

ICSSR - NER PROGRAMME

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*Genealogies of Globalization :  
Upacking the “Universal” History of Capital*

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CHANGE AND DEVELOPMENT  
GUWAHATI

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## GENEALOGIES OF GLOBALIZATION: UNPACKING THE “UNIVERSAL” HISTORY OF CAPITAL

With the battle over “industrialization” in West Bengal intensifying, the CPI (M) general secretary Prakash Karat evoked the memory of a supposedly heroic Marxist encounter with the Narodniks in 19<sup>th</sup> century Russia (Karat 2007). In a note at the end of an article published in the party newspaper, Karat defines the Narodniks thus:

Narodniks in late 19th century Russia believed that with the overthrow of Tsarism, a traditional village based communal system could go towards socialism. Considering capitalism and industrialization regressive, they idealized the old peasant-village economy. Ultimately they resorted to individual terrorist actions against the Tsar and lost the sympathy of the peasants who were horrified by their actions.

This description of the Narodniks is revealing in more ways than one – not the least of these being the figure of the “Maoist” or the “Naxalite” lurking somewhere in this re-presentation of a nineteenth century Russian phenomenon in twenty-first century India. One should not miss the references to “going over to socialism”, bypassing capitalism and industrialization or to “individual terrorist action”. Anybody even vaguely familiar with Mao’s *Critique of Soviet Economics* and his insistence on China bypassing the capitalist path should be able to see the resonance of this “Narodnik” idea in the very history of third world Marxism. The CPI (M) has always been uncomfortable with this position, but it never really mattered till recently, when it actually became a practical question.

It might be worth recalling that in the final years of the nineteenth century,

Two, take another, global example. Consider the debate on the social clause more closely. Contrary to what many Marxists believe, the “social clause” is not just an imperialist conspiracy, meant to browbeat something called the “Indian nation” – or third world nations – into submission. A closer look will immediately make it clear that this move of the Western governments was and is solidly backed by the trade union and labour movements in those countries. And the entire position of northern/western trade unions and left wing groups in favour of higher labour standards for third world workers has all along been propelled by the need to prevent “their own capital” from moving out.<sup>4</sup> There have been instances of extreme abjection where some sections of German workers, for example, even took wage-cuts to prevent “their capital” from moving out to Asia.<sup>5</sup> When the Western governments placed the demand for including labour standards as part of international trade agreements, this was the imperative they were addressing – given the high social and political costs that heightened unemployment can have.

In both cases, the abjection of the working class was a direct consequence of its past victories. Equally importantly, it was a consequence of the flight of capital: It is worth underlining that beyond a point, capital did not fight back, it simply withdrew, it fled, and thus deprived the working class of its “foundation”, namely wage slavery. In a sense, the move from old-style Fordist methods of organization to post-Fordist ones has also been impelled by the same logic: it was becoming extremely expensive to keep workers employed and pay for their upkeep even in times of recession, or to keep up inventories of stocks, raw materials and so on. More to the point however is the fact that those modes of organization tied down capital to a particular place. If capital had to acquire mobility and flexibility, then it had to restructure in a way that it could “farm out” work and simply keep control in its own hands.

It is worth keeping in mind that through the 1970s, 1980s and early 1990s, manufacturing units relocated to third world countries in a big way and it was only much later that services and call centers started moving out. If we look carefully we can see that in an immediate sense, this relocation was the consequence of at least three factors:

Firstly, the *profit squeeze* that capital had been facing during the postwar years of Keynesian welfarism and the New Deal, due to high wages and social security – in other words, *high labour costs*. Secondly, the intense *crisis of accumulation* that surfaced as high labour costs combined with strong environmental regulations, making corporations not only pay more (for cleaner technologies and the like) but also making them answerable to local communities for their air, water and other resources. It is important to keep in mind that *both these costs have been imposed*

*on capital accumulation by the strength of movements* – in one case the labour movement (and the postwar attraction of the idea of socialism); in the other case, the powerful ecological movements that have made the states enact laws and take action.

There was a third factor as well, which falls chronologically speaking, between the first and the second and whose effects were first felt in the United States of America. This was the rise of Japanese corporations like Sony, Toyota and Nissan on the one hand and European corporations on the other, which created unprecedented pressures on US companies like General Motors, Ford and Chrysler – in a range of consumer manufactures leading to widespread closures and “deindustrialization”. It is estimated that disinvestment and relocation of industries, in the 1970s alone, in the US led to the disappearance of thirty-two to thirty-eight million jobs (Bluestone 2003: ix).

And so it transpires, capital is not the sovereign, all-powerful entity that we think it is. It has acted on each of these occasions under pressure from the labour, environment and other movements. Moreover, its move to relocate operations in the third world – where there is no infrastructure (abysmal power situation, bad roads), interfering governments and where everything becomes easily politicized – *is primarily a result of its crisis. It is fugitive capital that has run away from one part of the world.*

Yet, such is our conditioning as victims that we fail to see the strengths of the movements that challenge capital. The reason that makes the LF government of West Bengal or the Communist government of China woo capital and that makes western trade/labour unions demand universal labour standards and take wage cuts, really happens to be the same: *The complete dependence of labour on capital*. And yet, this dependence is not a natural fact; nor is it something ordained by something called History (with a capital H).

### “Universal” Capital

Let us be clear however, that what we are dealing with here is not merely an out-of-date Indian edition of Marxism which is yet to free itself from this Universalist narrative of capital. This idea of capital and capitalism constitutes pretty much the dominant orthodoxies of economic and of global financial institutions. It should also be made clear at the outset that here we are concerned with the discursive object called “Capital” (and “Capitalism”), that is the concept, rather than the thing-as-such and this concept has colonized our minds for close to two centuries. To borrow a statement from Gibson-Graham, “it is the way capitalism is thought, that has made it so difficult for people to imagine its supersession.” I will argue

that there are two different or alternative discursive constructions through which this hegemony is exercised.

First, the Marxist, “Progressivist” discourse of History and “Capital” as its agent that unites the whole world into a new and modern universe, leaving behind the parochialisms and particularisms/ narrow-mindedness of pre-capitalist existence. In this rendering, which suffuses the *Communist Manifesto* and many other Marxian texts, we see capitalism performing not merely an economic function but also a world-historical one of bringing all history-less peoples and societies into the orbit of history and civilization.

Second is the bourgeois economist discourse, which makes no such world-historical claim, but bestows a kind of eternal quality to “capital” and the “market”. In this construction, capital and market (used as terms that *necessarily* go together) appear as the most *rational* forms of economy: Market as the embodiment of economic and indeed some ontological Rationality. In some versions, it will even be claimed that these are the most natural forms as well, since they conform to a “natural” human propensity to maximize self-interest.

