

**Capitalism and the Logic of Deservingness:  
Understanding Meritocracy through Political Economy**

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# Abstract

Since its first use by British sociologists in the 1950s as an object of critique, the term "meritocracy" has received considerable attention in the social sciences. However, the deeper roots of the idea and its relationship to capitalism remain under-theorized and poorly understood. This thesis pursues the following research question: How might we understand "meritocracy" as a problem of political economy? Through close readings and immanent critiques of key political economic theorists in the classical liberal, black radical, and libertarian traditions, I locate the *logic of deservingness* within theories of capitalism. I define meritocracy as an achieved hierarchy, predicated upon the idea of "equal opportunity," and organized by a logic of deservingness according to labor contribution. To explore the political economic contours of meritocracy, I rely on three dichotomies throughout the thesis: achieved hierarchy versus ascriptive hierarchy; methodological individualism versus social holism; and moralizing judgement versus immanent critique. With its emphasis on achieved hierarchy and moralizing judgement of the individual, meritocracy affirms a logic of deservingness. Nonetheless, meritocracy is haunted by the specters of what it denies: ascriptive hierarchy (with an ambivalent emphasis on excellence as a feature of innately superior individuals, and colonial tutelage as a remedy for cultural inferiority); individual dependence on the social whole for determining what counts as valuable labor; and a view of society which rationalizes individual behavior, precluding our ability to judge morally. Understood from Marx's socially holistic view of capitalism, I argue that meritocracy is rendered an incoherent organizing principle in the context of market society. Yet, it remains a deception that sustains capitalism.

# Introduction

Modernity rests on the belief that some forms of inequality are more justified than others. If an unequal outcome is seen to be a result of our own actions or capacities, it is generally understood to be fair, much like winning or losing a game. But if it is a result of inheritances or other factors that are out of our control, the outcome is generally seen as unfair; the game is “rigged.” Today, the list of unjust inheritances is growing to include caste, ethnicity, gender, and previously accumulated wealth. Words like “privilege,” “discrimination,” and “exclusion” denote an unfair game in which players are prevented from competing equally, based on their individual merits. But as we strive to eliminate unjust hierarchy – or at least as we claim to be moving in that direction – the assumption remains that some hierarchies are, in fact, either natural, inevitable, or just. The idea of “deservingness” retains a certain coherence in the modern order, even amidst extreme outcomes of wealth inequality between individuals and between nations.<sup>1</sup> We seem to have a sense for which types of wealth and social status are deserved, and which are undeserved. It is the underlying foundation upon which we construct deservingness as a stable ordering principle that I seek to locate in this thesis.

The challenge I have set for myself is to look at one of the most appealing yet elusive ideas of the modern world: the idea that anyone, regardless of their social position at birth, can achieve their ambitions through their own hard work – in other words, as a result of their own labor. This is the promise of *meritocracy*. I define meritocracy as an achieved hierarchy organized by a *logic of deservingness* based on individual labor contribution and premised on the “equality of opportunity.” Hierarchy based on “merit” is opposed to traditional, ascriptive hierarchies, in which one’s race, gender, class or caste determine wealth or social position, including and especially involuntary servitude and subordination. It is increasingly accepted that

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<sup>1</sup> I will use “inequality” to refer to differences in wealth and social status between individuals, and “hierarchy” to refer to the presence of inequality in the system as a whole; the two are, at least broadly speaking, interchangeable for the purposes of this study.

there is nothing ethically redeemable about hierarchy based on arbitrary characteristics such as race or gender – characteristics that reveal nothing about an individual’s deservingness or achievement. But to say the same of wealth inequality or social hierarchy based on *merit*, demonstrable through competition in conditions of equal opportunity, is quite another matter. Such a claim is much harder for the modern world to accept. Labor, under these conditions, is not thought to be subordinated, so long as it is compensated “fairly” and given “freely,” as opposed to involuntarily (as in the case of servitude). The idea of abolishing wealth inequality remains controversial. Hierarchy is generally understood to be just - or at least not unjust - as long as it is believed to be earned. In a competitive market society, labor contribution is seen as a fair and objective means of revealing an individual’s deservingness. Although this thesis focuses on meritocracy as a political economic ideology of deservingness based on *labor*, its stakes can be best understood through a more general observation of meritocracy’s ubiquity.

The logic of deservingness permeates the social sciences. More than that, it saturates our everyday life, language and culture. Importantly, meritocracy is an explicitly *individualizing* logic that is also implicitly *social*; it affects the way we perceive and classify individuals, including ourselves, in relation to others. It also serves to mask hierarchies that may otherwise be seen as unacceptable. For example, morally judgmental terms used in recent decades to denigrate and criminalize human beings such as “welfare queen” or “degenerate” are permeated with classist, racist, and gendered connotations.<sup>2</sup> More flattering descriptors like “talented,” “gifted,” and “genius” valorize the individual but also derive from a meritocratic logic.<sup>3</sup> Indeed, even certain socially acceptable and ostensibly objective judgements about people are infused with an individualistic language in which *who one is* and *what one does* are merged: consider the “under-achiever” and “over-achiever” dichotomy. And this atomistic language is not only reserved for individuals. The logic of deservingness in both its derogatory and laudatory forms is also a lens through which states and even entire cultures are comprehended, as though they are individuals:

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<sup>2</sup> See Reed, “Marx, Race, and Neoliberalism,” 51-52.

<sup>3</sup> “Genius” and “idiot” – not to mention “moron” and “imbecile” – derive their meanings from actual former IQ classifications, and the rise to popularity of the IQ test itself is notoriously linked to the eugenics movement in the United States (See Croizet, “The Racism of Intelligence: How Mental Testing Practices Have Constituted an Institutionalized Form of Group Domination”; Bourdieu, “Le Racisme de L’intelligence”).

consider “failed states” and “rogue states” on the one hand, and the exemplary East Asian “Tigers” on the other.

Although I present meritocracy as a modern phenomenon, its antecedents are undeniably ancient, exemplified in the works of Confucius, Plato and Aristotle.<sup>4</sup> But it is evident that ancient civilizations conceived of their ideal “meritocracies” as hierarchies of intellect, morality, or ability, but *not* of labor contribution. Crucially, in all of the early iterations of meritocracy, labor is still perceived to be something undignified rather than virtuous.<sup>5</sup> It is not until Christianity that labor is placed in a position of honor.<sup>6</sup> But this newly honored position of labor then begins to cultivate the belief that those who do not work also shall not eat.<sup>7</sup> Thus, the Western iteration of modern meritocracy, in which labor becomes a basis for deservingness, is heavily bound up with interpretations of Christianity (despite the fact that Christianity is not itself Western in origin).<sup>8</sup>

In the modern world, meritocracy is hardly an overlooked topic. Despite or perhaps because of its increasing appeal as an emancipatory ideal toward which society ought to strive, it

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<sup>4</sup> The Chinese civil service examination system, called the Keju, is arguably the civilizational pioneer of meritocracy; its genealogy traces back to Confucianism and Daoism in the fifth and sixth centuries BCE, but it evolved throughout China’s imperial history (Liu, “Origins of Meritocracy in China,” 11-12). In ancient feudal China, most scholars, including Confucius, agreed that social cohesion necessitated social stratification (ibid, 13). However, they wished to replace the corrupt ruling feudal class with a social system of education based on individual merit. As Ye Liu points out, merit-based social selection did not aim to achieve social equality; it aimed to preserve class society, replacing the feudal rulers with the literati-scholar class who were seen to be morally and intellectually superior (ibid, 13). It was in fact just as the Keju system collapsed with the Manchu empire in 1904 that the notion of meritocracy (if not yet the word itself) was increasingly on the rise in the West (ibid, 11). In addition to its Confucian and Daoist roots, we can find the idea of justice in which reward is hierarchical according to deservingness in the works of Plato and Aristotle. In Plato’s dialogue in *Laws*, written in 348 BCE, the Athenian explains to Clinias, the Cretan, that “the truest and best form of equality” gives “due measure to each according to nature; and with regard to honours also, by granting the greater to those that are greater in goodness...” (Plato, *Laws*, 413). Finally, we might consider the statement in Aristotle’s *Nicomachean Ethics*, written around 340 BCE, “that awards should be ‘according to merit’; for all men agree that what is just in distribution must be according to merit in some sense” (Aristotle, *Nicomachean Ethics*, Bk. V, chap. 3, p. 76). Aristotle recognizes that it is unclear in *what* sense, precisely: “[D]emocrats identify it with the status of free-man, supporters of oligarchy with wealth (or with noble birth), and supporters of aristocracy with excellence” (ibid).

<sup>5</sup> Kaulla, *Theory of the Just Price: A Historical and Critical Study of the Problem of Economic Value*, 39.

<sup>6</sup> Kaulla, *Theory of the Just Price: A Historical and Critical Study of the Problem of Economic Value*, 39.

<sup>7</sup> Kaulla, *Theory of the Just Price: A Historical and Critical Study of the Problem of Economic Value*, 39.

<sup>8</sup> Parekh, “Superior People: The Narrowness of Liberalism from Mill to Rawls,” 1. Notions of deservingness and self-help were directly linked to debates over salvation. This connection can be observed in a foundational debate between Pelagius and Augustine of Hippo in the fifth century AD over which interpretation of Christianity would govern the Western church. Pelagius challenges the “gratuitous” grace central to Augustine’s theocentric conception of Christianity, in which man is entirely dependent upon God for salvation (Dickey, *Hegel*, 27, 30). By contrast, Pelagius asserts instead the egocentric conception of salvation in which “merited” grace presides: in this conception, man is responsible for his own fate (ibid, 27, 30).

has in fact become a popular, if divisive, target of critique. The first use of the term “meritocracy” can be traced to the 1950s, when two British sociologists – Alan Fox and Michael Young, in separate instances – disparagingly described a particular kind of market-driven elitism.<sup>9</sup> Thus from its inception, the usage of the term was intended to be critical: it brought to light the fact that in the guise of equality, meritocracy is merely another historic justification of hierarchy. As Hannah Arendt wrote of the British education system in 1954, “What is aimed at in England is ‘meritocracy,’ which is clearly once more the establishment of an oligarchy, this time not of wealth or of birth but of talent ... Meritocracy contradicts the principle of equality, of an equalitarian democracy, no less than any other oligarchy.”<sup>10</sup> But by the 1960s and 1970s, the term was claimed by certain liberal and conservative thinkers, such as Daniel Bell, as something desirable.<sup>11</sup> From the 1980s through the early 2000s, meritocracy became a neoliberal trope intended to signify social progress, reflected in the rhetoric and policies of former UK Prime Ministers Margaret Thatcher and Tony Blair, and former US Presidents Ronald Reagan, Bill Clinton, and Barack Obama, among others.<sup>12</sup>

Since its first use, meritocracy’s moral postulates have been picked apart and its etymology analyzed.<sup>13</sup> It has been associated with competition in sports<sup>14</sup> and education.<sup>15</sup> Recently, the term has received considerable attention in a proliferation of books for popular audiences, regaining its original status as an object of critique.<sup>16</sup> For a number of academics, it is criticized in the context of larger discussions about pernicious neoliberal policies and

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<sup>9</sup> Fox, “Class and Equality”; Young, *The Rise of the Meritocracy*.

<sup>10</sup> Arendt, “The Crisis in Education,” 4.

<sup>11</sup> Littler, *Against Meritocracy: Culture, Power and Myths of Mobility* analyzes the shift of “meritocracy” from a negative to a positive connotation; See Bell, “On Meritocracy and Equality” for what seems to be the first positive usage of the term. See also McClelland, *The Achieving Society*.

<sup>12</sup> Clinton and Blair, for instance, both replaced welfare with “workfare” models in which provisions became contingent upon work; in other words, welfare became attached to deservingness (Shilliam, *Race and the Undeserving Poor*, 120). We might also consider the emphasis on equality of opportunity, rather than equality as such, in Obama’s statement in his 2013 address: “[W]e are true to our creed when a little girl born into the bleakest poverty knows that she has the same chance to succeed as anybody else” (Littler, “Meritocracy as Plutocracy,” 52).

<sup>13</sup> Sen, “Merit and Justice” in Arrow, Bowles, and Durlauf, *Meritocracy and Economic Inequality*; Sennett, “What do we Mean by Talent?” in Dench, *The Rise and Rise of Meritocracy*.

<sup>14</sup> LaVaquer-Manty, “The Playing Fields of Eton: Equality and Excellence in Modern Meritocracy.”

<sup>15</sup> Smith, “The Woke Meritocracy.”

<sup>16</sup> Sandel, *The Tyranny of Merit*; Markovitz, *The Meritocracy Trap: How America’s Foundational Myth Feeds Inequality, Dismantles the Middle Class, and Devours the Elite*; Bloodworth, *The Myth of Meritocracy: Why Working-Class Kids Still get Working-Class Jobs*; McNamee and Miller, *The Meritocracy Myth*.

ideologies.<sup>17</sup> It has also been critiqued as a red herring that thwarts feminist<sup>18</sup> and black<sup>19</sup> emancipatory movements under the pretense of supporting them. Others have attempted to rescue meritocracy from these critiques, defending it as an unambiguously progressive goal.<sup>20</sup>

Nonetheless, the deeper roots of the idea and its relationship to capitalism in particular remain under-theorized and poorly understood. This thesis pursues the following research question: How might we understand “meritocracy” as a problem of political economy? I argue that looking at the underlying *logic of deservingness* through a political economic lens yields a view of meritocracy not only as a modern deception, but as a deception that serves to sustain capitalism. My method of inquiry is a close, contextual reading of several key political economic thinkers in liberal, socialist, Marxist, black radical, and libertarian traditions. In order to discuss how meritocracy acts as an illusion sustaining capitalism, I rely on three dichotomies throughout the course of the argument: methodological individualism versus social holism; moralizing judgement versus immanent critique; and achieved hierarchy versus ascriptive hierarchy.

Critics generally assume that meritocracy has a symbiotic relationship to liberalism. But because this relationship is taken for granted, its nature remains opaque. What is also missed when we take the liberalism-meritocracy nexus for granted is the varying degrees to which certain strands of socialist, anti-racist, and feminist thought also accept meritocracy as an ordering principle.<sup>21</sup> Perhaps surprisingly, meritocracy’s relationship to the logic of capital has hardly been discussed at all. This is likely the case for two reasons: First, the presupposition of a harmonious continuity between the logic of the market principle and the logic of meritocracy has arguably led to their conflation. Second and relatedly, liberalism and capitalism themselves are

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<sup>17</sup> Littler, *Against Meritocracy*; Fraser, “The End of Progressive Neoliberalism”; Young, “Affirmative Action and the Myth of Merit.”

<sup>18</sup> Particularly Fraser et al., “Notes for a Feminist Manifesto”; Fraser, *The Fortunes of Feminism*.

<sup>19</sup> Particularly Spence, *Knocking the Hustle: Against the Neoliberal Turn in Black Politics*; Dawson and Francis, “Black Politics and the Neoliberal Racial Order”; Reed, “‘What are the Drums Saying, Booker?’: The Curious Role of the Black Public Intellectual.” However, neither these authors nor the feminist authors cited above sustain a particular focus on the term “meritocracy” or the logic of deservingness itself.

<sup>20</sup> Wooldridge, *The Aristocracy of Talent: How Meritocracy Made the Modern World*.

<sup>21</sup> I am not claiming, however, that socialism, anti-racism, and feminism are necessarily outside of liberalism. I will explore meritocracy in relation to socialism in Chapter 2, and in relation to anti-racist politics in Chapter 4. A discussion of meritocracy in relation to feminist thought will be the subject of a future project.

often thought to be indistinguishable, or at least overlapping enough so as to make their distinction unnecessary.

We will see throughout the thesis that the first assumption is highly misleading; there is in fact a deep conflict between meritocracy and the market principle, which sometimes rewards hard work and talent, but can just as often reward luck and good fortune.<sup>22</sup> However, I define capitalism not solely in terms of the market principle, but rather as “market society,”<sup>23</sup> comprised of “a social totality that includes modes of production, relations of production, and the pragmatically evolving ensemble of institutions and ideologies that lubricate and propel its reproduction.”<sup>24</sup> Regarding the second assumption, we will also explore throughout the thesis the confluence *and* conflict between liberalism and capitalism. Onur Ulas Ince claims that liberalism should not be reduced to “an ideological handmaiden of capitalism,” instead suggesting that liberalism is “a mode of theoretical reflection and a value system that found its social conditions of possibility in the historically situated capitalist institutional forms but could not normatively accommodate the violent processes that engendered them.”<sup>25</sup> However, we will see that Ince’s suggestion that liberalism struggles to normatively accommodate capitalism’s violence is only partially correct. In many cases, as we will see, liberalism has no trouble at all normatively accommodating the violent processes of capitalism, including slavery, enclosure, dispossession, poverty, and inequality, especially through the *temporal displacement* of non-European others.<sup>26</sup> Although liberalism is and always has been bound up with definitively *illiberal* practices, the use of temporal displacement, as we will see, makes these practices consistent with liberal theory,<sup>27</sup> including the notion of achieved hierarchy. The remainder of this introduction will outline why I have chosen to focus on political economy as a means to explore meritocracy, discuss my methodology, and provide a chapter-by-chapter summary of the argument.

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<sup>22</sup> On the renewed importance of inherited wealth in the modern world, see Piketty, *Capital in the Twenty-First Century*, 290.

<sup>23</sup> Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time*.

<sup>24</sup> Reed, “Marx, Race, and Neoliberalism,” 49.

<sup>25</sup> Ince, *Colonial Capitalism and the Dilemmas of Liberalism*, 29.

<sup>26</sup> Jahn, *Liberal Internationalism*; Inayatullah and Blaney, *Savage Economics*; Inayatullah and Blaney, *International Relations and the Problem of Difference*.

<sup>27</sup> Jahn, *Liberal Internationalism*.

## 1. The individual and the social in market society: Labor, value, and the specificity of classical political economy

This thesis engages in contextually close readings of political economic theorists. Classical political economy and its critique serve as the foundation of the thesis. Reading and reflecting on the anxieties, tensions, and recessive voices of these theorists will be a central part of my process, which I will discuss further in section 2. I follow David P. Levine's contention that "It is, paradoxically, only in terms of the contradictions and inconsistencies of classical thought that its conception as a distinguishable theoretical standpoint can be determined."<sup>28</sup>

The reason I chose a political economic approach to studying meritocracy and the logic of deservingness has to do with the centrality of "labor" and "value" to our understanding of achieved hierarchy in the context of capitalism. There are a number of works which criticize the racialized and class-specific notions of what counts as "value."<sup>29</sup> But these perspectives tend to be confined to the legal sphere, from which the unavoidably political economic term "value," and its relation to labor, cannot fully be comprehended.<sup>30</sup> It is for this reason that a key part of the discussion of labor and the logic of deservingness will involve working through *labor theories of value* in classical political economy. In this way, I will interrogate *labor* in the context of capitalist society as a basis of deservingness.

Classical liberal theory and political economy grapple with the question of how to understand the emerging problems and promises of market society. These problems of capitalism include how to make sense of the social ruptures caused by dispossession, imperialism, and poverty. Meritocracy as an ideology, we will see, is bound up with all of these forms of violence. An examination of liberalism and the logic of deservingness in relation to labor forms the foundation of the thesis, with a particular focus on John Locke, Adam Smith, and J.S. Mill in Chapter 1. A group of lesser-known socialist political economists, the basis of Chapter 2, challenge but cannot fully escape the liberal logic of deservingness. Karl Marx serves as the

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<sup>28</sup> Levine, *Economic Studies*, 153.

<sup>29</sup> Particularly with regard to the criminalization of those who are racialized and devalued. See Cacho, *Social Death: Racialized Rightlessness and the Criminalization of the Unprotected*; Alexander, *The New Jim Crow: Mass Incarceration in the Age of Colorblindness*.

<sup>30</sup> Many of these scholars do not engage Marx, let alone political economy. For example, Lindon Barrett in *Blackness and Value: Seeing Double* in fact begins with an outright dismissal of Marx.



keystone of the thesis, as the primary challenger of the deservingness logic, and will be the focus of Chapter 3. W.E.B. Du Bois, the primary thinker who I engage in Chapter 4, is not traditionally read as a political economist, but this is how I read him in relation to the question of racism and deservingness in the capitalist political economy. Similarly to Du Bois, the two thinkers I focus on in Chapter 5 – F.A. Hayek and Milton Friedman – depart from classical political economy, but in an entirely different direction: They recognize that meritocracy is a deception, but nonetheless condone inequality and a hierarchy of “value.” Most importantly for our purposes, all theorists examined in the thesis worry that the production of capitalist wealth requires the simultaneous production of poverty.<sup>31</sup> We will see that they are troubled by questions such as: What is valuable labor? How is the value of one person’s labor measured and distinguished from that of another person’s? How is wealth earned or acquired – and is that acquisition legitimate or illegitimate? Does anyone deserve to be rich or to be poor? Is it our labor, or the fact of our humanity, that entitles us to a share of the social wealth? These are some of the concerns animating theories of market society which will be our point of focus. Investigating the relationship between labor and value becomes the means by which political economy attempts to answer these questions.

A central tension we will encounter in our close readings of political economic thought is the conflict between the social and the individual. As we will see, the Scottish Enlightenment theorists take seriously the sociality of humans. In our case, this will be exemplified by Adam Smith, but it is also true of Adam Ferguson and David Hume, among others. While human sociality may seem like a given to us, much of the prevailing social theory before the Scots did not appear to start with society, warranting their criticism.<sup>32</sup> In short, Scottish Enlightenment thinking held that “Individuals we certainly are and rational we certainly are, but an individualistic rationalism is inadequate as a social theory. The recognition of that inadequacy is what helps to make the Scots historically important.”<sup>33</sup> An engagement with classical thought allows us to see how in the context of capitalism, “the social” is intimately connected to “the market.” A political economic perspective reveals the conceptual tensions between the individual

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<sup>31</sup> Inayatullah and Blaney, *International Relations and the Problem of Difference*, 2.

<sup>32</sup> Berry, *Social Theory of the Scottish Enlightenment*.

<sup>33</sup> Berry, *Social Theory of the Scottish Enlightenment*, 47-48.

and the social inherent to meritocracy in the context of market society. I will now outline how these tensions are constitutive of the market and reflected in political economic thought.

A key feature of capitalism is a universalizing market *dependency*. This means that increasingly, more individuals around the world depend on the market to procure the basic necessities of life.<sup>34</sup> Purchasing basic necessities, of course, requires access to income, or to previously accumulated wealth. As Karl Polanyi shows, it is not market participation that defines capitalism – indeed, markets have been an important part of human societies throughout history.<sup>35</sup> In this pre-modern form of market participation, the market is embedded in social relations and social control. Instead, as I have claimed, it is market *society* that best describes capitalism. That is, in capitalism, society is organized “as an adjunct to the market. Instead of economy being embedded in social relations, social relations are embedded in the economic system.”<sup>36</sup> C.B. Macpherson, taking a prompt from Marx and others, defines what he calls “possessive market society” in which “one’s energy, skill, and most importantly *labor* are regarded as possessions belonging to oneself.”<sup>37</sup>

The connection between meritocracy and market society lies in how the market itself creates the illusion of the “independent” individual, who, as Adam Smith and G.W.F. Hegel recognized, is in fact more dependent than ever due to the social *division of labor*.<sup>38</sup> For Levine,

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<sup>34</sup> Clegg, “Capitalism and Slavery”; Wood, *The Origin of Capitalism: A Longer View*; Brenner, *The Origins of Capitalist Development: A Critique of Neo-Smithian Marxism*; Polanyi, *The Great Transformation*.

<sup>35</sup> Polanyi, *The Great Transformation*.

<sup>36</sup> Polanyi, *The Great Transformation*, 60.

<sup>37</sup> Macpherson, *The Political Theory of Possessive Individualism: Hobbes to Locke*, 48. In the possessive market society, Macpherson continues, “in contrast to a society based on custom and status, there is no authoritative allocation of work or rewards ... [I]n contrast to a society of independent producers who exchange only their products in the market, there is a market in labour as well as in products” (ibid, 48). It follows, then, that one’s labor can be alienated: the individual is free to use and dispose of their labor as they please, including by handing it over to others for a price (ibid, 48). Importantly, “Possessive market society also implies that where labour has become a market commodity, market relations so shape or permeate all social relations that it may properly be called a market society, not merely a market economy” (ibid, 48). He emphasizes that two essential features of market society can then be highlighted: the pre-eminence of market relations including dependence on the market for the most basic necessities of life, and the treatment of labour as an alienable possession (ibid, 48-49). A third feature, which I will discuss in Chapter 3, is production for exchange (in other words, for meeting the demands of *others*) rather than for direct personal consumption.

<sup>38</sup> According to Immanuel Wallerstein, most of the historical units which scholars have labeled ‘social systems,’ such as tribes and nation-states, are actually not social systems but rather dependent units. The only *social* formations, according to this view, are world-empires and world-economies. In the world today, the capitalist world economy is the largest unit within which historical processes are interdependent. It is therefore not merely an economic unit with a system of states, but also a *social unit* (Balibar and Wallerstein, *Race, Nation, Class*, 6, my

“Civil society appears to classical thought as synonymous with division of labor since division of labor always implies the interdependence of independent laborers.”<sup>39</sup> Put simply, the division of labor signifies both individuality and social dependence - a conflict that is recognized by classical thought.

In what Levine calls “enterprise” society, individuals engage in “the active pursuit of [their] position in the hierarchy of income and wealth, whether on the side of capital or of labor.”<sup>40</sup> This meritocratic culture of competition unites two seemingly opposed principles: self-determination, and determination within a hierarchy of social recognition. In other words, Levine is informed by the Hegelian point that one’s status in a competitive hierarchy – including one’s status as a *self-determining individual* – must be recognized by others, rendering self-determination a socially *dependent* process.<sup>41</sup>

A capitalist hierarchy, just like any logic of hierarchy, “implies dependence upon others for the constitution of social position.”<sup>42</sup> Participation in such a system requires individuals to accept the *external determinacy* of their social position, and the embodiment of this external determinacy in another person or group of persons. In a Hegelian fashion, Levine on the one hand compares the necessity of mutual recognition to the logic of slavery: “The master is as dependent upon slavish recognition, as the slave is the master’s dependent.”<sup>43</sup> But he also distinguishes the form of social hierarchy unique to modern capitalism, which differs from slavery and non-capitalist exchange relations. The logic of market self-determination “denies the determination of the self on the part of an external principle *embodied in another self*.”<sup>44</sup> The principle of self-determination establishes the economic order as an arena in which recognition is no longer personalized. As a result, market self-determination “not only ceases to require domination, it excludes it, both because domination within a hierarchy denies the autonomy of the subordinate, and because it requires that subordination as an external origin of the social

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emphasis). The focus on *one* capitalist world system is significant in our understanding of the notion of social determinacy, as I will discuss particularly in Chapter 3.

<sup>39</sup> Levine, *Economic Studies*, 39.

<sup>40</sup> Levine, *Economic Theory V.II: The System of Economic Relations as a Whole*, 300.

<sup>41</sup> In Hegel’s words, “Self-consciousness exists in and for itself when, and by the fact that, it so exists for another; that is, it exists only in being acknowledged” (Hegel, *Phenomenology of Spirit*, 111).

<sup>42</sup> Levine, *Economic Theory V.II*, 300.

<sup>43</sup> Levine, *Economic Theory V.II*, 300.

<sup>44</sup> Levine, *Economic Theory V.II*, 301.

being of the dominant individual.”<sup>45</sup> In other words, for meritocracy to function effectively, the logic of hierarchy must deny its social determinacy. Status must instead be seen as something earned by the individual, independently of the social order in which they operate. In this way, labor, and therefore value, must *appear* to be tied to the individual, both as social fact and moral judgement. It is not until the work of Karl Marx that the methodologically individualist view of labor is substantively challenged.

A second tension posed by what Levine calls enterprise is between abundance and scarcity. On the one hand, what is required is an abundance of diverse human talents (or a variety of skills and abilities); on the other, “talent” must also be seen as scarce in a market society. As an example, “The very finest artists are inherently scarce, not because of any absolute dearth of talent, but because, within any class of activities, ‘the best’ must inevitably be a position occupied by the few.”<sup>46</sup> Because a meritocratic hierarchy requires the leadership of the “excellent” few, it defines and creates scarcity itself. In other words, socially produced scarcity, rather than naturally produced scarcity, creates hierarchy. Eliminating the individuals occupying “the top” would not change the structure of this hierarchy, nor would it increase the scarcity of talent; it would merely yield a new distribution of individuals occupying the privileged position of the few.

In the process of creating wealth, capitalism must also create poverty and inequality.<sup>47</sup> This is a critique of capitalist society that is recognized in Smith and is developed more thoroughly in Marx. Meritocracy serves to justify the necessity of inequality by enforcing the belief that the division between the labor of the many and the capital of the few is the result of a natural scarcity of excellence, talent and wealth itself.<sup>48</sup>

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<sup>45</sup> Levine, *Economic Theory V.II*, 301.

<sup>46</sup> Levine, *Economic Theory V.II*, 301.

<sup>47</sup> The libertarian thinkers we will examine argue that capitalism only necessitates the creation of *inequality*, not necessarily poverty. Those who subscribe to the trickle-down economics theory today similarly argue that capitalism raises standards of living generally over time, even while it also raises levels of inequality. While it is true that capitalism can raise standards of living, I subscribe to the argument that in the process, capitalism also creates poverty, or what Ashis Nandy refers to as destitution – a particularly modern form of deprivation (Nandy, “The Beautiful, Expanding Future of Poverty: Popular Economics as a Psychological Defense”).

<sup>48</sup> The issue of scarcity is beyond the scope of this dissertation; however, the division of labor will be an important part of our discussion in relation to classical political economy.

In a competitive hierarchy, individuals are forced to instrumentalize each other as they seek self-determination.<sup>49</sup> This tension between the individual and the social lies at the heart of capitalist organization, which “holds together a system of mutually dependent and reciprocally constituted social beings, while denying the reality of their social origins and social determination.”<sup>50</sup> In other words, the instrumental orientation of individuals means we are dependent on others within a social order *predicated upon the denial* of this interdependence. I follow Levine’s claim that this denial of dependence is so deep and so central that it poses a threat to the fabric of the social order. Its implications are in fact fatal:

Specifically, the individual is denied his right to subsist within society, and to see society as his birthplace, just as society denies all responsibility for the subsistence of the individual. Except insofar as the provision to the individual of his subsistence as an individual is consonant with (i.e. an instrument for) the private ends of others, there will be no social framework for sustaining him.<sup>51</sup>

In other words, our ability to procure subsistence is based on what we supply for the private ends of others, rather than based on the fact of our humanity or our membership in society. Herein lies the stakes of this project: to question the endorsement or tacit acceptance of a system in which access to the means of life is based on a notion of deservingness. Relatedly, the aim is to question the coherence of the idea that any one form of labor is more deserving than another, in a system of interdependent and interconnected labor.

What Levine’s framework offers us is an understanding of meritocracy not only as an ideology, but a *necessary* ideology that sustains capitalism. Meritocracy is illusory in the sense that the *appearance* of equal, independent individuals competing in the marketplace hides capitalism’s social *essence* of inequality and dependence caused by the division of labor. Having discussed the rationale for political economy and meritocracy as an object of study, I will now discuss why I have chosen immanent critique as my primary methodological tool.

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<sup>49</sup> Levine, *Economic Theory V.II*, 301.

<sup>50</sup> Levine, *Economic Theory V.II*, 301

<sup>51</sup> Levine, *Economic Theory V.II*, 304.

## 2. Methods of inquiry: Social holism and immanent critique

For Hegel, “abstract thinking” is to see nothing in a murderer “except the abstract fact that he is a murderer, and to annul all other human essence in him with this simple quality.”<sup>52</sup> Contrary to the common conception that philosophy is “abstract,” in Hegel’s use of the term, abstraction is the *opposite* of philosophical thought because it is reductive in its denial of concrete complexity. As we will see, abstraction happens at the “unit level” of analysis and is inherently moralizing.<sup>53</sup>

I refer to the assumption that individuals are autonomous units as *methodological individualism*. The logic of deservingness is derived from this individualist logic, and is necessarily opposed to social explanation. I contrast it with *social holism* (which can also be called *social determinacy* or *methodological holism*) which takes seriously the claim that the whole exceeds the sum of its parts.<sup>54</sup> Put differently, this view posits that there is a certain “surplus” in the view of the social whole which can tell us a more meaningful story than the one we derive from methodological individualism. I will be relying throughout the thesis on a comparison between these two modes of understanding: The method of social explanation and its opposite, methodological individualism.<sup>55</sup>

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<sup>52</sup> Hegel, “Who Thinks Abstractly?”

<sup>53</sup> A version of this argument is pursued in Inayatullah and Blaney, “A Problem with Levels.”

<sup>54</sup> Levine, *Economic Studies*, 12.

<sup>55</sup> Bhikhu Parekh contrasts this liberal assertion of independence with certain non-liberal societies which rest on what he calls a theory of “overlapping selves” (Parekh, “Superior People: The Narrowness of Liberalism from Mill to Rawls,” 2). Rather than understanding individuals as ontological units engaged in specific types of relationships with others, this view understands them as bearers of these relationships, incapable of being defined in isolation from them and hence *overlapping* (ibid, 2). However, this does not indicate a lack of respect for individuality. On the contrary, Parekh notes, “like most non-Western people ... the Hindu ... cannot see how the West can be said to respect choice when it has rules about what to wear at a funeral, at a wedding, and at work...” (ibid, 2). Further, just as Europeans value autonomy, so too do they have tendencies toward heteronomy, as is evident in the historically popular support for Fascism, Nazism, Communism, and religious cults (ibid, 2). And this is not to mention the coercive imposition of heteronomy on non-European others institutionalized in slavery, colonialism and wars of aggression. It is then important to emphasize the distinction between individualism as a method and individualism as a value, although they are related. In *The Protestant Ethic and the Spirit of Capitalism*, Max Weber seeks to examine the social conditions that give rise to individuals who *imagine* themselves to be free agents (Weber, *The Protestant Ethic and the Spirit of Capitalism*; Jackson, “Rethinking Weber: Towards a Non-Individualist Sociology of World Politics,” 448). But methodologically, Weber’s socially holistic approach is concerned with the emergence of a specific *type* of individual: One who regards himself as independent yet is “concerned to monitor his actions and enter into contractual (particularly labor-related) obligations in a more or less rational fashion” (Jackson, “Rethinking Weber,” 442). As Patrick Thaddeus Jackson puts it, this is the very type of individual that

This section will establish the stakes of my claim that social holism opposes the logic of deservingness characteristic of meritocratic thinking. I will then connect social holism to the method of immanent critique. Finally, I will show how the method of holism and immanent critique aligns with the subject of the present study: the political economic theorists making sense of inequality in market society.

