

# How has Marx's *Capital* been Re-read in the Process of the Capitalistic Development?\*

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## 1 50 years before *Capital*

**Ricardo's *Principles* and *Capital*** The Japanese have a unique history in reading *Capital* as the book of the "Principles of political economy" and teaching it as a basic theory of economics at universities. The year 2017 is not only the 150th anniversary of *Capital*: it is the 200th anniversary of David Ricardo's (1772 - 1823) *On the Principles of Political Economy and Taxation* and is also the 250th anniversary of James Steuart's (1713 - 1780) *An Inquiry into the Principles of Political Economy*. It is by sheer coincidence that those three "Principles" were published every 50 years.

The first issue to be addressed is what the "Principles" are. The core of the "Principles" lies in a deductive and systematic approach to formulate general laws from simple assumptions with clear definitions of terms. We can find the good examples in Euclidean geometry and Newtonian mechanics. James Steuart was the first to use the word "Principles" in the titles of the book of economics, but it is Ricardo who outlined them first. He criticised Adam Smith's *Wealth of Nations*, in which the term "value" had a double meaning, and proposed the embodied labour theory of value to rigidly define the quantity of value. This theory made the amount of social gross products commensurable, enabling Ricardo to deduce the distribution law of rent, wages and profit with the scale of social production expanding. Without doubt, this systematic theory is the exemplary "Principles".

However, Marx's *Capital* is greatly different from Ricardo's *Principles*, though both of them can be regarded as deductive and systematic. When we read *Capital* as the "Principles of political economy", we must identify the difference of the two. In reading *Capital* in comparison with Ricardo's *Principles*, we must highlight the two points: the historical character of the object to be discussed and the ideological character in the "Principles".

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\*Translated by Kei Ehara. All footnotes are added by the translator.

**Historical Character** Euclidean geometry is the general principles of our thinking. It can be the basis of positivistic science such as Newtonian mechanics only on the assumption that the object of the science remains constant, which assures the verification of the formulated laws through experiments and observations. On the other hand, it is very difficult — not to say impossible — to verify an economic theory. The object of the “Principles” in economics is prone to historical changes: test reproducibility is of no use here.

Ricardo’s *Principles* was published in 1817, viz. before the 1825 crisis, the beginning of decennial economic crises in Britain. He lived in the world that is totally different from the mid-19th-century British capitalism, where Marx experienced recurrent economic crises. We cannot expect Ricardo and his contemporaries to theorise periodic crises, however careful theorists they were. The absence of the theory of crisis at that time was rather “correct”; it would have been just a fiction if they had managed to construct it.

The object of *Capital* is clearly identified as a society that began in certain time under certain conditions, viz. capitalism. Ricardo’s *Principles* is not aware of this historical character of the object, hence the big difference between the two.

**Ideological Character** The historical character of capitalism is closely related to its ideological character. Deductive thinking necessarily leads to a single consistent theory, following which a single image of the world is produced: classical political economists were no exception. In addition, unlike mechanics or astronomy, economics often lacks verification process. It tends to become too theoretical and economists are likely to make too much of mathematical sophistication. Consequently, they often regard the single image of the world as the best society without knowing it. In economics, objective research frequently accompanies an ideological effect that permeates a particular sense of value as a universal one.

Deduction requires definitions of terms that are common to everyone. Though nobody can draw a dot or a line strictly defined in Euclidean geometry, those abstract definitions hold universally. Meanwhile, it is very difficult to define economic terms such as price, value, money, capital, wage, profit, interest and rent etc. Everyone knows them, but uses them in slightly different manners.

When we give strict definitions to those ambiguous words, we cannot help omitting some aspects of them: we tend to overlook essential concepts lying behind the diversifying phenomena, like a concept of value different from price and the origin of surplus value that is distinguished from profit or interest. Thus, economists become susceptible to the idea of „Prastabilierter Harmonie“, bearing a one-sided view of capitalism under the influence of ideology, in which the social reproduction is balanced as an “unintended consequence”.

Since the object of economic theory changes historically, we must not idealise the deduced “Principles”. In short, this is how Ricardo’s *Principles* was read critically in *Capital*.

**Critique of the “Principles” by means of the “Principles”** Nevertheless, Marx’s critique of classical political economy is not anti-economics, nor is his critique of the “Principles” anti-principles. Far from denouncing the “Principles”, Marx tried to develop and complete them to criticise classical political economy. Marx’s *Capital* is, as it were, the critique of the “Principles” by means of the “Principles”. He condemned “vulgar political economy” for directly reflecting superficial reality in theory and appreciated a deductive approach in classical political economy typical of Ricardo. To analyse history theoretically is not to reflect history in theory: it is to reconstruct the “Principles”, the object of which is the historical capitalism.

This is an onerous task. Classical political economists had good reason to be unaware of the historical character of their object: their ideology was also, in some senses, inevitable in studying economic phenomena theoretically. We cannot easily overcome these problems even if we are fully conscious of them.