Both these discourses underwrite “Capital” as the Agent of Historical Progress and/or normatively desirable in different ways. For the present, I shall be concerned here with the first of these, assuming that the second does not really require any serious challenging except for those – capitalists and their hangers-on – who benefit from this dispensation. There are elements of the second discourse that will automatically come under scrutiny as we proceed with the first.

The idea of capitalism’s inevitability virtually assumes the dimension of a Teleology whose enchantment or seduction is impossible to resist – especially for Marxists. So much has this teleology come to determine our idea of capitalism that we literally begin to see capitalism as immanent in society from its very beginnings – the very day human beings begin to enter into relations of exchange.

Thus for instance, Fernand Braudel states: “I have argued that capitalism has been potentially visible *since the dawn of history*, and that it has developed and perpetuated itself down the ages... (cited in Richard Lachmann 2002: 44). Referring to the “Industrial Revolution” and the “formidable transformation” wrought by it, he claims that “capitalism remained essentially true to itself” and what Marx, Weber and their successors describe as the beginnings of capitalism in sixteenth-century England was really no more than a “shift...from the Mediterranean to the North Sea represent[ing] the victory of a new region over an old one” (Lachmann 2002: 43).

It is interesting that not merely someone like Braudel but even those who have lately been involved in writing alternative histories of capitalism, seriously challenging the received Eurocentric wisdom of Marx, his contemporaries and his followers, have resorted to this narrative of capitalism as a sign of Progress and Modernity. Thus, for John M. Hobson it is not enough to make the important claim that from 500 CE onwards, “the Persians, Arabs, Africans, Javanese, Jews, Indians and Chinese created and maintained a global economy down to about 1800”, in which major civilizations of the world were at all times interlinked (hence his term “oriental globalization”). It is also not enough to underline that during this earlier globalization, the various regions were governed by rulers who provided a pacified environment and kept transit taxes low in order to facilitate global trade. It is as though it is almost mandatory to also claim that many of the methods and institutions that were put in place for ensuring the above, were *capitalist*. Thus he goes on to say: “*a whole series of sufficiently rational capitalist institutions were created and put in place after 500 to support global trade.*” (32, emphasis added). Hobson cites Janet Abu-Lughod to underline the above point: “Distances as measured by time were calculated in weeks and months at best, but it took years to traverse the entire [global] circuit. And yet goods were transferred, prices set, exchange rates agreed upon, contracts entered into, credit – on funds or on goods located elsewhere – extended, partnerships formed, and obviously records kept and agreements honoured” (32). And this is said as though it is self-evident that these are the signs of capitalism.

Let me take another instance, nearer home. Jairus Banaji, in a fascinating recent essay, *Islam, the Mediterranean and the Rise of Capitalism*, undertakes, it seems to me, a twofold task: (i) that of writing an *international* history of capitalism and thereby rescuing it from what Sweezy once accused Maurice Dobb of, namely passing off the West European transition experience as the history of (world) capitalism as such. (ii) Equally importantly, rescuing Islam from the West-imposed stigma of being a “backward” religion. In doing so, Banaji traces the history of “mercantile capitalism” in the Arab world through the 9<sup>th</sup> to the 14<sup>th</sup> centuries in order to show that Islam and the Islamic world was indeed a pioneer of capitalism, for that alone would rescue it from the stigma of backwardness. He therefore says: “But when these joint-stock companies [i.e. the Dutch and English East India Companies] were formed on the eve of the 17<sup>th</sup> century, they in turn built on the legacies of earlier and possibly less internationalized forms of merchant capitalism whose origins lie – in Europe around the 12<sup>th</sup> century, and elsewhere – in the Islamic world and China – even earlier.” Continuing further on the “Arab Trade Empire”, Banaji says:

Concepts of profit, capital, and the accumulation of capital are all found in the Arabic sources of the 9<sup>th</sup> to 14<sup>th</sup> centuries. For example, Shâfi’î (d. 820) defines

the function of partnership as the “expansion of capital” (*namâ’ al-mâl*). *Al-mâl* was primarily capital not money, and whenever it is translated as “money” it means capital in money-form or money-capital. Again, discussing the discretion allowed to agents under *commenda* agreements, Sarakhsî (d 1090) writes, “the investor’s aim in handing over the capital to him [the agent] is the achievement of profit”. In another passage where he defends the usefulness of such contracts, Sarakhsî says the contract is allowed “Because people have a need for this contract. For the owner of capital may not find his way to profitable trading activity, and the person who can find his way to such activity may not have the capital. And profit cannot be attained except by means of both of these, capital and trading activity”. A later writer Kâsânî (d. 1191) distinguishes the “creation of capital” from its further expansion, arguing “the need for the creation of capital takes precedence over the need for its augmentation” and defining partnerships as a “method for augmenting or creating capital” (*tariq namâ’al-mâl aw tahsîlihi*).

Banaji claims further that the fact that “this vocabulary was part of the wider cultural world of Islam and not confined to the legal schools is shown by other writings.” He cites the tenth-century geographer al-Istakhrî as saying of the traders of Fars in southern Persia that they had a “passion for the accumulation of capital” (*mahabbat jam’ a al-mâl*). “In the *Kitâb al-ishâra ilâ mahâsin al-tijâra*, “Handbook on the beauties of commerce”, a manual on trade probably written in the 11<sup>th</sup> century, the author refers repeatedly to the capitalist as *sâhib al-mâl* (“owner of capital”).” Banaji even finds, in Ibn Khaldûn (d. 1405), “a clear resonance of the labour theory of value (or a labour theory of value).” According to him, in the *Muqaddimah*, vol. 2, Ibn-Khaldun states clearly “labor is the cause of profit” (*sabab al-kasb*). “[H]uman labor is necessary for every profit and capital accumulation”, while gold and silver are the only socially acceptable measures of value “for all capital accumulations”. He also defines profit (*ribh*) as the “extent by which capital increases” (or is increased), and commerce as the “striving for profit by means of the expansion of capital” (*muhâwala ilâ al-kasb bi-tanmiyat al-mâl*).”

Banaji’s problem, however, is that marxism has no theory of commercial capitalism. That capitalism to it *remains industrial capitalism*. This is what prevents it from recognizing the world-historical role of Islam: “Thus Islam made a *powerful contribution to the growth of capitalism in the Mediterranean*, in part because it preserved and expanded the monetary economy of late antiquity and innovated business techniques that became the staple of Mediterranean commerce (in particular, partnerships and *commenda* agreements), and also because the seaports of the Muslim world became a rich source of the plundered money-capital which largely

financed the growth of maritime capitalism in Europe.” In this essay, written in honour of marxist economist Ernest Mandel, Banaji cites Mandel himself to the effect that “the accumulation of money capital by the Italian merchants who dominated European economic life from the eleventh to the fifteenth centuries originated directly from the Crusades, an enormous plundering enterprise if ever there was one.” In Mandel’s and Banaji’s description then, we find another kind of “primitive accumulation” – not one based on the expropriation of the peasant but one based on loot during the crusades. It is Banaji’s argument that only if Marxism is amended in a way that allows for a broader understanding of capitalism than industrial capitalism, in other words, one that can incorporate mercantile or commercial activities of the previous centuries, into the history of capitalism, can there be any possibility of rescuing either Islam or even the non-European world from ascriptions of “backwardness.”

