

**‘Was Marx a 100 % Materialist?’
and Other Essays from a Marxian
Perspective**

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Preface

Most of the essays included in this collection were published in Viewpointonline.net, a journal addressed primarily to the secular, progressive opinion in Pakistan. Three essays were published in Theory and Struggle, journal of Marx Memorial Library, London. The paper 'Karachi Communists in the early 1950s' is being published for the first time. It was presented, in 2009, at the event in Karachi celebrating the life of Mohammed Sarwar, a leader of the student movement in Pakistan during the 1950s. The last item in the collection is the text of the interview with me conducted by Professor Qaisar Abbas.

ER

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1. Was Marx a 100% materialist?

There is no canonical, authoritative, universally accepted version of Marx's 'doctrine' or system of thought. Marx wrote extensively over a period of forty years on philosophy, politics, political economy, communism, revolution, and current affairs. He also corresponded extensively with numerous friends on all manner of subjects, including philosophical questions. And although there is remarkable unity in his thought, inevitably at different times, depending on the occasion, he emphasised different aspects of his thought. It was therefore inevitable that over time different individuals, groups, parties, etc., depending on their own intellectual pre-conceptions and the policies they wished to pursue would emphasise those aspects of his complex thought that suited their purposes or seemed more appropriate to them. In an article published in the Viewpointonline.net sometime ago I thought it appropriate to emphasise one aspect of Marx. ('Was the Russian Revolution a Marxist Revolution?') On re-reading it I thought it needed to be complemented with a different emphasis. Hence the present article.

To answer the question posed in the title of this article, let us first see what 100 % materialism is. This form of materialism was neatly described by a scientist in a recent article published in *The New York Review of Books*. The author, H. Allen Orr, while reviewing a book by an American philosopher, made the following statement: 'The history of science is partly the history of an idea that is by now so familiar that it no longer astounds: the universe, including our own existence, can be explained by the interactions of little bits of matter. We scientists are in the business of discovering the laws that characterise this matter. We do so, to some extent at least, by a kind of reduction. The stuff of biology, for instance, can be reduced to chemistry and the stuff of chemistry can be reduced to physics.'

I think this is an accurate statement of what 100 % materialism is.

What this is saying is that our sensations and thoughts are the automatic result of 'little bits of matter' acting on our brains (which is also matter); somehow our ideas, knowledge, ideals, etc., are complex pictures of the physical environment, they are entirely the result of billions of mindless neurons firing

away in our brains. The crucial point here is that mind or, what is the same thing for Marx, man is completely passive, without any independence or autonomy. Mind simply responds passively to what goes on in the environment. When this idea is applied to human history we find that history is the result of man passively adapting to changes in his environment, a process somewhat similar to simpler versions of the Darwinian theory of natural selection. The fish that evolved into an amphibian did not make any conscious decisions.

Now, anyone even remotely familiar with the life and work of Marx would know that he – a man whose whole life was given to changing the world – could not have accepted this viewpoint. He rejected it in his *Theses on Feuerbach*, written in 1845 when he was not yet 27. These ‘theses’ are eleven statements stated in aphoristic form. They are the principles which constitute the philosophical foundation for the materialist conception of history. (Immediately after writing these ‘theses’, he, with Engels, started to write *German Ideology* in which the materialist conception was first systematically presented.) He wrote these ‘theses’ to clarify his own mind, not for publication. They were first published in their original form only in 1924. The famous eleventh ‘thesis’ sums up his philosophical standpoint. It says that philosophers until now have only tried to understand the world through contemplation; the point is how to change it. An understanding of the social phenomena is achieved through actively engaging with it. This ‘thesis’ is inscribed on his tombstone in Highgate Cemetery in London.

Marx rejects the old materialism in the first ‘thesis’. More importantly, here he suggests his own form of materialism. I quote the ‘thesis’ in full. Please do not be put off by its dense, difficult-to-comprehend philosophical language. The rest of this article is devoted to its explanation.

The first ‘thesis’ reads as follows: ‘

The chief defect of all previous materialism (including Feuerbach’s) is that things, reality, sensuousness are conceived only in the form of object, or of contemplation, but not as sensuous human activity, practice, not subjectively. Hence in contradistinction to materialism, the active side was set forth abstractly by idealism – which, of course, does not know real, sensuous activity as such. Feuerbach wants sensuous objects, really distinct from

conceptual objects, but he does not conceive human activity itself as objective activity. In his *Essence of Christianity*, he therefore regards the theoretical attitude as the only genuinely human attitude, while practice is conceived and defined only in its dirty-Jewish form of appearance. Hence he does not grasp the significance of 'revolutionary', of 'practical-critical', activity.

In the first sentence of this 'thesis' Marx rejects the old form of materialism and at the same time suggests his own modified version of it. He does this by pointing out what old materialism did **not** see. It did **not** conceive reality (the external world, social and natural) as human sensuous activity; it did not see objective reality subjectively. The old materialism saw reality and man's activity **as two separate and distinct things**.

What could Marx have possibly meant by this? Marx is rejecting the idea that knowledge, our ideas, etc., are merely copies of 'objects' such as trees, factories, and fields of corn, as a result of energy streaming into our brains. In this view, as noted earlier, our understanding of the world comes to us passively. According to Marx, this notion is the result of separating thought and reality. He is suggesting that knowledge comes through our **active engagement** with the real world. Man is an active being. In fact, reality carries the imprint of man. It is shaped by man (mind).

In the second sentence of the 'thesis', Marx credits philosophical idealism with having, in contradistinction to old materialism, emphasised the active side of man (though in an inverted form). This is a reference to Hegel's metaphysical system in which Spirit in historical time shapes reality. Hegel is a difficult subject and there is no point in going into it here. But the central point can be easily explained. We know that all the three religions of the Book teach us that God **created** the world in finite time. God is also referred to as the **Creator**. This is the idea in Hegel. **According to Marx in Hegel man appears in the guise of Spirit**. When you reject Hegel's metaphysical trappings, when you invert him (he is standing on his head and you put him right side up) you get the right idea. This is the idea – man as a creator – that Marx incorporates into the 'previous' materialism to formulate his own version of it.

Reality is therefore seen (by Marx) as the result of man's sensuous activity. Take first our **social** institutions such as schools and colleges, courts of justice,

churches and mosques, and factories, so on. They are all the products of man's activity. This social reality is not just 'out there', as part of the 'external world' from which we passively receive streams of energy ('little bits of matter') that create pictures on our brain. It is **produced** by man.

What about the natural world? Did man create natural objects too? Well, let me put it as this: when you drive from Lahore to Multan, you see – fields of wheat, orchards, etc., that create the landscape – is it not the work of man? Marx is not saying that man created the earth – the mountains and the seas, life, etc.; what he is saying is that, taking raw inorganic nature, and organic too – plants and animals, etc., man has transformed it. (He has domesticated certain species of animals to serve his purposes, taken plants from one part of the planet to another). Imagine what the planet Earth would have looked like today without the intervention of human beings!

The fundamental point here is that Marx is giving **Mind/Man a degree of relative autonomy. Man consciously shapes reality and changes it.** This is the central theoretical point here (the first sentence of the 'thesis'). If man has created his reality, he can also change it, re-shape it.

My third point. The last two sentences of the first 'thesis' refer specifically to Feuerbach. At this point Marx is finally breaking away from Feuerbach, a philosopher who had earlier strongly influenced him. (A year earlier Marx had settled his accounts with Hegel, his old master; now with Feuerbach.) So I will say a few words about Feuerbach.

Ludwig Feuerbach, fourteen years older than Marx, was a student of Hegel, attended his lectures, and like all his students was powerfully influenced by him. However, shortly after completing his studies, Feuerbach started to criticise Hegel and became the most prominent leader of Young Hegelians (a group of intellectuals) who thought that Hegel's philosophy could be interpreted to promote religious and political reform on liberal lines in Germany. (Religion – Protestant Christianity – and politics were very closely associated in autocratic, monarchical Prussia.) Hegel had argued that Christianity had been expressed in imaginative symbolism; his philosophy had brought clarity to it in the form of Reason. Possibly for this reason (also because direct criticism of the monarchy was out of the question) Young

Hegelians started their critique in the realm of religion and believed that truth in Hegel's philosophy could only be realised in a philosophy that was atheistic. Here Feuerbach had led the way and in his book, mentioned in the first 'thesis', argued that the attributes that man assigned to God were in fact the attributes of man himself. He wrote: 'Thus in God man has only his own activity, an object. God is, per se, his relinquished self.'

This idea had greatly impressed Marx (a year before he wrote his 'theses' on Feuerbach). One could arrive at truth by inverting Hegel. But – and this is Marx's point of departure – Feuerbach's criticism remained confined to the realm of religion. Also, and equally importantly, Feuerbach thought that all that was needed was to change people's 'consciousness'; once people realised that religion was man's own creation they will be emancipated from it. They will transfer their love of God to each other and we will have a world of love and friendship. Marx thought that Feuerbach was creating a new religion – a religion of 'love and friendship'. He was thinking of man in abstract terms, not man in his social and historical context. What was needed was change in the social conditions that created the need for religion.

A year earlier, Marx had corresponded with Feuerbach and had tried to persuade him to write for the political-philosophical journal that he was co-editing in Paris, but without success. Feuerbach lived a life of isolation in a small country place. (Like Marx, Feuerbach had been unable to find an academic position for political reasons.)

Marx thought that Feuerbach's unwillingness to take interest in current political affairs was the result of his philosophical standpoint that separated theory and practice, thought and activism; Feuerbach's philosophy had led him to disengage from the real world, confine himself to the realm of philosophy, and this was tantamount to retreat towards idealism.

What are the implications of Marx giving relative autonomy to mind? Since, as noted, for Marx mind is synonymous with man, man's behaviour is not entirely determined by his environment; he enjoys a degree of freedom. Man is **conditioned** by his history, culture and social situation, but not **determined** by it. He can change his conditioning.

To understand this idea, and to get a more complete picture, let us take Marx's often-quoted statement (in the opening part of *The Eighteenth Brumaire of Louis Bonaparte*): 'Men make their own history, but they do not make it just as they please; they do not make it under circumstances chosen by themselves, but under circumstances directly encountered, given and transmitted from the past. The tradition of all the dead generations weighs like a nightmare on the brains of the living.'

First, what Marx is saying here (implicitly) is that a historic society is an organism, not a collection of autonomous individuals (as, for instance, the orthodox economic theory and neo-liberalism assume), it is not like a machine whose individual components have been put together by its maker. It is composed of individuals who are defined by their social relations, who share a common history and culture. [Problems of many 'developing' countries today arise from the fact that they were not historic societies, but carved up by imperialist powers.] And, further, the society Marx is conceptualising is one that is evolving, changing. Now it is true that historically there were societies that over long periods did not much develop. But if you are trying to understand historical change, you have to conceptualise a society that **is** undergoing historical change.

Second, Marx is saying that each generation receives its intellectual and material resources -institutions, economic conditions, culture, etc. - from the preceding generation. This inheritance is what Marx calls 'circumstances' – circumstances that condition them. To a great extent these inherited conditions place limits on what we can do and cannot do. For instance, you cannot establish socialism in a largely peasant society; the material conditions for socialism are not present. You can go forward only with the material you have, and by adopting policies that recognise these limits.

But our thoughts, ideas, etc., are not determined by the inherited conditions. We are not controlled by them. We are not automatons who react passively to our environment; our history is not analogous to biological evolution. This is what the second part of the statement quoted above is saying, **we make our own history**. This is the same idea that is embodied in the first 'thesis' which gives mind relative autonomy. And this is Marx's modification of the old

materialism. But if you cannot establish socialism in a largely peasant society, you can still develop policies that takes society forward.

An important implication of this is that the path forward is not pre-determined. The human agency – the party, the leadership – has a choice as to how it may react to the inherited environment, its conditioning. The leadership in any given circumstance may judge the situation correctly, or it may turn out not to be up to the task in hand. If you do not believe this then every failure in the past will have to be seen as justified. It was (you will say) the fault of the circumstances; the failure was pre-determined. This is the remarkable implication of the first ‘thesis’: history does not travel in a pre-determined way, the outcome also depends on the human agency. But human agency has to recognise that the past cannot be wiped out.

Finally, the relative autonomy of mind also explains the longevity and persistence of traditions and systems of belief that are disconnected with current economic conditions. As Marx reminds us in the last sentence of *The Eighteenth Brumaire* statement quoted above, the traditions and belief-systems of the past weigh upon our brains like an incubus, despite the economic progress that has been experienced. The realm of ideas, the superstructure can assume a life of its own. And then it can impede progress. The human agency also has to take account of this fact and design its policies and activities accordingly. (This is particularly relevant to the current situation in Pakistan.)

To conclude: The materialist conception provides scope for human motivation and activity being able to influence the course of events – although within certain constraints imposed by historical and material conditions in which we find ourselves. Seen in this light, Marx’s thought seems to be a much more open system than we would think otherwise.

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1. Was the Russian Revolution a Marxist revolution?

Introduction: Sometime back I was asked by some friends to comment on a question that was the subject of discussion among them. That question provides the title of this essay. I think behind this question lie doubts raised by the collapse or the dismantling of communism in the former USSR. It will be noted that I have given much space to discussing Marx's most important contribution of to social thought - the materialist conception of history. The reason for this is that this conception contains Marx's thinking on the nature of social revolution, more generally, of social change. An understanding of this conception is essential for discussing the question posed here.

The materialist Hypothesis

According to this hypothesis changes in society take place through internal forces. This means that the human society is conceptualised in organic terms. A child *grows* into an adult because it is an organism which has internal powers of self-generation; it is more than a mass of atoms because the atoms of which it is made are organically related to each other. A machine is *not* an organism, it can be changed only by an external agency or an outside force. It has no powers of self-generation of its own. Marx's conception of the communist society of the future rests on this view – human beings are social in nature, man is socialised man, he is an ensemble of his social relations; we depend upon each other as the organs of an organism do. An individual organ is no use in isolation from the total organism. The individual achieves self-realisation only as member of a society.

Thus, development takes place organically, it is a gradual, cumulative process, small changes accumulating over time. One stage of development prepares the ground for the next stage; that is, the latter stage grows out of the former stage. The result of these *quantitative* changes (that take place *within* the existing mode of production) that accumulate over time is that they lead to a *qualitative* change – you move from one mode of production to the next. This involves a break in the gradual process – a revolution. The leading factor here is the changes in the material conditions of production – *the manner in which people make their living*.

To take an example: In Europe, the bourgeois mode of production developed over a long period within the structure of feudalism. The growth of capitalist production and the dissolution of feudalism proceeded simultaneously. The growth of capitalist development eventually reached a stage when feudal institutions (e.g. serfdom) were unable to accommodate the forces of capitalist development. (For example, the bourgeois mode of production requires a free labour market, whereas under feudalism the serf is tied to the land on which he works.) The bourgeoisie wanted a share in political power so that these institutions could be altered, and the state power could be used to facilitate the development of capitalism. This is how Marx analysed the English revolutions of the 17th century and the French revolutions of 1789 and 1830. Changes within a mode of production result from *changes in material conditions of production*; and at the same time struggle between the old, dominant class and the new emerging class becomes intense. The change in the mode of production, from the old to the new, is effected through class struggle. I will give an illustration of this process.

Marx spent something like twenty years of his life working on his *Das Kapital* (*Capital*). In this he worked out a theory or model of the 19th century capitalism trying to demonstrate theoretically that the development of capitalism will lead to socialism. So we can legitimately say that in *Capital* he attempted to provide a model of revolution (change from one to another, more advanced mode of production). It shows how capitalism prepares the ground for socialism or how a socialist society grows out of capitalism. I summarise the leading points that are relevant to the present discussion.

1. It has been the historic function of capitalism to raise the productive capacity of human society. This it has done by applying a rational, scientific approach to production. It may or may not have raised the standard of living of the mass of the people, and it is certainly an exploitative system, but it has raised society's capacity to produce an abundance of goods. This means that a *necessary condition* for socialism is satisfied because you cannot establish socialism in a poor country. People will continue to fight over scarce goods.
2. Capitalist production over time necessarily results in large-scale production (large enterprises, large factories, etc.) This creates the basis

for social control of production. You cannot establish socialism in a society of peasant producers; *social production is too fragmented for it to be socially controlled.*

3. The development of large-scale production is inevitably associated with the development of the proletariat, which, at the stage of advanced development of capitalism, is the largest social class. Large-scale production means concentration of large numbers of workers in factories. When concentrated in large numbers, workers can organise themselves and *through collective action develop their class consciousness.*

4. For a socio-economic system to fail (to be superseded by another), it must have developed internal contradictions that it is unable to resolve; *the ruling class must be unable to adapt to changes that are required for social progress; its institutions do not meet the requirements of new methods of production.* In other words, this mode of production must have become moribund so that it is incapable of delivering progress. In the case of capitalism, it must have come to the point where it is unable to resolve the economic crises from which it periodically suffers.

The conclusion is that the revolution comes when all the material conditions for the success of the new order have been fulfilled. I may even go as far as to say that the revolution comes to put the final seal on the economic and social changes that have *already* taken place. This is broadly speaking the hypothesis.

However, we should take note of the fact that a hypothesis such as this can only deal with what we might call internal factors, such as those enumerated above. In actual life a revolution may fail for *external reasons*. Natural catastrophes are an obvious example of external factors. But more relevant to our present discussion is the intervention of other capitalist countries who may thwart a revolution even when the internal conditions for its success are satisfied. Thus, at the time Marx was writing, a revolution in a country like Belgium would have been thwarted by the intervention of England and France. That is, at the time Marx was writing a revolution to be successful had to be a Europe-wide revolution or to have developed in large, advanced countries. Thus, what the model outlined above is telling us is not that the fulfilment of the conditions listed above would guarantee the success of the revolution;

what it is saying is that these are the necessary conditions, but you have to consider the external circumstances also.

Objective versus subjective factors

In what I have said so far nothing has been said about the party, individual leadership, etc., that is, about the role of the *conscious human agency*. The hypothesis has been stated entirely in terms of objective factors, to the complete neglect of the subjective factor. Since revolutions (and other social changes) are made by human beings, you may well ask, what about the role of the party, leadership, etc?

Let me explain. Historical development (evolution) takes place through the *actions* of human beings, but *not according to their intentions*. For example, capitalist development takes place through the actions or plans of individual capitalists or entrepreneurs, say, with respect to their policies regarding investment, innovations, etc., but the development of capitalism (in one country or the world) is not planned by them. If that were the case there would be no business failures, no economic crises. Capitalist development takes place through the *behaviour* of capitalists and entrepreneurs, but this behaviour is determined by the way that the capitalist system works, not according to their subjective intentions and motivations. So, when Marx theoretically investigates the 'laws of motion of capitalism', he is studying an objective phenomenon (like a natural phenomenon), not the subjective, psychological propensities of individual capitalists.

Does this mean that laws of motion of human society are like the laws of astronomy on which humans have no control? That men are like puppets obeying some cosmic law? Marx would have thought such an interpretation utter nonsense. Thus, the question is – What is the role that Marx assigns to the conscious human agency, such as the party, leadership, etc? (How 'objective' is the process of development?) We recall Marx's famous statement: until now philosophers have only tried to understand the world, the point however is to change it. I recall also another of Marx's insightful statements according to which we make our own history, but not in circumstances chosen by us. The circumstances – objective conditions – are there, they are the material conditions created by our ancestors that we have inherited. These conditions place limits on what we can and what we cannot

do. It is for us to understand these limits and design our actions accordingly. If we go beyond those limits, we will fail in our purposes, we will not be able to act on our principles. What Marx is saying is this: what material conditions we inherit from the past do is to create *a range of possibilities* (circumstances) and it is for us (the human agency) to understand what these possibilities are and act according to our best judgment. *It is we who make history*. But note also that we are the product of our material and the associated ideological conditions. Our ideas and capabilities do not descend from heaven. We are free to act on the circumstances but within these limitations. In the end, there has to be congruence between political will (the subjective agency) and the objective circumstances. Marx does not give us a formula.

An ambiguous legacy

Marx left behind him a rather ambiguous legacy on the issue under discussion. He was totally opposed to conspiracies, coups, putsches and terrorist acts that are aimed at achieving political power. In 1850, the Communist League was split between the Marx-Engels faction and another group that advocated insurrection (in Germany). At this time, Marx wrote:

While we tell the workers: ‘You have to endure and go through 15, 20, 50 years of civil war in order to change the circumstances, in order to make yourselves fit for power’ – instead of that you [the other faction that favoured insurrections] say: ‘We must come to power immediately, or otherwise we may just as well go to sleep’. ... I have always opposed the ephemeral notions of the proletariat. We devote ourselves to a party which is precisely far from achieving power. *Would the proletariat have achieved power, then it would have enacted not proletarian, but petty-bourgeois legislation.* Our party can achieve power only if and when conditions permit it to realise its *own* views. Louis Blanc serves as the best example of what can be achieved when one attains power *prematurely*.

I can quote numerous passages from Marx’s writings and letters where he condemns insurrections and coups to achieve political power. (Even if you did achieve political power through a coup, you will not be able to implement socialist policies.) Marx wished to emphasise that his socialism was quite different from that of other, utopian or conspiratorial, socialists. His socialism was based on a deep understanding of social and historical processes. It was the duty of communists to spread this understanding among the working classes. And the point of this understanding was that the proletariat should be

able to undertake political activity that would facilitate the realisation of revolution when the circumstances make this realisation possible.

