

Misreading *Capital*

The makings of Weber, Arendt, and Friedman

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Abstract: Marx has been misread primarily because the politicians who, in his name, powered communist regimes popularized a tendentious interpretation of his works. In particular, they justified authoritarianism and violence by emphasizing the “dictatorship of the proletariat” and the “animal theory of revolution” where the poor get poorer and eventually erupt in a cataclysmic fashion. Instead, if attention had been paid to Marx’s seminal concept—“socially necessary labor”—and his exhortation to win the minds of the working classes by participating in popular movements of the subalterns everywhere, then a new appreciation would emerge of the corpus of Marx’s contributions. As that has not quite happened, scholars like Weber, Arendt, and Friedman have misinterpreted Marx, rather willfully, and shot into prominence with their first book-length publications.

Keywords: animal theory of revolution, socially necessary labor, sociology of knowledge, welfare policies

Everybody is misread, even when the reader has the best of intentions. This is an axiomatic truth, and it is simply because we interact not only in terms of denotations but also with connotations. Consequently, in the social sciences, as in other fields, a large part of what we communicate is open to multiple misreading, resulting in a series of misinterpretations. These multiple interpretations seriously dog most authors, and the more distinguished you are, the greater the chances of being misread and, sometimes, maliciously misinterpreted. Not surprisingly, Marx once famously said, “All I am certain about is that I am not a Marxist.” He may have been definite about the field he was furrowing, but the

broadcast seeding had already started, even in his lifetime. Diverse and contending Marxian schools of thought were sprouting everywhere, and this was to be expected. In fact, the greater the philosopher, scientist, or saint, the larger the tribe of exegetes they attract.

Interestingly, many have actually made their careers, and distinguished themselves, by chipping away at pedestals to topple a master. Nowhere is this truer than of those who misread Marx’s ([1867] 1974) *Capital*, along with his other works, and became famous. Such misinterpretations may have been the outcomes of innocent misreading, no more. In this case, then, one should consider these serious lapses



in professional conduct, no less. More importantly, it is not as if those Marxist texts they were referring to were susceptible of being misread because of lack of clarity and explicitness. As I shall try to demonstrate, this is far from true, which is why one begins to suspect a tendentious intent out here. If that were the case, then it is no longer academics but politics in sheep's clothing, or tweeds. Of all the scholars known to humankind, Marx probably suffered most from such wanton and calculated campaigns. Typically, this happens most often with religious leaders, but among secular heroes, Marx stands out.

Hegel misinterpreted Johann Fichte's dialectical triad of thesis, antithesis, and synthesis to proclaim the German state of his time had finally arrived. From this point on, Hegel could calmly suspend the dialectic from going further, which was never Fichte's intention.¹ Marx committed an identical error when he too believed the dialectic, after socialism, could be halted. There was no attempt, by either of them, to win praise for discrediting Fichte: they had just read him wrong. It is this mistake, more than anything, that Marx ([1867 1974] wrote in *Capital* that rationalized the domination of dictatorial communists. If communism had pushed history to its final glory, then its purveyors had to be infallible from the start. As a result, any criticism of the "dictators" of the "dictatorship of the proletariat" was unthinkable; it was disgracing history, even progress. As Hegel, then Marx, turned off the dialectic, their respective vanguards saw themselves as history's ultimate representatives and not just its servers.

This misreading did not discredit Fichte; it only made those who knew better tut-tut Hegel and Marx for this rather costly lapse. For those who were not in the know, it mattered little, as Fichte did not come into the picture at all. Nietzsche had admitted philosophers are nearly always misinterpreted, but it all depends on the quality of misinterpretation. Should that misinterpretation enhance the value of thought, Nietzsche would welcome it. This is, however, not the case with some of Marx's misinterpreters.

I shall here take three well-known scholars—Max Weber, Hannah Arendt, and Milton Friedman—to demonstrate my point. Their criticism of Marx did not raise the level of the debate because all three of them, in different ways, accused Marx of taking positions he never held. Yet, they won acclaim from mainstream academia because they attacked a man who many communist regimes claimed to be their ideological fountainhead. Maligning Marx was thus justified because actually existing communisms were seen as sponsors of irrational philippics and state sponsored violence. Consequently, misreading *Capital* won favor with the right-wing and conservative establishments of the day. At that level, the legitimacy and accuracy of their observations against Marx did not matter, so long as he could be damned. This is because if Marx were to be undermined, then Bolshevism and actually existing communisms would have a knee on their necks. Communist regimes were the ultimate hate object, and if they considered Marx their god, then that god must fail.

There are probably many who misinterpreted Marx to their lasting advantage, but here I shall confine myself to Weber, Arendt, and Friedman. It is not as if their other works were not noteworthy on their own; they were. However, it is their criticism of Marx, right off the bat, early in their careers, that brought them notice and provided recognition to their future productions. There is a reason behind my choice of Weber, Arendt, and Friedman. They represent different specialities—one a sociologist, the other a political thinker, and the third a Chicago economist. What unites them is that their foundational position is anti-Marxism, of a rather facile kind. Nevertheless, it gave their first works a huge intellectual boost, and it is this early recognition that held them in good stead thereafter.

Why not Keynes?

John Maynard Keynes could have been a candidate for this ignominious parade, but he has been kept aside. This is because he had made his

academic mark well before he stooped to take rather low swipes at Marx. Not only did Keynes belittle Marx: he went ahead and insulted other religions and peoples, too—those he could casually identify with communists. For example, in a letter to George Bernard Shaw, Keynes (1982: 38) compared *Das Kapital* to the Koran as examples of wild and woolly thinking. Interestingly, he did not think the Old Testament or the Gospel were “dreary and out of date” as he judged the Koran and *Capital* to be. Not just Islam drew Keynes’s (1977: 373) displeasure; he had it in for some other identities, too. In his view, Bolshevism arose because of the “peculiar temperaments of Slavs and Jews.” Keynes also had his payload of class hubris, which he simultaneously released with his religious and cultural bigotry while attacking Marxism: “How can I adopt a creed which, preferring the mud to the fish, exalts the boorish proletariat above the bourgeois and intelligentsia who, with whatever faults, are the quality of life and surely carry the seeds of all human advancement” (quoted in Hardcastle 1967).

Let us stop here just to take stock. Some of the most refined British scholars and poets were not of bourgeois background yet were makers of what Keynes called the “quality of life.” Very quickly, across time, one can name Raymond Williams, Alfred Marshall, and John Keats, who were not bourgeois born but raised on bourgeois aesthetics and intellectual standards. Even Shaw was born in a poor street in Dublin (Portobello), and his father was a drunken, no-good waster. Dylan Thomas was the son of a seamstress, Richard Burton’s father was an indigent coal miner, and Charlotte Brontë’s grandfather was a laborer working on other people’s land.