In other words, in what I consider to be the absolutely crucial and important work of these scholars, there is an assumption that we in the postcolonial world must claim some kind of capitalism in our own history in order to challenge the accusation of backwardness. In the bargain, we might of course, broaden capitalism to mean so many things that the very term seems to me to lose its specificity.

### What is capitalism?

We have seen Hobson’s and Janet Abu-Lughod’s argument that there existed a global economy for many centuries prior to the rise of Western hegemony. In Hobson’s words, “the key development” was the emergence of a series of interlinked world empires that enabled a broadly peaceful environment, conducive to global trade. In his opinion: “The rise of T’ang China (618-907), the Islamic Umayyad/Abbasid empire in the Middle East (661-1258), as well as the Fatamids in North Africa (909-1171) were crucial to the emergence of a sufficiently extensive global trading network.” He cites Philip Curtin to underline that “the simultaneous power of the Abbasids and the T’ang made it comparatively easy for long distance traders to make the whole journey across Asia and North Africa.” He also references the work of Jack Goody, Andre’ Wink and Nigel Harris to state that global connections went as far back as 3500 BCE, and insists that all agree that the big expansion of global trade occurred during the post-600 period.” (35)

Writing of China, Hobson says, “China’s ‘industrial miracle’ occurred over a period of 1500 years and culminated in the Sung revolution – some *six hundred years before Britain entered its industrialization phase*.” He goes on:

The Chinese industrial miracle is worth focusing upon in some detail because

it was the single most important event in the history of global intensive power between 1100 and 1800. For it was the diffusion of the many Sung Chinese technological and ideational breakthroughs that significantly informed the rise of the West. (51)

Among these technological and ideational breakthroughs, Hobson mentions the development of iron and steel technology (600 BCE to 1100 CE); water borne transportations through canals; use of petroleum and natural gas as fuels; creation of a tax system based on cash; invention of paper money in the ninth century, which evolved into “true” paper money by the 10<sup>th</sup> century; paper and print technology; a general rise of a commercialized economy (54)

Hobson also buttresses his point by invoking Francis Bacon on the antecedents of the “navigational revolution” to the effect that the three most important world discoveries, those of printing, gunpowder and the compass were all invented in China. Noteworthy too, he says, citing Bacon, is the fact that it was the Chinese who discovered around 1000 that magnetic north and true north were not one and the same, which led, by the fifteenth century, to the construction of the most accurate maps then known. (57)

The point I wish to underline here is this – the development of trade, technology and the knowledge that it presupposes, the invention of paper money or an elaborate taxation system – none of these are necessarily specific to capitalism. It is possible to have all these and not have capitalism. Taxation, more specifically, is a matter related to statecraft. I wish to argue that what was specific to capitalism as we know it was a particular development that took place in nineteenth century Europe – in the same milieu that gave birth to both bourgeois economics and Marxism. This was *the disembedding of markets and the economy from social relations* – the emergence of what Karl Polanyi calls the “self-regulating market” that transforms land and labour into commodities up for sale in the market. It is, in other words, a reification of the market, its elevation to something that stands above society and social relations and establishes thereby a different relationship with production, state, money wealth and so on. This development is of course impossible without the institution of the bourgeois property form – the individual owner whose wealth and property is meant primarily for exchange, investment and accumulation. The reified market can exist only to the extent that bourgeois property has taken root.

The emergence of this new configuration transforms the very logic of production, irrespective of whether it can actually transform the organization of production. Once things happen, production increasingly takes place for the “world market” rather than for local/ domestic consumption. This is an altogether new

development that even high levels of trade, exchange and industry of the past did not do. The problem with the fascinating accounts discussed earlier is that they all tend to reduce all the earlier history of enterprise, industry and exchange to the realm of the pre-history of capitalism. Capitalism remains the desired Telos, the destiny; and all these different episodes from non-Western history can only acquire legitimacy if they can be shown to tend towards capitalism and through it, towards Universal History.

Marxists have celebrated the demise of the old world and the complete victory of capitalism. This means that all other ways of life and modes of living are destroyed, installing capital as the only form of property (ownership) – thus also as the only employer. The only other form of ownership that has been thought about – state ownership – is of course a model that has come to be in serious crisis, apart from being implicated in totalitarian political structures. The state as owner and employer is, also for very sound economic reasons, not a viable proposition. However, from our point of view, the really relevant point here is the first one: what is it that authorizes (or legitimizes) such a celebration of the destruction of all other ways of life and modes of being and the reduction of the entire world to the logic of wage slavery? The answer to this question provided by both neo-liberals and Marxists is very much the same: it lies in this very idea of historical inevitability, the idea that there is a Universal History that has already played itself out in the West that we cannot but repeat here. We might be prepared now to argue that the history of modernity is not one; that there are alternative trajectories, indeed alternative maternities but when it come to the history of capitalism, we are still overpowered by this idea, thanks in no small measure to Marx himself, the chief historian and theorist of capitalism. That is an idea I wish to unpack here. Not the least because, just when Marxists thought they had defeated the Narodniks, the ghost of Narodism would begin to track them and follow them, right into the twenty-first century – arising now within the Marxist or socialist universe itself.

#### **Primitive Accumulation and the Law of History?**

Since the onset of globalization, a lot of writings by Marxists have rehearsed and cited many times over, the celebrated passages from the *Communist Manifesto*, where Marx and Engels talk about the “revolutionary” role of capital in exhilarated terms. Recall those famous passages where they talk of “all that is holy is profaned” and “all that is solid melts into air”; the passage where they claim that the “bourgeoisie cannot live without constantly revolutionizing the means of production” and of “building a world in its own image”. The triumphalism of a certain nineteenth century understanding of capitalism that sees the whole world being rapidly modernized in the same way as was Western Europe, is palpably evident in these passages. And this is what has been canonized as Marxist orthodoxy over the last

century and a half or more. However, as we know today, at least some fragments of an alternative reading of this history are also available in Marx. Let us follow that alternative reading for a while in order to lay out the contours of our argument.

In this alternative reading, let us underline, the rise of capitalism is not the result of an inexorable historical law of Progress that must be celebrated. Marx opens his discussion of primitive accumulation, in the last section of *Capital, Vol. I*, by asserting that the origins of capitalist private property lie in “conquest, enslavement, robbery, murder”.

He describes the process of primitive accumulation as “(T) he process...that clears the way for the capitalist system... [and] takes away from the labourer the possession of the means of production”, as “a process that transforms, on the one hand, the social means of subsistence and of production into capital, on the other, the immediate producers into wage-labourers.”