While he was steadfastly opposing premature attempts at revolutions, he was at the same time always (almost always) talking of revolution, as if it were almost around the corner. The next economic crisis in Europe will bring the upheaval, he kept saying. He certainly thought that development in England had reached a stage that capitalism was undergoing significant internal changes. Always a revolutionary optimist, in 1858 he wrote to Ferdinand Lassalle: 'All in all, the present period is pleasant. History is evidently bracing itself to take again a new start, and the signs of decomposition everywhere are delightful for every mind is not bent upon the conservation of things as they are.' In 1877, after an initial defeat suffered by Russia in its war with Turkey, he wrote to a friend that Russia had long been standing s 'on the threshold of an upheaval. The gallant Turks have hastened the explosion by years with the thrashing they have inflicted not merely on the Russian army and the Russian finances, but on the persons of the dynasty... This time the revolution begins in the East.' At one point in the mid-1850s, writing in New York Daily Tribune he even contemplated the possibility of a revolution in China, which would then impact on Europe.

His followers could pick and choose as they liked! We Marxists have to use our own heads. He said himself – 'Take nothing on authority!'

The Russian Revolution

Now let us come to the Russian revolution. I construct a certain scenario to make my point.

Perhaps the first thing to be said is that Russia was one of most backward European countries in the 19th century. For example, serfdom was abolished only in 1861. Right from the beginning of the 20th century, its state structure was collapsing. It 1905, the country suffered an ignominious defeat in war with Japan, the first time a European power was humiliated by an Asian country. In the same year, it had what is referred to as the 1905 revolution when there was a sailors' mutiny on the Battleship Potemkin, and hundreds of peaceful demonstrators were killed by the army. The Tsar promised a constitution, but soon went back on his promise. In 1914, the country entered the first world

war against Germany; its army was ill-equipped and poorly fed and it suffered casualties in hundreds of thousands. In February 1917 there was a spontaneous revolution. There were strikes in St Petrograd and striking workers' demonstrations were joined by hungry and deserting soldiers. Petrograd workers organised themselves into a soviet. The leaders of the army confronted the Tsar and told him to abdicate. He obliged but wanted his brother to take his place. The brother soon found out that there was no support for the monarchy. That was the end of the Ramonov dynasty. A provisional government was formed under prince Lvov and elections and a constituent assembly were promised. At the same time there was a famine in the country. Workers' demonstrations continued and these were increasingly joined by deserting soldiers. Defeats on the front continued, but the provisional government kept Russia in the war. Petrograd workers' soviet by this time had become so powerful that it was successfully competing with the government for power. Lvov was replaced by Alexander Kerensky. He also decided to keep Russia in the war while defeats and desertions continued. The commander-in-chief Kornilov attempted to overthrow the provisional government, but his attempted coup was defeated - only with the support of the Petrograd soviet. In July there was a mutiny in the Petrograd garrison.

To repeat: I say all this to point out that in 1917 the Russian state structure was crumbling. As someone put it, state power was lying on the pavement. The only question was who will pick it up. What were the options available to the Bolsheviks? Collaborate with the Provisional government (which was refusing to come out of the war) and hold elections? In the chaos that was developing in the country – as a result of famine and large numbers of soldiers deserting the army – would the provisional government, supported by the Bolsheviks, last? What would elections achieve in this situation? Would the Petrograd workers and starving soldiers sit quietly and wait for the results of the elections? I have no expert knowledge of Russian history, but on the basis of what little I know, I speculate that the objective situation prevailing in Russian at this time demanded a dictatorship. If it were not a Bolshevik dictatorship, it would have been a military one. A general more competent than Kornilov would probably have taken over and tried to restore order. In this situation, should the Bolshevik have said: 'As good Marxists we must wait until capitalism in Russia has fully developed and conditions for a socialist revolution have

been met?' A military government – if it had come to power instead – would probably have rounded up all the Bolsheviks and sent them off to Siberia.

I would say the Russian revolution of 1917 was *not* a Marxist revolution. It did not develop according to the theory of social change that Marx had worked out. I would say it was a *communist revolution* that took place *in conditions (both national and international) that were not appropriate for achieving socialism*. I say it was a 'communist revolution' in the sense that it was led by the communist party which derived its inspiration from the teachings of Marx, but departed from them or re-interpreted them in the light of the situation that confronted them. I think that only a Marxist analysis can give us an understanding of what happened both during and *after* the revolution.

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2. Globalisation – Is Marx still Relevant?

Five years ago (2017-18) the banking system in the United States and Britain nearly collapsed. It was saved by massive government interventions; it was capitalism that almost broke down and was rescued by the state. If governments have to intervene to save big financial institutions that means, by definition, that markets have failed. That means that capitalism has to be propped up by the state. One would have thought that in these circumstances, Karl Marx, the most effective critic of the capitalist system, would have some perspectives to offer. Instead, ironically, we see the publication of a book proclaiming the irrelevance of Marx's ideas to the present-day conditions – and receiving much praise in reviews in several journals and newspapers.

I am referring to the book *Karl Marx: A Nineteenth Century Life* by Professor Jonathan Sperber who teaches history at the University of Missouri, the United States. Professor Sperber's principal contention is summed up in the introduction to the book. He writes: '... it is time for a new understanding of him [Marx] as a figure of a past historical epoch, one increasingly distant from our own: the age of the French Revolution, of Hegel's philosophy, of the early years of English industrialisation and political economy stemming from it. It might be that Marx is more usefully understood as a backward-looking figure who took the circumstances of the first half of the nineteenth century and projected them into the future than as a sure-footed and foresighted interpreter of historical trends. Such are the premises underlying this biography.'

What Marx meant by 'capitalism', Professor Sperber writes, was not the contemporary version of it, and the bourgeoisie Marx dissected was not today's class of global capitalists. According to him Marx 'certainly did understand crucial features of capitalism, but capitalism that existed in the early days of the nineteenth century, which both in its central elements and in the debates of political economists trying to understand is distinctly removed from today's circumstances.' Capitalism, according to Professor Sperber, has changed so much that Marx's insights into the working of capitalism are irrelevant to our understanding of the present-day conditions.

Capitalism has certainly undergone some major changes since Marx's day. In Marx's time the typical business was family owned and family managed; its size was not such that its failure would have dire economy-wide repercussions. Today we have enterprises whose reach extends across the globe – think of the large oil companies, the banks, Google, Microsoft, large automobile manufacturers, and so on. And the failure of one bank can bring down the banking system and with it the economy. In Marx's day the business and the state were distinct; today the state is almost interlocked with big business. One could go on.

From around 1844-45 until his death Marx's theoretical endeavours were aimed at understanding the working of contemporary capitalism. In this work, he attempted to identify certain long term trends or tendencies in capitalism. Some of these tendencies arose from the very nature ('essence') of capitalism, others were contingent on a number of factors that could possibly go one way or the other. In this short essay, I am concerned with the first type that is fundamental to the validity of Marx's analysis of capitalism. And I direct attention to two insights into the same tendency which, I claim, provide invaluable help in understanding the working of the capitalism of the 21st century.

The first of these insights refers to what Marx called the 'the Industrial reserve army'. Capitalism, for its expansion, requires a large reservoir of cheap labour - unemployed or under-employed labour on which it can draw so that wages are kept low, high profits can be maintained, and capital accumulation can proceed without any hitches. Imagine what will happen if in an economy (isolated from rest of the world) labour is fully employed. Any expansion would have to depend on the increase in population to satisfy the demand for an expanding economy. Generally, increase in population will not be enough for meeting the increasing demand for labour. Shortages of labour will develop, the bargaining power of labour will be greater, wages will rise, and that will have an adverse effect on profits and investment. An expanding capitalist economy, if it has to keep expanding, needs supplies of 'surplus' labour to keep the bargaining position of workers in check, and to keep wages at a level that do not threaten profits and accumulation. That is in simple terms Marx's idea of the reserve army of labour.

Looking at this phenomenon historically, Marx observed that in the early and initial phase of European capitalist development, that is, before widespread factory production, capitalist industry, as it expanded, could draw on unemployed and under-employed labour that was found in agriculture and traditional activities. That labour – potential source of cheap labour – constituted the industrial reserve army. Modern industry as it expanded drew on this reservoir of cheap labour and in this way wages were kept low, profits were kept high and a high rate of capital accumulation was maintained.

With continued expansion over time a point was reached when this source of cheap labour dried up. Now with modern factory production and rapid developments in technology, the capitalist economy developed a response to deal with the problem. This response was increasing mechanisation. It was not the case that before this period there was no mechanisation. The difference between the two situations was that now this procedure played a greater role than before. It came into full play. Economists have a word for this, 'capital-labour substitution'. That is, when wages rise relatively to profits producers find it profitable to invest in new methods that 'save' on labour. According to Marx, the capitalist economy now *created* unemployment, *recreated the reserve army of labour*.

Associated with this phenomenon – relative reduction in the demand for labour – is another. Periods of rapid growth in the economy tend to be followed by a set-back; there is decline in profits and therefore reduction in investment and, as a consequence, reduction in the demand for labour. This is the phenomenon of booms and slumps or recessions. During recessions, with high unemployment, the bargaining power of workers is sharply reduced.

This is how the capitalist system works to keep in check workers' wages and to maintain profits and rate of accumulation. This insight of Marx's (I will put it no stronger than that) is still relevant.

After the second world war this phenomenon took an international dimension. European economies had been devastated by war and faced the task of reconstruction. Domestic supply of labour was not sufficient for the task. The mechanism of 'capital-labour substitution' could not work in this situation. The reservoir could not be created at home. But there were large reservoirs of

cheap labour **in less developed countries**. Thus, Germany imported labour from Turkey, Britain from India, Pakistan, the West Indies, and France from North Africa. (The Germans invented a rather nice word for their imported labour – *Gastarbeiter*, Guest Workers. Note that guests are expected not to over-stay the hospitality of the host.) The mechanism of the industrial reserve army worked quite effectively during this period.

But there was a limit to how many ‘guest’ workers could be accommodated and imported from countries with vast reservoirs of cheap labour. From the late 1970s, the international dimension of the industrial reserve army took a different, extended form. If more and more Bangladeshis could not be imported into the developed world, then capital from the developed world will go to Bangladesh. (Of course there are other considerations- apart from cheap labour – that influence foreign investors’ choice of the location for their operations.) Thus, we see that an enormous amount of manufacturing industry – and services (call centres, for instance) – from developed countries has been transferred to ‘labour-rich’ countries to utilise the reservoirs of cheap and docile labour. Jack Welch, a former CEO of the American company General Electric put it nicely when he said: ‘Ideally you would put your manufacturing plant on a barge so that it could move around the world as wages and currencies fluctuate.’

I think I have said enough to show that the insight Marx provided in his discussion of the reserve army of labour is as valuable for understanding the working of capitalism today as it was when he discussed it. (The idea of the reserve army is discussed in volume one of Marx’s *Capital*, chapters 25 and 26.)

The second insight of Marx into the working of **modern** capitalism relates, as indicated, to the same phenomenon as the first, the drive of capitalism to expand. They have been discussed separately for ease of exposition. The phenomenon is what we today call ‘globalisation’; this is the same thing as the expansion of capitalism across the world.

According to Marx capitalism is a system that is dynamic and it cannot be conceptualised without its international dimension. The subject was discussed the first time when Marx and Engels presented the material conception of

history in a comprehensive manner. (In fact, this is the most comprehensive statement that exists.) This was in the volume with the title *German Ideology* written in 1845-46 – Marx was 28 years old and Engels two year younger. The book was not published until 1932.

Let me quote from this volume. About the first phase of capitalist development, they wrote: 'Intercourse with foreign nations was the historical premise for the first flourishing of manufactures ... Manufacture and the movement of production in general received an enormous impetus through the extension of intercourse which came with the discovery of America and the sea-route to the East Indies. The new products imported thence, particularly the masses of gold and silver which came into circulation, had totally changed the position of classes towards one another, dealing a hard blow to feudal landed property and to the workers; the expeditions of adventurers, colonisation, and above all the extension of markets into a world market, which had now become possible and was daily becoming more and more a fact, called forth a new phase of historical development...'

The expansion of commerce and with it of manufactures accelerated the accumulation of capital; created the big bourgeoisie, first of merchants and then of manufacturers. The old methods of production concentrated in guilds crumbled in the face of competition from manufactures.

It is not necessary here to go into a detailed discussion of the stages through which the process of globalisation underwent. It has been proceeding since the earliest development of this mode of production. There have been interruptions caused by European wars and economic recessions or depressions, particularly the one that occurred in the 1920s and the 1930s. The process became rather subdued during the Cold War, but as the great stagnation set in in the Soviet Union, during the Brezhnev era, the pace quickened. Towards the end of the 1970s and early 1980s, with the deregulation of financial institutions, privatisations of public assets, the process of globalisation achieved a momentum not seen since the early period of capitalism that witnessed the beginning of European colonial expansion across the globe. The late 1970s is of course also the time when the Communist Party of China changed course. This gave an enormously powerful boost to the process.

As suggested, Marx's insight into the process of globalisation arises out of the manner in which he conceptualised capitalism. In every class society labour produces a surplus of output over and above what it consumes (and raw materials, etc.) This surplus product is appropriated by the ruling, propertied class. In pre-capitalist societies this surplus product was, generally speaking, used for the luxury consumption of the propertied class, wars, etc. Capitalism was different from these earlier societies in a number of respects. But let us direct attention to two of these (which are related to each other).

First, capitalism was a rational system in its methods of production; this in the sense that capitalist producers operated on the basis of a careful calculation of costs and benefits of their methods of production, and aimed at maximising the surplus product, increasing labour productivity and profits. This approach to production required a different - scientific - way of thinking that looked at traditional ways of doing things critically. (This rational approach to production then spread to other spheres of life).

Second, producers (capitalists) re-invested a large proportion of the surplus product to expand production and increase the productivity of labour by adopting new methods of production. This was **capital accumulation**, a unique feature of the capitalist mode of production, a new phenomenon in the history of mankind. Capitalists were driven to accumulate as a result of competition among themselves. It was a world of the survival of the fittest.

It was this way of conceptualising capitalism – seeing it as dynamic and expansive – that led Marx to his theory of capitalism. The tendency for the individual capitalist enterprise to grow in size and then go across its national borders in search of new markets and raw materials is built into the structure of capitalism. This tendency has of course been intensified since the technological developments since the 1980s. If the large capitalist enterprise today straddles the world, it is not simply because its leaders are ambitious for themselves, and they want to earn more money for themselves. It is a tendency they cannot escape. If today they earn annual incomes measured in millions of pounds, it is not just greed; it is fundamentally because the turnovers of their businesses run into billions of pounds. (The manager of the Chelsea football club was reported in the Guardian newspaper to earn 8.5 million pounds annually. Football is big, international business).

The notion that capitalism has an **inherent** tendency to become international, global was restated with great force in *The Communist Manifesto*, published in 1848: After referring to the discovery of America, the rounding of the cape, colonisation, etc., it added: 'The need of a constantly expanding market for its products chases the bourgeoisie over the whole surface of the globe. It must nestle everywhere, settle everywhere, establish connections everywhere.'

In a nutshell: The tendency for capitalist enterprises to expand and increase in size rests on the fact that there are clear advantages in being large, in terms of costs, in terms of market power, and in the struggle with competitors; it is, to repeat, the world of the survival of the fittest. Over time as these enterprises grow in size, they find that domestic markets are too small for their operations. They are thus led to find markets - and resources – in other countries. And these considerations lead them to locate their operations across the world.

I hope I have said enough to show that Marx's observations on certain aspects of capitalist development are as relevant to our understanding of the world today as they were when *The German Ideology* and *The Communist Manifesto* were written.

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4. The Genesis and Relevance of Marx's Thought

In an earlier article, ('Globalisation- Is Marx still relevant?') in the Viewpointonline.net, I discussed the claim by an American professor, Jonathan Sperber, that Marx's ideas were today no longer relevant to our understanding of the world. In refutation of this claim, I argued that Marx's conceptualisation of capitalism gives us remarkable insights into capitalism's working. As an example, I took the Marxian concept of the 'reserve army of labour' and the expansion of world capitalism usually referred to as 'globalisation'. In the present article I continue that discussion, taking a broader view, by giving other illustrations to demonstrate my contention.

The general point I am making is that Marx gives us a method of analysis to study the events of the past and the present. I start with the genesis of Marx's thought, taking the view that we get a better understanding of a theory by looking at its origins and the ideas it rejected or modified.

The beginnings of the Marxian thought lie in the young Marx's confrontation with Hegel's philosophy. His first contact with Hegel's thought came when, in 1836, at the age of eighteen he joined Berlin University. After a year's intensive study he embraced Hegelian philosophy, and joined a group of intellectuals who called themselves Young Hegelians. Young Hegelians, in opposition to conservative Hegelians, drew radical implications from the master's philosophy. For instance, while the conservative followers of Hegel claimed that the Hegelian ideal state had already been realised in Prussia, the Young Hegelians, by contrast, thought that history had some way to go yet; say, from the semi-feudal absolutist monarchy to a democratic, constitutional form of government. Further, Young Hegelians were atheists and demanded that Christianity should be subjected to the same kind of historical analysis that was applied to other social and cultural movements.

The central concept in Hegel's political philosophy is that of the state. The developed state is an expression of the general interests of society, its ideals and needs; individual interests are fused into the general interest. This notion sounded plausible to Young Hegelians, including Marx. Marx understood that

the actual state did not correspond to the ideal, but, along with other Young Hegelians, took the view that the actual was merely a deviation from the ideal.

Marx completed his doctoral thesis, at the age of 23, in 1841, on ancient Greek philosophy. It is clear that at this stage Marx was dissatisfied with the state of the world; it needed to be changed, reconstructed. It is equally clear that he wanted to play a part in changing the world, in the service of mankind. In the foreword to the thesis he quoted the defiant words of Prometheus (the god who brought fire to the world and was tied to a rock in eternity as punishment by the chief god, Zeus), telling a servant of the gods: 'Be sure of this, I would not change my state/Of evil fortune for your servitude/Better to be the servant of the rock/Than to be faithful boy to Father Zeus'. Was the young Marx hoping to be another Prometheus, in the service of mankind?

Having failed to obtain an academic position (for political reasons), Marx turned to journalism, and became a contributor to a newly established newspaper in Cologne. It was a liberal bourgeois paper, but some Young Hegelians had a hand in its establishment, and had influence on its policy. Over a few months from being a contributor, Marx became its editor (and a very successful one). Now for the first time he came face to face with real-life economic and social problems: for instance, the relationship between powerful landed nobility, who sat in the legislature, and the poor country people who were punished by law for gathering dead wood from the forests owned by these landowners; his daily struggle with the censor, and so on. It seemed that the actual state of affairs was more than **merely** a deviation from the Hegelian ideal state.

Some months after Marx became editor, the newspaper was shut down on the orders of the government in Berlin. Marx was now without a job. Anyway, he got married, settled down in his mother-in-law's house to write his critique of Hegel's philosophy of the state. This critique, a 130-page manuscript, can be said to be the starting point of the evolution of Marxian system of thought.

Before discussing Marx's critique of, and debt to Hegel, it is important to observe that Marx did not approach Hegel with, as it were, an 'open' mind, to seek out the 'truth' as an astronomer, scanning the heavens, might do. He had thoroughly studied Hegel's political philosophy and had come to the

conclusion that there was something wrong with it, not logically but empirically; that the picture of the world Hegel had painted did not correspond to reality.

Historically, the great social problem facing economists and political philosophers concerned the nature of the response to the phenomenon of capitalism as it had developed in certain parts of Europe in the eighteenth and the early part of the nineteenth century. In Britain, the leading industrial country, Adam Smith (and his followers) responded by advocating a laissez-faire form of capitalism, giving minimum role to the state in economic matters. The idea was: 'let the economic and social life be guided by the competitive market'.

Hegel, by contrast, advocated - behind all the metaphysical trappings of his political philosophy - a corporatist economy, rejecting laissez-faire capitalism, and accompanying such an economy an authoritarian political structure. This form of capitalism appeared to be more suited to conditions in Germany, a country whose industrial development was lagging behind Britain's and France's.

Marx approached the problem from a very different perspective – not from the perspective of a developing capitalist economy and the capitalist class, but from that of the dispossessed and property-less who suffered under the domination of the rich and the powerful. **This is the politico-ideological element underlying the genesis of what Marx called his 'materialist method'** or what Engels christened as the 'materialist conception of history'. This is the element that lies at the heart of Marx's thought and that gives unity to all his life's work.

Now a few words about Marx's debt to Hegel, for whom he continued to have the greatest respect all his life: There are in particular two closely related Hegelian ideas that Marx absorbed in his thought (discarding their metaphysical aspects), and which are absolutely central to that thought.

According to the first idea, reality as we know it is an evolutionary process; that the future is being formed in the womb of present; that it is an **internally** generated process. Contrast it with Newtonian physics where an object stays at its position or level unless moved by an **extraneous** force. To comprehend

reality (according to Marx, following Hegel), you have to see where things are coming from and in which direction they are going.

According to the second idea, society is an organism; individuals form an organic whole, as the limbs of the human body. What society is **not** is a collection of atoms – as neo-liberal ideologues see it, individuals as autonomous beings; as if individuals are independent of their social relations. This is the ‘there is no such thing as society’ idea of Mrs Thatcher. For Marx the individual is **the social being**.

Marx’s first intellectual breakthrough came when he clearly distinguished between Hegel’s ideal state (a rational human community) and the actual state, as it existed in the 19th century Prussia, and elsewhere. Hegel’s philosophical idealism had presented the real world, reality, as a reflection of the ideal, a metaphysical notion referred to as Spirit or Absolute Idea. As an extension of this idea, he had presented the actual state as a reflection of the ideal, rational state. This is how he had sanctioned the existing state of affairs. In his critique, Marx focused his mind entirely on the state as it, the actual state apparatus, and the real world as it is.