## 2.1 Social holism

In recent years, there have been a number of robust critiques of racism, Eurocentrism and imperialism in the fields of international politics and international political economy.<sup>56</sup> But the continuing Eurocentrism in the “mainstream” may extend even beyond a failure to include diverse perspectives and histories. The problem, perhaps even more centrally, is a methodological and epistemological one. Naeem Inayatullah and David Blaney ask, “How exactly do those who profess to pursue value-free science nevertheless produce it in a manner that is racist, imperialist, and Eurocentric?”<sup>57</sup> The authors diagnose the issue as a level-of-analysis problem: “We argue that they do it via a disciplinary bias towards a unit-level or atomistic understanding of social science.”<sup>58</sup> The authors contrast unit-level analysis with what they call social explanation, which foregrounds “the culture, history and context of the actions in question.”<sup>59</sup> This foregrounding of culture, history and context – a view of the social “whole” in which the individual is a *member* of society – can be revealed through immanent critique, as I will show in the next section.

Thus, social determinacy and methodological individualism are not just two different methodological devices; simultaneously, they represent two different ethics of analysis and critique. Put simply, the methods and language we use to engage with the world are inevitably

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methodological individualism (individualism as a *method*) takes for granted as an assumption, rather than a phenomenon to be explained (ibid, 442).

<sup>56</sup> Such as Hobson, “Part 1 – Revealing the Eurocentric foundations of IPE: A critical historiography of the discipline from the classical to the modern era, *Review of International Political Economy*” and “Part 2 – Reconstructing the non-Eurocentric foundations of IPE: From Eurocentric 'open economy politics' to inter-civilizational political economy”; Vitalis, *White World Order, Black Power Politics: The Birth of American International Relations*; Tilley and Shilliam, *Raced Markets*.

<sup>57</sup> Inayatullah and Blaney, “A Problem with Levels: How to Engage a Diverse IPE,” 890.

<sup>58</sup> Inayatullah and Blaney, “A Problem with Levels,” 890.

<sup>59</sup> Inayatullah and Blaney, “A Problem with Levels,” 890.

political and intertwined with ethics.<sup>60</sup> This includes, especially, the deservingness logic. As Lisa Cacho points out, those who occupy too many unsympathetic statuses – such as the “criminal alien [migrant]” – are “rendered illegible.”<sup>61</sup> Illegible humanity yields what anthropologist Ghassan Hage calls the “condemnation imperative.”<sup>62</sup> Even the act of simply trying to *understand* is seen as sacrilegious; indeed, for many, understanding is equated to moral justification of acts of violence and other abhorrent behavior. But even deeper than this, social explanation threatens to destabilize our sense of self in relation to other: to confront the other’s humanity is also to confront the possibility that if we were in their position, we might be driven to behave similarly.<sup>63</sup>

Therefore, the condemnation imperative is a mechanism even social scientists rely on to ward off such intrusive thoughts. Hage explains that there is of course nothing wrong with condemning violent acts. However, “if the aim of condemnation is to stop the spread of such practices, the knowledge and the modification of the social conditions of their emergence is far more effective than the assumption that they are somehow the product of some transposable cultural or religious ‘state of mind’ disconnected from any social situation, any social conditions, or any specific history.”<sup>64</sup> When condemnation precedes investigation and explanation, our ability to understand is impaired. Naeem Inayatullah and David Blaney offer the conclusion that condemnation is appropriate only insofar as it accompanies a type of reciprocity – as long as when we condemn someone else’s actions, we also “condemn our own – as forgotten past, denied present, or potential future.”<sup>65</sup> This is the ethics and method of *social holism* or *social determinacy*. While this dissertation does not make violence as such a primary focus, this example has attempted to illustrate the stakes of social explanation and the challenge it poses to

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<sup>60</sup> See Dauphinee, *The Politics of Exile*. This is apparent when we consider, for instance, the outrage that anthropologist Ghassan Hage elicits from his colleagues and students when he suggests that rather than mere condemnation, a social explanation is necessary to understand the actions of Palestinian suicide bombers. The reactions from Hage’s colleagues reveal that social explanation often cannot be tolerated because it threatens to humanize the perpetrators of atrocities; humanization, he argues, is wrongly conflated with justification for violent acts (Hage, “‘Comes a Time We Are All Enthusiasm’: Understanding Palestinian Suicide Bombers in Times of Exiphobia”).

<sup>61</sup> Cacho, *Social Death: Racialized Rightlessness and the Criminalization of the Unprotected*, 63.

<sup>62</sup> Hage, “‘Comes a Time we are All Enthusiasm,’” 67.

<sup>63</sup> Inayatullah and Blaney, “A Problem with Levels,” 894; Hage, “‘Comes a Time we are All Enthusiasm,’” 88. Exiphobia can be thought of as the inverse of xenophobia: “not the otherness of the other but the other’s human sameness” (ibid, 88).

<sup>64</sup> Hage, “‘Comes a Time we are All Enthusiasm,’” 88.

<sup>65</sup> Inayatullah and Blaney, “A Problem with Levels,” 895.



the logic of deservingness. The social holism of market society, which I outlined in section 1, aligns with the methodological holism needed to understand individuals acting within it.

A view of the “whole” versus an individual “part” can even be considered a matter of ontology, so deep are its political and ethical implications. Alexander Wendt addresses this longstanding debate as it relates to international relations in his well-known piece, “The Agent-Structure Problem in International Relations Theory.”<sup>66</sup> There, he locates a “fundamental difference of ontology” between neorealism and world-system theory, two major theories that influence academic discourse about international relations. Neorealism on the one hand “embodies an individualist ontology,” while world-system theory on the other “embodies a holistic one.”<sup>67</sup> But Wendt identifies flaws in both of these ontologies. When the individual is made into an “ontological primitive” (to use Wendt’s jargon), “the social relations in virtue of which that individual is a particular kind of agent with particular causal properties must remain forever opaque and untheorized.”<sup>68</sup> But an inverse problem is created when structures are made ontologically prior to individuals, according to Wendt’s interpretation. Structural approaches in international relations theory – ones that look at the internal organization of the state, for instance – often neglect the social or relational aspect of the whole.<sup>69</sup> World-systems theory provides a structural as opposed to individualist explanation of global inequality, but it does not fully account for the *social* – thus a structural view is not necessarily a socially holistic one.<sup>70</sup> A further problem with “structural functionalism” or “sociological reductionism”<sup>71</sup> may also be that it is too quick to victimize the oppressed, as if they do not also participate in systems of oppression.<sup>72</sup>

Social determinacy or holism can then be distinguished not only from methodological individualism but also from social determinism. Rather than a view which flattens the unevenness between “agent” and “structure” (as Wendt arguably does), my view is explicit in its privileging of the social. That is, it conceives of individuals as always acting *for* and *in relation*

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<sup>66</sup> Wendt, “The Agent-Structure Problem in International Relations Theory.”

<sup>67</sup> Wendt, “The Agent-Structure Problem in International Relations Theory,” 335.

<sup>68</sup> Wendt, “The Agent-Structure Problem in International Relations Theory,” 343.

<sup>69</sup> Wendt, “The Agent-Structure Problem in International Relations Theory,” 342.

<sup>70</sup> Wendt, “The Agent-Structure Problem in International Relations Theory,” 345. I will return to this insight regarding World-systems theory in the Conclusion of the thesis.

<sup>71</sup> DiTomaso, “‘Sociological Reductionism’ From Parsons to Althusser: Linking Action and Structure in Social Theory.”

<sup>72</sup> Benjamin, *The Bonds of Love: Psychoanalysis, Feminism, and the Problem of Domination*, 9.

to others. The process of individuation, in the context of capitalism, takes place in the family, the nation, and a global market composed of other families, individuals and nations. It is all of these factors that make up “society.” In order to engage in socially holistic analysis of individuals and their thought in a manner that is neither reductive nor moralizing, I use the method of immanent critique.

## *2.2 Immanent critique*

Following from social holism, immanent critique does not judge morally – it tries to contextualize and understand socially. My mode of inquiry in each chapter of the thesis is to engage in immanent readings of political economic theorists. Immanent critique is itself based on Karl Marx’s analytical method, taken from Hegel, which will be discussed in more depth in Chapter 3. As we have already outlined, social determinacy takes into account the social whole, and is opposed to an atomistic individualism, in which individuals act without history and without society. The method of immanent or internal critique avoids moral judgement of “agents” (or “actors” or “units”), which is imposed externally. Holism centers society: and in our historic context, society is capitalist society, which frames our relation to nature and to other humans. It is thus through the context of capitalism that modern theories must be immanently read and analyzed. Political economic theorists try to understand and make sense of market society, even as they are immersed in and produced by that society. As I have outlined, I follow David P. Levine’s argument that capitalist society, connected through social labor, the global market, and mutual dependence, is itself constituted by social determinacy.

R.G. Collingwood elucidates the method of immanent critique in his discussion of the difference between historical writing and philosophical writing:

In reading the historians ... [w]e do not seek to follow the processes of thought by which they came to know these things; we can only do that by becoming equally accomplished historians ourselves ... In reading the philosophers, we ‘follow’ them: that is, we understand what they think and reconstruct in ourselves, so far as we can, the processes by which they have come to think it. There is an intimacy in the latter relation which can never exist in the former.<sup>73</sup>

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<sup>73</sup> Collingwood, “Philosophy as a Branch of Literature,” 211.

It is with the intimacy of philosophy that I treat the reading of – and therefore also my writing on – the political economic and social theorists included in this thesis. The thesis consists primarily of insights resulting from the process of following their thought immanently and systematically.

In working through different theorists' acceptance and resistance to meritocracy, we discover tensions between individualism and holism, which reflect tensions in the capitalist economy itself. In addition to Levine's framework which theoretically uncovers the social ontology of market society, a second inspiration for this approach is the method by which David L. Blaney and Naeem Inayatullah return to and read classical political economy in their text *Savage Economics: Wealth, Poverty, and the Temporal Walls of Capitalism*.<sup>74</sup> Referring to their mode of critiquing classical political economists, beginning with the Scottish Enlightenment thinkers, they remark:

Our pursuit depends ... on the contention that even texts written in a dominant stage of history speak with multiple voices. They contain not only dominant themes but also recessive elements that transgress the temporal boundaries<sup>75</sup> explicitly or implicitly set. In this case, the very doing of history itself reveals its own partial undoing: the founders of our contemporary framing of political economic issues open up debates about abundance and poverty, order, and peace to which they are supposed to have given clear and uncontestable answers.<sup>76</sup>

It is in this spirit of revealing constitutive tensions through immanent critique that I have undertaken my readings of the different theorists featured in each chapter. It is also then worth noting that for a thesis against methodological individualism, I certainly center my fair share of individuals, subjecting them to evaluation and critique. But I aim to do this not in the spirit of the moral logic of deservingness which renders them autonomous beings, or the captains of their own vessels. Nor do I wish to depict these individuals as passive objects, manipulated by their surroundings and entirely without ability to challenge, resist, and actively accept the historical moment in which they find themselves, and the circumstances with which they are faced. Often, they are prescient, daring to envision a future that others of their time refuse to see. Other times, they are evidently too caught up in the thinking of their times to be aware of their own contradictions. I engage these thinkers as historical figures (through social holism) and their texts

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<sup>74</sup> Blaney and Inayatullah, *Savage Economics: Wealth, Poverty, and the Temporal Walls of Capitalism*.

<sup>75</sup> Here, the authors refer to the precarious boundary between what the Scots thought of as the "savage" past of poverty, violence and disorder and the commercial present of which they wrote, still haunted by these afflictions.

<sup>76</sup> Blaney and Inayatullah, *Savage Economics*, 10–11.

(through immanent critique) as a means to show how they are at once mirrors reflecting their times and circumstances, *and* acting upon those circumstances thoughtfully and critically. This view takes a dialectical understanding of individuals and their environments; individuals are microcosms of the social whole, which can be revealed through their writing.

### 3. Achieved versus ascriptive hierarchy

We have described meritocracy as an achieved hierarchy predicated on “equal opportunity,” as opposed to an ascriptive hierarchy. Nonetheless, it is important to point out that “merit” is itself an ambiguously ascriptive ordering principle, if it is defined as innate intelligence or talent, or if it is thought to be exclusive to those with a natural capacity for hard work. If, however, effort and achievement are understood to be within the reach of anyone regardless of their “natural” capacity, then meritocracy cannot properly be considered an ascriptive hierarchy. There is therefore a potential conflict between “effort” and “talent” as ordering principles. This tension is retained in Michael Young’s 1958 British satire, *The Rise of the Meritocracy*, which is one of the first and certainly most famous references to “meritocracy.”<sup>77</sup> This work depicts a dystopic future in which occupations, and thus class itself, are determined by eugenicist and elitist notions of intelligence. Young’s dystopia defines “merit” using the simple formula “IQ + effort.” In this case, IQ stands in for “natural” intelligence, and “effort” is the level of hard work one puts in.<sup>78</sup>

Therefore, although the “earned” hierarchy unique to meritocracy is conceptually and historically contrasted with the ascribed or inherited hierarchies of slave, caste, patriarchal and aristocratic societies – a contrast I rely on throughout the thesis – meritocracy itself could be understood as an ascriptive ideal. Or at least, it contains irresolvable conceptual tensions between the earned and unearned dimensions of “deserving” attributes.<sup>79</sup> Ultimately, like racism or any other ascriptive logic, meritocracy is a “species of the genus of ideologies that legitimize

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<sup>77</sup> Young, *The Rise of the Meritocracy*.

<sup>78</sup> Of course, this dichotomy too can be contested, since IQ is something that can be affected through the effort of study and learning, and capacity for effort also may have a “natural” component.

<sup>79</sup> This tension is captured in J.S. Mill’s proposition that “The proportioning of remuneration to work done is really just only in so far as the more or less of the work is a matter of choice: when it depends on natural difference of strength or capacity, this principle of remuneration is in itself an injustice: it is giving to those who have” (Mill, *Principles of Political Economy with Some of Their Applications to Social Philosophy*, bk. 2, chap. 1).

capitalist social relations by naturalizing them.”<sup>80</sup> In this way, deservingness itself, regardless of whether “deserving” traits are considered biological or earned, is just another “taxonomy of ascriptive difference”<sup>81</sup> which opposes more egalitarian views of humanity.

This brings us to a conceptual difficulty we encounter when discussing meritocracy and racism. As I have just outlined, achieved hierarchy, in theory, rejects racism and other discriminatory factors that are not based on one’s merits, determined through fair competition. In this sense, it is progressive. By opening up competition to anyone regardless of identity or privileges of birth, meritocracy is and has throughout liberalism’s history been a threat to the “natural” superiority thought to be exclusive to white, European, property-owning men. As Isaac Kramnick puts it, the rich white man’s anxiety about equal opportunity brings out another facet of liberalism: not only a confident, optimistic and assertive view of liberalism but also “a frightened and fearful view of market society and the race of life as fraught with dangers, the most horrible of which, in fact, is the possibility of losing.”<sup>82</sup> Kramnick points out that this is, of course, “what the poor, women and blacks have experienced throughout liberal hegemony.”<sup>83</sup> Although meritocracy may to some degree equalize the “playing field,” its players remain trapped in a culture of competition, regarding each other as threats to survival or as means to private ends. The fear of social invisibility or irrelevance, and the fear of failure to accumulate wealth, haunts all who are subordinated to this inner logic of market society.

But despite the progressive element which opens competition to all identity groups, thereby recognizing their equality, the implications of superior and inferior humanity and the moralizing logic of deservingness remain intact in a meritocratic society: There must be winners and losers, and unequal outcomes must be justified ideologically. As Robbie Shilliam outlines in his study of race, class and empire in the history of Britain, the deserving and undeserving distinction *is itself* a form of racialization.<sup>84</sup> Shilliam brings us to the Elizabethan era when the English poor laws marked a distinction between those who deserved relief – “the lame, impotent, old or blind” – and those who were undeserving: “able-bodied yet idle or vagrant.”<sup>85</sup> His study

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<sup>80</sup> Reed, “Marx, Race, and Neoliberalism,” 52.

<sup>81</sup> Reed, “Marx, Race, and Neoliberalism,” 49.

<sup>82</sup> Kramnick, “Equal Opportunity and the ‘Race of Life,’” 120.

<sup>83</sup> Kramnick, “Equal Opportunity and the ‘Race of Life,’” 122.

<sup>84</sup> Shilliam, *Race and the Undeserving Poor*.

<sup>85</sup> Shilliam, *Race and the Undeserving Poor*, 9.

shows how the “undeserving” poor are likened to slaves – in this way, they are “blackened.”<sup>86</sup> Speaking about the US context, Quijano and Wallerstein similarly claim that meritocracy is a mere disguise of racism.<sup>87</sup> When explicit racism was no longer acceptable as the US rose to world power status, “Racism took refuge in the derived concept of meritocracy.”<sup>88</sup> It is here where we arrive at the relationship between “race” and “class.” While no one has definitively solved this continually contentious issue, and this thesis certainly does not pretend to, racism and its relationship to class will be an important part of our discussion of meritocracy. This relationship, and the difficulty of understanding it, is caught up in the fact that capitalism has always depended on ideologies that naturalize hierarchy, as we have pointed out. The necessity of unequal outcomes in a competitive market economy, and the necessity of ideologically justifying them according to deservingness, helps explain the ambiguously ascriptive quality of the logic of deservingness itself.<sup>89</sup> This is perhaps why race and class are often understood as entwined, though the exact nature of *how* they are related remains elusive. As Adolph Reed Jr. posits, “the race line is itself a class line.”<sup>90</sup> And inversely, for Robbie Shilliam, “class is race.”<sup>91</sup>

Rather than a discursive exercise which merely identifies the language of deservingness in theories of capitalism, I hope to instead elucidate how capitalism *necessitates* the deservingness logic. In other words, I locate what makes the deception of meritocracy necessary to capitalism, and how political economy, specifically labor theories of value in which deservingness is tied to what one *produces*, help us understand the incoherence of meritocracy in the context of the global market. Having outlined the rationale for my study and corresponding methodology, I will now discuss how each chapter advances my central argument: that an examination of the *logic of deservingness* through a political economic lens yields a view of meritocracy as a deception that sustains capitalism.

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<sup>86</sup> Shilliam, *Race and the Undeserving Poor*, 24.

<sup>87</sup> Quijano and Wallerstein, “Americanness as a Concept: Or the Americas in the Modern World-System.”

<sup>88</sup> Quijano and Wallerstein, “Americanness as a Concept: Or the Americas in the Modern World-System,” 551.

<sup>89</sup> On the necessity of ideologies that naturalize hierarchy to sustaining capitalism, see Reed, “Marx, Race, and Neoliberalism,” 52.

<sup>90</sup> Reed, “The Limits of Anti-Racism.”

<sup>91</sup> Shilliam, *Race and the Undeserving Poor*, 178.

#### 4. Outline of chapters

Each chapter of the thesis helps lay out the theoretical and historical significance of meritocracy in relation to political economy. A central aspect of each chapter is locating and examining the place of the deservingness logic in each of the political economists I examine. Chapter 1 examines how meritocracy emerges in liberal thought, which will more firmly establish the stakes of my engagement with classical political economy. I focus on three key thinkers who represent the tradition of “bourgeois radicalism:”<sup>92</sup> John Locke, Adam Smith, and John Stuart Mill. Even though they are all writing in different centuries, what brings them together is their challenge to the aristocracy, and in Locke’s case the absolute monarchy, not on egalitarian grounds, but through an appeal to equality of opportunity.

The first section of this chapter explores John Locke’s understanding of the self-making of the individual through labor and property. We see an early modern form of value theory emerging, in which it is not necessarily physical toil, but the value-enhancing power of labor that is worthy of reward. Individuals who enclose and improve the earth are considered most deserving of the “fruits” of labor. The second section moves toward Adam Smith’s more socially holistic understanding of the individual. Smith understands human activity as structured by market relations, which he claims are more immutable than individuals might think. While everyone is born equal, the division of labor in what he calls “commercial society” requires the simultaneous production of wealth and poverty, and therefore the inequality of human development. Despite Smith’s social determinacy, he ultimately worries that without an ideology in which everyone *believes* they can attain great wealth in market society, individuals may lose their industrious drive. The final section examines John Stuart Mill, who comes the closest to outlining a modern form of meritocracy. Like Smith, his egalitarianism affirms the innate equality of human beings. He in fact goes even further than Smith in his explicit condemnation of social inequality along racial and gender lines. But also, similarly to Smith, Mill fears the implications of social determinacy. He fears that social analysis leads to social *determinism*, which discourages individuality, and breeds complacency and sameness. Ultimately, he must disavow social analysis by asserting the importance of meritocracy: a distinction between

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<sup>92</sup> Kramnick, *Republicanism and Bourgeois Radicalism: Political Ideology in Late Eighteenth-Century England and America*. Parts of this Introduction and Chapter 1 rely rather heavily on Kramnick, due to his sustained focus on the modern ideology of “equal opportunity” in what he refers to as bourgeois radical thought.

deserving and undeserving individuals, in which hierarchy is organized by talent and other attributes of what he refers to as “cultivated” people. Finally, Mill’s racialization of non-European peoples becomes apparent in his belief in the importance of colonial tutelage, in which “improved” nations must envelop those who require civilizing.

Though there is already a “socialistic yeast”<sup>93</sup> in Adam Smith’s liberal egalitarianism, the leavening of Western socialism takes place in theories of worker’s exploitation before Marx. Socialists before Marx are especially disturbed by the inequality between the owners and producers of wealth. Unlike in classical liberalism, the inequality of wealth becomes a central focus and cause of concern for socialists. In Chapter 2, I will focus on early English and French socialists writing in the 1820-30s, paying particular attention how they inherit classical political economy’s constitutive tensions. Particularly, we will see how they grapple with the tension between the individual reward of labor, and labor’s inherently social character. Highlighting this tension is instructive because it elucidates a deeper tension within both meritocracy and capitalism itself. These thinkers are variably called “Smithian socialists” and “Ricardian socialists” because they inherit either Adam Smith or David Ricardo’s labor theories of value to argue that laborers are the productive workers, and therefore deserve more reward than the idle (non-productive, non-laboring) rich and poor. Their claim to justice is “fair” reward based on the logic of value-producing labor. They can therefore, to varying degrees, be understood to be advocating a “socialist meritocracy.” Marx and Engels would later call some of these socialist thinkers “utopian,” due to the latter’s wish for equality without full confrontation with capitalism’s essential features.

Chapter 3 focuses on how Karl Marx develops what I am calling social determinacy as a method of analysis. I read him primarily as responding to the classical political economy tradition. Using social determinacy, Marx makes a scientific rather than moral argument about capitalist inequality – one that is not based on a logic of deservingness. Part of Marx’s method of social determinacy involves refining the concept of “social labor,” which describes labor in its capitalist context. Marx distinguishes between two types of “abstract” labor: labor in general, and labor-power as a commodity. The two tend to be conflated in socialist thought before him. Further, Marx does not focus on inequality of exchange, unlike his predecessors. He makes

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<sup>93</sup> Foxwell, *Introduction to the English Translation of A. Menger, The Right to the Whole Produce of Labour*.



explicit the tensions inherent to concepts such as “equal right” and “fair distribution” on which socialist programs of his time depended. Marx demonstrates the social holism of market society, which renders the labor theory of value incoherent on the individual level; in this way, he makes explicit what is already implicitly identified in the classical political economists preceding him. This incoherence of the labor theory of value, we will see, is connected to the incoherence of meritocracy.

We have suggested that capitalism depends for its stability on ideologies that naturalize hierarchy. Like ascriptive hierarchy, meritocracy is one of these naturalizing narratives. Chapter 4 brings us to twentieth century debates about race, class and equality. I will focus on the work of W.E.B. Du Bois, with a political economic angle. Turning our attention to a thinker from the United States (US), we will see how the idea of meritocracy is both accepted and challenged in struggles for racial equality in the twentieth century. Here I revisit a well-known debate at the turn of the century between Booker T. Washington and W.E.B. Du Bois. I will demonstrate how meritocracy becomes a provisional resolution to the tension between equality and hierarchy, inherited from liberalism. Washington is associated with a gradualist approach towards greater equality, and discusses how individuals can achieve social mobility by working hard and proving themselves through their labor. Du Bois is associated with a more radical demand for civil rights for black US Americans.<sup>94</sup> However, even Du Bois accepted meritocratic narratives to some extent. In 1903, he wrote an essay titled “The Talented Tenth” in which he argued that the black “race,” like all races, was going to be led by its exceptional men. Yet, by the end of his life, Du Bois had transformed his meritocratic theory of the “talented tenth” into an egalitarian – and explicitly communist – position of the “doctrine of the guiding hundredth.” Importantly, this chapter also establishes the historical stakes of the labor theory of value, showing how it is connected to abolition: The labor theory of value challenges the logic of slavery, yet historically, it accompanies the codification of racialized hierarchy in addition to wealth inequality. This is exemplified by US President Abraham Lincoln, who outlines his ideal ordering principle of meritocratic hierarchy based on labor contribution, rather than social equality as such.

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<sup>94</sup> I will use “US American” as an adjective referring to people or characteristics of the United States, rather than the more general “American.”

Finally, Chapter 5 will discuss two key political economists who represent a culmination of methodological individualism in libertarian political economic thought: F.A. Hayek and Milton Friedman. In this view, market outcomes of poverty and wealth are understood to be the results of individual behaviors and decisions. However, Hayek explicitly recognizes that there is a large degree of chance that determines market outcomes, which means that meritocracy is an unfortunate misrepresentation of the way that the capitalist economy actually operates. Capitalism, he insists, rewards *value* and not *merit*. Yet, Hayek believes that meritocracy is a necessary ideological deception that keeps the capitalist political economy in motion. Thus, the aim of this chapter is to more explicitly connect methodological individualism as a moral stance in the social sciences to the idea of meritocracy, and to highlight the tension between the logic of meritocracy and the logic of capitalism. I will also look at how the struggle for equality changes in an era where “formal equality” under the law, regardless of race or gender, has been achieved. But more egalitarian conceptions of equality are difficult given the context of Cold War ideological anti-communism. In this setting, meritocratic equality becomes the only acceptable form of equality to those who are committed to capitalism.

I conclude the thesis with a broader discussion of how the logic of deservingness stands in the way of the more egalitarian principle of the right to wealth, and more egalitarian conceptions of humanity. I then discuss pathways toward future political economic research on the logic of deservingness, gesturing toward what a critique of “global meritocracy” may entail.

# Chapter 1: Liberalism, the logic of deservingness, and the emergence of meritocracy

*[I]t is universally considered just that each person should obtain that (whether good or evil) which he deserves; and unjust that he should obtain a good, or be made to undergo an evil, which he does not deserve. This is, perhaps, the clearest and most emphatic form in which the idea of justice is conceived by the general mind. As it involves the notion of desert, the question arises, what constitutes desert?*

John Stuart Mill, *Utilitarianism*, 1863<sup>1</sup>

## Introduction

The ideological transition that accompanied the transition to market society in Europe was marked by the rise of Protestantism and capitalism in the sixteenth through eighteenth centuries.<sup>2</sup> Max Weber's famous 1905 work sought to connect Protestantism to the rise of the profit-seeking motive.<sup>3</sup> Inspired by this classic study, David C. McLelland's 1961 work set out to determine whether a more general "achievement motive" itself was responsible for the economic growth of nations.<sup>4</sup> He determined that it was indeed the *will to achieve* that was most responsible for growth. This was an encouraging finding for him; as opposed to immutable factors like race or climate, he reasoned, the achievement motive is within any given society's control. It is within this meritocratic paradigm that we still operate today. The narrative of progress tells us that growth, success, and the attainment of wealth are within anyone's reach, if only they work hard enough and want it badly enough. Where did this new ideology come from?

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<sup>1</sup> Mill, *Utilitarianism*, chap. 5, "On the Connection Between Justice and Utility."

<sup>2</sup> Weber, *The Protestant Ethic and the Spirit of Capitalism*; Kramnick, "Equal Opportunity and the 'Race of Life'"; Kramnick, *Republicanism and Bourgeois Radicalism: Political Ideology in Late Eighteenth-Century England and America*.

<sup>3</sup> Weber, *The Protestant Ethic and the Spirit of Capitalism*.

<sup>4</sup> McClelland, *The Achieving Society*.

What are its promises and limits? It is the aim of this chapter to address these questions, locating meritocracy's roots in classical liberalism.

During the French, English and US American bourgeois revolutions of the eighteenth century, the doctrine of *equal opportunity*, or achieved hierarchy, came to replace the doctrine of ascriptive hierarchy.<sup>5</sup> As Isaac Kramnick puts it, "Ascription, the assignment to some preordained rank in life, came more and more to be replaced by achievement as the major definer of personal identity."<sup>6</sup> Individuals, he continues, no longer saw their lives as part of an eternal, natural or inevitable plan as "talent" replaced "privilege," and the demand for "careers open to talent" grew louder.<sup>7</sup> What mattered was their own enterprise and ability, put to use through *opportunity*, to determine their places in the world. "Central to this transformation," he says, "were new conceptions of self and work."<sup>8</sup> Namely, what individuals did in the world came to be understood as what they did economically.<sup>9</sup> At the core of this world of work is "the birth of the market society, where the allocation and distribution of such valuable things as power, wealth and fame came to be seen as the result of countless individual decisions, not of some authoritative set of norms set down by custom, God, or ruling class decree."<sup>10</sup> Importantly, constraints upon self-authorship had to be torn down. For liberals this meant attacking religious restraints on free thought, economic restraints on the free market, and the aristocracy itself.<sup>11</sup> In what Kramnick calls John Locke's "moral revolution," we can see a distinct logic of meritocracy and consequently a distinct understanding of the individual emerging. Kramnick emphasizes that this was a particularly bourgeois ideology; both Adam Smith and John Locke believed that the race of life was peopled by middle-class white men.<sup>12</sup>

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<sup>5</sup> On the continued significance of the performance of class distinctions to the French bourgeoisie, see Pierre Bourdieu's seminal 1979 study *Distinction: A Social Critique of the Judgement of Taste*.

<sup>6</sup> Kramnick, "Equal Opportunity and the 'Race of Life,'" 114.

<sup>7</sup> Kramnick, "18thC Middle Class Radicalism: A Bibliographical Essay."

<sup>8</sup> Kramnick, "Equal Opportunity and the 'Race of Life,'" 114.

<sup>9</sup> See also Weber, *The Protestant Ethic and the Spirit of Capitalism*, chap. II.

<sup>10</sup> Kramnick, "Equal Opportunity and the 'Race of Life,'" 114.

<sup>11</sup> Kramnick, "Equal Opportunity and the 'Race of Life,'" 114–15.

<sup>12</sup> Kramnick, "Equal Opportunity and the 'Race of Life,'" 119. Notably, Jean-Jacques Rousseau contested the idea that (what I am calling) meritocracy is emancipatory, arguing that competition and constant comparison to others only binds people with a new set of chains. He believed it is to the "unremitting rage of distinguishing ourselves, that we owe the best and the worst things we possess, both our virtues and our vices, our science and our errors, our conquerors and our philosophers; that is to say, a great many bad things, and a very few good ones"

This chapter proceeds in three sections, each one dedicated to a different liberal theorist: John Locke (1632-1704), Adam Smith (1723-1790), and J.S. Mill (1806-1873). Each represents a progression in liberal thought, from which the development of meritocracy as an institutionalized ideology can be observed in relation to an emerging market society. The first section explores John Locke's understanding of the self-making of the individual through labor and property. We see an early modern form of value theory emerging, in which it is not necessarily physical toil, but the value-enhancing power of labor that is worthy of reward. Individuals who enclose and improve the earth are considered most deserving of the "fruits" of their labor.

The second section moves toward Adam Smith's more socially determinist understanding of the individual. Smith understands human activity to be structured by market relations, which he claims are more immutable than individuals might think. While everyone is born equal, the division of labor in a market society requires the simultaneous production of wealth and poverty, and therefore the inequality of human development. Despite Smith's social determinacy, he ultimately worries that without an ideology in which everyone *believes* they can attain great wealth in market society, individuals may lose their industrious drive.

The third and final section examines John Stuart Mill, who comes the closest to outlining a modern form of meritocracy. Like Smith, his egalitarianism affirms the innate equality of human beings. He in fact goes even further than Smith in his explicit condemnation of social inequality along racial and gender lines. But also, similarly to Smith, Mill fears the implications of social determinacy. He fears that social analysis leads to social *determinism*, which discourages individuality, and breeds complacency and sameness. Ultimately, he must disavow social analysis by asserting the importance of meritocracy: a distinction between deserving and undeserving individuals, in which hierarchy is organized by talent, productive labor contribution, and other attributes of what he refers to as "cultivated" people. Finally, Mill's racialization of non-European peoples becomes apparent in his belief in the importance of colonial tutelage, in which "improved" nations must envelop those who require civilizing.

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(Rousseau, *Discourse on Inequality*, 35). See also Kramnick, *Republicanism and Bourgeois Radicalism: Political Ideology in Late Eighteenth-Century England and America*, 14.