This so-called primitive accumulation, he asserts, is nothing else but the historical process of divorcing the producer from the means of production. Marx recognizes that while this process frees the serfs “from serfdom and from the fetters of the guilds”; it simultaneously produces this new form of enslavement and dispossession. He pours scorn over “our bourgeois historians” who recognize only the emancipatory side of this process. In other words, even when he sees the emancipatory dimensions of Progress and Development, his moral revulsion against the violence and injustice of this process remains apparent. Thus his indignation: “the history of their expropriation is written in the annals of mankind in letters of blood and fire.”

In the rest of the discussion, Marx takes up the specific case of England for discussion. It is important that through this reading of English history, he lays bare the way in which capitalism came to its own through the forcible dispossession of the erstwhile peasant communities. Unfortunately, once again, he universalizes that process with disastrous consequences but let us leave that aside for the time being. He traces the history of the usurpation of common lands first by individual feudal lords through the late 15th and early 16th centuries. The 18th century marks a fundamental change in the process, in Marx’s perception. While the 15th and 16th centuries saw the process being carried on through individual acts of violence, the “advance made by the 18th century shows itself in this that *the law itself becomes the instrument of the theft of the people’s land.*” This is embodied in the Acts of parliament for the enclosure of the Commons.

By the time we reach the 19th century, he remarks, “the very memory of the connection between the agricultural labourer and the communal property had vanished.” The so-called “clearing of estates” is then described by him as the “last process of wholesale expropriation of the agricultural population from the soil.”

There is a ring of the surreal as one feels in his reflections on nineteenth century England the reverberations of 21<sup>st</sup> century Bengal: “To say nothing of more recent times, have the agricultural population received a farthing of compensation for the 3,511,770 acres of common land which between 1801 and 1831 were stolen from them and by parliamentary devices presented to the landlords by the landlords?”

Let us underline that the purpose of this exercise of reading Marx and his rendition of English history is not meant to uncover some ostensible Universal History in operation. On the contrary, it is to underline that once presented as Universal History by Marx and his generation, it becomes a self-fulfilling logic. Thereafter, Marxists can only act in one way that is commensurate with this logic; every other way is deemed to be reactionary and against the logic of History. What we will need to excavate from the debris of the political practice of the past two centuries is the manner in which the belief in certain logic of History, operating as Scientific Knowledge, already laid out the contours within which one could act.

Marx also goes on to discuss the ways in which, from the end of the 15th century onwards, bloody legislations were enacted to keep the displaced population in check. The population which was rendered destitute was “disciplined and normalized”, to use a Foucauldian expression, through these laws. The “free” proletariat, created by the “forcible expropriation of the people from the soil”, which “could not be absorbed by the nascent manufactures as fast as it was thrown upon the world”, was turned “*en masse* into beggars, robbers, vagabonds, partly from inclination, in most cases from the stress of circumstances.”

### Marx and the Crisis of Universal History

Marx certainly cannot be exonerated from the responsibility of having produced the Universal History of Capitalism that we are, in a sense, reeling under. However, this was only one side of Marx. Already in 1853, while he was working on and producing this universal history, he already found himself caught in a deep bind – that of explaining the irreducible heterogeneity of the world in his time. Following Eric Hobsbawm’s interpretation of the *Grundrisse (1857-58)*, as outlining a “non-consecutive” map of historical development that allowed for “three or four alternative routes out of primitive communal systems”, Teodor Shanin suggests that Marx was “already aware” of the difficulties of this universalism and had therefore “worked

out and put to use concepts of Oriental Despotism and of the Asiatic Mode of Production" (AMP).<sup>6</sup> Of course, these were conceptual devices of trying to account for the heterogeneity of "past", "pre-capitalist" forms. In the end, Marx's position at this time would be to argue that capitalism would, as the first truly universal system, bring in these "societies without history" into the orbit of World-History. The future was still one – all societies inevitably moving inexorably towards the *Telos*, the final goal.

The very concepts of Oriental Despotism and the Asiatic Mode of Production refer back to a Eurocentric and in some ways an Asian-exceptionalist view of History. The notions of Time and World-History that were dominant and which he received from Hegel, provided an excellent way out of the problem posed by this irreducible heterogeneity, by suggesting that these societies represented "past forms" that were to soon go out of existence.

More to the point is the strange episode of Marx's encounter with the Russian peasant communes first through some fortuitous circumstances and then more directly through Vera Zasulich and the Russian Marxists. The latter were involved in a furious debate with the Narodniks who did not merely celebrate these past forms, but as Karat rightly concedes, *posed the question of their becoming the basis of a socialist future*. Teodor Shanin remarks that already in the *Grundrisse*, Marx had shown indications of taking peasant agriculture and "communal land ownership" in "pre-capitalist modes of production" and the problem of "uneven development" seriously (14-15). What is crucially important is that this quest was not resolved in one fell swoop. It pre-occupied him more and more and in 1870-71, he started learning Russian and immersed himself in a study of the Russian social formation, including the writings of such Narodnik theorists such as Chernyshevskii and others like Alexander Herzen. Shanin remarks that "what followed was a long silence...Marx did not publish anything substantial until his death" (7). This, we might underline, was also the period of his intensive study of India and other oriental societies.<sup>7</sup>

It was in this frame of mind, ten years into his studies that he received in 1881 a letter from Vera Zasulich, a former Narodnik turned Marxist. As mentioned earlier, this group of Marxists was engaged in a serious controversy with the Narodniks over the inevitability of capitalism in Russia and of the significance of the peasant communes to the socialist project. Zasulich therefore, wrote to Marx seeking his opinion on the matter. Japanese scholar Haruki Wada has unearthed the entire sequence of events around this episode.<sup>8</sup> Marx wrote four drafts of a reply to Zasulich but ended up not sending any. Finally, after his death, Engels sent the fourth draft to the Emancipation of Labour Group to which Zasulich belonged and

which was led among others, by Plekhanov and PB Axelrod. The letter was never published, even though after as long as seven months, they replied to Engels that they would, now that the letter had been translated into Russian. All of Engels' efforts went in vain. In 1911, the letter was discovered by DB Riazanov, who deciphered it with the help of Bukharin but then, once again it was left unpublished. In 1923, it was published by BI Nikolaevskii, a Menshevik in exile. Once it was published, it was immediately brought out that very year by Riazanov, where he prefaced it with a remark that "the drafts merely exemplified a decline in Marx's scholastic capability." It was the Socialist-Revolutionaries who enthusiastically picked it up as evidence that "on the question of the future of the peasant communes, Marx was definitely on the side of Populism" (Wada 1983: 41-42).