The second breakthrough: Now what is the real world (as distinguished from the state apparatus)? It is the world of individuals and families seeking to make a living; in other words, it is the economy, under capitalism it is the **market** economy. Hegel had depicted this reality as a reflection of the ideal. Marx observed that Hegel had inverted the relation between the real world, the market economy, and the state. Hegel was standing on his head; to arrive at the truth he needed to be put the right side up. It was not the market economy that was a reflection of the ideal; it was, in fact, the existing state apparatus that was influenced by the reality of the existing market economy. **Politics is to be understood in terms of the economic and social relations that prevail in society.**

This is the genesis of Marx’s materialist approach to analysing events of the present and the past. Within the next three years this idea will be fully developed and elaborated.

[For a discussion of the materialist conception of history, see the first part of the article ‘Was the Russian Revolution a Marxist Revolution?’ Also, ‘Is there such a thing as society?’]

Let us now turn to the relevance of the Marxian method of analysing events, past and presents: Three illustrations:

First: Recently in a London newspaper article a psychoanalyst, Dr Dorian Leader, referred to a study that found a massive increase in anxiety disorders in the UK population. There were now 8.2 million sufferers as compared with 2.3 million in 2007. How do we respond to this phenomenon? I think the neo-liberal individualist response will be to see it as individual psychological problems. The sufferers will be treated in the same way, as you would treat people with dementia – with drugs.

By contrast, a Marxist will approach the phenomenon not essentially as an individual but a **social** problem. The fact that this enormous increase in the number of sufferers took place during the current economic recession would suggest that the problem relates to unemployment, fear of unemployment and economic insecurity, stress at work, and so on. This approach will suggest policies that are different from those that a neo-liberal would suggest, and that are in fact pursued by the government – treat the sufferers with drugs. **This massive increase in anxiety disorders is a social problem and requires a social solution.**

Second: A number of my friends, when talking about what is generally referred to as the spread of Islamic militancy in Pakistan put all the blame on Ziaul Haq’s policies, adding to these the role played by the money coming from the United States and Saudi Arabia. This way of looking at things, in broad terms, suggests to me the idealist way of interpreting historical events. These factors were, in my view not unimportant and would need to be taken into consideration in understanding this phenomenon, but a Marxist would, more importantly, go further and ask: **what were the social, including cultural, conditions that made these policies so successful in Pakistan?** A Ziaul Haq, even with funding from the US and Saudi Arabia, could not have been successful in, say, Bangladesh. This is because the Bangladeshi society, though staunchly Islamic, is very different from, say, the Punjabi society. Even in Pakistan the response

to these policies varied across the regions. Sindhis have been much less enthusiastic than the Punjabis. Some food for thought!

Third: In the article on the relevance of Marxist thought I focussed attention on Marx's concept of the '**reserve** army of labour'. To recall, according to this concept in order to keep wages down and profits high, capitalists need a reservoir of unemployed or underemployed labour on which they can draw. In the early period of capitalist development in Europe, expanding industry was able to draw on such reserves of labour in the traditional sectors of the economy, e.g. agriculture, etc. At a later stage, mechanisation of production, by 'saving' labour, played a similar role, that is to, create unemployment. After the second world war, European countries such as Britain, Germany, and France started to draw on the 'unlimited' reserves of 'surplus' labour in the so-called developing countries. Large numbers of immigrants from Turkey, the Sub-Continent, the West Indies, etc., were drawn into these countries. From the 1980s, capital from the developed world began to be exported to developing countries which had, as mentioned, 'unlimited' reserves of labour.

Now we see a new version of this phenomenon in the Britain (perhaps elsewhere too), where the bargaining power of labour has been enormously weakened since the 1980s. This new phenomenon is referred to as 'zero-hour contract'. This is a 'contract' between the employer and the employee that the employee will be available whenever needed by the employer, that is, he/she will be 'on call'. Under this arrangement the employee cannot have another job – because he/she is on call – available whenever needed, and paid only for the hours actually worked. This means complete 'flexibility' for the employer, insecurity and low income for the employee who is forced into this position by lack of other job opportunities. The labour employed in such large firms as McDonald's, Boots, Amazon, large parts of the health services are working on such contracts. Even Buckingham Palace. A company called Sports Direct, has ninety percent of its 23,000 employees on zero-hour contracts. According to the Chartered Institute of Personnel and Development there may at present be as many as one million workers in the UK on this method of employment. And their number is increasing.

A recent article in the Guardian newspaper on the subject began with the words: 'It is a pity Karl Marx was not around last week to comment on the

news that 90 percent of the workforce at Sports Direct are on zero-hour contracts.... It would have amused him to hear that even Buckingham Palace – the very symbol of the ruling class – had got in on the act.’ According to the author, Marx ‘would have had plenty to say about Britain’s ‘reserve army of labour’.

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5. Is There Such a thing as Society?

Those readers of the Viewpointonline.net who followed the reporting of former Prime Minister Mrs Thatcher's death and the funeral service will have noted the confusion of divided opinions that the events generated. I have nothing to add to these statements. I thought I will use the occasion to discuss a famous (infamous, according to many) statement Mrs Thatcher made in 1987, when she was at the height of her powers. In an interview with a woman's magazine she said: 'There is no such thing as society'. At her funeral service at St. Paul's Cathedral, the Bishop of London, referring to this statement, said that Mrs. Thatcher had been misunderstood. She was not misunderstood. She knew exactly what she was saying and believed exactly what she said.

Mrs Thatcher was not a serious student of political philosophy or history. But she had advisors who were. One of these was the Austrian-born economist – a Nobel laureate -- Friedrich von Hayek. Hayek, who was honoured by Mrs Thatcher with a knighthood, I guess, could have provided a philosophical underpinning to her extreme right-wing views and policies. Professor Hayek was a man in whose writings the word 'society' did not appear.

As I was thinking of writing this article I came across a recently published novel (Fallen Land by Patrick Flanery) where the idea expressed by Mrs Thatcher is expressed by even greater force. In this novel an American father advises his son as follows: 'Trust the gleam of your own mind. Be brave: God does not want cowards to manifest his work. Your hands are trustworthy. **Society is nothing but a conspiracy against you.** If the country is at war, then the average citizen has to look out for his own even more than in peacetime, **government be damned.'**

I remember Ronald Reagan, American president during the 1980s, once saying 'government is the problem'. Reagan was not referring to any particular government headed by president XYZ. He was referring to government as such, government as an institution of society. Government was some kind of a necessary evil, something you couldn't do without, unfortunately.

So, to come to the question, what does it mean to say there is no such thing as society?

To answer the question we need to go back to the beginnings of modern political philosophy, that is, to the seventeenth century Western Europe. This is the time when the broad outlines of capitalism and the modern market economy had clearly emerged in Europe (though it had some way to go yet). This required a new way of thinking about politics, about the nature of society. In the medieval society authority was shared by the church and the monarchy (and fragmented among kings, dukes and counts). Both these authorities, religious and secular, were derived from God. The monarchy, enjoying the divine right to rule, exercised secular authority but only in the service of the church. Every new king or emperor was ordained by the church. The pope had the right to send anyone, including the monarch to hell through the act of excommunication. (This was the theory. Things in practice often diverged from theory, as they often do.)

In this situation the individual had no rights. The church stood between him and God, as the mediator. In the secular sphere of life, there was no such thing as individual rights – in fact, it is difficult to speak of the ‘individual’ as such. Every individual belonged to an estate or order or class, officially. Every class had its own status and position in society, with its own ‘privileges’. If there was anything that we call right, it belonged to the collective, the estate – the nobility, the peasantry, and at a later stage, the merchant class or the burghers – the bourgeoisie. (In fact, the word for what we call ‘right’ then was ‘privilege’). Corresponding to this was the position of the church that came to the same view, though it was couched in a different language.

In the sixteenth century, with the development of capitalism, things began to change. In an earlier article in the Viewpointonline.net (no. 127) I briefly discussed the phenomenon of the Protestant Reformation initiated by the German monk Martin Luther in 1513. Reformation was a revolutionary event that shattered the unity of Christendom and challenged the claims of the church as the mediator between the individual and his God. The individual now had direct access to God. The priest or the church could at best help the individual in this respect. This was a blow for individualism, at least in the

realm of religion. There was now such a thing as the Individual in the realm of religion.

With the disintegration of feudal society and with it of the estates and orders, and the emergence of capitalism and the market economy, a different viewpoint was called for. (It was now the individual who decided what to produce, how to produce, where to sell his product, and at what price.) This new idea was provided by the new political philosophy. This new philosophy treated with the issues of the relation between the individual and the community, and the source of political authority (which before was coming from God).

Two different versions of this philosophy were presented in England, one by Thomas Hobbes (1588-1679) and the other by John Locke (1632-1704). Both the versions agreed on the principle that society or community was a **voluntary** association, was formed by individuals through their independent choices, to serve their interests – **interests that were inherent in each individual**. The individual is prior to society. Society exists to serve the individual, just as we might say, markets for goods exist to serve buyers and sellers.

This is the principle of individualism that underlies pure capitalism and this is the view that Mrs Thatcher was expressing when she said that there is no such thing as society, and if there is such thing as society it is like the market in which we have no obligations to each other, except that we do not cheat in our market transactions. In the context of capitalist economy (which was in Mrs Thatcher's mind) the essential relations between individuals are market relations. Social (other than family) relations are of little or no importance.

Hobbes took the view that before society was established, man lived in a 'state of nature'. Life was characterised by fear and violence; it was short and brutish. Society was formed through a 'social contract'; people agreed to give up their freedom to accept a central authority that will impose law and order. This authority was to be absolute. For Hobbes, who was a royalist and supporter of the king against parliament, monarchy represented the best authority.

Locke, who believed in constitutional government, started with a very different view of the state of nature. According to him people are by nature benevolent, reasonable and tolerant, and in the state of nature they are equal; but nature also allows them to be selfish and egoistical and gives them the right to defend themselves and their property, **which is merely an extension of the individual.** But the state of nature is without organisation, without magistrates, without authorities that will enforce contracts. In the state of nature the individual must defend himself and his property; social organisation provides institutions that will do that for him more effectively.

It is this principle – principle of individualism, the principle of self-defining, autonomous individual – that underlies modern economics, economics that is taught in colleges and universities. It starts with the autonomous individual (like the man coming out of the ‘state of nature’), his wants, tastes and his ‘endowments’ or possessions. His sole objective is to maximise his utility or wellbeing. To achieve that objective he enters into exchange with others who have what he wants, and who want some of what he has. So they enter into exchange of goods to maximise their utilities or satisfactions.

The same idea is extended to the labour market – labour is a commodity (like coal). If you cannot sell that commodity (that is, if you cannot find employment) that is too bad! Find another job at a lower wage, become a domestic servant even if you are a university graduate. That is the market logic. That is the outcome determined by the market. It is the best possible outcome. Hence, the minimum possible role assigned to the state. Like Mrs Thatcher, orthodox economics denies any role for what we call social solidarity.

The reader (who has had the patience to reach this point) might be wondering: what is wrong with the principle of individualism – Mrs Thatcher’s standpoint? Has Karl Marx anything to say about all this? He had a great deal to say about it. His entire thought is predicated on the rejection of this principle, and the adoption of the view that the individual is nothing but product of his society. He is born into a family that is part of the larger society which is product of its history, with its own culture, language, etc. There is no such thing as the autonomous individual, he is fundamentally social.

Thus, the individuals who are supposed to come together to voluntarily form society **are already socialised**. Apart from anything else they speak some language – and language is a **social** product. In fact, Marx claims that there is no aspect of an individual's life that is independent of society. The individual is first and foremost product of society. He wrote: 'Society does not consist of individuals; it expresses the sum of connections and relationships in which individuals find themselves.' Individuals do not create society; they are products of society. Society is an organism that evolves historically, with its distinctive culture, influenced by other societies with which it comes into contact.

According to Marx the capitalist society is only in theory anti-social; it considers (only officially) its members as atoms, with no organic relations between them. But the nature of society, interdependence between individuals, makes it impossible for it to act on this theory. As a young man of 26, Marx wrote: 'The egoistic individual of bourgeois society may in his silly imagination and petrified abstraction puff himself up into a self-sufficient atom, that is to say, into an absolutely complete and blessed creature, independent and free from need (of others), but his daily experience and activity compel him to recognise his manifold interrelationships with others. These are social bonds that none can escape.'

Four years later after he expressed these ideas, he wrote in *The Communist Manifesto*: Pretending that individuals are free and equal before the law and the market, the bourgeoisie has cynically torn away the countless social ties which make men members of another's body and 'left no other bond betwixt man and man but crude self-interest and unfeeling cash payment.'

Capitalism does not do away with society (contrary to the official theory and Mrs Thatcher), what it does is to distort genuine human relations so that we come to see others as means to our egoistic ends. Marx sought to present another vision of society where we see each other as parts of one organism, where the happiness of one man or woman depends on the happiness of others, as in an ideal family.

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6. 'We are Poor because they are Rich'

[Introduction: In July this year the editor of Viewpointonline.net asked me if I would contribute an article on the claim that 'Europe has got everything from us.' Unfortunately, because of other commitments at the time I was unable to meet the request. The following paragraphs are in response to that suggestion. I have interpreted 'us' as the non-European world, that after the second world war came to be referred to as the 'developing', and also sometime as poor, countries.]

When in 1958 I came to London I took up student digs in the district of Hampstead. Over weekends, weather permitting, I would walk around this attractive part of London and admire the large and beautiful houses that give it its unique charm. (Col. Gaddafi's son Saif was reported to have bought a house here for six million pounds. These days it is the Russian 'oligarchs' buying up properties here.) I would often ask myself (as would have anyone coming from a former British colony), where has all this wealth come from? The answer that inevitably came to mind was – from the colonies. We remained poor while they became rich.

Here I do not wish to go into this large question. I ask a different, though related question: why did Europe come to dominate and colonise large parts of the world? Why didn't 'we' go out to dominate Europe? The question becomes more interesting if in 'we' we include Turkey. Turkey – the Ottomans - *did* go out and occupied large parts of Europe. When European explorations and colonisation got underway, say, around 1500 – the Ottomans were ascendant. They controlled large parts of the Middle East, Africa; they had taken over practically all of the Byzantine, and finally captured Constantinople in 1453. They reached the gates of Vienna twice, last time in 1683. From then on it was retreat until 1922 when the remnants of the empire were wound up, and *modern* Turkey, as an *under-developed* country, emerged as an independent nation.

What differentiated the Europeans from the Ottomans, and from, say, the Chinese and Indian societies? The Ottomans were the old type of empire –

they invaded other countries with large armies, took over lands, extracted tribute, and so on. How many Britons, we may ask, came to conquer India? They came as traders and then used Indian men and Indian money to control the entire sub-continent. The European domination of the rest of the world was fundamentally a different kind of phenomenon. It was a relationship between a developing and progressive *capitalist* world and *pre-capitalist* societies.

The Europeans were developing an advanced mode of production and a culture based on reason. Other parts of the world had seen great civilisations. For example, in South America they had flourishing civilisations, but they had no books. Their knowledge of the world was confined to what they knew directly, first hand. Chinese had made numerous scientific inventions, long before the Europeans did. For instance, they were the first to invent the printing press with movable type, but this invention remained an isolated event and was not put to any significant economic use. By contrast, when Europeans made the same invention, much later, in the middle of the 15th century it was a different story. By the end of the century there were a thousand printing workshops across Europe. In 1466, the University of Paris established a chair in printing. In Europe, the printing press revolutionised both learning and the practice of reading. (The success of Reformation initiated by Martin Luther depended in large measure on the printing press.)

What made Europe a different kind of society? For Marx, it was the development of capitalism (what some economists have referred to as *modern* development to contrast it with economic changes that had taken place in preceding centuries, and elsewhere in the world). This development had diverse aspects. But in this article I want to focus on one aspect which distinguished European society from others. It was the *secularisation* of society, the liberation of thought – social, political, economic, scientific, etc. - from religious dogma, tradition and custom.

The Communist Manifesto (1848) highlighted this aspect in the following words:

It (bourgeoisie) has drowned the most heavenly ecstasies of religious fervour, of chivalrous enthusiasm, of philistine sentimentalism in the icy water of egotistical calculation All fixed, fast-frozen relations, with their train of ancient and venerable prejudices and opinions, are swept away, all new-formed ones become antiquated before they can ossify. All that is solid melts in the air, all that is holy is profaned, and man is, at last compelled to face with sober senses, his real condition of life, and his relations with his kind.

Renaissance thought (say, from the second half of the 15th century) was characterised by secular humanism. This way of thinking did not reject religion, but it viewed man's position in the world in a very different light from the way that medieval Christianity had seen it. The latter had seen man as a sinful creature who sought salvation through divine guidance mediated by the church. To be sure, secular authority was distinguished from the ecclesiastical, but it was universally believed that political life should be directed towards spiritual ends. By contrast, humanist thought emphasised that by using reason man could bring about institutional and moral improvement. Man could control his destiny.

To illustrate the kind of intellectual change that was taking place in Europe in the 15th and 16th centuries, I will take an illustration from the realm of art. I have in mind a painting, entitled 'The Tower of Babel', by the Flemish Renaissance artist Pieter Brueghel the Elder (1529-1569). The painting is based on the story from the Old Testament (I am told it appears in the Quran also) about attempt by people (Nimrod?) who decide to build a tower that would reach the heavens. This attempt is seen as man's hubris and God puts an end to this pretentious project. God said (to quote the Book of Genesis): 'Let us go down and there confound their language that they may not understand one another's speech ... There is the name of it called Babel.' People were monolingual before, but God made them multilingual and so they were unable to communicate with each other. And the project had to be abandoned.

Brueghel gives us a very different view of the aborted project. The building, right from the start, violates architectural and engineering principles. It is built right on the edge of a river so that its foundations run into water, and right from its inception the structure is crooked – it is leaning on one side. Man's project to reach the heavens fails, not because of God's intervention, any

language problem, but because it is based on wrong technological principles. It is not based on reason. .

Besides the rise of Renaissance humanism, during this period political and economic theory and policy emancipated themselves from the ethical framework of the scholastic tradition. I am referring here to the work of the Italian Renaissance writer Machiavelli (whose book *The Prince* was written in 1513, and was widely read across Europe), and the emergence of the school of mercantilism,

Let me at this point give some background to the emergence of a secular approach to political and economic policy. During the feudal period sovereignty was fragmented. Feudal lords had both economic and political power in their domains; there were free cities where guilds and merchants' corporations controlled trade and life generally. Trade was conducted along fixed routes and traders had to pay tolls to every lord through whose domain the goods passed. The economy was segmented.

Towards the end of the 15th century economic development had reached a point where this localism had become a serious hindrance to further progress. It required larger markets and therefore governments of large size; merchants needed strong government that could maintain law and order, remove local barriers to trade and create a single national market, and actively promote foreign trade. This period thus saw an alliance between the merchant class and the monarch against the nobility. At this early stage the bourgeoisie did not aspire to a share in political power. All it needed was the encouragement and protection of a strong state. (Its demand for a share in power will come later.)

This is the background against which Machiavelli was writing. The absolutist, modern national state in Europe was already taking shape. (For instance, the Tudor England.) Machiavelli rejected the view that there was a relationship between moral goodness and legitimate political authority. In politics 'reasons of state' were independent of Christian morality. The principal duty of the monarch was to 'maintain the state', that is, to increase its power at home and abroad and use *whatever* means that were at its disposal, including murder and deceit, to achieve that end. No wonder the book was banned by the Pope.

In the mercantilist school we find for the first time complete detachment of economic policy from Christian ethics. Mercantilist writers were mainly administrators or merchants. (Sir Thomas Mun, perhaps the most famous of the mercantilist writers, was a director of the East India Company.) They advocated policies that would protect domestic industry and trade and encourage exports. These policies were aimed at a favourable balance of trade, and thus accumulation of gold and silver in the country. The wealth of the nations was measured in terms of the gold and silver that the country had acquired. The sole objective of policy was to increase the wealth of the nation. The policy advocated by the mercantilist school thus aimed at enriching the king as well as the merchants.

Finally, a few words about the Protestant Reformation initiated by the German monk Martin Luther in 1517. This is when he published his 95 'theses' (statements) criticising the Catholic church. Luther was no revolutionary – he only wanted to reform the church – but the results of the movement that he unleashed were truly revolutionary. It led to the disruption of the 'universal church', suppression of monastic institutions, abrogation of the canon law, a major check on secular authority, etc. From this point on no one could speak of 'Christendom' as an entity.

Luther's most important innovation lay in the claim that religion was an inward, *personal* experience and the clergy was not necessary in achieving that goal. To reach God one did not need an intermediary. By proclaiming this idea Luther struck a blow at what Marx referred to as 'Catholic paganism'. By putting such strong focus on the idea that religion was an *individual*, personal experience Luther laid the foundation of the principle of individualism – a principle that fundamentally underlies capitalism.

Luther promoted secularism by arguing that the ruler could not govern with the aid of the gospel. The gospel preached compassion and forgiveness. By contrast, the ruler had to administer justice, a duty that would not necessarily be consistent with compassion and forgiveness. A government according to the gospel would either corrupt the government or the gospel, perhaps both.

To conclude: The world we live in today was, for good or bad, re-modelled by Europeans, starting around the end of the 15th century. (Leonardo da Vinci,

Copernicus, Christopher Columbus and Vasco da Gama were all contemporaries.) European expansion across the world and European domination of it was the expansion of the capitalist mode of production – a mode of production progressive because, among other things, religion had been separated from political and economic life.

In this article, I have focused on only one (progressive) aspect of European development: Emancipation of thought and reason from the religious dogma, custom and tradition.

