

The Era Significance of Marxist Classic Texts

Study on "Capital in the 21st Century" from the "Das Kapital"

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Abstract—If the author wants to explore the connotation and logic of Marxist theory, Marxist classic text is its foundation and origin. By comparing contemporary social science books with Marxist classic texts, we can more clearly recognize the era significance of Marxist classic texts. The "Das Kapital" is an important encyclopedia for Marxist scholars. It was rated as the first of 16 books affecting the world [1]. It is also the culmination of Marx's study of capitalist socio-economic patterns. The "Capital in the 21st Century" is a book published by the French economist Thomas Pecketti in 2014, ranking first in the Amazon ranking for several weeks. It analyzes the wealth distribution data of the major countries in the world from the 18th century industrial revolution to the present. And it is an important work to pay tribute to Marx's "Das Kapital" [2]. This article will analyze "Capital in the 21st Century" from the perspective of "Das Kapital". And it would make the study from the aspects of world outlook, methodology, the gap between the rich and the poor of capitalism, and the fundamental ways to solve the current problems. It would clarify the relationship between the two books and analyze the differences. Also, it would clarify the inherent contradictions of capitalism and future development trends. Finally, it would clarify the era significance of Marxist classic texts.

Keywords—*Das Kapital; Capital in the 21st Century; capitalism; era significance*

I. INTRODUCTION

As the most important "Das Kapital" in Marxist classic text was born in 1867. It was like a sharp blade cutting the mask of capitalism. Marx created a new ideological system. Through the analysis of capital, labor, exploitation and surplus-value, he gradually pulled away the fig leaf of capitalism. One hundred years later, Thomas Pecketti, a French economist living in a capitalist society, wrote "Capital in the 21st Century" in 2014. It was proved from the perspective of real economic data since the industrial revolution of the 18th century. The capitalist system has certain economic and social contradictions and has become increasingly fierce. Although the two books have certain similarities, different historical backgrounds, different writing purposes and different research methods are worth comparing and studying. Viewing the "Capital in the 21st Century" from the perspective of "Das Kapital", we can objectively and scientifically realize the connotation of the economic data of the capitalist countries listed by Picchetti in

the past 300 years. Also, we could better realize the limitations of the capitalist thinking in "Capital in the 21st Century". "Das Kapital" was published more than a hundred years ago. However, it still guides the advanced and correct direction in contemporary social sciences. And it means that the Marxist theory conveyed by Marxist classic texts plays a leading and decisive role in this rapidly developing information age.

II. VIEWING "CAPITAL IN THE 21ST CENTURY" FROM THE PHILOSOPHY OF "DAS KAPITAL"

By analyzing the wealth distribution data in "Capital in the 21st Century" since the 18th century, Picchetti draws the conclusion that the stock capital has great harm to the society. The gap between the rich and the poor would increase year by year. And the income of capital is far higher than the income of labor. This gives the people of the capitalist countries a strong theoretical basis for restricting capital gains and reducing the gap between rich and poor. In the capitalist countries, the rapid development of science, technology and modern economics has brought the effort to maintain the capitalist system to its limits. The reality of the widening gap between rich and poor is shielded by the financial sector and the media, which are controlled by capitalists. The contradictions created by the gap between rich and poor are highly distorted and close to the brink of collapse. And the social contradictions caused by it cannot be reconciled. Many people have already felt the sense of separation between reality and the direction of public opinion. The social reality of the growing polarization between rich and poor makes the people in the capitalist countries doubt their own ideas and superiority based on the free economy for a long time. From the process of Picchetti's data collation and data comparison to the final refinement of ideas, it is not difficult to see that Piketty's method is the method of macroeconomics, and macroeconomics is an important part of western classical economics. Western economics is used to take human nature and individual motivation into account when analyzing problems, which is just a typical idealism.

