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The American University in Cairo
School of Humanities and Social Sciences

**READING CAPITAL: TOWARDS AN UNDERSTANDING OF
THE PROCESS OF COLONIZATION IN INDIA**

A Thesis Submitted to

Political Science Department

in partial fulfillment of the requirements for
the degree of Master of Arts

by

Adham Hesham Shebl

May/2019

The American University in Cairo

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ABSTRACT

This thesis examines the applicability of Karl Marx's theoretical apparatuses in explaining the development of capital relations in India's transition from commercial to industrial colonialism. Its findings engage with and are a response to the preponderance of secondary literature that argues against Marx's usefulness in understanding the colonial moment in the Global South. Many of these secondary studies have argued against the use of Marx because of his purported Eurocentricity that renders his conclusions regarding the Global South inadequate. This study argues that fundamental to dissecting this intellectual argument is developing an understanding of Marx's levels of generality whereby the historical descriptions and conclusions, and the theoretical framework and methods he employs are abstracted. To this end, this thesis asserts the levels of generality as the most critical to reading Marx as they permit the reader to move beyond the causal laws and tendencies and instead delve further into the relations that allow them to exist. Finally, this study shows how Marx's totality of social life can be used to understand a particular society in a specific moment: India in the colonial period. While not all-encompassing, it shows the applicability of Marx's theoretical apparatus to examine a colonized society — using India as an illustration — especially with regards to modes of production, social relations, and some aspects of legal and governmental arrangements. While further research would need to incorporate additional aspects of the social totality, including mental conceptions, reproduction of daily life, technology, and relationships to nature, its combination with the findings of the present study allows for a more complete view of capital relations in colonial India.

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Introduction

There is no royal road to science, and only those who do not dread the fatiguing climb of its steep paths have a chance of gaining its luminous summits. – Karl Marx, 1872¹

During the first half of the twentieth century, analyses using Karl Marx's methods focused on understanding the specificity of particular temporal and spatial moments and places and their relationship to the general laws of capital. After developing his work in the nineteenth century, his ideas began to be applied by scholars. The applications of his theoretical concepts and framework were employed by various scholars in an attempt to understand their particular historical moment. Some of the works and concepts developed within this field would include Vladimir Lenin's theory of imperialism, Rosa Luxemburg's reading of colonization in *The Accumulation of Capital*, Karl Kautsky's work on the agrarian question, and Leon Trotsky's notion of uneven and combined development.² More often than not, their works sought to explain how the specific conditions of their moments contained particularities that placed Marx's general laws into motion. Others, whose theories work in a similar strain of scholarship and have been developed in parallel with the methodologies and intentions of this present study, include: Himani Bannerji's work on race, class, and gender; David McNally's understanding of war, empire, and capital; and C. L. R. James's contributions towards forwarding dialectical materialism as a method.³ However, since the late 1970s, scholars in

¹ Karl Marx, *Capital: Volume I* (London: Vintage Books, 1977), 104.

² See: Vladimir Il'ich Lenin, *Imperialism: The Highest Stage of Capitalism* (Sydney: Resistance Books, 1999); Rosa Luxemburg and Nikolai Bukharin, *Imperialism and the Accumulation of Capital*, trans. Rudolf Wichmann (London: Allen Lane the Penguin Press, 1972); Karl Kautsky, *The Agrarian Question*, trans. Pete Burgess (London: Zwan Publications, 1988); Leon Trotsky, "Leon Trotsky: The History of the Russian Revolution (1930)," *Marxists.Org*, 2019, <https://www.marxists.org/archive/trotsky/1930/hrr/index.htm>. Additionally; see: Vivek Chibber, *Postcolonial Theory and the Specter of Capital* (London: Verso, 2013), 291-92.

A similar argument is echoed by Ghandi; see: Leela Gandhi, *Postcolonial Theory: A Critical Introduction* (St. Leonards: Allen & Unwin, 1998), 23-24.

³ Himani Bannerji, "Building from Marx: Reflections on 'Race,' Gender, and Class," in *Educating from Marx: Marxism and Education*, eds. Sara Carpenter and Shahrzad Mojab, (New York: Palgrave Macmillan, 2011), 41-60; David McNally, "The Blood of the Commonwealth: War, the State, and the

postcolonial studies have eclipsed Marxian⁴ analysis as the primary framework applied by intellectuals engaged in examining the relationship between the Global South and Global North.⁵ In their rise, these studies also claimed the “ineluctable Eurocentrism of Marxist thought” rendering it obsolete and counterproductive when looking at the non-Western societies.⁶ The most notable strand of theorization that emerges from postcolonial studies is the Subaltern Studies Group, which is interested in offering a new historiography based on challenging the dominant theories, formulated in the West, that attempt to analyze the non-Western societies.⁷

Considering these developments, this thesis asks two connected questions. To begin, it examines how a Marxian analysis may offer a useful⁸ framework for understanding the colonization process during the capitalist epoch, as defined below. From there, the thesis considers how a close reading of Marx’s work may alleviate the alleged Eurocentrism of his thought. Marx works within several levels of generality when examining the development of capital relations. These levels of generality extend through the singular, the particular, the general, and the universal.⁹ Sometimes, critiques of Marxian methods are built on arguments

Making of World Money,” *Historical Materialism* 22, no. 2 (2014): 3-32; C. L. R. James, “Dialectical Materialism and the Fate of Humanity,” *Marxists.Org*, 2019, <https://www.marxists.org/archive/james-clr/works/diamat/diamat47.htm>.

⁴ This thesis employs the term Marxian in meaning analyses and ideas that are heavily informed and reliant on Marx’s methods and concepts of political economy. This is in contrast to the term Marxist as a collective term for identifying specific people, ideas, and movements which have been identified or self-ascribed to the political ideology which emerged from those ideas. In this present study, some of the scholars — who are termed Marxist — while belonging to the political and economic current, also contest the applicability of Marx’s framework to a non-European setting.

⁵ While many definitions of the Global North and Global South are based on economic/social development levels as defined by IGOs, this thesis defines them as the geographical entities from which capital colonization originated (Global North) and dominated (Global South).

⁶ Neil Lazarus, “Vivek Chibber and the specter of postcolonial theory,” *Race & Class* 57, no. 3 (2016): 102.

⁷ Chibber, *Postcolonial Theory*, 22.

⁸ Useful, here, is taken to mean that a Marxian analysis, which describes the historical processes and the material conditions that shaped them, offers a stronger explanation for the process of colonization than previous studies that focus on other frameworks.

⁹ David Harvey, “History versus Theory: A Commentary on Marx’s Method in Capital,” *Historical Materialism* 20, no. 2 (2012): 14.

that conflate and confuse the levels of generality. Put differently, a scholar may be reading one of Marx's historical arguments, made about a specific or particular moment, as a comment on capital relations generally. These levels of generality are an integral part of Marx's method of abstraction. They allow Marx to theorize on a specific particular, general, and universal level. Each level is separate and the claims Marx makes in a level are specific to it, although levels do interact with one another.¹⁰ Understanding this problem, this thesis argues that in conducting a Marxian analysis, one needs to be aware of the level of generality with which one is working and how that level interacts with the other levels of generality. In the process of highlighting this issue, the present study offers an explanation of the colonial period — specifically in India during the transition from the East India Company (commercial colonialism) to the British Raj (industrial colonialism) — as an example of how an awareness of Marx's levels of generality highlights the development of capital relations differently than when those levels are misapplied. In attempting to delineate between the particular generality and the general one, this thesis seeks to offer an explanation for why there exists a perception of differences in the development capital relations in the West and East. In doing so, it challenges current understandings of the process of colonization offered by some postcolonial and world system theory scholars, namely: Ranjit Guha, Dipesh Chakrabarty, Edward Said, and Immanuel Wallerstein.

1. Brief Methodology

In the process of encountering said scholars, this thesis employs Marx's dialectical method in developing a description of the colonization process in the capitalist epoch.¹¹ Marx's dialectical method examines the development, workings, and interactions among social relations. Dialectics are the interplay between social relations beyond a first examination of linear cause-

¹⁰ This will be discussed further in "3.1 Marx's Philosophy of Internal Relations" of Chapter One.

¹¹ The capitalist moment will be discussed in more detail in the following section.

and-effect, thus putting greater scrutiny on the phenomena being examined. This thesis focuses on the intra- and inter-class relations of capital and the locations of value production and realization in the colonial moment — situating itself within the tradition of historical materialism, which places the material bases of a society at the forefront in order to reveal various historical developments of that society. That is not to say, however, that the material bases are the sole determining factors.¹² Additionally, this thesis examines the conditions of value production and the consequences that arise from them. With this, Marx's theory of value and his insights into the circuit of capital are mobilized. Such an analytical framework — focusing on the totality and its relations — allows one to generate a dynamic world view that can cope with changes and transitions. In order to gain such an insight, this thesis focuses on understanding the use-value of raw materials in capital creation and how that use-value is influenced by colonial practices that secured it at a lower exchange-value.

This approach will attempt to differentiate itself from statist and postcolonial approaches as it can account for changes that occur globally and locally within social and capital relations, further showing that the foundational tools developed by Marx are of immense value in understanding societies.¹³ However, in order to do so, this thesis has to first analyze Marx's Eurocentric concepts as highlighted by specific scholars.¹⁴ After doing this, it will attempt to extract the general principles that may be applicable to societies outside of Marx's purview, thus creating tools that may be molded to understanding particular situations.

¹² As Marx would put it, using technology as the material basis: "Technology reveals the active relation of man to nature, the direct process of the production of his life, and thereby it also lays bare the process of the production of the social relations of his life and of the mental conceptions that flow from those relations... [This] method is the only materialist, and therefore the only scientific one."

¹³ As this thesis will attempt to show, the postcolonial and statist models do not adequately explain various transitions, namely the process of colonization of India and later the shift to the British Raj. This is because they are not looking at the development of capital relations, while using the same methods of abstraction that Marx and this thesis employ.

¹⁴ These scholars are: Dipesh Chakrabarty, Ranjit Guha, and Edward Said.

That being said, understanding and deploying Marx's tools can be problematic. As David Harvey highlights, Marx did not write a work dedicated to explaining his method. Rather we must deduce his dialectical method by carefully reading *Capital* and examining his deployment of that method in the totality of this seminal text.¹⁵ This can be understood as indicative of how Marx's methods of inquiry and presentation are intertwined in the totality of *Capital* requiring a close reading of the text to distinguish between the two. Such an examination shows the distinction between the particularities, the historical cases with which Marx works, and the generalities that are the basis of his framework and theory. This thesis is an illustration of that point. However, this is not to say that Marx's works are not tainted by their creation in a European context and during the colonial moment, as is most notably seen in the Eurocentricity of some of his writing. While it is necessary to acknowledge and be mindful of this problematic origin, this thesis will show the broader applicability and merit of employing his method.

2. From Company to Crown: Setting the Parameters of Study

Before setting out to explore the academic literature of scholars who deal with colonial relations, it is important to define certain terms that are loaded with either preconceived understandings, are specific to discipline-related usage, or are directly related to the methodological tools of this thesis.

This thesis employs a Marxian methodology in contrast to what it defines as a conventional Marxist project. As explained above, applying such a Marxian framework entails a focus on the study of the socio-economic relations, using Marx's methods, of the capitalist moment without adhering to the political ideology of revolutionary socialism that emerged

¹⁵ David Harvey, *A Companion to Marx's Capital* (London: Verso, 2010), 12. There are other works by Marx such as the *Grundrisse* and *A Contribution to a Critique of Political Economy* in which he is more explicit about his methodology. However, these works are considered the bedrock on which Marx built *Capital*. As Harvey argues, a close reading of the source of practice also yields an understanding of the method.

from Marx's writings. However, defining the capitalist moment is elusive even within Marx's own work, as there is no set singular historical instance that signals its beginning.¹⁶ Rather there is the formation of multiple capital relations that eventually constitute the capitalist moment. The nature of these relations differs depending on geographical, historical, and social developments specific to each locality. As the relations of capital that compose the totality of the capitalist moment are a set of processes, they are part of ongoing historical currents that occur over the course of several centuries. Marx saw the origins of capital relations in the enclosure movement of the fourteenth century. More generally, the outset of the capitalist epoch may be seen in the entrenchment of rural capital in England following the successful suppression of wide-scale peasant revolts throughout the sixteenth century.¹⁷ In the succeeding period, capital relations then engulfed other sectors of society – such as manufacturing and later industry – and eventually emerged globally due to their inherent drive for compounded growth. This thesis is specifically interested in the later developments of the capitalist moment, with regards to the British presence in the Indian Subcontinent.

Colonialism as a process, while driven by rising capitalistic tendencies, did not reach an apex until the mid-nineteenth century with the British Crown's complete political and economic subjugation of India and Western Europe's "Scramble for Africa". Colonialization as a practice preceded the 'capitalist moment'. However, due to the relations that arose from the capitalist mode of production, forms of colonization during the capitalist epoch are altered from the forms it had in different historical eras. Indeed, the difficulty is in defining the capitalist moment and setting this epoch in relation to the process of colonization. Thus, for the present study, the capitalist moment is the historical era in which there is a transition from manufacturing to industry, alongside the formation of industrial colonization and the creation

¹⁶ See note on page 786 of Marx, *Capital: Volume I*.

¹⁷ Robert Brenner, "Agrarian Class Structure and Economic Development in Pre-Industrial Europe," *Past & Present* 70 (1976): 55.

of the working class — roughly from the late eighteenth to mid-nineteenth centuries. For the purposes of this thesis, the colonialisms of other historical eras, outside that of the capitalist moment, will not be taken into account.

Alongside the formation of capital relations, there is a transition in the functionality of political regimes or territorial power structures.¹⁸ In the earlier phases of the capitalist moment, these governments focused on tax collection, securing transportation corridors and trade, and waging war for tradeable commodities — such as, lucrative trade goods requiring minimal transformation through manufacturing, for example: gold, spices, slaves, among others. Furthermore, all governmental functions served to secure and perpetuate their own existence into the future. Early colonization, which is of more of a commercial nature, was an extension of these activities. Although not directly propagated by states, colonial enterprises were supported in the form of charters and secured maritime trade. The historical example for such an enterprise, as dealt with in this thesis, is the British East India Company. With the advent of industry proper and the development of the international credit system, industrial capitalist production emerges as a more profitable stream of revenue for the state. As a consequence, states moved away from facilitating the colonization being conducted by companies and instead took the role of colonizer in tandem with the industrialists seeking to secure cheap raw materials, new markets, and new investment opportunities. Such an understanding of states is in line with McNally's argument regarding the formation of the bourgeois state as an extremely efficient fiscal-military state.¹⁹

This process of movement from colonial enterprise to a state-driven colonial project is well illustrated, and relevant for this thesis, in the shift from the British East India Company to the formation of the British-dominated Indian Raj. Initially propelled by a desire to accumulate

¹⁸ This thesis also utilizes the term states when referring to these political and territorial power structures.

¹⁹ McNally, "The Blood of the Commonwealth," 11-12.

wealth through tradeable goods, the momentum moved towards a focus on taxation once the Company had conquered considerable land holdings. In the end, British state domination, in the form of the Raj, arose from the intention of opening of a new market for British goods, the acquisition of raw materials at a rate deemed satisfactory to the British industrial capitalists, and opportunities for financial investment within the subcontinent of India. Because of the great availability of historical sources for its study, this thesis will use the colonization of India to illustrate the applicability of Marx's methods and frameworks. In Marx's own work, Ireland was utilized as an example of a colonized society with similarities to the experiences of those in the Global South. However, even though the particularities of the Indian experience differ from those analyzed by Marx, this thesis will show that his framework is still applicable at a general level. This achieves one of the goals of this thesis, which is to highlight and increase awareness about the different levels of generality used by Marx. This allows the study and the reader to focus on Marx's method of inquiry rather than his presentation when looking at non-Western societies. To do so, this thesis expands on the concept of instruments of labor allowing it to analyze the transition from the domination of merchant capital to productive/industrial capital.

3. Relevance: Competing Factions of Capital in the Past and Now

This project focuses on the colonial period for two main reasons. First, the colonial era consists of a period of transition — from the commercial colonialist to the industrial imperialist; understanding changes is a major goal of this study. And second, the relational origins, from which the colonial era emerged, are similarly recurring in essence while differing in appearance and form at the contemporary moment.²⁰ Such similarities may lead to the development of

²⁰ The contemporary moment is heavily influenced by the developments that preceded it, which are neoliberal. Most forms of finance capital adhere to the neoliberal formation of finance capital, meaning that they are supranational. However, this is not the case in China and may be changing elsewhere.

contemporary global relations in a manner similar to those of the first fifty years of the twentieth century. The first half of the twentieth century is a period that included the outbreak of wars between competing capitalist states leading to the near collapse of the world market and the damage to human societies.²¹ Any future research attempting to project the trajectory of the contemporary moment needs to understand the full scope of comparisons between the two periods in order to have a more complete array of the possible outcomes from the current historical moment.²² What is critical here, in viewing the relevance of the colonial moment to the present, is not in a one-for-one mirroring as a means of predicting the future, but in showing the applicability of the tools used in explaining the colonial moment to the contemporary experience.

3.1 The Spatial Fix

The first feature common to the contemporary moment and the colonial era is the form of the rapid pursuit of the spatial fix. A spatial fix is the geographic expansion and reconstruction of capital relations and processes around the globe in order to further the production and realization of surplus-value and to stave off the inner crisis tendencies of capital accumulation. This is usually undertaken with the help of innovations in the technologies of communication and transportation. Capital cannot survive without constantly seeking spatial fixes for its problems.²³ The term “fix” here is not in the meaning of issue resolution; it is a temporary respite rather than a final resolution to a crisis.²⁴ To fully understand this definition, a distinction between a crisis, as is generally understood and in terms of capital relations is essential. For capital relations, a crisis is made up of two moments: first, the moment of interruptions to the production and/or realization of surplus-value at an ever-expanding rate;

²¹ Giovanni Arrighi, *The Geometry of Imperialism* (London: Verso, 1983), 16-17.

²² Bertell Ollman, *Dance of the Dialectic: Steps in Marx's Method* (Urbana: University of Illinois Press, 2003), 11.

²³ David Harvey, “Globalization and the ‘Spatial Fix’,” *Geographische Revue* 3, no. 2 (2001): 24- 26.

²⁴ *Ibid.* Marx referred to this as “the annihilation of space through time” as a fundamental law of capitalist development.

and second, the moment when capital uses the crisis as an opportunity to create suitable conditions to overcome the interruptions of the first moment. It is therefore a dialectical unity of interruption and opportunity.²⁵ For example, the global capitalist system faced a crisis in 2008. However, among other steps, it mobilized state intervention to adapt; and from the crisis, the system generated the conditions for further accumulation, albeit temporarily. It had found its ‘fix’.

It is important to note that not all spatial fixes are the same. Depending on the form of crisis that capital relations face and the intra-class relations of capital, certain solutions/opportunities would be suited for different crises.²⁶ For example, when wages in a certain location are no longer generating surplus-value at a rate deemed acceptable by capital, deindustrializing at that place and industrializing in a space that would have favorable conditions for the production of surplus-value at a higher rate would be capital’s spatial fix for that form of crisis.²⁷ However, capital might not always be able to seize the opportunity (i.e. the second moment) of the crisis. Examples of this would be: if the workers in the location which is being deindustrialized are capable of resisting such a change, if the workers in the location being industrialized ask for the same wages as their counterpart workers undergoing deindustrialization, or those same workers of the space being industrialized are not disciplined by capital to bother working to create surplus-value, i.e. their rate of productivity is low.²⁸

The search for a spatial fix is a constant feature of the capitalist epoch. The colonial period and the contemporary period (post-2008) share the same form of crisis. Therefore, both periods search for the spatial fix in similar manners. The spatial fix that signaled the emergence

²⁵ Peter Bell and Harry Cleaver, “Marx’s Theory of Crisis as a Theory of Class Struggle,” *The Commoner* 5 (Autumn 2002): 22.

²⁶ *Ibid.*, 55; Harvey, “Spatial Fix,” 26.