Because I am bringing these liberal thinkers together, it is especially important to emphasize that they were writing in different times and therefore, to a certain extent, struggling with different practical and philosophical questions. However, what unites them is an anxiety unique to modern liberalism, which avows human equality, yet firmly believes in the necessity and inevitability of (growing) inequality in market society. As I will argue throughout the dissertation, liberal egalitarianism takes the form of moral, and eventually, political and economic equality of individuals *as market participants*. This is what we might call “equality of opportunity,” or what Marx calls formal equality and equality of exchange. However, liberal political economy cannot tolerate the idea of economic equality of outcome, and in fact views it as a threat to liberty. To this extent, a deeply inegalitarian strand runs through the thinking of Locke, Smith and Mill. Instead of social equality, the desirable goal becomes meritocracy, an order in which those at the “top” are seen to have earned their wealth and status through talent and hard work, while those at the bottom are seen to have failed due to their own lack of ability.

Beate Jahn discusses the historical fragmentations between liberalism’s *theories*, consisting of its universal promises of freedom and equality, and its *practices* of oppression and inequality for certain peoples considered inferior or outside of that universal humanity.<sup>13</sup> This chapter also discerns these tensions or fragmentation within liberal theory itself: between the co-constitution of its egalitarian and inegalitarian tendencies, and between its socially holistic and methodologically individualist explanations for inequality in the capitalist global economy. Having noted the more ancient roots of meritocracy in the Introduction chapter of this thesis, I will now distinguish what is modern about meritocracy in classical political economy. To conceptualize the emergence of meritocracy in classical liberalism, we begin with a theoretical and historical perspective on the work of John Locke.

### 1. John Locke’s “moral revolution”

In this section, I will focus on three elements of John Locke’s work: his labor theory of property, his view of the poor, and of slavery. What is commonly called Locke’s labor theory of property attempts to philosophically justify the individual acquisition of private use goods, which

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<sup>13</sup> Jahn, *Liberal Internationalism*.

God has given to the world in common.<sup>14</sup> We can critically examine his theory, outlined in “Second Treatise of Government” (1689), as positing a connection between labor and deservingness that is emblematic of a rising agrarian capitalism.<sup>15</sup> Second, by looking at Locke’s attitude toward the poor, we can glean his methodologically individualist approach to poverty which focuses on individual motivation and behavior, rather than social, political and economic factors that shape individuals. Finally, an examination of his view on slavery allows us to comment on the significance of the tension between Locke’s condemnation of “slavery” under absolute monarchy, and his simultaneous justification of slavery for certain groups of individuals, whom he seemingly sees as worthy of subjection. Examining these components of Locke’s theory together allows us to connect his labor theory of property to the imperial practices that justified the expulsion of indigenous communities from their lands, chattel slavery, and an early distinction between the deserving and undeserving poor – one which would be legislated almost a century and a half later, in the 1834 English Poor Law reform act.<sup>16</sup>

### *1.1 Locke’s labor theory of property and the labor-mixing argument*

When we think of meritocracy in relation to labor, we perhaps think of an ideal in which *either* one’s deservingness of reward is tied to their individual effort, *or* it is tied to the value of their individual output. Norman Geras points out that some authors conflate these two notions of desert, and that both figure as distinct components in John Locke’s “Second Treatise of Government.”<sup>17</sup> What is valorized in Locke’s presentation, however, is not the toil of labor itself, but the value-enhancing power of labor set in motion by the *enclosure* of common land for the purposes of land *improvement*. Only those who improve the land are thought to be deserving of

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<sup>14</sup> Although Locke’s labor theory of property is distinct from the labor theories of value of the classical political economists who succeeded him, Locke’s labor theory of property can be conceived of as an early value theory (Vaughn, “John Locke and the Labor Theory of Value,” 323). Locke saw labor as the basis of property and provided a philosophical justification for British economic liberalism that would be inherited by classical political economy. Rather than the later Marxist view which located exploitation and coercion in the laborer’s need to alienate their labor by selling it as a commodity, Locke saw freedom, economic opportunity and social mobility in the notion that the talented and industrious would rise based on their labor (ibid, 323).

<sup>15</sup> Wood, *The Origin of Capitalism*, 110.

<sup>16</sup> See Polanyi, *The Great Transformation*, chap. 7. This law distinguished between the “deserving” and “undeserving” poor, and relief became conditional upon moving into a workhouse, which became an “abode of shame” (ibid, 86). As Polanyi shows, the “right to live” had to be abolished in order to establish a competitive labor market (ibid, 86). See also Shilliam, *Race and the Undeserving Poor*.

<sup>17</sup> Geras, “‘The Fruits of Labour’ — Private Property and Moral Equality,” 75.

property; not exclusively, or even necessarily, all of those who labor. “Labor,” itself then starts to take on two related but different meanings: it can refer to physical human effort, or it can refer to the type of labor that creates social value – what Marx would call social labor, as we will discover in later chapters. Deservingness begins to be tied especially to value-producing labor, as we will see.

To explore the idea of meritocracy in Locke’s political economy, I begin by examining his labor theory of property. Almost a century before Adam Smith and two centuries before Karl Marx, Locke’s work reflects an idea in the air of his times, which recognizes labor as the source of value and property. Nature itself does not ensure abundance, because “[t]he extent of Ground is of so little value without labour.”<sup>18</sup> Locke argues that it is the “mixing” of one’s labor with the natural world that not only creates useful things for humans, but also legitimates claims to private property. This understanding in fact acts as one of the most important bases of the modern “labor theory of value,” which we will examine further in Chapter 2.

What appears to concern Locke initially is a moral question: how can products of nature, which are by definition held in common – given to Humankind by God – legitimately be claimed as personal possessions for private and exclusive use? He feels strongly that the right to appropriate, which is necessary for survival, must be enforced by a universal law, applied to every human being. Even “[t]he Fruit, or Venison, which nourishes the wild Indian, who knows no Inclosure, and is still a Tenant in common, must be his, and so his, i.e. a part of him, that another can no longer have any right to it, before it can do him any good for the support of his Life.”<sup>19</sup>

Locke develops this philosophical theory of rightful acquisition of property through what several theorists call his “labor-mixing argument.”<sup>20</sup> He holds that every man has a property in his own person: a body to which no one else has any right. Therefore, the extensions of his person – his talents and physical capacities – also belong to him: “The Labour of his Body, and the Work of his Hands, we may say, are properly his.”<sup>21</sup> By mixing one’s labor, understood as the extension of the self, with nature, one therefore makes a part of the commons his own private

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<sup>18</sup> Locke, “Second Treatise,” 293.

<sup>19</sup> Locke, “Second Treatise,” 287.

<sup>20</sup> Geras, “‘The Fruits of Labour’ — Private Property and Moral Equality.”

<sup>21</sup> Locke, “Second Treatise,” 288.



possession. “Whatsoever then he removes out of the State that Nature hath provided, and left it in, he hath mixed his Labour with, and joyned to it something that is his own, and thereby makes it his Property.”

However, the fruits of labor can be claimed as the rightful property of the laborer only insofar as “there is enough, and as good left in common for others.”<sup>22</sup> For Locke, the condition for rightful acquisition is that it does not create waste. Taking more than one’s share not only deprives others of what is rightfully theirs; it gives the appropriator an excess of what he can use for himself, which is a violation of the labor-mixing entitlement to property. The same law of nature that provides a basis for property acquisition also limits this acquisition: “God has given us all things richly ... But how far has he given it us? To enjoy. As much as any one can make use of to any advantage of life before it spoils; so much he may by his labour fix a Property in. Whatever is beyond this, is more than his share, and belongs to others. Nothing was made by God or Man to spoil or destroy.”<sup>23</sup> If, after one’s fair acquisition through labour, “the Fruits rotted, or the Venison putrefied, before he could spend it, he offended against the common law of Nature, and was liable to be punished; he invaded his neighbor’s share, for he had no right, farther than his Use called for any of them...”<sup>24</sup>

Locke’s logic of legitimate acquisition may appear to posit a world of isolated individuals, in which claiming something for one’s own by removing it from the commons necessarily deprives others of that useful thing. However, as we will see, there is a *social* aspect of Locke’s argument which posits that “improvement” and “enclosure” allow *all* of society to benefit from private appropriation. That is because improvement and enclosure multiply the value and use of the land. Because enclosure benefits all of society, the moral irresponsibility of waste is given a new dimension – and waste itself is given a new definition. “Waste” can refer simply to use that does not constitute enclosure or improvement. In a revealing passage, Locke makes clear his disdain for the “waste” of unimproved land, unfavorably comparing American indigenous communities to Europeans: “For I aske whether in the wild woods and uncultivated waste of America left to Nature, without any improvement, tillage or husbandry, a thousand acres will yield the needy and wretched inhabitants as many conveniences of life as ten acres of

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<sup>22</sup> Locke, "Second Treatise," 288.

<sup>23</sup> Locke, "Second Treatise," 290.

<sup>24</sup> Locke, "Second Treatise," 295.

equally fertile land doe in Devonshire where they are well cultivated?”<sup>25</sup> In this passage, the colonial roots of both Locke’s labor theory of property and his conceptions of waste, improvement and enclosure become apparent.<sup>26</sup>

We can see how it is not only wasteful if one takes more than their share; it is also a waste if land lies unenclosed. It matters little to Locke whether the unenclosed land is occupied or unoccupied in the vast and “vacant places of America” filled only with “wretched inhabitants.”<sup>27</sup> If its occupants have left the land in common, they have wasted it as far as he is concerned: “For the provisions serving to the support of humane life, produced by one acre of inclosed and cultivated land, are ... ten times more, than those, which are yielded by an acre of Land, of an equal richnesse, lyeing waste in common.”<sup>28</sup>

Enclosure yields much greater productivity, because it provides not only for the laboring individual, but for all of society: “he who appropriates land for himself by his labour, does not lessen but increase the common stock of mankind.”<sup>29</sup> We can see that Locke both affirms a type of laboring activity that deserves the reward of property, and another type of labor that deserves to have its entitlements to land *removed*. It is clear that in his view, the notions of enclosed versus common land translate into those performing the laboring activities on those respective lands: the industrious, *deserving* Europeans, and the wasteful, *undeserving* indigenous. Locke’s labor theory of property is a long way from considering the competing logics stemming from indigenous worldviews of his time. As Bhikhu Parekh points out, the logic of property is *reversed* for American Indians. For the indigenous communities, “It was not their land because

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<sup>25</sup> Locke, “Second Treatise,” 294.

<sup>26</sup> In Barbara Arneil’s reading of Locke’s “Second Treatise,” the Amerindians and the English have equal rights to their labor but *not* to their land. This is because Indian rights to fruit and game do not interfere with English settlement in the same way that claims to land do (Arneil, “The Wild Indian’s Venison,” 62). However, Arneil also acknowledges that in Locke’s theory, it is primarily the *quality* of labor and land acquisition that is most important for establishing rights: “The doctrine of natural rights allows that anyone may lay claim to the soil of America if he adopts a settled agrarian style of life, joins the rest of mankind in the use of money and commerce, establishes laws of liberty and property, and adopts the primary principle of God, and secondary principles of arts and sciences as the basis of knowledge. The difficulty is that in meeting all the requirements of Locke’s property owner, the Amerindian must in all significant ways become European” (ibid, 74).

<sup>27</sup> Locke, “Second Treatise,” 293–94.

<sup>28</sup> Locke, “Second Treatise,” 293–94.

<sup>29</sup> Locke, “Second Treatise,” 293–94.

they labored on it; rather, they labored on it because it was their land, which they owed it to their ancestors to keep in good condition.”<sup>30</sup>

How is the problem of waste to be solved? Money appears, for Locke, as a solution to both the waste of excess, and a further justification for enclosure.<sup>31</sup> Again, he uses the indigenous as a counter to Europeans. Great tracts of ground, he says, can be found amongst the inhabitants of America, who, unlike Europeans, have not yet “joined with the rest of Mankind, in the consent of the Use of their common Money.”<sup>32</sup> Because the people who dwell on the land have more of it than they can make use of, there is a portion which is considered to lie in common and therefore to be wasted. Because money does not spoil, and can be exchanged for the useful but perishable supports of life, waste “can scarce happen amongst that part of Mankind, that have consented to the Use of Money.”<sup>33</sup> In fact, Locke says, “Find out something that hath the Use and Value of Money amongst his Neighbors, you shall see the same Man will begin presently to enlarge his Possessions.”<sup>34</sup> The use of money then allows man to continue acquiring possessions without taking more than his share of resources. Locke’s egalitarian premise of “Mankind” provides the groundwork for inegalitarian logic: Because the Indians do not consent to use money, they have *chosen* not to join Mankind proper, therefore lending themselves to legitimate removal from the land they continue to waste.

We can begin to see how inequality is inherent to the notion of property acquisition – a notion that is nonetheless premised on the egalitarian idea that property is an expression of personhood, and the right to acquire it must therefore extend universally. But Locke in fact renders his theory of unequal possessions even more explicit. Although God (a very Protestant God, as Kramnick points out<sup>35</sup>) “gave the World in common to all Mankind,” He “commanded Man also to labour, and the penury of his Condition required it of him.”<sup>36</sup> But as we have seen, it is not just the physical expenditure of muscles and energy that God commanded, according to Locke. “God and his Reason commanded [Man] to *subdue the Earth*, i.e. *improve* it for the

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<sup>30</sup> Parekh, “Liberalism and Colonialism - a Critique of Locke and Mill,” 90.

<sup>31</sup> On the significance of Locke’s theory of money as it relates to Locke’s theory of property and the justification of imperialism, see Ince, *Colonial Capitalism and the Dilemmas of Liberalism*, chap. 2.

<sup>32</sup> Locke, “Second Treatise,” 299.

<sup>33</sup> Locke, “Second Treatise,” 299–301.

<sup>34</sup> Locke, “Second Treatise,” 301.

<sup>35</sup> Kramnick, “Equal Opportunity and the ‘Race of Life,’” 115.

<sup>36</sup> Locke, “Second Treatise,” 291; Kramnick, “Equal Opportunity and the ‘Race of Life,’” 115.

benefit of Life.”<sup>37</sup> Locke is straightforward in his pronouncement that not all people are fit for the task of improving the Earth for the benefit of life. He believes that men have “different degrees of Industry,” which allow them to possess in different proportions.<sup>38</sup> Only certain men exhibit deserving characteristics, and are therefore to be rewarded: God gave the World “to the use of the Industrious and Rational, (and *Labour* was to be *his Title* to it;) not to the Fancy or Covetousness of the Quarrelsome and Contentious.”<sup>39</sup> In Locke’s view, the use of money enables *deserving* men to legitimately acquire property unequally, as they serve the will of God, benefitting mankind with their improvements.

It should not surprise us that the notion of legitimate property acquisition, which struggles with the reality of occupied territory, has everything to do with justifying English imperialism.<sup>40</sup> Ellen M. Wood claims that the understanding of English agrarian capitalism itself is refracted through the colonial experience in both Ireland and the Americas.<sup>41</sup> This new form of a specifically capitalist imperialism also illuminates domestic property relations in England, making them more transparent, as we will see. Neither, then, should it surprise us that the historical roots of value theory in John Locke are inextricably tied to an imperial ideology of improvement.

Barbara Arneil and Bhikhu Parekh wish to distinguish Locke’s defense of English colonialism as distinctly commercial, in contrast to Spanish colonialism.<sup>42</sup> Unlike the conquistadors, Locke derives his defense of English colonialism from the *egalitarian* premise

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<sup>37</sup> Locke, "Second Treatise," 291.

<sup>38</sup> Locke, "Second Treatise," 301.

<sup>39</sup> Locke, "Second Treatise," 291. Onur Ulas Ince demonstrates the contemporary relevance of this famous quote from Locke by juxtaposing it with a statement from former World Bank president John Wolfensohn at his inaugural address in 1996: “Development knowledge is part of the ‘global commons’: it belongs to everyone, and everyone should benefit from it. But a global partnership is required to cultivate and disseminate it. The Bank Group’s relationships with governments and institutions all over the world and our unique reservoir of development experience across sectors and countries, position us to play a leading role in this new global knowledge partnership” (Quoted in Ince, *Colonial Capitalism and the Dilemmas of Liberalism*, 35-36).

<sup>40</sup> For a discussion of the ethical and economic justifications for taking Amerindian occupied land and the preference for settled, agrarian economies in Locke’s *Two Treatises of Government*, see Arneil, “The Wild Indian’s Venison”; Arneil, *John Locke and America*; Arneil, “Trade, Plantations, and Property: John Locke and the Economic Defense of Colonialism.”

<sup>41</sup> Wood, *The Origin of Capitalism*, 161.

<sup>42</sup> Arneil, “The Wild Indian’s Venison,” 73; Arneil, “Trade, Plantations, and Property: John Locke and the Economic Defense of Colonialism,” 605; Parekh, “Liberalism and Colonialism - a Critique of Locke and Mill,” 91.

that Indians are human beings and should therefore be expected to live up to their full human status, rather than exterminated.<sup>43</sup> If they did not live up to their full human potential, by Locke's logic, then they subjected themselves to the process of European civilization.<sup>44</sup> It is in this way that Locke saw English colonialism based on commerce as more humane than Spanish colonialism based on the sword, articulating a more meritocratic brand of imperialism and inequality.<sup>45</sup> To continue our exploration of meritocracy and the logic of deservingness in John Locke, we now turn to examine some of the domestic property relations in England, which are nonetheless inseparable from England's imperial ventures.

### *1.2 Employed labor and exploitation*

Although Locke resolves the moral problem of waste and taking more than one's share at the expense of one's neighbor with his understanding of the function of money, another dilemma arises when we consider employed labor and the issue of who is deserving of reward. Ellen M. Wood notes that for Locke, the master is just as entitled to ownership over "the Turfs my servant has cut" as he is to "the ore I have digg'd."<sup>46</sup>

It is worth reiterating here Locke's moral dilemma with which we began our discussion: the question of – and explanation for – why the yields of his labor "become my property without the assignation or consent of any body."<sup>47</sup> In other words, on what grounds may we claim that we deserve to appropriate something given to mankind in common, for our own possession? Locke's answer is that the appropriation must constitute *improvement*, which benefits all and does not commit the offense of waste. Returning to our example, we can see that as the servant toils, the fruits of his labor are simultaneously appropriated by the master. The landlord considers both his servant's toil and his own command and appropriation of it to be "the *labour* that was

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<sup>43</sup> However, it is important to note that egalitarian recognition of the Amerindian's humanity was not entirely absent in the conquistadors. For the Spaniards' varied responses to the Amerindian civilizations, including to the Aztecs, Mayans, Carib Tainos, and Tarascans of Michoacán, see Todorov, *The Conquest of America: The Question of the Other*.

<sup>44</sup> Parekh, "Liberalism and Colonialism - a Critique of Locke and Mill," 91.

<sup>45</sup> Onur Ulas Ince rightly contests British liberalism's self-image as based purely on peaceful commerce in Locke's era, arguing that this conception covers up the reality of imperial violence in pursuit of economic objectives (Ince, *Colonial Capitalism and the Dilemmas of Liberalism*, 26–27). But what I wish to highlight here is the incipient *idea* of meritocracy.

<sup>46</sup> Wood, *The Origin of Capitalism*, 112; Locke, *Two Treatises of Government*, 289.

<sup>47</sup> Locke, "Second Treatise," 289.

mine,” and therefore as grounds for entitlement to its product. To use a term from the Marxist lexicon, the *exploitation* of the servant’s labor is implicit and even indistinguishable from the labor involved in the master’s appropriation of it.<sup>48</sup>

The appropriation of a servant’s labor is unproblematic for Locke because land is transformed into property not through mere toil alone (or the servant mixing his labor with the land), but the master’s command over it, ensuring that it is industrious. In enclosing the land, one is “removing it out of the state Nature leaves it in, which *begins the property*; without which the Common is of no use.”<sup>49</sup> As we have seen, the common land includes its inhabitants, who themselves are considered to be in a state of nature: the “wretched inhabitants” of the “wild woods and uncultivated waste of America.” Unlike Hobbes’ largely imaginary state of nature, Locke conceptualizes the American Indians as a concrete example of the state of nature, contrasting them to what he considers civilized European society.<sup>50</sup> This comparison is of course made possible because Locke remains entirely unable to see American Indians as having their own political society, and their own organized relations to the land. We can then conclude that Locke’s state of nature construction is a methodological device: he justifies the foundational conceptual moment of property acquisition by transforming it into a historical one.<sup>51</sup> Or, we might say that the conceptual and historical moments are one in the same to those who employ speculative history.<sup>52</sup> By appealing to history in this way, Locke is able to construct logical arguments that tie certain types of labor to moral claims about deservingness.<sup>53</sup>

### 1.3 Locke and the poor

We have begun to place Locke’s theory of property in the context of his historical role as a defender of English agrarian capitalism and imperialism. Having examined Locke’s labor theory of property, we can now examine another aspect of Locke’s liberal meritocratic world

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<sup>48</sup> Locke did not explicitly concern himself with a theory of waged labor, or how wages or remuneration are determined (Vaughn, “John Locke and the Labor Theory of Value,” 319).

<sup>49</sup> Locke, “Second Treatise,” 289.

<sup>50</sup> Parekh, “Liberalism and Colonialism - a Critique of Locke and Mill,” 83.

<sup>51</sup> Geras, “‘The Fruits of Labour’ — Private Property and Moral Equality,” 66.

<sup>52</sup> I will discuss speculative history as a method of classical political economy further in Chapter 3.

<sup>53</sup> As Beate Jahn notes, the concept of the state of nature is fundamental to Locke’s philosophy of history, and he refers to indigenous societies in America and elsewhere as empirical evidence for this state of nature (Jahn, *Liberal Internationalism*, 47).

view: his attitude toward the poor. For this examination, I look to his writings during his roles as the secretary to the Lords Proprietors of Carolina (1668-75) and secretary to the Council of Trade and Plantations (1673-76). In these roles, we can see the overlap between his formulation of colonial policies and policies toward the poor of Europe.<sup>54</sup> I now look to the theories Locke developed while serving in these capacities, paying particular attention to his moralistic attitudes toward the “undeserving” poor.

We have already seen that Locke believed that only men who prove themselves industrious and rational are worthy of entitlements to enclosure. Their different degrees of industry, as he put it, explain their different levels of acquisition, or wealth as we might put it in today’s terms. In a letter written in his role as secretary of the Board of Trade and Plantations in 1697 and addressed to “their Excellencies the Lords and Justices,” Locke advocates amendments to the Elizabethan Poor Laws designed for those who depend on parishes for relief. He diagnoses the problem of poverty in the following way:

The multiplying of the poor, and the increase of the tax for their maintenance, is so general an observation and complaint, that it cannot be doubted of: nor has it been only since the last war that this evil has come upon us; it has been a growing burden on the kingdom these many years; and the last two reigns felt the increase of it, as well as the present.

If the causes of this evil be looked into, we humbly conceive it will be found to have proceeded neither from scarcity of provisions, nor from want of employment for the poor, since the goodness of god has blessed these times with plenty, no les than the former, and a long peace during those reigns gave us as plentiful a trade as ever. The growth of the poor must therefore have some other cause; and it can be nothing else but the relaxation of discipline, and corruption of manners: virtue and industry being as constant companions on the one side as vice and idleness are on the other.<sup>55</sup>

It is abundantly clear that in Locke’s view, it is the *character* of the poor that is to blame for their poverty. The real injustice, as Locke sees it, is not the growing poverty, but the fact that a burden lies upon industrious, hardworking individuals to provide for the poor through their own labor.<sup>56</sup> He therefore proposes a series of changes, including punishments, intended to restrain the

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<sup>54</sup> See Parekh, “Liberalism and Colonialism - a Critique of Locke and Mill,” 83.

<sup>55</sup> Locke, *Political Writings*, 447.

<sup>56</sup> Locke, *Political Writings*, 447.

“debauchery” of the poor. These include shutting down “superfluous brandy shops and unnecessary alehouses” (as opposed to necessary ones!) and punishments for begging without a license or refusing to work.<sup>57</sup> Locke is concerned about the fact that the poor who live on alms are entitled to “meat, drink, clothing, and firing ... whether they work or no.”<sup>58</sup> Putting the “idle beggars” to work ensures that work is tied to reward, and “that they do not live like drones upon the labor of others.”<sup>59</sup>

Locke even suggests that all parishes set up working schools for the *children* of the poor.<sup>60</sup> By this means, he argues, “the mother will be eased of a great part of her trouble ... providing for her children at home,” and consequently, will herself “be more at liberty to work.”<sup>61</sup> Finally, “the children will be kept in much better order ... and from their infancy be inured to work, which is of no small consequence to the making of them sober and industrious all their lives after; and the parish will be better eased of this burden.”<sup>62</sup> Locke proposes that this policy will also solve the problem of the untrustworthy poor father who is, in the present, given an allowance for his children, “which he not seldom spends on himself at the alehouse, whilst his children ... are left to suffer, or perish under the want of necessaries, unless the charity of neighbors relieve them.”<sup>63</sup> With regards to his observation of the failure of the parish’s poor relief system, we might say that Locke is correct, but his explanation for *why* it is a failure is misleading. While he was indeed aware of the insufficiency – or impossibility – of charity in solving the growing problem of poverty, his diagnosis is that the poor themselves are to blame for this failure. This results in a moralizing of the poor, and a methodologically individualist approach which targets behavior, rather than a political economic, socially holistic account of the production of certain behaviors and of poverty itself.

The tension between Locke’s purported belief in liberal freedom on the one hand, and the disciplining of the poor on the other, begins to make sense when we consider the type of

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<sup>57</sup> Locke, *Political Writings*, 448–51.

<sup>58</sup> Locke, *Political Writings*, 452.

<sup>59</sup> Locke, *Political Writings*, 452.

<sup>60</sup> Locke, *Political Writings*, 453.

<sup>61</sup> Locke, *Political Writings*, 453.

<sup>62</sup> Locke, *Political Writings*, 453.

<sup>63</sup> Locke, *Political Writings*, 453.



meritocratic hierarchy he had in mind – one which is compatible with the liberal equality of opportunity. The distinctions between productive and unproductive labor, and between deserving and undeserving humanity, are created and sustained within the colonial institutions of which Locke was a part. In this light, and as we will see next, the defense of slavery was also sustained through and alongside these early meritocratic world views characteristic of Locke’s time; it too operated based on a moral logic of deservingness. In Locke’s role as secretary to the Lords Proprietors of Carolina, in which he helps draft the *Fundamental Constitutions of Carolina*, his defense of slavery strays from a meritocratic outlook, but not from a logic of deservingness. I now turn to an examination of these views.

#### *1.4 Locke and slavery*

Although they postulate the liberal belief in freedom through land ownership that we have already explored, the *Fundamental Constitutions of Carolina* (1669) justify “liberal despotism”<sup>64</sup> in several respects. These decrees are primarily concerned with land ownership to institute freedom not of the many, but of the few. More specifically, their purpose is to allot power of ownership and delineation of land to the proprietors, as opposed to the native inhabitants, persons under the age of seventeen, or others considered unfit to buy or sell land.<sup>65</sup> Put simply, the *Fundamental Constitutions* apportioned land and provided the legal and institutional framework for the infant colony while placing a great deal of authority in the hands of the lords and proprietors.<sup>66</sup>

An important aspect of the *Fundamental Constitutions* is the mention of chattel slavery. Though illiberal by the standards of today’s liberalism, we will see how slavery fit into the liberal doctrine of Locke’s time, as slaves were seen as “constitutively undeserving,” to borrow Robbie Shilliam’s term.<sup>67</sup> Locke was virulently against the absolute monarchy; indeed, we noted that one of the defining criteria that marks him as a liberal is his championing of an achieved as opposed to ascribed hierarchy. It would appear obvious that such a liberal love of freedom to compete would yield great disdain for any type of unfreedom. Locke indeed opens “The First

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<sup>64</sup> Owens, *Economy of Force: Counterinsurgency and the Rise of the Social*, 5.

<sup>65</sup> Locke, *The Fundamental Constitutions of Carolina: March 1, 1669*. See in particular Constitutions 101 and 112.

<sup>66</sup> Armitage, “John Locke, Carolina, and the ‘Two Treatises of Government,’” 609.

<sup>67</sup> Shilliam, *Race and the Undeserving Poor*, chap. 2.

Treatise” with this boldly unambiguous statement, referring to Tories: “Slavery is so vile and miserable an estate of Man, and so directly opposite to the generous Temper and courage of our Nation; that ‘tis hardly to be conceived, that an Englishman, much less a Gentleman, should plead for’t.”<sup>68</sup> Locke, a parliamentarian, means to convey that absolute monarchy rests upon the abhorrent idea that men are born slaves.<sup>69</sup>

However, Locke’s defense of slavery in certain instances, which seemingly goes against his vehement opposition to the “slavery” of absolute monarchy, is worth examining, as it gives us further insight into Locke’s logic of deservingness. Slavery in the abstract is mentioned a number of times throughout Locke’s work. In “Second Treatise,” he devotes a chapter (albeit an extremely short one), exclusively to the issue.<sup>70</sup> For Locke, there is only one “perfect condition of slavery,” which is to be the captive of a lawful conqueror.<sup>71</sup> In this case, the captive has “forfeited his own life, by some Act that deserves Death.”<sup>72</sup> The master may then “make use of him to his own Service, and he does him no injury by it.”<sup>73</sup> Because he understands it through a moral logic of deservingness, Locke seems to have no trouble defending instances in which slavery can be just.

Locke further declares that “whenever [the captive] finds the hardship of his Slavery outweigh the value of his Life, ‘tis in his Power, by resisting the Will of his Master, to draw on himself the Death he desires.”<sup>74</sup> But as historian John Dunn notes, Locke saw this liberty of the slave to commit suicide “not as a human moral right but as a behavioral option—in the same way as an animal, kept obedient by fear, could be said to be at liberty to ‘choose’ death by behaving in such a way as to get killed.”<sup>75</sup>

But interestingly, in his chapter devoted to slavery, Locke does not explicitly state that the conqueror himself may kill the captive or submit him to arbitrary power. Rather, in this

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<sup>68</sup> Locke, “The First Treatise,” 141.

<sup>69</sup> Locke, “The First Treatise,” 144.

<sup>70</sup> Locke, “Second Treatise,” 283. See part IV, “Of Slavery.”

<sup>71</sup> Locke, “Second Treatise,” 284.

<sup>72</sup> Locke, “Second Treatise,” 284.

<sup>73</sup> Locke, “Second Treatise,” 284.

<sup>74</sup> Locke, “Second Treatise,” 284.

<sup>75</sup> Dunn, *The Political Thought of John Locke: An Historical Account of the Argument of the ‘Two Treatises of Government’*, 109.

chapter, Locke suggests that enslaved labor is both justified and harmless to the captive. It is only later on in “Second Treatise,” in his section entitled “Of Paternal, Political, and Despotical Power, considered together” that Locke goes even further by asserting that slaves, again thought of as captives, are rightfully subject to the despotic power and arbitrary will of their masters, or conquerors.<sup>76</sup> Locke justifies the enslavement of Africans by this same logic of captives in a just war.

Racialized slavery is only explicitly mentioned in what is perhaps the most infamous decree of *The Fundamental Constitutions of Carolina*: “Every freeman of Carolina shall have absolute power and authority over his negro slaves, of what opinion or religion soever.”<sup>77</sup> In this passage, Locke at once affirms nondiscrimination and racialized domination. Just as with the indigenous and the poor, slaves are seen to have forfeited their right to be treated as civilized equals to industrious, middle-class European men. The egalitarian premise of freedom and universal equality once again provides the groundwork for its inegalitarian implications. Locke’s methodologically individualist lens allows him to judge human beings, based on their behavior and exhibited traits, as worthy or unworthy of the liberal rights he espouses. Aside from the obvious problem of Locke’s conception of “men,” which excludes women, slaves, prisoners and children, his meritocratic logic seems to find little controversy in removing rights or failing to extend rights to groups of individuals seen as undeserving.

I have established that the ideal of meritocracy in liberal thought affirms both a type of egalitarianism and a type of inequality. In theory, everyone must be considered equal at the starting point of the race (equality of opportunity), in order to fairly determine who deserves to win and who must lose (inequality of outcome). I now turn to another primary thinker associated with classical political economy: Adam Smith. We will see that Adam Smith’s liberalism is more egalitarian, anti-imperial, and opposed to slavery than Locke’s; his understanding of meritocracy comes closer to our modern understanding of it.

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<sup>76</sup> Locke, *Two Treatises of Government*, 383.

<sup>77</sup> Locke, *The Fundamental Constitutions of Carolina*, Constitution 110.

## 2. Adam Smith's ambivalent holism

Isaac Kramnick claims that Adam Smith “pulled together the diverse strands of emerging liberal bourgeois thought and produced the first complete statement of liberal social theory.”<sup>78</sup> Particularly, Kramnick posits that Smith was a key contributor to the eighteenth century liberal political ideal of equal opportunity. The following section will examine the place of meritocracy in Adam Smith's work. Smith's language begins to refer to a market system, which connects the world globally in what he calls “commercial society.” I argue that the idea of equal opportunity or meritocracy appears, in his work, as the necessary deception that motivates workers in a market that is for the most part indifferent to their efforts and unique abilities. The market necessitates what Smith refers to as the division of labor: a class division between menial labor which numbs human beings by treating them like machines and forcing them to live in poverty, and labor which offers intellectual stimulation and a life of relative comfort. In this way, Smith's recessive voice favors social determinacy, as he recognizes that the logic of deservingness in fact *does not* correspond to the logic of the division of labor. Deservingness is determined by one's morality and behavior, but the division of labor is the structuring force which shapes individuals and social outcomes more than we might imagine. It is the division of labor which accounts for “[t]he difference ... between a philosopher and a common street porter, for example,” which “seems to arise not so much from nature, as from habit, custom, and education.”<sup>79</sup>

I begin by looking at the tension between Smith's belief in human equality and his belief in the necessity of the division of labor in *The Wealth of Nations* (1776). I then explore how he understands the inequality created by the division of labor as a uniquely modern phenomenon absent in the “savage” past. In the third part of this discussion, I demonstrate how meritocracy appears in Smith's work as the necessary ideology to motivate participants in a market economy, both in *The Wealth of Nations* and in the *Theory of Moral Sentiments* (1759). In the fourth part, I discuss Smith's racial egalitarianism, which was nonetheless met with a temporal displacement of indigenous and non-European others, and an inability to conceive of Europe without the

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<sup>78</sup> Kramnick, “Equal Opportunity and the ‘Race of Life,’” 115.