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7. How Capitalism Developed in Western Europe

In an earlier article ('We are poor because they are rich'), I suggested that the European success in economic development and world domination was due to the fact that Europe was the first region in the world to develop capitalism; and that the European domination of the world that was beginning to take shape in the sixteenth century should be seen in terms of the relationship between a modern, developing world and pre-capitalist societies.

Inevitably, the question arose as to why capitalism and modern development first appeared in Europe and not elsewhere. In the 15th and 16 centuries there were great empires and civilisations in other parts of the world – the Ottomans who gave the final blow to the Byzantium in 1453, the Safavid in Iran, the Moghuls in India, and the Chinese who had made many inventions and discoveries before the Europeans. What were the unique circumstances that enabled Europe to nurture capitalism (and thus modern development)?

Before proceeding any further, I should note that when we talk of early European development I am thinking of Western Europe. Eastern Europe, Russia and the Balkans, for example, were not part of this development. For the purpose in hand Eastern Europe may well be considered as the Christian non-European East.

One commentator on my earlier article referred to the works of the geographer-scientist Jared Diamand who has emphasised the role, in the explanation of why some regions became rich and others remained poor, of geographical and ecological factors. One cannot deny the importance of geographical factors in the evolution of early human societies. For instance, we can see why civilisation developed in the Fertile Crescent (the arc covering parts of modern Iraq, Syria and Palestine) and not in the rain forests of Brazil. One can also see why most of the old cities were founded on the banks of rivers or in coastal regions. But it is difficult to give any great significance to geographical factors in an explanation of why industrial revolution happened in a damp island (where I live) in the North Sea rather than in the Middle East.

The soil out of which capitalism evolved was that of the West European feudalism. To understand the nature of this mode of production we need to go back to the Roman Empire.

From the early 5th century AD, 'barbarians' (often referred to as Germanic tribes) from beyond the Danube and the Rhine had been successfully encroaching on parts of the Roman Empire. They had on occasions successfully attacked and plundered Rome, and finally in 476 AD a 'barbarian' general deposed the Roman Emperor, thus putting an end to the remnants of the crumbling empire.

Europe was plunged into confusion and anarchy. It is for this reason that the period between the 5th and the 8th centuries is referred to as the Dark Ages, There was constant warfare and little of what we would consider as normal or settled government. However, slowly and gradually chiefs of various tribes (Visigoths, Ostrogoths, Vandals, Franks, etc.) established themselves as rulers of different parts of Europe. Numerous – hundreds -- small tribal-based kingdoms emerged over this period. It is important to mention that by this time the entire Western Europe had embraced Christianity.

Feudalism as a legal and political system evolved out of this confused and anarchic situation. The society as it developed consisted of three orders or classes: the warriors whose profession was to fight constituted the ruling order, the clerics who prayed, and the peasants who laboured to feed and maintain the other two orders. If we agree with Marx that every mode of production has a social function then we can say that the social function of feudalism in its early stages at least was to end anarchy and establish order. It is this fact that gives European feudalism its unique characteristics.

The central feature of the feudal mode of production was a network of large landed estates, usually around a castle or fortifications, held by a warrior-noble chief. What gave the estate its peculiarly feudal character (there were large landed estates owned by aristocrats in Roman times and under the Mughals) was that it was held in 'fief' by a vassal from the suzerain or an overlord in return for military and other services. Thus, for example, a duke received an estate (and his dukedom) from the king. The duke was now the king's vassal; the duke in turn gives part of his estate to another who becomes his vassal.

The duke's vassal owes him allegiance in the same manner as the duke owes it to the king. It was thus a hierarchical system characterised by a personal relation between an overlord and his vassal in which the superior overlord received military and other services, and the overlord undertook to provide protection and maintenance to his vassal.

Over time a hierarchy of dependent tenures evolved with the king at the apex and at the bottom of the pyramid the peasant, unfree serf tied to the land he cultivated. The relation between the lord and his peasant was also personal, with mutual obligations. The peasant provided free services to the lord, and the lord protected him and ensured his maintenance. The same law that tied the serf to the land also guaranteed his security of tenure. The lord 'held' the land but the peasant 'possessed' it. As the peasant also owned his cattle, agricultural tools, etc., he possessed all his means of production and subsistence.

With the fief went the duty of the vassal not only to provide military service to his superior, but also to administer justice in his domain, in practice, to provide government. Though originally the fief was a conditional tenure, in the course of time it became hereditary. But there was no concept of absolute ownership under feudal law. The vassal could not dispose of his land as he pleased.

The organisation of production on the estate also evolved to serve the needs of security and defence. The landed estate, the manor, constituted the typical unit of production. The land of the estate was divided into two parts: there was the lord's 'home farm' The production on the home farm was undertaken by peasants who provided free services, say three days of work, working under the supervision of a steward. The other part of the estate was divided among the peasants for their own use. The peasant households also produced consumption items other than food. Thus initially at least the estate was a self-contained unit.

It will be noted that a consequence of the institutional devices adopted was that political power in the feudal system was fragmented. Its centre was politically weak. According to one historian the estate became the state. The monarch had no standing army, nor bureaucracy to administer justice. As noted, he depended on his lords both for armed men and administration of

justice. The system over time became quite complicated and a possible source of inter-feudal disputes. The absence of a strong centre and the presence of a large number of powerful barons in command of armed men created potential for war among the barons and between barons on the one hand and the monarch on the other. (Recall that in 1215 the English barons combined to impose on the King a 'charter of liberties' that has come to be known as the Magna Carta. The feudal system suffered from an in-built tension; the centrifugal tendencies inherent in it provided a source of its decomposition.

The feudal society contained within itself two elements of a non-feudal character. One was the Roman Catholic Church. This was a huge organisation, with an international (West European) character. It had vast properties and it exercised enormous influence. Its reach, in the shape of the parish priest, extended to every village in the continent. Its power stood parallel to that of the Emperor (the empire called Holy Roman Empire of the German Nation had evolved during the early middle age). The Pope exercised spiritual power, the Emperor temporal or secular and they often came into conflict with each other. (It will be noted that this duality stands in sharp contrast to the Islamic ideal. In Western Europe the two powers – spiritual and temporal - were never united in the same authority.)

At the same time the Church was an integral part of the feudal society. Its teachings were harnessed to the interests of the feudal class and it provided a rationale for the feudal social relations. But it was not an organ of the feudal class. When the times changed, when capitalist development was underway, it adapted its teachings and was ready to provide a rationale for capitalism.

To give an example: According to a French historian (Jacques de Goff), in the twelfth century, when almost every merchant was a usurer, the merchant was condemned by the Church. But when the power of the merchant increased, the Church gradually came to justify profits and drew a distinction between profits that were justifiable and profits that were not. This historian quotes two churchmen writing in the thirteenth century on this point. The first: 'Merchants work for the good of one and all and the work of carrying merchandise to and from fairs is of public utility.' It is interesting to note that for this churchman the concept of public utility has become the criterion of public policy). According to the second: 'There would be great hardship in

many localities if merchants did not bring what is plentiful in one place to another place where the commodity is lacking. So they have a perfect right to be paid for their work. Large-scale international trade is now a necessity willed by God; it is part of the scheme of Providence.'

The same historian (by no means a Marxist) writes: 'At a different level, the Church now [thirteenth century] introduced prayers for the souls in purgatory and encouraged belief in this antechamber to paradise where it was possible to purge sins that had not been washed away by confession. These innovations [note this word!] offered merchants hope of salvation that, until the thirteenth century it had denied to all usurers'. (The concept of purgatory as a half-way house between the earth and the heaven has no basis in the gospels. It was an 'innovation' of the Roman Catholic Church, just as the cult of Mary was.)

My point is that the church did not stand in the way of the evolution of society from feudalism to capitalism.

The other element of a non-feudal character – active and dynamic and thus more interesting for our present purpose – was the merchant. The work of the merchant goes back a long way in history - there were, for instance, merchants and money lenders in the time Hammurabi (1792-1750 BC). We can refer to the business of the trader-cum-money lender as a capitalist enterprise. It is profit-motivated and it uses money to make more money. The merchant's business comes necessarily to be based on rational calculation. A merchant must learn to discover where to buy at the cheapest prices and where to sell at the highest prices – to maximise his profits. In other words he must discover new markets. He must learn to base his calculation on assessment of risk and uncertainty. And to repeat he uses money (capital) to make more money. It is therefore appropriate to refer to his business as enterprise. In the work of the merchants we see the development of the rational, business mind, a way of thinking fundamentally different from the feudal mind. As the capitalist enterprise and activity grow absolutely and relatively in society this type of rational thinking which is initially confined to economic matters extends also to non-economic problems.

As suggested above, this type of enterprise existed in the entire civilised world. But it was only in Western Europe that, beginning in the thirteenth century, it

started slowly and gradually to erode the frame of the feudal society and its institutions; and began to evolve new institutions that would be conducive to the expansion of the wealth of the nation (GDP).

So, we come to our central question: If the merchant's enterprise was present in all parts of the civilised world, what was unique to Western Europe that was not available to, say, India or China?

What was different in Western Europe was that the town here became not only the centre of business activity but it was also able to achieve a distinct legal standing. The town became a nascent capitalist enclave in a feudal environment. This aspect of European development was highlighted by Marx, when he wrote: 'Ancient Classical history is the history of cities based on landownership; Asian history is a kind of undifferentiated unity of town and country (the large city, properly speaking, must be regarded merely as a princely camp superimposed on the rural economic structure); the middle ages (Germanic period) [that is early middle ages] starts with the countryside as the locus of history, whose further development then proceeds through opposition of the town and country; modern history is the history of the urbanisation of the countryside, not as among the ancients the ruralisation of the city.'

As this is the crux of our story, I quote another comment from a (non-Marxist) historian. This historian also draws comparison between 'on the one hand, the European medieval town and, on the other, the Byzantine town, the heir to the town of Antiquity; the Muslim town, which never managed to unite in the face of Umma (the community of the faithful outside the town), and the Chinese town, without a centre, without character and without autonomy.'

This modern historian is saying exactly what Marx had said a long time back. In order for capitalism to develop or modern development to be initiated, it was necessary that the town should be able to differentiate itself from the countryside, that is, to attain an identity that is different from that of the feudal economy outside the town; in Marx's words, to stand in opposition to the community outside the town. Only then could the town become the centre, **an enclave of a new mode of production**. The Christian town of Eastern Europe, the Muslim and Chinese towns, though they were centres of

business activity, remained embedded in the old society, its economy and its culture.

From the eleventh century Western Europe experienced restoration of order and revival of trade and urban life that had been largely but not entirely destroyed during the Dark Ages. There was increase in tillage and reopening of trade routes. Towns multiplied during the twelfth and thirteenth centuries. A unique feature that distinguished many of these towns from Asian cities was that they were able to obtain charters of freedom from the king or a great lord (in whose territory they were situated) for a lump sum or, in some cases, an annual fee. These charters guaranteed their fiscal and political freedom and they were able to have their own militias to defend themselves against rogue robber barons. The town thus became a self-governing chartered corporation of merchants and guild masters (craftsmen); a place of individual freedom and a new kind of property based on individual labour and held, in contrast to feudal property, in absolute ownership under Roman law. (A serf who escaped from his lord's estate and entered the town became a free man.)

The towns thus became, in the words of a British historian writing during the 1970s, 'non-feudal islands in the feudal sea.' The growth of towns in size and numbers, and, at a later stage, the expansion of business activities outside the city walls, constituted a major step towards the development of a new mode of production that was increasing in relative importance to the feudal mode; and the development of a new class, the bourgeoisie. (This later stage in the development of capitalism is discussed by Marx in the first volume of *Capital* under the heading 'Primitive Accumulation.')

To conclude: I should say that the development of societies over long periods of time, and differences in their patterns of development, is an extremely complex subject. In an article such as this one the writer can only deal with one or two aspects in a rather limited way and suggest some generalisations. And discussion of one or two aspects leads to further questions. Here I have focused on two aspects: The first is the active and dynamic, element: In the West European town a culture, a way of thinking, of a different kind from that of the feudal countryside developed. This culture was closely associated with the kind of economic activity that was taking place in the town. This development was safeguarded by the fact that the town had achieved its own

legal standing and was able to evolve its own institutions that were independent of the feudal hierarchy and were conducive to capitalist development. The other aspect refers to religion: the teachings of the Church moved with the times and were not able to put obstacles in the path of economic development.

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8. Marx's Theory of the State: a Discussion

Introduction

Sometime back, Viewpointonline.net published interviews with four commentators on the subject of the character of the Pakistani state. One of the questions asked related to Marx's theory of the state. I found the answers to this particular question unsatisfactory in scope. I thought the subject needed more extensive treatment. Hence this article. (I will try to comment on the character of the Pakistani state in a separate article.)

Marx first attempted to work out a theory of the state in his 'critique' of Hegel's philosophy on the subject when he was 25 years old. He did this in a 130-page essay entitled *Contribution to a Critique of Hegel's Philosophy of Law*. Marx was not yet a communist or socialist.

Notwithstanding this we can say with full confidence that the development of Marxism starts with this 'critique' which involved acceptance, modification and rejection of different aspects of Hegel's idealist philosophy. Marx thought Hegel's theory contained latent truth; Hegel had to be 'demystified' to arrive at the truth. The 'critique' was not published during Marx's life; it had been written largely for self-clarification.

Let us start with the problem with which the modern theory of the state is (and Hegel was) concerned. The discussion is about the modern state that started to develop, say, around 1500 in Western Europe.

The Nature of the Problem

Under feudalism, and all earlier modes of production, there was no clear differentiation between the institutions of the state and of the economy or civil society. The two were intertwined. For example, the great lord of a domain was both the political and economic master in his realm. He appropriated the surplus product of his serfs directly, that is through his political power and status as a feudal lord.

In contrast to this, with the development of the economy and the emergence of capitalist production, these two spheres began to be legally and institutionally differentiated. As the economy developed, one could increasingly speak of the market economy, the sphere of the private, individual interest, distinguished from the political sphere, the state, the custodian of the general interest of society. In contrast to the feudal lord, the capitalist extracted the surplus product of labour indirectly, through the forces of the market – a situation in which the worker (unlike the serf) was legally free to move from one employer to another.

So there was the problem of the relationship between the state, society's political authority, and, what Hegel and Marx referred to as, 'civil society', the domain of the individual or sectional interest, broadly, the domain in which people make their living (the economy).

How are the general interest and the pursuit of private interest to be reconciled?

The Principle of Individualism

The first school of thought that emerged (17th century) to deal with the question approached it from the perspective of the nature of society. Let us refer to it as the 'principle of individualism'. This principle started with the fiction of the 'state of nature'. In this state there was no such thing as society, only atomistic, autonomous individuals. To put it simply, according to this principle at some point these individuals decided to come together and by general agreement formed an association, society. They agreed to give up some of their rights to society or its public authority because they believed that by doing that they will have their other rights more firmly secured or, what is the same thing, have their wellbeing improved.

This is of course a fable. But the point here is that society is conceptualised as a voluntary arrangement, an invention. The reason for its existence is to further individual self-interest. As the late British Prime Minister, Mrs Thatcher said famously (infamously) there is no such thing as society, only individuals or families. Every right-wing commentator who rails against the 'nanny' state, whether he knows it or not, swears by this philosophy. The state is a necessary

evil; less it does the better. (See the article included in this collection, 'What is wrong with the principle of individualism – Mrs Thatcher's viewpoint?')

In the eighteenth century, in Britain, classical political economy complemented this principle. (This political economy also has another – scientific - aspect on which Marx drew to develop his own economic thought.) It suggested a theorem (Adam Smith's famous invisible hand) which claimed that in a **competitive** market individuals, when pursuing their own self-interests, also, at the same time, promote the general interest of society. This result is achieved through the working of the 'invisible hand' of the market. It was this theorem that provided the theoretical justification for the market and the policy of laissez faire. The state was there to undertake certain 'necessary' functions and provide services that individuals could not buy through the market, such as law and order (social stability or social control), legal framework for business contracts, etc., flood control, and so on.

Hegel's Organic Community and Marx's Critique

In conceptualising society, Marx followed Hegel in certain important respects. This is a viewpoint that is totally opposed to the principle of individualism. For Hegel society is not an invention by atomistic individuals to serve their private interests. It is an organic whole, an on-going cultural community historically evolved. Hegel expressed this idea in the following terms: 'A nation's religion, its laws, its ethical life, the state of knowledge, its particular aptitudes and industry by which it satisfies its needs, its entire destiny and relations with its neighbours in war and peace are extremely connected [intertwined]'

Hegel quotes a Greek philosopher, who when asked by a man how he could make his son a moral person, replied: make him member of a moral society. Morality for Hegel is a social phenomenon; the individual when conceived outside society is capricious and irrational. This neatly sums up Hegel's view of society.

Marx accepted this viewpoint in broad terms. He wrote later: 'Society does not consist of individuals; it expresses the sum of connections and relationships in which individuals find themselves.' If individuals in capitalist society use their fellow beings as means to their egoistic ends, it is because of the nature of the society in which they live.

What Marx rejected in Hegel's theory of the state was Hegel's claim that the ideal state (an image of the divine; the spirit of society) had already been realised in the developed European state. In this ideal state, evolved during centuries of development (the march of God in the world), and particularly with the rise of Christianity (in its Protestant version), civil society had been purged of its egotism. The individual in this state has the interest of society as his end, he has (to quote him again) his 'will, activity, life, enjoyment in the state'.

This was Hegel's solution to the problem of the 'separation' of the state and civil society. The structure of the state and civil society (in his model) was such that the tension between the private interest and the public interest had been resolved. Recall that Classical economics achieved this coincidence, this unity through the 'invisible hand' of the competitive market. Hegel achieves this in the state.

Marx's entire 130-page 'critique' was directed at this last point – Hegel's claim that he had demonstrated that the ideal state had been realised in developed European countries (including Prussia). Marx distinguished between the Hegelian **ideal state** and the **actual**, nineteenth century European state. Marx did not criticise the **idea, the concept** of the ideal state, which he referred to as the 'genuine' and the 'rational' state. What he criticised and rejected was the claim that civil society had got rid of its egotism and that the ideal had been realised, that civil society had been cast in the image of the ideal state.

Focusing on this point, Marx inverted Hegel. Hegel was standing on his head, he (Marx) was putting him the right side up. It was, in fact, the actual state that was cast in the image of civil society; all the contradictions and conflicts of civil society were reflected in the actual state. Politics was the image of the economic.

We should note that Marx, by putting Hegel the right side up had taken his first decisive step in the development of Marxism. Political structure (and political development) is determined by economic structure (economic development).

Marx had not at this time (1843) developed his concept of the mode of production and the theory of social classes. These will come during the next

three years, and the entire Promethean vision of the social process will be presented in *The Communist Manifesto* in 1848.

Marx had arrived at a crucial point: Freedoms associated with the principle of individualism – the Rights of Man enshrined in constitutions of the Revolutionary France and American states - were of course a considerable advance on the situation prevailing in a country such as Prussia, but they were limited in the sense that they guaranteed the right of private property, the right of the capitalist to exploit the worker. In this sense they were essentially bourgeois-democratic freedoms.

The core of Marx's Thought on the Character of the State

Let us imagine a society where methods of production are so primitive that a family can produce no more than what they need for bare subsistence. In such a society there is no scope for private property to emerge, no scope for social classes to exist, and no scope for the state to come into existence.

Let us now imagine that over time in such an economy division of labour has been introduced and there have been improvement in methods of production. The average person now produces more than what is required for subsistence. In other words, the average person now produces a **surplus** over and above his or her necessary consumption. Now there will be scope for private property to emerge. Now there will be property owners and property-less people, the two constituting definite social classes, the former appropriating the surplus product of the latter. It is now that the state as **the organised and concentrated force of society** emerges to safeguard property and by doing that to ensure the reproduction of this mode of production or what is the same thing, reproduction of social relations that characterise this society. These relations are essentially of antagonistic character. Antagonism may remain dormant over certain periods for a variety of reasons, but it is always there.

These relations are of antagonistic character because in any given situation of labour productivity more for those who labour means less for the property owners. In particular, under capitalism labour for the capitalist is always a cost of production which the capitalist must seek to keep at a minimum if he is to

maximise his profits. Over time things of course can change and do change. With increases in labour productivity there will be scope for some improvement in the condition of labour. That will depend on a host of factors, including the bargaining position between the two classes. Thus the antagonism may remain latent. But the idea of the inherent inequality in the relations between the two classes and conflict of interest is fundamental to Marx's thought. It is this relationship of power between capital and labour in civil society that is reflected in the state. (I may note in passing that it is this idea of the relationship of power that is expressed in the title of Marx's great work - *Capital*. Capital is a relationship of power of one class over the other.)

It will be noted that this core idea of the state is no more than an aspect of Marx's general method or framework that we call historical materialism: that politics, culture, modes of thought, etc. (the 'superstructure') are 'determined' by the economic structure; and changes over time in the superstructure are 'determined' by changes in the economic structure.

When put in this 'deterministic' form the core idea seems to suggest that the state (human agency) has little or no autonomy, has no relative independence of economic conditions; in other words, that Marx was a 100% materialist. (See the article 'Was Marx a 100% Materialist?') The following two sections deal with this point. (I recognise that the subject requires further discussion than is possible within the scope of the present article.)

The Materialist Conception as a Method

In *Capital* (vol 3, ch. 47, section 2) after stating the core idea of the state (as I have presented it), Marx adds: 'This does not prevent the same economic base – the same in its major conditions- from displaying endless variations and gradations in its appearance, as the result of innumerable different empirical circumstances, natural conditions, racial relations, historical influences **acting from outside**, etc., [that is, outside the economic base] and these can [only] be understood by analysing these empirically given conditions.'