²⁷ David Harvey, “Lecture 2: Marx and Capital: The Concept, The Book, The History,” *Value and Anti-Value Lecture Series* (Lecture, The Graduate Center, CUNY (City University of New York), New York, September 19, 2016).

²⁸ Marx, *Capital: Volume I*, 932-34.

of the neoliberal moment was undertaken to solve the crisis of wages (production). The fix it found was outsourcing: deindustrializing here and industrializing there. On the other hand, the crisis in the current moment and in the late colonial period was that of overaccumulation (lack of market realization).²⁹ The methods by which capital can deal with a crisis of overaccumulation are: acquiring cheaper raw materials — materials that objectify less value; obtaining cheaper means of subsistence for the workers — reducing the value of variable capital; finding a new commodity market; and/or, finding a market to absorb the capital in productive labor — finding a market with conditions favorable to generating surplus-value.³⁰ One of the spatial fixes implemented during both periods are large scale transportation projects that aim to reduce transport costs, absorb capital in productive process, and introduce goods to new markets. From the mid-nineteenth century to the early-twentieth century large-scale railway construction projects were undertaken in Latin America mainly financed by European firms.³¹ Other attempts to find a spatial fix included the construction of the Suez Canal and the Pacific Railroad which ran from Omaha, Nebraska to San Francisco, California in 1869. Both of these projects greatly reduced transport costs, which allows for a more conducive environment for increased capital accumulation.

This form of spatial fix, used by the imperialist powers, is mirrored by the efforts of Chinese capital in the current moment. From 2011 onwards, there have been major investments in infrastructure and railways by Chinese capital within Latin America (Ecuador and Argentina being the main beneficiaries thus far) and West and East Africa.³² The second form of spatial

²⁹ David Harvey, *Seventeen Contradictions and the End of Capitalism* (Oxford: Oxford University Press, 2014), 154. By market realization, this thesis means the ability of surplus-value to be bought within the market, meaning that surplus-value is actually produced and realized. As surplus-value that is not consumed or realized is considered to be not even produced.

³⁰ Harvey, "Spatial Fix," 26.

³¹ Roger A. Kittleson, David Bushnell and James Lockhart, "History of Latin America," in *Encyclopædia Britannica*, January 23, 2019, <https://www.britannica.com/place/Latin-America>.

³² Simon Romero, "China's Ambitious Rail Projects Crash into Harsh Realities in Latin America," *New York Times*, October 3, 2015, <https://www.nytimes.com/2015/10/04/world/americas/chinas-ambitious-rail-projects-crash-into-harsh-realities-in-latin-america.html>; Sophie Morlin-Yorn, "All

fix deals with the issues of acquiring cheaper materials and means of subsistence for the workers. All other things remaining equal, acquiring cheaper means of production and labor power reduces the value and price of the commodities being produced, making them more competitive and allowing for easier realization. During the colonial period, this was done in the form of the “Scramble for Africa” in the closing decades of the nineteenth century and concluding with World War One and the colonization of other spaces of the globe. The goal of the “Scramble for Africa” was to supply the colonial capital state with a cheap source of raw goods, means of subsistence, and a dumping ground for surplus capital in the form of commodities. Looking at the similarity of the current moment, in 2008 and 2009, it was reported that nearly forty million hectares in the African continent, roughly two-thirds of the Ukraine, were leased by companies and foreign governments.³³ The main goals of these current relations are to secure biofuels and foodstuff, with China as the largest alleged land grabber.³⁴ While many of these plans are grandiose ideas that have not materialized, food security – meaning the ability to maintain a cheap labor force – is incredibly important in the current moment. Chinese firms do come and investigate the possibility of buying arable land in African nations, but they are disheartened by poor conditions.³⁵ They are then forced to look elsewhere such as Latin America where “Brazilian soybean producers have been invading Paraguay, converting it into a vast soybean plantation for the China trade.”³⁶

3.2 Monopolies and Rentierism

The emergence of monopolies is another key feature of both the contemporary moment and the colonial era. Monopolies result from the concentration and centralization of capital. As capital

aboard! The Chinese-funded railways linking East Africa,” *CNN*, January 17, 2017, <http://edition.cnn.com/2016/11/21/africa/chinese-funded-railways-in-africa/index.html>

³³ “Analysis: Land Grab or Development Opportunity?,” *BBC News*, February 22, 2012, <http://www.bbc.com/news/world-africa-17099348>.

³⁴ See: Deborah Brautigam, *Will Africa Feed China?* (Oxford: Oxford University Press, 2016).

³⁵ *Ibid.*, 153-58.

³⁶ Utsa Patnaik and Prabhat Patnaik, *A Theory of Imperialism* (New York: Columbia University Press, 2017), 168.

begins its valorization process the main goal is not only to acquire surplus-value, but to gain the relative surplus-value.³⁷ This generates a need to employ technology in the service of acquiring the relative surplus-value by employing technology either organizational or mechanical, i.e. the technological fix.³⁸ The ability to accumulate more relative surplus-value than other competitors allows the capitalist to advance a larger amount of capital, and expand at a faster rate. This, in turn, allows for a greater concentration of capital (in the form of means of production and command over labor.) Once the capitalist concentrates sufficient capital he is able to absorb or destroy smaller capitalists. This is the process of centralization of capital, that is:

... the concentration of capital already formed, destruction of their individual independence, expropriation of capitalist by capitalist, transformation of many small into few large capitals.... Capital grows to a huge mass in a single hand in one place, because it has been lost by many in another place.”³⁹

Marx highlights how this transition from concentration to centralization brought about a new force in the form of the credit system. It was introduced into the system to aid in accumulation but is later transformed into a social mechanism for the centralization of capitals. Marx goes on to reiterate how the most powerful tools for centralization are competition and credit.⁴⁰ Competition ending in monopolies is a tendency put forth by Marx; however, it could differ if certain particularities change.⁴¹ There are also cases in which monopolies form not due to competition, but due to the sheer amount of capital needed to enter a specific market, i.e. market barriers.⁴²

With regards to monopoly formation in the current moment, there were \$4.7 trillion worth of mergers and acquisitions in the United States of America in 2015. This figure is up

³⁷ Marx, *Capital: Volume I*, 437-38.

³⁸ Harvey, *A Companion*, 169.

³⁹ Marx, *Capital: Volume I*, 777.

⁴⁰ *Ibid.*, 778.

⁴¹ Harvey, *A Companion*, 272.

⁴² Harvey, "History versus Theory," 27.

42% from 2014 and is higher than the previous record of \$4.4 trillion set in 2007.⁴³ The state-finance nexus and the financial system at large function in the role of the central nervous system for the capital accumulation and centralization.⁴⁴ These largely mirror the events documented (1860s-1910s) in the first three chapters of Lenin's *Imperialism: The Highest Stage of Capitalism*. Looking at his description, of his own contemporary moment, further highlights the similarities with the present and the formation of monopolies now. Lenin highlights the rise of cartels as "one of the foundations of economic life."⁴⁵ He shows how banks and finance capital, due to the concentration of capital they possess, can dominate other factions of capital. The bank uses the lever of credit to coerce these factions to act in accordance with what it finds "acceptable".⁴⁶ The lever of credit works in both ways whether through withholding or extending it. Both in Lenin's time and now, there is an increase in rentierism and the profit of rentiers in relation to productive capital. A list of the highest grossing companies at the contemporary moment shows that they are involved in either oil rents or in intellectual property right rents.⁴⁷ This is mirrored by Lenin's observation that the rentiers' profits were "*five times greater* than the income obtained from the foreign trade of the biggest 'trading' country in the world!"⁴⁸

3.3 Differences: Intra-Class Relations

The similarities between this thesis's period of focus and the current moment are many, but a number of differences also exist. These divergences mainly revolve around the different intra-class relations of each of the periods. The first difference is the absence of competing

⁴³ Bourre Lam, "2015: A Merger Bonanza," *The Atlantic*, January 9, 2016, <https://www.theatlantic.com/business/archive/2016/01/2015-mergers-acquisitions/423096/>.

⁴⁴ David Harvey, *The Enigma of Capital and the Crisis of Capitalism* (Oxford: Oxford University Press, 2011), 54-58.

⁴⁵ Lenin, *Imperialism*, 38.

⁴⁶ *Ibid.*, 55-56.

⁴⁷ Sophie Christie, "Revealed: The Worlds' 10 largest companies by revenue," *The Telegraph*, July 20, 2017, <http://www.telegraph.co.uk/business/2017/07/20/revealed-worlds-10-largest-companies-revenue/>.

⁴⁸ Lenin, *Imperialism*, 101.

imperialist powers, as formally defined by Lenin, in the contemporary moment. Relying on John A. Hobson's work, Lenin points out that there are two key features of imperialism: 1) the competition between several imperialisms, and 2) the predominance of finance capital over merchant capital.⁴⁹ Giovanni Arrighi points out that Lenin's analysis had two diverse and incommensurable conceptions of finance capital. Lenin uses the definitions offered by both Hobson and Rudolf Hilferding. On one hand, Hobson's definition of finance capital is a supranational entity that has no links to any productive apparatus. On the other hand, Hilferding understood finance capital as an entity of national character whose ties with productive capital are strong.⁵⁰ Hilferding's influence on Lenin is evident in the latter's definition of finance capital as "the bank capital of a few very big monopolist banks, merged with the capital of the monopolist associations of industrialists."⁵¹ According to Lenin's conceptualization, the imperialist moment should not be understood as the dominance of banking capital, but the merger of monopolist banking capital and monopolist industrial capital. This is just the sort of arrangement held by Chinese capital in the contemporary moment and explains why actions pursued by Chinese capital mirror those of imperialist powers.⁵² However, the intra-class relations of the neoliberal moment are defined by the alliance of a contemporary form of finance capital and merchant capital. Finance capital in the neoliberal and contemporary moment, excepting Chinese finance capital, is devoid of its strong relation to a single national industrial capital which is essential to Lenin's definition.⁵³ In contrast, finance capital now has mobility allowing it to survey and move around the globe in search of the highest return. While this method produces the potential for the creation of surplus-value, it still needs to be realized.

⁴⁹ Ibid., 94.

⁵⁰ Arrighi, *The Geometry of Imperialism*, 25.

⁵¹ Lenin, *Imperialism*, 91-92.

⁵² David Harvey, *A Brief History of Neoliberalism* (Oxford: Oxford UP, 2005), 140-41.

⁵³ Susan Himmelweit, "Explaining Austerity and Its Gender Impact," in *Economics and Austerity in Europe: Gendered Impacts and Sustainable Alternatives*, ed. Hannah Bargawi, Giovanni Cozzi and Susan Himmelweit (Abingdon: Routledge, 2017), 194-195.

The realization of the surplus-value is done with the help of merchant capital, which is divided into commercial capital — involving retail and trading — and money-dealing capital.⁵⁴ The former can transport goods to locations of realization and sell them. While the latter can extend credit which “will potentially realize surplus-value in commodities purchased, underpinning the capacity to sustain surplus-value appropriated by corresponding interest-bearing capital [i.e. finance capital].”⁵⁵ The fully global nature of capitalism in the contemporary moment, e.g. the ability to produce a global car, which relies heavily on transportation and communication technologies, influences the power of merchant capital to a degree not made possible prior to the neoliberal moment.

While in the colonial period, the East India Company may have wielded immense political and economic power of the sort now seen in contemporary merchant capital, the same could not be said for other merchant capitalists of the time.⁵⁶ Eventually, the commercial power that was the East India Company had to succumb to the demands of productive capital.⁵⁷ The Manchester School, represented by John Bright, led the attack against the Company in 1853-54 highlighting that the quantity of American cotton imported by Britain was climbing steadily while from India it remained constant.⁵⁸ Additionally, the Manchester School pointed out the amount of railway construction in India was barely existent, and the levels of Indian consumption of British goods were less than that of South America. The Manchester’s School’s ability, as bearers of productive capital, to impose its will on merchant capital – the East India Company – may be best illustrated in the remarks of Sir Charles Wood, president of the Board of Control, to The Earl of Dalhousie, the general-governor of India: “The Manchester people

⁵⁴ Ben Fine, "Locating Financialisation," *Historical Materialism* 18, no. 2 (2010): 110.

⁵⁵ *Ibid.*, 111.

⁵⁶ The East India Company’s assets which included portions of the subcontinent of India is not be a representative for merchant capital.

⁵⁷ R. J. Moore, “Imperialism and ‘Free trade’ policy India, 1853-4,” *The Economic History Review* 17, no. 1 (1964): 143-44.

⁵⁸ *Ibid.*, 141.

want to pull down the Directors [of the East India Company] because they don't grow cotton...."⁵⁹

While merchant capital's influence, in acquiring large amounts of the surplus-value, was weakened in relation to the rising power of productive capital, these roles are now reversed. Now, merchant capital is not only helping in the realization process, but also functions as a global organizer of productive capital and labor.⁶⁰ Due to the decrease in the value of the process of transportation and communication, small-scale local businesses that were insulated from global competition are thrown in the deep end.⁶¹ Appearances of this phenomenon include the decrease in the number of "mom-and-pop shops" due to the rise of Walmart, Target, and Kmart.⁶² While the act of value destruction and construction is not unique to the current moment, the aspect that is unique to the neoliberal moment is its scale due to the help of technological innovations.

Another aspect that sets apart the two periods is the role of the national bourgeoisie of colonized societies. In the colonial era, the national bourgeoisie were on the forefront of the anti-colonial/anti-imperialist struggles as they witnessed their ability to further advance their own capital, which was restricted by the presence of imperialist powers.⁶³ In the eyes of many nationalists of colonized societies, control over industries and the ability to build them up were critical to attaining a country's freedom and independence. They recognized the importance of

⁵⁹ Ibid.

The Preseident of the Board of Control was responsible for overseeing the affairs of the East India Company and Indian affairs.

⁶⁰ Marx, *Capital: Volume I*, 1023; Harvey, "History versus Theory," 31.

⁶¹ Harvey, "History versus Theory," 27.

⁶² Tyler Durden, "The Retail Bubble Has Now Burst: A Record 8.640 stores are closing in 2017," *Zero Hedge*, April 22, 2017, <http://www.zerohedge.com/news/2017-04-22/retail-bubble-has-now-burst-record-8640-stores-are-closing-2017>. The Blockbuster movie rental chain is another example. Even though it was a large enterprise in comparison to "mom-and-pops stores", it still could not withstand the rise of online communication technologies. See: Connor Simpson, "Blockbuster is Dead. Long Live the Video Store," *The Atlantic*, November 6, 2013, <https://www.theatlantic.com/entertainment/archive/2013/11/long-live-video-store/354947/>.

⁶³ Malcolm Saba and Paul Saba, "Anti-imperialist struggles up to the Second World War," *In Struggle!* 228 (1980).

native control of productive and finance capital in asserting national independence.⁶⁴ In contrast, in the current moment, the national bourgeoisie of formerly colonized societies are complicit in advancing global capital's interest and are now doing so without the need for a foreign imperialist power.⁶⁵ The final difference between the contemporary moment and the colonial era is the quantity of capital in circulation, and all that entails. The increase of the quantity of capital can increase the frequency and/or the scale of crises. It can also be a factor in aiding capital to realize certain fixes both spatial and technological as it has more resources at its disposal.⁶⁶

This thesis studies the transition period from commercial to industrial colonialism in India, as indicative of a larger global trend. While that period is not perfectly an analogy for the current moment, there are enough similarities to warrant its close examination. As much of the scholarship, discussed in this study, fails to appreciate the formation and processes driving capital relations, they are unsuitable to helping provide explanations for the contemporary moment by means of metaphor with the historical past. This thesis attempts to show how Marx's dialectical method provides a useful tool for understanding the capital relations of the historical past. This section highlighted similarities between the historical moment being studied, the process of colonization within the Indian Subcontinent, and the contemporary moment. This is important because insofar as these parallels exist, the Marxian method, set out in the following chapters, may help to illuminate the contemporary moment vis-à-vis the historical example.

4. Thesis Outline

⁶⁴ Albert Hourani, *Arabic Thought in the Liberal Age, 1798-1939* (Cambridge: Cambridge University Press, 1983), 181-82.

⁶⁵ Patnaik and Patnaik, *A Theory of Imperialism*, 6; Harvey, *A Companion*, 308.

⁶⁶ With the abandoning of the gold standard the material constraint that had limited finance capital was removed allowing for limitless expansion. Money was no longer disciplined by the money-commodity. Harvey, *Enigma*, 43-44.

As mentioned, this thesis seeks to understand the process of colonization using a Marxian methodology in critical discussion with the works of Guha, Chakrabarty, Said, and Wallerstein, whose contributions are prominent among scholars dealing with the above-outlined colonial experience. These works struggle to explain the transition between the two economic colonial moments: commercial and industrial. This problem is rooted in their application of Marx's levels of generality and consequently has created a reading of capital relations in colonized societies that is incompatible with Marx's framework. That incompatibility is then ascribed to a failing of Marx's conceptualization itself.

Showing the ways in which a Marxian analysis may be applied, Chapter One begins by highlighting the works of Lenin and Luxemburg, whose thought examined the levels of generality and the problems surrounding the particular. The chapter then surveys some of the works of the following scholars: Guha's *Dominance without Hegemony*, Chakrabarty's "A Small History of Subaltern Studies," Said's *Orientalism*, and Wallerstein's *World System Analysis: An Introduction*. In refuting their studies, the works of Kevin Anderson and Vivek Chibber are used to provide a reading of Marx that illuminates limitations in the claims made by the surveyed scholars. Thereafter, by critically reading and engaging with Marx's *Capital: Volume I*, Chapter One will introduce Marx's methodological approach: the dialectical method. As this is the method employed throughout the rest of the thesis, Chapter One lays the foundation for the analysis offered in the succeeding chapters. The works of Bertell Ollman and David Harvey will be employed to enhance the understanding of Marx's method.

In Chapter Two, the assertion made regarding the existence of Eurocentrism in Marx's works is examined using the framework set out in the first chapter. This issue is critical to the discussion of Marx's framework's applicability and is a central part of the arguments against his concepts. In dealing with these claims, Chapter Two begins by delineating between Marx's method of presentation and inquiry. The former is representative of his analysis while the latter

is expressive of his conceptualization. The chapter argues that Marx's analysis may be Eurocentric in the particular historical details he uses to make his case, but not in the theoretical grounding in which his analysis is based. This difference becomes particularly defined when one distinguishes a Eurocentric analysis from a Eurocentric conceptual framework. Having outlined the conceptual and political parameters of a Eurocentric framework, Chapter Two then examines Marx's writings in light of such criticism in juxtaposition to the works of Kevin Anderson, Vivek Chibber, and others. By showing that Eurocentrism exists in particular works but not in the general concepts he developed, the chapter argues that such a problem does not limit the applicability of Marx's method on the whole. Additionally, while Marx's Eurocentrism may be present in his historical representations of Indian society, the chapter shows the need to distinguish between a historical argument and a logical one. The chapter concludes by showing Marx's own awareness of the need to distinguish between historical particulars outside of Western Europe and the historical processes that shaped capitalism within Western Europe, as he defined it. Marx does so without changing conceptual frameworks; rather, he relies on his levels of generality even more so, thus allowing for the analysis offered in Chapter Three.

By showing that the claims of Eurocentrism made against Marx are valid with regards to specific works, but not to the totality of his theoretical framework, Chapter Three applies his understanding of the social totality and the labor theory of value to explain the process of colonization. Using the levels of generality discussed in the preceding two chapters, the most general generality of capital relations is put forth, which is the tendency of capital to accumulate, his algebraic formulas and equations, and circuits of capital. The chapter discusses the Marxian conceptualization of instruments of labor and raw materials in order to use these generalities in relation to the particular — through an examination of the colonization of Indian society by the British East India Company and later British Raj. Building on that, the chapter

then examines the particular generalities of the Indian colonial experience, as defined by the project. Here, there is a focus on intra-class and inter-class relations in the societies of both colonizer and colonized to highlight what conditions enabled the process of colonization to take place, especially the use-value of raw materials and how their acquisition by colonizers influenced both societies. Chapter Three ends by highlighting the differences in capital relations as they developed in India and Western Europe.