Then we should consider that *Capital* is also subject to its historical context. Indeed, living 50 years after Ricardo's *Principles*, Marx managed to become aware of historical and ideological characters of classical political economists in writing *Capital*. However, we should not conceive that Marx was free from any problems in criticising the "Principles". *Capital* is also subject to certain historical and ideological constraints derived from the reality of the 19th-century British capitalism. While it is the "Principles" for critically analysing the historical and ideological characters of capitalism, it is also the "Principles" retaining other historical and ideological characters.

**Interpreting the Interpretation** *Capital* has been reinterpreted several times. We must know from this history of reading *Capital* that we will never be able to develop the critique of the "Principles" by means of the "Principles" so long as we ignore the historical context and ideology and try to find out the true "interpretation" of *Capital*. The book written ( $W$ ) on a certain object ( $X$ ) is read ( $R$ ) by future generations faced with another object ( $X'$ ) that the author could not experience. Then those new generations explain ( $W'$ ) the new object ( $X'$ ) on the basis of the interpretation ( $R$ ) (Fig.1).

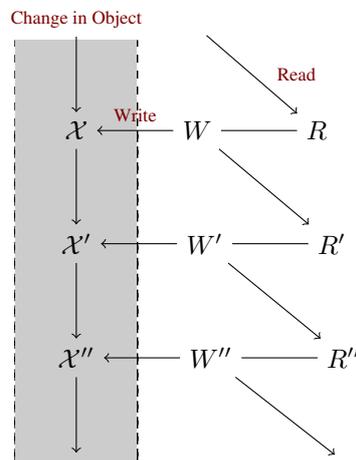


Figure 1: Re-reading the Written Text

We need to evaluate the history of the interpretation together with the historical development of capitalism. We would be trapped in the philosophy of the Enlightenment, which Marx rigorously criticised, if we were to naively look for the true and single "interpretation", however detailed and precise it might be. Our task is not to dig for true meanings of *Capital* buried under the history, but to interpret the 150-year history of the interpretation of *Capital*.

## 2 When *Capital* was born

**How *Capital* was Published** Here we are going to interpret the interpretation of *Capital* by every 50 years. First of all, we discuss how *Capital* was read when it was born. Since the 100-year history of the interpretation of *Capital* up to 1967 is well-known, we will see just a few selective points of argument for the period.

We must know how *Capital* was published to understand how it was read initially. The first point is that *Capital* Volume 1 was read as a completed work at that time. It was published in 1867 (DK 1) and revised in 1872 (DK 6), when the French and Russian translations were

also published. Meanwhile, after Marx died, Volume 2 was published in 1885 (DK 19) and Volume 3 in 1894 (DK 28), both edited by Engels. Accordingly, those who read Volume 1 at the age of 20 were to become 38 years old when reading Volume 2, and 47 years old when Volume 3 was published. Therefore, people in the 1870s and 80s must have considered Volume 1 as a completed work. Indeed, it can be regarded as such.

Secondly, the English translation was long unavailable. It was only published in 1887 (DK 21). Until the English publication, *Capital* was mainly available to those who read German, French, and Russian. This situation is closely related to the purpose of publishing *Capital* itself.

To sum up, (1) *Capital* was then interpreted as completed in Volume 1 itself. (2) though *Capital* is about the British capitalism, it was read among the Germans, the French and — unexpectedly — the Russians.

**Reading Volume 1 as a Completed Work** *Capital* Volume 1, revised by Marx himself, is an elaborative work and its outline is easy to remember: the former part is about the exploitation and the latter is about the collapse of capitalist society. First, it shows that surplus value is gained by capital without violating the law of the labour theory of value for all commodities including labour power. After that, we see how the process of accumulating the surplus value goes. It leads to the centralisation and concentration of capital together with the increase of industrial reserve army, following which the capitalist society collapses through its inner contradiction.

To put it simply, *Capital* Volume 1 gave different messages to the French and the Germans. We know the influences are so complicated, but it can be said that the theory of exploitation was designed to appeal to French readers while the theory of collapse to German readers.

The point of the theory of exploitation is rather paradoxical: profit accrues because commodities are exchanged with their equivalents, not because they are not. If profit does not originate in the imperfect market but in the perfectly functioning market where labour power is also exchanged with its equivalent, the market system without exploitation is just a day-dream. *Capital* Volume 1 thus recommended that the French readers should bid farewell to the market socialism of Proudhon.

*Capital* illustrates the collapse of capitalism as another paradoxical process: the more capitalism develops, the more intense the inner contradiction becomes and the closer the end of capitalism comes. If this process is propelled by an unavoidable increase in productivity, it is impossible to put it down by some external forces. Hence, the German readers were invited to break with social democrats like Lassalle, who sought after a universal election to strengthen the power of the workers in a parliament. It might be possible to regard the first acceptance of *Capital* simply as stated above (Table1).