Engels in his review of Marx's 1859 *Contribution to a Critique of Political Economy* expressed a similar view: 'The development of the materialist interpretation for even a single historical example was a scientific task which would have required years of tranquil study; for it is obvious that here nothing

can be accomplished with mere phrases, that only an enormous quantity of critically examined, completely mastered, historical material can qualify one to solve a single problem of this kind.'

I have quoted these passages to emphasise that the 'materialist' idea is not a **description** of reality – which is of course always specific and particular. Any general idea abstracts from particular, specific features of historical situations; otherwise it will not be a general idea.

We may ask, if it is not a description, then what is it?

Marx has given answer to this question. In his 'Preface' to the second edition of the first volume of *Capital*, he refers to what we call the materialist conception of history as 'the materialist basis of my **method**'. Earlier, in the often quoted 'Preface' to his *Contribution to the Critique of Political Economy* (1859) he referred to the materialist conception as 'the **general result**' which had 'served as a **guiding thread** for my studies.' (Emphasis added.)

We see that the materialist conception for Marx was not a 'theory' that 'explained' all historical phenomena, but a guide, a framework for studying particular historical situations and the historical process. His pamphlet *The Eighteenth Brumaire of Louis Bonaparte* and other writings on contemporary events are examples of how to use the materialist method to investigate particular situations.

A False Dichotomy

The question about the relative autonomy of the state (with respect to the economic base) has been approached in different forms. After Engel's death German Social Democrats debated the question whether the existing apparatus of the state could be used to achieve transition from capitalism to socialism, that is, through the democratic, electoral process. In other words, the question was whether the state was autonomous enough to transfer its protection from one class to another.

After the second world war, with the development of the welfare state in several of the European countries, some commentators argued that the modern state (government by consent) had become an impartial arbiter,

balancing different class interests, implying that the state had become independent of the class structure.

I will approach this question – relative autonomy of the state – from a different perspective.

I began this article by saying that with the dissolution of feudal institutions and the early development of capitalism in parts of Europe, the institutions of the state became differentiated from the economy or the class structure of society. This, however, did not mean that the state would not intervene in the working of the economy. In fact, in this early phase of capitalism **the state had an economic policy** – a policy directed at increasing the wealth of the nation. In the sixteenth and seventeenth centuries this policy came to be referred to as Mercantilism.

The Mercantilist system was characterised by an alliance between the absolutist monarchy and merchant capital – with the mercantile bourgeoisie as a distinctly junior partner; in fact, the bourgeoisie had no share in political power. The economic policy was aimed at giving protection to domestic industry (through import controls and export promotion, and draconian anti-labour legislation) and merchants engaged in foreign trade. The aim was economic expansion which was the same thing as capital accumulation. (In this early period, the nation's wealth was seen in terms of accumulation of gold and precious metals – which was enhanced through a surplus in the balance of foreign trade.)

This period of capitalist development in Europe is discussed by Marx at great length in the first volume of *Capital* [part eight] under the heading of 'Primitive Accumulation'. Marx describes this early development as 'primitive' because at this time the bourgeoisie was too weak to stand on its own feet; thus capital accumulation could only take place under the tutelage of the state. Capitalism during this period developed as 'in a hothouse'.

The point I am making is that the state at this time was not a capitalist or bourgeois state; but it worked in the interest of the bourgeoisie, and through economic expansion also to strengthen the monarchy and the nation-state (that emerged at this time).

Now when we look at historical development in various parts of the world we find that every country that achieved modern industrialisation (its bourgeois revolution) adopted, to varying degrees, depending on its peculiar circumstances, Mercantilist policies and certain features of 'primitive accumulation'.

For example, the bourgeois revolution in Germany was completed under the supervision of the state. We have Engels' word for it. Writing in 1874, he said: 'It is the peculiar destiny of Prussia to complete at the end of the century its bourgeois revolution begun in 1808-13 and continued in 1848 by taking the form of Bonapartism (a reference to Otto von Bismarck who, as chancellor of Prussia, was responsible for the unification of Germany and was the chancellor of Germany during this period).

In fact, Germany's case was not all that peculiar. When Engels was writing the lines quoted above, a bourgeois revolution – modern industrialisation under capitalist conditions - was in full swing in Japan, under the direction of the state. After the second world war, the so-called East Asian Tigers were led by the state. And of course the most outstanding case of a bourgeois revolution (of a sort) engineered by the state (from above) is the People's Republic of China.

Some General Points

In the Marxist literature on the state, writers have distinguished between (a) what I have called the core of the idea of the state – in which the existing class structure is reflected in the apparatus of the state and the bourgeoisie appears directly to control it, and (b) the situation in which political power does not correspond to the class structure of society, though the political power serves the interest of the bourgeoisie. These latter situations are referred to as 'Bonapartism', after Napoleon Bonapart the first, and Bonapart the third in France. To these may be added the circumstances of the nineteenth century England, noted by Marx, in which the economic power rested with the bourgeoisie while the apparatus of the state power was managed by the old landed aristocracy (whose descendents still sit in the House of Lords).

I wonder if such distinctions are of much interest to us today. They were of interest to Marx who was born only three years after the end of the

Napoleonic wars and wrote his *Eighteenth Brumaire of Louis Bonapart* on the nephew who through a coup made himself emperor in 1852. Today, in the developed world, we have government by consent and one cannot in any meaningful sense speak of dictatorship of a class or of an individual.

Furthermore, the social and class background of those who constitute the apparatus of the state (say, in the United States, the personnel of the White House, the Treasury, Federal Reserve, the CIA, etc.,) can hardly be considered as relevant to a discussion of the relationship between state power and the economy, though it may be of interest for some kind of sociological analysis.

To conclude I will make three general points (overlapping in some respects)

First, capitalism needs to be managed, and only the state can manage it.

Keynesians have been saying this for a long time, and the crisis of 2007-08 has demonstrated this beyond any doubt. The institutions of the modern state have accumulated knowledge and experience, the capacity to take an overall, long-term view that enables them to ensure economic stability (in so far it can be achieved within the frame of capitalism) and political stability – things that the ‘economic base’ cannot achieve. And the legitimacy of the state and its political institutions depend on capital accumulation, which we should note, is the same thing as economic growth. We may see these societies as being characterised by a kind of social divisions of labour between the private or corporate capitalist sector and the institutions of the state.

Second, we should see social welfare – general improvements in the conditions of the working people - as being embedded in capitalist relations. Marx made this suggestion in *Capital*, vol. 1 (chapter ‘Working Day’). He was discussing the English Factory Acts that put a limit on the number of hours a day that workers were required to work, against the clamour of employers who said that these restrictions would wipe out their profits. Marx attributed these and other reforms that protected workers to, on the one hand, the success of the working people’s struggles and, on the other, to the **necessity** placed on the state to control the ‘blind rapacity’ of the capitalist. The effect of the reforms was to strengthen the capitalist system.

Third, in discussing the role of the state (and the human agency in general) one has to recognise the presence of the ‘international factor’. In the ‘Preface’ to

the second edition of the first volume of *Capital*, Marx noted that the political consciousness of the German working class was more advanced than what would correspond to the level of development of the German capitalism. And he attributed this advanced consciousness to the German workers having before them the experience of the historical struggles of the British and French working people. The consciousness of the human agency (the state, the leadership) is not necessarily limited by its own national experience; it can learn from the experience of others.

Note: G. W. F. Hegel (1770-1831) German idealist philosopher; Professor of philosophy at Berlin University from 1818 to 1831. According to him all history could be understood philosophically and there was an important connection between metaphysical or speculative thinking and social reality. Marx joined Berlin University as a student five years after Hegel's death and was profoundly influenced by his thought.

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9. Characterising the Pakistani State

The present article is divided into two parts. The first is a brief comment on Hamza Alavi's much discussed article on the Pakistani state published in the *New Left Review* in 1972. The reason for this comment is that Alavi's article has become a point of reference for all discussions on the nature of the Pakistani state; it also holds a particular appeal to the Left in Pakistan. The second part deals directly with the subject of the Pakistani state. It consists of some tentative suggestions and reflections.

Alavi places his discussion in the tradition of the Marxist theory of the state. He distances himself from the 'classical' Marxist theory which, according to him, was appropriate for the European conditions but was not for 'post-colonial' societies. These are societies that achieved independence (real or nominal) in the post-second world period, with the sub-continent leading the way in 1947.

He starts his discussion by distinguishing two versions of the Marxist theory. In the 'primary' version (as expressed in *The Communist Manifesto*) the executive of the modern state is 'merely the organised power of one class for oppressing the other'. In this case the state is the 'instrument' of one class, and that class is dominant *both* politically and economically. In the 'secondary' version the state apparatus is not controlled by the dominant class, it is not the 'instrument' of any class, but it nevertheless remains the protector of the economically and socially dominant class. (See the note at the end of this paper.)

This latter 'model' of the state is (in Marxist literature) referred to as 'Bonapartist', the reference here being to the empires of Napoleon the first and Napoleon the third in France. Both the Napoleons held supreme political power but served the interests of the bourgeoisie. Alavi's model is a modified version of this 'secondary' version of the Marxist theory of the state.

The difference between the European 'Bonapartist' state and the 'post-colonial' state, according to Alavi, is that while the European state evolved 'internally' and represented the economic (though not political) domination of one class over another, in the 'post-colonial' state the state apparatus was an

imposition by the colonial power and it held 'dominion over *all* indigenous social classes in the colony'. The 'post-colonial' state inherits the state structure of the colonial state.

Alavi writes: 'The post-colonial society inherits the over-developed apparatus of the state and its institutional practices through which the operations of the indigenous classes are regulated and controlled.' (p.2) Further: The 'post-colonial' state is therefore 'relatively autonomous and mediates between the competing interests of the three propertied classes, namely, the metropolitan bourgeoisie [foreign capital], the indigenous bourgeoisie and the landed class, while at the same acting on behalf of them all to preserve the social order in which their interest are embedded, namely the institution of private property and the capitalist mode of production.' (p.2)

The indigenous classes, particularly the bourgeoisie, are not strong enough to subordinate the bureaucratic-military apparatus inherited from the colonial past. It is in this sense that the state structure is 'overdeveloped', and is 'relatively autonomous' and able to mediate the interests of the three classes.

There are two further suggestions. First, in the case of Pakistan, from the very beginning the army has used the 'facade of parliamentary government', which it has manipulated at will expelling it from office as it suited the bureaucratic-military oligarchy; second, more generally, in the post-colonial state the neo-colonialism has been the dominant interest. 'Neo-colonialism is, however, probably the greatest beneficiary of the relative autonomy of the bureaucratic-military oligarchy.' (p.7)

On re-reading Alavi's article after many years two questions come to mind. What exactly did the 'bureaucratic-military oligarchy' inherited *at the inception of Pakistan* consist of? It consisted of a military that was under the control of the civilian authority, a civil bureaucracy that was recruited on merit and worked under and according to strict rules, parliamentary institutions, a judiciary that was independent of political authority, and so on. One could favourably compare it with state structures in (less developed) countries that had not been under direct or indirect colonial rule. For the two countries of the sub-continent this was not a bad start. The important question is – what happened after.

This brings me to the second question. This relates to a comparison between Pakistan and India. Both countries of course inherited parts of the same colonial state structure. But we find that in terms of *political development* the experience of the two countries has been vastly divergent. Indians were able to frame a constitution for the country before the end of 1949 (it came into effect in early 1950), to hold general elections under the new constitution in 1951. Since then the parliamentary system has been in place – the country is referred to as the world’s largest democracy, and equally important, the armed forces have remained strictly under the control of the civilian authority.

Pakistan’s experience, as noted, could not have been more different. The first constitution was adopted nine years after independence, in 1956. The first general election was scheduled for 1959, but was not held because in 1958 the constitution was scrapped, the civilian government was dismissed, and military rule imposed. The first general election was held in 1970 (more than twenty years after independence), and the party that won the largest number of seats in the national assembly was not allowed to form the government. The country broke up and what was left of Pakistan has become infamous for its military dictatorships, and dubbed as the cockpit of terrorism and violence. What went wrong? That is the question that calls for an answer.

A fundamental point in any discussion of the nature of the Pakistani state has to be the fact that Pakistan was an artificial creation, an artefact created at a particular moment as part of a subcontinent-wide settlement hastily put together by the British, the Congress and the Muslim League. The single most important political task facing the leadership was that of constructing a *nation-state* out of the ethnically diverse communities that had been put together as the new country.

Theoretically, two courses were available to the leadership. The first, to recognise the ethnic diversity of the country, give full weight to their particular rights in a genuinely democratic set up in which each will have an equal voice and receives an equitable distribution of fruits of economic progress - a course of action that would bind the different communities into a nation-state. This is the course that the progressive forces in the country (such as they were) were advocating. This path was not taken, and I think that given the circumstances

of the creation of Pakistan and the nature of the feudal leadership in Punjab it could not have been taken.

The second course – that *was* taken – was to use Islam as the binding element in state-construction. This factor was combined with anti-Indian (anti-Hindu) sentiment. After all the new country had been created in the name of Islam, the distinctive nature of the Muslim community and its separateness from the Hindus (and indeed from other communities), and in the midst of wholesale Hindu-Muslim violence and bloodshed. One might say that given the circumstances surrounding the creation of Pakistan and the myopia of the Punjabi leadership (it is that what counted) it appeared to be the natural course to take.

I think that it is this issue that constituted the central problem of the Pakistani state. It did it in 1947 and it does it today. While religion had provided a sufficiently powerful force behind the phenomenon of the Muslims' separateness from the Hindus, it turned out not to be good enough to overcome the ethnic differences between the different communities that made up the new country – as was tragically demonstrated in 1971, when East Pakistan broke away from West Pakistan to become Bangladesh.

At this point a few words on the historical background to what we are discussing may be useful. With the dissolution of the Mughal empire in India and the establishment of British rule there appeared two tendencies in Indian Muslim thought. One was, as we might say, ideological. According to this line of thought Muslims had lost an empire because they had departed from the true and right path and the answer to their problems lay in the community purifying itself, and returning to the true path. This inward looking tendency was (and often is) combined with looking back to the past glories and great achievements of Islam.

The other tendency, powerfully articulated by Sir Syed Ahmed Khan, related to more practical matters. With the beginning of a political process in the sub-continent there were now prospects of a modest degree of Indian participation in the administration of the country. First, during the Mughal period Muslims had shunned commercial activities; these were largely monopolised by the Hindus (and Parsees). (The East India Company had developed a vast network

of business activities and it was mostly the Hindus that as traders, moneylenders, etc., participated in them.) Second, during the early British period when Farsi was replaced by English as the official language Muslims were slow to take to the learning of English and western education. Hindus who had before learnt Farsi to serve the Mughals had now no difficulty in switching to English.

As a result of these and other factors the Muslim middle class –those active in business and modern professions – was small and relatively to the Hindus at a disadvantage in responding to the new opportunities that were opening for Indians. In these circumstances there emerged a distinct Muslim interest, distinct from that of the Hindu community.

To be sure, there were Muslim leaders (Jinnah himself in his early days) who were prepared to cooperate with Hindus and the Indian National Congress, but they too recognised a Muslim interest distinct from that of the Hindus – an interest that needed to be safeguarded through special measures, such as the separate electorate.

A movement that had started with a demand for safeguards eventually took an ideological form, a demand for a separate homeland where Muslims could realise their unique destiny. Thus Jinnah in 1944: ‘We are a nation with our own distinctive culture and civilisation, language and literature, art and architecture, names and nomenclature, sense of values and proportion, legal laws and moral codes, custom and calendar, history and traditions, aptitudes and ambitions: in short, we have our own distinctive outlook on life and of life’.

Muslims needed a homeland where they could live by their Islamic way of life.

I have four further observations. The first relates to the socio-economic structure of the territories that constituted West Pakistan. (The situation in East Pakistan was very different.) Large parts of Pakistan were characterised by a feudal-tribal social structure. We can think of large parts of what is now Khyber Pakhtunwa (then the NWFP) and its tribal areas, the feudal agrarian structure in Sindh, the tribal way of life in Balochistan, large parts of Punjab (though fairly prosperous by the standards of the day) characterised by a feudal-biradari outlook. If we look at the composition of the Constituent Assembly (West Pakistan membership) that came into existence with

independence we get a reasonable picture of the social economic structure that I am talking of. The destiny of Pakistan seemed to lie in the hands of feudals like Mamdot, Daultana, Khuro, Talpur, Kalabagh, and rulers of the princely states.

Further, these territories had very little factory production, much of the business activity was in the hands of the Hindus (who of course migrated to India); the bourgeoisie was weak and small, and so was the working class.

Second, the Muslims of these regions had had very limited exposure to the anti-colonial, independence movement, a movement that was at the same time a politicising and democratising process. The Muslim League was in any case not a mass movement; Jinnah had wanted to achieve the League's objectives through negotiation, as part of the final settlement with the British. And when the movement did come to these regions it was hardly a movement with a democratising aspect. It was based on blatant religious appeal; particularly in 1946 it was able to draw on the Muslim population's propensity to be roused in the name of the prophet and Islam. As noted by Sir Bernard Glancy (governor of Punjab at the time, 1946) in a secret memo: 'Pirs and maulvis have been enlisted in large numbers to tour the province and denounce all who oppose the League as infidels.' Similar tactics were adopted in Khyber Pakhtunwa and Sindh.

Third, the political horseplay that we saw at the Centre during the 1950s was largely the outcome of the fact that no political party had any roots among the people. The Muslim League, as already noted, had practically no organisation in West Pakistan. It largely consisted of individuals with social influence, largely associated with feudal, caste and biradari connections. It was therefore not surprising that bureaucrats like Ghulam Mohammed, Chaudhri Mohammed Ali, Iskandar Mirza came to exercise such power as they did.

This brings me to my last point: the position and status of the military in Pakistan. It has become commonplace in Left-liberal circles in Pakistan to claim that the main threat to democracy in Pakistan has come from the military, as if the role of the military was and is something external to the socio-political system of the country. From what I have said above it will be obvious that I reject that view. The dominant position of the army is attributable to the weak

political system (here comparison with India is illuminating), the violent circumstance in which the country was created and the perceived existential threat from Hindu India. (Again East Pakistan was a different story.) The military thus became the guardians of new nation's integrity; it became the nation's sacred cow (at least until 1971) whose position was above criticism.

To conclude: In this article I have directed attention only to those factors that are referred to as organic or necessary, that is, the situation that came about from the *inherent logic* of the circumstances in which Pakistan was created. There were of course other factors that we may describe as accidental or conjunctural. I will leave it to others to reflect on them – also on those that were inherent in the history of the country.

Note: For an earlier discussion of the subject, see 'Marx's Theory of the State – A Discussion' in this volume.

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10. Marx – Greatness without Illusions

(Review of Gareth Stedman Jones's book 'Marx – Greatness and Illusion'.)

We have another biography of Karl Marx. Three years earlier there was one by an American professor, Jonathan Sperber, with the title *Karl Marx – A Nineteenth Century Life*, and before that there was one by the English journalist, Francis Wheen. Now we have *Karl Marx – Greatness and Illusion* by Gareth Stedman Jones. The author is professor of the history of ideas at Queen Mary College, London University. Before that he was professor of political science at Cambridge University. In 2002 he edited the Penguin edition of *The Communist Manifesto*. One would expect the author to be well equipped to perform the task undertaken.

Karl Marx – Greatness and Illusion is a huge volume of 750 pages – 600 pages of text and 150 of notes, references and bibliography. There is an extensive discussion of the world of ideas that in one way or another influenced Marx's thought, as well as of the contemporary political scene. And of course there is plenty on Marx's physical ailments and financial problems. The main weakness of the book lies in the fact that the reader will find it impossible to learn anything about the development of Marx's worldview.

The main point of contention in my view, however, lies in the fact that I did not find here any sign of the 'greatness' that the title of the book speaks of (nor for that matter of the 'illusion'). Marx's greatest contribution to knowledge – his materialist conception of history – is dismissed as a 'crude and mechanical relationship of determination between base and superstructure' (p.409). Stedman Jones then develops his own story about the subsequent invention of the 'so-called historical materialism'. It is with this particular aspect of his book that I take issue, in this review article.

Let us start at the beginning. After having been expelled from France, Marx arrived in Brussels in January 1845. In April Engels joined him there. Together they worked on a book which came to have the title *The German Ideology*. They started work on the book from around November 1845 and completed it in August 1846. The first chapter of this book (in its present form) is entitled 'Feuerbach'. This chapter, about seventy pages long, presents for the first time a systematic account of what came to be referred to as the materialist conception of history or historical materialism. The rest of the book is all

polemical: Marx and Engels castigating their old friends who (they thought) had abandoned their earlier radicalism and also German 'utopian/petty-bourgeois' socialists.

The German Ideology, in its present form, was first published in Moscow by what later became the Institute of Marxism-Leninism in 1932. The first chapter, containing the statement of the materialist conception, had been published earlier in 1924 in Russian.

It has been argued¹ that the book as published was an editorial construction, in the sense that it was put together from various manuscripts (which were in very poor condition, and also incomplete) and that the first chapter (the really important part) was put together by the editors by extracting some passages from the polemical parts. It is also suggested that some of the polemical part was written by friends of Marx and Engels. The editors of the English edition of *Marx/Engels Collected Works* (volume 5, p xxv and footnotes 7 and 8, pp.586-89.) discuss these points and come to somewhat similar conclusions.