Finally, the Conclusion will review this study's trajectory and discuss the applicability of Marx's method in understanding a historic society: India during the processes of colonization, both commercial and industrial. Furthermore, it will show how the tools developed by Marx and employed here are not only invaluable in understanding that period but also to the contemporary moment, given the similarities between the two.

CHAPTER ONE | LITERATURE REVIEW AND THEORY

We must force the 'frozen circumstance to dance by singing to them their own melody.' – Karl Marx, 1844¹

1. Introduction

This chapter reviews and evaluates specific scholars' explanations of the colonial process. Thereafter, it discusses the Marxian dialectic method and theory as an opening upon which Chapters Two and Three may build. For this study, there are three main corpuses of literature that attempt to analyze global relations during the colonial era; these are divided by methodological differences. The first group is the dialecticians, which operates within the Marxian tradition and maintains Marx's distinctions between the levels of generality. The second body examined here is the critical non-dialecticians. This group of scholars offers a one-sided view of the totality by focusing on one particular facet of it.² While their contributions are invaluable to understanding specific aspects of the larger questions in any examination of a society, many others remain unilluminated. Finally, the chapter will look at non-dialecticians, whose explanations are historically descriptive but lacking in a unified theoretical underpinning of the social totality.

Following the literature review, this chapter introduces Marx's theoretical and conceptual methods in order to set out the framework for the succeeding chapters of the thesis. In doing this, the concept of levels of generality is introduced here in order to later approach the contributions of the critical non-dialecticians, mentioned above. This helps to highlight the difference between Marx's Levels II and III of the generality, which are the particular and the general respectively. Additionally, and in advancing the dialectical process's applicability, this

¹ Karl Marx, *Critique of Hegel's Philosophy of Right*, trans. Joseph O'Malley (Oxford: Oxford University Press, 1970), in forward matter.

² Rather than examining the many relations that compose the totality, the critical non-dialecticians highlight one element over all others. For example, a scholar may look at the literature of a society without exploring other elements that have an influence on society.

chapter introduces the circuits of capital, the source of value, and the social dynamics of capital. Combined with the literature review, this theoretical chapter builds the groundwork for the succeeding chapters.

2. Literature Review

2.1 The Dialecticians

The first body of literature, that of the dialecticians, offers an understanding of colonial relations in line with Marx's method, but with an awareness of the particularities of the historical moment of their analysis. This group is primarily represented by Vladimir Lenin and Rosa Luxemburg; this thesis also attempts to be in this tradition. In the case of Lenin's *Imperialism*, he dealt with a moment in which competition — the enforcer of the inner laws of capital — was not present as monopolies and oligopolies were on the rise. Lenin, being aware of Marx's dialectical method, developed an understanding of his moment. He posited his own formulation to further outline the capital relations at the time.³ In Lenin's formulation of *Imperialism*, as Giovanni Arrighi points out, the definition of imperialism is based on "its relations to the socio-economic formation with which it co-exists at a given historic moment."⁴ For Lenin, imperial practices serve to accomplish specific roles. Among them is the exportation of capital in the form Lenin calls *loan capital*. This entails the spreading of loans with the stipulation of buying materials from the creditor country. In essence "[t]he export of capital thus becomes a means of encouraging the export of commodities."⁵ Additionally, these practices serve to establish monopolies over the acquisition of raw materials. This objective both guarantees the colonizer access to the raw materials it requires, while also preventing the raw material from being acquired by competing imperialist states.⁶

³ David Harvey, *A Companion to Marx's Capital, Volume II* (London: Verso, 2013), 27-29.

⁴ Giovanni Arrighi, *The Geometry of Imperialism* (London: Verso, 1983), 12.

⁵ Vladimir Il'ich Lenin, *Imperialism: The Highest Stage of Capitalism* (Sydney: Resistance Books, 1999), 73.

⁶ Lenin, *Imperialism*, 87.

There are limiting issues to Lenin's theoretical contribution. Some Marxist scholars use a similar diction to Lenin (imperialism, monopoly capital, and finance capital) without properly analyzing their particular historical moment in comparison to his.⁷ Also, Lenin's evaluation does not allow for the possibility that monopolies may be eroded and the coercive laws of competition restored.⁸ However, Lenin's analysis is extremely enlightening when looking at the thirty years that directly followed his work until the crisis of World War II and the reestablishment of the world market, when his theory of imperialism becomes untenable. Lenin disagreed with the notion "... that raw materials 'could be' obtained in the open market without a 'costly and dangerous' colonial policy; and that the supply of raw materials 'could be' increased enormously by 'simply' improving conditions in agriculture in general."⁹ He claimed that such "arguments become an apology for imperialism, an attempt to paint it in bright colours, because they ignore the principal feature of the latest stage of capitalism: monopolies. The free market is becoming more and more a thing of the past."¹⁰

Similarly to Lenin's awareness of Marx's employment of the levels of generality, Luxemburg works to highlight the dialectical unity between production and realization. She is critical of Marx's manner of dealing with the question of effective demand. For Luxemburg, similarly to Thomas Malthus, there is a need for a foreign market, so that the surplus-value can be realized and for capital to reproduce itself. She argues that accumulation and the realization of surplus-value is impossible within an exclusively capitalist environment, and that this is the root of imperialism. She refutes the argument that a giant stream of workers coming from the colonies to the old capitalist centers would increase the population and allow for the realization of the surplus-value. Luxemburg points out that in industrialized countries there is already the

⁷ Arrighi, *The Geometry of Imperialism*, 15-19.

⁸ David Harvey, *A Companion to Marx's Capital* (London: Verso, 2010), 29.

⁹ Lenin, *Imperialism*, 87.

¹⁰ *Ibid.*

presence of the reserve army of proletariat; and in the case of the colonies, there are always complaints about labor shortages. For Luxemburg, the contradiction between the desire to have unlimited growth and the finite capacity to realize profit would cause the downfall of capitalism.¹¹ Her insight into how effective demand links the globe together is essential when it comes to understanding global relations at any given moment.¹²

Other scholars within the dialectician category further advance Marx's applicability within various facets of the colonial issue. Without necessarily being bound by a particular historical moment, these studies help to broaden the discipline by exploring issues of race, gender, class, and the dialectical method, especially as these topics relate to colonial relations broadly. Among these scholars are Himani Bannerji, David McNally, and C. L. R. James. Bannerji's works present conceptualizations of race and gender as social phenomena that are formed through discourses but remain firmly rooted in capitalism. This understanding is important as it places the issues of race and gender with class discussions not within the extra-economic category of ideologies.¹³ Similarly, this thesis attempts to understand the formation of colonial relations as a development of specific social relations that precede and influence the development of colonial ideology. Whereas Bannerji actively engages a Marxian methodology without recourse to the terminology of internal relations, McNally goes further. He reconciles the politics of class and identity using Marxian concepts and the philosophy of internal relations to show that race, gender, and sexuality — among others — are internally

¹¹ Rosa Luxemburg and Nikolaï Bukharin, *Imperialism and The Accumulation of Capital*, trans. Rudolf Wichmann (London: Allen Lane the Penguin Press, 1972), 142-48.

¹² Luxemburg's analysis is not without its problems especially for the contemporary moment. The increase in the number of economic immigrants, (legal or illegal) towards capital rich countries is viewed as a boon by some analysts at least in economic terms. David Harvey also highlights that the consumerism culture that has overtaken the world and the increase of credit are ways in which Marx's reproduction schemas have worked. Harvey, *A Companion: Volume II*, 316-19.

¹³ Himani Bannerji, "Building from Marx: Reflections on 'Race,' Gender, and Class," in *Educating from Marx: Marxism and Education*, eds. Sara Carpenter and Shahrzad Mojab, (New York: Palgrave Macmillan, 2011), 50-52.

constituted of class rather than be external to it.¹⁴ C. L. R. James's understanding of the dialectical method places the revolutionary capacity of man at the forefront of historical developments.¹⁵ Such a view of the development of social relations gives greater agency to human beings as actors and diminishes the deterministic elements that could be attributed to Marxian thought. This thesis, by extension, places agency within the inter- and intra-class struggles within British and Indian societies.

2.2 Critical Non-Dialecticians: Postcolonial Scholars

While the dialecticians operate within an understanding of Marx's levels of generality and therefore have a greater appreciation of his overall method and thought, the critical non-dialecticians — the second group of scholars whose literature is examined by this thesis — critique Marx's method on various grounds and seek to offer their own method. Within this corpus, the authors offer insights that can be beneficial, but they tend to produce analyses that do not consider change and transition. Instead of examining the totality, like the dialecticians, these critical non-dialecticians offer a snapshot of the moment they are studying. While accepting of some elements of Marx's framework, these scholars forgo the philosophy of internal relations that is integral to his thought. Differences, whether before or after, cannot be properly understood within their frameworks.

The work of Edward Said falls within this category as his research focuses on the importance of the mental conceptions¹⁶ of colonizers and imperialists, with limited consideration to the material development of those ideologies in the preceding era that led to their formation. Said places the formation of the colonial/imperialist mental conceptions at the forefront of the colonial project:

¹⁴ David McNally, "The dialectics of unity and difference in the constitution of wage-labour: On internal relations and working-class formation," *Capital & Class* 39, no. 1 (2015): 131, 142-43.

¹⁵ C. L. R. James, "Dialectical Materialism and the Fate of Humanity," *Marxists.Org*, 2019, <https://www.marxists.org/archive/james-clr/works/diamat/diamat47.htm>.

¹⁶ Mental conceptions are the ideas that inform and formulate one's paradigm. This issue and its relevance will be discussed further in the following methodology section.

Neither imperialism nor colonialism is a simple act of accumulation and acquisition. Both are supported and perhaps even impelled by impressive ideological formations that include notions that certain territories and people *require* and beseech domination, as well as forms of knowledge affiliated with domination.¹⁷

Said's insights into how colonialism and imperialism may be supported by ideological formations are not problematic in and of themselves. However, Said argues that mental conceptions are fundamental to the formation of the colonial project either as a propelling force or a supporting factor that preexisted the act of colonization. He posits two incompatible time frames for the formation of this orientalist style of thought. The first time frame is in antiquity in the works of the Ancient Greeks.¹⁸ The second scope of time, offered by Said, is that the orientalist mentality, most relevant to colonialism, has "the late eighteenth century as [a] very roughly defined starting point."¹⁹ Said's framework explains that these colonial era thoughts developed only with recourse to the Orientalist discourse that he argues is continuous from antiquity to the colonial period.²⁰ The issue with this narrative of uninterrupted discourse is that it cannot explain the process of colonialization that came hand in hand with the West Indies to East Indies trade. Instead, it presents that process as the logical consequence of an ancient born ideology.

In contrast to this ideological worldview, Fernand Braudel points out that even the use of the word conquer during the early colonial period is too hard a word. European traders were often unable to trade on equal terms, lived in modest ways, and initially had no dreams of imperial grandeur. He gives examples of the English in Bombay (1662), Bengal (1686), and Madras (1640).²¹ In contrast to Said's narrative of a colonial project as an extension of early

¹⁷ Edward Said, *Culture and Imperialism* (New York: Vintage Books, 1994), 9.

¹⁸ Edward Said, *Orientalism* (New York: Vintage Books, 1995), 56-57.

¹⁹ *Ibid.*, 3.

²⁰ Aijaz Ahmad, *In Theory: Classes, Nations, Literatures* (London: Verso, 1994), 181.

²¹ Fernand Braudel, *Civilization and Capitalism 15th-18th century Volume II: The Wheels of Commerce*, trans. Sian Reynolds (New York: Harper & Row, 1982), 221.

trade relations are the military defeats that the Europeans faced. In 1722, combined English and Portuguese forces were defeated by Kanoji Angria – the Marathan naval commander, and the Dutch were routed in 1739 by Marthanda Varma.²² Said’s presentation of orientalism as an uninterrupted worldview, placing Europe in a superior position to others, is diminished by the historically inferior position of the East India Company vis-à-vis the great Moghul Empire. When one of the directors of the East India Company presented himself before the great Moghul ruler, he did so as “[t]he most humble dust, John Russel, Director [*sic*] of the said company [and] did not hesitate to ‘prostate himself upon the ground.’”²³ Supporting this argument, the Indian historian K. M. Panikaar points out that:

it would have been impossible in 1750 to predict that in another fifty years one European power, England, would have conquered a third of Indian and would be preparing to snatch from the Maharattas hegemony over the rest of the country.²⁴

Said’s framework cannot explain this period of European colonial experience nor can it account for the transition into the later forms of colonialism which is better suited to Said’s framework. This is not to say that Said’s attribution of importance to the mental conceptions *per se* is inherently wrong, but rather that ideas should be viewed in tandem and conjunction with other aspects of historical development.

Building on the work of Edward Said, postcolonial studies as a framework have spread to multiple disciplines rather than remaining in literary and cultural studies.²⁵ This thesis does not delve into all of the contributions made by postcolonial scholarship in the vast array of disciplines it has influenced. Rather, it focuses on the influence of postcolonial studies in the fields of history and sociology, notably the Subaltern Studies Group. Fundamental to the

²² Ibid.

²³ Ibid.

²⁴ Ibid.

²⁵ Christine Sylvester, “Post-colonialism,” in *The Globalization of World Politics*, ed. John Baylis, Steve Smith, and Patricia Owens (Oxford: Oxford University Press, 2011), 190.

postcolonial theoretical formulation is the belief in the presence of deep fault lines separating the Western and non-Western worlds.²⁶ Therefore, postcolonial thinkers have “made the critique of Marxist historiography foundational to their claims for an avowedly new, post- or non-Eurocentric standpoint.”²⁷ They attempt to offer a re-examination of the relationship between the Global South and Global North, in terms of social structures and historical developments, which is premised on the rejection of universalisms and meta-narratives, especially Marxism and liberalism at large.²⁸ Specific scholars, within Subaltern studies, argue that one cannot use the concepts developed by Marx in relation to capitalism when analyzing it in colonial and post-colonial societies. Ranjit Guha and Dipesh Chakrabarty argue that capitalism failed in its universalizing mission when it colonized in the East because the bourgeoisie there failed to mimic the success of the Western bourgeoisie.²⁹ According to Chakrabarty and Guha:

[T]he global history of capitalism does not have to reproduce everywhere the same history of power. In the calculus of modernity, power is not a dependent variable with capital playing the role of an independent one. Capital and power could be treated as analytically separable categories.³⁰

Their argument is based on the emergence of forms of power that depart from the forms of power realized by bourgeois relations. This variance in the forms of power, in turn, results in qualitatively different forms of capitalism. For Guha, the main difference between the Western and Eastern bourgeoisie was the lack, in the East, of bourgeoisie-led, anti-feudal struggles that eventually developed into Western forms of politics. He cites England’s Revolution of 1640 and the French Revolution as examples of such bourgeoisie anti-feudal struggles. While the main difference for Chakrabarty is the issue of interpersonal coercion, he argues that this is

²⁶ Vivek Chibber, *Postcolonial Theory and the Specter of Capital* (London: Verso, 2013), 22.

²⁷ Neil Lazarus, “What postcolonial theory doesn’t say,” *Race & Class* 53, no. 1 (2011): 8.

²⁸ Vivek Chibber, “How does the Subaltern Speak?,” *Jacobin*, April 21, 2013.

²⁹ Dipesh Chakrabarty, “A Small History of Subaltern Studies,” in *A Companion to Postcolonial Studies*, ed. Henry Schwarz and Sangeeta Ray (Oxford: Blackwell, 2005), 476.

³⁰ *Ibid.*, 476-77.

unique to colonial modernity and causes the form of capitalism in colonized lands to be qualitatively different from the one that took root in Europe. According to these scholars, such differences limit the usage of concepts that were developed to analyze capitalism as it emerged in Europe when examining the colonized societies' forms of capital relations. On the other hand, Vivek Chibber argues that Chakrabarty and Guha's arguments are based on an imagination of the European bourgeoisie and history.³¹ In the case put forth by Guha, Chibber argues that the bourgeoisie in England was not anti-feudal by 1640: "feudal landed relations in England had largely been reduced to the status of historic relic. There was a landed aristocracy, to be sure, but for the most part it was by now a class of capitalist landlords, not feudal magnates."³² Against the argument made by Chakrabarty, Chibber argues that relations of interpersonal coercion have been present in the capitalist production process regardless of the colonial relations being present or not. Therefore, there was no departure from bourgeois forms of power.³³ Guha and Chakrabarty's misunderstandings are indicative of what Ollman claims to be the least understood of the modes of abstraction: the level of generality.³⁴ Both scholars attempt to analyze the current form of capitalism occurring in their particular moment of study, but they generate claims with regards to capital relations in general.³⁵ The issues raised by Guha and Chakrabarty could be explained using the concepts developed by Marx as long as one is aware of the level of generality. In the case of Guha, he points out the weakness of class antagonism between the bourgeoisie and the landed elite in the East in contrast to the intensity of such antagonism in the West. Guha assumes that a weakness of class antagonism signals the failure of capitalism to universalize. However, what Marx's Level III of the generality indicates

³¹ Chibber, *Postcolonial Theory*, 123.

³² *Ibid.*, 81.

³³ *Ibid.*, 123.

³⁴ Bertell Ollman, *Dance of the Dialectic: Steps in Marx's Method* (Urbana: University of Illinois Press, 2003), 75.

³⁵ Central to the arguments of this thesis, one must be aware of the level of generality within which one is working. This matter will be explored further in the coming methodology.

is that there should be a specific form of class antagonism, in this case between capitalist and landed elite. However, it does not indicate the intensity of said antagonism.³⁶ This matter is handled within Level II of the generality, that being what is particular to the current form of capital structures. This requires one to study the conditions for antagonism existing between the capitalist class and the landed elite as well as the conditions for the intensity of that antagonism. This can be done within the framework developed by Marx, as this thesis will attempt to do in the succeeding chapters.

2.3 Critical Non-Dialecticians: World-System Theorists

Similar to the postcolonial scholars, who engage with portions of Marx's framework but not its totality, are the world-system theorists. World-system theory argues that the basic units of analysis are systems, which are the micro-system, the world-empire, and the world-economy. Only two of these three units of analysis are of interest to this thesis: world-empire and world-economy.³⁷ The distinction between both world-systems is that in a world-empire there is a "single political authority for the whole world-system."³⁸ The world-economy that world system theorists analyze is that of capitalism. They argue that it emerged in the fifteenth century in Western Europe and expanded to the rest of the globe. In doing so, an axial division of labor emerges creating a trimodal structure consisting of the core, semi-periphery, and the periphery. The theorists maintain that surplus-value is taken from the peripheries through the semi-peripheries to the core and that the division of labor is geographically based. Therefore, "different geographical regions and different countries occupy different positions within the world division of labor."³⁹ As such, the process of colonization serves the function of extracting "surplus-value" from the peripheries to the core. According to Wallerstein:

³⁶ Ollman, *Dance of the Dialectic*, 91.

³⁷ Immanuel Wallerstein, *World-system Analysis: An Introduction* (Durham: Duke University Press, 2004), 17.

³⁸ *Ibid.*, 57.

³⁹ William Robinson, "Globalization and the Sociology of Immanuel Wallerstein: A critical appraisal," *International Sociology* 26, no.6 (2011): 730.

Since profitability is directly related to the degree of monopolization, what we essentially mean by core-like production processes is those that are controlled by quasi-monopolies. Peripheral processes are then those that are truly competitive. When exchange occurs, competitive products are in a weak position and quasi-monopolized products are in a strong position. As a result, there is a constant flow of surplus-value from the producers of peripheral products to the producers of core-like products. This has been called unequal exchange.⁴⁰

Wallerstein's understanding of surplus-value being a result of exchange is due to his Weberian understanding of capitalism as a market or exchange relation.⁴¹ His understanding of surplus-value is similar to the concept of relative surplus-value present within Marx's work. Wallerstein proposes the notion that the value of goods from the peripheries are cheaper due to them being competitive rather than as a result of the devaluation of workers in the peripheries. It exposes him as a "neo-Smithian Marxist."⁴² Additionally, such an analysis neglects local class structures and the class struggles taking place within each section of the trimodal structure.⁴³ This analysis divides the world up geographically creating winners and losers — exploiters and exploited — depending on location and without consideration to local social relations. It is incapable of addressing the nuances that form the social totality. To take a rough example, in Wallerstein's model, a coal worker in Newcastle would be on equal socio-economic ground as a Manchester capitalist, as both are in a core state.