Table 1: *Capital* Volume 1 understood as a Completed Work

| Former Part  | Latter Part                                     |
|--|---|
| theory of Exploitation<br>as a critique of Proudon | theory of Collapse<br>as a critique of Lassalle |
| anti Market Socialism<br>for French Readers        | anti Social Democracy<br>for German Readers     |

While the targeted readers, the Germans and the French, did not necessarily accept *Capital* Volume 1 as noted above, the Russian did. Russia had not matured the above two types of socialism and Russian readers took the critiques as follows: economy must be planned to

abolish the exploitation and political revolution is inevitable to establish the socialist society. Thus, the double critique of European socialism was decontextualised and gave birth to the Soviet socialism.

### 3 50 years after *Capital*

**In Imperialism Era** Let us go to the world 50 years after *Capital*. The year 1917, the 50th anniversary of the publication of *Capital*, is also the first year of Lenin's (1870 - 1924) *Imperialism*. This generation born in the 1870s, including Rosa Luxemburg (1871 - 1919) and Rudolf Hilferding (1877 - 1941), recognised the historical transformation of capitalism at that time. Of course, all three volumes of *Capital* were available and they were fully acquainted with them. Nevertheless, they could not get out of the framework of interpreting *Capital* Volume 1 as a completed system, the one established by the former generation born in the 1850s such as Bernstein (1850 - 1932) and Kautsky (1854 - 1938), who had clashed over the Revisionism. Using the signs in Fig.1, we can maintain that the new object ( $X'$ ), or the historically transformed  $X$ , was written ( $W'$ ) on the ground of the obsolete framework of reading ( $R$ ).

This generation applied the theory of centralisation and concentration based on *Capital* Volume 1 to the concept of "finance capital": it was regarded as the consequence of capitalist development, in which a huge industrial capital and a bank were intertwined. Lenin's *Imperialism* begins with the concentration of production and the emergence of monopoly, which Hilferding did not sufficiently emphasised, arguing that imperialism is not just one of the possible policies but a destined movement of capitalism at that time. Lenin elucidated that uneven development among the great powers necessarily resulted in the wars over colonies, criticising Kautsky's argument of ultra-imperialism. These Lenin's theories became the standard among socialists in the 20th century.

Despite the old interpretation of *Capital*, Lenin recognised the historical development of capitalism, in which the finance capital was bound to give rise to colonialism, and his *Imperialism* exerted a great impact. Marx thought that capitalism was possible especially in Western Europe, or in Russia and the United States at best. However carefully we read *Capital*, we cannot find Japanese capitalism forming with colonising Korea and Taiwan. It was Lenin and his contemporaries who related *Capital* with the 20th-century phenomena outside the scope of *Capital*.

The above recognition meant that the historical development of capitalism necessarily divided up the world between the capitalist countries and others, where the former ruled the latter. It established the theoretical foundations of connecting national liberation movements against colonisation to a socialist revolution. In my opinion, the word "Marxism–Leninism" spread instead of Marxism because it helped socialists to reach the Third World as well as the capitalist countries. The 19th-century "Marxism" transformed itself into "Marxism–Leninism", which swept the 20th-century world.

We now know that "Marxism–Leninism" is the past: it is no use judging it with hindsight. We cannot deny the fact that Marxism–Leninism was decisive in anti-colonialism and national liberation movements in the 20th century. Indeed, there was a real gap between the capitalist countries and the others, which entailed political frictions. Marxism focused on the Third World to hold its ideological power, consequently giving socialism nationalistic features. All these facts were historically inevitable in the 20th-century Marxism. We will discuss how this ideology was undermined in the final section.

## 4 100 years after *Capital*

**Reading *Capital* in Japan** Here, let us explain the situation in Japan. Japanese interpretation of *Capital* until 1967 somewhat represented the culmination of the 50-year history of interpreting *Capital* from 1917.

*Capital* was translated in Japanese just after the 50th anniversary of the original publication and circulated widely under the influence of the Russian Revolution and a vogue of a popular edition of books called *enpon* (one-yen book). In 1919, Motoyuki Takabatake (1886 - 1928) translated Kautsky's *The Economic Doctrines of Karl Marx*, which is a representative work of regarding *Capital* Volume 1 as a completed one. This translation won popularity, following which all the three volumes of *Capital* were translated by Takabatake from 1920 in succession. They were secondhand translations from Unterman's English version and the third volume was translated after the first, preceding the second (Hasebe[1867] 23) <sup>1</sup>.

The Japanese translation of Lenin's *Imperialism* appeared in 1924 by Sukeichi Aono (1890 - 1961) (Usami[1985] 216). Hilferding's *Finance Capital* was translated in 1927 by Kaname Hayashi (1894 - 1991), just after a commentary by Tsunao Inomata (1889 - 1942) was published in 1925.

This history of Japanese interpretation of *Capital* shows us a distinguished fact: Japanese people read all the three volumes of *Capital* as a set from the beginning and they appeared in Japan together with *Imperialism* and *Finance Capital*.