<sup>79</sup> Smith, *The Wealth of Nations*, 20.

institution of slavery. Finally, I conclude with the “neco-economic” implications of Smith’s theory of the market’s rationing of life and death.<sup>80</sup>

### *2.1 Equality versus the division of labor*

For Smith, the individual is constituted by a series of competing impulses such as love and hate, greed and humility, selfishness and sympathy. But however conflictual they may be – and indeed there has been a great deal of debate over Smith’s precise theory of human nature<sup>81</sup> – what is important to highlight is that Smith understands the individual’s innate constitution to be *the same across cultures and throughout history*. We begin by dwelling for a moment on two egalitarian impulses in Smith’s work. The first is the proposition that humans are “innately” more or less equal in intelligence, talent or capacities – what I will call natural equality. Second is the normative suggestion that they are or should be considered equal in value or worth, naturally equal or not – what I will call moral equality.<sup>82</sup>

Moral equality, Samuel Fleischacker notes, “does not directly presuppose that people are equal in wealth, political and social status, or happiness.”<sup>83</sup> However, the normative principle of equality makes it “difficult to believe that people really have equal worth in principle if they seem in fact to be irremediably unequal in worthy qualities, and it is difficult to see how great inequalities in goods can be justified if human equality is our basic norm.”<sup>84</sup> But as we will explore, neither Smith’s belief in the natural nor moral equality of human beings precludes his justification of socio-economic hierarchy. In fact, his theory of hierarchy *depends* on a certain assumption of equality: Runners will only be motivated to compete, or to lose gracefully, if they see themselves as equal at the starting point of the race.

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<sup>80</sup> See Montag, “Neco-Economics: Adam Smith and Death in the Life of the Universal.”

<sup>81</sup> See for instance Montes, “Das Adam Smith Problem.”

<sup>82</sup> Jean-Jacques Rousseau makes a useful but subtly different distinction between “natural inequality” and “moral inequality” in his *Discourse on Inequality* (Rousseau, *Discourse on Inequality*, 9). He refers to the former as differences in nature, such as age, health, and “qualities of the mind, or the soul” (ibid, 9). By contrast, the latter is a convention that is “established, or at least authorized, by the common consent of mankind,” and refers to “the different privileges, which some men enjoy, to the prejudice of others, such as that of being richer, more honoured, more powerful, and even that of exacting obedience from them” (ibid, 9). Samuel Fleischacker, who does not appear to make a distinction between the two in Adam Smith, refers to the egalitarian strand of Smith’s thinking as Smith’s belief in *moral equality* (Fleischacker, “Adam Smith on Equality,” 489).

<sup>83</sup> Fleischacker, “Adam Smith on Equality,” 489.

<sup>84</sup> Fleischacker, “Adam Smith on Equality,” 489.

To explore this conflict between equality and hierarchy in Smith's thinking, we turn to the role of the division of labor in what Smith calls "commercial" and "civilized" society. For Smith, commercial society represents the height of human achievement. The *division of labor* is the driving force behind its vast productive capacity. Smith in fact opens *The Wealth of Nations* with a chapter commenting on the vast increase in productivity caused by the division of labor amongst workers in particular manufactures. He observes, for example, how specialization in a group of young boys "who had never exercised any other trade but that of making nails" allows them to make, "each of them, upwards of two thousand three hundred nails in a day."<sup>85</sup> The specialization of trades does not only apply to the factory, however. It also characterizes "the general business of society."<sup>86</sup> It "encourages every man to apply himself to a particular occupation and to cultivate and bring to perfection whatever talent of genius he may possess for that particular species of business."<sup>87</sup>

Smith's initial assessment of the division of labor evokes images of a society in which everyone discovers a trade befitting of their natural inclinations, and studiously develops their skills in a meritocratic fashion. Individual flourishing goes hand-in-hand with producing wealth, since everyone's specialized labor produces a "surplus part of the produce of his own labor, which is over and above his own consumption."<sup>88</sup> The interests of the self are in harmony with the interests of the whole: individuals make a living through labor that simultaneously satisfies their own spiritual and economic needs, and those of others. Most importantly, the division of labor yields "universal opulence" for the nation. In what we might think of in today's terms as a version of trickle-down economics, Smith claims that in a "well-governed society," universal opulence will extend itself even "to the lowest ranks of the people."<sup>89</sup>

However, Smith is quick to introduce a tension into his analysis of the division of labor. Although it produces great wealth, it also acts as a structural constraint upon workers. Although it encourages specialization based on one's talents or acquired skills, the division of labor also creates great inequality. Far from a mere result of our innate talents or hard work as it appears

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<sup>85</sup> Smith, *The Wealth of Nations*, 13.

<sup>86</sup> Smith, *The Wealth of Nations*, 9.

<sup>87</sup> Smith, *The Wealth of Nations*, 20.

<sup>88</sup> Smith, *The Wealth of Nations*, 20.

<sup>89</sup> Smith, *The Wealth of Nations*, 15.

initially, the division of labor actually *shapes us* more than we might imagine: “The difference of natural talents in different men, is, in reality, much less than we are aware of; and the very different genius which appears to distinguish men of different possessions ... is not upon many occasions so much the cause, as the effect of the division of labor.”<sup>90</sup> Thus, the division of labor only creates the *illusion* of disparity in “natural” talent and intelligence. Smith’s belief in moral and natural equality combined with his analysis of the structuring power of the division of labor leads him to a position of social determinacy. Such a position, which we are calling social holism (which is also necessarily methodological holism), opposes a methodological individualism that would attribute our social and material position of wealth or poverty to innate attributes, degree of effort, or motivation. As Karl Polanyi suggests, these tensions are constitutive of the emerging field of political economy itself, as it grapples with the problem of poverty in a world of abundance:

The introduction of political economy into the realm of the universal happened under two opposite perspectives, that of progress and perfectibility on the one hand, determinism and damnation on the other; its translation into practice also was achieved in two opposite ways, through the principle of harmony and self-regulation on the one hand, competition and conflict on the other. Economic liberalism and the class concept were preformed in these contradictions. With the finality of an elemental event, a new set of ideas entered our consciousness.<sup>91</sup>

By the end of *The Wealth of Nations*, Smith remarks that as the division of labor progresses, the majority of people must submit themselves to menial labor to earn a living.<sup>92</sup> The social consequences of this type of labor, he observes, are severe. Smith does not hold back in his description of what becomes of the laborer who spends his life “performing a few simple operations.”<sup>93</sup> Such a worker “generally becomes as stupid and ignorant as it is possible for a human creature to become.”<sup>94</sup> He goes on to describe more physical, mental and emotional costs of menial labor caused by the division of labor before concluding that “in every improved and civilized society, this is the state into which the laboring poor, that is, the great body of the

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<sup>90</sup> Smith, *The Wealth of Nations*, 20.

<sup>91</sup> Polanyi, *The Great Transformation*, 89. The elemental event Polanyi refers to is the birth of market society.

<sup>92</sup> Smith, *The Wealth of Nations*, 777.

<sup>93</sup> Smith, *The Wealth of Nations*, 777.

<sup>94</sup> Smith, *The Wealth of Nations*, 777–78.

people, must necessarily fall, unless government takes some pains to prevent it.”<sup>95</sup> When faced with the tension between the human equality<sup>96</sup> and the necessity of the division of labor, Smith proposes public education to mitigate the worst effects of poverty.

Smith’s theory of “universal opulence” suggests that commercial society may mitigate what we would call absolute poverty, in today’s terms.<sup>97</sup> Relative poverty, however, persists: “Wherever there is great property there is great inequality. For one very rich man, there must be at least 500 poor, and the affluence of the few supposes the indigence of the many.”<sup>98</sup> Though he hints at the mitigation of inequality in the social and political sphere in the form of universal education, the *production* of extreme inequality in the economic sphere remains an unresolvable problem for Smith.

## 2.2 The “savage” past of universal equality

Of course, commercial society is not the only society marked by inequality. Smith emphasizes that historically, “personal qualifications,” birth, fortune and age have all played a role in determining social hierarchy in earlier societies.<sup>99</sup> In “nations of shepherds,” birth and fortune in particular “operate with their full force.”<sup>100</sup> Far from what might be considered a meritocracy, modern society shares some of these antiquated hierarchies: “The authority of fortune ... is very great, even in an opulent and civilized society. That it is much greater than that either of age or of personal qualities, has been the constant complaint of every period of society which admitted of any considerable inequality of fortune.”<sup>101</sup>

Smith compares these ascriptive societies based on birth and fortune both to “the first period of society, that of hunters” and to “opulent and civilized society.”<sup>102</sup> Perhaps surprisingly, Smith points to “barbarous” or “rude” cultures as examples of societies that in fact better reflect

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<sup>95</sup> Smith, *The Wealth of Nations*, 778; Blaney, “Adam Smith’s Ambiguous Theodicy and the Ethics of International Political Economy,” 15.

<sup>96</sup> Here I am referring to both moral and natural equality.

<sup>97</sup> See Blaney and Inayatullah, *Savage Economics: Wealth, Poverty, and the Temporal Walls of Capitalism*, 55.

<sup>98</sup> Smith, *The Wealth of Nations*, 709.

<sup>99</sup> Smith, *The Wealth of Nations*, 710.

<sup>100</sup> Smith, *The Wealth of Nations*, 712.

<sup>101</sup> Smith, *The Wealth of Nations*, 711.

<sup>102</sup> Smith, *The Wealth of Nations*, 711.



and respect the natural equality of humans than modern commercial society.<sup>103</sup> However unequal more modern periods of society may be, “[t]he first period of society, that of hunters, admits of no such inequality. Universal poverty establishes their universal equality.”<sup>104</sup> Further, there is “little or no authority or subordination in this period of society.”<sup>105</sup> Primitive individuals have more variety in their work: “In such societies, the varied occupations of every man oblige every man to exert his capacity, and to invent expedients for removing difficulties which are continually occurring.”<sup>106</sup> Further, their minds are more active: “Invention is kept alive, and the mind is not suffered to fall into that drowsy stupidity which, in a civilized society, seems to benumb the understanding of almost all the inferior ranks of people.” Finally, “Every man does, or is capable of doing, almost every thing which any other man does, or is capable of doing. Every man has a considerable degree of knowledge, ingenuity, and invention but scarce any man has a great degree.”<sup>107</sup> Thus, just as exceptionally mind-numbing labor is absent in early human societies, so too is exceptional genius; letting some fall into “drowsy stupidity” is the price we pay to rise others to excellence.

It can of course be noted that Smith’s observations of “rude society” are abstract and highly speculative. To compare the past and present, he follows a method of speculative or conjectural history characteristic of the Scottish Enlightenment, which attributes events in history to natural propensities and causes.<sup>108</sup> Examining Smith’s method of conjectural history brings us to another problem he faced, which was squaring his belief in natural and moral equality not only with economic inequality, but also with the reality of human diversity in the past and present. To resolve this problem, Smith uses conjectural history to organize his observations of Amerindian society into a stadial theory of human progress. This leads him, as Blaney and Inayatullah show, to equate Amerindians in the *present* to the “savage” *past* of human infancy. As they put it, “If the peoples of the ancient world, particularly the various barbarous groups and the contemporary

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<sup>103</sup> Smith, *The Wealth of Nations*, 778–79; For a discussion of this recessive voice in Adam Smith, see Blaney and Inayatullah, *Savage Economics*, chap. 2.

<sup>104</sup> Smith, *The Wealth of Nations*, 778–79.

<sup>105</sup> Smith, *The Wealth of Nations*, 711.

<sup>106</sup> Smith, *The Wealth of Nations*, 778.

<sup>107</sup> Smith, *The Wealth of Nations*, 779.

<sup>108</sup> For a discussion on Smith’s conjectural history, see Blaney and Inayatullah, *Savage Economics*, 36, 40.

savages, could be seen as at the same level of progress, then Smith could bundle them together in a common stage of human progress (or lack thereof).”<sup>109</sup>

In Smith’s stadial theory of human progress, inequality and diversity are explained not through innate or geographical *difference*, but through temporal *distance* from the “civilized” center of human development.<sup>110</sup> In this sense, absolute socio-economic equality is not considered ideal for a society, as this would indicate that it had not yet undergone the division of labor. Ultimately, Smith then takes the position that as long as inequality is a result of this modern division of labor, it is rendered *dynamic* and necessary for development. It therefore marks the success, and not the failure, of a modern nation. Further, it allows Smith to equate the “savage” past and present with the state of “poverty.” In this way, Smith translates social *difference* to a justification of economic *inequality*.

### 2.3 “Feeding the idle with the bread of the industrious”: Adam Smith’s meritocracy

David Blaney and Naeem Inayatullah describe Smith’s social determinacy as the theoretical revolution he “catalyzes but fails to realize.”<sup>111</sup> I argue that this recessive voice in Smith makes way for the dominant, which in fact foments revolution in quite the opposite direction: the methodologically individualist direction in which individual efforts and talents take center stage as actors in the drama of wealth production. Ideology, for Smith, becomes a means of reconciling the tension between moral equality and the division of labor. He recognizes that reconciling equality and hierarchy requires a certain psychological deception: Individuals must *believe* that they have control over their socio-economic position in life – a belief without which they cannot be motivated to deliver productive labor – a point to which we will return.

One especially important contribution to the doctrine of equality of opportunity, according to Kramnick, is Smith’s conviction that all men are ambitious at heart.<sup>112</sup> This is exemplified in the famous passage that the “propensity in human nature” is to “truck, barter, and exchange one thing for another.”<sup>113</sup> Smith’s conjectural understanding of universal human nature

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<sup>109</sup> Blaney and Inayatullah, *Savage Economics*, 41.

<sup>110</sup> See Inayatullah and Blaney, *International Relations and the Problem of Difference*.

<sup>111</sup> Blaney and Inayatullah, “Global Capitalism, Inequality and Poverty,” 174.

<sup>112</sup> Kramnick, “Equal Opportunity and the ‘Race of Life,’” 115.

<sup>113</sup> Smith, *The Wealth of Nations*, 18.

implies that the trait of industriousness is unintentionally utilitarian, as it leads to the division of labor. As we have explored, the perceived universality of human traits – whether greed, sympathy or ambition – fits with Smith’s belief in natural equality, and his socially deterministic view of the inequality of outcomes: It is not primarily the inequality of talent, but the division of labor itself which yields unequal outcomes. It is in fact upon this egalitarian view of humanity that his need to explain extreme inequality is premised: if we are all naturally and morally equal, how can extreme inequality of wealth be justifiable?

Rather than as a reflection of primordial drive, we might better understand Smith’s view of self-improvement and wealth acquisition as the triumph of the virtue of self-command over the vice of instant gratification.<sup>114</sup> This belief in the triumph of virtue over vice is what makes Smith’s view of market society distinctly meritocratic and bourgeois. He believes that the virtue of frugality contributes to one’s own (and therefore the nation’s) increase in wealth: “Capitals are increased by parsimony, and diminished by prodigality and misconduct.”<sup>115</sup> Those in poverty do not have enough capital to save, and therefore to contribute to wealth acquisition. Similarly, menial laborers and those in “frivolous” professions such as physicians, lawyers, opera singers and dancers, cannot contribute to wealth acquisition because they do not reproduce with a profit the value of their own consumption.<sup>116</sup> Idle rich men are the worst; they tend toward “prodigality” as they spend too much of their revenue on immediate and often lavish consumption.<sup>117</sup> While this consumption does in turn contribute to the maintenance of those honorable but unproductive laborers listed above, Smith laments the loss of investment in *productive*, capital-increasing labor that these prodigal expenditures represent. The prodigal, Smith says, “perverts” his capital in this manner, “[l]ike him who perverts the revenues of some pious foundation to profane purposes.”<sup>118</sup> It is therefore the frugal, industrious few who are responsible for any increase in the wealth of nations: “If the prodigality of some were not compensated by the frugality of others, the conduct of every prodigal, by feeding the idle with

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<sup>114</sup> Hill and Montag, *The Other Adam Smith*, 237.

<sup>115</sup> Smith, *The Wealth of Nations*, 332.

<sup>116</sup> Smith, *The Wealth of Nations*, 326. Notably, however, Smith does not devalue these professions, even though he categorizes them as unproductive.

<sup>117</sup> Smith, *The Wealth of Nations*, 333.

<sup>118</sup> Smith, *The Wealth of Nations*, 333.

the bread of the industrious, would tend not only to beggar himself, but to impoverish his country.”<sup>119</sup>

In addition to the conviction that all men are (or are able and ought to be) ambitious and frugal at heart, it is worth emphasizing, as Isaac Kramnick does, the significance of Smith’s metaphor of life as a “race for wealth, and honors and preferments.”<sup>120</sup> This metaphor for the equality of opportunity encapsulates the revolutionary spirit of bourgeois thought in the late eighteenth century.<sup>121</sup> No longer is life a great chain of being,<sup>122</sup> exemplified by the stasis of ascriptive hierarchy; it is a race, exemplified by the dynamism of the achieved hierarchy in commercial society, in which the market supposedly gives free reign to individuals based on their merit, allowing industry and invention to flourish.<sup>123</sup> To put it slightly differently, “the ‘Great Chain’ becomes ‘temporalized’ in the form of a theory of progress.”<sup>124</sup> At least in theory, this is a ladder that all nations and individuals could potentially ascend if only they work hard enough and possess the proper motivation.

The idea of life as a race would in fact soon become the “central metaphor” of the bourgeois dissenters in their attack on the aristocratic world view.<sup>125</sup> Kramnick emphasizes that these radical liberals were very clear that what they sought was not equality in material conditions; it was the equal chance to *compete*.<sup>126</sup> Smith’s poetic metaphor conveys that the concept of fair versus unfair competition is so intuitive as to appear obvious: In the race, one “may run as hard as he can, and strain every nerve and every muscle, in order to outstrip his competitors. But if he should jostle, or throw down any of them, the indulgence of the spectator is entirely at an end. It is a violation of fair play, which they cannot admit of.”<sup>127</sup> The necessary outcome of a race is winners and losers, which does not pose a problem so long as the race is perceived to be “fair.” Winners ought to be proud, while losers ought to accept their loss with

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<sup>119</sup> Smith, *The Wealth of Nations*, 334.

<sup>120</sup> Smith, *The Theory of Moral Sentiments*, 101.

<sup>121</sup> Kramnick, “Equal Opportunity and the ‘Race of Life,’” 115.

<sup>122</sup> Lovejoy, *The Great Chain of Being: A Study of the History of an Idea*.

<sup>123</sup> Kramnick, “Equal Opportunity and the ‘Race of Life,’” 115.

<sup>124</sup> Blaney and Inayatullah, *Savage Economics*, 43. Quoting Lovejoy, *The Great Chain of Being*, 52, 55, 56.

<sup>125</sup> Kramnick, “Equal Opportunity and the ‘Race of Life,’” 116.

<sup>126</sup> Kramnick, “Equal Opportunity and the ‘Race of Life,’” 117.

<sup>127</sup> Smith, *The Theory of Moral Sentiments*, 101.

grace and humility. In what some have called Smith's secularized providence or theodicy, the "invisible hand" of the market replaces the invisible hand of God as the higher order to which everyone must submit.<sup>128</sup> Whatever may befall us, we might rest assured that it will ultimately tend to the perfection of the whole.<sup>129</sup> "If we ourselves ... were in poverty, in sickness, or in any other calamity, we ought, first of all, to use our utmost endeavors, so far as justice and duty would allow, to rescue ourselves from this disagreeable circumstance."<sup>130</sup> However, "if, after all we could do, we found this impossible, we ought to rest satisfied that the order and perfection of the universe required that we should in the meantime continue in this situation."<sup>131</sup> We can even find satisfaction in our position, Smith says, if only we can humble ourselves with the knowledge that our poverty ultimately contributes to "the prosperity of the whole."<sup>132</sup>

How, though, do runners continue to believe that the race is fair, given their knowledge of the structural inequality of the division of labor? To answer this question, I now return to the issue of ideology. Part of the answer, for Smith, involves deception. Smith is clear that riches are more empty than they appear, and do not result in the contentedness they seem to promise: "The pleasures of wealth and greatness, when considered in this complex view, strike the imagination as something grand and beautiful and noble, of which the attainment is well worth all the toil and anxiety which we are so apt to bestow upon it."<sup>133</sup> Nonetheless, Smith suggests that the valorization of the rich is an important cultural feature of society; again, it serves a utilitarian purpose. The deceptive promise of wealth and satisfaction "rouses and keeps in continual motion the industry of mankind."<sup>134</sup>

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<sup>128</sup> Hill and Montag, *The Other Adam Smith*, 242; For Smith's use of the invisible hand metaphor, see Smith, *The Theory of Moral Sentiments*, 215; Smith, *The Wealth of Nations*, 445. For arguments in favor of a theological instead of secular reading of Adam Smith's Providentialist language see Hill, "The Hidden Theology of Adam Smith"; Viner, *The Role of Providence in the Social Order*. On how Adam Smith's theology becomes theodicy, see Blaney, "Adam Smith's Ambiguous Theodicy and the Ethics of International Political Economy." On the religious underpinnings of European enlightenment thinking more generally, see Pasha, "Religion and the Fabrication of Race"; Blaney, "Theodicy and International Political Economy"; Becker, *The Heavenly City of the Eighteenth-Century Philosophers*.

<sup>129</sup> Smith, *The Theory of Moral Sentiments*, 325.

<sup>130</sup> Smith, *The Theory of Moral Sentiments*, 325.

<sup>131</sup> Smith, *The Theory of Moral Sentiments*, 325.

<sup>132</sup> Smith, *The Theory of Moral Sentiments*, 325.

<sup>133</sup> Smith, *The Theory of Moral Sentiments*, 214.

<sup>134</sup> Smith, *The Theory of Moral Sentiments*, 214.

So far, I have illustrated Adam Smith's view of the division of labor as something that is at once dynamic (wealth-producing and innovative), and simultaneously destructive of what he understands to be natural human creativity. As we saw, Smith believes humans to be inherently more equal in terms of innate talent and intelligence than the division of labor reflects. I have discussed how even his conjectural history of "uncivilized" others relies on a simultaneous belief in human equality, and a temporalized understanding of difference that renders hierarchy both acceptable and compatible with equality. As we will further explore, Smith's egalitarianism in fact sets the stage for a modern form of racialization, which would characterize people not as superior or inferior, but as temporally backward or civilized.

#### *2.4 Smith, race and slavery*

Adam Smith has been called one of the most anti-racist thinkers of 18<sup>th</sup> century.<sup>135</sup> What we have explored so far regarding his views of moral equality and the division of labor has provided a groundwork upon which we can begin investigating this claim. Contrary to many of his contemporaries, Smith's view of human equality includes a rejection of the theory of the natural inequality of races.<sup>136</sup> In what Amartya Sen characterizes (perhaps hyperbolically) as a "burst" of "unconcealed wrath," Smith exclaims: "There is not a negro from the coast of Africa who does not ... possess a degree of magnanimity which the soul of his sordid master is too often scarce capable of conceiving."<sup>137</sup> Crucially, Smith was opposed to imperialism, a position markedly different from John Locke before him, and J.S. Mill after him. In a significant passage, Smith laments the detrimental effect of imperialism on those who are colonized:

The discovery of America, and that of a passage to the East Indies by the Cape of Good Hope, are the two greatest and most important events recorded in the history of mankind ... By uniting in some measure the most distant parts of the world, by enabling them to relieve one another's wants, to increase one another's enjoyments, and to encourage one another's industry, their general tendency would seem to be beneficial. To the natives, however, both of the East and West Indies, all the commercial benefits which can have

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<sup>135</sup> Such as by Fleischacker, "Adam Smith on Equality," 496.

<sup>136</sup> Inayatullah and Blaney, "Race and Global Inequality," 123.

<sup>137</sup> Smith, *The Theory of Moral Sentiments*, 242; Sen, "Introduction," xxiii.

resulted from those events have been sunk and lost in the dreadful misfortunes which they have occasioned.<sup>138</sup>

Smith was not, however, free of the temporal language of his day, as we have already seen in the case of his comments on “savage” societies. He combines this temporal language with institutional explanations for poverty, as we can see in his remarks on China, for instance. Though for a long time one of the richest societies in the world, it is “stationary” because it “long before its time, acquired that full complement of riches which the nature of its laws and institutions permits it to acquire.”<sup>139</sup> The nature of colonial domination also determines a country’s condition: “The difference between the genius of the British constitution, which protects and governs North America, and that of the mercantile company which oppresses and domineers in the East Indies, cannot, perhaps, be better illustrated than by the different state of those countries.”<sup>140</sup>

Further, while Fleischacker’s claim that Smith was “bitterly opposed to slavery,” may be true, it is only part of the story. It is true that Smith did oppose slavery morally, and perhaps especially economically: After much deliberation about the degree to which free servants bear the cost of their own management, or “wear and tear,” compared to slaves, he concludes that “the work done by freeman comes cheaper in the end than that performed by slaves.”<sup>141</sup> But just as with Smith’s inability to envision a future without inequality, his inability to envision a future without slavery appears to transform his aversion to it into a tacit acceptance of its inevitability. Economically, to abolish slavery in the West Indian plantations would be to “deprive the far greater part of the subjects, and the nobles in particular, of the chief and most valuable part of their substance,” causing a “generall insurrection.”<sup>142</sup> To set a slave free would be to rob the master of everything he is worth. Although abolition has happened in a number of “peculiar” corners of Europe, “this institution . . . which has taken place in the beginning of every society, has hardly any possibility of being abolished.”<sup>143</sup> Interestingly, Smith recognizes the psycho-

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<sup>138</sup> Smith, *The Wealth of Nations*, 622-623.

<sup>139</sup> Smith, *The Wealth of Nations*, 76.

<sup>140</sup> Smith, *The Wealth of Nations*, 78.

<sup>141</sup> Smith, *The Wealth of Nations*, 85; For a detailed theoretical discussion and historical contextualization of this passage of Smith's, see Shilliam, “The Past and Present of Abolition.”

<sup>142</sup> Smith, *Lectures on Jurisprudence*, 187.

<sup>143</sup> Smith, *Lectures on Jurisprudence*, 187.

social forces preventing abolition as equally powerful to the economic forces: “Slavery ... has been universall in the beginnings of society, and the love of domination and authority over others will probably make it perpetuall.”<sup>144</sup>

## 2.5 Conclusion

The consequences of the necessity of the division of labor take on their darkest implications in Smith’s discussion of how the market determines life and death itself.<sup>145</sup> For Smith, the market must take the lives of those who compete unfairly: those who either fail to recognize that they have lost the race, or those who try to win unfairly. Relatedly, it takes the lives of workers who are in excess of what society requires. In what Warren Montag calls Smith’s “necro-economics,” Smith postulates that the market rations life, just like it rations any other commodity, regulating workers’ reproduction.<sup>146</sup> In Smith’s words, the market “quickens [reproduction] when it goes on too slowly, and stops it when it advances too fast.”<sup>147</sup> The wages of servants and journeymen then “must be such as may enable them, one with another, to continue the race of journeymen and servants, according to the increasing, diminishing, or stationary demand of the society, may happen to require.”<sup>148</sup> In a society in which the needs of the market are more important than the lives of certain humans, it is not difficult to see how meritocracy and the metaphor of life as a race are necessary to counter socially holistic narratives of wealth and poverty.

Amartya Sen attributes to Smith the view that inequality is a result of unequal opportunity.<sup>149</sup> But given our examination of Smith’s belief in moral and natural equality, social determination, and the temporalization of non-European others, it should be clear by now that Smith in fact understands inequality to be something much deeper than an imperfect meritocracy. Smith recognizes that even the outcome of equality of opportunity would still be inequality, because “indigence” is not *just* linked to political institutions; it is the very foundation of a

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<sup>144</sup> Smith, *Lectures on Jurisprudence*, 187.

<sup>145</sup> See Montag, “Necro-Economics: Adam Smith and Death in the Life of the Universal,” 12.

<sup>146</sup> Blaney and Inayatullah, *Savage Economics*, 77; Montag, “Necro-Economics: Adam Smith and Death in the Life of the Universal.”

<sup>147</sup> Smith, *The Wealth of Nations*, 85.

<sup>148</sup> Smith, *The Wealth of Nations*, 85.

<sup>149</sup> Sen, “Introduction,” xxiii.



wealth producing economy in which only some can win, while others must be sacrificed. It is this realization which sparked the insight that “Wherever there is great property there is great inequality.”<sup>150</sup>

Further, Smith distinguishes – albeit implicitly – the logic of deservingness (effort or output tied to reward; our moral behavior) from the logic of the division of labor, which is structural and out of individual control. This move renders his theory more socially holistic than methodologically individualist. However, he recognizes that a belief in social determinacy may be detrimental to industry, which is driven by discontentedness, a desire for riches, and a competitive need to outrun others.

Smith in fact rather directly comments on the impossibility of meritocracy: “Nature has wisely judged that the distinction of ranks, the peace and order of society, would rest more securely upon the plain and palpable difference of birth and fortune, than upon the invisible and often uncertain difference of wisdom and virtue.”<sup>151</sup> As David L. Blaney puts it, “Since the ‘great mob of mankind’ can easily identify wealth but lacks the capacity to discern virtue and wisdom, the undue deference shown to wealth and power appears as part of ‘the benevolent wisdom of nature.’”<sup>152</sup> Smith ultimately advocates a deception that propels society to chase after the (often false) promise of riches. This, he believes, will put human nature to good utilitarian use, ensuring the continuation of the division of labor and wealth production.

### 3. “If he work not ... neither shall he eat”: John Stuart Mill’s meritocracy

The following section explores the place of meritocracy in the work of John Stuart Mill based on his worldview of individual improvement. I will show how Mill’s liberalism affirms a type of egalitarianism in one respect, while serving the basis for his justification of profound inequality in another. Like Adam Smith, he affirms innate human equality. Yet, his emphasis on the necessity of improvement, of the self and of the nation, touts a European exceptionalism which advocates colonization as a means to cultivate what he saw as not only an acceptable, but also a necessary form of hierarchy in which exceptional genius can rise to the top and guide the

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<sup>150</sup> Smith, *The Wealth of Nations*, 709.

<sup>151</sup> Smith, *The Theory of Moral Sentiments*, 267.

<sup>152</sup> Blaney, “Adam Smith’s Ambiguous Theodicy and the Ethics of International Political Economy,” 14.

mediocre masses, allowing civilization to flourish. However, Mill's meritocracy differs from the elitism of his day. While his emphasis on excellence might strike modern readers as elitist, the type of meritocracy he proposes is a definitively middle-class ideology, which fears the "masses," but also resents the elite class who are seen as undeserving of their wealth and power. Neither class, in this view, has earned its wealth fairly.

In J.S. Mill, like in Adam Smith, we find elements of a structural understanding of the individual – even, in some cases, a social determinacy. In fact, J.S. Mill goes even further than Smith in explicitly taking a stand against the growing pseudo-biological racism and sexism of his day. If we are to judge by two of his most politically egalitarian writings, *On the Subjection of Women* (1869), and "The Negro Question" (1850), we could go so far as to say Mill emerges as a feminist and an anti-racist.<sup>153</sup> *On the Subjection of Women* is a rejection of the idea of natural intellectual inferiority of women. Mill politically objected to how the modern movement from ascribed to achieved hierarchy only applied to men at the time of his writing.<sup>154</sup> He argued that "The sufferings, immoralities, evils of all sorts, produced in innumerable cases by the subjection of individual women to individual men, are far too terrible to be overlooked ... The law of servitude in marriage is a monstrous contradiction to all the principles of the modern world."<sup>155</sup> Marriage, Mill argues, must be extricated from the relics of *status* and brought into the modern world of *contract*.<sup>156</sup> However, he does ultimately fall back on the very appeals to custom and nature that he rejects: He appears to be committed to the idea of a natural division of labor between men and women.<sup>157</sup>

"The Negro Question" is a response to Thomas Carlyle in which Mill expresses vehement opposition to slavery and to the biological racism of Carlyle, whose diatribe in favor of reinstating slavery his letter addresses. Mill saw ascriptive hierarchies as illiberal and immoral,

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<sup>153</sup> Mill, *The Subjection of Women*; Mill, "The Negro Question."

<sup>154</sup> See also the landmark essay written by Harriet Taylor Mill (1807-1858), J.S. Mill's wife, "The Enfranchisement of Women" (Mill, "The Enfranchisement of Women").

<sup>155</sup> Mill, *The Subjection of Women*, chap. 4.

<sup>156</sup> Pateman, *The Sexual Contract*, 164. For a superb feminist critique of J.S. Mill's writings on the marriage contract, see Pateman, 162-168.

<sup>157</sup> See also Pateman, 162. As Pateman argues, even the modern marriage "contract" of today's world, recognized by the state or nation but unable to be personalized based on the needs of the couple, does not escape the patriarchal characteristics of "status" (ibid, 166).

and like Smith, he wished to equalize the playing field. I begin the section by discussing Mill's explicit racial egalitarianism. I then move to a discussion of how this egalitarianism is the necessary condition for a uniquely capitalist form of meritocracy which emerges as a liberal logic of value and reward. Finally, I discuss how this emerging logic posits a form of methodological individualism and is not free from its own form of racialization, which understands poor and colonized subjects as less cultivated individuals.

### *3.1 Mill on slavery and racial equality*

Mill's outrage is clear in his description of how Africans are "seized by force or treachery and carried off to the West Indies to be worked to death, literally to death ... every other possible cruelty, tyranny, and wanton oppression was by implication included."<sup>158</sup> The slave-owners' motive for inflicting such cruelty is also despicable, as it is nothing more than "the love of gold; or, to speak more truly, of vulgar and puerile ostentation."<sup>159</sup> He adds, "I have yet to learn that anything more detestable than this has been done by human beings towards human beings in any part of the earth. It is a mockery to talk of comparing it with Ireland."<sup>160</sup> Mill also bitterly contests Carlyle's claim that white people are born "wiser" than black people, responding that,

Among the things for which your contributor [Carlyle] professes entire disrespect, is the analytical examination of human nature. It is by analytical examination that we have learned whatever we know of the laws of external nature; and if he had not disdained to apply the same mode of investigation to the laws of the formation of character, he would have escaped the vulgar error of imputing every difference which he finds among human beings to an original difference of nature.<sup>161</sup>

Mill then offers the analogy of a tree, in which greater determining factors of its "vigour" must be attributed to its environment – such as soil, climate, degree of harm done to it by animals, and whether it is crowded out by other trees – than to the original seedling. He then adds, "Human beings are subject to an infinitely greater variety of accidents and external influences than trees,

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<sup>158</sup> Mill, "The Negro Question," 26.