Wada notes, in this context that even at the time of the publication of Volume I of *Capital*, Marx's attitude towards Russian populism and the peasant communes was utterly negative. He viewed Herzen's contention that the peasant commune was unique to the Slavic world, as simply laughable, according to Wada (Wada 1983: 43). He cites Marx as saying that "Everything, *to the minutest details*, is completely the same as in the ancient Germanic community..." By the time the French edition of *Capital* was published in 1875, however, Wada notes that there was an interesting change. In this edition, in chapter 26, "The secret of primitive accumulation" Marx struck out a passage about the expropriation of the agricultural producers which gave a sense of a more universal history and in its stead wrote: "It has been accomplished in final form only in England...but *all other countries of Western Europe* are going through the same movement". Thus, Wada suggests, Marx allowed for the possibility that Eastern Europe and Russia might not be following the same trajectory (Ibid: 49).

### Retarded Capitalism?

It is in the 1960s and 1970s that this theme of capitalism in the peripheries or the third world comes to the fore and the debate on the AMP is resumed. Unfortunately, the entire story of this episode was eventually brought to light in English much later. The 1960s debate, except in Japan, remained by and large untouched by the knowledge of this important engagement. Thus for instance, Susanne D. Mueller could argue in the *Socialist Register* as late as in 1980, writing on "Retarded Capitalism in Tanzania", that it was the "reactionary utopianism of Russia's Narodniks" that Lenin had effectively demolished a hundred years ago, that was being "institutionalized" and "labelled as socialism" by Nyerere.<sup>9</sup> It is interesting that Mueller's critique of Tanzanian "socialism" was that the state, in the name of socialism, was acting "to forestall the development of a bourgeoisie and a proletariat by basing accumulation on the expansion of middle-peasant

household production” (Mueller 1980: 203). Even more interesting is her assertion (which she underlines by citing another Marxist scholar of Africa, MP Cowen) that “by forestalling “the direct separation of household producers from their means of production”, the State has “fettered the accumulation of indigenous capital within smallholding production”” (Ibid: 203). Lest we miss the point, it should be underlined that what is being lamented here is precisely the attempt to preserve the property of the peasantry, even if that meant “fettering accumulation” within “smallholding production”. This reading of Tanzania’s specific history is predicated upon a desire for the replay of European history and is clearly unable to ask the question as to what the Tanzanian leadership might have been doing with the idea of socialism. In claiming that “capitalism, exploitation, classes and class struggle” were “a unique product of Western colonialism” (quoted in Ibid: 206), was Nyerere possibly trying to do something else – say argue that the bourgeois notion of property was really not commensurate with notions of property or the socio-political conditions extant in Africa? Could his insistence that self-reliance, via a strengthening of the “already socialistic” traditional economy have been something more than merely “cultural” in a narrow sense?<sup>10</sup> Was his insistence and Mueller’s attempt to draw a parallel with the Narodniks, ironically, not very far off the mark, in that case? One could read similar anxieties into the experiments undertaken in China under Mao Tsetung, which attempted to find a balance between “ten major relationships”, which included most centrally, that between agriculture and industry. The slogan of “walking on two legs”, in retrospect, was an attempt to avoid the violent decimation of agriculture and populations dependent on it. Those experiments may have failed, sometimes disastrously, but they nevertheless signal in a direction that “scientifically” inclined Marxists have tended to ignore. Much like Chernyshevskii who argued that Russia could benefit from the “relative advantages of its backwardness”, Mao too, emphasized the fact that the Chinese people were “poor and blank” could be to China’s advantage. Hence his argument, much like that of the Narodniks’, that China could avoid the capitalist path and pass on to socialism directly. It is true that the attempts to build steel furnaces in backyards in villages, undertaken during the Great Leap Forward, were completely misplaced and ended up as a disaster. However, the logic of that attempt was clearly to find a more decentralized model of development, and one where the peasants themselves would become capitalists – a bit like Nyerere’s Tanzania. It is also very easy to dismiss the violent and genocidal Pol Pot regime without further ado but the question that the Cambodian tragedy poses too, may linger for a very long time. For once again the desire to inscribe “socialism” (that is, anti-capitalism, embodied in the abolition of money and market relations) in ancient Khmer glory seems to underline another violent rejection of bourgeois property relations. All these instances are indicative of the fact that the so-called universal history of capital and its self-fulfilling logic may

have produced anticapitalism in more forms than we recognize; they are also indicative of the fact that this logic may not be all that universal after all.

We also know that during the 1960s and 1970s, there was another very significant debate that raged among Marxists – the debate on “underdevelopment”, that argued from within a Marxist universe that capitalism does not necessarily produce capitalism and development everywhere. The name of Andre Gunder Frank is associated with the position that “underdevelopment” in the peripheries was not simply a “lack” of development; that it was rather the product of “development” in the center/metropolises. Undoubtedly, in those debates, there was a tone of lament in the fact that capitalist development in the countries in the periphery could not take off or was arrested due to structural connections with the metropolises. But that is precisely the point that interests us here: Capitalist development did not simply emerge everywhere out of some inexorable law of history. Even a few centuries of colonial expansion could not really succeed in implanting it everywhere in the world, though colonization did fundamentally alter the logic of integration of colonized economies into the so-called “world economy”.

More recent historians of capitalism have thus made the point that “the transition [from pre-capitalist forms to capitalism] is too long to have any real meaning as a transition...”<sup>11</sup> They recall the early critiques by Ernesto Laclau and Robert Brenner of Andre Gunder Frank and Wallerstein, where Laclau, for instance, argued that “although capitalist relations of exchange had been universalized across the globe since the sixteenth century, capitalist relations of production were much more unevenly distributed, having a far denser presence in the core than in the periphery.” This problem of large parts of the world, deeply integrated and implicated into a world market and yet resistant to a transformation of the actual mode or organization of capitalist production has dogged Marxist thought right from Marx’s own time. We know that this problem was sought to be explained through the distinction between “formal” subsumption of labour under capital (e.g. integration into the world market) and “real” subsumption (reorganization of production along capitalist relations). The idea was used to argue that the whole world, once integrated into capitalist exchange relations, is already irrevocably capitalist; it is thus a matter of time before this formal subsumption is transformed into real subsumption. At one level therefore, this conceptual device helped to mask the very provincial, Western European origin of capitalism and produce it as a universal norm. Thus it was the rest of the world – more than three fourths of it that refused to obey the supposed Universal norm of capitalist development – that remained the “exception” that required explanation.