2.4 The Non-Dialecticians

Without reference to a Marxian methodology, unlike the dialecticians and critical non-dialecticians, a final group of scholars — the non-dialecticians — attempts historical analysis on the basis of internal dynamics. Within this group are mainly historians who are trying to explain the process of colonization and the so-called great divergence. Kenneth Pomeranz and

⁴⁰ Wallerstein, *World-system*, 28.

⁴¹ *Ibid.*, 24; Robinson, "Globalization," 734.

⁴² Jan Nederveen Pieterse, "A Critique of World System Theory," *International Sociology* 26, no. 3 (1988): 256.

⁴³ *Ibid.*

Jack Goldstone argue that while the act of colonization played a role in the development of certain European countries, especially in their access to resources, there were internal dynamics in certain European societies that were not extremely dissimilar from dynamics happening elsewhere on the globe. Rather, these scholars highlight that small differences and chance events created the conditions in certain parts of Europe for the specific developmental trajectory of those regions.⁴⁴ The approach that these scholars employ highlights the importance of internal dynamics to the process of colonization. Alongside them are other material and environmental determinists, whose historical scope may be varying in size. Therefore, before studying the process of colonization itself, one must analyze what conditions allowed that process to develop and take place in both the colonized and colonizing societies.

3. Theory and Application

3.1 Marx's Philosophy of Internal Relations

Beyond a critique of postcolonial and subaltern studies, this thesis seeks to offer a positive approach to understanding the colonialization process. In doing so, it employs Marx's dialectical method and his labor theory of value. The dialectical method is based on the philosophy of internal relations.⁴⁵ This opposes the notion of things as entities *ipso facto*, understanding internal relations as a philosophy seeks to view "things" as a set of relations and processes. The interaction of these processes and relations creates a totality, which is a whole.⁴⁶ Marx's totality is open, fluid, and rejects the supremacy of the "idea" over the material.⁴⁷ Within the philosophy of internal relations, the totality is more than the sum of its parts. This

⁴⁴ Jack A. Goldstone, "The Rise of the West-Or Not? A Revision to Socio-Economic History," *Sociology Theory* 18, no. 2 (2000): 191-192; Kenneth Pomeranz, *The Great Divergence: China, Europe, and the Making of the Modern World Economy* (Princeton: Princeton University Press, 2000), 3-4.

⁴⁵ Bertell Ollman, "Marxism and the Philosophy of Internal Relations; Or, How to Replace the Mysterious 'Paradox' with 'Contradictions' That Can Be Studied and Resolved," *Capital & Class* 39, no. 1 (2015): 22.

⁴⁶ *Ibid.*, 10.

⁴⁷ Harvey, *A Companion*, 24; Marx, *Capital: Volume I*, 102.

means that while the whole will acquire most of its distinguishing characteristics from its component parts, it will also grow and change to develop some unique characteristics over time. For example, the capitalist totality is formed by relations that have preceded it, and they have influenced its development. However, over time the capitalist totality also influences its own constitutive parts.⁴⁸ Studying the individual parts, processes, and relations that make up the totality allows for them to be extended to their limits in order to produce a one-sided version of the totality. When more one-sided versions of the totality are produced, the more precise one's understanding of that totality becomes. This allows for increased awareness about the functions of the totality, as well as where it is heading and how can it be influenced.⁴⁹

To employ Marx's dialectical method, one needs to highlight the kinds of relations and processes that Marx examined. He focused on four major kinds of relations while studying the capitalist totality: 1) identity/difference; 2) interpenetration of opposites; 3) quantity/quality; and 4) contradiction.⁵⁰ The first relation breaks from non-dialectical approaches that are mainly interested in highlighting the differences or similarities between two entities, whatever they may be, on the basis of those things as they appear. Marx works in a different manner as he tries to examine and compare the same entities on the basis of their relational origins, i.e. their function and from whence they came. Thus, while non-dialecticians, like most economists, view profit, rent, and interest as different concepts, Marx recognizes their superficial differences but also highlights their common identity, which is that they are all forms of surplus-value.⁵¹ The second relation — interpenetration of opposites — helps Marx understand that no event, process, person, or institution should be taken only as it appears. There is a need to realize that anything being viewed is done so at a certain time and place. Therefore, its functions and appears

⁴⁸ Ollman, "Philosophy of Internal Relations," 11.

⁴⁹ *Ibid.*, 10; Ollman, *Dance of the Dialectic*, 139.

⁵⁰ Ollman, *Dance of the Dialectic*, 15.

⁵¹ *Ibid.*, 15.

the way it does mainly due to its surrounding conditions.⁵² The third type of relation is the quantity/quality relation, which entails looking at two temporarily different moments of the same process and realizing that when a sufficient quantitative change occurs, a qualitative one may as well. An example of such a relation would be the transformation of money into capital. Once money reaches a certain quantity that allows it to buy the means of production and labor power in order to generate surplus-value only then does it become capital. By looking at the quality/quantity changes, Marx brings into single focus the “before and after aspects in a development that nondialectical approaches treat separately and even causally.”⁵³ The fourth relation, which is contradiction, is the most important to the philosophy. It is the incompatibility of mutually dependent and antagonistic elements within the same relation. Contradiction is one of the main driving forces of Marx’s thought to find the internal contradictions that bring about change in the system.⁵⁴ Marx’s technique of abstraction allows him to find these preceding relations, to reconstruct the world from different angles, and to investigate it at various times. Marx has three modes of abstraction: 1) extension, 2) levels of generality, and 3) vantage point. While this thesis employs all three modes to varying degrees, it relies mainly on the abstraction of the levels of generality. According to Ollman, this is the least understood among the three modes of abstraction.⁵⁵ It is essential to realize within which level of generality Marx works. Ollman highlights five levels: 1) the unique: it usually involves the specific name of individuals as a basis for analysis, an example is Marx’s journalistic writings about Napoleon III; 2) the current stage of capital relations: the distinction between the forms of capitalist social structures from one other, e.g. how capital relations functioned

⁵² *Ibid.*, 16. One of Marx’s methods of abstraction, in this case it would be what Ollman calls abstraction of vantage point, helps Marx in pointing out this type of relation.

⁵³ *Ibid.*, 17, 116-17.

Marx can do so due to his method of abstraction, in this case abstraction of extension which allows for a large enough focus to cover before and after the point of change.

⁵⁴ *Ibid.*, 17.

⁵⁵ Ollman, "Philosophy of Internal Relations," 16-17.

during the twenty to fifty years preceding any specific period of study and the relations that could have waned or intensified in that timeframe; 3) capitalism in general: the elements that distinguishes the capitalist period from other epochs; 4) commonalities within class-based societies: those things within all societies, capitalistic included, e.g. class antagonism; and 5) the human condition and its metabolic relation to nature.⁵⁶ These levels are not temporally separated, but rather co-exist and overlap. Marx's work in *Capital* is mainly concerned with dealing with capital in general, Level III.⁵⁷ Many scholars dealing with Marx overlook the need to start by studying each level separately and then examine the differences in Marx's claims and assumptions regarding each level.⁵⁸ Marx's commitment to focusing on Level III — the generality — allows for a comprehensive explanation of the relations of capital and is one of the reasons that his method is still applicable in the present capitalist moment. However, while his framework and method may be applicable to various periods, because his conclusions are drawn on the basis of a specific historical moment — his own. Thus, those conclusions cannot be taken and applied, in a positivistic fashion, to any time and place. Rather, there is a need to do the historically specific work and find the particularities, Level II, of said moments and demonstrate how they interact with the other levels.⁵⁹ In doing this, this thesis offers an understanding of the colonial period that accounts for the transition from commercial colonialism to industrial colonialism. This present work examines colonialization not merely as an issue of inter-state struggle with global winners and losers in national terms, but rather explains the capital relations that benefitted from the struggle. It shows that Marx's framework stands, so long as the particularities of a given historical moment are examined. This is in

⁵⁶ Ollman, *Dance of the Dialectic*, 93. In contrast, David Harvey breaks the levels of generality down to four levels. From most broad: the universality (Levels IV and V), the generality (Level III), particularity (Level II), and singularity (Level I).

See: David Harvey, "History versus Theory: A Commentary on Marx's Method in *Capital*," *Historical Materialism* 20, no. 2 (2012): 14.

⁵⁷ Ollman, "Philosophy of Internal Relations," 16-17.

⁵⁸ Ollman, *Dance of the Dialectic*, 96; Harvey, "History versus Theory," 24, 30.

⁵⁹ Harvey, "History versus Theory," 35-36.

contrast to postcolonial scholars — examined above — who are critical of Marx’s theoretical applicability on the basis of his conclusions, which are themselves drawn from the particularities of his own moment of study.

3.2 Marx’s View of the Social Totality and Method of Inquiry

At the outset of this section, Marx’s philosophy of internal relations was discussed in illustrating the philosophy behind the dialectical method that he employed. The following section focuses on how Marx deployed this philosophy. The object of Marx’s study was society in general⁶⁰ and the capitalist society in specific as shown by:

Relics of bygone instruments of labour possess the same importance for the investigation of extinct economic formations of society as do fossil bones for the determination of extinct species of animals. It is not what is made but how, and by what instruments of labour, that distinguish different economic epochs. Instruments of labour not only supply a standard of the degree of development of which human labour has attained, but they also indicate the social relations within which men work.⁶¹

Marx expands on this point in the fourth footnote of his chapter on “Machinery and Large Scale Industry” in *Capital, Volume I*. He discusses the relevance of technology to understanding social relations and human history, as he sought to treat these topics in the way in which Darwin dealt with fossils and natural history. The footnote in question highlights the aspects that make up the capitalist totality for Marx.⁶² As a part of a totality they should not be viewed as causally related but as interrelated with each part internalizing other parts of the totality. For Marx, “[t]echnology reveals the active relation of man to nature, the direct process of the production of his life, and thereby it also lays bare the process of the production of the social relations of his life...”⁶³ Thereafter, Marx presents the six elements that compose the totality of social life as: technology, process of production, man’s relation to nature, reproduction of daily life,

⁶⁰ Ollman, *Dance of the Dialectic*, 34.

⁶¹ Marx, *Capital: Volume I*, 286.

⁶² Marx often, and in this case specifically, uses a footnote to explain his method of inquiry while the main-body of the text continues dealing with his method of presentation.

⁶³ Marx, *Capital: Volume I*, 493-94.

mental conceptions, and social relations.⁶⁴ Later on, in section eight of *Capital, Volume I*, Marx's analysis is greatly influenced by what is presumed to be a seventh element: legal and governmental arrangements. Among these, social relations and the reproduction of daily life are relevant here. Other facets enter the analysis as this research is based on the dialectical method; as such, it accepts that the various elements are constantly interacting with one another. However, the thesis primarily focuses on these two specific moments as they allow for a conceptualization of the process of colonization as a socio-economic process without necessarily focusing on the actions of nation state.

The social relations of most interest here are those between the three competing factions of capital: productive, commercial, and finance. These factions compete for shares of surplus-value that are produced in the productive capital-working class dialectic and are realized with the assistance of finance and commercial capital. All of the factions compete with and need each other and are therefore dependent and antagonistic. The empowerment of different factions of capital has significant consequences on how capital operates on the global scale.⁶⁵ Changes in the functioning of the mode of production indicate how different social relations operate at a global level, and this entails a reconsideration of some of the Level III general laws Marx posited. In the present thesis, a change in the mode of production means an influence is exerted on the worker in the respective societies of both the colonized and the colonizer. It is important to keep in mind that by influencing other parts of the totality each part will in turn be influencing itself as well.

3.3 Marx's Labor Theory of Value

Having examined both his philosophy and his general outlook to the study of societies and history, Marx used the insights from his approach and applied them to the capitalist moment.

⁶⁴ Harvey, *A Companion*, 192.

⁶⁵ Harvey, *A Companion: Volume II*, 40.

For Marx, capital is value in motion and the main drive of capital is to further accumulate value.⁶⁶ This is done by placing capital in circulation for the sake of expropriating surplus-value, which is profit.⁶⁷ Capital starts the valorization circuit when an initial quantity of capital, in money form, is brought to the market place and is used to acquire labor-power and the means of production, which are the tools necessary to perform a concrete form of labor. Labor-power is a commodity the “use-value [of which] possess[es] a peculiar property of being a source of value, whose actual consumption is therefore itself an objectification of labour, hence a creation of value,”⁶⁸ and it possesses “the natural property of living labour to keep old value in existence while it creates new.”⁶⁹ These two commodities (means of production and labor-power) are then combined in the production process, after which the newly produced commodities are sold, objectifying more value than was originally advanced in the money form. The transactions within this circuit are assumed to be transactions of equivalence, where every commodity is bought and sold at its value.⁷⁰ Therefore, classical political economists sought to determine from where profit, surplus-value, arises. Marx answered this question in the form of the circuit of valorization of capital in which he locates surplus-value’s source in the labor process, as will be discussed below.⁷¹ Multiple political economists attempted to deal with this issue, but for the sake of this thesis the most interesting attempt would be the one offered by Thomas Malthus. He suggests that for the capitalist system to realize surplus-value, there must be a class of landowners able to buy up the surplus-value.⁷² As previously highlighted, Marx was interested in dealing with capitalism in its general form. The solution

⁶⁶ Harvey, *A Companion*, 90.

⁶⁷ Marx, *Capital: Volume I*, 254.

⁶⁸ *Ibid.*, 270.

⁶⁹ *Ibid.*, 755.

⁷⁰ *Ibid.*, 301.

⁷¹ *Ibid.*, 261.

⁷² Malthus suggests that this class may be foreign and thus reached through trade. Luxemburg would look at this issue in terms of imperial power. See: Harvey, *A Companion*, 93-94.

purposed by Malthus identifies the problem of capital realization, but Marx, in *Volume I*, is not concerned with the realization of surplus-value. Rather, he is interested in its production.⁷³

Marx can identify the source of surplus-value due to his formulation of the labor theory of value. He is able to formulate this theory with help from the abstraction methods he employs. Marx makes the point that the capitalist, after buying means of production and labor power, goes on to extract their use-value. The worker, or the political subject, selling her/his labor-power commodity, must forgo that commodity's use-value for the sake of its exchange-value. The capitalist pays for a day's work and that is what he expects to get.

The owner of the money has paid the value of a day's labour-power; he therefore has the use of it for a day, a day's labour belongs to him. On the one hand the daily sustenance of the labour-power costs only half a day's labour, while on the other hand the very same labour-power can remain effective, can work, during a whole day, and consequently the value which its use during one day creates is double what the capitalist pays for that use; this circumstance is a piece of good luck for the buyer, but by no means an injustice towards the seller.⁷⁴

Marx works with the assumption that sustenance requires half a day's labor to underline that the source of surplus-value is not achieved by underpaying the worker, but by making her/him work for a period longer than what is required to reproduce her/himself. That is the main feature of the capitalist mode of production. Marx understood that constant capital, the raw materials and instruments of labor, is continually consumed by labor in the production process. Therefore, Marx claims, that as capital increases, there will be a decrease in the rate of profit due to the increased consumption of constant capital by labor. Based on this insight, Marx colorfully explains the relationship between capital and labor:

Capital is dead labour which, vampire-like, lives only by sucking living labour, and lives the more, the more labour it sucks. The time during which the worker works is the time during which the capitalist consumes the labour-power he has bought from him. If the worker consumes his disposable time for himself, he robs the capitalist.⁷⁵

⁷³ Harvey, *A Companion*, 92-95.

⁷⁴ Marx, *Capital: Volume I*, 301.

⁷⁵ *Ibid.*, 342.

Thus, in order to realize profits, the capitalist must further exploit the labor force. This is done by extending the workday, intensifying the labor process, and/or decreasing the value of the labor power commodity. In order to understand how labor creates value, Marx employs the concept of abstract labor,⁷⁶ which is labor's innate ability to create a use-value. This understanding of abstract labor allows for a universal view of the labor process regardless of geographic and temporal specificities, which is critical to this thesis's application of the Levels II and III of the generalities.

4. Conclusion

This chapter evaluated the works of a number of scholars who examined the development of capital relations in the colonial context. These scholars were divided on the basis of their methodologies, but to varying degrees all help to delineate the scope and limitations of the applicability of Marx's framework. The dialecticians, whose work most mirrors the current study, applied Marx's method in understanding their unique historical moment. Without rejecting his generality, they sought to explore how their particular historical moments influenced it. This is helpful in guiding the present effort, as it highlights the necessity of placing the particular and the general in relation to each other and to themselves. In contrast to the dialecticians, whose methods are prescriptive, the critical non-dialecticians premise their contributions on a rejection of parts or the entirety of Marx's work. Examining these scholars shows how multiple readings of Marx may exist and how those readings can handicap his applicability to understanding a wider array of historical circumstances. Whereas these scholars argue against the usefulness of his framework in the Global South, this thesis argues otherwise. However, by looking at the ways in which they argue against the framework's usefulness, it is

⁷⁶ Authors such as Lisa Lowe, David R. Roediger, and Dipesh Chakrabarty misunderstand Marx's concept of abstract labor as a homogenization of labor, and thus use it to highlight capital's failure to universalize. See: Chibber, *Postcolonial Theory*, 133-137.

possible to see the importance of understanding Marx's method of inquiry rather than his method of presentation.

In untangling the ways in which the critical non-dialecticians confuse his methods of inquiry and presentation, this chapter has shown the levels of generality on which Marx works. Whereas his presentation may be on the level II of generality (historical particulars), these scholars dismiss the contributions made on the level III of the generality (his framework). Separating these issues is critical to understanding Marx's method and in examining the colonial process in India. Consequently, this chapter offered a critical methodological study including an exploration of Marx's philosophy, his totality of social life, and his labor theory. In rejecting the critical non-dialecticians view of Marx's applicability, in the literature review, this chapter's theory section has laid the groundwork for the use of his dialectical method. Building on this foundation, Chapter Two will address the presence of Eurocentric notions within Marx's corpus.

CHAPTER TWO | MARX'S METHOD AND EUROCENTRISM

The English jackasses need an enormous amount of time to arrive at an even approximate understanding of the real conditions of ... conquered groups. – Karl Marx, 1879¹

1. Introduction

As some scholars have claimed, during the last half century, Marx's method and thought is often neglected and misread within both mainstream and critical academia.² While this inattention by the former understandable, there are a substantial number of critical political scientists that disregard Marx's project due to specific claims of Eurocentrism. However, when they do engage with Marx, these scholars sometimes misread vast portions of his work.³ The goal of this chapter is to negate the claims of Eurocentrism made against Marxian thought. It does so by offering a general understanding of Marx's method and by highlighting two key aspects of his thought which are often overlooked. The first aspect is that because Marx works within certain levels of generality, one needs to be aware at what level he is working and to what degree the claims he makes are particular or general.⁴ The second aspect is in understanding the form of argument that Marx employs, such as historical arguments versus theoretical ones.⁵

In trying to refute the claims of Eurocentrism made about Marx's thought, this chapter begins by defining his method and conceptual framework. Key to examinations of the topic of Eurocentrism is distinguishing between a Eurocentric analysis and a Eurocentric conceptual framework. In Marxian terms, an analysis would be read as the method of presentation;

¹ Kolja Lindner, "Marx's Eurocentrism: Postcolonial Studies and Marx Scholarship," *Radical Philosophy*, 161 (2010): 27.

² See: Sebastián Sclofsky and Kevin Funk, "The Specter That Haunts Political Science: The Neglect and Misreading of Marx in International Relations and Comparative Politics," *International Studies Perspectives* 19, no.1 (2018): 83-101.

³ *Ibid.*, 83.

⁴ Bertell Ollman, "Marxism and the Philosophy of Internal Relations; Or, How to Replace the Mysterious 'Paradox' with 'Contradictions' That Can Be Studied and Resolved," *Capital & Class* 39, no. 1 (2015): 16-17.