**The Autonomy of Capitalism** Consequently, the Japanese accepted the notion of autonomy of capitalism, where individual capitals arrange social reproduction through their competition, instead of believing its collapse by self-contradiction illustrated in Volume 1. Needless to say, this notion of autonomy is not the same with that of classical political economists, who assumed the equilibrium is maintained through the balance between supply and demand: capitalism is prone to a more dynamic process including crisis, which reveals the self-contradiction and its temporary solution. The Japanese Marxians took the "Principles" of capitalism as the autonomous dynamics with a business cycle and inevitable crisis, which must be distinguished from the collapse of capitalist society as such. Here, they also had to tackle the problem of relating this autonomous "Principles" to the stage of capitalism shown in *Imperialism*.

In my opinion, the Japanese read *Capital* differently as shown above because they taught it as the "Principles of political economy" at universities. Nevertheless, it was difficult to teach *Capital* in an official university course, especially at Tokyo Imperial University <sup>2</sup>. In 1924, Moritaro Yamada (1897 - 1980) attempted to use *Capital* as a textbook for foreign economics and was confronted with opposition, consequently forced to use Ricardo's *Principles* instead (Hidaka et al.[1969] 112). Also in 1925, Tadao Yanaihara (1883-1961) adopted *Capital* as a textbook for German economics but the faculty council rejected it and he changed it for Hilferding's *Finance Capital* (Editorial Board of the History of the Faculty of Economics, the University of Tokyo[1986] 74).

**Marxian Economics as the "Principles of Political Economy"** However, the situation in Kyoto Imperial University<sup>3</sup> was slightly different. In Kyoto, Hajime Kawakami (1879 -1946) was offering the course titled the "Principles of political economy" from 1908 to 1928 every two years. He first taught there non-Marxian economics, but was criticised by students

<sup>1</sup> Kohei Saito and Ryuji Sasaki introduce the history of Japanese translation of *Capital* in their co-authored article, "The Dissemination of *Capital* in Japan", in *The Routledge Handbook of Marx's 'Capital': A Global History of Translation, Dissemination and Reception*, forthcoming.

<sup>2</sup> Tokyo Imperial University is the predecessor of the present University of Tokyo.

<sup>3</sup> The predecessor of the present Kyoto University

influenced by Marxism, including Tamizo Kushida (1885 - 1934), who had been accepted at the university when Kawakami had got his post in Kyoto, and consequently replaced the content with Marxian economics. We can know what Kawakami taught from his textbook, *Keizai-gaku Taikou (Outline of Political Economy)*. While Kawakami modestly introduced this book as “a humble commentary on *Capital*” (Kawakami[1928] 138), he confidently maintained as follows.

Though Kautsky’s commentary is widely available as an established commentary on *Capital*, it is mainly about Volume 1 and lacks most part of Volume 2 and 3. My book spares balanced pages for elucidating all the three volumes of *Capital* and respects Marx’s method of study and description as accurately as possible. For better or worse, I believe we do not have any similar books yet in the world. (Kawakami[1928] 494)

We consider his self-evaluation as reasonable. Indeed, teaching *Capital* as the “Principles of political economy” is totally different from introducing it as one scene in the history of economics, even if the content is the same: if you lecture on *Capital* as the “Principles”, you must convince an indefinite number of people that you are right, however much simplified it is. The “Principles of political economy” in Marxian economics were formed by the environment where Marxians could deliver a lecture to eager students. Naturally enough, lecturers had to contemplate how the three volumes of *Capital* are related with each other.

Giving a lecture is thus indispensable for forming the “Principles”: Kushida, who always seemed to be more competent in understanding *Capital* than Kawakami was, was a researcher at the Ohara Institute for Social Research<sup>4</sup>, having few opportunities to lecture on *Capital* in its entirety. Consequently, “although he researched individual subjects elaborately and rigorously, he did not take a systematic approach penetrating them and never succeeded in clarifying the roles and meanings of the respective subjects in the whole economic system” (Hidaka et al.[1968] 104). Indeed, those Japanese scholars including Kushida and Samezo Kuruma (1893 - 1982) studied in Germany in the early 1920s, but they did not seem to have a chance to see all the three volumes of *Capital* taught at universities. Japanese universities were so different: they had the class titled the “Principles of political economy” from the beginning and the content was gradually replaced with *Capital*. We can assume that this unique environment made Japanese people read *Capital*, which was not at all a textbook for universities, as a book of the “Principles of political economy”.

**Separating the Theory of Circulation** When we read three volumes of *Capital* as a set, we must consider the autonomy of capitalism instead of its collapse. To discuss the autonomous character clearly, it is necessary to address the following two issues: (1) separating the “theory of circulation” and establishing three spheres in the “Principles”, i.e. “circulation”, “production” and “distribution”; (2) reconsidering the stage of imperialism.

As for the issue of (1), Kawakami’s *Outlines* had already shown the great advance in reinterpreting all the three volumes of *Capital* systematically. He divided Volume 1 into two, Part 1 “Commodity and Money” and Part 2 “the Process of Production of Capital”: we can say that he pioneered separating the “theory of circulation” as an independent part, in which the concepts of commodity, money and capital are explored.