The philosophy of "Das Kapital" is mainly embodied in the Marxist world outlook and methodology. From the philosophy of "Das Kapital", we can see that "Capital in the 21st Century" is the triumph of historical materialism and dialectical materialism over idealism in its scientificity and objectivity. Marx believed that the world was essentially

material. And it is higher than spirit and consciousness. Engels said: "The real unity of the world lies in its materiality." The material world is moving, changing and developing according to its inherent law. And practice is the only criterion to test the truth. In addition, the Marxist world outlook and methodology are dialectic. And it is a kind of objective and scientific world outlook combining materialism and dialectics skillfully. It reveals that the fundamental motive of the development of things lies in the contradiction of things. Things are divided into two aspects. And its contradictions are unity and struggle. It leads to the constant development of things from low-level to high-level. Looking at "Capital in the 21st Century" from the perspective of "Das Kapital", the author finds that Picchetti puts too much emphasis on the role of man's thinking consciousness in capital and neglects the objectivity and independence of capital in the process of analyzing the statistical data and refining his views. In fact, because of the difference of the world outlook and methodology, the definition of capital in "Das Kapital" and "Capital in the 21st Century" is completely different. In Marx's opinion, "Capital is not a thing. It is certain and social. And it belongs to a certain historical social form of production relations. The latter would be reflected in a thing. And it would be endowed with a unique social nature." Capital is not the sum of material and production data. In chapter 4 of Article 1 of the second volume of "Das Kapital", Marx explained the definition of capital in detail. "The value of capital as self-multiplication includes class relations, certain social nature based on the wage labor." It is a kind of movement. It is a cycle process through various stages. This process contains three different forms. Therefore, it can only be understood as motion, not as a stationary object. In Picchetti's book, the concept of "capital" is similar to the understanding of "capital" in western economics. In his opinion, "capital refers to the sum of non-human assets that can be divided into ownership and can be exchanged in the market. It includes real property in all its forms (residential homes), financial capital and professional capital (plant, infrastructure, machinery, patents, etc.) used by companies and government agencies". Marx and Picchetti's different understanding of capital shows that Picchetti has never regarded capital as a thing of continuous development and movement. The understanding of capital based on western traditional economics is one-sided and superficial. This gap stems from Picchetti's immature worldview and his relatively rigid methodology. [4] On the contrary, the philosophical thinking of "Das Kapital" is profound and clear. The ideas of historical materialism and dialectical materialism scientifically and objectively explained the inherent contradictions and problems of capitalism.

III. VIEWING "CAPITAL IN THE 21ST CENTURY" FROM THE ANALYSIS OF THE GAP BETWEEN THE RICH AND THE POOR IN "DAS KAPITAL"

In recent decades, the gap between the rich and the poor has become larger and larger. The capitalist world is going back to the era of "inherited capitalism". And it will continue to worsen in the foreseeable future. In contemporary America, 10% of the population owns 50% of the wealth,

and 1% of who owns 20% of the wealth. Picchetti broadly attributed the world economy to both capital and labor, both of which could be used to produce and share the benefits. Due to its particularity, capital can be accumulated infinitely in theory. And the labor force can only be paid by labor. And it cannot be owned by others. The data shows that the rate of return on capital is always higher than the rate of economic growth. And it shows that the polarization of rich and poor is an inherent phenomenon of capitalism. The gap between rich and poor in developed countries will be widening. In the book, Picchetti also looks at data on the distribution of income across countries over the past three hundred years. According to the calculation, excluding inflation, the average return on investment in the western capitalist countries remains between 4% and 5%. The growth rate of national income is approaching 1%. In the book, he expresses this basic contradiction in a formula: $r > g$. This formula and data basically reflect the social reality of the current capitalist countries and the law of future economic development. When capitalists continuously invest their capital in reproduction, the growth rate of total capital will always be higher than that of gross national income. As time goes on, the difference between the wealth of the capitalists and the gross national income will be greater and greater. Through inheritance, it will form the class of unearned gains. And the capital is expanding. Undoubtedly, it shows the high inequality of society. And the widening gap between the rich and the poor makes the social unrest become inevitable.