⁵ David Harvey, *A Companion to Marx's Capital* (London: Verso, 2010), 31-32.

whereas, the conceptual framework would be the method of inquiry. If the conceptual framework — the way in which one sets out to study the subject matter — is Eurocentric, then it is rendered obsolete when attempting to understand geographic areas other than Western Europe. On the other hand, if an analysis is Eurocentric in nature, that may be particular to that given analysis and does not necessarily reflect upon the thought or method employed. After setting about this distinction, this chapter will define Eurocentrism and highlight aspects of Marx's work that could be viewed as such. Extending this further, the chapter will end by highlighting some of the key critiques of Marx's concepts and offering counter-arguments to them.

2. Marx's Conceptual Framework: Method of Inquiry and Method of Presentation

Marx's conceptual framework seeks to explain the totality of social life, which includes the following moments: technology, process of production, man's relation to nature, reproduction of daily life, mental conceptions, social relations, and legal and governmental arrangements.⁶ His ontology is a "conception of reality as a totality composed of internally related parts and his conception of these parts as expandable, such that each one in the fullness of its relations can represent the totality."⁷ While this ontology "declares the world an internally related whole, his epistemology breaks down this whole into relational units whose structured interdependence is reflected in the meaning of his concepts."⁸ Therefore in employing the dialectical method/philosophy of internal relation, one is simultaneously working with a fixed ontology and epistemology. Thus, in using Marx's method – the conceptual framework – it is required to view the totality of social life and break down its units in a manner similar to his own. This should be done regardless of the geographic or temporal location of the society under

⁶ Ibid., 192; Karl Marx, *Capital: Volume I* (London: Vintage Books, 1977), 493-94.

⁷ Bertell Ollman, *Dance of the Dialectic: Steps in Marx's Method* (Urbana: University of Illinois Press, 2003), 139.

⁸ Ibid., 147.

analysis and should consider the specificities and particularities of that society. Consequently, for a claim of Eurocentrism in Marxian thought to be valid, it must demonstrate that the totality of social life is only specific to Western Europe.

Marx points out in the postface to second edition of *Capital, Volume I* that the method of both presentation and of inquiry must differ in form due to the specific functions of each. He argues that the method of inquiry:

has to appropriate the material in detail, to analyse its different forms of development and track down their inner connection. Only after this work has been done can the real movement be appropriately presented. If this is done successfully, if the life of the subject-matter is now reflected back in the ideas, then it may appear as if we have before us an *a priori* construction.⁹

This extract reveals two key elements of Marx's method. The first being that Marx starts by presenting the foundational concepts that he uncovered using his method of inquiry, rather than building towards these conclusions from the start. This causes these foundational concepts to appear as *a priori* or even arbitrary.¹⁰ The second element, highlighted by the passage, is that Marx's objective is to present a reflection of reality. However, "... from comments by Engels and Paul Lafargue and from Marx's own frequent revisions of *Capital* (each draft and each edition contained major changes), it would appear that the mirrored presentation of reality remained a goal that continually eluded him. Just before his death, Marx was again planning to revise *Capital*."¹¹

The view of capitalism presented by Marx remains incomplete as major relations, which are present in the totality of social life, remain unanalyzed in his work.¹² Although, Marx is aware of the importance of these unanalyzed social relations to the totality, he does not focus on them. They were not essential for his inquiry into understanding the Level III of the

⁹ Marx, *Capital: Volume I*, 102.

¹⁰ Harvey, *A Companion*, 8. This aspect is overlooked by critics of Marx who simply take his claims to be arbitrary.

¹¹ Ollman, *Dance of the Dialectic*, 151.

¹² *Ibid.*, 152.

generality.¹³ Ollman argues that once studies of all main social relations are complete, one would have a final conclusion to the presentation that Marx set out to produce. Marx was unable to do so as writing *Capital* took more and more of his time.¹⁴ While Marx's presentation of reality remains incomplete, his method of inquiry is fully developed; and one is able to understand and employ it to form their own presentation, which is in attempting to reflect reality. It is a legitimate argument that seeking to reflect reality is a futile task as it is an ever-flowing target (*panta rhei*). As a dialectician, Marx was aware of this conundrum, which explains why he tried to force himself to remain in Level III of the generality in *Capital*. By remaining in that level, Marx was able to focus on the most general aspects of the capitalist system. It is left to Marxian scholars to take account of developments that occurred since his time by conducting inquiry while using his method and making amendments to his theoretical statements.¹⁵ They must keep their reflections of reality as ever-flowing as reality itself, so they can have the ability to influence it. Understanding Marx's method is essential when one is either critiquing or employing it. In the latter, it is important to know how the tendencies and laws that Marx posits come with certain assumptions in order that he maintain his position in Level III of the generality. However, when employing Marx's method to a particular historical moment/society, one has to determine whether those assumptions are valid or whether some particular aspects of that historical moment have changed them.

The levels of generality are overlapping and constantly influencing one another. However, in Marx's presentation, he attempts to ward off these influences in order to present capital in its general form. Interestingly, in his theoretical assessment of his contemporary moment, Lenin correctly points out that the lack of competition — the absence of the enforcer

¹³ Harvey, *A Companion*, 105-06. This allows Marx to remain in Level III of the generality. From that perspective, he can look at features to distinguish capitalism from other epochs.

¹⁴ Ollman, *Dance of the Dialectic*, 152-54.

¹⁵ *Ibid.*, 154.

of capital relations as defined by Marx — signified a moment in which the more particular aspects of a historical moment influenced the general laws of capital. However, in the years following Lenin's assessment, one sees that capital tended to correct itself and reestablished the general laws/tendencies revealed by Marx.¹⁶ In the case of scholars offering a critique of Marx, without properly understanding his method, they offer up a grotesque reading of the man and his work. When these critics do offer insightful criticism of Marx, it is usually levied upon his method of presentation not that of his inquiry; i.e. they critique his analysis of a situation but not the conceptual framework that he employs.

3. On Eurocentrism

Before examining the charges of Eurocentrism levelled at Marx, it is first critical to define the concept of Eurocentrism as it exists in the critiquing literature. Kolja Lindner, a Marxist philosopher, who has studied these charges of Eurocentrism defines the term by using four dimensions.

The first dimension is that Eurocentrism is a form of ethnocentrism that views Western societies as superior to others and justifies this position by rational and scientific means.¹⁷ Thus, creating a fetishistic understanding of Western Europe as the center of the world. The second dimension is that of the orientalist vision of non-Europe as a homogenous mirror image of Europe's own self-image.¹⁸ This is done by ignoring the realities of non-European societies. These two dimensions of Eurocentrism should not be conflated with racism although they are separated by a rather fine line. When the ethnocentric assumptions are articulated in a discourse of essentialization, they become racist. The third dimension of Eurocentrism is the conviction that development across the globe should follow the European model.¹⁹ Thus, placing

¹⁶ David Harvey, "History versus Theory: A Commentary on Marx's Method in Capital," *Historical Materialism* 20, no. 2 (2012): 27.

¹⁷ Lindner, "Marx's Eurocentrism," 27.

¹⁸ *Ibid.*

¹⁹ *Ibid.*, 28.

European standards as the universal standards of human civilization. The fourth dimension is the effacement of the influence of non-European history on the development of Europe.²⁰ Suppressing the intertwining histories of Europe with the rest of globe places Europe on a different plane above all others, thus inflaming a sense of uniqueness. This dimension of Eurocentrism revolves around the issue of agency, or rather the lack of agency, among non-European actors.²¹ It is a paternalistic view of the world; one in which actors outside of Europe are only given conditional agency rather than the pioneering initiative attributed to the European actors.²²

4. Eurocentric Notions in Marx's Work

What follows is an examination of the works of Marx which feature some or all the dimensions of Eurocentrism mentioned in the preceding section. After introducing the offending texts and highlighting their Eurocentric notions, the remaining sections of the chapter will show the evolution of Marx's own thought and how his method of inquiry continued to develop and enhance his understanding of world history. As a note, while this section shows that some of the critiques against Marx were correct, they were a consequence of his attempts to portray reality. As such, they are static and should be remembered accordingly rather than as representative of the full breadth of his concepts and thought.

Having all four of these dimensions, Marx's 1853 essays on India are correctly identified as Eurocentric. Among these, the two main essays that are scrutinized and most anthologized are: 'The British Rule in India' and 'The Future Results of the British Rule in India'. Critics of Marx and his thought consider these to be representative of his writings regarding non-European societies. However, their criticisms do not rigorously engage with the

²⁰ Ibid.

²¹ Jorge Larrain, "Classical Political Economists and Marx on Colonialism and "Backward" Nations," *World Development* 19, no. 2/3 (1991): 239.

²² John Hobson, *The Eurocentric Conception of World Politics Western International Theory, 1760-2010* (Cambridge: Cambridge University Press, 2012), 56.

collection of Marx's writings that deal with non-European societies and colonialism. That said, such critiques of Marx's thought were given authority by Edward Said in *Orientalism*.²³

In defining ethnocentrism above, the line between racist discourse and ethnocentric discourse was discussed. Racist discourse in European writing is mainly articulated in terms of essentializations, meaning that there are essential differences between Europeans and non-Europeans and that Europeans are inherently superior. Said believes that Marx crossed the line from ethnocentric discourse into racism in his 1853 essays. His main issue is with regards to Marx's usage of Goethe, what Said calls his "source of wisdom on the Orient".²⁴ Marx quotes Goethe's *West-östlicher Divan*:

Should this torture then torment us / Since it brings us greater pleasure?
Were not through the rule of Timur / Souls devoured without measure?²⁵

Said argues that Marx's sympathy for the suffering of other people is engaged during his 1853 essay, but in the end the Romantic Orientalist vision wins out. For Said, Marx's usage of Goethe allows Marx to dispatch of any sympathy he might have had to the societies being studied. This statement is read by Said as an essentialization of an imagined orientalist collective that Marx is analyzing. The Goethe poem is read to say that these Orientals do not suffer as the European do. Therefore, they need to be treated in different ways.²⁶ This reading by Said of Marx's usage of Goethe's stanza is problematic for two reasons. The first reason is that Said's reading neglects to offer the nineteenth century context of the stanza. The stanza describes Timur's militarism and specifically his massacre during the Battle of Delhi in 1398. Said reads it as Goethe giving Orientals a different understanding of suffering. However, this is not the case. The figure of Timur in this work has been shown to be closely linked to that of

²³ Aijaz Ahmad, *In Theory: Classes, Nations, Literatures* (London: Verso, 1994), 222.

²⁴ Edward Said, *Orientalism* (New York: Vintage Books, 1995), 155.

²⁵ Karl Marx, "The British Rule in India," *The New-York Daily Tribune*, 25 June 1853, cited in Said, *Orientalism*, 153-54.

²⁶ Said, *Orientalism*, 154-55.

Napoleon.²⁷ The main connection being the fact that they both met military defeats as they attempted ambitious campaigns during the winter: Timur's attempted invasion of China and Napoleon's invasion of Russia. The relationship to Napoleon also connects to the French Revolution at-large, a time of intertwined creativity and destruction which inspired the intellectuals of Goethe's generation.²⁸

The second problem with Said's treatment of this stanza is that Marx uses it in a wider scope of applications than simply with regards to India. While Said only looks at the Eurocentrism of the stanza in an Indian context, Marx occasionally uses it from the perspective of the capitalists who can see the destruction that they are inflicting. His argument is, in brief: should this torture (the dehumanization and exploitation of workers) torment us (the capitalists), since it brings us greater pleasure (profit)?²⁹ Kevin Anderson argues that Marx could have used the stanza in the India article to show the perspective of the British colonist rather than Marx's own. Although, this argument seems unlikely as Marx points out, before citing Goethe, "[t]hen, whatever bitterness the spectacle of the crumbling of an ancient world may have for our personal feelings. We have the right, in point of history, to exclaim with Goethe".³⁰ Thus showing that this is Marx's own perspective and not a metaphor for that of the British colonist.

In other instances, Marx uses this stanza when he argues that through capitalism's destruction of the worker's body and mind, the individual will eventually create the revolutionary subject:

[Fifteen] men are killed every week in the English coal mines on an average. In the course of the 10 years concluding with 1861 killed about 10,000 people. Mostly by the sordid avarice of the owners of the coal mines. This generally to be remarked. The capitalistic production is—to a certain degree, when we abstract from the whole process of circulation and the immense complications

²⁷ Kevin Anderson, *Marx at the Margins: On Nationalism, Ethnicity, and Non-Western Societies* (Chicago: University of Chicago Press, 2010), 18.

²⁸ *Ibid.*

²⁹ Marx, *Capital: Volume I*, 381.

³⁰ Said, *Orientalism*, 153-54.

of commercial and monetary transactions resulting from the basis, the value in exchange—most economical of realized labor, labor realized in commodities. It is a greater spendthrift than any other mode of production of man, of living labor, spendthrift not only of flesh and blood and muscles, but of brains and nerves. It is, in fact, only at the greatest waste of individual development that the development of general men is secured in those epochs of history which prelude to a socialist constitution of mankind.

Should this torture then torment us / Since it brings us greater pleasure?
Were not through the rule of Timur / Souls devoured without measure?³¹

Here, in contrast to his discussion of India, Marx uses Goethe's stanza in dealing with workers in England. This would remove any orientalist connotation it might have had, while at the same time evoking the exact message during its usage in the 1853 essay on India. If one were to maintain Said's argument that the Goethe quote used by Marx was intended to wash away any sympathies that he might have had for the Indians in the first reference above, then this would mean that Marx also had no sympathies for the English workers to whom he is referring in the second usage. Based on the entire corpus of Marx's theoretical and political work, this cannot be the case. Therefore, Marx's citation of Goethe should not be viewed as an attempt to mute the destructiveness of capitalist production and/or capitalist colonization. Rather, it seeks to underline the destructiveness of the process.³² Marx was not a racist in the specific manner that Edward Said claims. However, this does not invalidate Said's arguments of Eurocentrism present in Marx's essay due to his uncritically modernist perspective.³³

4.1 Marx's Eurocentric 1853 Articles on India

Marx's 1853 essays on India, especially "The British Rule in India," are Eurocentric for two main reasons. The first is Marx's suggestion that all societies are destined to follow the same path as the West, that is as a commodity society. This, of course, is a part of Marx's grand narrative which is prevalent in his work during that time. The second reason is in the

³¹ Anderson, *Marx at the Margins*, 18-19.

³² *Ibid.*, 227-28.

³³ *Ibid.*, 20; Hobson, *Eurocentric Conception*, 52; Lindner, "Marx's Eurocentrism," 31.

understanding that through colonization, there are major benefits that the superior British civilization could bequeath to India's inferior civilization.³⁴ The first argument highlights the third dimension of Eurocentrism mentioned earlier: development across the globe should follow the European model. Marx assumes that the creation of a Western social order in Asia is essential to achieve human destiny. Not only does this ignore the possibility of indigenous Indian development, it does so while claiming that the social structures in India are inhibitors of social change and are in need for external, radical transformation. Additionally, it assumes that the conditions of Western Europe could be transferred into India *in toto*.

In the second argument, one can find the first and second dimensions of Eurocentrism: the ethnocentric superiority of the West and an orientalist view of non-Europe. In the articles, Marx treats Europe as the superior society with advanced technology, infrastructure, legal system, and social relations. These social relations, according to him, allow for the development of private land ownership, and this is what makes social progress possible. In contrast to this view of Europe, Marx looks at India in an orientalist manner and claims that Indian village communities are "stagnant, self-enclosed entities which, isolated and lacking all communication with the outside world, stood over against a king who was sole owner of all land; it masks the fact that these communities were themselves traversed by class divisions."³⁵ Finally, both of the articles' problematic arguments have elements of the fourth dimension of Eurocentrism: the effacement of non-European agency and the pioneering initiative of European actors and countries. In both cases, India is treated as a subject to the unconscious machinations of history. Marx is more interested in how integration into the world market affects non-European countries, rather than in looking at the effect on both European and non-European countries.

³⁴ Anderson, *Marx at the Margins*, 20.

³⁵ Lindner, "Marx's Eurocentrism," 29.

Larrain and Hobson claim that Marx's focus on the proletariat, which is a class specific to European experience, is Eurocentric in a similar way to Hegel's "Idea" or political economists' conceptualization of the bourgeoisie.³⁶ Larrain and Hobson argue that Marx, Hegel, and early political economists each view their chosen unit as humanity's savior, however these selected entities are specific to Western Europe. They argue that even when Marx and Engels are in favor of independence for the colonies, the main objective is the liberation of the British proletariat so that it may liberate the rest of the globe.³⁷ A more refined version of this critique is also developed by Guha and Chakrabarty, as they do not take Marx's statement about the proletariat to be an *a priori* construction. They argue that due to capital's inability or failure to universalize, Marx's formulation of the proletariat, as he defines it, could not be the savior of humankind.³⁸ These arguments will be dealt with in subsequent sections.

In the 1853 articles, Marx's presentation of reality, for the most part, seems to be marred with Eurocentric notions. However, it is important to note that changes in Marx's views had already been developing at the same time in which these articles were written. This is especially evident in his last article of 1853, "The Future Results of the British Rule in India". The conclusion of this last piece, shows a development in Marx's thinking that is different from what is articulated in the *Communist Manifesto*, "The British Rule In India," and even in the opening of this very same article. In most of the article he argues in favor of the overall progressiveness of British colonialism, which places the British civilization as the superior and the Indian as the inferior. This is done through reliance on the concept of 'Oriental

³⁶ Hobson, *Eurocentric Conception*, 57; Larrain, "Classical Political Economists," 239-40.

³⁷ *Ibid.* This critique by Hobson and Larrain is connected to the two problematic arguments found within the articles on India. Larrain identifies Hegelian influences in Marx's writing at this time, and how it led to the teleological and Eurocentric notions found in these articles.

³⁸ Dipesh Chakrabarty, "A Small History of Subaltern Studies," in *A Companion to Postcolonial Studies*, ed. Henry Schwarz and Sangeeta Ray (Oxford: Blackwell, 2005): 476.

despotism'.³⁹ The change in Marx's thinking, as expressed in his concluding statements, is that the way in which the Indians can benefit from the new social elements, which have been "scattered among them by the English bourgeoisie," is either through a Great British workers revolt or a native national liberation movement in India that would grow strong enough to "throw off the English yoke altogether." This indicates that Marx has no contempt for the Indians and believes in their ability for ruling and governing themselves. Marx places colonial emancipation, not reform, as a main objective for European socialist movements. He also includes the possibility of that emancipation being gained through the struggle of the Indian people, as a scenario that might precede the working-class revolution in Europe. Marx also claims that the "inherent barbarism of bourgeois civilization lies unveiled before our eyes" in India. Here he has blurred the ethnocentric distinction between superior and inferior civilizations.⁴⁰ Hobson correctly points out that in both scenarios the British are seen as the primary movers, either as workers emancipating the non-European or as conquerors setting in motion what Marx perceived as an unchanging society.⁴¹ Regardless, this is indicative of the initial change within Marx's thought in relation to non-Europeans.

Finally, it is important to realize that while Marx's concepts in the 1850s were heavily influenced by Hegel, they are not simple restatements of Hegel's positions. In Marx's approach to the issue, one can find the essential difference between them. Further, the presence of that difference is what allows Marx to eventually breakaway from Hegel and Marx's own Eurocentric notions. The difference between them is the subject of study. On the one hand, Hegel views religion as the determinant factor in Indian society. On the other, Marx views these cultural expressions as being a consequence of Indian social organization.⁴²

³⁹ Anderson, *Marx at the Margins*, 16, 22. It is in this article that one finds Marx's most Eurocentric statement in regards to the British being the first superior conquerors of India and that it was due to the eternal law of history.

⁴⁰ Anderson, *Marx at the Margins*, 23.

⁴¹ Hobson, *Eurocentric Conception*, 56.

⁴² Anderson, *Marx at the Margins*, 15.