It is certain that Kawakami placed Chapter 3 “the Transformation of Money into Capital” within Part 2, not inside Part 1. Nonetheless, we can find the “form” of industrial capital,  $G - W \dots P \dots W' - G'$  in Section 1, Chapter 3 in *Outlines*. This “form” does not appear in *Capital* Volume 1: it is illustrated as a “circuit of money capital” in Part 1 “The Metamorphoses of Capital and Their Circuits”, Volume 2 of *Capital*. We cannot come up with this idea of introducing it as the “form” of industrial capital in Chapter 3 “the Transformation of

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<sup>4</sup>The Ohara Institute for Social Research is now attached to Hosei University.

Table 2: Kawakami's *Outline* & Uno's *Principles*

| <i>Outline</i> |  | <i>Principles</i> |              |
|----------------|--|-------------------|--------------|
| Part I         | Commodity and Money                      | Part I            | Circulation  |
| Part II        | the Process of Production of Capital     | Ch.1              | Commodity    |
| Ch.3           | the Transformation of Money into Capital | Ch.2              | Money        |
| ...            | ...                                      | Ch.3              | Capital      |
| Part III       | the Process of Circulation of Capital    | Part II           | Production   |
| Part IV        | the Process of Capital as a Whole        | Part III          | Distribution |
| ...            | ...                                      |                   |              |
| Ch.16          | Finance Capital                          |                   | Imperialism  |

Money into Capital” if we just concentrate on reading Volume 1. However, if we read three volumes in succession as Kawakami did, this formulation would not be a surprise.

You might think the above reconstruction as a trivial thing. However, in *Capital* Volume 1, “the general formula for capital”,  $G - W - G'$ , is erased as contradicting equivalent exchanges as soon as it emerges and the movement of capital never shows itself as an independent “form”. Due to this lack of “form”, Marx and his followers long failed to introduce the concept of capital as the third one following the preceding two, commodity and money. Though it was Kozo Uno (1897 - 1977) who established this style of the “theory of circulation” in his *Keizai Genron (Principles of Political Economy)*, Kawakami had already come close to it in Part 1 “Commodity and Money” in *Outline of Political Economy* (see Table 2).

We are not sure Uno had read Kawakami's *Outline*<sup>5</sup>. If we separate the “theory of circulation”, we must bump into the ensuing issue of how the social reproduction is arranged through the market. Consequently, the “Principles of political economy” must have three fields of study: circulation, production and distribution. A careless reading of the three volumes of *Capital* is of no use: it is necessary to interpret them critically. Hence the separation of the “theory of circulation” and the resultant reconstruction of the theoretical configuration, in which we need to address the issue of the autonomy of capitalism.

**The Stage of Capitalism Described in *Imperialism*** Whilst we can find a premature form of the “theory of circulation” in Kawakami's *Outline*, it has a big problem in dealing with *Imperialism*. In *Outline*, Kawakami comprehensively introduces all the three volumes of *Capital*, finishing with Part 4 “the Process of Capital as a Whole”. After explaining the concepts of profit, commercial profit, interest, and rent, he adds the chapter on “finance capital” at the end, which is not included in *Capital*, maintaining “free competition must transform itself into its opposite, the monopoly”. The paragraph goes as follows:

We always presumed free competition until now. However, in the highest stage of development of the capitalist production, free competition must transform itself into its opposite, the monopoly. At the same time, there arises a new type of capital called finance capital, which exercises a commanding power. In this chapter, we shall discuss these circumstances in the final stage of capitalism.

<sup>5</sup>Though Uno does not seem to have owned Kawakami's *Outline*, we can find him referring to the book in his work published in 1931. I owe this information to Shinya Shibasaki. This reference has nothing to do with the theory of circulation, however.

We must especially consider a bank as an organisation of a joint-stock company and as a credit institution, which has a close relationship with finance capital. First, we shall analyse the former. (Kawakami[1928] 452)

You might feel the above argument is natural. Indeed, the mainstream in Marxian economics did focus on the “theory” of monopoly capital or of finance capital as an extension of the three volumes of *Capital*. Nevertheless, it practically means going back to the understanding of *Capital* Volume 1 as a completed work featuring the collapse of capitalism. *Imperialism*, which is based on the old interpretation, prevented Kawakami from capturing the autonomous image of capitalism on the basis of interpreting all the three volumes of *Capital*.

Uno was a real innovator regarding this point. He arranged the relation between *Capital* and *Imperialism* as follows: Lenin described the “phenomena” founded upon various statistics, behind which there lay the abstract “essence” Marx had captured. Uno refused to connect *Imperialism* with *Capital* sequentially, like ‘the accumulation of capital’ → ‘the concentration & centralisation of capital’ → ‘monopoly’ → ‘finance capital’ as Kawakami did. His aim was to establish the parallel relation between the two: *Imperialism* was the “phenomena” and *Capital* the “essence”.