However, British people of bourgeois background, such as Keynes, went on to become Soviet spies, often winning cultlike status. I am thinking here of Kim Philby (whose father was a member of the Indian Civil Service), Guy Burgess (a true-blue Etonian), Donald Maclean (son of a Knight and very wealthy), and Anthony Blunt (third cousin of Queen Elizabeth whose mother was second cousin to Elizabeth’s

father). A topsy-turvy world then! The best British scholars are often non-bourgeois, and the best bourgeois are often committed communists. Most importantly, one should be wary of handing out attributes and acrimony based on class, religion, and nationality; Keynes faltered on all three counts. Tempting though it is, we shall not dwell on Keynes for long because he did not need to calumny Marx to win attention and recognition. He must have been looking sideways, though, not to notice Marx was really the starting point of his own analysis. While Keynes wrote about how to get out of economic depressions, Marx actually pointed out why such phenomena occur. On that fundamental issue, Keynes did not contest Marx² but just passed him by. Contrast this with the open acceptance of Marx’s falling rate of profit by Joseph Schumpeter and his many followers.³

From anti-revolutionary to anti-Marx

While Keynes did not need to swing at Marx to make his mark, Weber, Arendt, and Friedman kicked off their careers doing just that. Weber’s starting point was methodological, but as his career progressed, the disagreements took on a clear political slant. Arendt and Friedman wrote provocatively about the dangers of communism and how it curtailed freedom and then traced the original sin to Marx. The magnum opus of each, as mentioned earlier, was their first book, and in every case, anti-Marxism was the guiding thread. This pleased an audience seeking to run down Marx, and these authors fed that need. It will be noticed, as we go along, that their primary hate object was Stalin and other communists. Yet, they made Marx their pinup boy, but of a different kind, the one you stick pins into—voodoo style.

There are two issues related to this line of reasoning. First, Marx did not create Stalin, not even Lenin. If one were to pay attention to the *Manifesto of the Communist Party*, Marx and Engels very clearly said communists should never form a “separate party opposed to other

working-class parties . . . They do not set up any sectarian principles of their own by which to shape and mould the proletarian movement” ([1848] 1969: 22). How different is this from the Leninist position of cabal and confrontation led by a band of conspiratorial comrades? Marx gave voice to this view once again when he participated in the First International of the International Workingmen’s Association (IWA). There, too, he did not advocate a closed communist party but rather exhorted proletarian organizations to join hands internationally to advance their causes. His socialism was not an article of faith but a cementing force binding diverse popular strands together. Hence, the IWA was for the liberation of Poland, the unification of Italy, women’s right to vote, greater fraternal relations between French and English workers, solidarity with blacks in the United States, and, significantly, the inclusion of women in its ranks.

Proudhon opposed this last move, but Marx insisted: “Great social revolutions are impossible without the feminine ferment. Social progress can be measured precisely by the social position of the fair sex” (Høgsbjerg 2014). From what we know of Marx, he was an early crusader for what is feminism today. This shows up in practically every work of his, most famously in the *Manifesto* (Marx and Engels [1848] 1969: 25) but also in *Economic and Philosophic Manuscripts of 1844* (Marx 1988). Both pieces were written by a young Marx almost two decades before *Capital*. Contra Keynes’s impression of “boorish” proletariats, Marx (1864) wrote to Engels, on 4 November 1864, that workers must be “fortiter in re, suaviter in modo” (bold in deed, mild in manner). Keynes should have taken this on board before he said all that was bourgeois was refined. If cultivated taste is the issue, à la Keynes, Marx’s use of Shakespeare’s *Timon of Athens* to explain the role of money is the best one will ever come across (1988: 59–61)

We have already shown Marx’s idea of communist practice was not of the Bolshevik variety, so to equate the two would be unfair. Weber, Arendt, and Friedman—and they were

not alone—had Bolsheviks and the like in the crosshairs but believed they were gunning down Marx. This is the main reason they nearly always missed the target. There is no communist conspiracy in Marx; there is no putsch or coup d’état. Instead, as the IWA records show, Marx’s efforts were to win over workers, transparently and internationally. As we shall soon see, Weber, Arendt, and Friedman often imputed certain views to Marx, which were never his, either in word or in deed. In fact, time and again, Marx explicitly opposed the very positions his critics accuse him of entertaining.

According to Marx

To appreciate our criticism of Weber, Arendt, and Friedman, we need to plant the main signposts of Marx’s work, which, in fairness, should not be overlooked. While earlier writings of Marx give us an insight into the evolution of his thought and passions, *Capital* must be read as his last will and testament (this holds only for the first volume of *Capital* and not the other two, because they appeared posthumously, without Marx’s final sanction). In this case, we should read back from *Capital* to the “Theses on Feuerbach,” and not the other way around. This will help us cull out the essential Marx from the corpus of his works. The most important aspect of Marx’s *Capital* was his conceptualization and refinement of “socially necessary labour” ([1867] 1974: 47, 59, 203). This marked an important departure from his *Manifesto*, as well as from the earlier *Economic and Philosophic Manuscripts of 1844*.

In these earlier documents, Marx had argued capitalism, over time, would aggravate workers’ poverty, bringing them down to bare subsistence. The pent-up fury from this injustice would eventually produce a burst of animalistic spirits and create a revolution (see, e.g., Marx 1988: 50). This position was abandoned in 1867 in the first volume of *Capital*.⁴ Here, Marx underscored the importance of context, which led him to conceptualize “socially necessary labour.”

This was against his earlier formulation of absolute labor, marking a significant positional shift ([1867] 1974: 106, 298–299, 386ff.). Now, for the first time, he could empirically substantiate the distinction between concrete and abstract labor that was so critical to his thinking. A product's price depends no longer on the amount of absolute/concrete content of labor but on how much of it was "socially necessary."

The idea of socially necessary labor alerts us to growing skills that capitalism calls out to at different stages of its development. Therefore, if wages are what laborers need to reproduce themselves, then it cannot be bodily reproduction alone, as many of Marx's critics allege. This reproduction must include skill reproduction and the attendant training and specializing that are simultaneously called for. As different competencies are required for different production processes, wages too would necessarily differ for their reproduction needs would differ. In other words, the remuneration necessary to reproduce a certain quality of labor will not be the same across the entire working class. Once we accept this view, we need to alert ourselves to the fact that inequality of income is, therefore, an inescapable social condition, even in Marx. According to this line of reasoning, workers' wages depend on what it takes to reproduce specific socially necessary labor for the job at hand. As different jobs will need differing quantities of socially necessary labor, we therefore expect wages to differ; some will be paid more, some less. This inequality is inbuilt in Marx's understanding of socially necessary labor.

At this point, we should note the contradiction Marx posed between capital and labor was a deep, structural one that a superficial glance might miss. What transits on the surface, however, is a different kind of antagonism that is hard to overlook. The recognized, everyday enemy of a capitalist is another capitalist competing in the same market (Marx 1988: 13; see also Marx and Engels [1849] 1973: 168). Both are striving to make a profit by investing socially necessary capital and employing labor at socially necessary wages. Soon, other capitalists

will come in, and there will be an overproduction, and profits will tend to fall. The only way to keep it up is by product differentiation and further capital investment, which some entrepreneurs can and others cannot do. The field then gets limited again, until the storm builds up once more and the trough of the V-shaped depression starts looming again.⁵ This is what makes Joseph Schumpeter's announcement of "creative destruction," where capitalists must either innovate or die, so relevant. It also tells us why a feudal market is a closed one, characterized by less innovation but more involution.