4.2 Deformed Reality

As previously mentioned, the goal of Marx's presentation is to offer a reflection of reality. This would require one to be extremely critical of the sources being used to construct that reality. If one were to use an already deformed reflection of reality as the basis of their work, then they would most probably end up with a doubly grotesque reflection of reality. Marx failed at understanding this problem when looking at the orientalist travelogues of Francois Bernier. Within these sources, Marx finds the claim that there is no landed property in India and that the king is the sole proprietor of all the land.⁴³ This, of course, does not excuse Marx's orientalist presentation—the second dimension of Eurocentrism— of Indian property relations nor the arguments he bases on that misrepresentation. However, by the 1880s, Marx is presented with different sources that ultimately showed the presence of property relations within India. Marx was able to change his view without changing any of the conceptual frameworks he had already established. While the details of his descriptions of India were flawed on the basis of fallacies from a failed source, the framework by which he viewed that same society was left standing. His worldview is constructed in terms of the totality of social life. The process of refining a description of society on the basis of that worldview required new information only in the particularities.⁴⁴ Here is the differentiation between Marx's method of inquiry, which was able to maintain its integrity regardless of the addition or adjustment of particular details, and his method of presentation, which cannot stand because of its dependence on those details.

Critics of Marx correctly point out that even in Marx's *Capital*, one still finds Eurocentric arguments about the unchangeability of the Asiatic mode of production. However, the critiques against Marx largely take the following quote out of context and do not highlight

⁴³ Lindner, "Marx's Eurocentrism," 29.

⁴⁴ Anderson, *Marx at the Margins*, 209-11.

the change that is occurring in Marx's thought. The part that is often cited is, "[t]he simplicity of the productive organism in these self-sufficing communities which constantly reproduce themselves in the same form and, when accidentally destroyed, spring up again on the same name — this simplicity supplies the key to the riddle of the unchangeability of Asiatic societies"⁴⁵ This passage is distinct from Marx's articulations during the 1850s as it is first given the following qualifier: "Those small and extremely ancient Indian communities, for example, some of which exist to this day."⁴⁶ This differs from the 1850s articles as he extended this form of Asiatic mode of production to all Asian societies. Another distinction between this discussion about Indian society in *Capital* and his 1850s essays is the lack of his earlier 'Oriental despotism' thesis. He seems to be neutral about his description of those societies. This signals a movement in Marx's thought away from Hegel, which is further expanded in the following section.⁴⁷ Although, Marx's construction in the passage is still hampered by his reliance on the works of Bernier and notions of unchangeability. Ironically, Ifran Habib identifies features of Marx's own work on India that point towards the very slim possibility for the existence of a changeless system.⁴⁸

The critiques regarding this passage from *Capital* are valid if one looks at them as a historical argument. This thesis argues that Marx, in this instance, is offering a logical argument rather than a historical one. On a historical level, Marx's argument is problematic to say the least. Perry Anderson points out that:

...there is no historical evidence that communal property ever existed in either, Mughal or post-Mughal India. The English accounts on which Marx relied were the product of colonial mistakes, and misinterpretations. Likewise, cultivation in common by villagers was a legend: tillage was always individual in the early modern epoch. Far from the Indian villages being egalitarian, moreover, they were always sharply divided into castes, and what co-possession of landed

⁴⁵ Marx, *Capital: Volume I*, 479.

⁴⁶ Marx, *Capital: Volume I*, 476.

⁴⁷ Anderson, *Marx at the Margins*, 156.

⁴⁸ Ifran Habib, "Classifying pre-colonial India," *The Journal of Peasants Studies* 12, no. 2-3 (1985): 46.

property did exist was confined to superior castes who exploited lower castes as tenant cultivators on it.⁴⁹

Anderson is adamant that Marx's portrayal of the Indian village as self-sufficient was "always a myth."⁵⁰ Indian historians such as Habib, Harbans Mukhia, and Ravinder Kumar, all partially disagree with Marx on every aspect of his account. However, they seem to accept the following features of pre-colonial India, which are similar to features placed forth by Marx: 1) the redistribution of the means of production did not take place until after the onset of colonialism; 2) peasants' surplus produce was distributed and redistributed; and 3) substantially self-regulating village communities characterized with weak cultural and economic ties. These features meant that crises would lead to the resurgence of the old property form rather than the emergence of a new one. These features create the appearance of a timeless and static civilization.⁵¹ As one can see, if Marx is making an historical argument —per Habib, Mukhia, and Kumar— his footing may be weak, but it does not completely lose its ground. Whereas these historians of India discount parts of Marx's historical telling, they do acknowledge some of his insights. In contrast, Anderson rejects Marx's claims outright as mere myths and colonial fabrications.

However, one could read Marx's argument as a theoretical rather than historical. In this case, Marx is making an argument about the requirements for change to occur within a society: all elements of the totality of social life — technology, social relations, reproduction of daily life, mental conceptions, state and legal structures, modes of production, and relation to nature— must undergo change for there to be profound and recognizable social transformation. In line with this theoretical argument, and throughout the remainder of the rest of the Marx's chapter in *Capital*, he is juxtaposing a pre-capitalist European society, a pre-capitalist non-

⁴⁹ Perry Anderson, *Lineages of the Absolutist State*. (London: Verso Editions, 1979), 488.

⁵⁰ Anderson, *Lineages*, 489.

⁵¹ Ahmad, *In theory*, 232-34.

European society, and a capitalist society in order to emphasize the process of alienation that is realized during capitalist production. Thus, rather than looking at the narrow example of Indian society as a historical telling, Marx's discussion of Indian society should be considered within the context of his larger argument regarding capitalist relations.⁵² Reading this section of *Capital* in this manner allows the reader to move beyond the confines of a perfect representation of historical narrative and understand such a telling as an example in a more powerful and broader logical argument.⁵³

5. Multilinear Development — The Role of the Proletariat

Building on the preceding discussion, the succeeding highlights counterarguments to the critiques of Eurocentrism in Marx's thought. Additionally, it illustrates some of the major shifts in Marx's thought that take place as a result of new details and sources being made available to him. This caused him to move further from certain Hegelian concepts that are considered a cornerstone of Marx's earlier work. These Hegelian concepts were prominent in Marx's early understanding of non-European societies and the role given to the West.

The arguments of Hobson and Larrain, as outlined above, hold that Marx gives the Western proletariat the role of humanity's savior thus imbuing it with pioneering agency, while non-European societies and proletariat are given mere conditional agency. They view Marx's statements about the proletariat as arbitrary and driven by some sense of ethnocentricity; and therefore, it is Eurocentric.⁵⁴ Hobson and Larrain do not engage with why Marx holds that view or what his rationale for it was. It is Marx's method of presentation, which appears to create *a priori* constructions, that seems to be the reason for their critique. Marx does not give the proletariat this role out of some ethnocentric inclinations, but rather it is a result of his inquiry

⁵² Anderson, *Marx at the Margins*, 186.

⁵³ Focusing on the absolute accuracy of historical details disregards the state of scholarship regarding the non-European world during the middle of the nineteenth century, at the time in which Marx is thinking and writing.

⁵⁴ Hobson, *Eurocentric Conception*, 57; Larrain, "Classical Political Economists," 239-40.

into the essence of capital. Marx argues that capital's essential need is to valorize itself in an ever-expanding fashion.⁵⁵ This essential need is shown in capital's tendency for expansion across social and geographic borders.⁵⁶ This is unlike his argument in the *Communist Manifesto*, where he seems adamant that the barbaric, pre-capitalist societies are destined to be forcibly penetrated and modernized by capital.⁵⁷ Beyond the issue of capitalist expansion, Marx's view of a unilinear progression of history, in which the Western proletariat is a required precondition, evolves. This is seen by his later writings on the issue of Russia, which move towards a multilinear and symbiotic perspective in which a Western proletariat can work in conjunction with a technologically backward and agrarian society in order to achieve 'modern communism'.⁵⁸ In so doing, Marx breaks away from both his own Eurocentricity and those elements represented by dimensions one, three, and four of Eurocentrism.

6. Conclusion

Subaltern scholars such as Guha and Chakrabarty argue that capitalist relations either failed or cannot universalize, which renders Marx's claims about capital relations inapplicable to non-European societies and therefore renders them Eurocentric. The arguments made by Guha and Chakrabarty have already been discussed in the literature review. What follows, therefore, does not rehash the arguments and counter-arguments regarding those two scholars. Rather, it seeks to deal solely with the question of what does capitalism universalize? As mentioned in the previous subsection there is an essential need for capital to valorize itself and continually expand, and this is what capital universalizes whatever its space. This stands in contrast to Guha's view:

This [universalizing] tendency drives from the self-expansion of capital. Its function is to create a world market, subjugate all antecedent modes of production, and replace all rural and institution concomitants of such modes and

⁵⁵ Marx, *Capital: Volume I*, 342.

⁵⁶ Marx, *Capital: Volume I*, 437.

⁵⁷ Anderson, *Marx at the Margins*, 237.

⁵⁸ Anderson, *Marx at the Margins*, 235-36.

generally the entire edifice of precapitalist cultures by laws, institutions, values, and other elements of a culture appropriate to bourgeois rule.⁵⁹

This specific understanding of what capitalism universalizes is nonsensical. As it would be counterproductive to empower a society in which “the inherit barbarism of bourgeois civilization ... goes naked.” As long as capital is capable of extracting surplus-value from a society, it would not seek to enforce changes upon that society. On the contrary, one would assume that capitalists would actively seek to inhibit such developments in order to continue exploitation of the *status quo*. As mentioned in the literature review, Chakrabarty and Guha reach their conclusion due to their misunderstanding of the abstraction of the levels of generality. While the specifics of the arguments raised by them are flawed, the general premise of their arguments is worth further inspection.

With regards to the general laws of capital during his contemporary moment, Lenin “... associated imperialism and monopoly-capitalism into a specific configuration likewise depart[ing] significantly from the laws which Marx lays out in *Capital*. This is an instance where the laws of motion are themselves clearly in motion.”⁶⁰ Likewise, Guha and Chakrabarty recognize capital relations’ failure to reorganize Indian society, along the lines identified by Marx, as having been a consequence of the capitalist mode of production in the European experience. However, where the latter attribute this failure to a general inadequacy of Marx in explaining non-European experiences, Lenin recognizes the interplay between levels of generality, namely Levels II and III, in his specific case. Chakrabarty and Guha are not the first to identify the limitation of Marx’s presentation; in fact, he himself was aware of its drawbacks as early as the 1860s. In the manuscripts from 1861-1863, Marx comes to the realization that capital relations, as formally defined in the European experience, might never be developed in

⁵⁹ Ranajit Guha, *Dominance without Hegemony: History and Power in Colonial India* (Cambridge: Harvard University Press, 1997), 13-14.

⁶⁰ Harvey, “History versus Theory,” 27.

India although capitalist exploitation — the drive to accumulate more and more surplus-value — can exist:

Thus even the formal capital-relation does not take place, still less the specifically capitalist mode of production. ... It is rather a form which makes labor sterile, places it under the most unfavorable economic conditions, and combines together capitalist exploitation without a capitalist mode of production, and the mode of production of independent smallscale property in the instruments of labor without the advantages this mode of production offers for less developed conditions. Here in fact the means of production have ceased to belong to the producer, but they are nominally subsumed to him, and the mode of production remains in the same relations of small independent enterprise, only the relations are in ruins.⁶¹

This view is 1870s revisions included in *Capital's* French edition:

The country that is more developed industrially only shows, to those that follow it on the industrial path, the image of its own future.... But the basis of this whole development is the expropriation of the cultivators. So far, it has been carried out in a radical manner only in England: therefore, this country will necessarily play the leading role in our sketch. But all the countries of Western Europe are going through the same development, although in accordance with the particular environment it changes its local color, or confines itself to a narrower sphere, or shows a less pronounced character, or follows a different order of succession.⁶²

The latter extract is a revision that is made specifically to part 8 of *Capital: Volume I*, that being so-called primitive accumulation. Although, Marx attempts to remain within Level III of the generality, by the time of these revisions he realized that the assumptions required for doing so were predicated upon particularities of Western Europe. However, this does not disqualify Marx's method of inquiry from being applicable to the understanding of non-European societies. The task of scholars seeking to analyze these societies is to grasp their particularities as they relate to the general principles posited by Marx.

⁶¹ Anderson, *Marx at the Margins*, 165-67. Anderson cites: Karl Marx and Frederick Engels, *Collected Works* (New York: International Publishers, 1975-2004), 34: 118-19.

⁶² Anderson, *Marx at the Margins*, 178-79. Anderson cites: Karl Marx, *Le Capital. Livre I. Sections I à IV*, trans. J. Roy (Paris: Éditions Flammarion, 1985), 36; and Idem. *Le Capital. Livre I. Sections V à VIII*, trans. by J. Roy (Paris: Éditions Flammarion, 1985), 169.

Accepting that “what capitalism universalizes, then, is a particular strategy of economic reproduction[, and that i]t compels economic units to focus single-mindedly on accumulating ever more capital,” one would find that it is the most elemental feature of the generality of capital relations.⁶³ In other words, the most general aspect of the Level III of the generality is the drive towards further accumulation. Further exploring this issue, as the central feature of capital, helps to address the concerns raised by various authors presented in this chapter while also presenting an opportunity to better understand colonization within a Marxian methodology.

⁶³ Chibber, *Postcolonial Theory*, 111.

CHAPTER THREE | PROCESS OF COLONIZATION AND INSTRUMENTS OF LABOR: THE 'STRUGGLES' OF MERCHANT CAPITAL

It appears paradoxical to assert that uncaught fish, for instance, are means of production in the fishing industry. But hitherto no one has discovered the art of catching fish in waters that contain none. – Karl Marx, 1867¹

1. Introduction

The preceding chapters have argued that while Marx's method of inquiry is not inherently Eurocentric, his method of presentation has, at certain moments, adopted a Eurocentric perspective and approach. Marx's reliance upon Eurocentric historical source material and the flawed conclusions that he drew on this basis led to the presence of Eurocentric notions in his work. More importantly, Marx failed to remain in Level III of the generality, but his later writings show an acknowledgement on his own part of this flaw. The development of certain relations, which Marx assumed to be within the Level III of the generality of capital relations, were actually a part of the particular Level II generality in Western Europe. This oversight can be partially explained by Ollman:

[The levels of generalities] ...coexist (overlap, interact, and interpenetrate) in the present. This made it necessary for Marx to abstract each one separately (to make them stand out as much as possible from each other), at least provisionally, in order to study capitalist relations' distinctive laws of motion.²

By the 1860s, Marx realized that his understanding of the development of capitalist relations would not be helpful when analyzing non-European societies and the observations extracted were particular to the socio-economic and political circumstances of Western Europe. This accounts for the revisions he made in the French edition of *Capital: Volume I* during the 1870s, where he points out that the so-called primitive accumulation section is specific to Western Europe. Marx's realization that his understanding of the development of capitalist relations,

¹ Karl Marx, *Capital: Volume I* (London: Vintage Books, 1977), 287.

² Bertell Ollman, "Marxism and the Philosophy of Internal Relations; Or, How to Replace the Mysterious 'Paradox' with 'Contradictions' That Can Be Studied and Resolved," *Capital & Class* 39, no. 1 (2015): 17.

although not capitalist relations *themselves*, is specific to Western Europe allows for the rise of different forms of capitalist relations. Indeed, these differences depend on the power relations between different social classes, globally and locally. Realizing these differences allow for variations in the particular, but do not compromise the general method of inquiry at the heart of Marx's framework.

This chapter identifies several aspects of Marx's Level III generality applicable to capitalism in general, including in colonial relations. First among them is that labor is the constant source of value, as mentioned in Chapter One. Because capital always pursues surplus-value in an ever-expanding fashion, it must exponentially continue to exploit labor by increasing and/or intensifying the working day. This relationship, may be expressed through Marx's circuit of capital and also comes to realization in the presence of antagonisms between social classes. The chapter also seeks to understand which aspects of the Level III of the generality are specific to Western Europe, and thus relegated to Level II generality (the particular). Identifying these points helps to move analysis away from the Eurocentric aspects developed by Marx. These aspects are: the concept of the falling rate of profit and the development of capital relations, along some preset pathways, that result in the domination of industrial capital over other factions of capital.

In doing so, this thesis is capable of employing the generalities of capital relations in Marx's method towards illuminating the processes of colonization in the Indian Subcontinent, thus showing that his method of inquiry is applicable to non-Western societies. This is done through expanding the concept of instruments of labor, which results in the process of colonization no longer being specific to primitive accumulation. Rather, it becomes an instrument of labor *itself*. From this expansion of the definition, this thesis attempts to explain the developments of colonial relations from commercial to industrial. This further highlights

the particular historical conditions, both global and local, that influenced capital relations to develop in the manner in which they did in the Indian Subcontinent.

This chapter seeks to expand, via a Marxian analysis, the general definition of instruments of labor, as just mentioned, in order to include colonization and acts of aggression by states and non-states in order to set forth capital accumulation. With regards to the concept of raw materials, this chapter highlights how their use-value is the driving force behind the employment of colonization and the acts of aggression, in order to better understand the rationale for those actions. Furthermore, in setting an understanding of the conceptual apparatuses utilized by a Marxian framework, the chapter will conclude by employing them in order to achieve two goals: first, to offer an understanding of the process of colonization that breaks away from the typical West and East divide and focuses, rather on capital relations; and second, to refute the notion that colonization was motivated by a will-to-power rationale on the side of the colonizers.³ The chapter also highlights the problems facing a merchant capitalist in assuming the role of the sovereign and how these challenges are less consequential for state actors. This helps to explain why the East India Company gave way to the British Raj, specifically, and why states take a more central role in the late colonization process. Additionally, the chapter concludes by showing the importance of unpaid-for instruments of labor in the production process. Taken together, the goal of the chapter is to show the specific development of capital relations in the colonization process in India as a means to showing how Marx's method may be applied to settings which may differ on a particular level from societies which he analyzed.

2. The General and the Particular in Marx's Thought

This section highlights the aspects of the generality of capital that are helpful in examining the processes of colonization. The first aspect that holds true, within the capitalist mode of

³ Edward Said, *Orientalism* (New York: Vintage Books, 1995), 56-57.

production, is that the source of value is always labor. For Marx, value is “socially necessary labour-time [which] is the labour-time required to produce any use-value under the conditions of production normal for a given society and with the average degree of skill and intensity of labour prevalent in that society.”⁴ It is this understanding of value from which Marx derives the driving force of capital. Regardless of time and place, capital is always in pursuit of surplus-value in an ever-expanding fashion, and it always attempts to secure the largest amount of surplus-value it can within the societies it enters. This is done by extending the work day and intensifying it.⁵ From this aspect, Marx develops algebraic formulas and equations as well as the circuits of capital. The usage of these concepts is essential to the thesis, as they help elucidate the logic of colonization. Another critical concept to clarifying that process is in viewing Marx’s division of the economy into two departments. The economy is broken up into – what Marx terms – Department I, where the means of production are produced for other capitalists, and Department II, where the capitalists and workers purchase consumer goods.⁶ The final aspect of the generality is the presence of antagonism between social classes and factions within the capitalist epoch. These antagonisms are derived by looking at the role of each of the classes and factions within capitalist relations, and the advancement of capital. The classes and factions compete with and need each other, making them dependent and antagonistic.⁷

The concepts of the development of capitalist relations and the tendency of the rate of profit to fall were formulated, under certain assumptions and particularities, within the Western European context. However, when applied to understanding the processes of colonization, they have been understood as forming the generality of capital. This theory is based on two

⁴ Marx, *Capital: Volume I*, 129.

⁵ David Harvey, "History versus Theory: A Commentary on Marx's Method in Capital," *Historical Materialism* 20, no. 2 (2012): 14-15.

⁶ David Harvey, *A Companion to Marx's Capital, Volume II* (London: Verso, 2013), 313-14; David Harvey, *A Companion to Marx's Capital* (London: Verso, 2010), 321.

⁷ Harvey, *A Companion: Volume II*, 40.

assumptions made by Marx in *Capital: Volume I*: first, the absence of a surplus-value distribution struggle among the factions of capital; and second, the existence of a closed system.

