisation of value', a being who 'unscrupulously forces humanity into production for production's sake'.

In this way, the capitalist mode of production generates the expansion and concentration of the proletariat, along with an unprecedented level of exploitation of labour-power.

Finally, while it was certainly focused on the economy, Marx's analysis of the capitalist system was not exclusively aimed at the production relations but constituted an all-embracing critique of bourgeois society including the political dimension, social relations, legal structures, and ideology, as well as the implications they determine on the single individuals. Therefore, he did not consider capital as 'a thing, but rather as a specific social production relation, belonging to a specific historical formation of society'. It is therefore not eternal and can be replaced—through class struggle—by a different socio-economic organisation.

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