This is the background to Stedman Jones' bizarre story about the 'invention' of 'the new theoretical tradition', the materialist conception (section entitled 'A Materialist Conception of History?') This process (the 'invention'), according to Stedman Jones, was set afoot by Engels and then 'amplified in the work of Giorgi Plekhanov', the Russian Marxist philosopher. More importantly, the last steps, according to Stedman Jones, were taken in the twentieth century, in the 1920s and 1930s, by the first editor of Marx- Engels works, David Riazanov, director of what became the Institute of Marxism-Leninism of the Soviet Communist Party.

Stedman Jones writes: 'What purported to be the first chapter, entitled 'Feuerbach', soon became famous and was republished innumerable times as a supposed resume of 'Marxism' or 'historical materialism'. But, he claims, it has been recently demonstrated (Terrell Carver , as cited) that it was 'factitiously' put together by Riazanov and his associates in the 1920s. The purpose of its publication during the early years of the Soviet Union was to complete the exposition of 'Marxism' as a system by connecting what Karl [Marx] in 1859 had called a process of 'self-clarification' with Engels' claim about Karl's development of 'materialist conception of history' in 1885.' (I will come back to Engels' claim of 1885 presently.)

¹ Terrell Carver, 'The German Ideology Never Took Place', *History of Political Thought*, 31, Spring 2010.

So, the 'invention' was some kind of a conspiracy by the Soviet Communist Party to create Marxism as a system in the 1920s! Now, there are two points here. First, one can accept that the exposition of the materialist conception as presented in the first chapter of *The German Ideology*, in the form in which it appeared in 1924, was not entirely written by Marx or Engels, and that some, even a significant degree of, editorial construction was involved and that some of the material contained in this chapter was extracted from the polemical parts of the book.

But it has not been questioned that the material and the language of the first chapter was definitely the work of Marx and Engels. What the editors had done was to re-arrange the material. Curiously, contradicting his hints and suggestions, Stedman Jones himself accepts this point (p.636) when he writes in a footnote: 'Much of the early parts was written or transcribed by Karl or Engels.'

In scholarly terms, there cannot be the slightest reasonable doubt that the materialist conception of history was formulated in 1845-46 by Marx and Engels and not invented by the editors of Marx-Engels works in the 1920s. The incontrovertible proof of this is to be found in the letter that Marx wrote to a Russian man of letters, P. V. Annenkov, towards the end of 1846 (*Collected Works*, Vol 35, pp. 95-106). Annenkov had asked for Marx's opinion on the recently published book by the French socialist Pierre-Joseph Proudhon with the title *The Philosophy of Poverty*. In response Marx sent Annenkov a 12-page letter in which he launched upon a complete statement of the new conception, neater than the version in the first chapter of *The German Ideology*. Some months later, the leading ideas of the conception were presented in the book *The Poverty of Philosophy*; and, of course, one year later came *The Communist Manifesto* in which the new conception received its first detailed application.

Hence, despite Stedman Jones' extraordinary claims, there can be no doubt that Marx and Engels developed all the key elements within their theory of human development, of historical materialism, very early in their collaboration - when Marx was only thirty years old and Engels twenty-eight.

However, not content with confusing the reader about the text of the *German Ideology*, Stedman Jones then goes on to claim that Engels' account of their collaboration in these early years, written in 1885, is also seriously flawed and somehow sought to conceal Engel's own subsequent 'invention' of historical materialism.

I noted earlier that Marx arrived in Brussels in January (1845) and that Engels joined him there in April. Many years later, 1885, Engels wrote in his 'On the History of the Communist League': 'When, in the spring of 1845, we met again in Brussels, Marx had already fully developed his materialist theory of history in its main features from the above-mentioned basis [Marx's two articles in the journal *Deutsch-Franzoesische Jahrbuecher* that he co-edited in Paris] and we now applied ourselves to the detailed elaboration of the newly-won mode of outlook in the most varied directions.'

According to Stedman Jones, 'this was a truly misleading account.' (p.191). He adds: 'according to Engels, Karl developed his new 'materialist conception of history' between the completion of *The Holy Family* in the autumn of 1844 and his reunion with Engels in Brussels in the spring of 1845.' And then he goes on to say that Marx did not publish anything during these months and this leads Stedman Jones to his criticism – dismissal - of the Theses on Feuerbach which were written in the spring in Brussels.

This is the misrepresentation which backs Stedman Jones's own claim that Engels' account was 'truly misleading'. Engels *never* said that Marx developed his materialist conception in six months. (Even some one as clever as Marx could not have achieved such a feat!)

On this point we can see for ourselves from Marx's writings from the summer of 1842 how his conception had developed step by step, stage by stage, from his critique of Hegel's political philosophy, from that time up to the spring of 1845 when he wrote his eleven Theses on Feuerbach. It was at this time that he finally came out of the philosophical shadow of Feuerbach and adopted his own philosophical standpoint to underpin his conception of historical development.

This brings us to the third of Stedman Jones's misunderstandings or misrepresentations. He claims that Marx's ambition at this point 'was not to develop a 'materialist conception', but rather to construct a philosophical system that 'reconciled' materialism and idealism' (p.193).

But Marx did not try to 'reconcile' materialism and idealism. In the first thesis on Feuerbach, Marx rejected all 'previous' materialism and formulated his own distinctive version of it, which he referred to as 'practical', 'communist' materialism. According to the previous materialism the material world, reality,

as we know it, is given. And we receive our thoughts and knowledge, content of human mind, through some mechanical impulses, energies streaming into our brains. According to this view physicists will ultimately be able to explain everything in the universe, including our existence, thoughts, ideals, etc; the stuff of biology (the brain) can be reduced to chemistry, and the stuff of chemistry can be reduced to physics.

The point to note here is that in this view our mind is passive. To explain historical change, this version of materialism will have to invoke some kind of a dynamic urge in matter. This is the materialism Marx is rejecting. It leads to passivity.

Let us now turn to Hegel and idealism. Here reality, the real material world, is an expression or reflection of Absolute Mind (Spirit, God, Thought, etc.). Mind is creative, active and shapes reality, it is self-evolving. Marx had already rejected idealism, the idea that mind is completely independent of material conditions; it deduces the very existence of the material world from the activity of mind. What Marx takes from this standpoint now is the idea of the essential *activity* of mind. Man, his mind, is not passive but active (though not completely independent of material conditions); it is capable of changing material conditions.

This is the momentous achievement of the first thesis. It gives relative autonomy to mind, to human beings. The acquisition of knowledge, according to Marx, is an active process; we actively engage with reality in order to understand it; we approach the object with a certain frame of mind, with the knowledge that we have already acquired, a set of values, etc. And these contribute to what we see. We react on the environment and alter it.

This critique of old materialism and idealism, and his own version of materialism (which gives relative autonomy to mind) is the starting point of Marx's own theory of historical development (historical materialism) as expounded in *The German Ideology*.

The German Ideology opens its discussion of the new conception with three 'premises'. The first refers to material conditions of production or 'forces of production'. Every generation inherits from the preceding generation 'mass of productive forces' that consists of equipment, tools, materials, etc., and appropriate knowledge, capacities, skills, etc., needed to use these material

inputs. Knowledge, capacities and skills are as important as the physical equipment. A locomotive embodies a certain type of technology which was discovered by men and women, and it is nothing more than a piece of junk if people who inherit it do not have the capacity to use it, repair and maintain it. This is to emphasise that 'forces of production' are not something, given, 'out there' but the product of human beings, result of their powers of reasoning. (A lack of understanding of this points leads to considering the materialist conception as a 'technological' or purely economic approach to understanding history.)

The second 'premise' refers to the correspondence or complementarity between material conditions of production and social structure and social relations.

Production is a cooperative, social activity; we are not dealing with an isolated individual, a Robinson Crusoe. In the course of this cooperative production people get into all kind of relations, but in the new conception the focus is on the relationship between those who own means of production and those who work for them, the direct producers. The owners of the means of production and direct producers constitute social classes and these classes arise in the process of production, in the economy.

On this point Marx wrote to Annenkov:

Assume a particular state of development in the productive faculties of men and you will get a corresponding form of production, commerce and consumption and you will have a corresponding form of social constitution, a corresponding organisation of family, of orders or of classes, in a word a corresponding civil society.

In *The Poverty of Philosophy*, Marx summed up this idea graphically: with the hand-mill technology you get a feudal society, with the steam-mill industrial capitalism.

The central idea here is that for any significant changes in the material conditions of production would require appropriate changes in forms of social organisation. The process of development is a process of adaptation not only between industries, but also between conditions of production and social institutions. The latter adapt to the former. When they do not the economic and social system becomes dysfunctional.

The third 'premise' refers to the relationship between material conditions of production (and the social structure corresponding to them) – the 'base' - and the realm of thought, general culture, politics, etc. – the 'superstructure'. The basic proposition here comes from the first thesis on Feuerbach. Mankind's powers of reasoning emerged and developed in the course of grappling with the real problems of life; they were not derived passively but through productive activity. The realm of ideas has no independent history, that is, independent of men and women engaged in productive activity. As *The German Ideology* puts it:

For the first manner of approach [German idealist philosophy] the starting point is consciousness taken as a living individual; for the second manner of approach [*The German Ideology's*], which conforms to real life, it is the real living individuals themselves, and consciousness is considered as their consciousness. (*Collected Works*, vol. 5, pp. 36-37.)

These three 'premises' constitute the basis of the new approach to understanding historical development. Both old materialism and idealism could only explain history by factors outside human society, one by invoking some kind of a dynamic urge in matter and the other by the activity of the Absolute Mind. In the new conception the movement of history is located in human society, in the productive activities of human beings.

As noted, the new conception starts with real human beings, who are seeking to satisfy their physical and social needs. In any given situation they are satisfying these needs with the material conditions they have inherited from the preceding generation. In the course of satisfying these needs they create new needs and the means of satisfying them. In doing that human beings create new social relations and institutions and new modes of thought.

History is nothing but the succession of the separate generations, each of which uses the materials, capital funds, the productive forces handed down by the preceding generations, and thus, on the one hand, continues the traditional activities in completely changed circumstances, and on the other, modifies the old circumstances with a completely changed activity. (*Collected Works*, vol. 5, p.50.)

While the generation in question modifies or improves upon the inherited productive forces, the latter 'prescribes for it its conditions of life and gives it a

definite development, a special character. It shows that circumstances make men as much as men make circumstances.' (Ib. p.54.)

This is one of the most fundamental insights provided by the new conception. Marx repeated this thought five years later in *The Eighteenth Brumaire of Louis Bonaparte*: 'Men make their own history, but they do not make it just as they please; they do not make it under circumstances chosen by themselves, but under the circumstances directly encountered, given and transmitted from the past.' (*Selected Works*, vol. 1, p. 247.)

From here *The German Ideology* goes on to develop a theory of social classes, the concept of the modes of production, and transitions between modes of production - historical development. Stedman Jones suggests that these profound insights, integral to everything that Marx subsequently wrote, were not the work of Marx at all but of a Soviet editor in the 1920s. Significantly, however, Marx himself summarized all these insights in his letter to Annenkov written just a few months later in 1846.

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11. Two Souls of Thomas Piketty

A review of Piketty's Capital in the Twenty-First Century. Translated from the French by Arthur Goldhammer and published by Belknap Press/Harvard University Press, 2014.

Piketty's book has been described as a publishing phenomenon. No academic work in economics has received the immediate public interest of the kind that it has for a long time, perhaps not since the publication of Keynes' *General Theory*. A leading American economist referred to it as 'awesome', another commentator thought the data collected and analysed was 'monumental and momentous'. Piketty has already become a household name.

What is the book about and what does it say?

It is about wealth and income inequality. Piketty has amassed an enormous amount of data on the subject going back to the eighteenth century; the study covers many countries, though the focus is on Western Europe and the United States. The data is neatly presented and analysed; the book avoids technical jargon and should be accessible to non-economists.

According to Piketty, there is a natural tendency in capitalism that makes for accumulation and concentration of 'capital' and it leads ultimately to what he calls 'patrimonial capitalism', a situation in which the economy and society come to be dominated by inherited wealth, family dynasties rather than by talented entrepreneurs. There are of course such entrepreneurs, but they tend to establish dynasties so that their offspring then live off inherited wealth. Patrimonial capitalism may be contrasted with 'meritocratic and democratic' capitalism characterised by upward and downward mobility that would limit the weight of inherited wealth in society.

It is important to note that Piketty defines capital to include not only capital employed in production (as treated by classical economists and Marx) but also farm land, real estate, financial assets, patents, etc., – that is, every asset that

can be traded in the market. Capital is all types of assets (not including 'human capital') that can generate an income.

The reasoning behind Piketty's claim that there is a natural tendency in capitalism for economic inequality to increase over time goes something like this.

The importance of capital or wealth in the economy is expressed by the ratio of capital (wealth) to annual national income. According to Piketty's estimate this ratio in today's developed countries is in the order of 5 or 6 to 1, that is, the value of capital is five to six times greater than the annual national income.

The second important concept is the rate of return on capital; this return is the ratio of incomes from all types of wealth to the value of all capital or wealth.

Now we have Piketty's Big Idea, the 'law of motion of capitalism': when the return on capital is greater than the rate of growth of national income the weight of capital or wealth in the economy will increase. The idea is simple. When the rate of return is greater than the increase in average incomes of the population the share of income going to wealth owners will increase. (If wealth was uniformly distributed in the country it would of course be a different story.)

The data presented by Piketty shows that during the period from 1970 to 2010 the rate of growth of per capita national income in the eight most developed countries in the world ranged between 1.6 and 2.0 percent. According to him in future this rate is not likely to exceed 1.5 percent, perhaps even less than that. Against this, the return on wealth is currently around 4 to 5 percent. According to him this is in fact the rate that has prevailed historically.

This is the explanation for the tendency for wealth and income inequality to increase over time and the system to move towards patrimonial capitalism. 'This is the central contradiction of capitalism ... Once constituted, capital reproduces itself faster than output increases. The past devours the future' (p. 571). The system is in fact already moving towards the conditions that prevailed in Europe before the first world war.

According to Piketty's data, in the largely agrarian societies of Europe during the eighteenth century and the early decades of the nineteenth the rate of

growth of the economy was less than 1 percent, but the yield on government bonds was something like 4 to 5 percent. The wealth/income ratio was around 7 to 1. Tax rates were very low, and they were proportional. Ninety percent of the nation's wealth was controlled by ten percent of the population. Fortunes passed from one generation to the next, thus perpetuating inequality (patrimonial society).

With the progress of modern industry in the nineteenth century the composition of wealth of course changed (the importance of farm land declined dramatically), but, according to Piketty's estimates, the weight of wealth in the economy changed little; wealth/output ratio fluctuated between 6 and 7. That remained the case until the beginning of the first world war in 1914.

During the inter-war period the ratio plummeted, it came down to 2.5 and remained at that level until 1950. (During the years of the wars and depression capital declined by much more than output.) According to Piketty, the period between 1914 and 1945 was dark 'especially for the wealthy' (p.148). (It was even darker for the working people, but Piketty does not give much attention to changes in the standard of living of the working people, nor to their struggle for a better life – his focus being always on inequality.) The 'collapse' of capital between the two world wars Piketty attributes to the physical destruction of capital (Britain was less affected than France and Germany), collapse of foreign investment portfolios (for instance, the Bolsheviks refused to honour Tsarist Russia's foreign debt), low savings rates, and so on. 'Ultimately, the decline in the capital/income ratio between 1913 and 1950 is the history of Europe's suicide, and in particular of the euthanasia of European capitalists' (p.149). According to Piketty, this period was an historical anomaly, when the long-term trend was disrupted because of the destruction of capital and the policies governments had to adopt in order to deal with the consequences of the wars.

From 1950, when it stood at around 2.5, the ratio of capital to output begins to rise steadily; in 2010 in Britain it reached more than 5; higher in France, lower in Germany (see table on p.147). Since the 1970s/early 1980s capital has staged a 'comeback' and we see the emergence of a new patrimonial capitalism. In 2010, in most of the developed countries the richest 10 percent owned around 60 percent of national wealth while half the population owned

less than ten percent, generally 2 percent. The reasons for this are: slow economic growth, high savings rates, and gradual privatisation and transfer of public wealth into private hands, deregulation and financialisation of the economy, and reductions in rates of taxes for the rich. We have a 'political context on the whole more favourable to private wealth than that of the immediate post-war decades' (p.173).

There has also been a surge in the salaries of top executives, and the difference between the remuneration of such executives and that of the typical worker of the firm has enormously widened. For instance, in 2012, the chief executive of Walmart in the US received more than 23 million dollars while the typical worker in the company earned around 25,000 dollars a year. In the US, real wages for ordinary workers have hardly increased since the 1970s, while the salaries of the top one percent earners have risen by 165 percent and those of the top 0.1 percent have risen by 362 percent. This trend is the strongest in the US, but it is also present in other developed countries, particularly in the UK, and it is evolving in other countries.

We see that the natural course of capitalist development is to lead towards increasing inequality of wealth and incomes. However, policy can make a difference and halt the drift towards patrimonial capitalism. When we are talking of the natural trend toward inequality we are thinking of pre-tax incomes; what matters in practice is after-tax incomes. Piketty therefore advocates a progressive wealth tax, ideally on a global scale, but if that is not feasible a start could be made on a regional basis. He also pleads for a very high marginal tax rate on very high incomes, and hopes that that might blunt the greed of the rich.

Let us now turn to the theoretical ideas that lie behind Piketty's explanation of the observed changes in wealth and income distribution. As we have seen there are two crucial variables in his explanation: the rate of growth of the economy and the rate of return on capital (or the rate of profit). We know that the rate of economic growth is determined by such factors as investment and technical change. But what determines the return on capital/rate of profit? It is on this issue that I find Piketty's analysis at its weakest.

According to the prevailing orthodox (neoclassical) economic theory the return on capital is a price that is determined by market forces. Behind the demand for capital (physical goods such as machines) by producers lie the productivity of these capital goods, and behind its supply lie the psychological preferences of people (consumers) for present goods relative to goods in the future; by foregoing present consumption and lending their savings to producers they are postponing their present consumption to the future; they are making a sacrifice, experiencing disutility. They need to be rewarded for this sacrifice.

The wage rate is determined on exactly the same principle: the demand for labour by employers depends on the productivity of labour, the supply of labour is determined by workers making a choice between work (disutility) and leisure on the one hand and income on the other. In seeking employment they are making a sacrifice for which they need to be rewarded.

The important point here is that workers and capitalists stand on the same footing, and income distribution - wages and the return on capital - is determined by their individual choices. This is neoclassical economics' conception of capitalism (fundamentally different from that of Classical economists Adam Smith and Ricardo, and of Marx). The concept of classes or class power is completely absent here. We have here an implicit moral justification for the prevailing pattern of wealth and income distribution and of capitalism.

These ideas are translated into an aggregate model – production function – in which capital and labour are treated as two homogeneous factors of production and the distribution of income depends on the ease or difficulty of substituting one factor for another (in technical language, on the elasticity of substitution). I will return to this point presently.

Without going into any technical detail, we see that Piketty uses these ideas to explain (in part) the observed increase in income inequality in the period 1970-2010. Now I do not wish to suggest that Piketty is a hardcore neoclassical economist, nor even that he is a neoclassical economist. But in so far as he has a theoretical frame to work with this is the model he has in mind. (See pp. 220-222).

This is clearly shown in his reference to what he calls ‘the Cambridge capital controversy’ in which he, curiously, assigns victory to the neoclassicals – the ‘neoclassical growth model definitively carried the day’ (p.231). This completely misses the point of the ‘controversy’ which was essentially about the problem (within the neoclassical frame) of the measurement of capital. The theoretical problem may be stated in the following terms.

In the neoclassical/marginal productivity theory we are considering quantities of two factors of production – capital and labour - that can be substituted for each other. If, for instance, wages get too high relative to the rate of interest producers have to pay on their borrowings, they (the producers) tend to substitute more capital intensive methods of production thus replacing labour with machines. What they can achieve through this process of substitution depend on the ease or difficulty of adopting more capital intensive methods (on the elasticity of substitution). According to Piketty, this elasticity is quite high, that is, more capital intensive methods can be easily adopted, thus replacing labour. That, according to him, is part of the explanation for the increasing income inequality observed since the 1970s. Ease of substitution puts downward pressure on wages.

On the basis of this reasoning, neoclassical economists, adherents of the marginal productivity principle, argue that trade unions cannot succeed, in the long run, in raising wages because collective bargaining only results in unemployment, that is, higher wages only encourage producers to adopt capital intensive/labour saving methods of production. At least in part, this is the theoretical reasoning behind policies of ‘flexible labour market’ reforms.

As one would expect there was a great deal of criticism of this theory, but the critics generally rejected it on empirical grounds; for instance, it was argued that in the real world the scope for substitution was much more limited than the theory assumed. There was no coherent theoretical argument to challenge the marginal productivity principle – until the publication in 1960 of Piero Sraffa’s *Production of Commodities by Means of Commodities*. (This way of thinking first made its appearance in 1951 in Sraffa’s ‘Introduction’ to the *Collected Works of David Ricardo*. These ideas were in circulation in

Cambridge, England, and were used by economists such as Joan Robinson in their debates with some of the leaders of the neoclassical school from Cambridge, USA, i.e., M.I.T. Piketty's reference to the two 'Cambridges' debate is to these exchanges.)