Surplus-value is broken up into profit, rent, and interest, which are competed over by the various factions of capital.⁸ Marx makes the assumption that the distribution of these forms of surplus-value is not influenced by struggles and power-relations of each faction. Additionally, he assumes capital relations to be functioning within a closed system⁹ in which “capitalist production is established everywhere and has taken possession of every branch of industry.”¹⁰ With these assumptions in mind, Marx argues that:

With the growth of capital, the difference between capital employed and the capital consumed increases. In other words, there is an increase in the value and the material of mass of the instruments of labour, such as buildings, machinery, drain-pipes, ploughing oxen, apparatus of every kind that functions for....¹¹

In other words, there is an increase in the organic composition/productivity of capital as capital grows and continues its ever-expanding accumulation. The organic composition/productivity of capital is the amount of labor absorbed by constant capital, raw materials and instruments of labor, in the production process. If there is an increase in the value of constant capital, the organic composition/productivity of capital increases, all other things being equal. However, such an increase, if not counteracted by an increase in the amount of value of exploited labor, results in a decrease in the rate of profit. Understanding this is important as there are two main reasons why the theory of the tendency of the falling rate of profit is problematic to apply to

⁸ Profit is the money-form of surplus-value for which merchant capital and industrial capital compete. Rent is the money-form of surplus-value extracted by rentiers. Interest is the money-form of surplus-value that finance capital acquires out of commercial and industrial capital. It is important to note that the only sources of surplus-value are industrial capital and merchant capital (when transportation is involved) since they are the factions that employ labor and do so to create value. See: Harvey, “History versus Theory,” 16-18.

⁹ David Harvey, “Crisis Theory and The Falling Rate of Profit,” in *The Great Financial Meltdown: Systemic, Conjunctural or Policy Created?*, ed. Turan Subasat (Cheltenham: Edward Elgar, 2016), 37-38.

¹⁰ Marx, *Capital: Volume I*, 727.

¹¹ Marx, *Capital: Volume I*, 756.

an analysis that studies the process of colonization. First, the hyper exploitation of the colonized societies heavily counteracts this tendency, as colonization seeks to acquire a lower exchange-value of constant capital. Second, the assumptions placed forth by Marx are absent or in some cases antithetical in regards to the process of colonization. In the case of colonization, the two assumptions, which are untenable, are the closed system and the issue of distribution. With the former, the very nature of colonization breaks that closed system; while in the case of the latter, it does not take into account how different sectors with varying power may influence the value of constant and variable capital. After all, extractive and agricultural industries supply industry proper with the raw materials and instruments of labor. As such, if the distribution of surplus-value favors industry proper over the other industries then the tendency would be altered.¹² This is aside from other influencing factors, not discussed here, such as the distribution of surplus-value among the competing capitalist factions.¹³

The second problematic aspect that is read and, in some cases, presented by Marx as a feature of the generality of capital (at least until the 1870s) is the development of capital relations along some predetermined pathway. Marx's understanding of the development of capitalist relations initially assumed that all of the world will follow in the path set forth by Western Europe, and that the law of history is that commercial capital is subordinated to industrial capital. This understanding is prominent in Marx's grand narrative of history, which can be seen in his early work including the *Communist Manifesto* of 1848. In the preceding chapter this thesis showed developments in Marx's thought, as he later stipulated that his analysis of so-called primitive accumulation is solely particular to Western Europe. This allows one to distinguish the social relations that permitted for the development of capital relations as occurred in Western Europe. Doing so, shows that the transition from the manufactory to the

¹² Marx, *Capital: Volume I*, 751-2.

¹³ Harvey, "Crisis Theory," 39.

factory is a process driven by the social relations of certain societies, rather than by reading it is a natural and logical evolution from one form of industry to another.¹⁴

Analyzing the interactions between the different forms of industry is essential to understanding the process of colonization. With this understanding, Marx approached the developments of Tsarist Russia and speculated on the possibility of the emergence of modern communism given its own particular situation, locally and within the context of its larger global interactions. Marx argues that the Russian commune was not threatened due to the inevitability of history or due to some theory. Rather, it was facing the oppression of the state and exploitation by the capitalist, who were empowered by the state at the expense of the peasantry.¹⁵ Marx points out that communism could develop differently in Russia than it would in Western Europe. According to Marx, for a communist revolution to take place in agrarian Russia there needs to be:

A major external subjective factor, the presence in Western Europe and North America of a self-conscious, organized working class movement. Alongside the objective achievements of capitalist modernity, this subjective factor would also be able to impact Russia.¹⁶

Here the importance of the actions of social actors in a global and local sense are seen as limiters or enablers of social change. What if this scenario was different? What if the external subjective factor would have been the presence of an organized industrial and merchant capitalist class in Western Europe? The very objective achievements of capitalist modernity, in such a case, would not be used to transition from agrarian society into a communist society rather they would be used to further exploit the societies in order to further the accumulation

¹⁴ Fernand Braudel, *Civilization and Capitalism 15th-18th century, Volume II: The Wheels of Commerce*, trans. Sian Reynolds (New York: Harper & Row, 1982), 302.

¹⁵ Kevin Anderson, *Marx at the Margins: On Nationalism, Ethnicity, and Non-Western Societies* (Chicago: University of Chicago Press, 2010), 233.

¹⁶ *Ibid.*, 234.

of surplus-value. In the following, this scenario will be shown to have taken place during the industrial colonization era in India specifically but was also prevalent globally.

3. Raw Materials and Instruments of Labor

As discussed in Chapter Two, constant capital is essential to most of the ratios and equations developed by Marx. Constant capital is a synthesis of instruments of labor and raw materials. Therefore, in order to reach an understanding of how constant capital operates, its constituent parts must be explored. Marx immediately introduces the concepts of instruments of labor and raw materials when he leaves the sphere of circulation and enters into the sphere of production.¹⁷

For Marx, the labor process is broken down into: “(1) purposeful activity, that is work itself, (2) the object on which that work is performed, and (3) the instrument of that work.”¹⁸ When introducing and discussing these concepts, Marx is in the Level V of the generality, which is man’s relations to nature. There is nothing unique to the capitalist mode of production when it comes to understanding the concepts of raw materials and instruments of labor. However, it is important to appreciate how in the capitalist mode of production these elements of the labor process are employed to the production of surplus-value at an ever-expanding rate.¹⁹ The labor process is understood as:

[...] an appropriation of what exists in nature for the requirements of man. It is the universal condition for the metabolic interaction between man and nature, the everlasting nature-imposed condition of human existence, and it is therefore independent of every form of that existence, or rather it is common to all forms of society in which human beings live.²⁰

Raw materials are objects of labor that have undergone some transformation under the hand of previous labor before reentering the production process. Objects of labor that require only

¹⁷ Marx, *Capital: Volume I*, 280-82.

¹⁸ *Ibid.*, 284.

¹⁹ *Ibid.*, 286.

²⁰ *Ibid.*, 290.

separation from their immediate environments are goods provided by nature, and therefore not considered as raw materials in a Marxian sense. Examples of this are the objects of labor in activities such as mining, fishing, hunting, woodcutting in a virgin forest, agriculture insofar as its point of departure is breaking up virgin soil, and the domestication of the first domesticated animals. However, these objects of labor can re-enter the production process as raw materials and instruments of labor. For example, an ore, ready for washing, is an object of labor that has been filtered by previous human labor (mining) and becomes a raw material or instrument of labor for other production processes. A raw material is any object of labor that has been filtered through previous labor even if mankind is accustomed to think of it as being a product of nature, such as animals and plants that have been bred under human control and agency for many generations which caused gradual transformations in the organisms. Additionally, raw materials are the vessels into which the value from living labor is transferred. If there is a shortage of raw materials or if they are not arriving at a required rate, industrial capitalists would find themselves having bought labor time of workers for a set period, but are limited in extracting value from the workers due to a lack of raw materials.

Instruments of labor may be a thing or a set of things that a worker uses as a conduit for the labor being applied to a raw material. It may be previously produced by labor or a gift of nature.²¹ Marx defines instruments of labor as being “all objective conditions necessary for carrying on the labour process” whether they enter directly or indirectly into the production process.²² Examples of the former are the tools and machines used in production. Indirect instruments of labor are harder to discern as such; these include canals, roads, dams, and others. For Marx, instruments of labor distinguish historical epochs from each other. He does not focus

²¹ *Ibid.*, 284-86.

²² *Ibid.*, 286.

on the result of the production process, but rather is concerned with how things are produced and by what instruments of labor.²³

The most universal instrument of labor is the Earth as it offers the ground upon which workers stand and the location for the particular work being done. Depending on the relationship of a specific society to nature, this interaction, between societies and nature, may vary in degree of intensity from being exploitative to sustainable.²⁴ Such a broad category raises two points of interest for this thesis. First, instruments of labor are a part of constant capital that the capitalist purchases as means of production. After acquiring constant capital, the capitalist has workers preserve the initial value of the constant capital and then add value, through their own labor, which is reified in the final good produced. However, when discussing constant capital, Marx's examples of instruments of labor are tools, machines, factory buildings and containers.²⁵ These examples do not cover the full range of instruments of labor that Marx initially presents when he introduces them; missing at this point, are examples like the Earth, canals, roads, etc. The most probable reason for their later exclusion, by Marx, is that their addition to the value of constant capital would entail a portion of the cost of production that is neither necessarily paid for by the capitalist nor easily quantifiable. In other words, these instruments of labor, which are not mentioned as a part of constant capital, are used by the capitalist but are not paid for. These instruments of labor are the gifts of mankind and nature to capital. They are subsumed by the capitalist in the production and accumulation of more surplus-value.

The second point of interest is in Marx's assumption of a closed-system not allowing for certain instruments of labor, which are objective conditions necessary for carrying on the

²³ *Ibid.*, 286.

²⁴ Regardless of the degree of a society's reliance on technology — whether hunter-gatherer, agrarian, or industrial — all humankind uses the Earth as the foundational instrument of labor. Importantly, what distinguishes these societies and their respective structures is the function of exploitation in the production of labor and the use of the Earth's resources.

²⁵ *Ibid.*, 311-15.

labor process to be taken into account. If they become part of the definition, then war and/or colonization that secures access to certain resources and trade routes would be considered instruments of labor, as without them the production process would be impossible to complete or would be drastically altered.

3.1 Interaction and Use-value

Raw materials and instruments of labor interact differently depending on the industry in which they are consumed. The three broad categories of industries are: extractive, agricultural, and manufacturing/industrial. In the extractive industry, there are no raw materials in a Marxian sense. The object of labor, in this case, is a subsidy provided by nature. For Marx, extractive industry's constant capital mainly consists of instruments of labor. This means that the mass and value of the product is determined by the amount of labor employed, and this can be done either by increasing the number of workers or, in a more capitalistic fashion, increasing the working hours of the labor already at hand.²⁶ Such a process does not require any new addition of instruments of labor, but requires their replenishment at a faster rate as the instruments of labor would be consumed in productive labor more rapidly. In agriculture, the area cultivated cannot be increased without an increase in raw materials in the form of seeds and manure. However, similarly to the extractive industries, in agriculture a greater quantity of labor performed by the same number of workers would yield an increase in the fertility of the land and have a great effect on the quantity of the product.²⁷

In both cases, the source of greater accumulation of surplus-value is a consequence of man acting upon nature, which is done without the need for a substantive addition of new capital. However, in industry proper, an increase of labor requires a corresponding addition of raw materials. Industry proper depends on the extractive and agricultural industries to provide

²⁶ *Ibid.*, 751.

²⁷ *Ibid.*, 752.

it with both raw materials and instruments of labor, that means extractive industry and agriculture form a part of Department I goods. The ability of these two industries to generate additional products without advancing any additional capital benefits the manufacturing industry as there is an increase in raw materials and instruments of labor on which labor can work.²⁸ An increase in labor exploitation, within the extractive industry and agriculture, results in more constant capital for the manufacturing process. This was a motivator for the industrial colonization process. If raw material is not absorbed and preserved by living labor it is of no use to capital. For example, in England in 1782, the preceding three year's entire wool crop was unused due to the lack of available workers and would have remained unused if not for the rise of new machinery that allowed for an increase in productivity.²⁹

Where labor is cheap and abundant, there is no need to introduce new machinery in industries that do not require additional raw material to increase the total product. These types of industries, as already mentioned, rely on an increase of labor expenditure to yield higher returns. In the colonial setting, the colonizer's manufacturing industry based at home requires extractive and agricultural capital, in the colonized land, to increase labor expenditure for just this reason. However, these higher yields falsely portray an increase in productivity. The real increase is in total production as the same workers are producing but without the investment of additional constant capital. This exploitation can either happen through an increase in or intensification of working hours. Because the manufacturing industry has influence over the extractive and agriculture industries, during the colonial period, manufacturing can acquire the bulk of the newly produced output without paying the commensurate exchange-value of that output. This results in an increase in terms of use-value of constant capital for the colonizer's manufacturing industry, meaning that there would be more worker exploitation within the

²⁸ *Ibid.*, 752.

²⁹ *Ibid.*, 754-55.

colonizer's production process as there are greater amounts of raw materials upon which to be worked.

Even with exploitation of workers in both the colonizer and colonized lands, the interaction still serves to funnel surplus-value from one producer to another. This process of extracting surplus-value is the essential characteristic of the process of colonization. A similar understanding is offered by Immanuel Wallerstein, who argues that the axial division of labor within the capitalist world-economy results in "a constant flow of surplus-value from the producers of peripheral products to the producers of core-like products. This has been called unequal exchange."³⁰ However, the difference between Wallerstein's analysis and that of this thesis lays in the conditions that allow for unequal exchange to take place and geographic location. In Wallerstein's analysis, unequal exchange occurs due to unequal power between the core producers and periphery producers. The analysis of this thesis is that the unequal power between core and periphery producers is not a sufficient reason for unequal exchange to occur. In this study, the focus is on the type of industry that is undertaken and how in certain industries it is possible to increase the quantity of labor-power spent, which results in increasing surplus-value, without the need to advance more capital. The interaction between colonized and colonizer is usually mediated by merchant capital. Additionally, this interaction, while limited to the core and periphery in Wallerstein's analysis, can also happen locally and intra-nationally. Looking at the British coal mining industry, for example, the price of coal varied drastically depending on the location of purchase. Coal transported from Newcastle to London would, at the very least, be five times more expensive than at its point of production in Newcastle. From London to other provinces, the price might be multiplied by ten. An increase in price could be due to the costs of transportation, which do add value. However, the magnitude of the increase

³⁰ Immanuel Wallerstein, *World-system Analysis: An Introduction* (Durham: Duke University Press, 2004), 28.

indicates that a greater amount of the surplus-value was subsumed by the merchant capitalist transporting the coal.³¹ This example shows that, in contrast to Wallerstein's core/periphery model, the method offered by the analysis of this thesis allows for the exploration of the production process on multiple scales.

4. Marx's Method: Colonization, the East India Company, and the British Raj

The previous section expounded upon the conceptual apparatuses that are critical to understanding the process of colonization in a Marxian sense. The following section employs these concepts to the historical conditions of colonial India.

The process of industrialization was greatly aided by colonization.³² However, colonization ought not be considered as the leading factor. If one were to look at the development of other colonial powers during the sixteenth to eighteenth centuries, namely Spain and Portugal, there is a lack of industrialization when compared to the events taking place in England. While colonization contributed greatly to the breaking up of feudal barriers to production, it alone did not guarantee the rise of manufacturing and industrialization, which required certain social relations to be present within the colonizers' society.³³ Marx points out the role of colonization and how it characterizes "the dawn of the era of capitalist production" but does not cause it. Here he discusses how colonization and capitalism develop in tandem, symbiotically but not causally:

The discovery of gold and silver in America, the extirpation, enslavement, and entombment in mines of the indigenous population of that continent, the beginnings of the conquest and plunder of India, the conversion of Africa into a preserve for the commercial hunting of blackskins, are all things which characterize the dawn of the era of capitalist production. These idyllic proceedings are the chief moments of primitive accumulation. Hard on their heels follows the commercial war of the European nations, which has the globe as its battlefield. It begins with the revolt of the Netherlands from Spain,

³¹ Braudel, *Civilization and Capitalism: Wheels of Commerce*, 361.

³² Aditya Mukherjee, "Empire: How Colonial India Made Modern Britain," *Economic and Political Weekly* 45, no. 2 (2010): 81.

³³ Anderson, *Marx at the Margins*, 166.

assumes gigantic dimensions in England's Anti-Jacobin War, and is still going on in the shape of the Opium Wars against China, etc.³⁴

A number of key conclusions may be drawn from Marx's claims. To begin, he highlights the role of colonization and the material benefits that motivated it. Focusing on the case of India, there were two issues which the British forces needed to address: the French and the Mogul politics. In dealing with the French, the British were competing over the control of trade within the subcontinent. However, when dealing with Mogul politics, the goal of British personnel was to maintain and build a peaceful trade zone in Mogul India. The British presumed that by doing so they would be able to extract the greatest sum of profits from the region. It is important to note that the Directorate in London and Robert Clive had differing opinions on the problem of security and national interests.³⁵ While the London administrators believed that cost-effective control and retrenchment were the strategies to employ, Clive viewed such a policy as counterproductive to the maintenance of British trade in India.³⁶ Therefore, he took actions which he believed would secure a long-term position for Britain within the richest region in India, at that time Bengal. G.J. Bryant goes as far as describing Clive's motivation for involvement in Bengal politics as that of a pacifier rather than a person seeking imperial grandeur. While there were twenty thousand Royal and Company troops in India during the war for the East India Company's conquest of Bengal, their interests were not about achieving imperial glory and territorial expansion. Rather these concerns seem to be primarily anxieties over survival whether physical or financial.³⁷ Thus, far from a premeditated or forethought state-directed expansion, the process was a reaction to changing social forces within Mogul

³⁴ Marx, *Capital: Volume I*, 915.

Marx's addition of the Opium Wars indicates that the practices that define primitive accumulation are still going on, and that they are not limited to the dawn of capitalism.

³⁵ Philip Lawson, *The East India Company: A History* (New York: Longman Publishing, 1993), 91.

³⁶ *Ibid.*, 91.

³⁷ *Ibid.*, 90-92.

India. It was a combination of profit-seeking and opportunism, motivated by material benefits, and was done without direction from London or the presidencies.³⁸

The main goal of the East India Company was to secure economic ties that generated profit for the Company and Britain. This was done through the use of military force when needed. This thesis has already stated that military expenditure, which allows access to trade routes and goods, should be considered as an instrument of labor and added into the value of constant capital. In 1765, the East India Company was given the post of revenue collector of the imperial provinces of Bengal, Bihar, and Orissa. This signaled the acquiescence of the Mogul rulers and a reversal in the role of the Company. A company of merchants had acquired an empire, although it seems that a sovereign and a trader are incompatible characters. It is easy to assume that such an appointment would be a boon for the East India Company, but it seems that was not the case. Comparing the analysis given in Kirti Chaudhuri's *The Trading World of Asia and The English East India Company 1660-1760* and Lawson's description of the Company's fall from grace in India during the years 1763-1784, it is fair to conclude that the position of revenue collector came with additional responsibilities that the Company was unable to fulfill.³⁹ As a result, the East India Company did not realize the fortunes that may be assumed would come with an increased elevation in position. This was a consequence of the difference in roles held by the Company after 1765. Before 1765, the Company's intention was to:

... support and nurture native rulers in India who offered the best opportunities for peaceful trade and increased profits. Now that Clive had taken over the local administration and made the company the real power in Bengal, the Directorate found itself bereft of an essential purpose in its dealings with the Mogul rulers.⁴⁰

³⁸ G.J. Bryant, "Pacification in The Early British Raj, 1755-85," *The Journal of Imperial and Commonwealth History* 14, no.1 (1986): 3; Lawson, *East India Company*, 90-92.

³⁹ Lawson, *East India Company*, 103-25.

⁴⁰ *Ibid.*, 107.