If this was a way of understanding the “lack” of capitalist development in the so-called peripheries of the world-system, how exactly was development explained, where it did take place? We know that in many of the late-industrializing countries of the “periphery”, it was the state that built capitalism and virtually produced a capitalist class. Here again, the project of building capitalism was the project of a state elite that believed that that was the only way to be in the modern world. To explain the rise of state capitalism in states like Brazil and South Korea, Marxist as well as non-Marxist scholars influenced by Marxism deployed the notion of the “relative autonomy of the state” (Fox 1980; Amsden 1990). This “relative autonomy” was defined by EVK Fitzgerald in Brazil’s context as a “state’s capacity to take action against the interests of any one fraction of capital (or even of national capital as a whole at any one point in time) in order to promote the long-run survival and expansion of capitalism as a social formation”.<sup>12</sup> Alice Amsden’s study of South Korea shows that were it not for the state, there would neither be capitalism nor a bourgeoisie; it was the state that put the country on the high road to capitalism.<sup>13</sup> And we know today that where the “state” as such failed to spawn and develop capitalism, international financial institutions, especially the IMF and the World Bank, and lately, the WTO, have played that role of transplanting notions (and institutions) of property and market that are commensurate with industrial capitalism. And yet, despite these direct interventions, not to speak of a few centuries of direct colonial rule, capitalism has not yet managed to entrench itself in large parts of the world.

### Decentering Capital

However, capitalism as a universal phenomenon continues to structure our understanding of history till this day, partly because not enough has emerged so far by way of producing alternative histories of capitalism that put its rise in perspective. Concepts or formulations such as “retarded capitalism”, “dependent capitalism” “arrested development” simultaneously produced capitalism as the norm and the histories of the periphery as histories of Lack, in much the same way as our modernity is a history of Lack – always waiting to be incorporated into the “full-blooded bourgeois” order. That the exception/s were spread over such a large part of the world was not of any consequence in reconsidering the premises of the theory itself. In fact, throughout the world, marxists were debating about the potentialities of capitalist development in their respective societies before colonialism came along and stunted that growth.

It is interesting in this context, to revisit the well-known Maurice Dobb-Paul Sweezy transition debate and find the latter insisting that what Dobb refers to as the “classic” form of feudalism, would be better described as West European

feudalism. It is also interesting to see that in this debate on the transition (origins of capitalism), we can see the difficulties encountered by the protagonists in maintaining a logic of the evolution of the feudal mode into the capitalist mode of production. Thus Sweezy: “The transition from feudalism to capitalism is thus not a single uninterrupted process – similar to the transition from capitalism to socialism – but is made up of *two quite distinct phases* which present radically different problems and require to be analyzed separately.”<sup>14</sup> Those familiar with the debate might recall that Sweezy was trying here to emphasize that “feudalism in Western Europe was already moribund” *before* capitalism was born. His argument was that the growth of commodity production had already “undermined feudalism” and that there was a prolonged intervening period of “precapitalist commodity production”, before capitalism actually came into existence.

Whether one agrees with this analysis or not, one must recognize at the disjunction that Sweezy seeks to register. Maurice Dobb did not fundamentally disagree with Sweezy in the point that this period between the 14<sup>th</sup> and 16<sup>th</sup> centuries was a period of transition – even if he would resist the suggestion that it was neither feudal nor capitalist.

We need to also remind ourselves that the concept of the mode of production became, in the practice of Marxist theory, more and more difficult to sustain, precisely for the reasons outlined by Sweezy and not quite contested by Dobb himself, namely the prolonged coexistence of different “modes” within the same time-space. Thus was invented the concept of the social formation – the actually existing form that expressed an articulation of more than one mode of production. What Sweezy and Dobb agree was a two-century long transition in Western Europe, would appear to be an endless one, if one were to look at the “world-system” as a whole. A closer look thus reveals that this process of the “rise of capitalism” is rather contingent and not a universal law.

If theoretical Marxism remained entrapped, by and large, within the self-fulfilling logic of this universal history, practical Marxism did struggle to find a way out, as we saw in the instance of Mao. While the revolutionary struggles of the 20<sup>th</sup> century broke out invariably in the colonial world as peasant insurrections, theoretical Marxism, especially in the West and the former Soviet Union, started expressing deep unease at this “corruption” of Marxism by “peasant consciousness”. Any number of studies of that period that deal with the Chinese and Vietnamese revolutions can be cited as evidence of this fact. Not only did Western and Soviet Marxism take this route, even the doctrinal variants adopted by many third world movements [for instance the CPI(M) in India], continued to see their own existence

as a sort of illegitimate child of a backward society.

Theoretically speaking, it was in the writings of Louis Althusser and Etienne Balibar, who were among the very few Western Marxists to have taken Mao seriously, that the entire question of the history of capital and the question of so-called survivals of “past forms” was reopened in some essays in *For Marx* and later in *Reading Capital*. Balibar’s essay in *Reading Capital* argues persuasively, on the basis of his reading of the *Grundrisse*, that capitalism arises out of the contingent conjunction of two independent and discrete histories – that of free labour and that of capital or “men with money”. In other words, Balibar suggests that it is not the “feudal mode of production” that evolves into the “capitalist mode”, but the different elements that comprise the “structure” called capitalism, that come together to form capitalism.<sup>15</sup> It is thus the history of the elements that one must look at rather than the history of the structure. Althusser returns to this question in his elaboration of his “philosophy of the Encounter” and poses the question explicitly as one of the contingency of capitalism.

In the *Philosophy of the Encounter*, Althusser returns with a different gaze as he scans the history of capitalism in Europe and Marx’s understanding of it. Commenting on the coming together of labour and capital and their “taking hold”, he says: “We can even go further and suppose that this encounter occurred several times in history before taking hold in the West”, as happened at least once in the thirteenth and fourteenth century Italian states. “The elements do not exist in history” he says, “so that the mode of production may exist, they exist in a “floating” state prior to their “accumulation” and “combination”, each being the product of its own history...” (Althusser 2006: 198)

In the light of his new philosophy Althusser reads the problematic, teleological parts in Marx as arising out of a conflation of the accomplished fact (capitalism) with its taking-hold or being accomplished – that is, the process of becoming capitalism. This conflation, he suggests, results in seeing the structure as preceding its elements and reproducing them. For the Late Althusser, capitalism is never a fully accomplished fact. It is thus from this angle that he reads the chapters on primitive accumulation and finds them already coloured by the teleology of capitalism’s inevitability – even though he considers it to be the “true heart” of *Capital*. He goes on to suggest: “Here we witness the emergence of the historical phenomenon whose result we know – the expropriation of the means of production from an entire rural population in Great Britain – but whose causes bear no relation to the results and its effects.” The element of contingency and uncertainty arises from the fact that we do not really know what the reason for this expropriation was. That it was eventually diverted by the “owners of money” looking for impoverished

manpower, appears to him as rather accidental and the mark of the non-teleology of this process.

The other interesting question that Althusser raises is regarding the “owners of money”: where does their money come from? It could it be usury, colonial pillage or mercantile capitalism, he ruminates. But it is the phenomenon of mercantile capitalism that is, according to him, a great mystery – a capitalism before the emergence of a capitalist mode of production and the exploitation of free wage labour. This riddle of the bourgeoisie, “this strange class – capitalist by virtue of its future, but formed well before any kind of capitalism, under feudalism – known as the bourgeoisie” is something that he is intrigued by.