It should be underlined that the basic tenet of Marx regarding the origin of capitalist profit is not being radically questioned in this discussion. The secret of profit, according to Marx, was the difference between socially necessary labor cost and what that labor was able to produce. In other words, it was the gap between production and reproduction—what was needed to fabricate and what is needed to replicate. You cannot pay a computer engineer the wages of a coal miner, for the two require different amounts of wages to socially reproduce themselves. Adam Smith said the same thing, much more bluntly,⁶ yet anti-Marxists never attack him, because he did not ask for socialism. If Marx too had just presented a critique of capitalism without supporting its dissolution, mainstream economists might well have embraced *Capital*. In Marx's opinion, workers produced more than they needed to reproduce themselves, at socially necessary levels, and this was the secret of profit. As all other commodities are traded at their labor cost, therefore, surplus labor is inbuilt in the price, which is where capitalist profit is nested. That is why, when there is the inevitable overproduction, prices of commodities will still have to factor in socially necessary labor cost to get that surplus labor. This might ruin several investors as a glut reduces sale price allowing consumers to drive a hard bargain. Marx's use of labor theory of value was not to understand relative prices as much as to lay bare the fundamental logic of capitalism everywhere (see also Moseley 2016).

This is what Marx's critics find most difficult to accept. If the secret of profit is the gap between production and reproduction, then what the capitalist makes is in, one sense, unjustifiable morally. Even so, morality should not enter the discussion, as this feature cuts across the entire production system and nobody can really bypass it. It applies even to those who bring a production team together, manage accounts, advertise, and deliver to the market. This is what "good capitalism" does, as we are now dwelling strictly on its internal logic. This aspect did not escape Marx in *Capital*, and he wrote about it explicitly ([1867] 1974: 309–317, esp. 313–314). The going gets much easier when we talk about "bad capitalism." However, following Marx, we need to analyze "good capitalism" if we wish to appreciate the fundamentals of capital-labor relationship. This is also a more challenging exercise, as there is little scope now for invectives and abuses. If we press on with the central logic of Marxian analysis, then we realize socially necessary labor operates at the entrepreneurial level, too. A company's dividend will also reflect the exertions of entrepreneurs to do what it takes to make the final deal. In a true capitalist system, the ultimate exploiter, the purse snatcher (for libertarians) in the last instance, is the state. It lives by skimming off all the surpluses produced at every level by way of taxes.

Tax payments will also include the dividends that come from shares people purchase from their savings. The "propensity to save" is an evolved version of the "propensity to hedge insecurity." In this case, then, this propensity to save is also a phenomenon that needs socially necessary labor to satisfy, the worker must also think of the future and of security, and, therefore, wages must include that component. These savings then turn into discrete capitals, which are run by professionals, as in the joint-stock company (which Marx foresaw). The cycle of socially necessary labor thus keeps reproducing itself. Capital that comes out of savings is employed to hire workers who produce more than what they socially need to consume. The theo-

retical segue from saving to production, via socially necessary labor, thus becomes effortless.

The state, however, is not an avoidable sin, for it also ensures a condition of peace and normalcy for divergent interests to interact. As it performs this task, it requires the wherewithal for it, and that is where your taxes go. If the state's job is to maintain that tranquility and order, then the state might well decide to enact laws that do not always favor individual capitalists. It may well promulgate measures whereby certain critical services are made available to all, regardless of the purchasing powers of individuals. These are in the realms of health, education, transportation, and energy (to name a few), where profit driven capital is reluctant to enter. This is why the state would tax according to capacity and give welfare measures according to need. When Marx famously said, "From each according to his capacity and to each according to his need," this is what he meant. It was a utopian statement then, but not quite so now. Look at it from the perspective of the modern, liberal, democratic state and what we have is a perfect fiscal motto: graded taxation and welfare for all. One could also put the same in William Beveridge's scheme of things when he argued for a socialization of demand but *not* of production.

Somehow, many anti-Marxists find this point, at heart so simple, difficult to understand. This is probably because most of them—Milton Friedman is the totem here—are against any kind of state intervention in welfare policies. That is why it is hard for them to accept the long chain of socially necessary labor leading up to the state, which is the final depository of surplus. It is now for the state to handle this taxed amount wisely along the lines of "from each according to his capability and to each according to his need." This is not an advice to flatten income inequality, and Marx's understanding of socially necessary labor, as I said earlier, flatly says it is impossible. On the other hand, this is, or should be, the slogan for state led welfarism—a subject anti-Marxist libertarians (not statisticians, like Keynes) dread.

Rather than acknowledging capitalism's dependence on socially necessary labor, apologists want to reward capitalists for risk taking. It is ironic that those who say the connection between labor and wages is metaphysical have no problems at all in connecting risk to profit. Surplus labor and socially necessary labor are easy to calculate, as they involve tangible things. Where are the tangibles based on which risk can be measured and rewarded? Why are some risks rewarded and others not? Generally, variations in the quality of risk (for we can never measure its quantity) are never quite reflected in the outcomes. In fact, risk should not be brought into the picture, because it is a human condition. A farmer takes a huge risk every day, a laborer takes a risk in migrating, a computer engineer takes a risk in qualifying for the training program, professors take a risk of being laughed at and becoming jobless, a rock band can flop, a soldier takes incalculable, life-threatening risks, and the list of risks never ends. And why should it? Without risks, there is no social life, and one may even see this as a restatement of Fichte. What the state does is not to eliminate risks but to cover for them when the chips are down, or are unfairly down, for some citizens.

Profit should therefore work itself back into the Marxian niche, where it is determined by the difference between production and reproduction. To say a capitalist is being rewarded for risks is an intangible proposition. To insist, on the other hand, a manager is being rewarded, but in terms of socially necessary labor, for organizing production efficiently is quite another thing. When managers use their political clout to take more than what is legitimate socially necessary labor is when injustices creep in. If left to itself, this could also exaggerate the tendency toward capitalist crises. What holds like a near truism is the positive correlation between income and power. This is why those who are better endowed, economically, tend to be better endowed politically as well.

Once we put socially necessary labor in the center of Marxian analysis, many of the conundrums that are often recalled disappear. Marx

did not say wages would be the same across the production process, and because of that, innovations must constantly take place. This goes squarely against Marx's earlier belief that absolute immiserization of workers would lead them to bare subsistence living (see Marx and Engels [1848] 1969: 18, 23). Fortunately, he makes no such comment in *Capital* and instead dilates on socially necessary labor and what it takes to reproduce that. The falling rate of profit, the need to innovate, and the pressure to fight off other capitalists all contribute to raising the level of socially necessary labor. Therefore, *Capital* dumps all talk about workers reaching a bestial level of existence under capitalism; instead, the emphasis is now on alienation. This is an old theme with Marx but freshly invigorated in *Capital*. This question now is no longer in the metaphysical realm but in the tangible world and expressed in the distinction between concrete and abstract labor.