<sup>159</sup> Mill, "The Negro Question," 26.

<sup>160</sup> Mill, "The Negro Question," 26.

<sup>161</sup> Mill, "The Negro Question," 29.

and have infinitely more operation in impairing the growth of one another, since those who begin by being strongest, have almost always hitherto used their strength to keep the others weak.”<sup>162</sup>

As evidence for the capacity for “improvement” of black peoples, Mill notes that “the earliest known civilization was, we have the strongest reason to believe, a negro civilization ... it was from [Egyptians], therefore, that the Greeks learnt their first lessons in civilization.”<sup>163</sup> In defense of contemporary nations racialized as black, Mill challenges the “hearsays” peddled by Carlyle, asking: “what does your contributor know of Haiti? ... In what is black Haiti worse than white Mexico? If the truth were known, how much worse is it than white Spain?”<sup>164</sup> Finally, similar to the distinction we made earlier, in Adam Smith’s work, Mill makes explicit his assertion of *moral* equality first and foremost, irrespective of his claims to natural equality.<sup>165</sup>

The above passages reveal Mill’s passion for abolition and human equality. Yet, Mill cannot make the move from “deservingness” to “right”: Wealth is still something to be *earned* through labor contribution. It is in his proposition of an alternative to Carlyle’s conservative view, which favors ascriptive hierarchy, that we can see the ideal of achieved hierarchy, or meritocracy, taking shape in Mill’s work, warranting our further examination. I now turn to Mill’s more economic idea of what constitutes a just reward for labor.

### *3.2 The logic of labor and reward*

Like the early Christian theorists mentioned in the Introduction to this thesis, J.S. Mill places labor in a position of honor. It is this position of honor that makes meritocracy an equalizing doctrine in one crucial respect: instead of one’s identity – that is, their race or gender – *labor contribution* becomes the criteria for deservingness. As we saw, Mill recognizes the blatant injustice of a system that allots control and ownership of slave labor in the West Indies to European and American slaveholders solely because they are white.<sup>166</sup>

Surprisingly, although Mill honors labor, he *opposes* the Calvinistic imperative to work and other Protestant ideals that we might associate with John Locke’s moral view of labor and

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<sup>162</sup> Mill, “The Negro Question, 29.

<sup>163</sup> Mill, “The Negro Question,” 29-30.

<sup>164</sup> Mill, “The Negro Question,” 29.

<sup>165</sup> Mill, “The Negro Question,” 30.

<sup>166</sup> Mill, “The Negro Question.”

work. He claims that such doctrines abnegate individuality and self-will in their belief that “whatever is not a duty, is a sin.”<sup>167</sup> At first glance, he may even appear to entirely reject the imperative to labor, which he associates with Christianity:

In opposition to the ‘gospel of work,’ I would assert the gospel of leisure, and maintain that human beings cannot rise to the finer attributes of their nature compatibly with a life filled with labour. I do not include under the name labour such work, if work it be called, as is done by writers and afforders of ‘guidance,’ an occupation which, let alone the vanity of the thing, cannot be called by the same name with the real labour, the exhausting, stiffening, stupefying toil of many kinds of agricultural and manufacturing labourers.<sup>168</sup>

On the one hand, Mill notes that a life of hard labor prevents individuals from rising “to the finer attributes of their nature.” Here, he seems to assert the importance of leisure to human development. On the other hand, he ultimately valorizes the difficult toil of productive labor over what he considers to be unproductive labor: He distinguishes “real labor” of the agricultural and manufacturing sectors from the expenditure of energy by writers and other occupations marked by mere “vanity.” His position becomes clear in his statement that “There is a portion of work rendered necessary by the fact of each person’s existence. No one could exist unless work, to a certain amount, were done either by or for him.”<sup>169</sup> As if an indisputable logical conclusion, he claims it follows that “Of this each person is bound, in justice, to perform his share; and society has an incontestable right to declare to every one, that if he work not, at this work of necessity, neither shall he eat.”<sup>170</sup> Here, we see in Mill a straightforward connection between a certain *type* of labor and deservingness: Justice dictates that if one does not perform productive labor, he is undeserving of even the most basic subsistence.

Society, Mill claims, has not enforced this “right of work,” the urgency of which grows with the growing population. By doing one’s share, one participates in the social whole of society, connected as it is through labor, while also attaining individual recognition for one’s efforts. By allotting reward directly to those who do the labor, all workers have a stake in their work, providing a more just incentive to labor than the whip. “If this experiment is to be tried in

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<sup>167</sup> Mill, *On Liberty and Considerations on Representative Government*, 54.

<sup>168</sup> Mill, “The Negro Question,” 28.

<sup>169</sup> Mill, “The Negro Question,” 28.

<sup>170</sup> Mill, “The Negro Question,” 28.

the West Indies,” Mill claims, “let it be tried impartially; and let the whole produce belong to those who do the work which produces it. We would not have black labourers compelled to grow spices which they do not want, and white proprietors who do not work at all exchanging the spices for houses in Belgrave Square. We would not withhold from the whites, any more than from the blacks, the ‘divine right’ of being compelled to labour.”<sup>171</sup> He continues, “Let them have exactly the same share in the produce that they have in the work. If they do not like this, let them remain as they are, so long as they are permitted, and make the best of supply and demand.”<sup>172</sup>

It is here that labor emerges, in Mill’s work, as a logic of value and reward that in fact challenges, at least in theory, the oppressive logic of slavery. In other words, slavery is challenged, but with a logic of deservingness that maintains the necessity of hierarchy. But the idea that work makes one worthy of reward, and that he who does not work shall not eat, targets not only the poor, as it did in Locke’s proposition to reform the poor laws. Here, it also takes on a more progressive or socialist tone, as it also attacks the rich slaveholders, who are seen as undeserving of their wealth because they have not labored for it. At least in theory, Mill’s meritocracy has an equalizing effect on identity. It proposes that individuals be valued not by their skin color or gender, but instead, by their work.

However, in his later essay, *On Liberty* (1859), Mill is wary of socialism for two reasons, as we will explore. The first is that he fears that any great degree of equality creates resentment:

We have only further to suppose a considerable diffusion of Socialist opinions, and it may become infamous in the eyes of the majority to possess more property than some very small amount, or any income not earned by manual labor ... It is known that the bad workmen who form the majority of the operatives in many branches of industry, are decidedly of opinion that bad workmen ought to receive the same wages as good, and that no one ought to be allowed ... to earn by superior skill or industry more than others can without it.<sup>173</sup>

A “moral police, which occasionally becomes a physical one” is employed “to deter skillful workmen from receiving, and employers from giving, a larger remuneration for a more useful

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<sup>171</sup> Mill, “The Negro Question,” 28.

<sup>172</sup> Mill, “The Negro Question,” 28.

<sup>173</sup> Mill, *On Liberty and Considerations on Representative Government*, 78–79.

service.”<sup>174</sup> But this not only demonstrates Mill’s apprehension to socialism; it also reveals what he understands as difficulties of the logic of labor and reward. Unlike in his earlier writing, value, and not labor-time, should be rewarded; we recall our two definitions of labor, as labor-time or the physical expenditure of energy (work) on the one hand, and labor as the production of social value on the other. By this logic of reward for greater productivity, more skillful workers are more efficient and productive, and deserve a larger share of rewards. However, Mill does appear to have sympathy for the reasons why society might wish to protect the socialist reward of labor *time*.

The second reason Mill fears socialism is that he believes it is attached to a fatalistic or deterministic understanding of the individual. He worries that by accepting a completely structuralist view of human behavior, all individual agency is lost, and people believe they cannot take ownership or responsibility for their own lives. This logic has implications for colonialism, which we will explore in the next section. Mill is wary of the “Necessitarian” doctrine and adamantly opposed to “Fatalism,” both of which he associates with the socialism of Robert Owen.<sup>175</sup> Indeed, he worries that Europe will become “another China” if it does not assert the importance of individuality against conformity and mediocrity.<sup>176</sup> Although China is “a nation of much talent, and ... even wisdom,” Mill believes it has gone too far in “impressing...the best wisdom they possess upon every mind in the community, and securing that those who have appropriated most of it shall occupy the posts of honour and power.”<sup>177</sup> It seems as though a people who have “discovered the secret of human progressiveness” would be at the “head of the movement of the world,” he claims, but “on the contrary, they have become stationary” and any further “improvement” must come from foreigners.<sup>178</sup> Mill’s meritocracy sheds light on his own brand of European exceptionalism: “not any superior excellence” in European peoples per se, which exists (if at all) as an effect and not a cause of individuality, “but in their remarkable diversity of character and culture.”<sup>179</sup> Nonetheless, Mill laments, Europe is

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<sup>174</sup> Mill, *On Liberty and Considerations on Representative Government*, 78–79.

<sup>175</sup> Mill, *System of Logic*, 549–550.

<sup>176</sup> Mill, *On Liberty and Considerations on Representative Government*, 64.

<sup>177</sup> Mill, *On Liberty and Considerations on Representative Government*, 64.

<sup>178</sup> Mill, *On Liberty and Considerations on Representative Government*, 64.

<sup>179</sup> Mill, *On Liberty and Considerations on Representative Government*, 64.

“decidedly advancing towards the Chinese ideal of making all people alike.”<sup>180</sup> For Mill, equality generates sameness, which is uncondusive to a meritocracy where individuals with talent and mental excellence can flourish, guiding the unremarkable masses.<sup>181</sup> Mill’s distinguishing of the cultivated elite was not limited to the more “civilized” among nations. As we can see, he also worried about the class structure *within* “improved” societies such as England: he feared the self-cultivated intellectual elite being consumed by the generality bound by mediocrity.<sup>182</sup>

Mill worries that if the populace does not *believe* that their fate is in their own hands, resentment and envy may develop: “In proportion as success in life is seen or believed to be the fruit of fatality or accident, and not of exertion, in that same ration does envy develop itself as a point of national character.”<sup>183</sup> Once again, he cites those whom he considers to be Europe’s barbarous Others as a warning example in his generalizations about national character: “The most envious of all mankind are the Orientals . . . next to Orientals in envy, as in activity, are some of the Southern Europeans.”<sup>184</sup> He is also critical of the French for envying “all superiority,” but notes that “they make up for it with their great individual energy.”<sup>185</sup> The ideology of meritocracy comes into clear focus when Mill valorizes the “self-helping and struggling Anglo-Saxons” as culturally exemplary.<sup>186</sup> Again, this passage demonstrates how meritocracy appears with a specifically middle-class character: working hard for the betterment of one’s condition is held as a deserving trait, contrasted to the resentful poor and the idle rich. Further, meritocracy emerges as a deception necessary for sustaining an individual’s competitive motivation.

It may be a stretch to claim that Mill is unambivalently committed to methodological individualism, or that he seeks to discredit a more methodologically holistic analysis. Yet, Mill places a high importance on what he calls simply “Individualism” and “self-culture.”<sup>187</sup> This is because he fears that “One whose desires and impulses are not his own, has no character, no

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<sup>180</sup> Mill, *On Liberty and Considerations on Representative Government*, 65.

<sup>181</sup> Mill, *On Liberty and Considerations on Representative Government*, 58.

<sup>182</sup> Smart, “‘Some Will Be More Equal Than Others’. J. S. Mill on Democracy, Freedom and Meritocracy,” 317.

<sup>183</sup> Mill, *On Liberty and Considerations on Representative Government*, 146.

<sup>184</sup> Mill, *On Liberty and Considerations on Representative Government*, 64.

<sup>185</sup> Mill, *On Liberty and Considerations on Representative Government*, 64.

<sup>186</sup> Mill, *On Liberty and Considerations on Representative Government*, 147.

<sup>187</sup> Mill, *System of Logic*, 551.



more than a steam engine has character.”<sup>188</sup> Ultimately, his brand of liberalism must assert that although our environment and circumstances are determining factors of character, “desire to mould it in a particular way is one of those circumstances,” and therefore we indeed have the power to modify our character, if only we wish to do so.<sup>189</sup>

### 3.3 Colonialism and the logic of deservingness

We have noted Mill’s rejection of innate superiority and inferiority of races and sexes in several of his major works. It is his ideal of human moral equality that allows him to establish an ideal of meritocracy: a logic of value production and reward to determine who deserves positions of wealth and honor. As we will now explore, Mill’s commitment to moral equality is coupled with a deeply inegalitarian strand of thinking, which is revealed in his Eurocentrism and his defense of colonialism.<sup>190</sup> I argue that it is precisely Mill’s rejection of biological racism that allows him to defend colonial tutelage in a distinctly modern, English fashion. I now turn to a closer examination of how both a defense of equality and a justification for hierarchy can coexist within Mill’s logic of liberal meritocracy.

Mill’s *Principles of Political Economy*, like his other works, is expressly against biological racism. He asks whether it is not a “bitter satire ... to find public instructors of the greatest pretension imputing the backwardness of Irish industry, and the want of energy of the Irish people in improving their condition, to a peculiar indolence and insouciance in the Celtic race?”<sup>191</sup> He then retorts, in a passage that would later be cited by Ralph Bunche as a defense of racial equality in the twentieth century, “Of all vulgar modes of escaping from the consideration of the effect of social and moral influences on the human mind, the most vulgar is that of attributing the diversities of conduct and character to inherent natural differences.”<sup>192</sup>

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<sup>188</sup> Mill, *On Liberty and Considerations on Representative Government*, 53.

<sup>189</sup> Mill, *System of Logic*, 550.

<sup>190</sup> Lisa Lowe holds that “the British liberal tradition, best exemplified by [John Stuart] Mill, in fact provided the political economic philosophy that permitted imperial expansion” (Lowe, *The Intimacies of Four Continents*, 106). As Eileen Sullivan claims, “With his entire theory, [John Stuart] Mill has been the most important intellectual figure in transforming English liberalism from a dominantly anti-imperialist theory to a very sophisticated defense of an expanding British Empire” (Sullivan, “Liberalism and Imperialism: J.S. Mill’s Defense of the British Empire,” 617).

<sup>191</sup> Mill, *Principles of Political Economy with Some of Their Applications to Social Philosophy*, I-II, 319.

<sup>192</sup> Bunche, *A World View of Race*.

Providing a more structural account of Irish behavior, Mill attributes the supposed laziness of the Irish to the cottier system: “What race would not be indolent and insouciant when things are so arranged, that they derive no advantage from forethought or exertion? ... It speaks nothing against the capacities of industry in human beings, that they will not exert themselves without motive. No laborers work harder, in England or America, than the Irish; but not under a cottier system.”<sup>193</sup> Here we can see again the importance of laborers holding a stake in their work, a crucial factor for a functioning meritocracy. Further, it is the *structural* conditions of the cottier system which produce laziness, according to Mill, and its absence which is conducive to industriousness.

Mill is clearly critical of those who locate undeserving qualities in the Irish character itself to explain their supposed lack of motivation to work. However, in another work Mill uses this very same language that he criticizes to explain why some members of the human race have improved themselves, while others remain in a state of backwardness. He claims that the lack of “improvement” can be traced to the causal factors of undesirable individual characteristics, however these characteristics may have developed: “Inactivity, unaspiringness, absence of desire, are a more fatal hindrance to improvement than any misdirection of energy ... It is this, mainly, which retains in a savage or semi-savage state the great majority of the human race.”<sup>194</sup> Here, Mill attributes deserving characteristics to only certain groups of people – those who demonstrate ambition and a desire to improve themselves. Contentedness is perhaps the worst attribute one can have: “The contented man, or the contented family, who have no ambition to make anyone else happier, to promote the good of their country or their neighborhood, or to improve themselves in moral excellence, excite in us neither admiration nor approval. We rightly ascribe this sort of contentedness to unmanliness and want of spirit.”<sup>195</sup>

Mill concludes that those who do not display such desirable or deserving traits remain in a state of stagnation, lending themselves to the tutelage of more advanced peoples. As we have seen, this applies not only to individuals, but to entire nations. He employs the most uncompromisingly brutal language to describe those who need such tutelage:

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<sup>193</sup> Mill, *Principles of Political Economy with Some of Their Applications to Social Philosophy*, I-II, 319.

<sup>194</sup> Mill, *On Liberty and Considerations on Representative Government*, 148.

<sup>195</sup> Mill, *On Liberty and Considerations on Representative Government*, 147.

Nobody can suppose that it is not more beneficial to a Breton, or a Basque of French Navarre, to be brought into the current of the ideas and feelings of a highly civilised and cultivated people — to be a member of the French nationality, admitted on equal terms to all the privileges of French citizenship, sharing the advantages of French protection, and the dignity and prestige of French power — than to sulk on his own rocks, the half-savage relic of past times, revolving in his own little mental orbit, without participation or interest in the general movement of the world. The same remark applies to the Welshman or the Scottish Highlander as members of the British nation.<sup>196</sup>

Just as we saw with Adam Smith, J.S. Mill uses temporal language in his comparison of the modern West and the backward East.<sup>197</sup> Despite his passionately anti-racist rhetoric examined earlier, Mill's distinction between the savage and the civilized has the effect of racializing groups of people who are seen as illiberal or non-liberal. Like the liberal intellectual legacy of which he is a part, he must dismiss views of life that reflect contentment or weak ambition rather than a "striving, go-ahead character" – the deserving qualities which he appears to feel perfectly capable of judging. Therefore, the politically egalitarian strand in Mill's thought, which insists on the absence of innate superiority or inferiority amongst human beings, exists in tandem with a colonial ideology that is deeply inegalitarian. It then may not surprise us that some modern-day critics have accused Mill of providing "the most influential justification for colonialism" in classical liberalism.<sup>198</sup> At the very least, it is certainly true that we cannot separate Mill's liberalism from the British self-consciousness that represents the "heyday of [European] imperialism."<sup>199</sup> It is arguable that what makes this form of liberalism so widely accepted is its assertion of innate equality.

When Mill confronts "an inferior and backward portion of the human race," he is certain that it is only to their own benefit, and the benefit of humanity as a whole, for them to be

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<sup>196</sup> Mill, *On Liberty and Considerations on Representative Government*, 294–95.

<sup>197</sup> As Eileen Sullivan explains, "Mill maintained that the English were entitled to govern uncivilized peoples against their will because English government brought gradual improvement. A people's lack of civilization was not an innate or genetic characteristic; it was a result of history and could now be remedied by history" (Sullivan, "Liberalism and Imperialism: J. S. Mill's Defense of the British Empire," 610); See also Lowe, *The Intimacies of Four Continents*, chap. 4. Mill's temporal language is evident in his statement that "Despotism is a legitimate mode of government in dealing with barbarians, provided the end be their improvement, and the means justified by actually effecting that end" (Mill, *On Liberty and Considerations on Representative Government*, 9). I will touch on the overlap between liberalism and despotism further in Chapter 5.

<sup>198</sup> Parekh, "Superior People: The Narrowness of Liberalism from Mill to Rawls."

<sup>199</sup> Parekh, "Superior People: The Narrowness of Liberalism from Mill to Rawls."

absorbed by the “superior” and more “civilized” nation.<sup>200</sup> By contrast, “The absorption of the conquerors in the less advanced people would be an evil.”<sup>201</sup> Though despite his advocacy for what he sees as a benevolent, civilizing colonialism, Mill does suggest, however faintly, that in the encounter between the “civilized” and the “half-savage,” both have something to offer: “Whatever really tends to the admixture of nationalities, and the blending of their attributes and peculiarities in a common union, is a benefit to the human race.”<sup>202</sup> Encounter between nations, he believes, benefits all, as long as it results in world progress. And not only is colonialism good for the entire human race, in Mill’s view; nationalities themselves, he believes, are defined by their degree of “improvement.” Mill’s meritocracy, in this sense, seeks to provide a justificatory function for not only the hierarchies of individuals, but also of nations in the colonial context. There are those who are dynamic and deserving of leading world progress, and others who are stagnant and backward, destined to follow and be absorbed by stronger peoples.

### 3.4 Conclusion

This section has examined J.S. Mill’s meritocracy, which affirms the innate equality of human beings, yet also condones a hierarchy in which those who are ambitious, self-cultivating and striving for improvement are worthy of leading the movement of the world. Mill makes it clear that the French and British nations demonstrate these characteristics, and are therefore worthy of not only leadership, but bringing less civilized others into their fold. Simultaneously, we see the *character* of hierarchy changing: On the one hand, Mill vehemently opposes the illiberal, ascriptive hierarchies of racialized slavery and the subordinate status of women. On the other, Mill outlines with certitude a number of deserving characteristics that he presumes can be achieved through a combination of talent and hard work – characteristics that any nation or individual can, theoretically, attain if only they have the proper motivation. And if it is motivation they lack, there are always more advanced and more powerful nations who are willing to show them the way.

Mill’s justification for colonialism is intertwined with his ultimately meritocratic brand of egalitarianism – one that makes a distinction between cultures, nations or peoples who are

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<sup>200</sup> Mill, *On Liberty and Considerations on Representative Government*, 294.

<sup>201</sup> Mill, *On Liberty and Considerations on Representative Government*, 295.

<sup>202</sup> Mill, *On Liberty and Considerations on Representative Government*, 295.

deserving of autonomy, and those who are unworldly, uncultivated and therefore in need of tutelage, so that they might adopt the desirable trait of constant striving for individual improvement. As Bhikhu Parekh puts it, liberal thinkers like Mill believe in equal respect for human beings, yet they find it difficult to accord respect to those who do not value autonomy, individuality, ambition, competition and the pursuit of wealth.<sup>203</sup>

### Conclusion: The liberal logic of deservingness

In examining classical liberal theory, I have located a tension between the natural and moral equality of all human beings on the one hand, and on the other, the structural inequality created by the division of labor, which renders life a race in which individuals are rewarded according to their value contribution. Value contribution takes on a moral status as it begins to be tied to deservingness. In this way, meritocracy operates as an ideology that explains wealth and status differentials in moral rather than socially holistic terms. Some will win, while others must lose; meritocracy serves to naturalize this hierarchy characteristic of market society. This naturalization occurs as social status begins to develop around one's economic position in the structural division of labor, which Marx would later call the division between capital and labor. Self-determination becomes the means by which individuals compete for positions in the social hierarchy.

Because levels of wealth and status are achieved, rather than ascribed by a higher power or right of birth, the logic of deservingness comes to structure the moral conception of individuals. Deservingness is a methodologically individualist mechanism that denies the social character of capitalist hierarchy. Impoverished people and colonial subjects are seen as dependent individuals who have failed to develop industrious, self-seeking behaviors and who are therefore less worthy of wealth and freedom.<sup>204</sup> As a result, the poor are "othered," and non-Europeans are racialized, as their positions in relation to others *appear*, from the perspective of liberal theory and the capitalist division of labor, to be a result of individual inferiority. I have examined how Locke establishes notions of deservingness tied to value production. Adam Smith and J.S. Mill affirm social determinacy in their analyses, yet ultimately must disavow it, and

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<sup>203</sup> Parekh, "Liberalism and Colonialism - a Critique of Locke and Mill," 97.

<sup>204</sup> On the colonial and gendered roots of the modern notion of welfare "dependency," see Fraser and Gordon, "A Genealogy of Dependency: Tracing a Keyword of the U.S. Welfare State."

develop their own notions of deservingness through moral, ideological constructions. They must do so for two reasons: First, they have to reconcile the simultaneous moral equality and *sameness* of human beings in their natural equality, and the inequality and *difference* in material infrastructures produced by capitalism. Second, they fear that the presence of material equality implies a rigid structuralism and flatness, which inhibits the competition and industry that is necessary for world progress.

Previous studies have traced “meritocracy” to its first use in the 1950s, as a socialist criticism of elitism in market society, and have demonstrated how the term was reclaimed in the neoliberal era as an ideal organization of capitalist society. I have located the roots of meritocracy earlier in European history, to some of the first theories of market society. Economically, labor comes to be seen as the means by which individuals legitimately acquire private property. As we have seen, however, labor has two related but often opposed meanings: it is physical effort, and it is the creation of social value. Not all work, therefore, can be said to count as labor. Ideologically, value-producing labor becomes something desirable and as such, it is placed in a position of honor. Individuality and self-determination become defined by work that produces social value. Overall, I have shown how meritocracy develops as a way of explaining and justifying new discrepancies between wealth and poverty. As we will explore in the next chapter, meritocratic worldviews are a species of the theory of value where moral assertion replaces a socially scientific analysis. Explicitly counter to the principle of hierarchy based on innate racial and gender differences, meritocracy affirms that hard work and other deserving attributes can be cultivated in all individuals. Perhaps ironically, because the social order appears to be something achieved (with “talent” always being an ambiguously biological concept), the hierarchy of “ability” appears natural, even though it is socially determined. The capitalist economy then becomes conducive to methodologically individualist ways of thinking. The dynamic (wealth-producing) form of hierarchy makes even gross inequality appear as a natural or inevitable result of human difference, as opposed to something socially created.

Liberal political economy affirms egalitarianism in the form of moral equality, while simultaneously accepting a type of inegalitarianism in which individuals earn (and therefore deserve) their place in the social hierarchy. As we have seen in all of the theorists we have examined, European exceptionalism defines what are considered talented, acceptable, and

deserving human attributes: the industrious, enterprising, self-making, and competitive yet sportsmanlike individual. The belief in the necessity of tutelage of the poor and the colonized, at least in John Locke and J.S. Mill, has the patronizing and racializing effect of conceiving of these peoples as less than fully capable humans.

In the following chapter, we will see how early socialism inherits classical political economy's constitutive tensions, as it makes claims to the fair reward of labor based on the logic of value-producing labor and reward.

## Chapter 2: Socialism, the labor theory of value, and the tensions of liberalism

*[I]s any species of labour, mental or manual, cheerfully given according to the capacity of the giver, more or less deserving of reward than another?*

William Thompson, *Labor Rewarded*, 1827

### Introduction

I have established three important dichotomies which stand in tension with one another: achieved hierarchy and ascriptive hierarchy; methodological individualism and social holism; and moralizing judgement and immanent critique. With its emphasis on achieved hierarchy and moralizing judgement of the individual, the concept of meritocracy affirms what I have identified as a liberal *logic of deservingness*. Nonetheless, meritocracy contains within it the specters of what it denies: ascriptive hierarchy (with an ambivalent emphasis on excellence or lack thereof as features of innately superior or inferior individuals, and colonial tutelage as a remedy for cultural inferiority); dependence on the social whole for determining what counts as valuable individual labor; and a view of society which threatens to rationalize individual behavior, precluding our ability to judge morally. The present chapter helps us establish meritocracy's tensions as constitutive of the capitalist political economy itself. Understood from a political economic perspective, through a mode of immanent critique, these tensions become "contradictions with a rational foundation."<sup>1</sup> From this perspective, we will see how mere

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<sup>1</sup> This is David P. Levine's phrase (*Economic Studies: Contributions to the Critique of Economic Theory*, 103).



condemnation or praise of meritocratic ideology cannot account for its place as a *necessary* deception in capitalist society.

This chapter more explicitly establishes the political economic foundation of our examination of meritocracy. Two major themes will occupy our focus in this chapter: The first is what is commonly termed *the labor theory of value* in classical political economic thought.<sup>2</sup> The second is how the labor theory is employed by early socialist thought before Marx to claim entitlement to reward. In our exploration of these themes, I will analyze the connection between the logic of deservingness – which I have argued lies at the core of the notion of meritocracy – and the classical concepts of “labor” and “value.”

I divide this exploration into three sections. Section 1 illustrates the meaning and significance of the labor theory of value in its classical form. This section will focus on the first significant sketches of the labor theory of value, which can be found in the writings of Adam Smith and David Ricardo. This theory in its mature form, which arrives only with the work of Karl Marx, posits that “value,” the product of a social relation between capital and labor, is made up of a quantum of socially necessary labor.<sup>3</sup> Unlike Locke’s labor theory of property, which asserts that individuals who perform value-enhancing labor are morally entitled to land, the labor theory of value is not in itself an inherently moralizing or individualist doctrine. While the labor theory of property is an explicit theory of who deserves what, the labor theory of value is structural in its design; it is intended to explain commodity production and circulation, and has nothing to say about particular, individual claims to entitlement to land or wealth. Derived from the concept of the social division of labor, which I outlined in Chapter 1, the labor theory of value is a claim about the total social product of labor, and portions of that total social product which are embodied in commodities. Therefore, it is a theory of how a system of commodity circulation does (or does not) produce wealth for society as a whole. It can, however, be used by political economic theorists to draw ethical *implications*.<sup>4</sup> In particular, socialists begin to make

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<sup>2</sup> However, the labor theory of value is not one consistent idea, as we will see. It has different meanings depending on the theorist we are looking at - whether that theorist is Smith, Ricardo, Marx, or any of their interpreters.

<sup>3</sup> Meek, *Studies in the Labor Theory of Value*, 62; Levine, *Economic Studies: Contributions to the Critique of Economic Theory*, 69. I will discuss the meaning and significance of “socially necessary labor” in Chapter 3.

<sup>4</sup> Unlike Locke’s labor theory of property, the classical labor theory of value, which is derived from the concept of the social division of labor, does not in itself necessarily presuppose any political or moral commitments (Meek, *Studies in the Labor Theory of Value*, 126). I am arguing that the way the labor theory of value is employed by

claims about the just compensation of labor. In this section, we will explore the basis of Smith's observation that the "whole produce of labor" constitutes the "natural recompense of wages"<sup>5</sup> but that in market society, the laborer must give up a portion of their natural wages to their employer, resulting in *unequal exchange*.<sup>6</sup> By contrast, Ricardo posits that even in market society, values in fact exchange *equally* on the marketplace, and exchangers meet as formal equals.

A number of socialists employ the labor theory of value inherited from Smith and Ricardo in an attempt to move *beyond* the moralizing labor theory of property, and to make their claims to wealth more scientific and quantifiable. Section 2 looks to the work of socialists known variably as "Smithian" or "Ricardian," with a particular focus on Irish socialist William Thompson (1775-1833), and English socialists Thomas Hodgskin (1787-1869) and John Gray (1789-1883).<sup>7</sup> I follow political economist Noel Thompson's emphasis on the distinction of these three socialists compared to other socialist writers of their time – such as Charles Hall and Robert Owen – due to their development of a theory of labor exploitation explicitly derived from the premises of classical political economy.<sup>8</sup> As we will see, they are arguably better termed

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utopian socialists – rather than the labor theory of value as such – depends on a logic of deservingness. By contrast, although the value theories Smith, Ricardo and Marx certainly have ethical and political *implications*, their theories in themselves are not concerned with moral postulates so much as with the analysis of economic processes (Dobb, "Reviewed Work(s): Private Property: The History of an Idea by Richard Schlatter," 95). In this way, the labor theory of value has a more scientific element than the labor theory of property; while the former is a claim about the total social product of labor, the latter is explicitly an assertion of individual moral entitlement to land.

<sup>5</sup> Smith, *The Wealth of Nations*, 69.

<sup>6</sup> Smith, *The Wealth of Nations*, bk. 1, chap. 8, "Of the Wages of Labour."

<sup>7</sup> H.S. Foxwell argues that, "It was Ricardo, not [Robert] Owen, who gave the really effective inspiration to English socialism. This was the real intellectual origin of revolutionary socialism and it was for this reason I call it Ricardian" (Quoted in Noel Thompson, *The People's Science*, p. 84, footnote 5). Friedrich Engels similarly observes that "Insofar as modern socialism, no matter of what tendency, starts out from bourgeois political economy, it almost without exception takes up the Ricardian theory of value. The two propositions which Ricardo proclaimed in 1817 right at the beginning of his *Principles*, 1) that the value of any commodity is purely and solely determined by the quantity of labour required for its production, and 2) that the product of the entire social labour is divided among the three classes: landowners (rent), capitalists (profit) and workers (wages). These two propositions had ever since 1821 been utilised in England for socialist conclusions, and in part with such pointedness and resolution that this literature, which had then almost been forgotten and was to a large extent only rediscovered by Marx, remained unsurpassed until the appearance of *Capital*" (Engels, "Preface to the First German Edition" in Marx, *Poverty of Philosophy*). I follow Foxwell, Thompson, and Engels' argument regarding the influence Ricardo on the early European socialists. But because the early socialists ultimately *reject* Ricardo's theory of equal exchange and claim Smith's theory of *unequal exchange* as more accurate, I choose to refer to them as "Smithian socialists."

<sup>8</sup> This chapter rather heavily relies on Noel Thompson as a secondary source. His extensive research and analysis of the value theories of Thompson, Hodgskin, and Gray open up space for outlining what I am identifying as an early

Smithian socialists, as their theories depend on an *acceptance* of Smith's diagnosis of unequal exchange between proprietors and producers in commercial society, and a *rejection* of Ricardo's theory that values exchange as equivalents on the market.<sup>9</sup> In this section, I focus on how socialist theories of unequal exchange conclude that justice is a matter of returning to the laborer the "whole produce of his labor." However, as we will explore in this chapter, the term "whole produce of labor" poses a number of unresolved ambiguities that are expressed in Smithian socialist thought. Further, despite their attempts to derive a scientific theory of exploitation, with the exception of William Thompson, the Smithian socialists seem unable to entirely escape the trap of the deservingness logic, as their claims to justice are still based on labor contribution. We will see that in some cases, the way the labor theory of value is employed by early socialists depends on a logic of deservingness wherein the laborer is entitled to reward by virtue of their individual labor. Other times, the labor theory of value, and therefore the attempt to objectively calculate exploitation, is abandoned all together. In the latter instances, the socialist calls for justice more closely resemble a mere inversion of Locke's labor theory of property: instead of the overseers of labor, it is the laborers themselves who are most deserving of reward.