When we try to capture the autonomous image of capitalism, we must answer to the following natural enough suspicion: isn’t it a reversal to the classical political economy, even if it involves the analysis of the dynamics of crisis? You must feel such a complaint if you read Uno’s *Principles* only. However, we need to take into consideration the stage of capitalism shown in *Imperialism*. Combining the two, *Capital* and *Imperialism* in the parallel relation, we are allowed to read all the volumes of *Capital* as the “Principles” of the autonomous capitalism.

**The Uno Theory** Uno’s keyword in connecting the two is “impurity” of capitalism. He observed the actual history of capitalist development as follows: though capitalism had been purifying itself during the mid-19th century, approaching toward the image of “pure capitalism” presented by reconstructing all the three volumes of capital, this trend had slowed down or reversed at the end of the 19th century, when the latecomers of capitalism had emerged. In this argument, the image of “pure capitalism” represents the autonomy of capitalism, whilst the delayed trend means the loss of the autonomy. Accordingly, the former tendency of purification forms the development stage of capitalism, i.e. the stage of liberalism, while the latter corresponds to the downfall stage of capitalism, or the stage of imperialism, since capitalism at that time increasingly depended upon non-economic factors such as economic policies and social institutions. The collapsing image of capitalism was replaced with the downfall stage of capitalism, which was supposed to be losing its autonomy.

Roughly speaking, Uno insisted, somewhat paradoxically, that the limitation of capitalism could be found in the deviating process from the image of “pure capitalism”, which assured its autonomous character. This story is very different from that in *Capital* Volume 1, which illustrates an inner contradiction leading to the collapse of purely developing capitalism. It is said that Uno constructed it when he taught the “Principles of political economy” as a substitute by chance in 1936 at Tohoku Imperial University<sup>6</sup>, where he was lecturing the class of “Economic policies”.

After the Second World War ended, he published his *Principles*, Vol.1 in 1950 and Vol.2 in 1952. The Uno theory remained heretical for a long time, and it was almost 100 years after the publication of *Capital* that the Uno theory was accepted as one of the approaches in Japanese Marxian economics. In other words, about 50 years had passed when we became

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<sup>6</sup>Today’s Tohoku University

used to explain ( $W'$ ) a new object ( $X'$ ) on the basis of re-reading ( $R'$ ) *Capital* instead of the older one ( $R$ ).

## 5 150 years after *Capital*

**Monopoly Capitalism, Civil Society, and the Uno Theory** Now, 150 years after *Capital*, is the time to reinterpret the interpretation of *Capital* in Japan. After culminating in 1967, Japanese studies on *Capital* greatly changed in the last 50 years.

As we have noted above, Kawakami added one chapter on “finance capital” to the summaries on the three volumes of *Capital*. This style remained as the mainstream in Marxian economics after the Second World War: many Marxians devoted themselves to analyse “monopoly capitalism” as the scene following the 19th-century capitalism with free competition. However, they achieved little in studying *Capital* in these 50 years. If *Capital* was just about the theory effective in the liberalist stage of capitalism, they practically had no reason to cling to it in investigating the 20th-century monopoly capitalism: they shifted their eyes from *Capital* to the real state of contemporary capitalism. The scholars studying monopoly capitalism gradually got away from theoretical works on *Capital* and, as a result, concluded as follows: “it is impossible to theorise the post-war capitalism as systematically as K. Marx did in *Capital* successfully to find out the fundamental laws of capitalism in general” (Imura[2016] 3).

Meanwhile, another group of Marxians criticised the backwardness of Japanese capitalism and hoped for building “civil society” as a different form of socialism from that in the Soviet Union. They uniquely interpreted *Capital* Volume 1 from the historical perspectives of economics and emphasised the importance of “the inversion which converts the property laws of commodity production into laws of capitalist appropriation”, thereby reconstructing the concept of socialism as the society “establishing individual property”. Nevertheless, their interest switched into Eurocommunism and the Regulation school in France in the 1980s. Consequently, they abandoned *Capital* as a fundamental theory and adopted the models of Keynesian Macroeconomics, or those of Post-Keynesian economics, as the Regulation school appreciated them.

While these two major schools in Japanese Marxian economics failed to maintain motivations for academically reinterpreting *Capital* in these 50 years, the Uno school had their own reason for sticking to *Capital*: whilst the above two schools were founded upon *Capital* Volume 1, the Uno school had to reconstruct the theory of *pure capitalism* from the resources provided by all the three volumes of *Capital*. It was a demanding task for them to form the foundations of studying the post-war Japanese capitalism.

Though the Uno school had originally focused on the stage of imperialism up to the First World War, its argument remained persuasive during the period of the Japanese economic miracle after the Second World War: the business cycles with an increase in wages at that time seemed consistent with the Unoist theory of business cycle, based on the idea of a difficulty in labour market<sup>7</sup>. Tsutomu Ouchi’s (1918 - 2009) *Kokka Dokusen Shihon-Syugi* (*State Monopoly Capitalism*) was widely read against this background<sup>8</sup>.