If these are the kind of questions that can be asked with reference to Europe – and there are any number of historical investigations that substantiate Althusser’s questions – what about the so-called Third World? What if, after the Late Althusser, we now ask, why must all exchange relations, and money be necessarily seen as part of some prehistory of capital? The fact that there are relations of exchange need not at all imply existence of any form of capitalism. Exchange, entrepreneurship and by extension, market and money have been present in fairly ancient societies too and are not linked to capitalism in any way. This is a question, we might do well to remember, that intrigues and puzzles Marx too. Merchant “capital” does not always sit easily with capitalism and we could recall the oft-quoted discussion conducted by Marx in *Capital volume III*, of the phenomenon and how it could in fact, even impede the growth of industrial capital. This is not the place for an extended discussion of mercantile capitalism. Suffice it to say that a lot more lies buried beneath its history than is visible to the “naked eye”; a history that is yet to be excavated once the deposits of the teleology of industrial capital’s supremacy are done away with. We might then be able to see the existence of markets, exchange and entrepreneurship in their own right, not merely as the pre-history of capital. We might then be able to see why newer, post-capitalist forms of property and ownership need not be predicated on a dissolution or decimation of either individual ownership, or indeed common property. We could very easily imagine a society with large sectors of agricultural production that works in tandem with a certain kind of industry, rather than one dominated by an abstract thing called Industry – irrespective of whether it produces poison, nuclear hazards or automobiles – which can only arise by decimating agriculture.

#### **Capitalist property, private property and common property**

We cannot however, conclude our argument in this paper without referring to more recent theorizations of property by the ideologues of capital. In a strangely perverse way, they lead us to a very interesting insight into the contemporary crisis

of capital as well as to the difficulties of instituting bourgeois property rights as the sole form of ownership. I am thinking here of Hernando de Soto, whose work has provided new impetus to international financial institutions like the IMF and the World Bank as well as to a whole new range of NGOs, obsessed with the idea of instituting formal property titles and “documenting” all property into deeds. The Title of Hernando de Soto’s book is telling: *The Mystery of Capital - Why Capitalism Triumphs in the West and Fails Everywhere Else*. As the title itself shows, the book investigates what is seen as capitalism’s colossal failure (“failed everywhere”). What de Soto means by this “failure” of course, is precisely that the bourgeois property form has failed to take root everywhere, *frustrated by the modes of living and being in the Third World*:

Imagine a country where the law that governs property rights is so deficient that nobody can easily identify who owns what, addresses cannot be systematically verified, and people cannot be made to pay their debts. Consider not being able to use your own house or business to guarantee credit. Imagine a property system where you can’t divide your ownership in a business into shares that investors can buy, or where descriptions of assets are not standardized.

This, in de Soto’s view, is the general picture of life in the “developing world,” home to five-sixths of the world’s population. He believes that life in these parts of the world shows how, contrary to the Western perception that sees capitalism as the answer to global underdevelopment; *it hasn’t even been tried* here yet. For, “in a capitalist economy, all business deals are based on the rules of property and transactions which do not even exist in the Third World. Their property systems exclude the assets and transactions of 80% of the population, cutting off the poor from the global capitalist economy as markedly as apartheid once separated black and white South Africans.”

This last bit might lead us to believe, as it has misled many well meaning NGOs that the intention here is to draw the poor into the charmed circle of development. “The poor’s assets can also be legally titled and the potential capital trapped inside can be released,” he says. Nothing of the sort is actually intended. The real problem, it seems, is that capitalism has entered a serious crisis, largely because, in most of the world it does not have the kind of “market” it wants. This is a very specific market; not a market of consumer goods.

This is best understood in de Soto’s own rendering. Some years ago, Hernando de Soto was invited by the Indonesian government to advise it on identifying the assets of the overwhelming majority of Indonesians living in the “extralegal sector” – said to account, according to him, to close to 90 percent of the population.

Though no expert on Indonesia, he says, as he strolled through the rice fields of Bali, he noticed that a different dog would bark as he entered a different property. The dogs knew very well which assets their masters controlled. To determine who owned what in Indonesia, he advised the Cabinet to begin by “listening to the barking dogs.” One of the Ministers responded, he says, by exclaiming: “Ah, *jukum adat*—the people’s law.”

Indonesia represented to de Soto all that is wrong with the third world economies. It was the great merit of capitalism in the West, he believes, and that governments adapted the people’s law into uniform rules and codes that all could understand and respect. “Ownership once represented by dogs, fences, and armed guards is now represented by records, titles and shares.” This was what transformed the entire logic of capitalism in the West. With titles, shares and property laws, houses were no more mere use-value (as shelter); they could now be used as capital (security for credit to start or expand a business). (From “The Hidden Architecture of Capitalism”, [http://www.ild.org.pe/eng/articles\\_en1.htm](http://www.ild.org.pe/eng/articles_en1.htm)).

This is of capital importance. It is not enough to own individual or family property. If it remains simple use-value, it is simply “dead capital”. Every bit of property should be able to live a double life – as credit security, as share and such like. If we are really interested in understanding what happened in the West that was really different from previous centuries of trade and industry in other parts of the world, this is where we should look.

The astute eye of de Soto is quick to realize that “(T)hroughout the Third World and the formerly communist countries, neighborhoods buzz with hard work and ingenuity. Streetside cottage industries have sprung up everywhere, manufacturing anything from footwear to imitation Cartier watches. There are workshops that build and rebuild machinery, cars, even buses. In many countries, *unauthorized buses, jitneys, and taxis account for most public transportation*. Often, vendors from the shantytowns supply most of the food available in the market, from carts on the street or from stalls in buildings they built themselves. The new urban poor have created entire industries and neighborhoods that have to operate on clandestine connections to electricity and water (De Soto, *Citadels of Dead Capital*, <http://www.reason.com/news/show/28018.html>). But alas! All this remains dead capital till it is brought within the fold of the formal economy.

To conclude, it will be worthwhile to reflect briefly on the words “dead capital” a bit. To be sure, from de Soto’s own descriptions, this capital is anything but “dead”. It is very much alive and happens to provide a livelihood for millions of people across the globe. More importantly, this “capital” is a source of constant

anxiety for both “formal capital” and the state, though for different reasons. To “formal capital” it poses a threat to its profits, especially in the figure of the “pirate” that has now become a pervasive metaphor for the illegal, the unruly and the unregulated.<sup>16</sup> The pirate today is one who copies, multiplies and distributes or sells with scant respect for the original except as object of consumption. The pirate produces the “copy” or the “fake” and throws it alongside the “original” into the market, duping the original branded producer. Often, though, s/he who is called the pirate, merely shares information and products with others. In more recent times, the really sharp conflicts around this issue have taken shape around the new possibilities of copying and sharing made available by new digital technologies and the Internet. In this context, “intellectual property”, copyright and trade mark have become the new banners of capitalist aggression – as it stands threatened by such pirate or *contraband capital* – its own cheap copy. To the state, it poses another kind of threat by depriving it of what it believes are its legitimate revenues – all the transactions in this domain being completely “off the record”. Considering the vastness of this domain, this must surely be a huge loss!