Picchetti's argument and explanation of the widening gap between the rich and the poor in capitalist countries with data and algorithms are new and rational academic discussion. However, it cannot get rid of the deep-rooted western economic thinking. Its understanding of the gap between rich and poor is not deep enough. And the understanding is not unified enough. The final conclusions are also more limited and narrow. In contrast, the theory of surplus value in "Das Kapital" has deeper and more comprehensive explanation of the gap between the rich and the poor. In Marx's opinion, surplus value refers to the profit in the new value of labor exploitation. Namely, the inconsistency between the value of labor and wages is also labor created by the laborer to be occupied by the bourgeoisie freely. Simply, the acquisition of surplus value by capitalists refers to the exploitation of the proletariat by the bourgeoisie and the exploitation of the laborer by the capitalists in the capitalist mode of production. The new value created by workers in surplus labor time is the product of workers' labor. And it should be owned by workers. However, these values are owned by the capitalists for their ownership of the enterprise. With the continuous development of production and labor, the surplus value that the capitalists occupy becomes more and more. The rapid expansion of the capitalists' capital finally leads to the continuous expansion of the gap between the rich and the poor. Viewing the explanation of the gap between the rich and the poor in "Capital in the 21st century" from the perspective of "Das Kapital", it is not difficult to see that Picchetti's understanding is too superficial and limited. He only observed that the capital held by the capitalists in the world exceeded the growth rate of national income. And then, he concluded that the gap between the rich and the poor

gradually increased. However, he did not explore the internal causes of the gap between the rich and the poor. Therefore, his interpretation of the gap between rich and poor is also unsystematic and incomplete. Compared with "Das Kapital", through the explanation of labor, money, exploitation and surplus value, the defects and contradictions of "Capital in the 21st Century" are in the state of avoidance all the time. It fully proves the revolutionary and truth in "Das Kapital" completed by Marx hundreds of years ago. The understanding of the gap between the rich and the poor in "Das Kapital" includes the core content of Picchetti's study. That is to say, through the interpretation of surplus value, the increasing social gap between the rich and the poor fully explains the internal causes of the gap between the rich and the poor. And finally, it clarifies the fundamental contradiction of capitalism. It also gives guidelines and predictions for the human world in the future. [3]

IV. VIEWING "CAPITAL IN THE 21ST CENTURY" FROM COUNTERMEASURES TO SOCIAL COLLAPSE CAUSED BY THE GAP BETWEEN THE RICH AND THE POOR IN "DAS KAPITAL"

In the capitalist countries, the rapid development of science and technology and modern economics has reached the limit of the efforts to maintain the capitalist system. The reality of the widening gap between rich and poor is shielded by the financial sector and the media, which are controlled by capitalists. The contradictions created by the gap between rich and poor are highly distorted and close to the brink of collapse. And the social contradictions caused by it cannot be reconciled. Many people have already felt the sense of separation between reality and the direction of public opinion. The social reality of the growing polarization between rich and poor makes the people in the capitalist countries doubt their own ideas based on free economy and superiority. And this suspicion has caused great social tear. It is the opposite of what the capitalist countries preach. When the capitalists inherit the assets from generation to generation, they would form a class of predators who have no contribution to the world and human beings. The development of human society will be slow and stagnant because of the lack of motivation. However, the irreconcilable contradiction between the predators and the laborer will become more and more serious. And the fierce social turbulence will finally break out. In order to avoid this kind of social contradiction and social turbulence in the capitalist countries, Picchetti also proposed several solutions: to raise inflation, to levy 15% of capital tax, to raise the income tax of the highest income group to 80%, and so on.