The new role of the Company came with a policy of military pacification costing a vast amount of money that could not be covered by the Company's normal operating capital. An example of this would be the war waged by the Company in Bihar during 1763-64. It cost £600,000 more than the company was capable of raising from its lands at the time. In meeting the shortfall, additional funds were procured through the increased exploitation of the land tenants, which was done through the revenue collectors, *Zamindaris*.⁴¹ An additional method in overcoming the shortfall was through borrowing on the open market in London. Such policies, according to Lawson, would prove to be the Company's undoing.⁴²

Additionally, in spite of the Company's new role, it did not take responsibility for its new administrative tasks. The Directory's rationale was that the Company could save £1,650,900, money that could be used in paying for investments and the purchasing of Chinese goods.⁴³ Administrative tasks such as maintenance of canals and ponds became the responsibilities of the local *Zamindaris*. However, due to their resentment regarding the excessive and harsh revenue extraction expected by the Company, the *Zamindaris* increasingly shirked their duties.⁴⁴ By the early 1800s, the Company had a more aggressive approach towards the *Zamindaris* in regards to the maintenance of canals and ponds. The Company hoped that such a policy would ease the burden of maintaining the land and increase profit margins. However,

...attempting to compel the zamindars to bear the financial costs for protecting their estates, the Company inadvertently also devolved onto itself the task for monitoring and ascertaining the nature of the supposed threat posed by the deltaic rivers. In effect, the incipient Company bureaucracy through the Embankment Committees and armed with Regulation VI of 1806 ended up

⁴¹ The *Zamindaris* were given a portion of the taxes they collected. This incentivized their increased exploitation of the land tenants. However, the largest portion of the revenue was subsumed by the Company itself. See: Vinita Damodaran, "East India Company, famine, and ecological conditions in Eighteenth-Century Bengal," in *The East India Company and The Natural World*, ed. Vinita Damodaran, Anna Winterbottom and Alan Lester (London: Palgrave MacMillan 2015), 83.

⁴² Lawson, *East India Company*, 108.

⁴³ Damodaran, "Eighteenth-Century Bengal," 86-87.

⁴⁴ *Ibid.*, 92.

singularly acquiring the onerous responsibility of defining, maintaining and interminably perpetuating the separation of land and water.⁴⁵

Highlighting the problem faced by the Company and the *Zamindaris* in maintaining infrastructure illustrates the struggle faced by merchant capital in performing both the functions of sovereign and capitalist, even when possessing the ability to pillage the richest region of India: Bengal. Further, this thesis will argue that once industrial capital is the dominant faction, that balancing act becomes impossible.

By taking on the role of sovereign, the merchant capitalist now has to pay for the instruments of labor, in a more universal sense, such as roads and canals, that had previously been subsidies from society at large. By 1820, the Company's Indian army numbered approximately 300,000 men, and its maintenance was dependent on Indian peasants and farmers. In the years after 1835, the Company made no profit and its debt mounted. When profit was made, it was quickly consumed by the military budget. Although, the military was a huge drain on the Company's resources, it was also pillar by which the Company expropriated the peasantry and exacted taxation. Eventually the upkeep of an army of that size proved detrimental, and the Company was unable to reform by 1857.⁴⁶

Concurrently, throughout the early nineteenth century, England was witnessing the crystallization of the dominance of industrial capitalists. This can be seen in the repeal of the Corn Laws and the opposition towards the renewal of the royal charter of the East India Company. Both of these struggles were led by the Manchester School, as they were interested in both securing cheap grains to reduce the value of their workers and in abolishing the trade monopoly in India in order to have greater access to raw materials and a larger market for their goods. The Manchester School, represented by John Bright, lead the attack against the

⁴⁵ Rohan D'Souza, "Mischievous Rivers and Evil Shoals," in *The East India Company and The Natural World*, ed. Vinita Damodaran, Anna Winterbottom and Alan Lester (London: Palgrave MacMillan 2015), 136.

⁴⁶ Lawson, *East India Company*, 147-49.

Company in 1853-54 highlighting that the quantity of American cotton imported by Britain was climbing steadily, while from India it remained constant. Additionally, the Manchester School pointed out that the amount of railway construction in India was nearly none existent and that the levels of Indian consumption of British goods was less than that of South America.⁴⁷

The difference between the Company and a sovereign is in the latter's ability to rely upon "the most powerful levers of primitive accumulation": public debt.⁴⁸ Although, the Company had access to tax revenues, the collection required a standing army. Therefore, it could not downsize its force to a peace-time army as other states did. Whereas these states could take advantage of the reduced costs of defense expenditure in order to pay down debts, the Company's military's upkeep never gave it the same opportunity. Government expenditure during the industrial revolution was involved in two main tasks: firstly, in maintaining the army and navy in order to secure favorable economic conditions for trade; and secondly, in securing the payment of debts.⁴⁹ Classical economists such as David Ricardo, Adam Smith, and John Stuart Mill viewed taxation and public debt as detrimental to growth and accumulation. On one hand, taxation tends to hamper the ability to employ more workers and machinery in the production process.⁵⁰ On the other hand, Marx views public debt as having the ability to change unproductive money into capital, without facing the risks involved in the production process. Alongside public debt, the international loan network and taxation systems needed further development in order to mitigate these risks. The international loan system allows governments to absorb shocks in expenditure, which may befall it, without placing the initial force on the taxpayers. Although, the taxes must rise in subsequent years in order to cover the annual

⁴⁷ R. J. Moore, "Imperialism and 'Free trade' policy India, 1853-4," *The Economic History Review* 17, no.1 (1964): 141.

⁴⁸ Marx, *Capital: Volume I*, 919.

⁴⁹ Ronald Hartwell, "Taxation in England During the Industrial Revolution," *Cato Journal* 1, no. 1 (Spring 1981): 139-40.

⁵⁰ *Ibid.*, 147.

interest payments.⁵¹ Not only does taxation offer the annual interest payments, but it is also “the best system for making the wage-labourer submissive, frugal, industrious ... and overburdened with work.”⁵²

Marx identifies that taxation and public debt serve a role in the process of accumulation of surplus-value and capital. On the one hand, taxation serves to discipline the worker and acts as the source for the payments of the annual interest of the debt. While on the other hand, the role of public debt allows capital to be produced from unproductive money. Marx’s ability to identify the role that public debt and taxation perform in the process of capital accumulation, in the production and realization of surplus-value, is due to his abstraction of extension. Marx is focused on the production of surplus-value and not on producing a final good in simple terms. Since classical economists focus on the process of production in terms creating commodities rather than surplus-value, they are prevented from coming to the realization that Marx reaches: the production of surplus-value is the main objective of capitalist relations.

This section of the chapter has highlighted the difficulty in which a merchant capitalist can serve as a sovereign and how the state is capable of advancing capital in its own unique manner. Wars and a colonial system are necessary conditions for the production of surplus-value, as they allow for the further accumulation of capital either by providing an outlet for unproductive money or through acquiring access to trade routes and/or raw materials.⁵³ Placing the process of colonization, public debt, and taxation as instruments of labor, “all objective conditions necessary for carrying on the labour process,”⁵⁴ allows for the inclusion all social aspects that are essential to the labor process and the accumulation of capital. These elements

⁵¹ Marx, *Capital: Volume I*, 919-21.

⁵² Marx, *Capital: Volume I*, 921.

⁵³ Production of surplus-value entails that it was both produced and realized. Surplus-value that is not realized is surplus-value that was not produced.

⁵⁴ Marx, *Capital: Volume I*, 286.

of society are gifts given to the capitalists that are paid for by workers of the world, temporally and spatially.

As mentioned, taxation is a tool through which the worker is disciplined. The process of colonization serves the same disciplinary role towards both the worker in the land of the colonizer and of the colonized. Consequentially, the lot of the worker was not greatly improved in the colonizer's land as a direct consequence of colonization. While Aditya Mukherjee argues that the process of colonization helped improve the living conditions of the British worker, such a claim is not substantiated by much data.⁵⁵ Research, conducted by Marx, on the standard of living in relation to colonization and the conditions of working class seemed to indicate the opposite relationship was taking place. Marx's analysis of 1648 Holland, at the height of its commercial strength, found that while the capital in Holland was greater than the rest of Europe, the "people of Holland were more over-worked, poorer, and more brutally oppressed than those of all the rest of Europe put together."⁵⁶ Throughout *Capital*, Marx relied on the work of factory inspectors to highlight the conditions in which the workers found themselves during the nineteenth century.⁵⁷ Additionally, Jane Humphries's research regarding the standard of living during the mid-eighteenth through the nineteenth century indicates a pessimist view about standards of living for workers, suggesting that they did not benefit from the process of industrialization or colonization until the mid-nineteenth century, at which point it was only a partial improvement.⁵⁸ That these conditions were not improved underscores the fact that social relations should be understood in relationship to capital and worker and not colonizer and colonized. Understanding this reality allows for a more complete understanding

⁵⁵ Mukherjee, "Empire," 78.

⁵⁶ Marx, *Capital: Volume I*, 918.

⁵⁷ *Ibid.*, "Chapter 10: The Working Day", 340-416.

⁵⁸ Jane Humphries, "Standard of Living, Quality of Life," in *A Companion to Nineteenth-Century Britain*, ed. Chris Williams (New Jersey: Blackwell Publishing, 2004), 302.

of the antagonisms between the social classes that arise as a consequence of the capitalist mode of production.

5. Conclusion

Whether the form of colonization taking place is mercantilist or industrialist in nature, a working class is required within the colonizer's land. In the case of mercantilist colonization, when the colonized societies are functioning as a market for the realization for surplus-value, there is a requirement for the production of surplus-value in the colonizer's land. The larger that this market is then the greater the exploitation of the working class will be. Additionally, a large market is indicative of the ability of the population to generate profit:

Bengal's ability to generate a surplus that could be easily turned into cash had made it attractive to the late Mughal Empire and then to the British. The fiscal squeeze, the massive invasion of the internal trade of Bengal by private enterprise and the looting of the revenue collections by local English *nabobs* all drained the coffers of the province and put ever-increasing tax burdens on an impoverished agricultural class.⁵⁹

This chapter has shown, how in the case of industrial colonization, an increase in raw materials being delivered to the colonizer would require an intensification of the labor process in order to continually consume the additional raw material. As stated earlier, an appearance of increased productivity within extractive or agricultural industries leads to an increase in raw materials being put to work within industry proper. Needless to say, an increase of raw materials being produced in the colonies is indicative of increased exploitation. While exploitation took place in both the land of the colonizers and colonized, viewing all exploitation as equal is wrong.

Since understanding exploitation is a critical part of dissecting the colonization process, this chapter sought to show how the difference in degree of exploitation taking place is determined by the power relation between the different factions of capital, the type of industry

⁵⁹ Damodaran, "Eighteenth-Century Bengal," 92-93.

(whether it produces a Department I or Department II product), and whether or not an increase in the total quantity of production requires a substantive increase in constant capital. This thesis has repeatedly argued that different factions of capital have different interests and tackle issues differently, both generally and in the specific case of colonization. Merchant capital does not concern itself with the production process proper, as long as it is gaining a substantive profit. It seeks immediate producers and offers them advances in the form of raw material or money. After production is completed the capitalist then collects the produce and sells it.⁶⁰ The form of colonization, during the dominance of merchant capital focused on developing trade posts to secure access to trade routes.⁶¹ An example of this was the role the East India Company had prior to 1765. During that time, its goal was to nurture native rulers in order to secure the greatest profit.⁶² In the case of the greatest mercantilist power Holland, the exploitation of its workers was required in allowing the merchants to gain the highest amount of surplus-value. Merchant capital's profit is acquired through two sources: either through transport or through acquiring a portion of the surplus-value that was initially produced in production.⁶³ Merchant capital's role takes a different turn when it is placed side by side with industrial capital proper.

In Western Europe, whenever precapitalist forms were dismantled through the pressures of mercantile capital, but without moving fully toward industrial capitalism, Marx saw the result as almost as bleak. For example, French silk workers and English lacemakers coming under the domination of mercantile capital were still “working in their old fragmented manner”: “Without revolutionizing the mode of production, it simply worsens the conditions of the direct producers, transforms them into wage laborers and proletarians under worse conditions than those directly subsumed by capital”.⁶⁴

Anderson argues that the role that Marx gives to mercantile capital, within the context of Western Europe, is similar to the role it served within India as it introduced the mass-produced British textiles, which nearly destroyed the traditional textile industry in India as it freed up

⁶⁰ Marx, *Capital: Volume I*, 1023.

⁶¹ Braudel, *Civilization and Capitalism: The Wheels of Commerce*, 220-21.

⁶² Lawson, *East India Company*, 107.

⁶³ Marx, *Capital: Volume I*, 907.

⁶⁴ Anderson, *Marx at the Margins*, 272. Anderson cites: Karl Marx, *Capital, Volume III*, 452-53.

workers to be exploited by mercantile capital.⁶⁵ From these examples, one can deduce that workers producing under the control of mercantile capital are under severe exploitation. The form of mercantile capitalism that was present in India eventually differed from its counterparts in England and France. The rise of industrial capital in England gave mercantile capital in India a new role. It was tasked with acquiring raw materials, at a cheap price, and the sale of goods at an acceptable rate. The rise of industrial capital as the leading faction of capital hampered mercantile capital's ability to acquire a large part of the total surplus-value. But it also resulted in a development of capitalist relations that was different than in Europe. Mercantile capitalists in India maintained influence within India as long as they served a specific function for the British industrial capitalists. In other words, British industrial capital dominated over British mercantile capital, which in turn dominated over Indian agriculture capital. While differing from the European context, examining the Indian colonization process by using Marx's method lays bare these differences, thus provincializing the development of capital relations.

⁶⁵ Anderson, *Marx at the Margins*, 167.

CONCLUSION

This thesis examines the applicability of Marx's theoretical apparatuses in explaining the development of capital relations in India's transition from commercial to industrial colonialism. Its findings engage with and are a response to the preponderance of secondary literature that argues against Marx's usefulness in understanding the colonial moment in the Global South. The majority of these secondary studies — as explored in the literature review and Chapter Two above — have argued against Marx because of a Eurocentricity that is deepened to render his conclusions regarding the Global South inadequate. As this study has argued, fundamental to dissecting this intellectual argument is in developing an understanding of the levels of generality whereby both the historical descriptions and conclusions, and theoretical framework and methods of Marx are abstracted. Among those tools, this thesis has asserted that most critical to reading Marx is a firm grasp of these levels of generality as they allow the reader to look past the causal laws and tendencies and delve into the relations that allow them to exist. This means that while a particular outcome may have arisen on the basis of a particular development, given changes in the relationship between the constituent parts of that development may result in a new outcome that could appear contradictory to the original outcome. Thus, the constituent parts may be the same in a general manner, but given new relationships and interactions between them, they will possibly cause a new result.

From here, this thesis contends that Marx ought to be understood on every level of this sequence: the particular development itself, the outcome to which it leads, and the interactions and relations between the parts that composed it. Marx's framework and method is important in understanding these relationships between these parts and then in understanding how their interactions influence historical developments and eventually outcomes. The secondary literature that critiques Marx's frameworks as Eurocentric does so on the level of historical developments and outcomes (Level II). These scholars are correct in their assessment of certain

conclusions of Marx, about India and other places, as being Eurocentric. Indeed, this study does not contest this as it accepts that in his conclusions and his method of presentation, Marx is Eurocentric. The available, but ultimately misleading, historical information — about India and elsewhere — that Marx placed into his theoretical apparatus led to these conclusions. However, many of the critical non-dialecticians place blame on his machinery for these misleading and Eurocentric conclusions without questioning where the breakdown has actually occurred. Put differently, such an approach to and reading of Marx is like blaming the designer of a loom for inadequate linen. This accounting neither considers the construction and operation of the machine nor the raw materials placed within it. Even if Marx, himself, due to his own particular historical moment and Eurocentric biases built his machine incorrectly, his blueprint still offers a way forward.

Stepping back and looking at Marx's actual theoretical device allows a reappraisal of its abilities to understand particular historical moments. The first step in doing this, however, is rebuilding that apparatus from scratch. Marx does not provide the reader with a ready-made machine, rather his works — especially *Capital* — provide the schematic for its development. This blueprint, with which the critical non-dialecticians do not thoroughly engage, is his real contribution and exists on the Level III of the generality. It deals with capital relations in their most elemental form. By this is meant: the circuits and factions of capital, the process of labor, and the labor theory of value. On this level, regardless of the Eurocentric conclusions made, Marx remains relevant and applicable to the study of capital relations in societies. On this point, Harvey summarizes the applicability best:

On one hand, confining himself to the level of generality permitted the construction of a framework that transcended the historical particulars of his own time. This is why we can still read Marx today and make sense of so much of what he has to say. On the other hand, this makes for difficulties in any

immediate application to actually existing circumstances. This is the work we are left to do.¹

In a larger sense, his totality of social life can be used to understand societies in general despite the assertions made by some scholars. Chapter Three of this thesis attempted to do the work, which Harvey highlights, and to show how this totality of social life can be used to understand a particular society in a specific moment: India in the colonial period. While not all-encompassing, Chapter Three shows the benefits of using Marx in looking at a colonized society especially with regards to modes of production, social relations, and some aspects of legal and governmental arrangements. Further research would need to incorporate additional aspects of the social totality. Among these are mental conceptions, reproduction of daily life, technology, and relationships to nature. Brought together with Chapter Three, this further study would allow for a more complete view of colonial India.

Yet while this study is only partial in its view of the historical colonial development of India, it does show that Marx's method is valid as a tool of analysis in understanding non-European societies despite criticism by some scholars. In its current application here, Marx's theory helps to illuminate a number of issues. By using Marx's ideas to expand the definition of instruments of labor, Chapter Three shows the breadth of Marx's method as it allowed for the inclusion of all objectively necessary conditions that enter into the labor process, whether directly or indirectly. Doing this helped to situate the economic colonial project within the labor process liberating it from the constraints of its label as a constituent part of primitive accumulation. In the larger picture, this allows for a plethora of social processes that have been considered outside of the labor process to be analyzed as conditions, directly or indirectly, for it. In terms of India, this is used to show why the East India Company incurred ever-greater

¹ David Harvey, "History versus Theory: A Commentary on Marx's Method in Capital," *Historical Materialism* 20, no. 2 (2012): 37.

debt and faced limitations in realizing profits as it was paying for the colonial project as an instrument of labor.

Marx's placement and foresight into the interactions and conflict between the different factions of capital also allowed for a better understanding into colonial India's historical trajectory and the rise of the British Raj. With the rise of industrial capital in England, different expectations and requirements were placed upon the East India Company, which it failed to meet due to the limitations it faced. Thus, the preceding exposition on the labor process helps to explain the eventual conflict between commercial capital, as represented by the Company, and industrial capitalists in England. Their demands for increases in raw materials and the presence of a market for their goods conflicted with the East India Company's extractionist methods. The eventual supremacy of industrial capital in England subjugated commercial capital to perform specific tasks on its behalf.² This arrangement of commercial capital serving industrial capital and the British state taking over those duties that the East India Company could not possibly uphold led to the British Raj. Furthermore, understanding this relationship in which commercial capital becomes subservient to industrial capital, and consequently how that arrangement transforms the labor process, also illuminates the reasons behind ever-increasing levels of worker exploitation. This exploitation is a particular element of the colonial experience, but also exists in any society in which merchant/commercial capital becomes dominant locally but then is subjugated to even greater extortion by the demands of global industrial capital.

Herein lies the relevance of these findings to the contemporary moment, which is heavily influenced by developments that occurred in the preceding neoliberal moment. Whereas industrial capital was the master in global capital relations, in the past several decades,

² The supremacy of one faction of capital over others means that it has taken the bulk of the realized surplus-value.

finance capital has taken on this role and demanded from commercial capital ever-increasing portions of the surplus-value. With the rise of the current Chinese capital configuration, industrial capital may be poised to once again assert itself. Seeing these trends alongside the historical model of the colonial past, it is important to reflect on the possibility of a new moment in which competing imperialist powers emerge.³ In that this historic model is both instructive and auspicious, it is highly pertinent that scholars have the useful intellectual and conceptual tools to analyze it. To this end, this thesis has shown the relevance, applicability, and insightfulness of Marx's tools, in contrast to recent scholarly trends. As such and with an eye towards the criticality of and necessity for genuine debate and thought in the current moment, Marx remains an invaluable source of insight towards dispelling the fetishisms and dogmas that hinder the realization of class struggle.

³ Imperialist, here, defined following Lenin's example.

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