Finally, Marx was not the creator of Bolshevism, and he did not advocate anywhere that a communist party must plot in the dark and indulge in intrigues. He was not for "wresting" power but for "winning" workers, as he insisted time and again in the *Manifesto* (Marx and Engels [1848] 1969: 22) and in the 1864 IWA conference. How people choose to miss this point should be a study in motivated hermeneutics. If Marx had lived long enough, he could have improved on his Marxism. He would have read John Rawls and T. H. Marshall and given his slogan "from each according to his ability and to each according to his need" a modern, liberal flavor. He would have also read Ludwig Wittgenstein and known certain questions (such as those he raised on the transformation problem in *Capital*, vol. 3) cannot be answered. He would have realized wages are like words and it all depends on how they are used. Wages are the starting point of production just as words are the starting point of sentences. This is why, as Kalecki and others have shown, the wage bill does not come later but is factored in at the start by all entrepreneurs (see also Marx and Engels [1849] 1973: 152). A cracked mirror throws up

several images, and as capitalism has its facets, we find diverse readings of the same block of money. For example, what is income to the wage earner is cost to the capitalist and expenditure to the accountant—but they are always there and simultaneously so. We are now ready to appreciate the profound disservice Weber, Arendt, and Friedman did to Marx by their very own brand of misinterpretation. They played into the popular conservative mood of their times, and this blocked a fair assessment of not only Marx but also the progress of social sciences.

Max Weber

Before Max Weber ([1905] 1958) wrote his first book, *The Protestant Ethic and the Spirit of Capitalism* (hereafter *PE*), he had published several insignificant tracts. They were on sundry subjects such as Roman agrarian history, on conditions of farm labor, and on the stock market. None of these earlier pieces were of any significance, and most Weberians are, probably, innocent of their existence. After Weber produced *PE*, his fame was practically an overnight phenomenon. This was because the express purpose of this book was to tangentially critique Marx by showing the other side of causality, to wit, how ideas alter the economy. For ideas, read Protestantism; for economy, read capitalism. It was the intention more than the content that warmed the hearts of many, especially those in academic establishments, to make Weber an instant star. *PE* begins disarmingly. In its introduction, Weber wrote that while material causality was a well-demonstrated fact, it needed a complementary emphasis from the other side. The two together would then make for a total analysis ([1905] 1958: 25–27). He also engagingly confessed his studies do not “claim to be complete analysis of cultures” (27). Not just that: a little later, he also warned against “exaggerating the importance of these investigations” (28). This was in keeping with his widely publicized multifaceted *Verstehen* approach, which ostensibly put neutrality and evenhandedness

at the center.⁷ After having said that, the rest of *PE* is dedicated to proving how the Protestant ethic, particularly of the Calvinist variety, powered capitalism. Generous exegetes of this work, argued Weber, can, at best, claim Protestantism promoted capitalism but certainly did not cause it. This is probably the stoutest defense Weber’s *PE* will ever get, but his fame rests on the emphasis he laid on ideas changing material reality. As if to seal this point, he asserts, “religious ethics cannot be regarded as a *reflex* of economic conditions” (266, emphasis added).⁸ Here, he obviously had Marx in mind, but Marx was not that kind of a materialist at all.

Let us recall Marx’s third thesis on Feuerbach, in which he said: “The materialist doctrine that men are products of circumstances and upbringing, and that, therefore, changed men are products of changed circumstances and changed upbringing, forgets that it is men who change circumstances and that the educator must himself be educated.” And be educated they must! In the first thesis, Marx argued matter impresses itself not on inert people but on real people who are constantly involved in “practical sensual activity” ([1845] 1976: 61). Matter, in other words, did not make men, but men work on matter to make themselves. It is far from likely that Weber was unaware of Marx’s “Theses on Feuerbach,” or even the *German Ideology*, but he chose to ignore them. This allowed him to create the straw theoretical proposition that ethics is a “reflex” of the economy, and then kill it slowly over two hundred pages. Even if one man can be misled, how is it that legions of Weberians ignored the fundamentals of Marx’s thought and quickly embraced *PE*’s basic thesis? This could be yet another candidate for a sociology of knowledge analysis. For Marx, then, people work on reality to change reality. This would be the correct Marxian interpretation of how ideas emerge and religions come into being. On the flip side, the reality that these ideas work on actually change our material lives. Marx was not the first materialist but perhaps the first historical materialist, for he insisted in this two-way process where history provides the

context. Ideas do not, by themselves, impress their weight on us, and, likewise, matter does not stamp us without mediation. *PE* would have been a vastly different text, and more persuasive, if Weber had adopted this method. There is no “reflex action” anywhere in Marx, yet this tendentious interpretation led to *PE*’s enthusiastic reception.

Emboldened by his success with *PE*, his later works on the religions of China, or India, are typically in the “ideas say it all” vein. This can also be anticipated in the opening pages of *PE* and one is quite stupefied to note his awareness of Indian medicine and geometry was so slight. Yet, his Western hubris led him to critique Indian treatises on these subjects as being either rationally deficit or lacking biochemical foundation (Weber [1905] 1958: 14). By the time, *PE* is read, the introductory, tactical admission that this was just one side of the causal chain, is forgotten; so heavy is the idealist emphasis. In the main text of *PE*, there is no acknowledgment of partial hermeneutics; instead, there is the repeated boast that Protestantism, on its own, did it all. If it was not Calvin, then Luther, if neither Calvin or Luther then, surely, Baxter (162). Empirically, this work was a disaster. The linkage between Protestantism and capitalism was so forced that scholar after scholar came out to show the work’s hollow evidential base. Very quickly, capitalism opened its account in Catholic Florence, Genoa, Venice, and Southern Germany. On the other hand, Protestant Scotland was a laggard in this department and showed no early signs of enterprise. Finally, Calvin did not see anything good in making money, in fact, there is hardly a quote in *PE* from either Calvin or Luther that bears directly on this subject.⁹ Yet, Weber’s reputation kept growing because his admirers, the mainstream social scientists, saw in *PE* a repudiation of Marx’s historical materialism.¹⁰

Obviously, scholars who hated the idea of “not just interpreting the world, but changing it” (Marx [1845] 1976: 65) found *PE* attractive. It was this political position that spurred Weber as it did Arendt and Friedman to attack Marx. Had

Marx not been invoked, first by European revolutionaries and then by Stalin, many anti-Marxists would perhaps never have found their vocation. Once we begin our journey with this Marxist compass, we find much of the justification behind the writing of *PE* stands nullified. What remains are useful leads on how Calvin looked at time, work, and positioned the idea of the elect in Christianity (Weber [1905] 1958: 157, 224). *PE* is a better tract on the “Protestant ethic” and a poorer one on the “spirit of capitalism.” Weber’s persuasively disarming methodological statements further lead one to believe Weber’s *PE* was a politically innocent tract. In several places, he insisted on value neutrality, interpretation versus explanation, and so on. However, when it came to interacting with the actual world around him, Weber was far from being neutral. His *Verstehen* approach was suspended and, with it, the virtues of interpretive analyses, inhabited by softer virtues of compassion and openness.