After the economic miracle ended, the government increased its role in the economy as a welfare state. Compared with the image of “pure capitalism”, this situation could be en-

<sup>7</sup>This idea of a difficulty in labour market corresponds to what is called “*muri*” in the commodification of labour power. See Gavin Walker, “The Absent Body of Labour Power: Uno Kozo’s Logic of Capital”, *Historical Materialism* Vol.21, No.4, 2013, for example. As Obata suggests, this term is originally involved in the theoretical analysis of the economic crisis in the field of the “Principles” of economics, not directly in the empirical studies or in the critique of capitalist ideology.

<sup>8</sup>Confusingly, Ouchi’s *State Monopoly Capitalism* is totally different from the mainstream analysis of “monopoly capitalism” noted above. For a brief introduction to Ouchi’s argument, see Kei Ehara, “Recent Development on the Crisis Theory in the Uno School”, *The Uno Newsletter*, Vol.II, No.15, 2015, p.16.

capsulated in the idea of the “impurity” of capitalism continuing from the end of the 19th century, though a welfare state was apparently so different from a warfare state in the pre-war capitalism. Not a few people expected creeping socialism as an expanded form of welfare capitalism without revolution. As extended into the post-war capitalism, the stage of imperialism was reinterpreted as a diversified stage of capitalism, each type of which was differently distinguished from the “pure capitalism”. On the other hand, theorists in the Uno school tried to develop a more abstract theory of “pure capitalism” solely deduced from economic logic, regardless of the historical purifying trend in the 19th century Uno had emphasised.

**“Plate Tectonics”** The situation totally changed. In these 50 years, we experienced the great transformation of the 20th-century capitalism: the epicentre was emerging capitalism. It was an earth-shaking phenomenon for the world-system of the 20th-century capitalism. The Uno school has basically concerned themselves on the advanced capitalism and it is out of their scope that newly developing capitalism arises from the long-oppressed areas. Thus, we cannot regard those emerging economies as a further expanded form in the stages of capitalism in the traditional Uno theory. This is why I came to the idea of “plate tectonics” of capitalism, which means larger dynamics of capitalism than Uno’s stages theory is.

Reconstructing Uno’s stages theory must lead to reconstructing the theory of “pure capitalism”, which has been the foundations for the stages theory. This means that we must re-read Uno’s re-reading of *Capital*.

**The problems of “pure capitalism”** How could we study the “plate tectonics” at the end of the 20th century? The biggest problem of interpreting *Capital* as the theory of “pure capitalism” is that the autonomy of capitalism is exclusively illustrated as the “Principles of political economy” themselves. The following three points must be emphasised to avoid misunderstandings here:

(1) I do not intend to argue that re-reading *Capital* as the theory of “pure capitalism” was irrelevant. I believe it was the best possible way of re-reading *Capital* in the 20th century.

(2) I do not doubt the power of deduction in economic theory, which is the core of the approach of establishing the theory of capitalism. I appreciate the significance of clear definitions, coherent presumption and deductive reasoning no less than Uno did.

(3) I do not deny the autonomy of capitalism. The problem lies only in the way of explaining the autonomic character in the theory of “pure capitalism”.

**Polymorphic Approach** Paradoxically, it is still important now to explore deductive reasoning *Capital* much more exhaustively than developing “pure capitalism”. Thereby we can identify an “aperture” in the economic theory of the “Principles”. I cannot expound all “aperatures” in the remaining margin. See Obata[2016] and Obata[2009] in detail. Here readers are expected to understand by analogy with the following one example.

The value-form analysis in *Capital* can be seen as a representative deductive theory, in which the necessity of money is logically deduced from the presumption of a certain quantity of value inherent in a commodity. It is evident that introducing “money form” is logically different from developing the argument from “simple form of value” to “general form of value” (Fig.2). Something uniform for the inherent value is not necessarily gold as a concrete money form. In other words, it is only the uniformity of value itself that we can logically prove as the requirement for money and therefore, as long as this condition is fulfilled, an inconvertible banknote can also work just like a metallic money. Both concrete forms of money are incomplete compared with the abstract concept of value itself. This is because the theoretical concept of the “Principles of political economy” is polymorphic in relation to any concrete stuff that is necessary to fill the aperture. The incompleteness of money in reality reflects the incompleteness of the principle in theory. Capitalist society is organised with such

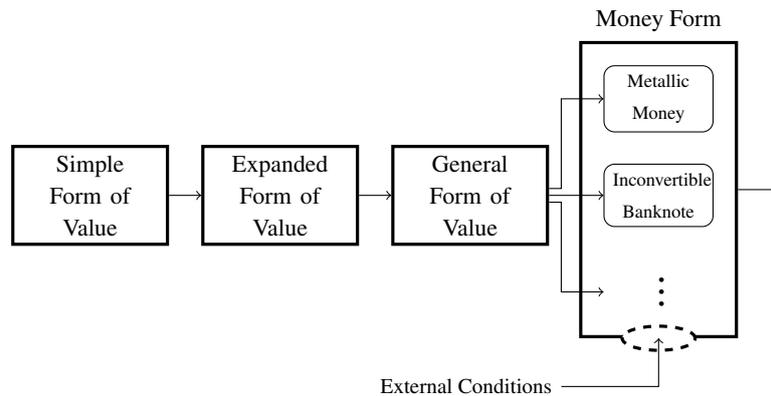


Figure 2: Aperture in Value-form Analysis

“apertures” filled with “external conditions”: polymorphic money in the “Principles” must be supported by historical conditions such as gold standard system or managed currency system, thereby realising itself in an actual monetary system.