Section 3 of this chapter explores what is perhaps the most prominent example of this Lockean inversion. Here, we move away from the labor theory of value and turn toward the logic of deservingness in the influential French socialist Henri de Saint-Simon (1760-1825). Saint-Simon makes a moral and economic distinction between the "idle" (non-producing) and "industrious" (productive) classes, and is explicit about his ideal society: a hierarchy based on skill level and investments that are conducive to industry.<sup>10</sup> To the extent that individual labor serves as a claim to property, this strand of early socialist thought reproduces the tensions inherent to liberal theories by positing what we might think of as a *socialist meritocracy*, in

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socialist logic of deservingness. According to Noel Thompson, their singularity lies in the fact that "[t]hey grasped the prime importance of formulating a theory of value to use as a foundation for their critical analysis; they saw the utility of value theory as a means of explaining the maldistribution of wealth (exploitation of labour) which characterized capitalism and they integrated their theories of value and distribution with a macroeconomic explanation of general economic depression" (Noel Thompson, *The People's Science*, 82). Therefore, while I will also mention English socialists such as Piercy Ravenstone, Charles Hall, and Welsh socialist Robert Owen, particular attention will be paid to Hodgskin, Gray and Thompson as a distinct group of thinkers due to their value theories.

<sup>9</sup> Noel Thompson thus argues that Marx is the only true Ricardian socialist (Noel Thompson, *The People's Science*, 89). Further, it is evident that these 'labor writers' did not read Ricardo, but they did read *Wealth of Nations*, and therefore took their inspiration from Smith rather than Ricardo (ibid, 86, footnote 16).

<sup>10</sup> Saint-Simon, *Henri Saint-Simon (1760-1825)*, 158.

which reward goes to each according to the value of their labor. As we will see, in contrast to the Smithian socialists, Saint-Simon's socialism is *explicitly* and primarily a moralizing doctrine. As Laura Brace puts it, "French socialism was undialectical, with no account of how capitalism would transform itself and generate equality. This strand of socialism is based on a moralizing critique within which the socialist society is built from the outside and 'theory is developed independently of the world.'"<sup>11</sup> These moral declarations about the way society *should* be are the reason Marx and Engels would label their socialist predecessors "utopian."<sup>12</sup> In this section, I focus on how Saint-Simon and his followers develop a theory of "fair inequality" or "hierarchical socialism," as Riccardo Soliani puts it.<sup>13</sup> By contrast, we will see how socialist William Thompson begins to think of the market in *social* instead of merely *individual* terms, and explicitly probes the concept of "merit" as it relates to labor and reward.<sup>14</sup>

We saw in Chapter 1 how bourgeois radicalism sparked a new demand for equality ordered by merit instead of by birth. One hundred years after the French Revolution, political economist H.S. Foxwell observes in 1899 that current European ideals of equity are crystalized into phrases such as "a living wage," "a fair day's wage for a fair day's work," "equality of opportunity," and "laissez-faire."<sup>15</sup> Yet, he notes, even in an atmosphere of social ferment and revolutionary proposals, these axioms of justice are not fully reflected in either the legal structure or in economic relations: "In politics, equality; in economics, subordination. One man, one vote: why not also one man, one wage?" This contrast, Foxwell believes, is "full of social unsettlement" and accounts for much of the unrest characteristic of his time. The bourgeois

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<sup>11</sup> Brace, *The Politics of Property*, 125.

<sup>12</sup> We will explore Marx and Engels's reasons for the "utopian" label further in Chapter 3. Henri de Saint-Simon, Charles Fourier, and Robert Owen are usually grouped together as the Utopian socialists (Harrison, *Robert Owen and the Owenites in Britain and America*, chap. 2, "The Definition of Socialism"). The Smithian socialists are usually exempt from this label in Marx and Engels' corpus. This is likely due to the Smithian socialists' deeper engagement with value theory, including their attempt to confront the antagonisms of capitalism.

<sup>13</sup> Soliani, "Claude-Henri de Saint-Simon: Hierarchical Socialism?" 22.

<sup>14</sup> William Thompson, *Labor Rewarded: The Claims of Labor and Capital Conciliated; or, How to Secure to Labor the Whole Products of Its Exertions*, 16.

<sup>15</sup> Foxwell, *Introduction to the English Translation of A. Menger, The Right to the Whole Produce of Labour*, xii–xiii. Foxwell writes the introduction to Austrian juridical theorist Anton Menger's *The Right to the Whole Produce of Labour; the Origin and Development of the Theory of Labour's Claim to the Whole Product of Industry* (1899). Because the latter work is written from a legal perspective, Noel Thompson notes that Foxwell's introduction to the work, written from a political economic theory perspective, is of greater interest to the political economic historian (Noel Thompson, *The People's Science*, 84, footnote 5).

revolutions in England and in France had left privilege intact; claims to private property remained exclusive to the wealthy classes.<sup>16</sup> Socialists in the eighteenth and early nineteenth century believed there was much work to be done to improve the lives of workers who performed grueling labor and received meagre recompense. It is in this context that we might understand their appropriation of classical thought for their own political and economic purposes.

## 1. The value theories of Adam Smith and David Ricardo

As we have seen in Chapter 1, there is a “socialistic yeast” fermenting in Adam Smith’s *The Wealth of Nations*, which Foxwell calls a “wonderfully Catholic” work.<sup>17</sup> This is most explicit in Smith’s comments about the fate of the poor in commercial society, such as: “Civil government, so far as it is instituted for the security of property, is in reality instituted for the defense of the rich against the poor, or those who have some property against those who have none at all.”<sup>18</sup> As we will see, many of the socialists’ conceptions of value, productive labor, and deservingness are derived from this socialist side of Smith. Thus, before we turn to the theories of the early socialists, this section outlines the value theories of Adam Smith (1723-1790) and David Ricardo (1772-1823).<sup>19</sup> In this discussion, I highlight what Marx deems Adam Smith’s recognition of labor as the “origin” of surplus-value.<sup>20</sup> Smith believes that in early societies, the “whole produce of labor” constitutes the “natural recompense of wages.”<sup>21</sup> But in market society, the laborer must give up a part of what they produce to the master or landlord. This means the laborer no longer obtains the whole product of their labor, resulting in unequal exchange.<sup>22</sup> By

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<sup>16</sup> Brace, *The Politics of Property*, 121; Kramnick, *Republicanism and Bourgeois Radicalism: Political Ideology in Late Eighteenth-Century England and America*.

<sup>17</sup> Foxwell, *Introduction to the English Translation of A. Menger, The Right to the Whole Produce of Labour*, xxviii.

<sup>18</sup> Foxwell, *Introduction to the English Translation of A. Menger*, xviii, quoting Adam Smith, *The Wealth of Nations*, book 5, section c, I, part ii.

<sup>19</sup> The reader might wonder why I delve so deeply into the labor theory of value in this chapter. I follow Diane Elson’s contention that the labor theory of value is important insofar as it is the foundation of the “attempt to understand capitalism in a way that is politically useful to socialists” (Elson, “Introduction,” i). It is therefore important to understand how the labor theory of value is used by the socialists in the present chapter. Historically, versions of the labor theory of value and labor theory of property have been the basis of claims - however ambivalent and ambiguous - about what the laborer deserves.

<sup>20</sup> Marx, *Theories of Surplus-Value, Volume I*, 80.

<sup>21</sup> Smith, *The Wealth of Nations*, 69.

<sup>22</sup> Smith, *The Wealth of Nations*, bk. 1, chap. 8, “Of the Wages of Labour.”

contrast, Ricardo posits that all values in fact exchange equally on the marketplace. This section explores Smith's inconsistent labor theory of value, and the significance of Ricardo's correction. This foundation will then help us understand how the labor theory of value is appropriated by early socialists, whose economic distinction between the productive and unproductive classes becomes a moral distinction.

### *1.1 Adam Smith's inconsistent value theory*

Smith distinguishes between two types of "value": 'value in use' or "the utility of some particular object," and 'value in exchange' or "the power of purchasing other goods which the possession of that object conveys."<sup>23</sup> Exchange-value becomes especially important because once the division of labor has taken place, "it is but a very small part" of the "necessaries, conveniences and amusements of human life" with which an individual's own labour can supply for themselves. "The far greater part of them he must derive from the labour of other people, and he must be rich or poor according to the quantity of that labour which he can command, or which he can afford to purchase."<sup>24</sup> The value of any commodity, then, is the labor it allows us to purchase or command: "Labour, therefore, is the real measure of the exchangeable value of all commodities."<sup>25</sup>

One of Adam Smith's primary challenges from a political economic perspective is to account for the existence of not only *wages* for the laborer, but also *profit* for the manager or employer of stock, and *rent* for the landowner.<sup>26</sup> In other words, if labor entitles us to monetary reward in the form of wages, how do overseers of labor and other non-productive members of society receive an income? Smith is clear that profits of stock are not merely "a different name for the wages of this particular sort of labor, the labor of inspection and direction."<sup>27</sup> Rather, profits are "altogether different," as they are "regulated by quite different principles."<sup>28</sup> Unlike

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<sup>23</sup> Smith, *The Wealth of Nations*, 32.

<sup>24</sup> Smith, *The Wealth of Nations*, 34.

<sup>25</sup> Smith, *The Wealth of Nations*, 34.

<sup>26</sup> Noel Thompson, *The People's Science*, 88.

<sup>27</sup> Smith, *The Wealth of Nations*, 52. This view was contrary to many political economists who, even in the late 1770s when Smith was writing, did not appreciate the difference between wages and profits (Meek, *Studies in the Labor Theory of Value*, 26).

<sup>28</sup> Smith, *The Wealth of Nations*, 52; Meek, *Studies in the Labor Theory of Value*, 26.

wages, profits bear “no proportion to the quantity, the hardship, or the ingenuity of this supposed labor of inspecting and directing,” but are instead regulated by “the value of the stock employed, and are greater or smaller in proportion to the extent of this stock.”<sup>29</sup> In other words, wages are connected to deservingness according to labor, whereas profits are disconnected from it.

Again, employing his method of conjectural history that we explored in Chapter 1, Smith compares what he understands as *equality of exchange* characteristic of earlier societies, with the *inequality of exchange* in commercial society. In pre-modern societies, “the whole produce of labour belongs to the labourer.”<sup>30</sup> Further, in this “original state of things,” which precedes land appropriation and stock accumulation,<sup>31</sup> “[i]t is natural that what is usually the produce of one or two days or two hours of labor, should be worth double of what is usually the produce of one day’s or one hour’s labor.”<sup>32</sup> He gives the example of a nation of hunters: “[I]f ... for example, it usually costs twice the labor to kill a beaver which it does to kill a deer, one beaver should naturally exchange for or be worth two deer.”<sup>33</sup>

In market society however, the laborer must “share” part of what he produces “with the owner of the stock which employs him,” resulting in the laborer *no longer* obtaining the whole product of his labor.<sup>34</sup> He names this discrepancy as a distinction between the “natural price” and “market price,” of a commodity.<sup>35</sup> The market price is formed at the laborer’s expense:

As soon as the land of any country has all become private property, the landlords, like all other men, love to reap where they never sowed, and demand a rent even for its natural produce. The wood of the forest, the grass of the field, and all the natural fruits of the

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<sup>29</sup> Smith, *The Wealth of Nations*, 52.

<sup>30</sup> Smith, *The Wealth of Nations*, 69.

<sup>31</sup> Smith, *The Wealth of Nations*, 69.

<sup>32</sup> Smith, *The Wealth of Nations*, 51.

<sup>33</sup> Smith, *The Wealth of Nations*, 51. Smith is not always precise about whether he is prioritizing *effort* or *time* as a measure of the “cost” of labor, and therefore as a proper measure of equivalents; though his specification of “one day’s or one hour’s labor” alerts us to the temporal dimension of his measurement of labor equivalents. However, he also says that “if the one species of labour requires an uncommon degree of dexterity and ingenuity, the esteem which men have for such talents will naturally give a value to their produce, superior to what would be due to the time employed about it” (ibid, 51). But he switches back to the priority of the temporal dimension of labor equivalents with the next sentence: “Such talents can seldom be acquired but in consequence of long application, and the superior value of their produce may frequently be no more than a reasonable compensation for the time and labour which must be spent in acquiring them” (ibid, 51).

<sup>34</sup> Smith, *The Wealth of Nations*, 53.

<sup>35</sup> Smith, *The Wealth of Nations*, bk. 1, chap. 7, “Of the Natural and Market Price of Commodities.”

earth, which, when land was in common, cost the labourer only the trouble of gathering them, come, even to him, to have an additional price fixed upon them.<sup>36</sup>

This is what is called Smith's "component parts" theory of price: when wages, profit and rent are taken together to form what he calls the "natural" price. A commodity is sold for its natural price when it "is neither more nor less than what is sufficient to pay the rent of the land, the wages of the labour, and the profits of the stock employed in raising, preparing, and bringing it to market, according to their natural rates."<sup>37</sup> The market price of a commodity is "the actual price at which any commodity is sold," which may be at, above or below its natural price.<sup>38</sup> The latter is regulated by the proportion between supply (the quantity of the commodity which is actually brought to the market) and effectual demand (of all those who are willing and able "to pay the natural price of the commodity, or the whole value of the rent, labour, and profit, which must be paid in order to bring it thither").<sup>39</sup> Smith theorizes that all the different parts of a commodity's price "will soon sink to their natural rate, and the whole price to its natural price" through this regulating mechanism of supply and demand.<sup>40</sup> Yet, there is something more fundamental than the principle of supply and demand, Smith recognizes, toward which prices gravitate. This is the principle of value: "The real value of all the different component parts of price, it must be observed, is measured by the quantity of labour which they can, each of them, purchase or command. Labour measures the value, not only of that part of price which resolves itself into labour [wages], but of that which resolves itself into rent, and of that which resolves itself into profit."<sup>41</sup>

Importantly, Smith's theory points toward the notion that it is in fact socially useful *labor* in general that is the source of the capitalist's profit, the landlord's rent, and other non-waged incomes. "Thereby," as Marx would put it almost ninety years later, "[Smith] has recognized the true origin of surplus-value."<sup>42</sup> Smith's discovery laid the groundwork for how socialists would

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<sup>36</sup> Smith, *The Wealth of Nations*, 53.

<sup>37</sup> Smith, *The Wealth of Nations*, 59.

<sup>38</sup> Smith, *The Wealth of Nations*, 60.

<sup>39</sup> Smith, *The Wealth of Nations*, 60.

<sup>40</sup> Smith, *The Wealth of Nations*, 62.

<sup>41</sup> Smith, *The Wealth of Nations*, 54.

<sup>42</sup> Marx, *Theories of Surplus-Value, Volume I*, 80; King, "Utopian or Scientific? A Reconsideration of the Ricardian Socialists," 349. However, Smith does not actually use the term "surplus-value," which is a concept we do not see explicitly until the Smithian socialists (Noel Thompson, *The People's Science*, 106, footnote 97). William Thompson



come to think of “exploitation” in political economic terms: The notion that a part of what rightfully belongs to the laborer is in fact stolen or taken from them unfairly. As these socialist theories attempt to make exploitation objective, we will see that behind the early socialist notion of exploitation is a logic of deservingness in which entitlement to wealth depends on labor contribution.

An important complication arises in Smith’s value theory when, to explain the existence of surplus in commercial society, his investigation locates a gap between the labor *embodied* in a commodity and the labor *commanded* by that commodity in market exchange.<sup>43</sup> There has been debate over whether Smith’s theory ultimately still locates labor embodied in production as opposed to labor commanded in exchange as the source of value in commercial society,<sup>44</sup> whether he conflates labor embodied and labor commanded in the determination of value, or whether his conception of value as labor commanded in modern society replaces his conception of value as labor embodied in “rude” society.<sup>45</sup> In our reading, it is clear that Smith abandons his theory of value as solely labor-*embodied* in order to explain the presence of surplus-value in commercial society.<sup>46</sup> Shortly after stating that labor is the measure of all value, Smith notes that in commercial society, not only wages, but now also profit and rent become “the three original sources of all revenue as well as of all exchangeable value. All other revenue is ultimately derived from some one or other of these.”<sup>47</sup> Smith notes further that “in a civilized country, there

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may have been the first to use it in 1824 (William Thompson, *An Inquiry into the Principles of the Distribution of Wealth Most Conducive to Human Happiness*, 128).

<sup>43</sup> Smith, *The Wealth of Nations*. See bk. 1, chap. 6.

<sup>44</sup> For example, J.E. King argues that Smith recognizes the “gap” between labor expended in production (embodied) and labor commanded in exchange, and posits that Smith’s solution is to claim that all value can be traced to labor expended in production (King, “Utopian or Scientific? A Reconsideration of the Ricardian Socialists,” 349).

<sup>45</sup> For example, Noel Thompson takes this position (Noel Thompson, *The People’s Science*, 89).

<sup>46</sup> Noel Thompson, *The People’s Science*, 89.

<sup>47</sup> Smith, *The Wealth of Nations*, 56. Smith’s use of “original” is confusing here, as he is making an observation about *new* sources of value in commercial society, as opposed to pre-commercial society. In our discussion of this chapter of Smith’s titled “On the Component Parts of the Prices of Commodities,” it is worth noting that Smith maintains a distinction between “price” and “real value” (which he appears to equate with “exchange value”). This is evident from his sentence: “The real value of all the different component parts of price, it must be observed, is measured by the quantity of labor which they can, each of them, purchase or command. Labour measures the value not only of that part of price which resolves itself into labour, but of that which resolves itself into rent, and of that which resolves itself into profit” (ibid, 54).

are but few commodities of which the exchangeable value arises from labour only,” because rent and profit contribute “largely to that greater part of them.”<sup>48</sup>

I follow David P. Levine’s analysis, which attributes the confusion and multiplicity of interpretations to the duality in Smith’s own writing. Smith in fact presents two different determinations of his value theory: as both labor commanded by the commodity in exchange, *and* labor embodied (or “congealed”) in the commodity purchased in that exchange.<sup>49</sup> This seeming contradiction actually allows “the two different determinations of the value theory to express different components of the value problem;”<sup>50</sup> they in fact “emerge as different expressions of a single principle.”<sup>51</sup> In other words, the two principles fit together in the sense that labor commanded by the commodity in exchange *is* the representation of labor which is embodied in the commodity purchased in that exchange; the two are merely different expressions of what Smith begins to conceive of as value.<sup>52</sup> Labor commanded – or exchange-value – is the necessary expression (appearance) of value as embodied labor (essence).

For our purposes, two components of Smith’s theory are worth highlighting here. The first is the idea that the “value” of a commodity can no longer be measured simply by individual, physiological toil the way it could in Smith’s pre-modern hunter society. The division of labor is a distinctly social system whose operations determine what counts as valuable labor – or *social* labor, as Marx would later call it. The second component worth highlighting is the idea that as a result of the division of labor, individual compensation for labor is no longer straightforward in capitalist society and can *no longer* be measured by individual labor time or effort alone, absent a conception of market society as a whole.

Although the direct connection of labor to value “remains always implicit” in Smith and Ricardo’s thought, this connection still constitutes “a rational foundation within the structure of

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<sup>48</sup> Smith, *The Wealth of Nations*, 57.

<sup>49</sup> Levine, *Economic Studies: Contributions to the Critique of Economic Theory*, 58.

<sup>50</sup> Levine, *Economic Studies*, 58–59.

<sup>51</sup> Levine, *Economic Studies*, 59.

<sup>52</sup> Levine, *Economic Studies*, 60. As Ronald Meek puts it, Smith introduced “an unnecessary dichotomy into value theory” (Meek, *Studies in the Labor Theory of Value*, 78). Namely, “One method was used to value output and another to value input. The value of output was estimated in terms of the amount of labour which it would purchase or command. The value of input, on the other hand, was in effect estimated in terms of the amount of labour required to produce the output” (*ibid*, 78).

classical thinking.”<sup>53</sup> Ricardo is significant because his “mature position on value can be defined in terms of the consistent link of value to labor and therefore the explicit introduction into economic analysis of the concept of labor.”<sup>54</sup> Yet, despite his attempt to correct Smith’s inconsistencies, Ricardo ends up reproducing Smith’s ambiguous conception of what constitutes “labor.”<sup>55</sup>

## 1.2 David Ricardo’s value theory

David Ricardo picks up on the ambiguous distinction between the conception of labor embodied and labor commanded in Smith’s labor theory of value and develops his own more consistent labor theory of value. This is important for our purposes because English socialists, and later Marx himself, would use Ricardo and Smith’s conceptions of labor and value to clarify their own theories of value and of exploitation. These various interpretations and uses of the labor theory of value have direct implications for our understanding of how deservingness is determined in political economic theory.

Ricardo believes that Smith correctly identifies labor as the “original source” of exchangeable value; in other words, “that all things became more or less valuable as more labor was bestowed upon their production...”<sup>56</sup> However, Ricardo is critical of Smith, believing the latter has “erected another standard measure of value, and speaks of things being more or less valuable in proportion as they will *exchange* for more or less of this standard measure.”<sup>57</sup> Sometimes Smith speaks of corn, and other times of labor, as a standard measure of value; “not the quantity of labor bestowed on the production of any object, but the quantity which it can command in the market: as if these were two equivalent expressions...”<sup>58</sup> As Ricardo points out, Smith fails to account for the fact that if a laborer becomes twice as efficient by producing twice

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<sup>53</sup> Levine, *Economic Studies*, 89.

<sup>54</sup> Levine, *Economic Studies*, 97.

<sup>55</sup> Levine, *Economic Studies*, 88.

<sup>56</sup> Ricardo, *On the Principles of Political Economy and Taxation*, 10.

<sup>57</sup> Ricardo, *On the Principles of Political Economy and Taxation*, 10, my emphasis. According to Levine, Ricardo misses Smith’s (implicit) recognition of the dialectical nature of production and exchange (Levine, *Economic Studies*, 103). For Levine, it is both Smith and Ricardo’s “attempt to treat the capital relation as an exchange relation, therefore to treat it concretely rather than in abstraction from its systematic implications and conditions, that the breakdown of classical theory takes its most acute form. The dual existence of the wage as a price and as a share confounds the attempt to conceptualize value, price and labor as equivalent” (ibid, 103).

<sup>58</sup> Ricardo, *On the Principles of Political Economy and Taxation*, 10.

the quantity of commodities in a given time, he does *not* receive twice the former quantity in exchange for it. For Ricardo, value is determined by the relative quantities of labor time required for a given commodity's production. In estimating the exchangeable value of things, "we shall find that their value, comparatively with other things, depends on the total quantity of labor necessary to manufacture them, and to bring them to market."<sup>59</sup> Most importantly, for Ricardo, the law of value dictates that commodities exchange as *equivalents* in market society; he rejects the hypothesis that values exchange unequally on the market, and instead posits the doctrine of *equal* exchange. As we will explore in the next chapter, Marx, unlike socialists before him, does not have to rely on the theory of unequal exchange to demonstrate the presence of labor exploitation under capitalism. He follows the Ricardian notion of equal exchange: For him, commodities exchange at their full labour-embodied values under capitalism, yet exploitation both exists and even increases in intensity.<sup>60</sup>

It is perhaps unsurprising that Smith's labor theory of value, and Ricardo's subsequent criticism, lend themselves to theories of exploitation developed by their socialist successors. Smithian socialists frame their critique of capitalist relations as a matter of *unequal exchange*, wherein the laborer does not receive the full product of their labor back in wages; deductions are taken by the capitalist in the form of profit and rent. Therefore, their theories derive from a conviction that non-wage incomes (profit and rent) are a result of the *violation* of the natural (pre-modern) law of value that Smith establishes.<sup>61</sup> Capitalism corrupts this natural law, they believe, and justice is a matter of returning to the worker the *whole produce* of their labor, which they deserve by natural right. Though they do not develop their labor theories of value to the sophisticated degree that Marx does, Hodgskin and Bray come nearest to a labor-embodied expression of value.<sup>62</sup> To understand the development of what I am calling a socialist meritocracy, I now examine how this political economic logic of deservingness manifests in some key Smithian socialists.

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<sup>59</sup> Ricardo, *On the Principles of Political Economy and Taxation*, 18.

<sup>60</sup> Noel Thompson, *The People's Science*, 105.

<sup>61</sup> King, "Utopian or Scientific? A Reconsideration of the Ricardian Socialists," 349.

<sup>62</sup> Noel Thompson, *The People's Science*, 90.

## 2. Socialism, value, and unequal exchange

This section primarily focuses on a group of eighteenth and early nineteenth century socialist thinkers who may be described as lesser-known precursors – and to the degree they overlap, contemporaries – of Karl Marx. Their work is notable because of how they conceive of and respond to the problem of inequality in emergent industrial capitalism. They are especially disturbed by the inequality between owners and producers of wealth. In particular, we will examine how they inherit the labor theories of value from Adam Smith and David Ricardo, and the labor theory of property from John Locke, making use of all three for socialist purposes. Instead of those who oversee or control productive labor, the early socialists believe it is the *laborers themselves* who deserve the “products” or “fruits” of their own labor. This type of socialism can be described as “a theory of the State’s action founded on a theory of the laborer’s right ... *that every man shall possess the whole produce of his labor.*”<sup>63</sup> But to the extent that the produce of one’s labor is treated as a coherent whole and an objectively quantifiable entity, it ignores the constitutive difficulties of measuring individual contribution in the context of the social division of labor. Most importantly, I argue that with the exception of William Thompson, the early socialist labor theories of value do not fundamentally challenge the logic of deservingness. As with the theories of liberal political economists before them, the socialist logic of deservingness derives from the question of what counts as productive labor. To the extent that the labor theory of value is connected to the deservingness logic, it precludes more egalitarian claims of human entitlement. This section is split into two parts. The first sub-section will outline the development of early socialists Charles Hall, Piercy Ravenstone and Robert Owen, with an emphasis on the social problems of capitalism animating their struggles for equality. The second subsection then moves to the more “scientific” political economy of the “Smithian” socialists.

### 2.1 *Early socialism and the labor theory of property*

Early socialists Charles Hall, Piercy Ravenstone and Robert Owen begin to develop a theory of fairer distribution, in which laborers are entitled to a greater share of appropriation. As we will see, in a formulation similar to that of John Locke, one strand of early socialist thought

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<sup>63</sup> Foxwell, *Introduction to the English Translation of A. Menger, The Right to the Whole Produce of Labour*, my emphasis.

posits that labor is grounds for entitlement to property.<sup>64</sup> But as we mentioned in Chapter 1, the exploitation of labor remains implicit in Locke's labor theory of property: "the Turfs my servant has cut" are equivalent to "the ore I have digg'd."<sup>65</sup> In Locke's theory, the overseer of productive labor is responsible for the productive use of land and therefore entitled to the value produced. For the early socialists, it is the *producers themselves* who are entitled to the fruits of their own labor. It is the labor theory of value which both complicates and makes possible this shift, inspiring the formation of theories of labor exploitation.

Charles Hall (1821-1871) "was one of the first writers to see through the imposture of American liberty."<sup>66</sup> His socialist iteration of the Lockean position states that "Whatever things a man makes with his own hands ... must be allowed to be his own; and these may be accumulated, if they are not consumed by the maker of them."<sup>67</sup> To this, he adds "or they may be exchanged for other things, made by and belonging to other people, of an equal *value*; to be strictly estimated by the *quantity of labour* employed in making the things exchanged."<sup>68</sup> Here, the language of quantified labor becomes explicit. Hall believes the quantity of labor employed in making useful things for exchange determines, or *should* determine, the value of those things. However, Hall does not proceed further than this in his discussion of value theory; as such, he "does not use his explanation of what should govern the exchange value of commodities as the basis of his theory of labor exploitation."<sup>69</sup> As Hall himself admits, he is unable to "render visible" *how* the manufacturer exploits the laborer.<sup>70</sup> In other words, he cannot explain the mechanism by which "the poor workman receives and enjoys so little of the fruits of the labour of his own hands" – the only certainty is "that he does."<sup>71</sup>

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<sup>64</sup> Hall's contention that labor gives entitlement to property is in line with the views of the agrarian radicals before him (Noel Thompson, *The People's Science*, 71).

<sup>65</sup> Locke, "Second Treatise," 289. Charlotte Epstein explains how "natural rights theories navigated their contradictory requirements to hold property as both naturally given, but also deliberately and consensually constructed by humans" (Epstein, *Birth of the State*, 190).

<sup>66</sup> Foxwell, *Introduction to the English Translation of A. Menger, The Right to the Whole Produce of Labour*, xxxiv.

<sup>67</sup> Hall, *The Effects of Civilisation on the People in European States*, 55.

<sup>68</sup> Hall, *The Effects of Civilisation on the People in European States*, 55, my emphasis.

<sup>69</sup> Noel Thompson, *The People's Science*, 72.

<sup>70</sup> Hall, *The Effects of Civilisation on the People in European States*, 103.

<sup>71</sup> Hall, *The Effects of Civilisation on the People in European States*, 103; See Thompson, *The People's Science*, 70–71.

English socialist political economist Piercy Ravenstone (1789-1832), sometimes included under the “Ricardian” socialist label, expresses a nuanced take on the Lockean labor theory of property. He observes that “He who has killed the bear appears clearly to be entitled to his skin. He who has with his own hands constructed a house has surely the best claim to dwell under its roof. The coat, the bow, the boat are unquestionably the property of those who have made them.”<sup>72</sup> However, as Ravenstone acknowledges, this principle is only straightforward “in the rudest state of society” where “a man’s property consists only in the work of his own hands.”<sup>73</sup> Rather than a mere reversal of the Lockean logic of deservingness, in which producers instead of proprietors are most deserving, here Ravenstone implicitly recognizes that the social division of labor complicates the issue of entitlement to property.

Robert Owen (1740-1858), a Welsh textile manufacturer and philanthropist who is often viewed as a founder of socialism, condemns the evils of industrial capitalism.<sup>74</sup> He believes that the “immediate cause of the present distress” is the depreciating value, and thus for him the depreciating remuneration, of labor.<sup>75</sup> Like others of his time, Owen demonstrates the socialists’ increased thinking and reasoning in terms of value and its connection to labor: “the average of human labour or power may be ascertained; and, as it forms the essence of all wealth, its value in every article of produce may also be ascertained, and its exchangeable value, with all other values, fixed accordingly.”<sup>76</sup> Although Owen focuses on the poverty of industrial laborers, and on labor as the source of value, he does not formulate a systemic analysis of how capital exploits

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<sup>72</sup> Ravenstone, *A Few Doubts as to the Correctness of Some Opinions Generally Entertained on the Subjects of Population and Political Economy*, 197–98.

<sup>73</sup> Ravenstone, *A Few Doubts as to the Correctness of Some Opinions Generally Entertained*, 197.

<sup>74</sup> In fact, by 1840, “socialism” itself was essentially synonymous with Owenism (Harrison, *Robert Owen and the Owenites in Britain and America*, chap. 2, “The Definition of Socialism”).

<sup>75</sup> Owen, “Report to the Committee for the Relief of the Manufacturing Poor,” cited in Noel Thompson, *The People’s Science*, 74. The significance of Owen is primarily in his role as a philanthropist rather than a political economist. The tenuousness of the distinction between the deserving and undeserving poor, ingrained in the Poor Laws, was becoming increasingly apparent in the face of large-scale unemployment (Harrison, *Robert Owen and the Owenites in Britain and America*, chap. 1, “Philanthropic Origins”). Philanthropists had to admit “the deserving nature of much distress: the problem was how to relieve it without offending against the canons of political economy” (ibid). A solution was found in the notion of ‘enlightened’ philanthropy which focused on charitable investments and conservation of the existing social structure as antidotes to “radical agitation” (ibid). As Harrison puts it, “almost by definition the philanthropist was an individualist and therefore a bulwark against the meddling interference of government” (ibid). It is in this context that we might understand Owen’s philanthropy.

<sup>76</sup> Owen, “Report to the County of Lanark of a Plan for Relieving Public Distress,” 7, cited in Noel Thompson, *The People’s Science*, 75–76.

labor, nor of the attendant class antagonisms the latter analysis would imply.<sup>77</sup> To the contrary, Owen in fact emphasizes the *harmony* of class interests, perhaps owing to his own position as an industrial manufacturer, or due to his desire to appeal politically to all classes. He does, however, defend the laboring poor from attacks on their character, and protests the brutality of laws condemning them to death for stealing.<sup>78</sup> Reminiscent of Smith's prioritization of social explanation, he notes how the current "system of training cannot be expected to produce any other than a population weak in bodily and mental faculties."<sup>79</sup> But he does not extend this social explanation to the behavior of employers. Instead of a systemic, structural account of the behavior of the rich – namely, how the capitalist class benefits from exploiting the laboring class – Owen only seems able to go as far as denouncing employers' unrestrained "desire for gain."<sup>80</sup> By focusing on employer behavior, he participates in a logic of deservingness in which the behavior of the *rich* is moralized instead of explained structurally.

Hall, Ravenstone and Owen are significant because of their deep concern for the poverty of the laboring class in early industrial society, and their attempt to diagnose and treat it. As Karl Polanyi puts it: "The Industrial Revolution was causing a social dislocation of stupendous proportions, and the problem of poverty was merely the economic aspect of this event. [Robert] Owen justly pronounced that unless legislative interference and direction counteracted these devastating forces, great and permanent evils would follow."<sup>81</sup> However, Owen "did not, at that time, foresee that the self-protection of society for which he was calling would prove incompatible with the functioning of the economic system itself."<sup>82</sup> Put simply, neither Hall, Ravenstone nor Owen could confront the fundamental antagonism that constitutes capitalist society: the simultaneous production of wealth and poverty. In the case of Hall and Owen, the Lockean moralism remains in their labor theories of value.

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<sup>77</sup> Noel Thompson, *The People's Science*, 77.

<sup>78</sup> Owen, "On the Effect of the Manufacturing System Etc. (1815)."

<sup>79</sup> Owen, "On the Effect of the Manufacturing System Etc. (1815)."

<sup>80</sup> Owen, "On the Effect of the Manufacturing System Etc. (1815)"; Noel Thompson, *The People's Science*, 80.

<sup>81</sup> Polanyi, *The Great Transformation*, 135.

<sup>82</sup> Polanyi, *The Great Transformation*, 135.