It is hard for most of us to imagine how ruthless Weber could be when it came to his political opponents. He hated the likes of Rosa Luxemburg and Karl Leibknecht. This hostility provided Weber’s academic work intellectual energy and ammunition. His “idealist” slant would not have passed a proper philosophical test, but that did not draw critical attention. What drew admiration was that he was actually attacking the hated Marx, who inspired all these revolutionaries. In fact, Weber has a hard-line Aryan side to him too for he once declared: “Only master races have the vocation to climb the ladder of development. If people’s who do possess this quality try to do it, not only will the sure instinct of nations oppose them but they will internally come to grief in the attempt” (see Reynolds and Lieberman 1996: 412). This aspect of Weber’s mind-set has not been adequately emphasized for his anti-Marxian stance forgave all sins.

Weber was not just an Aryan sympathizer (well before Hitler): his uncompromising hatred toward his opponents resembled Nazism. Weber said Luxemburg and Liebknecht deserved

their ignominious death (see Breiner 1996: 180; see also Allen 2004). Why should this be so? According to Weber, “Liebknecht belongs in the madhouse and Luxemburg in the zoological garden.” He said this three weeks before “The Profession and Vocation of Politics” and only 11 days before Liebknecht and Luxemburg were murdered by Freikorps and their bodies dumped in Landwehr Canal in Berlin (Maley 2011: 118). The Freikorps were rogue stragglers of the German army who returned as mercenaries after World War I losses. Many of them later enlisted with the squads of the Weimar Republic, and no matter which account is accepted, the Freikorps were a bunch to be feared. That Weber neither condemned the Freikorps nor the brutal way Luxemburg and Liebknecht were murdered discloses his political inclinations.

Hannah Arendt

Hannah Arendt did not waste any time either. Her first book, *The Origins of Totalitarianism*, was an overnight success. This is not surprising, as this work linked Marx and Marxism to fascism and to muddled Hegelian thought. According to her (and note her use of “mob”), Hegel and Marx “began to tell the mob that each of its members could become such a lofty all-important walking embodiment of something ideal if he would only join the movement” (1951: 249). *Origins* was written in 1951, when McCarthyism in the United States was just about growing. Against this background, she did what would be the most appropriate thing to do, namely, twin two of the United States’ greatest enemies (336, 472ff.). One of them was vanquished (fascist Germany) and the other yet to be (the Soviet Union): “Just as the popularized features of Marx’s classless society have a queer resemblance to the Messianic Age, so the reality of concentration camps resembles nothing so much as the medieval pictures of Hell” (447). Unbelievably, she also saw a link between racism’s logic of the “survival of the fittest” and that of “Marx’s law of the survival of the most progressive class” (465).

The Origins of Totalitarianism was an instant sensation, and even *Le Monde*, which is reluctant to praise English works, went overboard on this text. Encouraged by all this adulation, Arendt felt she had to now move from being a descriptive hero to an analytical one. This is how her second book, *The Human Condition*, came into being in 1958. This work takes on Marx more directly than what *Origins* did. Yet, after reading *The Human Condition*, one cannot but marvel at the courage of Arendt. Her knowledge, not just of Marxism but also of philosophy, has gaping holes in it. That she could still nurse the ambition to write an analytical treatise can be explained only by the fulsome endorsement she received with her first work. *Origins* mounted her self-confidence and the indulgent right wing encouraged her on. The Cold War ethos that filled Arendt’s sails unambiguously privileged the doctrine of my theoretician/dictator/mass killer, right or wrong. This is not to say Arendt was a votary of McCarthyism; in fact, she vehemently and consistently opposed the kind of witch hunting it entailed. However, Bolshevism was her long-lasting, abiding enemy.

Here is Arendt at her muddled best. Under communism, she writes, “all work would have become labour because all things would be understood, not in their worldly objective quality, but as results of living labour power and the functions of the life process” (1994: 99). This unfortunate denouement was because Marx, according to Arendt, was not able to distinguish between work and labor. For her, “work” should be isolated for activities that create fresh artifices, and “labor” used only with respect to exertions that reproduce life ([1958] 1967: 88–90): “Work adds new object to our inventory of artifice but labour power is almost entirely concerned with its own reproduction and, therefore, cannot produce commodities (artifices) but can only reproduce life” (88). One is always allowed to define and invent concepts at will, but why concoct a new meaning for “labor” and then say, “but Marx missed the point” (87, 89)? For Marx, and this is so elementary, labor was understood in terms of different epochal contexts. For Marx, in the capitalist phase, workers were

employed by capital and compensated with wages necessary to reproduce “socially necessary labor.” Real people don’t sweat in tranches, as Arendt would have us believe. For Arendt, the worker and laborer are now two beings dissected from one. This is why Arendt could insist a worker (not a laborer) “to be in a position to add constantly new things to the already existing world . . . must be isolated from the public . . . concealed from it” (1994: 217). An unreal person in a make-believe world!

It is impossible to conceive of a person starting the day with the calculation: now I “labor” in the rice fields to feed my family, and now I “work” at the potter’s wheel to add to society. Even if such a consideration might have been feasible in some occupations in a closed feudal economy, this sort of segregation is impossible today. In the past, some potters may have been at their wheel making earthenware stuff for the market and farmed for a part of the day as well. Yet, here again, both farming and making pots combined to reproduce the family. Farming was for food, and fabricating pots (adding to artifice) for sale was to buy clothes, salt, sugar, and so on. So pottery, or cloth weaving, is then also “labor” and cannot be passed off as just “work” because a family cannot reproduce itself on bread alone. Arendt wanted to tear the real, sensuous human being into two—one a worker and the other a laborer—and this distinction, as we just saw, falls flat on its face. In fact, as Philip Hansen (1993: 41) correctly concludes, Arendt presents her views against Marx that Marx himself had earlier elegantly argued against: “Marx is always one step ahead of her, or slipping between her fingers each time she thinks she has gotten hold of him.” Arendt’s attempts to force Marx into a corner lead her to make rather fantastic allegations against him. She goes to the extent of blaming Marx for believing property is equal to the worker’s body “and the indisputable ownership of the strength of his body” ([1958] 1967: 70). It would be hard to match such a far out misinterpretation of Marx than this one.

Arendt’s argument, then, that a person switches back and forth from work to labor time, is clearly an untutored proposition. The

only reason an obviously sensible person should resort to such claims is to discredit Marx’s fundamental proposition on labor, for disagreement’s sake. She has nothing new to offer but wields this rather curious fuzzy stick, as if it were a worthy battle-ax, against Marx. It is hard to paraphrase her words on this subject, because they are almost unbelievable. Under capitalism, Arendt asserted, “all work would have become labour because all thing would be understood, not in their objective quality, but as results of living labour power and the functions of the life process” (1994: 99). She obviously meant that, as labor was critical for Marx, then, as labor (in her definition alone) is only dedicated to reproduction, labor, in the Marxist scheme of things, reproduces only life and not commodities (see also Arendt 2005). Not only did Marx say no such thing; nobody else did either, except for Arendt and those who are dedicated anti-Marxists, no matter what.