In Marx's opinion, the solutions to the social collapse caused by the gap between the rich and the poor in the capitalist countries are fundamental and decisive. Marx believed that capitalism must die, and socialism must win. The basic contradiction of capitalism determines the trend of the development of capitalist countries. The increased concentration of capital has brought more intense exploitation and oppression. The proletariat would gradually lose bargaining ability. In order to resist such exploitation and oppression, the proletariat must embark on the road of revolution to break the control of capitalists and push

capitalism into the abyss of perdition. The difference between the two views is mainly due to the ideological differences behind the two books. Marx's "Das Kapital" represents the interests of the broad proletariat. Through the description and analysis of the history of the development of capitalism, the study of the mode of production of capitalism and the relations of production and exchange with it, it depicts a detailed and exploitative course of the development of capitalism for the broad masses of the people. Through the study of exploitation and surplus value, the mask of hypocrisy of capitalism was ripped off. Through the argument of the inevitability of the economic crisis of capitalism, the inherent contradiction of capitalism is clarified. And the inevitability of the future capitalism being replaced by communism is reasonably predicted. In "Capital in the 21st Century", Picchetti confirms and criticizes the widening gap between the rich and the poor caused by the contemporary capitalist system, and points out the unavoidable internal contradictions of the current capitalist system. However, viewing from the solution to the current problems in the final part of his book, Picchetti still conveyed the idea of maintaining the ideology of capitalism. It is only a way to compromise and remedy the current widening gap between the rich and the poor and the increasing social contradictions. The aim is to keep the capitalist system intact. His suggestions include raising inflation, taxing 15% of capital, and mentioning 80% of income tax for the highest income group. These measures can only temporarily ease social contradictions. However, the capitalists still exploit the workers. And it cannot create a truly fair and just world. Viewing "Capital in the 21st Century" from countermeasures to social collapse caused by the gap between the rich and the poor in "Das Kapital", Picchetti's solution is not mature and incomplete. Only ending the dominant position of capitalism can bring about real progress.

V. CONCLUSION

Marx's "Das Kapital", written in 1867, is still instructive today. As the Bible of the working class, it will always guide the proletariat to move forward. Viewing "Capital in the 21st Century" from the perspective of "Das Kapital", it explains the connotation of economic data in capitalist countries with Marxist scientific methodology and world outlook, and validates the use of objective data in Marx's great prophecy about the future of capitalism. And it is also the fundamental way to share with the world what Marx has done to solve the gap between the rich and the poor. It has compared Marx's "Das Kapital" with Picchetti's "Capital in the 21st Century" from three aspects. We find that "Capital in the 21st Century" has special limitations in many aspects. And it cannot open up thinking and break the bottleneck to analyze the nature of capitalism. The solution to the problem of the separation of the rich and the poor in the future has a very strong idea of "appeasement", which cannot really solve the specific problems that the capitalist society will face in the future. In addition, Picchetti did not make the study on the causes of this dilemma between the rich and the poor. He just built a model based on statistical data, made a scientific estimate of the gap between rich and poor, and speculated

the reasons for this result. It does not explore the intrinsic link between this result and the capitalist political and economic system. It seems that it intends to evade the influence of the political and economic system on the gap between the rich and the poor. Marx's "Das Kapital" is different from it. He has made a profound analysis of the capitalist political and economic system. And the groundbreaking revelations about the nature of capital and the nature of capitalism have been merciless. It fully illustrates that the classical texts of Marxism, including "Das Kapital", are still scientific, practical and open in the contemporary era. And they are still great works in the contemporary human social sciences. As the origin of Marxist theory and the textual basis of Marx's basic principles, the classical texts of Marxism still have fresh and brilliant vitality in the 21st century. It has always been the theoretical source of Marxist. And it has provided the world and mankind with scientific standpoint and viewpoint. It always guides the progress and development of socialism with Chinese characteristics. [5] We should correctly and profoundly understand the classic text of Marxism, regard it as the ideological weapon to arm ourselves, forge ahead in the changing international society in the new era, and create a correct path of liberation for all mankind.

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