## 2.2 The “Smithian” socialists’ attempt to make exploitation objective

It is not until the work of William Thompson that the socialist theory of value begins to take on a more systematic form. Following Adam Smith’s labor theory of value, William Thompson emphasizes the importance of “natural” values prevailing and the need for equitable exchange.<sup>83</sup> For him, it is *unequal exchange* that constitutes exploitation. He believes the role of the law should be to protect the laborer: to “give the same facilities to all for production, and then to protect every individual producer from the violence of others, and in the free disposal of these products for whatever equivalents the producer may think proper to accept.”<sup>84</sup> Thompson advocates a system of “Free Competition,” which he equates to equal justice, wherein everyone has “equal chances of acquiring the faculties and facilities of production with the laborer.”<sup>85</sup> However, he recognizes a tension between free competition and equal exchange. On the one hand, “The freedom of exchanges ... cannot be limited without infringing on the right of the laborers to possess the whole produce of their labor. Of what avail to a laborer to produce and possess, if he cannot dispose of any part of what he has produced, for such equivalents as he may deem satisfactory?”<sup>86</sup> But on the other hand, “if you give the freedom of disposing of what he has produced to the laborer, you give also to the persons with whom he exchanges the same liberty, of whatever nature may be the equivalents they offer.”<sup>87</sup> In other words, free competition lends itself to exploitation wherein the laborer may not receive the full produce of their labor.

Similarly evocative of Adam Smith, socialist Thomas Hodgskin (1787-1869) – “a name to frighten children with in the days following the repeal of the Combination Laws in 1824”<sup>88</sup> – makes a distinction between “natural” and “social” prices of commodities.<sup>89</sup> Natural or necessary

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<sup>83</sup> William Thompson, *An Inquiry into the Principles of the Distribution of Wealth Most Conducive to Human Happiness*.

<sup>84</sup> William Thompson, *Labor Rewarded: The Claims of Labor and Capital Conciliated; or, How to Secure to Labor the Whole Products of Its Exertions*, 14. William’s work *Labor Rewarded* critically examines the notion that the laborer ought to possess the whole produce of its exertions. Though he is speaking about an idea in the air of his times (at least among socialists), he is responding in particular to Thomas Hodgskin’s 1825 work, *Labour Defended against the Claims of Capital*.

<sup>85</sup> William Thompson, *Labor Rewarded*, 14.

<sup>86</sup> William Thompson, *Labor Rewarded*, 16.

<sup>87</sup> William Thompson, *Labor Rewarded*, 16.

<sup>88</sup> Meek, *Studies in the Labor Theory of Value*, 124.

<sup>89</sup> Hodgskin, *Popular Political Economy: Four Lectures Delivered at the London Mechanics Institution*, chap. IX: “Prices.”

price, he says, signifies “the whole quantity of labour nature requires from man, that he may produce any commodity,—the natural and necessary price of money being determined, like that of all other commodities, by the quantity of labour required to produce it.”<sup>90</sup> Social price, by contrast, is “natural price enhanced by social regulations.”<sup>91</sup> Paralleling Smith’s theory of how the determination of value changes as society transitions from pre-modern to commercial, Hodgskin highlights that the individual laborer bears the burden of this increase from the natural price, as capital increasingly accumulates in private hands. Labor is, then, a kind of natural currency which ensures justice: “Labour was the original, is now and ever will be the only purchase money in dealing with Nature.”<sup>92</sup> The problem for him is that wages no longer reflect this natural equilibrium characterized by equal exchange:

Restrictions and exactions have been multiplied as the benevolent laws of nature became manifest, and more and more has been continually taken from the labourer, as it was discovered that his powers of production increased, and that more might be taken without putting him out of existence. By his labour, and by nothing else, is natural price measured, but he never obtains commodities for the labour of producing them. At present, therefore, all money price is not natural but social price.<sup>93</sup>

Hodgskin’s distinction between “natural” and “social” price of course fails to account for the social character of labor even before capitalism. Instead, like Smith, Mill and Locke (as well as Rousseau and Hobbes), Hodgkin equates societies before capitalism with some conception of the state of nature. However, he correctly identifies the increased social interdependence and interconnectedness of labor in the context of capitalism. Hodgskin means to demonstrate that Ricardo is wrong about the labor theory of value: that the worker is *not* in fact receiving the full product of their labor in wages.<sup>94</sup> We recall that Ricardo posits that goods exchange according to their labor-embodied values, whereas Smith’s text retains two theories of value: the labor-embodied theory, and the labor-commanded theory in which value is made up of component parts (labor, rent, profits). We could say that the idea for Hodgskin, then, is to use Smith’s labor-embodied theory to claim that (a) all labor rightfully belongs to the laborer, and therefore, that

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<sup>90</sup> Hodgskin, *Popular Political Economy*, chap. IX: “Prices.”

<sup>91</sup> Hodgskin, *Popular Political Economy*, chap. IX: “Prices.”

<sup>92</sup> Hodgskin, *Popular Political Economy*, chap. IX: “Prices.”

<sup>93</sup> Hodgskin, *Popular Political Economy*, chap. IX: “Prices.”

<sup>94</sup> See Noel Thompson, *The People’s Science*, 94.

under capitalism, (b) the surplus product appropriated from the laborer, which accounts for capitalist profits, is evidence that labor is exploited.

With a similar focus on exchange, socialist John Gray (1799-1883) claims that, “with an improved plan of exchange, *unmerited* poverty may be removed.”<sup>95</sup> Poverty, Gray emphasizes, is not earned or deserved because it is not contingent upon our own actions as individuals. We act within a society, and therefore our well-being is dependent upon not only ourselves, but also the actions of others. These insights have important implications for a social theory of labor, as we are beginning to see. Gray notes the comprehensive extent of social dependence of humankind that accompanies any society, market society included. But importantly, for Gray, social *dependence* is augmented while independence is diminished in modern society as labor becomes more socially divided:

When man forsook ... the method of providing, by his own labor, the particular articles which he required to use ... that he might supply his wants by exchanging that which he himself procured or produced for portions of the labor of other men, he became a being dependent on the society in which he lived; and the degree of that dependence has been incalculably increased...<sup>96</sup>

Gray notes that while “the savage” may feed and clothe himself by hunting, the “civilized man” must earn his livelihood “by exchanging, and only by exchanging, his labor for portions of the labor of others,” and “unless he can do this, he must beg, borrow, steal or starve.”<sup>97</sup> Put simply, Gray recognizes that in commercial societies, one must work for a living, not merely to produce the immediate necessities of one’s own survival as in hunter societies, but for the purposes of *exchange* to meet the needs of *others* (demand); and all exchange is simply the exchange of portions of work between members of a society. Labor is exchanged for labor. This is reminiscent of Smith’s observation that “Every man lives by exchanging or becomes in some way a merchant, and society itself grows to be what is properly a commercial society.”<sup>98</sup>

The notion of earning the right to ownership and control of goods through the exchange of labor raises the question of how to deal with those who either do not work or otherwise fail to

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<sup>95</sup> Gray, *The Social System: A Treatise on the Principle of Exchange*, viii, my emphasis.

<sup>96</sup> Gray, *The Social System*, 19.

<sup>97</sup> Gray, *The Social System*, 20.

<sup>98</sup> Smith, *The Wealth of Nations*, 27.

do their fair share of social labor. We might recall John Locke's concern about the poor who, as charity recipients, live idly on the labor of others.<sup>99</sup> William Thompson recognizes, albeit implicitly, that the notion of "living off the labor of others" presumes a prior acceptance of the notion of the "just equivalent," a concept which itself poses a number of problems. Thompson does seem to believe in the *ability* to quantify what constitutes a fair exchange. But as we have seen, he recognizes that insisting on fair exchange, and that no one shall live off the labor of others, infringes upon the free competition that he espouses:

You cannot abridge the exchanges and consequent accumulations of capitalists without at the same time abridging all barter. It is impossible to separate the character of a capitalist from any other barterer or 'higgler in the market.' As soon as any laborer receiving more than a just equivalent, more than will replace to him the original material (or the labor of its production) which he gave in exchange; that moment the laborer assumes ... the character of a capitalist: *he lives for so much on the labor of others* without real equivalent.<sup>100</sup>

Here, Thompson recognizes that if all exchanges are exchanges of labor, then the notion of the just equivalent applies not only to capitalists purchasing labor, but also to laborers exchanging with each other. The notion of just equivalents not only inhibits the ability to barter – it also abridges accumulation, a necessary part of social life. But despite his recognition of the incompatibility between equality and free competition, Thompson remains committed to both.

Thompson fears that in "competitive society," rather than an enjoyable activity that springs from one's own volition, nothing but want or the dread of want will compel a laborer to "incessant toil."<sup>101</sup> In a passage reminiscent of Adam Smith and John Locke, though with a more critical inflection, Thompson remarks, "Let unequal remuneration then pride itself, if it please ... in keeping in motion its vast social mechanism by the depressing motives of terror and want."<sup>102</sup> These "depressing motives of terror and want" are, we may recall, lauded in Locke and Smith. Locke, for instance, notes that "the chief, if not only spur to human industry and action, is uneasiness," without which there would be no desire for any particular good, and therefore no

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<sup>99</sup> Locke, *Political Writings*, 289.

<sup>100</sup> William Thompson, *Labor Rewarded*, 16, emphasis in text.

<sup>101</sup> William Thompson, *Labor Rewarded*, 29. For Thompson's dichotomy between competitive and cooperative economy see *ibid.*, 46. It is ironic that "free competition" would ideally prevail in Thompson's cooperative economy.

<sup>102</sup> William Thompson, *Labor Rewarded*, 29–30.

endeavor for it.<sup>103</sup> Similarly, for Adam Smith, “one of the most important principles in human nature” is “the dread of death,” which, “while it afflicts and mortifies the individual,” also “guards and protects society,” acting as “the great restraint upon the injustice of mankind.”<sup>104</sup>

Importantly, we see in William Thompson a social explanation instead of a moral explanation for the character of individuals. Reminiscent of Adam Smith and contrary to John Locke, Thompson provides a social explanation for “idleness,” rather than presenting it as a moral attribute, or an “evil” as Locke would say, that exists naturally or in isolation from society. Aside from being a feature of the over-exerted “savage,” Thompson claims idleness is also the result of “the unwise social, or rather unsocial, arrangements of the civilized man,” characteristic of both the rich and poor. However, as Thompson makes clear throughout, it is the laboring poor who make up the “industrious class.”<sup>105</sup> If indeed labor were secured in the possession of the “whole products of its exertions,” then, Thompson claims, love of idleness could not occur. “[I]t would be one of the characteristics of idiotcy [sic] or insanity,” and treated like a mental disease, “with firm and intelligent, but undeviating kindness.”<sup>106</sup> He laments that in the present society, it is not enjoyment but necessity that compels laborers to work, and that “the poor who are idle, from whatever cause, must starve directly or indirectly from the effects of disease.”<sup>107</sup> But Thompson does not explicitly understand the starvation of the poor to be a problem stemming from the logic of reward tied to value-creating labor; rather, the problem for him is that unfree competition and unequal exchange breed idleness in the first place.

In response to what he sees as a societal devaluation of “repulsive” and “life-consuming occupations,” William Thompson valorizes labor that is seen as socially degrading.<sup>108</sup> His very definition of “labor” reflects this: Labor, for Thompson, is that which produces “a preponderance of good.”<sup>109</sup> He envisions a world of “free labor” where laborers are not over-worked, their toil is

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<sup>103</sup> Locke, *An Essay Concerning Human Understanding*, Volume 1, bk. 2, chap. 20, paragraph 6.

<sup>104</sup> Smith, *The Theory of Moral Sentiments*, 18.

<sup>105</sup> William Thompson, *Labor Rewarded*, 21.

<sup>106</sup> William Thompson, *Labor Rewarded*, 21.

<sup>107</sup> William Thompson, *Labor Rewarded*, 23, 21.

<sup>108</sup> William Thompson, *Labor Rewarded*, 21.

<sup>109</sup> William Thompson, *Labor Rewarded*, 21.

enjoyable, they own their own machines and tools, they can exchange their labor on their own terms, and idleness is impossible.<sup>110</sup>

We can see that Smithian socialists (and their predecessors, particularly Owen and Hall) provide a morally persuasive counter-position to the social and economic devaluation of certain types of labor. Nonetheless, their argument remains precisely that: One which appeals to morals. Although their analyses contain elements of social and structural explanations of inequality and “idleness,” many of their positions rely on countering one logic of deservingness with another. If, in our earlier discussion of Locke, we did not know why an individual’s labor should belong only to their master, now we do not know why it should belong only to the individual. I now turn to the more explicitly moralizing socialism of Saint-Simon.

### 3. “A throng of parasites”: Productive labor and the logic of deservingness

Henri de Saint-Simon was less concerned with exploitation than the Smithian socialists whose ideas about labor and value we have just explored. He develops a methodologically individualist and moralizing view of work and reward which would become highly influential.<sup>111</sup> Before becoming a political economic theorist, Saint-Simon joined the French army in 1778.<sup>112</sup> During 1780-81, he was sent to assist the US in its struggle for independence. There, he became inspired by ideas of what he observed to be the “improvement of civilization” which included “religious toleration, the absence of social and political privilege, and the acceptance of a social philosophy based on pacifism, industry and thrift.”<sup>113</sup> When he returned to France, Saint-Simon witnessed the outbreak of the French Revolution in 1789, which he believed to be the culmination of the movement from the “celestial” morality of theology characteristic of feudalism to one of “terrestrial” morality and well-being based on a utilitarian conception of happiness on earth for as many people as possible.<sup>114</sup>

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<sup>110</sup> William Thompson, *Labor Rewarded*, 22.

<sup>111</sup> Saint-Simon’s socialism, along with Fourier’s, can be seen as an attempt to marshal Christian ethics in support of a new social order (Roberts, *Marx’s Inferno*, chap. 2, “Taenarus: The Road to Hell”).

<sup>112</sup> Taylor, *The Political Ideas of the Utopian Socialists*, 7.

<sup>113</sup> Taylor, *The Political Ideas of the Utopian Socialists*, 7.

<sup>114</sup> Saint-Simon, *Henri Saint-Simon (1760-1825)*, 33–35.

He believes that ultimately, however, those who played a role in the revolution principally aimed to overthrow the *ancien régime* so that they could take power for themselves, and that they were incapable of providing the basis for a new social organization based on the valorization of productive industry.<sup>115</sup> In 1824, Saint Simon makes it clear that he wishes to move away from the designation of “liberal” and proposes to unfurl the new flag of “*industrialism*,”<sup>116</sup> as he believes that liberalism has been tainted by the violent revolutionary character of the eighteenth century. While the revolutionary energy of the patriotic and Bonapartist parties was of use to society to overthrow the *ancien régime* at the time of revolution, the task of social reconstruction now is to achieve a “peaceful ... calm and stable state of affairs.”<sup>117</sup> In fact, he believes that “Today, a designation which does not denote a spirit *absolutely opposed to the revolutionary spirit* cannot be right for enlightened and well-intentioned men.”<sup>118</sup> It is in this context that we can understand his political economic philosophy.

In line with the Smithian understanding of modernity, Saint-Simon notes that in a society in which one’s desires are manifold, one is “forced to give up a part of what he produces in exchange for certain products which he cannot obtain directly through his own work.”<sup>119</sup> But he believes that “[m]an is lazy by nature,” and that the only reason man bothers to overcome his proclivity for laziness is “because his needs have to be fulfilled,” or because he desires pleasure.<sup>120</sup> Thus, the industrious man is really subject to one law: “that of his self-interest.”<sup>121</sup> There are, however, “a throng of parasites who, although they have the same needs and desires as others, have not been able to overcome the natural laziness common to all men, and who, although they produce nothing, consume or seek to consume as though they did produce.”<sup>122</sup> These men, who “use force to live off the work of the rest ... are idlers, that is, thieves.”<sup>123</sup> Saint-

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<sup>115</sup> Saint-Simon, *Henri Saint-Simon (1760-1825)*, 34, 258.

<sup>116</sup> Saint-Simon, *Henri Saint-Simon (1760-1825)*, 257.

<sup>117</sup> Saint-Simon, *Henri Saint-Simon (1760-1825)*, 257.

<sup>118</sup> Saint-Simon, *Henri Saint-Simon (1760-1825)*, 258.

<sup>119</sup> Saint-Simon, *Henri Saint-Simon (1760-1825)*, 158.

<sup>120</sup> Saint-Simon, *Henri Saint-Simon (1760-1825)*, 158.

<sup>121</sup> Saint-Simon, *Henri Saint-Simon (1760-1825)*, 158.

<sup>122</sup> Saint-Simon, *Henri Saint-Simon (1760-1825)*, 158.

<sup>123</sup> Saint-Simon, *Henri Saint-Simon (1760-1825)*, 158.

Simon is speaking here of all who do not work, including the dependent poor, the “non-industrial” owners of capital, and the old aristocracy.<sup>124</sup>

The government’s job, therefore, is simply to prevent idleness and thereby protect industry.<sup>125</sup> In fact, Saint Simon believes this should be the government’s only job. He supports a direct “*union of commercial and manufacturing industry with literary and scientific industry.*”<sup>126</sup> This Saint-Simonian ideology would yield what G.A. Cohen calls a “producer politics” in twentieth century socialism, which projects an “alliance of workers and high-tech producers with greater emphasis on the parasitism of those who do not produce than on the exploitation of those who do (since some of the high fliers who fall within the Saint-Simonian inclusion could hardly be regarded as exploited).”<sup>127</sup> Importantly, Saint-Simon is explicit that production is an entitlement to consumption; if one does not produce, one shall not consume. His analysis and the language he used were influential in early theories of class conflict.<sup>128</sup>

Saint Simon makes a class distinction not based on those who own or control wealth and those who do not, but rather based on those who *work* and those who do not. Here, he uses a methodologically individualist and behavior-derived definition of work, instead of a socially holistic one. He refers to this division as the two “parties” of society. The first comprises the *moral* industrialists whose work is directly useful to society, or whose capital is invested in industrial enterprises.<sup>129</sup> These include “positive scientists” (science based entirely on empirical observation), artists, those who cultivate the land, those who direct agricultural work, artisans, manufacturers, merchants, “entrepreneurs of land and sea transport,” all those who serve production such as lawyers who defend the industrials, or priests who preach “the obligation to employ one’s time and means in useful work,” and finally “all citizens ... who sincerely employ their talents and their means to free producers from the unjust supremacy exercised over them by

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<sup>124</sup> Saint-Simon, *Henri Saint-Simon (1760-1825)*, 189, 190; See also Stedman-Jones, “Saint Simon and the Liberal Origins of the Socialist Critique of Political Economy,” 16.

<sup>125</sup> Saint-Simon, *Henri Saint-Simon (1760-1825)*, 158; Rather than a focus on unequal exchange or the repression of human nature, Saint-Simon thought the problem with society lay primarily in its management of the state (Pilbeam, *French Socialists before Marx: Workers, Women, and the Social Question in France*, 16).

<sup>126</sup> Saint-Simon, *Henri Saint-Simon (1760-1825)*, 161, emphasis in text.

<sup>127</sup> Cohen, *If You’re an Egalitarian, How Come You’re so Rich?*, 110.

<sup>128</sup> Pilbeam, *French Socialists before Marx: Workers, Women, and the Social Question in France*, 17.

<sup>129</sup> Saint-Simon, *Henri Saint-Simon (1760-1825)*, 187.



idle consumers.”<sup>130</sup> The second party is the *immoral*, “anti-national” or “anti-industrial party” who consume but neither produce nor assist producers.<sup>131</sup> This party comprises nobles who are working to re-establish the *ancien régime*, “priests who see morality in terms of blind belief in the decisions of the Pope and the clergy,” “landowners who live like nobles,” “judges who uphold arbitrary rule,” and “the military who support it,” as well as “all who are opposed to the establishment of the regime most favorable to economy and liberty.”<sup>132</sup>

Far from a structural or class analysis, Saint-Simon uses methodologically individualist language to distinguish between “moral” (deserving) and “immoral” (undeserving) “parties,” emphasizing the historically unique conditions that enable citizens to freely choose for themselves the side to which side they will belong: “[S]ince citizens have become equal in the eyes of the law it is not accident of birth which places them in one or another of these parties. Their occupations and opinions alone determine which of the two they belong to.”<sup>133</sup> Saint-Simon indicates that because an individual’s position is no longer determined by birth, what one does for work and the beliefs one holds now determine one’s morality or immorality. Thus, a “commoner” can still be anti-national and therefore immoral if he holds the wrong set of beliefs, and presumably vice versa.

Similar to Saint-Simon, Smithian socialist John Gray conflates the economic distinction between “productive” and “unproductive” members of society with a moral one.<sup>134</sup> Notably, this is despite his recognition of the social determinacy and interconnectedness of labor, which we observed earlier. Gray considers productive labor to be any labor that falls within one of his four categories: producing, cultivating and distributing “the produce of earth to the uses of life”; “the government or protection of society”; “amusing and instructing mankind”; and finally “the medical profession.”<sup>135</sup> He emphasizes the social burden of unproductive individuals: “Every unproductive member of society is a DIRECT TAX [sic] upon the productive classes.”<sup>136</sup> The

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<sup>130</sup> Saint-Simon, *Henri Saint-Simon (1760-1825)*, 30, 190.

<sup>131</sup> Saint-Simon, *Henri Saint-Simon (1760-1825)*, 187, 190.

<sup>132</sup> Saint-Simon, *Henri Saint-Simon (1760-1825)*, 187, 190.

<sup>133</sup> Saint-Simon, *Henri Saint-Simon (1760-1825)*, 187.

<sup>134</sup> King, “Utopian or Scientific? A Reconsideration of the Ricardian Socialists,” 352.

<sup>135</sup> Gray, *A Lecture on Human Happiness Vol-ii*, 15.

<sup>136</sup> Gray, *A Lecture on Human Happiness Vol-ii*, 15.

moral component is explicit in his claim that “Every unproductive member of society is also an USELESS member of society unless he gives an EQUIVALENT for that which he consumes.”<sup>137</sup> Here, productive labor is understood to be a measurable and quantifiable claim to deservingness, and individuals are valued for their utility, as opposed to their intrinsic worth as human beings.

To illustrate the slippage from economic analysis to moralizing judgement, we can contrast Saint-Simon’s and John Gray’s moral positions to Piercy Ravenstone’s analysis. As we have seen, like Saint-Simon and all the other socialists we have examined, Ravenstone distinguishes a productive and unproductive class. However, unlike for Saint-Simon, productive and unproductive labor are economic but *not* moral categories. This is evident in Ravenstone’s comment that “When the labour of one half of the members of a society suffices to procure subsistence for the whole, the other half will live in idleness, or will dedicate themselves to pursuits, whose excellence is not the less because their utility is not immediately obvious.”<sup>138</sup> Here, Ravenstone clearly supports Smith’s recognition that “unproductive” labor need not mean undeserving labor, a point which we explored in Chapter 1. He realizes that as jobs are lost due to automation and innovation, it is in fact inevitable that a decreasing portion of society will be required to perform “work of direct necessity” as J.S. Mill puts it.<sup>139</sup> In fact, as John Maynard Keynes would articulate the problem 110 years later in 1930, the challenge in the future of economic abundance will be to *enjoy* a life without essential labor: the question for the individual will be “how to use his freedom from pressing economic cares, how to occupy the leisure, which science and compound interest will have won for him, to live wisely and agreeably and well.”<sup>140</sup> Keynes adds that “The strenuous purposeful money-makers may carry all of us along with them into the lap of economic abundance. But it will be those peoples, who can

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<sup>137</sup> Gray, *A Lecture on Human Happiness Vol-ii*, 15.

<sup>138</sup> Ravenstone, *A Few Doubts as to the Correctness of Some Opinions Generally Entertained*, 174. On the importance of multiple forms of labor, Ravenstone gives the example of a sculptor: “The man who has employed two years giving form to a beautiful statue, is not less industrious, perhaps he has bestowed even more labour than he who, during the same period, has been occupied in tilling the earth. But his industry has been entirely unproductive, it would have been wholly useless to himself but for the labour of the other. If the labour of the cultivator had produced only what was precisely necessary for his own subsistence, the labour of the sculptor would have been thrown away; it would have been absolutely without value” (ibid, 280-281).

<sup>139</sup> Mill, “The Negro Question,” 28.

<sup>140</sup> Keynes, “Economic Possibilities for Our Grandchildren.”

keep alive, and cultivate into a fuller perfection, the art of life itself and do not sell themselves for the means of life, who will be able to enjoy the abundance when it comes.”<sup>141</sup>

We might also consider Saint-Simon and Gray’s explicitly moral positions in relation to William Thompson’s more socially holistic account. On the one hand, in the spirit of other socialists of his time, Thompson explicitly reverses the notion of “merit” as it is conceived by theorists of what he calls competitive political economy:

If by *merit* we understand a claim to superior sympathy, those of the industrious classes who work late and early, and at repulsive, often life-consuming occupations, and who provide all others with enjoyments, are in possession of the most merit, and ought to get the most ample remuneration. These are, however, always the worst remunerated. Under competition, *success* is the only substantial and universal index of merit.<sup>142</sup>

By Thompson’s account in this instance, it is the laboring class that is meritorious and therefore most deserving of reward. Yet, although he valorizes degrading labor and seemingly only inverts the deservingness logic, Thompson is also aware of the ambiguities of moral claims to deservingness: “The first question of all, that here forces itself upon our attention, is, ‘is any species of labour, mental or manual, cheerfully given according to the capacity of the giver, more or less deserving of reward than another?’”<sup>143</sup> Even more explicitly probing the logic of deservingness in relation to labor, Thompson asks, “Were every active laborer strictly to consume himself the whole produce of labor, what would be the consequences? The aged would starve. The very young would starve. Many women in producing and rearing children would starve. Those whom disease or accident would incapacitate for any length of time from labor, would starve.”<sup>144</sup> These questions, anticipating Marx, begin to develop the idea of a needs-based instead of labor-based (which, as we have seen, translates to desert-based) system of distribution. Further, they gesture toward the reality of socially interconnected and interdependent labor characteristic of market society – as opposed to individual, independent labor – anticipating Marx’s idea of social labor *in general* as a universal and abstract category of measurement which emerges with the division of labor.

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<sup>141</sup> Keynes, “Economic Possibilities for Our Grandchildren.”

<sup>142</sup> William Thompson, *Labor Rewarded*, 21.

<sup>143</sup> William Thompson, *Labor Rewarded*, 18.

<sup>144</sup> William Thompson, *Labor Rewarded*, 13.

Thompson continues: “what is the meaning of the expression ‘rewarding according to merit’?”<sup>145</sup> In his analysis of the social and not only individual character of the market, Thompson outlines the tension between the individual acting for the sake of his own ends, and acting in association with and consideration for others. In a competitive economy, the individual and the social conflict: “[T]he matter of reward cannot be given to one but at the expense of others,” and therefore, “Merit, independent of the consequences of actions, is a chimera.”<sup>146</sup> In other words, Thompson is saying it is nonsensical to consider individual “merit” as something isolated and autonomous, as our actions in a competitive economy always affect and depend upon others: In capitalist society, the consequences of one’s actions affect others to a far greater degree than in earlier societies. Therefore, “re-actions on the part of those others are produced: complication of action and re-action ensue.”<sup>147</sup> Thompson then posits that every person “must seek his happiness in connexion with that of his society.”<sup>148</sup> Here, Thompson parts from Smith’s formulation of the mutually beneficial nature of selfishness in commercial society.<sup>149</sup> He notes that most advocates of free competition only value such a system “as a means of inequality ... of forming a new aristocracy, *the aristocracy of talent*.”<sup>150</sup>

To conclude, Saint-Simon identifies a conflict between the industrial and the idle class, to some extent expanding the traditionally liberal notion of the industrious class to include all those whose labor participates in producing useful things and thereby adds to the collective good.<sup>151</sup> But he discusses this conflict without demonstrating an awareness for previous distinctions between idle and industrious classes within a Lockean legacy. He participates in a discursive tradition of moralizing language that ascribes virtue and vice as the cause of individuals’ differential social and economic positions in a market economy.

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<sup>145</sup> William Thompson, *Labor Rewarded*, 18.

<sup>146</sup> William Thompson, *Labor Rewarded*, 19–20, 18.

<sup>147</sup> William Thompson, *Labor Rewarded*, 19.

<sup>148</sup> William Thompson, *Labor Rewarded*, 19.

<sup>149</sup> Smith’s oft quoted passage on the mutually beneficial nature of selfishness is as follows: “It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity, but to their self-love, and never talk to them of our own necessities, but of their advantages” (Smith, *The Wealth of Nations*, 19).

<sup>150</sup> William Thompson, *Labor Rewarded*, 53, emphasis in text.

<sup>151</sup> Soliani, “Claude-Henri de Saint-Simon: Hierarchical Socialism?” 24, quoting Saint-Simon, *Du Systeme Industrielle*.

In Saint Simon's ideal society, scientists and artists would be endowed with the "spiritual power" previously reserved for the Catholic clergy, and "[a]ll men must work."<sup>152</sup> Saint-Simon is clear that his proposal for the settlement of this social conflict does *not* eradicate inequality as such.<sup>153</sup> In fact, he believes "It would be absurd, ridiculous and disastrous to try to remove such inequality."<sup>154</sup> Thus, it is clear that his goal is not in fact equality, but instead, as Soliani puts it, what he perceives as "fair inequality" based on skills and investments that are conducive to industry – a type of "hierarchical socialism."<sup>155</sup>

## Conclusion

In Chapter 1, we saw that liberalism harbors a tension between, on the one hand, the formal equality of independent market participants, and on the other, the division of labor, which implies social and economic hierarchy as well as dependence on the social whole. In this chapter, we have seen how Smithian socialists try to mitigate the problem of wealth inequality through the principle of equal exchange. What they cannot account for is the resulting inequality when, from the Ricardian point of view, economic exchange is a quantitatively "equal" exchange of social labor. Therefore, in order to explain inequality, they must rely on a theory which posits that markets distort rather than realize labor values. Paradoxically, as Engels would put it, "The more strongly . . . earlier Socialism denounced the exploitation of the working class, inevitable under capitalism, the less able was it clearly to show in what this exploitation consisted and how it arose."<sup>156</sup> By contrast, Marx's theory of surplus-value would demonstrate both how "the appropriation of unpaid labour is the basis of the capitalist mode of production" *and* that "even if the capitalist buys the labour-power of his labourer *at its full value as a commodity on the market, he yet extracts more value from it than he paid for.*"<sup>157</sup>

But despite the focus on unequal exchange and the individual level of analysis, the centrality of the social was not entirely lost on Smithian socialist thought. Indeed, the philosophy

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<sup>152</sup> Saint-Simon, *Henri Saint-Simon (1760-1825)*, 20, 40.

<sup>153</sup> Soliani, "Claude-Henri de Saint-Simon: Hierarchical Socialism?" 22.

<sup>154</sup> Saint-Simon, *Henri Saint-Simon (1760-1825)*, 112–13. This belief is in line with Smith, Milton Friedman and F.A. Hayek. I will explore this idea in the latter two libertarian thinkers in Chapter 5.

<sup>155</sup> Soliani, "Claude-Henri de Saint-Simon: Hierarchical Socialism?" 22.

<sup>156</sup> Engels, *Socialism: Utopian and Scientific*, chap. II.

<sup>157</sup> Engels, *Socialism: Utopian and Scientific*, chap. II, my emphasis.

of socialism rests upon the attempt to “remedy human ills by creating a just social environment.”<sup>158</sup> In this sense, it seems that socialists, by definition, are “forced to emphasize the dependence of man on environment,” as Esther Lowenthal puts it.<sup>159</sup> Even more specifically, I have highlighted their recognition of the social character of market society, marked by the division of labor, in which labor is interconnected and interdependent. They are split between an individualist and socially holistic view; they cannot conceive of the individual and the social together.<sup>160</sup>

As I noted in the Introduction to this thesis, the critique of meritocracy – indeed the word itself – originally came from socialist thought. Specifically, studies and genealogies of the concept of meritocracy tend to begin with the critical voices of Alan Fox and Michael Young, sociologists of the twentieth century. By contrast, the present chapter recovers socialist engagements with the idea of hierarchy organized by “merit” in the nineteenth century – most explicitly, William Thompson’s critique – which were not only sociological, but distinctly political economic in nature.

I have argued that the labor theory of value is less concerned with moral postulates than with the analysis of economic processes.<sup>161</sup> Whatever their internal contradictions may be, labor theories of *value* in the classical tradition have a systematic, analytic conception of the social whole that the labor theory of *property*, in the tradition of John Locke, lacks. Despite the labor theory’s indifference to moral assertions, followers of the labor theory of value do, however, tend to draw certain ethical and political *implications* from it, as we have seen.

Referring to the British socialists, Foxwell says, “The whole school, and especially Thompson and Gray, were greatly impressed by the distinction between the productive and unproductive classes.”<sup>162</sup> This distinction, I have argued, is an economic one that, in the case of Gray and Saint-Simon, also translates to a moral one. In its moral form, the distinction evaluates individuals based on their labor contribution and associated traits – such as industriousness or

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<sup>158</sup> Lowenthal, *The Ricardian Socialists*, 86.

<sup>159</sup> Lowenthal, *The Ricardian Socialists*, 86.

<sup>160</sup> We recall here how David Levine conceives of the individual and the social together in his insight that individuation occurs *through* the (social) market.

<sup>161</sup> Dobb, “Reviewed Work(s): Private Property: The History of an Idea by Richard Schlatter,” 95.

<sup>162</sup> Foxwell, *Introduction to the English Translation of A. Menger, The Right to the Whole Produce of Labour*, xliii.

idleness – at the unit level of analysis, rather than providing an analytic conception of the social whole. This moral position, however, contrasts with the recessive parts of Adam Smith’s analysis, which understand the division between the rich and poor as a necessary feature of the division of labor in commercial society. Ultimately, it is unequal exchange that instills a sense of injustice in Smithian socialist thought. In Saint-Simonian thought, the scandal is unrewarded productivity and its obverse, rewarded non-productivity, rather than structural inequality or hierarchy as such. Deservingness is therefore connected to value production through labor; those who do not perform the proper kind of labor are considered useless, inferior, or otherwise undeserving of a morally equal status to those who do – the industrious and hardworking.