That is not all. Arendt would like to take on the idea of dialectics itself. While Hegel and Marx incorrectly stopped Fichte’s triad from continuing into the post-capitalist future, they did not misinterpret this logic until that point. But as Arendt was on the warpath, she wanted to destroy all that was reminiscent of Marx, wherever that may lie and with whatever instrument was at hand. When it came to criticizing the dialectical method, sample her statement: “Good does not develop into bad and bad does not develop into good. There I would be adamant” (quoted in Hill 1979: 326–327). Dialectic is not something becoming its opposite; it is about negation. If dialectics had been about good becoming bad and bad turning good, it would be a schoolmaster’s vision—not something authored by Fichte. If Fichte were alive, he would have certainly harrumphed, “Arendt nonsense!”

Milton Friedman

Like Weber and Arendt, Milton Friedman’s (1962) career too was off to a sensational start when his first book, *Capitalism and Freedom*, was published. The title itself suggests the con-

tent of the work. While one should not judge a book by its cover, the title is often most revealing. This was certainly true of *Capitalism and Freedom*, for it was easy to anticipate, even before opening it, this would be a capitalist panegyric. Indeed, capitalism encouraged freedom on a variety of axes, but remember: Marx was an early chronicler of this view. In the *Manifesto*, as well as in the *Economic and Philosophic Manuscript*, Marx praised the bourgeoisie for their progressive contributions. He also showed, particularly in the *Manifesto*, freedom was built into the capitalist mode of production: no freedom, no capitalism. Yet, because Marx, in the *Manifesto*, went on to argue capitalist freedom also created alienation, he became a pariah. Friedman, who came a century after Marx, should have acknowledged Marx's earlier testimony on capitalism and freedom, but he never did. There was a clear reason for this. Unlike Marx, capitalist freedom for Friedman was unending and without constraints—only good things happened to it. Thus, while Marx faced persecution (the Belgian police exiled him the day his *Manifesto* was serialized), Friedman won praise from the powers that be.

In clear succinct terms, Marx said in the *Manifesto*:

the bourgeoisie, historically, has played a most revolutionary part . . . It has pitilessly torn asunder the motley feudal ties that bound man to his natural superiors . . . It has resolved personal worth into exchange value, and in place of the numberless indefeasible chartered freedom, has set up that single, unconscionable freedom—free trade . . . It has accomplished wonders far surpassing the Egyptian pyramids, Roman aqueducts and Gothic cathedrals; it has conducted expeditions that put in the shade all former Exoduses of nations and crusades.

A little later, Marx lavished some more encomiums on the bourgeoisie: “The bourgeoisie has through its exploitation of the world market

given a cosmopolitan character to production and consumption in every country . . . National one-sidedness and narrow-mindedness become more and more impossible, and from the numerous national and local literatures, there arises world literature” (Marx and Engels [1848] 1969: 16). How could anyone not notice this profusion of praise for the bourgeoisie? They had accomplished so much, from free trade, to great inventions and the universalizing of knowledge.

The duplex character of Marx's appreciation of capitalism profoundly irked the establishment. He praised the bourgeoisie for their historic role but also found grievous fault with it and recommended its overthrow. This spurred Friedman to make the impossible accusation that Marx believed “labour produced the whole product, but only got part of it” (1962: 167). Friedman is clearly confusing capitalism as a relation between two classes and capital as money—a thing. Nowhere had Marx ever said labor was denied part of the produce or should get the whole product. What Marx returned to, again and again, was that a commodity was sold at its labor cost, but the laborer got not that price but wages instead. These wages were less than what the labor actually contributed but were of the kind that would help reproduce “socially necessary labor.”

If one were to give the laborer every shirt he wove, he would have a stack of shirts but nothing to eat. The laborer wants wages and not shirts, shoes, or even cars, or the “product” that is produced, pace Friedman. Further, to argue the labor wants the “whole product,” as Friedman claimed Marx said, would make the laborer a usurper of the labor of others. After all, managers, accountants, legal experts, and so on have also contributed to the making of the product and its realization in the market. These categories of people also are workers, albeit of the white-collar variety; they too perform surplus labor and their numbers are increasing. To take this logic further, they too are paid wages that are necessary for socially reproducing that labor. True, Marx believed the means of produc-

tion (e.g., machinery) were instances of dead labor, but their surplus has already been extracted. When a capitalist purchases them, they are costs, not expenditures and, consequently, must be constantly serviced by living labor. In other words, dead labor is not as if it is dead and gone and deserving only, as Friedman cynically remarked, “elegant tombstones” (1962: 168). On the other hand, dead labor for Marx was constantly being put to work. In the *Manifesto*, he wrote, “living labour is but a means to increase accumulated labour” (Marx and Engels [1848] 1969: 23)

Another aspect of Marx’s thinking has clearly bypassed Friedman. Friedman believed Marx’s advice, “from each according to his abilities and to each according to his needs,” was a mantra for handing out wages (1962: 167). He failed to entertain the possibility that this could be the blueprint for a distributive model and not a calculus to reward production. There is good reason for this. Friedman was particularly hostile to all kinds of state intervention. He did not want houses built for the poor, or a bill against minimum wages or one that gave farmers support (178, 181, 183). Yet, he conceded, the government did some good things; those he liked. He particularly endorsed “expressways crisscrossing the country, magnificent dams . . . [and] orbiting satellites” and saw them as examples of the capacity of government to control and direct huge resources (199). What remains unclear is why the state should build roads and dams but not schools and hospitals. Also, while he praised the “expressways crisscrossing,” and these favored private motorcars, he was clearly against the regulation of railroads (197). Nor, it must be mentioned, had he anything to say at all about public transportation. The United States is feeling terribly the neglect of these services today (see Brill 2018: 29). If truth be told, Friedman’s lie that inequalities in capitalist societies are less wide than socialist ones should be nailed, too. The other *Capital*, by Thomas Piketty (2017), graphically makes this point; indeed, it is the governing argument of his massive work.

Friedman’s career leads us to expose another duplicitous move that many critics of Marx make. They link Marx to Stalin, and worse, and expect to win a walkover. Friedman trenchantly warns almost as soon as we start his book, “Communism would destroy all our freedoms” (1962: 20), or Soviet chains binding the workers are stronger than those in United States (197). When Lenin, Stalin, Mao, and actually existing communisms appropriated Marx, this was done posthumously and not in his lifetime. On the other hand, Friedman was closely associated with General Augusto Pinochet, the bloody dictator of Chile from 1973 to 1990. Under his rule, hundreds of Chileans lost their lives or went missing. He violently overthrew the legitimately elected government of Salvador Allende with the full cooperation of the United States. Allende was a communist and hence deserved no decency or respect. Everything was fair when it came to slaughtering communists, for they were the enemies of freedom and capitalism. At least, that is how Pinochet lived his role as dictator—how the American state wanted him to be. In a letter to Pinochet, Friedman clearly went out of his way to congratulate him: “This problem [communism] is not of recent origin. It arises from trends toward socialism that started forty years ago, and reached their logical—and terrible—climax in the Allende regime. You have been extremely wise in adopting the many measures you have already taken to reverse this trend” (1998: 593). Obviously, Friedman was encouraging Pinochet to realize his dream of making Chile a capitalist haven.