We can find a bunch of “apertures” that cannot be uniquely determined only by economic logic, when critically analysing the theory of “pure capitalism”. Capitalism has an articulated structure and transforms itself when various external conditions are buried into these “apertures”.

We can redefine the autonomy of capitalism from the viewpoint of the polymorphic approach differently from the image of “pure capitalism”. Take the concept of money for example. In the theory of “pure capitalism”, money had to be made of gold without any supportive institutions to illustrate its autonomous character. Once the polymorphic approach is accepted, we do not have to fulfill this excessively strict requirement: it is not necessary to think that the circulation of an inconvertible banknote is an impure reality since money must be gold in principle. Though the inherent value must be expressed uniformly, the concept of money does not have to be uniform: its “aperture” can be filled with the gold standard system, managed currency system, or others.

**The Autonomy of the Historical Stage of Capitalism** Indeed, economic logic is powerful and it is one and only source of constructing the theory of the “Principles of political economy”. Nevertheless, it is not omnipotent, leaving the “apertures” undetermined. When these “apertures” are filled with external conditions such as institutions and customs, we can identify the certain stage of capitalism retaining its historical autonomy. To re-read all the three volumes of *Capital* does not mean to interpret them as the theory of “pure capitalism”. We can grasp the autonomic character of capitalism more precisely when we take the polymorphic approach instead.

In my opinion, reconstructing the “Principles of political economy” on the basis of the polymorphic approach makes us reconsider Uno’s three stages of historical capitalism beginning with the unique origin, consequently leading to the “plate tectonics” approach of redeveloping history of capitalism with plural origins. We shall refrain from discussing it here (see Obata[2012] in detail) and finish this essay by referring to socialism.

**Socialism in Blank** The image of “pure capitalism” gives us a closed theory of the “Principles” of capitalism with its autonomy. Its by-product — maybe unintended — is an image of “true socialism” as the mirrored picture of the “pure capitalism”, where all economic logic

is abolished. Once we could reveal the “economic norm” governing all forms of society, we would be able to use it intentionally without relying on the market system.

Distinguishing the “economic norm” from the “economic law” was a focal point. Uno maintained as follows: the “economic norm”, which is common to all society, is fulfilled through the “economic law” peculiar to a market economy in capitalist society. Hence the “economic norm” is revealed in the theory of the “Principles” of capitalism (Uno[1962] 3-9)<sup>9</sup>. Some of Uno’s followers expatiated upon the above-noted idea of socialism and insisted that the “economic norm” could be realised without the market. Actually, they just negated the use of market, leaving all possible alternatives including collectivist anarchism and planned economy. Nevertheless, it was natural that people at that time did not consider this argument contradictory to the Soviet socialism.

Meanwhile, our polymorphic approach gives us a different vision of socialism. The “Principles” with “apertures” cannot play a role in producing the “true socialism” as its mirrored picture.

We need to contemplate how the “apertures” are filled with to envisage socialism. How and to what extent are we going to use a market system? What kind of monetary institution are we going to design? How are we going to complement the labour market? How are we going to maintain our unreproducible environment in social reproduction? Socialism must be a consistent set of ideology to address these myriad issues.

Social democracy establishes delicate relations with nation-state as the “apertures” are filled with. It has a potential of forming the boundaries of nation, region, family, and individual. As the advanced capitalist countries transform themselves into socialism, they will be bound to cause friction between themselves and others, risking xenophobia. This ideological issue must be solved if the current social democracy is to give birth to socialism.

If we could reconstruct the “Principles of political economy” by means of the polymorphic approach, it would be again necessary for us to criticise Proudhon’s market socialism and Lassalle’s state socialism (social democracy), which had been driven away by the former interpretation of *Capital*. We would be able to outline the future vision through these critiques. For the time being, it might be called “socialism in blank”.

Living in today’s advanced capitalist countries, we feel increasing demand to leave capitalism against the background of rising neoliberalism to compete with emerging economies. Some of us hesitate to name it socialism, but why? The reason is that we still retain an image of “true capitalism” on the basis of the 20th-century interpretation of *Capital*. Current various forms of social democracy must be identified as socialist movements. We need to comprehend these phenomena and be aware of the ideology of ourselves, trying to overcome its limitations.

It is certain that we experience the large historical transformation of capitalism. I am not sure that the above approach is effective or not, but I am sure that *Capital* must be re-read once more today. *Capital* is a workbook, not an answer book. Re-reading *Capital* as a workbook today to raise problems, we would mark a new chapter again in its history of reading *Capital*.

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