Now to the point of the controversy and the debunking of the marginal productivity theory: It refers to the measurement of capital (one may as well ask, what is capital?) In this theory we are dealing with the quantities of factors of production, labour and capital. Labour is measured in working days; how is capital, which consists of a large variety of heterogeneous inputs (such as different types of machines, buildings, and so on) to arrive at a quantity of capital measured? Obviously these heterogeneous inputs cannot be just added up. They have to be evaluated to give a quantity of capital in value or money terms. For that one needs to know the prices of all these capital inputs. But prices have profits and wages, etc., as their components. In other words, to determine the quantity of capital we require prior knowledge of the rate of profit that the theory is supposed to determine. What that means is that the neoclassical/marginal productivity theory explanation of returns to labour and capital (income distribution between the two classes) in terms of their scarcities and abundance and the substitution phenomenon is fatally flawed by the evident circularity of the argument. It is this proposition that was demonstrated with the precision of a mathematical theorem in 1960.

Now, this is not merely a technical theoretical point. Sraffa's proof rehabilitates the old Classical-Marxian standpoint according to which the division of national product between capital and labour is fundamentally a social phenomenon (not one for pure economic as the neoclassicals maintain). One thinks here of the significance of trade union activity that strengthen the bargaining power of the working people and a host of other historical and social factors that influence the balance of class power in society.

Piketty keeps reminding his readers that the 'history of distribution of income has always been deeply political, and that it cannot be reduced to purely economic mechanisms' (p.20). Of course it is deeply political, it is affected by government policies of regulation/deregulation, privatisation of public assets, of taxation and expenditure, legislation with respect to trade union activity, social welfare, and so on. Observed differences in patterns of wealth and

income distribution in different countries can to an important extent be explained by differences in government policies. But what are the economic and social forces that make or unmake government policies? What makes these policies successful? What, for instance, were the domestic and international factors that made the Thatcher government's assault on the gains that the working people had achieved such a success? These are the kind of questions that Piketty never addresses.

It is therefore not surprising that Piketty can go no further than making a plea to the existing political establishment for high marginal taxes on the incomes of the rich and a wealth tax. The appeal is to the same political powers that reduced taxes for the rich and adopted policies that led to increasing economic inequality. To reverse the existing trend toward greater inequality would require working people's mobilisation that could successfully challenge the prevailing ideology and policies.

To conclude: Piketty has done a great job in collecting, presenting and analysing an enormous amount of data on wealth and income inequality, but sadly his theoretical explanations and policy suggestions remain in the conventional frame.

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12. Elegy for a comrade who lost his way

A review of Jamal Naqvi's autobiography

Jamal Naqvi joined the Communist Party of Pakistan (Karachi) in the early 1950s, played an active part in the students movement of the time. In the 1960s he assumed an important position in the party and later led it as a member of the politburo. He spent something like eight years in prison, more than one in solitary confinement during the regime of General Ziaul Haq. Around 1990, after a period of 'inner party struggle' and a visit to Russia (on an invitation from the Communist Party of the Soviet Union) he became disillusioned' with the party, Marxism, communism, socialism, the Left generally, and all that. Now at the age of 82 he has written an autobiographical memoir covering the period from his early childhood in Allahabad (India), migration to Pakistan around 1949-50, his work in the Communist Party of (West) Pakistan, experience in prison and the process of his final disillusionment. (See note.)

It needs to be emphasised that the book is not (and is not intended to be) a history of the Left movement in Pakistan; it is a very personal account of Naqvi's participation in the movement. Nevertheless, it is a useful account of the events during the period covered by the book – though, as I said, necessarily from a personal perspective. For this reason the book deserves careful attention. It is to be hoped that others, Naqvi's contemporaries in the Left movement in Pakistan, will emulate him in this respect.

Naqvi was born in Allahabad, India, with a book of Shakespeare's sonnets in his hand, instead of the proverbial silver spoon. His grandfather was a lawyer, an advocate, his father a professor of zoology, and he had a mother passionately devoted to the education of her children. All his siblings grew up to distinguish themselves in the academia. The family lived in a Hindu neighbourhood in an atmosphere of peaceful coexistence. But with the creation of Pakistan the family moved to Karachi, and the young Naqvi, who had enrolled in the English department of Allahabad University, now joined Islamia College.

I report these facts because it was young people with a similar background and outlook who after migrating to Karachi during the 1947-50 period provided the bulk of the membership of the Karachi Communist Party, then being reorganised by Hassan Nasir, who himself was a recent migrant. It was also

these young people from middle class families, with secular outlook and exposure to the independence movement, who provided the leading cadre of the students' movement in Karachi.

On entering Islamia, College Naqvi joined the newly formed Democratic Students Federation (DSF). There are sections in the first two chapters of the book that give a good and detailed account of the students' movement of the time. Those interested in the history of this movement will find this account, though necessarily partial, useful.

At this time, Naqvi also joined the Communist Party. Unfortunately, he says very little about the activities of the party. For the record, I will mention that besides playing an active role in the students movement, the Karachi district committee was active on the industrial front, promoting the formation of trade unions in, for instance, the Pakistan International Airlines, the textile mills that were being established in and around Karachi, the Karachi Union of Journalists, and so on. It established the Pakistan-Soviet Cultural Association, Pakistan-China Friendship Society, and a film society – their objective being to bring to public attention the achievements of the socialist countries. Its members also played an active part in the Progressive Writers Association, strengthening its Left orientation.

In the second chapter, Naqvi skips too rapidly over some important events, for instance, the 1954 arrest and incarceration in Karachi jail, for nearly a year, of something like twenty-five students, teachers, journalists and trade unionists. Most of them were members of the Party and the arrests did an irreparable damage to the Karachi communist party that was still in its early period of development. Naqvi was one of these arrested but unfortunately he says nothing about life in the prison.

I noted a lapse of memory on Naqvi's part. Among the people who were brought to Karachi jail he mentions the names of G. M. Syed, Sobho Gianchandani and Hassan Nasir. They were definitely not in Karachi jail. I noted two other lapses that need to be mentioned. He says that the Azad Pakistan Party was formed as a cover for the Communist Party after it was banned in 1954. The Azad Pakistan Party was in fact established well before the ban, I think, in 1951. Further, the National Awami Party (NAP) (formed in 1957) was not created by the Communist Party, as Naqvi claims. The Party – at least its West Pakistan wing - had no contribution in its formation. (I may add here in passing that Mian Iftikharuddin, the leader of the Azad Pakistan Party,

and the only progressive leader at the (West Pakistan) national level, though he played a leading role in the formation of NAP was never comfortable with other West Pakistan leaders like Abdul Ghaffar Khan. He thought they were narrow minded nationalists who had little interest in land and other progressive reforms.)

Chapters 3 and 4 convey a good idea of Naqvi's personal life and work as a college lecturer (including suspensions, etc.) and progress 'up the ladder' in the Communist Party (West Pakistan). Of particular interest here is his experience in prison during the martial law of Ziaul Haq. The discussion neatly conveys the irrationality and stupidity of the regime.

I come now to what is the central issue in the book (and provides its title, *Leaving the Left Behind*).

But before that a subsidiary issue: the standpoint he adopted after leaving the Left behind. I do not wish to say much about his new standpoint, but for the benefit of those who will not read the book I will make a brief mention. On the new standpoint that he now adopted, Naqvi writes: 'I was always a democrat [but] my actions were not in conformity with my beliefs, and standing between the two was an ideology [Communism, Marxism] that put blinkers on my eyes...' (p.180).

The new vision that he now saw on his road to Damascus was that of abandoning 'the myopic politics of Left and Right' for 'the enlightened concept of Right and Wrong' [front cover blurb]. Note that Naqvi's 'democracy' without Left and Right is in fact nothing but democracy without politics; and he treats Right and Wrong as universal concepts so that that what is 'right' (or 'wrong') for the oppressor is also 'right' (or 'wrong') for the oppressed. Sadly, Naqvi has retreated into a world of abstractions.

Now to the more substantive issue of the 'disillusionment', and the reasons behind it. The disillusionment came in two forms: with the Party after some disagreements with other leaders and the general membership, and with Marxist theory after a disappointing visit to the Soviet Union during its last dying days.

To take the split from the Party first. While still in prison (under the Zia regime) he knew that when he came out he would have to deal with certain 'undesirable' elements who had infiltrated into the Party (p.113). Chapter 7,

'The Chaos Within', deals at length with the struggle against the 'undesirables'. We learn on p.148 that this struggle was successful. 'The party was well and truly back in our hands.' And then on the same page, one paragraph later, we are told that his friend and partner in the struggle (Imam Nazish, who had been in exile while Naqvi was in prison) had some 'reservations' about the circular on the basis of which (it seems) the fight had been won. He writes: 'It was the first time ever that there had been any friction between the two of us. But that did not change the fact that he was the one who was re-installed as the CCP [Communist Party of Pakistan] secretary-general. The party was back in his hands, not mine.' (We really are here talking mainly about the Karachi communist party.)

The remarkable point here is that we have absolutely no idea what happened? What were the issues – theoretical or personal – on the basis of which Nazish was 're-installed' as the general-secretary. Was it simply the fact that Naqvi had been at the helm during Nazish's absence abroad and when the latter returned he was 're-installed' in his earlier position. We do not know.

The story of Naqvi's disillusionment continued after his disenchanting visit to the USSR. The experience of the visit seems to have been an 'eye opener' for him and he returned with his faith in Marxism, Socialism, Communism shaken to the core. He seems to have discussed this experience with the leadership, but no details are given (p.172). This was late 1990. He spoke to Jam Saqi (an old veteran like himself and Nazish) who had by now replaced Nazish as general secretary of the party 'about the need to broaden the party base and make it a party of the masses' (p.172). It was agreed that the issue should be debated at the party congress 'which was due in a few days time.' He addressed the congress. He writes: 'Hardly five minutes into my speech, I was booed down. There was blanket hostility and I could clearly hear shouts questioning my commitment to the Party' (p.172). He walked out of the hall and that was the end of his nearly forty years of association with the Party, and the Left generally.

Again it is remarkable that the reader has absolutely no idea what the real issue was that led to his walkout from the hall. What did he say in those five minutes? What did it mean that the Party should 'broaden its base' and 'become a party of the masses'? Did he suggest that the party should jettison its Marxist outlook? We have absolutely no idea? In fact, nowhere in the book Naqvi tells us what the main theoretical or practical issues discussed in the party were (apart from the making and unmaking of alliances and united fronts

with other parties).

Nor, even more surprisingly, does he tell us what, during the period of his leadership of the Party, it actually did, what its activities were. He tells us that in the 'late 1980s ... the party membership was somewhere between 2,000 and 3,000', and that its supporters numbered about 15,000 (p.168). What were these members and sympathisers doing? He does not tell us. (I recall that in 1953-54 the Karachi Party had no more than twenty-five members.)

I turn now to the second aspect of Naqvi's disillusionment. As I mentioned earlier this aspect of disillusionment came after his visit to the Soviet Union. What he had seen there did not impress him and at this point (sitting in Moscow airport's departure lounge) he realised that Marx's theory of surplus value did not make sense. (I do not see any connection with what he saw in the Soviet Union and the **theory** of surplus value. But let that pass.) He writes:

'As I started thinking about it, my mind got filled with nothing but confusion. The capitalist brings to the table the premises, the building, the machines, the utilities and the raw material. He pays for everything just like he pays the labor. The output is the product of what I call 'industrialism', not to the labour or working class (sic). The Surplus Value, therefore *should* [my italics] result in fair wages for the labor and fair profit for the capitalist according to the ratio of their input in the final product' (p.164).

It follows that (according to Naqvi) capitalism is a fair and just system. All those who make a contribution to the product get their fair reward. Since some readers of Naqvi's book may find the claim that as the capitalist 'makes a contribution to production' the capitalist system must necessarily be fair and morally just plausible, I devote the next section entirely to a discussion of this point.

Is Capitalism a fair and just system?

To try to answer this question theoretically I will briefly consider two standpoints that are fundamentally opposed to each other – that of modern orthodox economics and that of Marx. The modern economic theory provides a theoretical rationale of capitalism – only it does not call it capitalism, instead it describes the system as the free-market economy. Marx of course holds a different view of capitalism. I will avoid all technical detail.

According to the orthodox economic theory we all have certain resources

(property) that we bring to the market and engage in cooperative production. A worker's property consists in his labour power, that is, his ability to perform certain physical and mental tasks, and the capitalist's property takes the form of capital goods, such as buildings, machines and raw materials, etc. These capital goods contribute to production just as the worker's labour power does. And thus both share in the final product. The point to note here is that it is the fact of ownership of capital goods (capital) that is responsible for the capitalist's share in the product, just as is the fact of the worker's ownership of labour power.

According to this theory the source of worker's ownership of property – labour power – lies in his physical and mental powers and he receives his fair share because of the 'sacrifice' ('disutility') he makes in terms of the hours spent in labour. What is the source of the capitalist's property – capital? The answer given by this theory is that it lies in the owner's abstinence from consumption; the capitalist decides to abstain from spending his income on consumption goods and instead saves part of it to derive greater consumption in the future. The source of capital accumulation lies in this form of sacrifice ('disutility') on the part of the capitalist.

To put it another way, the worker has to be induced (by society) to work, that is, to forego his leisure time (which he could have spent at the swimming pool or hill walking) by offering him a reward in terms of the wage, the capitalist is induced to sacrifice his present consumption (and save and invest) by the prospect of a certain amount of profit in the future. (Some readers of this article may be asking themselves as to how many of the richest businessmen in Pakistan accumulated their wealth through abstinence and self-denial.)

This is the justification of profit, capitalist's fair share in the net product. It is this claim that gives moral endorsement to capitalism or the free-market economy.

The point I wish to emphasise is that in this theory the relationship between the capitalist and the worker, between profit and wages, is symmetrical, it is a relationship of equality, as it would be between two peasants exchanging their products – beans for peas – with each other. There is also a symmetry in time between wages and profits. They are paid at the same time (after the production has taken place). There is no relationship of power between the capitalist and the worker.

Marx's standpoint is, as one would expect, very different from that of orthodox economics. Marx starts with a real society, one that exists in historical time. It is a class society, there are those who own property and others who only have their labour to sell in order to survive. The relationship between the two classes is asymmetrical, one of inequality. Further, the distribution of the social product, the division between wages and profits, emerges through social processes, rather than through individual choices. It emerges through the bargaining powers between the two classes, through class struggle.

By way of illustration, I take a simple model to make the point. Imagine a society in which people can produce no more than what they need to subsist on, in physiological terms. In such a society there is no scope for private property, nor for social classes and exploitation of one by the other.

But when labour productivity is such (because of improved technology) that people produce more than what they need for their basic subsistence - that is, when society produces a surplus over and above its necessary consumption - there is scope for private property and for social classes to emerge. When that happens this surplus is appropriated by the propertied class. That is exploitation. This exploitation is always the result of some kind of power of one class over the other.

Again, by way of illustration: take the case of a slave society. Here the entire labour of the slave is at the disposal of the master. The slave's surplus labour, that is, labour over and above what is needed to provide for the slave's own necessary (physiologically conceived) subsistence, belongs to the slave owner. The mechanism of appropriation (exploitation) is direct physical control.

In the European feudal system the serf (who was tied to the land and was therefore not a free man) worked a certain number of days (without any payment) on his lord's land; the rest of the time he was free to work on his own plot. The days when he worked on the lord's land without any recompense was surplus labour. The product of this labour – surplus product – belonged to the lord. The mechanism of appropriation was direct, clearly observable and sanctioned by law.

Marx extends this idea of surplus labour to the case of capitalism. Under capitalism this process is opaque. The mechanism of exploitation has to be

discovered through analysis; one has to go behind the observed reality. Here the worker is free to choose his profession and employer. (Free movement of labour is an essential condition for the development of capitalism.) Labour power has become a commodity (in one respect) like any other – it is bought and sold in the market. Marx, as noted, has now to discover the mechanism through which the capitalist can appropriate the surplus labour and surplus product of labour that is appropriate to the form of freedom enjoyed by the worker. He calls this mechanism the wage-labour system. Marx's theory of value plays a key role in this mechanism but we will avoid technical arguments and state his position as simply as possible.

A fundamental feature of production is that it takes time. Even in simple agriculture there is a period of months between the sowing of the seeds and harvesting of the crop, and even simple investments in irrigation facilities take time to bear their full fruit. Some investments take years to produce result. This means that capital must already have been accumulated before the production process can begin, and over this period labour must be fed and maintained, that is, wages must be 'advanced' over the period (say, in weekly or monthly instalments) before the product is produced and marketed.

Thus, for capitalist production to take place two conditions must be satisfied: there must be a class of people who have accumulated capital which they invest in order to make profit, and there must be another class of people who have no means of subsistence of their own and therefore must sell their labour power (their only 'resource') in order to survive.

In the early stage of capitalist development in Western Europe, stretching over centuries from around 1500 towards the later part of the 18th century, this capital came from merchant capital, usury, improvements in agriculture, colonisation, piracy, slave trade, outright plunder of public resources, and so on. There is a graphic account of this process in the section on 'primitive accumulation' in the first volume of **capital**.

Later, when capital has been accumulated in sufficient volumes, that is, in developed capitalism, capital accumulation comes from the appropriation of surplus value (profit). This is then the sources of capital accumulation, not self-denial on the part of the capitalist.

The mechanism of the appropriation of labour's product by the capitalist has a neat parallel with the situation under feudalism: the worker works part of the

time to produce the equivalent of his own maintenance, and the rest of the time for the benefit of the capitalist. Thus, in a working day of ten hours, he may work six hours to produce the equivalent of his own maintenance, the rest is the surplus labour (and surplus product) appropriated by the capitalist.

To put it another way: What the worker sells to the capitalist is not labour, but his labour-power which is the worker's capacity to perform useful labour. The price of the commodity labour-power (the wage that the worker receives) is determined, like the prices of all other commodities, by the costs of their production. What is the cost of producing labour-power? The answer: the worker's 'necessary consumption', that is, the equivalent of goods and services required to reproduce his labour-power (and to support a family to provide workers for the future). The worker is able to produce the equivalent of his own maintenance in less time than the labour-time actually bought by the capitalist (ten hours in the example above).

Now what is the labour's 'necessary consumption'? It varies from one situation to another. In a slave economy the slave's necessary consumption – what is needed to keep him alive and maintain him in working condition- may be physiologically determined. But that is not the case under capitalism. Marx discusses this point in chapter 6 ('The Sale and Purchase of Labour-power') in the first volume of **Capital**. The suggestion he makes there is that labour's 'necessary consumption' (the wage) is determined by social and historical factors. Ultimately, it is determined by the power relations prevailing between the two classes involved, their bargaining power. Workers can resist and obtain a larger proportion of the surplus, and eventually overthrow the system of exploitation.

To return to the question, is capitalism a fair and just system? Marx never talked about fairness and justice of a political and economic system. What he thought of capitalism was stated plainly in the *Communist Manifesto*. Capitalism is a highly productive system. 'The bourgeoisie cannot exist without constantly revolutionising the instruments of production.' At the same time, for the capitalist labour is and will always remain a cost of production which it must try to minimise in order to maximise his profit. Class conflict is inherent in the system.

Note: Syed Jamaluddin Naqvi, with Humair Ishtiaq, Leaving the Left Behind, Pakistan Study Centre, University of Karachi, Karachi, 2014.

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13. Karachi Communists in the early 1950s

In celebrating the life of Dr Mohammad Sarwar, many of his friends and student and political activists have recorded their memories and experiences from the period of the early 1950s. As far as I can tell this is the first time that so many people from the Left have come together (physically or in their thoughts) to pool together their memories from that period - a period of hope and optimism - about the future of democratic politics in Pakistan. What could be a better tribute to Sarwar's outstanding contribution to the student movement and democratic politics? (See note.)

The notes that follow are a contribution to this celebration. Very broadly speaking, they deal with two related issues that have received only marginal attention in the contributions made so far – the presence of the communist party in Karachi, and the causes of the inability of the student movement to sustain itself beyond the early 1950s.

To take the second of these issues first. The student movement in Karachi flourished from around 1949 until 1954, but from then on it ceased to be a significant force in the student community. In 1954, a number of student leaders and activists, along with a number of journalists, college lecturers, trade union workers, etc., were arrested and incarcerated in Karachi jail. (Interestingly, this wave of arrests coincided with the dismissal of the popularly elected, Awami League-led government in East Pakistan and imposition of central rule in the province, and Pakistan's entry into a military alliance with the United States.) However, most of those arrested, including students, were released within twelve months. The released students went back to their classes, those who were in their final year of study, completed their courses and went on to pursue their professional careers. Some of them later played a prominent role in the life of the community. (For instance, Sarwar and a number of other medical doctors played a highly positive role in the Pakistan Medical Association.) But the student movement did not recover from the setback it had received through the arrests of its leaders.

A general problem with student movements is that student population in any single institution is not stable: every year one cohort of students leaves the institution and a fresh one enters it. To provide continuity in the movement (and links between different institutions) there needs to be a stable body, outside the student community, that nurtures and initiates the new entrants into the movement. This is of course done through the students who are already in the institution. In the absence of such a body that provides continuity, student movements appear on the social scene as eruptions (though sometime making their mark on the history of their country) and then disappear.

In the case of the Karachi student movement, such continuity was provided by the communist party, through its student members and sympathisers. In the 1954 wave of arrests most its members, many of them students, as already mentioned, were put in Karachi jail, and with this swoop the structure of the party was badly damaged. So, the question as to why the student movement was not able to sustain itself turns into: why was the Karachi communist party not able to recover and thrive from 1955 onward when most of its members had been released from Karachi jail?

To be sure, some of those released struggled on - Hassan Nasser, for instance, who died in the notorious Lahore Fort during the Ayub era in circumstances which to this day have remained unexplained. But, as I have already noted, most of the student members went to pursue their careers, others, that is, non-student members, were disheartened and became politically inactive (though, it should be said, in other ways, as teachers, journalists, etc., they made their contribution to the social and cultural life of the country). The Karachi party never achieved the kind of vitality it had achieved before 1954. Here, as in the case of the student movement, the decline cannot be attributed to government repression. The situation in other parts of Pakistan was not much different. In the second half of the 1950's Lahore did not have a functioning party unit, though Major Mohammad Ishaq was struggling to form one.