Was Chile really that bad? If Friedman’s depiction of pre-Pinochet Chile was so rotten, then how can one explain the Chile of the 1960s had the best health and education systems on the continent? Moreover, it had a vibrant industrial sector and a rapidly growing middle class. It was because the state had always encouraged these trends the Chileans chose Allende to further deepen the groove. In Allende’s first year of rule, of his two and a half years in office (1970–1973), the real wages in Chile rose dramatically. Ironically, it never reached that level again until

about the 1990s—roughly nine years after Pinochet’s rule. In the years immediately after Pinochet’s takeover, inflation jumped to 375 percent in 1974, much greater than during the entire Allende period. In 1985, exports went up, but poverty was still at 45 percent in 1987. In the 1980s, there was a tenfold increase in unemployment and the situation got so dire that, in 1982, Pinochet finally fired the Chicago boys who were in Chile on hire. In 1989 and 1990, Chile gradually began to enlarge its social spending, which brought down poverty by 40 percent in 1990 to 2000. It was, however, a policy Friedman abhorred, but it happened nevertheless. Despite all the capitalism Pinochet sponsored, the mainstay of Chile’s economy remained in the hands of state-controlled copper mines all through. In fact, most of Chile’s growth took place after Pinochet’s rule ended, effectively in 1988. Pinochet’s ambition of making Chile “a land of entrepreneurs and not of workers” certainly did not happen during his rule. This is not for want of trying and despite all the help he got from his friends in the CIA and in Chicago, beginning with Friedman.

When the socialist Allende was elected in 1970, President Richard Nixon said the United States should do all it can to make “Chile’s economy scream.” To this end, a plan was hatched, code-named “El Ladrillo,” or “The Brick,” by the CIA in which University of Chicago economists participated. Nixon succeeded in making Chile’s economy scream. He blocked all exports, including spare truck parts, from entering the country. This knocked out Chile’s vital transportation industry, and that is how its economy bottomed out in the last years of Allende’s rule. Because of the transportation industry’s collapse, the price of copper fell from \$66 to \$48 per ton in 1971 and 1972. This really aggravated Chile’s economy under Allende like nothing else. One still needs to be reminded that, during Allende’s term, its expansive monetary policy did much good. Supervised by Minister of Economics Pedro Vuskovic, Chile recorded a 12 percent rise in industrial growth and an 8.6 percent rise in gross domestic product (inci-

dentally, there was a 14 percent fall in 1982 and 1983, even after 10 years of Pinochet rule). At the same time, the long-standing, near endemic, chronic inflation came down from 34.9 percent to 22.1 percent, and unemployment fell to 3.8 percent. Unsurprisingly, then, Allende’s vote shares actually went up in 1973, the year he was ousted by Pinochet.

Against this background, it is certainly more legitimate to link Friedman and his “Chicago boys” with Pinochet than Marx with either Stalin or Mao. Now, let us ask ourselves, should Friedman be rejected lock, stock, and barrel because of his tainted association with Pinochet? Furthermore, would it be fair to blame all actually existing capitalisms because of the post Allende period Pinochet presided over? Of course not, on both counts. Yet, the distant relationship between Marx and Stalin was reason enough to dump all excesses of communist regimes on Marx. It also made “Misreading *Capital*” a very rewarding and career-enhancing project.

Sociology of knowledge

Can Marx rise above the Marxists who speak, rule, and sometimes run Gulags, too, in his name? Or is there something in Marx that links him to such people in an umbilical way? Before we begin to answer this question, we must ask ourselves how fair some of the criticisms of Marx have been. As I tried to point out in this article, it is not as if there are genuine disputes over the interpretation of an arcane sentence here or a clouded passage there. In fact, as we discovered, several important scholars have made their reputations by attributing to Marx certain arguments he never made. For example, Marx openly acknowledged the historic contributions the bourgeoisie had contributed to world progress. He asserted this to be true, not just at the economic level but on the intellectual front, too. Marx’s gratitude to the bourgeoisie on this matter was clear, unequivocal, and not mealy mouthed. Yet, how often do we find Marx’s critics taking this on board?

Second, Marx was in favor never of dictatorships of any kind, or of wresting power—Leninist style—but of “winning” workers over. Even in the *Manifesto*, Marx gave ample evidence of this sentiment. In addition, one should also look at the much older Marx’s interventions in the workings of the IWA to be convinced of this. In all these documents, what comes through is how persistent Marx was in forwarding causes of the working people across the world. He supported the suffragettes and the Polish and Irish nationals, and it was not just about proletariats. Third, Marx did express in his early years a kind of “animal theory” of revolution. In the *Manifesto*, for example, he argued absolute poverty would push workers over the edge and they would break out in revolutionary violence. Marx later contradicted this view, with great finesse, when he introduced the concept of socially necessary labor in *Capital*. We are talking about not eviscerated bodies that can no longer bear capitalist exploitation, hence revolt, but of graded dissatisfactions. This is true not only of the working class but also of the white-collar workers. If the whole Marxist story is told, then one must also read *The Poverty of Philosophy* (Marx 1919) to know capitalists too feel the heat of capitalism (*Capital* dilates on this, too). Consequently, unlike, Friedman’s dream story, many entrepreneurs go under never to recover again.

The consequence of this is really very far reaching and changes the theorem on revolutions. Friedrich Engels ([1895] 1969) made this explicitly known in his introduction to Marx’s *Class Struggles in France, 1848 to 1850*, in which he said certain forms of revolution they had invoked in the past were now “obsolete.” He goes on to say that with the introduction and stabilization of universal franchise, “history has proved us wrong.” Engels did not hesitate to further admit, “Rebellion in the old style, the street fight with barricades, which up to 1848 gave everywhere the final decision, was to a considerable extent obsolete.” This is a fair assessment, but before we start revising Marx, let us revisit him. In the *Manifesto*, at the conclusion of its second part, Marx, in a schematic form, lists

the 10 things a communist state should do, of which most bourgeois, liberal, democratic states have implemented about 6 of them: progressive income tax; a national bank; centralization of communication and transport; equal opportunity to all to work; combination of agriculture and industry; free education; and no child labor (Marx and Engels [1848] 1969: 26–27). In other words, good social democracy has already put in place much of what is in the *Manifesto*, without acknowledging it, of course. Engels ([1895] 1969) noticed this much earlier when he commented on Bismarck’s social measures and saw them as a way of staving off the rising frustration among workers.¹¹ But catch a Friedman or an Arendt ever acknowledging this. Why, Keynes should actually have been the first economist among modern ones to doff his hat to Marx on this account. Hard to imagine, but the modern, liberal, democratic state is already three-fifths Marxist.