Given all this, in what sense then, can we understand this contraband capital to be dead? Precisely in this, that by being outside the pale of the formal economy, it eludes the mechanisms of disciplining and policing that are put in place by state elites in countries like India in order to bring the entire “economy” within the domain of the “formal”. For that alone can ensure that the owners of such capital pay taxes or save and make their money available for investors to play with. This might sound too far fetched but if the experience of countries like India is any indication, big corporations and sections of the bureaucracy have colluded to openly loot such public money that has been kept in their custody as savings.<sup>17</sup> Calculations like de Soto’s underline the scale of money and stocks that can become available for states and financial players were these to be made ‘formal’ and be documented in titles and deeds. It is precisely because it is not available today that ideologues like de Soto would consider such capital “dead”. I am not suggesting a conspiracy here but pointing to the fact that contemporary capitalism is today in one of its most serious crises – not in the conventional Marxist sense of an imminent breakdown or collapse but rather in that it may have run against the limit of its own development and expansion, living continuously on the artificial respiration of credit and individual small savings for its capital needs.

[A version of this paper has recently been published in my latest book *After Utopia: Modernity, Socialism and the Postcolony*, Viva Books, Delhi 2010]

## NOTES

<sup>1</sup> See Buddhadeb Bhattacharya, “Thousands of young people want jobs...they will shape the country’s future”, *Indian Express*, 19 January, 2007, p. 11. For Sumit Sarkar’s critique, see “A question marked in red”, *Indian Express*, 9 January, 2007, p. 11. It is interesting to note that the term “Narodnik” has been made into such a word of abuse among Marxists that even Sarkar and other Left critics thought it necessary to clarify recently in a press conference, upon their return from Nandigram, that they were Marxists and not Narodniks.

<sup>2</sup> “Socialism” here must be understood as a project, a search for a world beyond capital, rather than any specific historical form. It is this sense, I believe, that animates the formation of something like the “Movement for Socialism” in Bolivia, whose leader Evo Morales was recently elected President. The Movement for Socialism is like most other South American new Left formations (e.g. the Zapatistas), a movement of the indigenous people rather than a classically Marxist and modernist one.

<sup>3</sup> See, Wal Hannington (1938), *A Short History of the Unemployed*, Victor Gollancz Ltd, London.

<sup>4</sup> That this is not even a position widely shared by “capitalists” and their spokespersons is also equally revealing. See for instance Lou Dobbs (2004). Dobbs, who hosts CNN’s *Lou Dobbs Tonight*, has been scathing in his television programmes as well as in this book against the attempts to outsource America’s jobs to Asia. He sees this as an assault on middle class Americans and all this while claiming “I am a lifelong Republican...I am a capitalist...I have not only been a journalist for three decades but also an executive, a businessman and an investor” (Dobbs 2005: 5).

<sup>5</sup> See Samuel Brittan, “Globalisation depresses western wages”, <http://dictionary.reference.com/browse/oxymoron>, accessed on 9 November 2006

<sup>6</sup> Teodor Shanin (ed. 1983), *Late Marx and the Russian Road: Marx and the “peripheries of capitalism”*, Routledge and Kegan Paul, London, Meisbourne and Henley, pp. 28-29

<sup>7</sup> This renewed intellectual search – if not a crisis – for Marx is partly occasioned by the fact that it was during the 1860s and 1870s, according to Raphael Samuel, that an important breakthrough in the social sciences, the discovery of prehistory, “was to lengthen the notion of historical time by some tens of thousands of years, and to bring primitive societies within the circle of historical study” (cited in Shanin: 6).

<sup>8</sup> Haruki Wada (1983), “Marx and Revolutionary Russia”, in Shanin (ed. 1983). This volume details the events and texts related to this episode through a fascinating documentation.

<sup>9</sup> See Susanne D. Mueller (1980), “Retarded Capitalism in Tanzania”,

Socialist Register, 1980, [http://socialistregister.com/socialistregister.com/files/SR\\_1980\\_Mueller.pdf](http://socialistregister.com/socialistregister.com/files/SR_1980_Mueller.pdf) . Mueller's essay should merely be seen as an indication of the fact that even in well-informed Marxist sections, this was the common knowledge about Narodism.

<sup>10</sup> This might link up with Karl Polanyi's argument that what markets and exchange relations always existed but were embedded in existing social relations and thus not a-cultural matters. What he saw as distinctive of capitalism was the disembedding of markets – and the transformation of “the economy” into abstract, acultural spaces.

<sup>11</sup> John T. Chalcraft 2005, *Radical History Review*, Issue 91, Winter 2005, pp. 13-39

<sup>12</sup> Cited in Jonathan Fox (1980), “Has Brazil Moved Toward State Capitalism?”, *Latin American Perspectives*, Vol 7, No. 1, Winter 1980, p. 65

<sup>13</sup> Alice H. Amsden (1990), “Third World Industrialization: Global Fordism or a New Model?”, *New Left Review*, 182, July-August 1990, pp. 19-25

<sup>14</sup> Paul Sweezy (1980a), “A Critique”, in Rodney Hilton (1980), *The Transition from Feudalism to Capitalism*, Verso, London, p. 50.

<sup>15</sup> Louis Althusser and Etienne Balibar (1977) *Reading Capital*, New Left Books, London, pp. 297-81.

<sup>16</sup> On this question, my understanding has been fundamentally influenced by the work of the Sarai Programme in the CSDS, Delhi, the Alternative Law Forum, Bangalore and of Ravi Sundaram and Lawrence Liang in particular.

<sup>17</sup> One can immediately think of what *The Indian Express* called the “Great Indian Bank Robbery” involving leading corporates who owed something to the tune of Rs 110, 000 crores to nationalized banks, waiting to be written off as “non performing assets” (see Halarnkar, Samar; Ritu Sarin, Sucheta Dalal And George Mathew, “Rs 11,00,00,00,00,000: The Great Indian Bank Robbery”, *The Indian Express*, 1 December 2002, front page). Similarly, the scandal of the Unit Trust of India's US-64 savings scheme which wiped off crores of rupees worth of savings of small household investors (see, Bidwai, Praful, *Frontline*, July 21-August 03 2001). Allegations were rife that the savings of small household investors were unscrupulously played in the stock market. And then of course, there is the classic case of the theft of the workers' provident fund money to the tune of crores of rupees, by the owners of West Bengal's jute industry owners.