To try to discuss the question, I go back to the formation of the communist party in Karachi soon after the partition of the country. I start on a personal note, though I promise I will not strain readers' patience with details. I was introduced to Marxist ideas by a lecturer in philosophy at the beginning of my final year (BA) in Forman Christian College, Lahore. The year was 1946 (heady days, but we leave that aside). I read the weekly journal of the Indian communist party, the People's Age, assiduously and on the basis of this reading formed my general worldview. After completing my exams in December 1947 (exams were postponed repeatedly from May because of the communal riots), on a whim I decided to come to Karachi (instead of staying on in Lahore) with the ambition to pursue a journalistic career.

One day as I was walking along Bunder Road, I saw the Red Flag hanging out of the balcony of a building approximately midway between the Dow Medical College and the old Municipal building. I went up to the party's office and introduced myself to a gentleman, by the name of Hangal, and asked if there was anything I could do for the party. I remember seeing Sobho Gianchandani and Sharaf Ali (who had just arrived from India as a refugee) but I did not speak to them. Hangal gave me the task of taking cuttings from different newspapers and filing them according to the subject matter. This I did for a period – I do not remember for how long, but it could not have been for more than a month. During this period Sobho and Sharaf Ali were arrested, and Hangal and other Hindu party members departed for India. The party office was now deserted, except for a 'Malabari' comrade called Ibrahim, a former 'bidi' worker, who lived there as a kind of caretaker. I kept visiting Ibrahim now and then, but there was nothing to do there. This was the end of the old, pre-partition Karachi communist party.

It was sometime in 1949 (possibly late 1948) that Hassan Nasser, a young man in his mid-twenties, appeared on the scene to organise the district communist party with an altogether new membership. Hassan Nasser had recently migrated from India with little or no political or organisational experience behind him. He had been nominated by Sajjad Zaheer, who also had recently (possibly, 1948) come from India, and had assumed the general secretaryship of the communist party in West Pakistan. (Sajjad Zaheer was a leading figure in the Indian Progressive Writers' Association, but with little organisational

experience outside that Association.) The membership of the new Karachi party was overwhelmingly drawn from the muhajir community - there was only one Sindhi party member from the pre-partition days, and only two or three Punjabi migrants. Sobho, from now on was located in Sindh or lodged in jail. These were overwhelmingly urban, middle class young people whose families had been exposed to the Indian independence movement, and possibly (as in the case of Sarwar and his brother Mohammad Akhtar, who tragically died in 1958) to Left political influences. In other words, they had all arrived in Pakistan with a degree of progressive political outlook.

The Party's main work was focused on the student 'front'. This was the case because there were already a number of students who were, as I have indicated, left-leaning and ready for joining the party or be sympathetic to its way of thinking. And it was these students (from whom the bulk of party membership or sympathisers came at this time) who were to organise the Democratic Students Federation, and later the students 'movement' which made headlines all over Pakistan, and, in fact, beyond. As S. M. Naseem and others have already discussed different aspects of the Karachi student movement of the early 1950s, I will say nothing more about it. (In any case, I was not a participant, and observed the movement from the outside, as it were, as a journalist.) However, there is one point that is worth making. The party in this case was not something 'external' that was directing the student movement from the outside. As already observed, students formed a large chunk of the party membership and they exercised as much influence on party policy as the party influenced student activities. For instance, as Naseem has already observed, the content of the student magazine, *The Student Herald*, was contributed entirely by the students themselves and any assistance they received from non-student sources was entirely of a technical nature provided by journalists, such as Ahmad Hassan, a sub-editor in *Dawn*.

During this period (1949/50), the Party also promoted the formation of the Pakistan Soviet Cultural Association and a little later, of the Pakistan-China Friendship Society. Also established was a Film Society whose aim was to exhibit films from socialist countries. (Sarwar's brother Akhtar played a leading role in the work of the Society.) The aim of these activities was to bring to the attention of the public in Karachi the economic and cultural progress that was

being made in socialist countries. Party members also participated in the activities of the Progressive Writers Association – here the name of Mumtaz Hussain, the literary critic, (who, at times, was also a member of the Karachi party district committee) comes to mind. And they gave what support they could in promoting the work of the Karachi Union of Journalists and the Pakistan Federal Union of Journalists which were established on the initiative of independent-minded journalists such as M. A. Shakoor and Asrar Ahmad. It will be noted that all these were essentially middle class activities.

The Party's main shortcoming lay in its inability to establish any roots in the working class. Before partition, Karachi was a sleepy kind of town, with very little industry (though, being a port town it had a significant degree of commercial activity). What contacts the pre-partition party had had with organised working people, for instance, among the Karachi port workers, were of course lost with the departure of Hindu party members. It is true that after partition, some industries began to be established in Karachi, but the workers in these factories had no tradition of trade union organisation. For instance, one party member who was active in the field at the time was bemused at the attitude of workers from the NWFP's tribal areas who were coming in increasing numbers to work in textile mills that were being set up in Karachi. They felt that a union should be set up specifically to deal with a particular problem and then, once the problem had been dealt with, disbanded. They did not contemplate the notion of a durable organisation.

Now, to return to the question regarding the failure of the party to develop. In some of the contribution to the 'Sarwar Reference' reference has been made, with regard to government repression. In the standpoint adopted here this view does not provide an adequate explanation. Firstly, the repression exerted on the party was not of the kind as to close all avenues for further progress. Historical experience provides irrefutable evidence that the development of the Left and democratic forces does take place despite the repression; movements suffer setbacks, then recover, and continue to develop.

Another point that could be made (though has not been made in the course of the 'Reference') refers to the quality of the leadership of the party. Perhaps, the leadership was not up to the mark. This is, in one sense, obvious. However, this point does not refer to the personal idiosyncrasies of individual members

of the party. As I have noted, those who in 1949/50 established the party were young and inexperienced; this was not the situation that could have called forth leadership of great stature (a PC Joshi or a Dange). This consideration is reinforced by the fact that not only the Left, but even the non-Left democratic forces in the country failed to make any headway during the period or indeed later. One could hardly find fault with a non-existent leadership – a leadership that failed to emerge to create and lead a left or a democratic movement.

I am arguing that the question of the failure of the communist party or of the Left to develop is in fact part of a wider question that relates to the failure of the democratic forces in general to emerge and develop in Pakistan. It will be agreed, I think, that this is a large question. All I can do in the present context is to make some suggestions and hope that others, better equipped than I, will take up the issue and that this will lead to a better understanding of the nature of the problem under discussion.

The territories from which West Pakistan was created had had very little history of industrialisation. And much of business life that was there was in the hands of the Hindu community which left for India at the time of partition. This means of course that West Pakistan had to start with a negligible bourgeoisie and a meagre middle class. What working class there was was unorganised and with very little history of trade union organisation. In other words, West Pakistan was predominantly agricultural, and more importantly, its agrarian structure was feudal in character. Political and social power lay in the hands of the class of large landowners. (Compare this situation in West Punjab and Sindh with that in the Indian Punjab.)

Further, the Muslim population of this region had had very little exposure to the independence movement, which, we should note, also was a democratising process. The Muslim League was hardly a democratic organisation, and in the region of West Pakistan where it existed it had a flimsy organisation. The feudals, who were quite content with the Raj, fell into line to support the creation of Pakistan only when it became clear that the new country was becoming a reality. Furthermore, Pakistan movement when it came to this region was not a political, developmental process; it was based on a simple, emotional appeal to the masses on religious grounds. This region did

not experience any politicising process, let alone a democratising process (as many other parts of the sub-continent did).

The political horseplay at the Centre that we saw in the 1950's was largely an outcome of these conditions. The muhajir leadership of the Muslim League had no roots in the region (except among the muhajirs on ethnic grounds). The indigenous leadership was largely feudal in character and its roots were entirely of a feudal character; feudals could get elected through the electoral process only because of the economic and social power they exercised by virtue of their landownership. (It is a remarkable fact that the only progressive member of the Constituent Assembly, Mian Iftikharuddin, could get elected entirely only because of his feudal position and caste connections.) In these circumstances in which the political leadership had no popular roots whatsoever and in which the general population had undergone no politicising process, it was entirely logical that bureaucrats such as Ghulam Mohammad, Chaudhri Mohammad Ali, Iskandar Mirza, and the army (also because of the Hindu-India factor) should have captured power and have made such a strong impact on the destiny of Pakistan. Explanation for these developments lies not so much in the character of the individuals who came to exercise power (though they cannot be absolved of their personal responsibility), but in the economic and social structure the country had inherited from history which provided such fertile soil for their exploits. (Obviously, I have no time for such nonsense as 'only if Jinnah had lived longer' or 'only if we had had more honest leaders'.)

One could go on in this vein. But my purpose here is a limited one. I am trying to understand why the Left and progressive forces failed to develop and have a positive impact on the country's political process. (I am not forgetting the many individuals who are making significant contributions to progressive causes.) The conclusion I am reaching is that (a) the upsurge of the early 1950' failed to sustain itself because it had no ground, economic and social, to stand on, and (b) that progressive and democratic forces have failed to develop for the same reason.

This sounds like a bleak conclusion. But I am not suggesting that we stand on ground that is arid and should wait for some cosmic intervention to make it fertile. As Marx said famously, men make their own history, but not in

circumstances of their own choosing. What history does is to prescribe certain limits within which we operate. It is for us to understand the nature and extent of these limits and find ways of extending them, of pushing the boundaries out.

Note: Written and circulated in 2009 on the occasion of the celebration in Karachi of the life of Dr Mohammed Sarwar, a prominent leader of the student movement during the 1950s.

14. Why the Left is left out? Interview with Eric Rahim

By Professor Qaisar Abbas

“But we have to be realists; we need to bring together all progressive forces in some kind of a united front aiming at social and democratic reforms. A Marxist party in today’s conditions cannot be a ‘revolutionary’ party.”

Professor Abbas’s Introduction

Long before the 70s and 80s when Marxism became a fashion in Pakistan and intellectuals, professors and university students became overnight revolutionaries without any grassroots connections, there was a committed generation of political workers who tried to unite like-minded people on a single platform. Eric Rahim, Hassan Nasser, Major Ishaq, Sobho Gianchandani and Sajjad Zaheer were some of those real revolutionaries who were jailed, tortured and some lost their lives for their ideological commitment to social reform, equality and democracy.

Eric Rahim is one of those revolutionaries who worked as part of the Communist Party in the 1950s and also became target of the state repression. He was introduced to Marxism in 1946 by one of his professors at Forman Christian College, Lahore, who gave him the Indian Communist Party newsletter “The People’s Age” to read. Later when he moved to Karachi in 1947-48 with an ambition to become a journalist, this is what happened next, in his own words:

“One day as I was walking along Bunder Road, I saw the red flag hanging out of the balcony of a building approximately midway between the Dow Medical College and the old Municipal building. I went up to the party’s office and introduced myself to a gentleman, by the name of Hangal, and asked if there was anything I could do for the party. I remember seeing Sobho Gianchandani and Sharaf Ali (who had just arrived from India as a refugee) but I did not speak to them. Hangal gave me the task of taking cuttings from different newspapers and filing them according to the subject matter.”

He worked with Hassan Nasser in Karachi and was jailed with other progressive workers for eleven months. After working for Pakistan Times and Dawn as a journalist he moved back to Lahore in 1957 to join Pakistan Times where he

also actively worked with Major Ishaq who later founded the Kissan Mazdoor Party.

Eric left Pakistan for England in 1958 with the arrival of the first Martial Law in the country. His intention was to get a university degree in Economics and come back to work for Pakistan Times. The newspaper, however, ceased to be independent after it was nationalized by the first Martial Law regime of Ayub Khan.

Eric consequently, stayed in England and received a doctoral degree from University College, London. Since then, Dr. Eric Rahim has been teaching and doing research in economics and development studies at Strathclyde University in Glasgow.

This interview narrates a fascinating story and views of a revolutionary who had to leave his country under the threat of state repression but somehow the country does not want to leave him!

The Interview

QA. According to the classic Marxist theory, capitalism has to become a dominant system before conditions are ripe for revolution. This, however, did not happen in the 1917 revolution in Russia where the social unrest and deteriorating economic conditions led to an organized revolution. Pakistan is still in the clutches of feudalism, let alone industrialization. But the country is heading toward a social anarchy with deteriorating economic conditions, unemployment and the lack of basic facilities for citizens, along with a large unsatisfied urban youth. What kind of change, if any, do you foresee?

ER. What kind of change can one foresee? We must go back to the fundamentals. Pakistan was an artificial creation. It was created on the basis of Muslims' separation from the Hindus. The Muslim community itself was internally heterogeneous. The task confronting the leadership at the time of Pakistan's creation was how to weld its ethnically diverse communities into a nation. In other word, how to create a *nation state*. The leadership thought it could create a nation state under the banner of Islam and on the basis of fear of India. In this task the leadership failed dismally as was demonstrated by the separation of East Pakistan (numerically a larger part of the country) from the West in 1971. The Left, in the shape of Mian Iftikharuddin, *The Pakistan Times* and the daily *Imroze* were then calling for the recognition of Pakistan's ethnic diversity (genuine provincial autonomy), and a democratic political

system. That could have been the foundation on which to build a nation state. But that of course did not happen. We have to ask, why did it not?

This is no place to go into this question in any detail. But I will point out that West Pakistan (where political power lay) in socio-economic terms consisted of some of the most backward parts of the sub-continent. Think of large parts of Khyber Pakhtunkhwa and its tribal areas, Balochistan, the feudal agrarian structure in Sindh and large parts of Punjab. Think of the political leadership at the time – the Khuroos, Talpurs, Mamdots, Daulatanas, Noons, Kalabaghs, all feudals to the core. Their leadership depended not on any democratic base (as, for instance, did that of Nehru and his colleagues), but on their feudal credentials. The Left forces, for instance, trade unions, peasant movements, the Communist Party, other democratic elements, were too weak to provide a counterbalance to the forces of reaction. Thus, given the weak political structure it was inevitable that the army would come to acquire a political role – a role that would be inconceivable in any country where the leadership could claim democratic mandate. (Again, think of India.)

In its foreign policy, given the country's hostility with its larger neighbour (and the bloody circumstances in which the partition took place), it was felt that the country needed a strong friend, a protector, as it were. Thus we had military alliances with the United States which gave the country the status of a dependency. Relations with India have continued to determine the country's foreign policy and its dependence on the United States. (Now that relations with the US are strained, some in the country are looking for a different 'big brother'.)

To cut a long story short: Pakistan has not, after 65 years of independence become a *nation state*; internally, sovereignty is fragmented; externally, we are economically and politically dependent on others. Foreign powers openly and blatantly shape our internal political arrangements. This situation is the result of certain historical factors. Poor leadership has had a role in the development of this situation, but that is relatively smaller part of the story. Or, perhaps I should say that poor leadership is also part of the bigger story.

In order to make any progress, the Left must try to understand the big story. To answer the question: Where do we go from here? We must first ask: How did we get here? Only then can we answer the question (the question you asked) – what kind of change do we want? As Marx said famously, men make their own history, but not in circumstances of their own choosing. Let us start

to understand the ‘circumstances’ and the constraints in which we find ourselves and we will begin to answer the question.

QA. In India the Left has become a vital part of the political process and has effectively ruled in several states since partition. However, apart from the PPP, the real Left in Pakistan was never able to come to this level except ANP. Do you think if progressive forces join hands they can play a vital and effective role in the body politics of Pakistan?

ER. I think the answer to the first part of this question has been answered in the preceding discussion. Our post-independence history is very different from India’s, essentially because of the *initial conditions* from which they and we started.

I do not think that the PPP is a Left party. Its founder, Z. A. Bhutto was an autocrat, a populist, man with a feudal outlook, without any vision, a demagogue. Through his statements and general behavior he presented himself as a man of the Left. His popular support was not derived from any genuine reform that he achieved but from his blatantly populist appeal. In countries with low level of political development, people are carried away with such an appeal. His positive side lay in his secular standpoint (which when he was on the run he was ready to compromise – by having the Ahmadis declared a non-Muslim minority).

At the present time the PPP is unpopular because its leadership is associated with corrupt practices and its failure to make any improvements in the living conditions of the people. Many of my friends in Pakistan support the PPP because they think that it is only this party that stands between them and an open military rule.

QA. You have mentioned elsewhere that a democratic, progressive party that can provide a platform to all progressive forces in Pakistan can be a better strategy rather than a revolutionary and Marxist party in the current political environment in Pakistan. What’s your justification for this strategy?

ER. ‘A revolutionary party’ in Pakistan? On the Bolshevik model or that of the Chinese Communists under Mao’s leadership? Are we serious? Progressive forces in Pakistan are very weak, they have hardly any organisation and they have little or no social roots. Progressive people in Pakistan have to choose their political goals realistically. In today’s conditions modest social and democratic reforms (rule of law and some restraint on corruption, repeal of

the blasphemy law, end of the so-called honour-killings and so on) would be an enormous step forward. In my interview you refer to, I did not say that we should not have a Marxist party – I think we should have one which broadly derives its inspiration from Marx's thought. But we have to be realists; we need to bring together all progressive forces in some kind of a united front aiming at social and democratic reforms. A Marxist party in today's conditions cannot be a 'revolutionary' party.

QA. There are two thoughts on how to unite progressive parties in Pakistan. For some, a top-down strategy at the party level could be a viable option but several attempts have been made on these lines with little success. Others think the process should be initiated from the grassroots to provincial and then the national level. What are your thoughts on these strategies?

ER. I think that the distinction between 'top level' and 'grass roots level' is false. 'Grass roots level' without leadership is devoid of any thought or policy, and the 'top-level' without the grass roots has obviously no ground to stand on. Progressive people – teachers, students, trade unionists and so on, need to get together, and attempt to form a political vision based on a correct understanding of the current situation and the nature of their resources.

QA. When you and your comrades were busy in the early days of independence in organizing progressive groups in Pakistan as part of the Communist Party, the state apparatus did everything to curb the movement using different repressive tactics. Today there are several conservative, violent groups who also enjoy the support of the establishment. Although these Jihadi outfits lack mass support, they have become a huge destructive force in the society today. What kind of measures do you propose to progressive parties to counter this trend?

ER. Let us be honest. Jihadi groups, and the religious political right-wing forces more generally, draw their support from sections of the state apparatus, certain government policies, funding some foreign countries (eg Saudi Arabia), and, fundamentally, from the social conservatism of our people, especially in Punjab and parts of K-Pakhtunkhwa. (I think Punjab is the main source of the problem.) People may not vote for religious right in elections, but that is part of the nature of the electoral process. People vote for specific candidates for all kind of different reasons – feudal and caste connections, local factors, traditional party loyalties, etc. Jihadi groups have social roots. And the state encourages this tendency through the educational system and the acceptance of foreign –funded religious schools. It is important to recognise this fact. If in

time progressive forces do gain political influence and are seen as presenting even a modicum of threat to the established order, the state apparatus (supported by certain foreign powers) will certainly make use of these groups. That would be a problem that would need to be confronted.

QA. As you know, there is a surge of violence and hatred against Muslim and non-Muslim minorities and women in today's Pakistan. As a member of a minority religion, did you see similar discrimination when you were in Pakistan?

ER. I did not look at the world as member of a minority religious group. However, I recall anti-Ahmadi movement in the early 1950s. I remember, in the early 1950s, attending public meetings in Karachi Aram Bagh where speakers quite openly incited violence against the Ahmadi community. Then there were anti-Ahmadi riots and the imposition of martial law in Lahore. But there was no open hostility towards the Christian community, nor against the Hindus. The situation today is the result of a gradual process in which religious fanaticism has become much more powerful than it was during the 1950s/60s. (The Ahmadis are today a persecuted community persecuted by the state.) The big change started in the 1970s. Left people put all the blame on Ziaul Haq. That is rather a simplistic way of thinking. There were both domestic and international factors. It is important to understand them.

QA. You have worked for Pakistan Times and Dawn as a journalist in the 1950s. How do you compare journalism then and now in terms of professionalism, ethical standards, and censorship by the state?

ER. I find it difficult to answer this question. Today the scope of the media is enormously larger than what it was then. As far as freedom of the press is concerned the situation changed dramatically and disastrously with the imposition of the Ayub martial law 1958.

QA. How do you look back at your lifelong experience as a young political worker and journalist in Pakistan and as an academic scholar in Scotland now? If you have to start over, would you like to be, a journalist, a political activist or a university professor?

ER. In 1957-58, I was beginning to feel that my journalistic career was reaching a cul-de-sac. I had been *The Pakistan Times* Karachi correspondent and had reported on the proceedings of the Constituent Assembly and the great political events of the day. Now I was a senior sub-editor. What next? I thought

I would take leave from the newspaper, go to London to study economics, and return and become a columnist writing on economic issues. Then came the martial law and the 'nationalisation' of *The Pakistan Times*. That was the end of my journalistic career. In London I did quite well in my B.Sc (econ.) honours exams and was awarded a two-year research grant by the University. Towards the end of my second year of PhD study at University College London I was offered a lectureship in economics in Strathclyde University. That was 1963.

I am still here. I am lucky to have had two professions in my life, and enjoyed working in them both. If *The Pakistan Times* had remained an independent newspaper (and there was no martial law) I would now be sitting in Lahore writing my weekly economics column. Perhaps there is a parallel universe; if there is one, then I am sitting in Lahore writing my weekly economic review and also sitting in Glasgow pursuing my academic interests. And happy in both. Sounds great!

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