These aspects of Marx’s works are all out there in the open in easily accessible texts, which is what makes it puzzling why Marx should be so misinterpreted. Why did some authors insist on forcing Marx to say things posthumously that he never said in his lifetime? These questions have occupied us in this article. The three authors I selected have all misinterpreted Marx with abandon, but they are not alone. The question that then emerges is, why, despite such egregious errors, have such works been so instantly applauded by the academic establishment, which is otherwise so scrupulous? This is a true-blue sociology of knowledge issue. Keynes descended to ethnic slurs when he commented on Marxism, but these are never remarked on by this establishment. Weber carefully admitted Marx’s materialist analysis had a lot of merit and then went ahead to present a shoddy treatise on the Protestant ethic. Here, Weber was so ill informed and incomplete in his control of empirical material, yet this very work is seen as iconic by the establishment. Arendt fabricated a totally untenable definition of labor and then castigated Marx for failing her, without even attending to how Marx defined the

subject. Friedman, in a similar vein, performed a sleight of hand, by cleverly confusing the readers on the issue of “labor.” He began by correlating Marx’s “surplus labor” with “product” and saw dead labor literally as if it were interred with tombstones. There was no call for either of these statements, for Marx was repeatedly categorical on both. Yet, the establishment again chose to reward Friedman with accolades instead of criticizing him for willfully damaging intellectual property.

Furthermore, on several issues, Marx is clearly dependent on Adam Smith and David Ricardo, but they escaped the kind of viciousness Marx was subjected to. The only reason this should be so is that Marx is likened to Marxists, like Lenin, Stalin, and Mao, all of whom actively upset the system. If Bolshevism, or Maoism had not won in Russia and China, perhaps wild criticisms of Marx would not be worthy of such academic bounty. If Marx had lived longer, he might well have said, “Thank God, I am not a Bolshevik!” While this much is true, it must also be kept in mind that even though Chile’s Allende came to power through the ballot, Nixon wanted to lay him low. What actually riled the Western establishment, and its intellectual consorts, was that Russia actually had that hated revolution in 1917. Worse, five decades later, it was matching the United States in terms of its nuclear arsenal, and threatening to overtake it in space exploration. As the Cold War was turning hot, it created a situation where giving Marx a bad name carried distinct rewards—sometimes even a Nobel Prize.

Acknowledgments

I am very grateful to Deepak Nayyar, Mark Kesselman, Majid Siddiqi, C. P. Bhambri, Gavin A. Smith, Meghnad Desai, Shubhashis Gangopadhyay, Gurpreet Mahajan, Auritra Majumder, Amrita Basu, and Shaibal Gupta. They read my manuscript carefully and offered many valuable suggestions. This article would have been much poorer but for their inputs. I must also thank the

participants at the Marx Bicentenary seminar organized by the Asian Development Research Institute in June 2018. Their comments at the Q&A after my presentation of this article there were very helpful. However, all shortcomings remain my responsibility.

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Notes

1. A close reading of Fichte would help us anticipate even Theodor Adorno’s (1990) view of “negative dialectics,” for it is always possible for history to move backward and not establish a tradition. Though Adorno and Georg Lukacs had serious differences that are reflected in Adorno’s *Negative Dialectics*, Lukacs’s dialectic was essentially close to being an open-ended Fichtean one as well.
2. In fact, Keynes (1979: 81–82) once considered Marx’s money-commodity-money circuit a “pregnant observation.”
3. Kondratiev economic cycles confirm much of Marx’s contention on the falling rate of profit, which subsequently requires constant innovation and infusion of capital to survive. This aspect has been recognized by a large number of mainstream economists too.
4. Though one can see broad hints in this direction in his 1850 pamphlet, “Wage, Labour and Cap-

- ital” (Marx and Engels [1849] 1973: 158–160, 163). In *Capital*, Marx pays practically no attention to immiserization of workers and instead delves into the intensity of labor with the introduction of machinery ([1867] 1974: 387ff.)
5. As a backgrounder to all of this, it may be mentioned that it is futile to search for the original capitalist, or how the first wage deals were struck, or whence price came. Marx had spent several pages on this question much earlier in his essay “Wage, Labour and Capital” to show wages are not determined de novo. In fact, they are already present in the prevailing circumstances, which preexist capital investment (see Marx and Engels [1849] 1973: 152–157). To ask such an evolutionary question is meaningless—as meaningless as asking where words come from. Just as we use words to make sentences, a capitalist looks at prevailing prices before deciding to inaugurate the production process. When a capitalist invests, the acknowledgment of prevailing wages and prices is a must. Only then can this entrepreneur determine what will be the required wage to reproduce a certain kind of labor on a certain kind of machine. The organic composition of capital is critical in this regard, and one should not muddle that with degree of specialization, which is a derivative. The rate of profit will obviously depend on a whole chain of factors, starting from the quantum of fixed and variable capital to the ratio between the two. Right through the entire corpus, however, socially necessary labor is not just present but also gives it the all-important historical specifics. While on this subject, it is worth remembering Marx himself had warned against this form of futile query when he said in the *Economic and Philosophic Manuscripts*, “Ask yourself whether your question is not posed from a standpoint to which I cannot reply, because it is wrongly put” (1988: 48). Words by themselves may interest a philologist, but to a speaker of the language, to a poet and philosopher, even to an economist, it is the sentence that counts. Words make meaningful sentences, just as wages are there to be used to determine socially necessary labor and hence profit.
 6. Smith said, “He [the capitalist] would have no interests in employing the workers unless he expected from the sale of their work something more than is necessary to replace the stock advanced by him as wages” (quoted in Marx 1988: 11).
 7. Weber ([1922] 1992) uses the same stratagem in his famous essay taught around the world, “Class, Status and Party.” There, again, the interpenetration of the three is evident, but it is broadcast as an essay that shows these three are independent axes of power. In “Class, Status and Party,” Weber repeatedly admits class plays a powerful role in the estimation of the other two, but this aspect is lost on many readers, with some encouragement from Weber himself.
 8. Arendt makes a similar charge against Marx, with a difference. Whereas Weber talked of religion as a reflex action, she asserts Marx believed “politics is nothing but a function of society” ([1958] 1967: 33).
 9. See Zeitlin ([1968] 1997) for a handy compilation of such instances.
 10. This is not to dismiss some of Weber’s significant contributions particularly in the field of political sociology. His definition of the state has stood the test of time and has faced no real challenge. Moreover, his separation of the three kinds of authority continues to guide studies on power and authority. In particular, one should acknowledge his analysis of rational-legal authority and how charismatic authority tends to be “rationalized” once the leader is no more. It is indeed very interesting how this phenomenon of charismatic authority repeatedly appears even in contemporary times.
 11. While large parts of the *Manifesto*’s recommendations are in place in many later liberal democracies, it must also be noted there was a fairly established tradition during which some of these ideas toiled their way to the top, particularly in mid- to late nineteenth-century Britain.

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