In this chapter, I have drawn out two common themes amongst socialist thinkers before Marx: The first is how the concept of “natural” price in an imagined state of nature is compared with the “social” price in capitalist society, an idea we located in the value theories of Adam Smith and David Ricardo. Second, we demonstrated that the “whole produce of labor” is an ambiguous concept that coheres only within a set of assumptions that ignore the constitutive tensions of capitalism – in particular, the tension between the individual and the social whole of which the individual is a part, and the tension between labor as physical effort, and labor as it is determined via markets and demand.<sup>163</sup> Terms like “natural price” and “whole produce of labor” are treated by liberal and socialist political economy as though they are not only coherent, tension-free concepts, but also as though they are eternal laws that transcend the social and economic context of market society. Acting as though they are coherent and absent constitutive fractures produces a logic of deservingness that becomes the narrative of meritocracy, in which merit and reward are tied to value production through labor. The early socialist theorists invert the liberal logic of “fair” distribution and exchange in order to show that the fruits of labor belong to the laborer instead of the proprietor. But the inversion keeps intact the structure of

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<sup>163</sup> As Smith puts it, “There may be more labor in one hour’s hard work than in two hours’ easy business, in an hour’s application to a trade which cost ten years labor to learn, than in a month’s industry at an ordinary and honest employment” (Smith, *The Wealth of Nations*, 35). As Levine points out, Smith recognizes here that “The activity of the individual, his work, may or may not be labor; so that labor is distinguished from itself as ‘work’ and ‘labor.’” (Levine, *Economic Studies*, 53). This transformation of work into labor, and the determination of its social utility, takes place through the market (ibid, 53). In the next chapter, I will discuss, via Marx, how the idea of social labor renders the logic of deservingness incoherent in the context of market society.

deservingness. In Hegelian terms, this allows Marx to “negate the negation” (which in this case is the socialist inversion), and move beyond deservingness altogether.

I conclude this chapter with some reflections on the wider implications of my examination of value theory and its appropriation by early socialists, whose visions of a better society remain, to a large extent, hierarchical. Marxist theorist G.A. Cohen observes that there is a “poignant and problematic truth” in the fact that the two pleas “‘I made this and I should therefore have it’ and ‘I need this, I will die or wither if I do not get it’—are not only different but potentially contradictory.”<sup>164</sup> Cohen notes that it was possible for early socialism to fuse the two claims to recompense – that is, need on the one hand and entitlement through labor on the other – “because socialists saw the set of exploited producers as roughly coterminous with the set of those who needed socialism’s benefits.”<sup>165</sup> Accordingly, socialists did not see a conflict between the producer entitlement doctrine and the more egalitarian doctrine that appealed to the injustice of poverty and want as such. But the problem of socialism’s calls for entitlement based on production beginning in the late twentieth century is that the class in dire need is no longer exclusively a “producing” or “exploited” class:

When those who suffer dire need can be conceived as coinciding with, or as a subset of, the exploited working class, then the socialist doctrine of exploitation does not cause much difficulty for the socialist principle of distribution according to need. But once the really needy and the exploited producers no longer coincide, then the inherited doctrine of exploitation is flagrantly incongruent with even the minimal principle of the welfare state. And tasks are thereby set for socialist political philosophy that did not have to be addressed in the past.<sup>166</sup>

It is certainly not our intention to claim that there is no longer a “producing” or laboring class which is also in need. On the contrary, we need only look to the multitude of modern factories and poor working conditions around the world as evidence of this continued overlap. In recent decades, we have seen the spotlight constantly shifting to low-waged workers being mistreated at the hands of factories producing for global corporations: Nike sweatshops in Taiwan in the 1990s, Foxconn workers in China in the early 2000s, or Amazon workers in the United States today, to name only a few prominent examples. But regardless of whether there is an increasing

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<sup>164</sup> Cohen, *If You’re an Egalitarian, How Come You’re so Rich?*, 106–7.

<sup>165</sup> Cohen, *If You’re an Egalitarian, How Come You’re so Rich?*, 106.

<sup>166</sup> Cohen, *If You’re an Egalitarian, How Come You’re so Rich?*, 110-111.



“factual” disconnect between the exploited and the poor, my aim is to broach these very philosophical and political economic tasks that Cohen identifies. At the heart of these tasks is an egalitarian recognition of humanity, which can only be achieved when the right to the means of life does not depend on a logic of deservingness.

We have seen that early socialist thinking is bound up with its liberal meritocratic inheritance. Marx, as both admirer and fierce critic of capitalism, breaks with this liberal tradition, even as (and precisely because) his critique remains immanent to it. For Marx, capitalism abolishes ascriptive hierarchy, and brings with it formal equality in the marketplace in the realm of exchange. But in the realm of production, wealth inequality remains unsolvable under capitalism. It is then fitting to conclude this chapter with the words of Friedrich Engels, summarizing the transition from early socialism to Marx:

Some people - the classical bourgeois economists - investigated primarily the ratio in which the product of labour was distributed between the worker and the proprietor of the means of production. Others - the socialists - found this distribution unjust and sought to remove the injustice by utopian means. Both remained captive of the economic categories as they had found them.

Then Marx appeared. And he stood in direct opposition to all his predecessors. Where they had seen a solution, he saw only a problem.<sup>167</sup>

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<sup>167</sup> Engels, "Preface," in Marx, *Capital*, Vol. II, 98.

## Chapter 3: Karl Marx and the sociality of labor

*Man is a Zoon politikon [political animal] in the most literal sense: he is not only a social animal, but an animal that can be individualised only within society.*

Karl Marx, *A Contribution to the Critique of Political Economy*,  
1859

### Introduction

I have established the logic of deservingness, which is at the heart of the notion of “meritocracy,” as a theoretical object of political economy. First, I have identified a liberal logic of deservingness arising from bourgeois radicalism in which moral characteristics of hard work and thrift map onto the production of valuable labor. A hierarchy of achievement replaces the ascriptive hierarchy of aristocracy. Yet, we have seen simultaneously in liberal thought a recognition of the role of the division of labor in shaping individual outcomes, making an escape from poverty impossible for some, regardless of their talent or efforts. Further, I have argued that “achieved” hierarchy is itself ambiguously ascriptive if the natural endowment of individuals or cultures is believed to play a role in shaping achievement. I have then looked at how early socialist thought tries to solve the problem of inequality from within the terms of liberal political economic discourse by advocating equal exchange and the return to the laborer the full value of their labor. The producers themselves – rather than those who manage and organize production – are seen to be most deserving of reward. In both liberalism and early socialism, I have revealed the inherently moral character of the logic of deservingness based on value-producing labor.

Moreover, we have seen that understandings of what constitutes “labor” are not always consistent or straightforward. Sometimes the different conceptions are competing, and other times they are overlapping. In John Locke, Adam Smith and John Stuart Mill’s theories, there is a conflict between labor in general or the expenditure of physiological energy on the one hand, and labor that produces social value as determined by the market on the other hand. In the case of the early socialists, there is an unacknowledged *conflation* of these two notions of labor in many instances. Relatedly, there is a recognition of both the individual *and* the social character of labor. But this relationship is not properly understood in the political economic theorists we have examined so far. Consequently, the question of what counts as “labor,” and whose labor is deserving of reward, remains ambiguous in political economic theorists’ attempts to make sense of wealth inequality.

It is Karl Marx (1818-1883) who first makes explicit the two different notions of labor. Marx is keen to show how the first type of labor – labor in general – takes a particular, commodified form as *labor-power* in capitalism, which produces the second type of labor: value-producing labor.<sup>1</sup> However, labor-power nonetheless retains a certain universal quality characteristic of labor in general in the form of *abstract labor*, as we will explore. Following from this dual understanding of labor, Marx’s labor theory of value, unlike the socialists before him, does not simply claim that value is determined by an individual’s effort, or the number of hours one spends physiologically laboring on an object. Instead, value in the context of capitalism is measured in hours spent delivering *socially necessary* labor, which is determined not by the individual, but by society as a whole.

I argue in this chapter that Marx’s political economic analysis opposes the meritocratic logic of deservingness. We will see that Marx, more explicitly than his predecessors, develops social determinacy as a method of analysis and an ontology. He inherits this method and

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<sup>1</sup> The idea of labor-power is, however, *implicitly* recognized by Locke in his statement that “[A] freeman makes himself a servant to another, by selling to him, for a certain time, the service he undertakes to do, in exchange for wages he is to receive” (Locke, “Second Treatise,” 322). David Ricardo comes close to making the distinction explicit in his criticism of Adam Smith’s labor-commanded theory of value. In his criticism, he recognizes a distinction between labor which forms a commodity (labor-power) and labor which is the cost of production of the commodity (abstract human labor) (Levine, *Economic Studies: Contributions to the Critique of Economic Theory*, 104). According to Marx, it is Hegel in his *Philosophy of Right* who first makes the distinction (Marx, *Capital*, Vol. I).

ontology from G.W.F. Hegel (1770-1831), to whom he is indebted.<sup>2</sup> Part of what compels Marx to advance his theory of capital is to articulate a labor-oriented ethic – a “scientific socialism,” as Engels would put it<sup>3</sup> – that bypasses the individualist logic of deservingness. Marx’s critique of capitalism as a system of socio-economic organization, including the ideologies it produces, is immanent rather than moral: he attempts to examine how and why the world *is*, taking what we might call a diagnostic approach. This method opposes what he and Friedrich Engels (1820-1895) conceive of as the “utopian” method of writing about how the world *ought* to be. This distinction is key to understanding why they deride the utopian demand for justice as “[a] pure pious wish.”<sup>4</sup>

Section 1 of this chapter establishes our reading of Marx as a critic of the logic of deservingness, and how this critique derives in part from his criticism of utopian socialism. I begin by examining Marx’s *Critique of the Gotha Program* (1875), in which he demonstrates the incoherence of concepts such as the “undiminished proceeds of labor,” “equal right” and “fair distribution” in the context of capitalist society. We will begin to see that for Marx, deservingness itself is rendered incoherent in the context of capitalist society, due to the notion of social labor, which is determined through the market, and not the individual.

Section 2 demonstrates how Marx’s break from the logic of deservingness can be conceived of at the methodological and ontological levels. In this section, I more carefully examine how Marx’s method of immanent critique and social holism derive from the social holism of the market itself, in which individuals are products of their social relations. Here, I will focus on Marx’s concepts of “abstract labor” and “social labor.” Through these concepts, I demonstrate how the tension between the individual and the social in capitalist society informs Marx’s methodological opposition to the logic of deservingness.

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<sup>2</sup> Although I will briefly outline Hegel’s influence on Marx’s method in section 2 insofar as it is relevant to the argument, the literature on the extent of Marx’s indebtedness to Hegel is extensive, and I am unable to delve into these debates here.

<sup>3</sup> Engels, *Socialism: Utopian and Scientific*.

<sup>4</sup> Marx and Engels, *On Literature and Art*, sec. on “Thomas More,” 258. Marx and Engels would identify themselves as communists, distinguishing themselves from socialism which at the time was associated with Robert Owen (Harrison, *Robert Owen and the Owenites in Britain and America*, chap. 2, “The Definition of Socialism”).

In section 3, we will see how Marx's method and concepts which we have examined both inform and are informed by his tracing of the history of economic thought, and his critique of classical political economy's irresolvable tensions. These tensions, we will see, are the origins of the incoherence of "deservingness" in capitalist society. Here, Marx critiques classical theorists for naturalizing capitalist relations of production, which are distinctly historical. By historically contextualizing capitalist relations and the appearances they generate, Marx shows how and why liberal theorists *must* apprehend the individual's autonomy as natural or ahistorical; market relations themselves create the illusion of free, autonomous individuals. Meritocracy then appears not as a mere capitalist deception, but as a *necessary* deception.

Finally, section 4 explores Marx's own theory of history. In preparation for Chapter 4, I begin by looking at Marx and Engels' analysis of the historical contradictions of bourgeois society between the simultaneous assertion of the "rights of man" and the sanctification of extreme racialized inequality. In this analysis, Marx and Engels identify the US as a paradigmatic case of this contradiction. We then explore the issue of colonization and Marx's temporal displacement of non-European people. We find that Marx, unlike Locke and Mill, does not attempt to provide a moral justification for colonialism based on deservingness. Nonetheless, we will see that in his early writings, his stadial theory of progress understands colonialism as an inevitable historical necessity.

### 1. Marx against the logic of deservingness: The critique of utopian socialism

Marx begins with the assumption that in the case of waged labor as opposed to slave labor, individuals within liberal society are formally equal *as market participants* in the realm of exchange. This is both the political economic premise of meritocracy, and the foundation of liberal ideology. Theoretically speaking, inequality does not occur at the level of exchange, where all "runners" in the race have equal opportunity in conditions of formal equality. As we will see in later sections, Marx takes this liberal concept of equal exchange as a given in order to show its hidden exploitation by way of immanent critique. By accepting the Ricardian premise of equal exchange, Marx reveals the unequal structural social relations *underlying* equal exchange. He shifts attention to the realm of production, in which the laborer produces surplus-value only

after the exchange has been made.<sup>5</sup> In this way, Marx's critique of capitalism remains immanent. As we will see, we can read his acceptance of equal exchange as an immanent critique of the ideology and practice of meritocracy itself. In contrast to the liberal and socialist theorists who cannot move beyond a criticism of *undeserved* hierarchy, Marx's more foundational critique allows him to reject all hierarchy as undeserved: For Marx, class society itself is the inequality that is to be abolished. Deservingness, then, is made irrelevant and incoherent in his socially holistic representation of wealth and poverty. In the present section, I will briefly look at how Marx's concept of social labor provides a critique of utopian socialism before I more thoroughly examine the notion of social labor in section 2.

We find one of Marx's most explicit challenges to the logic of deservingness in his *Critique of the Gotha Programme* (1875).<sup>6</sup> Here, he outlines the problems with presupposing the individual at the expense of the social. The Gotha Program was the platform of the nascent Social Democratic Party of Germany (SPD) at its first party congress held in Gotha, Germany in 1875. The SPD was formed when the General German Workers' Association (ADAV), founded by Ferdinand Lasalle (1825-1864), combined with the Social Democratic Workers' Party of Germany (SDAP) that same year. While Marx reproduces three points from the Gotha program for the purposes of subjecting them to critique, only the following two points he reproduces are relevant to our present study:

1. Labor is the source of wealth and all culture, and since useful labor is possible only in society and through society, the proceeds of labor belong undiminished with equal right to all members of society.
3. The emancipation of labor demands the promotion of the instruments of labor to the common property of society and the co-operative regulation of the total labor, with a fair distribution of the proceeds of labor.<sup>7</sup>

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<sup>5</sup> Marx is clear that the surplus produced by labor (surplus-value) is neither unique to the wage-labor relation nor to capitalism as such, and that slave labor too can produce surplus-value. He also did not rule out slave labor as a mode of capitalist production, instead emphasizing that it intensified from primitive accumulation at the dawn of industrial capitalism; but he foresaw that it would eventually be overcome by waged-labor (See Banaji, *Theory as History: Essays on Modes of Production and Exploitation*, 3). Section 4.2 of this chapter deals with Marx's theory of history.

<sup>6</sup> Marx, *Critique of the Gotha Programme*, I.

<sup>7</sup> Marx, *Critique of the Gotha Programme*, I.

Marx finds several fundamental problems with these socialist propositions. He asks: “What is ‘fair distribution’? Do not the bourgeoisie assert that the present distribution is ‘fair?’ ... Have not also the socialist sectarians the most varied notions about ‘fair’ distribution?”<sup>8</sup> Marx highlights the ambiguities of the “Lassalleian catchword of the ‘undiminished proceeds of labor’” with a series of questions: “‘To all members of society’? To those who do not work as well? What remains then of the ‘undiminished’ proceeds of labor? Only to those members of society who work? What remains then of the ‘equal right’ of all members of society?”<sup>9</sup>

Marx proposes amending the first proposition to read: “‘Labor becomes the source of wealth and culture only as *social labor*’, or, what is the same thing, ‘in and through society.’”<sup>10</sup> This is because “although isolated labor (its material conditions presupposed) can create use value, it can create neither wealth nor culture.”<sup>11</sup> But equally incontestable, Marx adds, is the proposition that “[i]n proportion as labor develops socially, and becomes thereby a source of wealth and culture, poverty and destitution develop among the workers, and wealth and culture among the nonworkers.”<sup>12</sup>

As Marx explains in *Capital*, socially necessary labor, or a determinate quantity of *social labor*, can be defined as the substance of value; it is labor that results in commodities, or useful objects for human consumption that have both a use-value and an exchange-value. However, productive labor in the context of capitalism is not the mere production of commodities. Use-value in fact becomes secondary to the capitalist as production is driven toward the creation of *surplus-value* as such.<sup>13</sup> Labor-power is then a portion of socially useful labor *in general*, abstracted from its particular utility. A productive worker “produces not for himself, but for capital.”<sup>14</sup> Marx gives the example of a schoolmaster: Although the use-value of his labor (educating students) does not disappear, he must also enrich the owner of the school. “That the latter has laid out his capital in a teaching factory, instead of a sausage factory, makes no

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<sup>8</sup> Marx, *Critique of the Gotha Programme*, I.

<sup>9</sup> Marx, *Critique of the Gotha Programme*, I.

<sup>10</sup> Marx, *Critique of the Gotha Programme*, I, my emphasis.

<sup>11</sup> Marx, *Critique of the Gotha Programme*, I.

<sup>12</sup> Marx, *Critique of the Gotha Programme*, I.

<sup>13</sup> Marx, *Capital*, Vol. I, 644.

<sup>14</sup> Marx, *Capital*, Vol. I, 644.

difference to the relation.”<sup>15</sup> As we will see throughout the chapter, the concept of a productive worker is thus not only defined as one who produces a useful product, but also as one who is part of *social relation* in which capital valorizes itself through labor.<sup>16</sup> Due to the exploitative nature of this relation, “[t]o be a productive worker is ... not a piece of luck, but a misfortune.”<sup>17</sup>

For our purposes, one important conclusion follows when we consider Marx’s argument that value becomes wealth only when individual labor becomes connected through a system of social labor: When labor is no longer autonomous, it follows that all participants in the global economy become interdependent and interconnected. If the creation of wealth is tied to labor, and labor is no longer reducible to individuals, then neither is wealth creation reducible to individuals. Because of this interdependence implied by the division of labor, wealth can begin to be understood as a universal social *entitlement*, rather than a moral matter of individual deservingness.

Marx notes that we can think of the co-operative proceeds of labor as the *total social product*. But this therefore raises further ambiguities concerning the relationship between the individual and the social: “These deductions from the ‘undiminished’ proceeds of labor are an economic necessity,” Marx says, and “they are in no way calculable by equity.”<sup>18</sup> Before the individual’s proceeds can be calculated, Marx notes that deductions from the social product would need to include administration not belonging to production, and common needs such as schools, health services, and funds for those unable to work. “Only now do we come to the ‘distribution’ which the program, under Lassallean influence, alone has in view in its narrow fashion – namely, to that part of the means of consumption which is divided among the individual producers of the co-operative society.”<sup>19</sup>

In Marx’s analysis, bourgeois economists and their socialist successors confine “equal right” to the commodity exchange of equivalents in the average case, as opposed to the

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<sup>15</sup> Marx, *Capital*, Vol. I, 644.

<sup>16</sup> As Levine explains the relational element of value, “For labor-power to produce surplus-value it must become a part of, be united with, capital” (Levine, *Economic Studies*, 93).

<sup>17</sup> Marx, *Capital*, Vol. I, 644.

<sup>18</sup> Marx, *Critique of the Gotha Programme*, I.

<sup>19</sup> Marx, *Critique of the Gotha Programme*, I.



individual case.<sup>20</sup> But this is necessary, in the context of capitalism: Individuals, constituted by their different needs, interests, capacities and identities, must be made commensurable via an equalizing principle. This equalizing principle, Marx says, is socially necessary labor time, which serves as a standard of measurement. In other words, “equality,” by definition, must be the application of an equal standard; but it follows that this equal standard is necessarily applied to inherently “unequal” individuals. Here, however, Marx uses the term “unequal” to signify *difference* rather than what we have called moral inequality. Formal equality necessarily allows for meritocratic implications to follow: the harder one labors, the more they deserve in reward. Or as Marx puts it, “The right of the producers is *proportional* to the labor they supply; the equality consists in the fact that measurement is made with an *equal standard*, labor.”<sup>21</sup> In a rather remarkable passage in *Critique of the Gotha Programme*, Marx demonstrates that the liberal notion of “equal right” necessarily yields unequal outcomes:

But one man is superior to another physically, or mentally, and supplies more labor in the same time, or can labor for a longer time; and labor, to serve as a measure, must be defined by its duration or intensity, otherwise it ceases to be a standard of measurement. This *equal* right is an unequal right for unequal labor. It recognizes no class differences, because everyone is only a worker like everyone else; but it tacitly recognizes unequal individual endowment, and thus productive capacity, as a natural privilege. It is, therefore, a right of inequality, in its content, like every right. Right, by its very nature, can consist only in the application of an equal standard; but unequal individuals (and they would not be different individuals if they were not unequal) are measurable only by an equal standard insofar as they are brought under an equal point of view, are taken from one definite side only – for instance, in the present case, are regarded *only as workers* and nothing more is seen in them, everything else being ignored. Further, one worker is married, another is not; one has more children than another, and so on and so forth. Thus, with an equal performance of labor, and hence an equal in the social consumption fund, one will in fact receive more than another, one will be richer than another, and so on. To avoid all these defects, right, instead of being equal, would have to be unequal.<sup>22</sup>

Here, Marx shows how the unequal outcomes of capitalist relations, which are shaped by a specific social and historical context, appear to be the realization of natural endowment:

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<sup>20</sup> Marx, *Critique of the Gotha Programme*, I.

<sup>21</sup> Marx, *Critique of the Gotha Programme*, I.

<sup>22</sup> Marx, *Critique of the Gotha Programme*, I.

superiority of the one party, and inferiority of the other. The extent to which Marx believes these relations in fact represent an actually existing natural inequality is unclear. However, this seems to be beside the point for him. Marx's commitment to moral equality means that even if natural inequality did exist, it would not justify unequal outcome or render some members of society undeserving.<sup>23</sup> Further, he notes that individuals have different needs depending on their social circumstances – such as whether they are married, or whether they have children. He therefore proposes “unequal” rights, in which individuals are rewarded according to their needs. He famously declares:

In a higher phase of communist society, after the enslaving subordination of the individual to the division of labor, and therewith also the antithesis between mental and physical labor, has vanished; after labor has become not only a means of life but life's prime want; after the productive forces have also increased with the all-around development of the individual, and all the springs of co-operative wealth flow more abundantly – only then can the narrow horizon of bourgeois right be crossed in its entirety and society inscribe on its banners: From each according to his ability, to each according to his needs!<sup>24</sup>

In sum, treating all labor equally in fact obscures the inequality that derives from differing social situations and from natural or unnatural endowments. Further, it ignores the more fundamental force subordinating laborers, which is not unequal remuneration, but the division of labor itself.

Again, it can be emphasized that Marx is critiquing a socialist program. His critique is important not because he is trying to undermine the cause of the working class on behalf of whom socialists like Ferdinand Lassalle are presumably fighting. On the contrary, his critique can be read as highlighting fundamental tensions within capitalism itself – ones which are reproduced by “utopian” socialism. This is a socialism which uncritically accepts capitalism's premises in its struggle for equality. This acceptance yields a reformist vision which ultimately

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<sup>23</sup> A commitment to moral equality, like a commitment to moral inequality, is of course an example of an “ought.”

<sup>24</sup> Marx, *Critique of the Gotha Programme*, I. Marx does note, however, that “these defects [i.e., the notion of ‘to each according to their labor’] are inevitable in the first phase of communist society as it is when it has just emerged after prolonged birth pangs from capitalist society” (ibid). His Hegelian influence is evident in his statement that, “Right can never be higher than the economic structure of society and its cultural development conditioned thereby” (ibid). A distinct temporality therefore accompanies his famous conviction, “From each according to his ability, to each according to his needs.” I explore the temporal element of Marx's theory of history in section 4.2 of this chapter.

leaves intact the assumption that capitalism is a coherent and eternal system of production and distribution – an assumption that socialism inherits from classical political economy. By contrast, Marx breaks from the individual deservingness logic at the methodological and ontological level. I will now take a closer look at how Marx’s understanding of what I am calling social holism or social determinacy provides an immanent rather than moralizing critique of the system of labor under capitalism.

## 2. Marx’s social holism

Unlike the Smithian socialists explored previously, Marx rejects the possibility of eradicating exploitation or achieving a socially and economically equal world not only through equal exchange or equal rights, but within capitalism itself. To understand how and why he comes to reject capitalism and the liberal logic upholding it, I will examine his method and ontology of social holism, which is intertwined with his method of immanent critique. This view conceives of the whole (the capitalist global economy or market society) *in relation* to the parts (individuals), as opposed to a view which moralizes individual behavior. I begin with a methodological examination of Marx’s holism, in particular the relation between the individual and the social. I then turn to Marx’s analysis of the social determinacy of the market itself.

Although Marx avoids overt moral judgement in his most scientific writings, this is not to suggest that his method of critique does not have an ethic. On the contrary, methodological holism posits an ethic of its own, which counters the ethic of methodological individualism. While individualism presupposes the *individual*, social holism presupposes the *social*. That the latter is a more scientifically accurate reflection of the constitution of the human being can be argued, as it is in this thesis, but never to an extent that will satisfy empiricists; the “agent versus structure” debate (which includes its many variations) is not one that can be resolved via the falsification of testable hypotheses. Whether one emphasizes the individual or emphasizes society ultimately remains a matter of *political* science. What we can emphasize, then, is not the “correctness” of methodological holism, but rather its explanatory utility to our present study of meritocracy and political economic theory, and its insightfulness as an alternative to thinking

about hierarchy in terms of methodological individualism and deservingness.<sup>25</sup> Specifically, unlike methodological individualism, holism allows us to see the *necessity* of ideologies about hierarchy; it allows us to see how ideology operates within society and the material world.<sup>26</sup>

### *2.1 Methodological holism: The individual and the social*

I begin by taking a closer look at the tension between the individual and the social inherent to value-production under capitalism, and its implications for Marx's method of analysis. Marx follows Hegel's contention, against Kantian individualism, that humans are social beings – a presupposition which makes Marx's social holism *ontological*.<sup>27</sup> We see this presupposition laid out in Hegel's discussion of how the individual begins life “not as an independent person but as a member.”<sup>28</sup> Yet, Hegel recognizes that the aim of the family is nonetheless to prepare its members to become independent individuals in society.<sup>29</sup> The ultimate end of the family is inevitably disintegration, through both marriage and death of its members.<sup>30</sup> This is how Hegel conceives of the transition from the “unity” of the family to “difference” in civil society. He worries, however, that civil society atomizes individuals.<sup>31</sup> Marx follows this reading of Hegel, identifying the logic of civil society as the logic of the socially posited asocial individual.<sup>32</sup>

Hegel's system of philosophy is based on a critique of the Kantian dualism of the “is” and the “ought.” Hegel posits a unity of the essence and existence, an assumption that opposes Kant's thing-in-itself and his concept of pure reason. For Hegel, “What is rational is actual and what is actual is rational.”<sup>33</sup> Marx follows this critique, believing that a focus on the “ought”

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<sup>25</sup> See Jackson, “The Production of Facts: Ideal-Typification and the Preservation of Politics,” 88.

<sup>26</sup> Althusser, “Ideology and Ideological State Apparatuses.”

<sup>27</sup> Marxists remain in disagreement about whether Marx's holism is ontological or “merely” methodological (see Jay, *Marxism and Totality: The Adventures of a Concept from Lukács to Habermas*, 65). I argue that it is both. However, I only focus on Marx's holism to the extent that it is relevant to my argument about Marx's challenge to the logic of deservingness.

<sup>28</sup> Hegel, *The Philosophy of Right*, para. 158.

<sup>29</sup> Blaney and Inayatullah, *Savage Economics*, 117.

<sup>30</sup> Hegel, *The Philosophy of Right*, para. 181.

<sup>31</sup> Blaney and Inayatullah, *Savage Economics*, 119.

<sup>32</sup> Murray, *Marx's Theory of Scientific Knowledge*, 161.

<sup>33</sup> Hegel, *The Philosophy of Right*, 10.

allows for a flight from the actual world of what “is.” As Hegel says, “To comprehend what is, this is the task of philosophy, because what is, is reason.”<sup>34</sup> It is thinking in terms of the “ought” that for Marx constitutes utopianism.<sup>35</sup> Both Marx and Hegel hope to avoid what they see as a subjective moralism in their scientific and philosophic methods, respectively.<sup>36</sup>

If presupposing the individual versus presupposing society is, on the ontological level, an inevitably political issue, then the question becomes how to go about doing social science, given that the term “science” itself usually implies empiricism – although this is an assumption which Marx challenges. For Marx, the individual’s social constitution means that the method of *inquiry* inevitably begins with the concrete. But to try to present the concrete in its entirety would necessarily lead to a “chaotic conception of the whole.”<sup>37</sup> Therefore, the “scientifically correct method” of political economy must start with the abstract in its *presentation*.<sup>38</sup> Here Marx follows Hegel’s critique of empiricism: the concrete cannot be grasped without, as Patrick Murray puts it, “the labor of thought.”<sup>39</sup> Marx parts from Hegel, however, in a crucial way, distinguishing his materialism from Hegel’s idealism. For Marx, Hegel conceives the real as “the product of thought,” whereas Marx takes thought as the inevitable product of the real and concrete.<sup>40</sup> For Marx, we abstract reality for the purposes of doing theory, but only, ultimately, to be led back to the concrete, “this time not as the chaotic conception of a whole, but as a rich totality of many determinations and relations.”<sup>41</sup> Nonetheless, it is impossible for the theorist to stand outside of society: “The subject, society, must always be envisaged ... as the pre-condition of comprehension even when the theoretical method is employed.”<sup>42</sup> In other words, the real and concrete relations of society *produce* theory itself. Therefore, theory always presupposes society, even if theorists do not acknowledge this presupposition.

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<sup>34</sup> Hegel, *The Philosophy of Right*, 11.

<sup>35</sup> Murray, *Marx’s Theory of Scientific Knowledge*, 222–23.

<sup>36</sup> Murray, *Marx’s Theory of Scientific Knowledge*, 224.

<sup>37</sup> Marx, *Grundrisse*, 100.

<sup>38</sup> Marx, *Capital*, Vol. I, 102; Marx, *Grundrisse*, 101.

<sup>39</sup> Murray, *Marx’s Theory of Scientific Knowledge*, 115.

<sup>40</sup> Marx, *Grundrisse*, 101.

<sup>41</sup> Marx, *Grundrisse*, 100.

<sup>42</sup> Marx, *A Contribution to the Critique of Political Economy*, 207. See also Marx, *Grundrisse*, 102.

Marx takes “Individuals producing in a society, and hence the *socially determined production of individuals*” as a point of departure.<sup>43</sup> By beginning with *socially* determined production, Marx distinguishes himself from perspectives that begin with *individually* determined production, or “[t]he solitary and isolated hunter or fisherman, who serves Adam Smith and Ricardo as a starting point.”<sup>44</sup> The latter perspective, which Marx calls a type of “naturalism,” “is one of the unimaginative fantasies of eighteenth-century romances *à la* Robinson Crusoe.”<sup>45</sup> Marx is explicit that although he does not depict the capitalist or landowner in rosy colors, he deals with individuals “only in so far as they are the personifications of economic categories, the bearers of particular class-relations and interests.”<sup>46</sup> He even claims that this standpoint, which views the economic development of a society as a process of natural history, can, less than any other standpoint, “make the individual responsible for relations whose creature he remains, socially speaking, however much he may subjectively raise himself above them.”<sup>47</sup>

I argue that despite the charges of “economism,” “economic determinism,” or “economic reductionism” leveled against him, Marx’s social determinacy is not “deterministic.”<sup>48</sup> Ultimately, as Marx indicates, individuals are creatures of social *relations* (however fetishized these relations become in capitalism), not of economic categories. As Eric Wolf describes the significance of Marx’s holism,

Marx was one of the last major figures to aim at a holistic human science, capable of integrating the varied [disciplinary] specializations. Contrary to what is often said about him, he was by no means an economic determinist. He was a materialist, believing in the primacy of material relationships as against the primacy of ‘spirit.’ Indeed, his conception

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<sup>43</sup> Marx, *A Contribution to the Critique of Political Economy*, 188, my emphasis.

<sup>44</sup> Marx, *A Contribution to the Critique of Political Economy*, 188.

<sup>45</sup> Marx, *A Contribution to the Critique of Political Economy*, 188.

<sup>46</sup> Marx, *Capital*, Vol. I, "Preface to the First Edition," 92.

<sup>47</sup> Marx, *Capital*, Vol. I, "Preface to the First Edition," 92.

<sup>48</sup> Here, I follow many theorists who contest the charge that Marx is an economic determinist. For instance Elson, “The Value Theory of Labour,” 129; Wolf, *Europe and the People without History*, 21. This is why I have chosen to use Levine’s language of social *determinacy* as opposed to social determinism.

of production (*Produktion*) was conceived in opposition to Hegel's *Geist*, manifesting itself in successive incarnations of spirit.<sup>49</sup>

Because of this social determinacy, we find in Marx no depiction of individual deservingness of wealth or poverty.

Marx notes that Smith, Ricardo and their predecessors' view of the individual abstracted from society anticipates their view of bourgeois society, which began to evolve in the sixteenth century, and made strides toward maturity in the eighteenth century: "The individual in this [bourgeois] society of free competition seems to be rid of natural ties, etc., which made him an appurtenance of a particular, limited aggregation of human beings in previous historical epochs."<sup>50</sup> This 18th-century individual, who is "a product of the dissolution of feudal society on the one hand and of the new productive forces evolved since the sixteenth century on the other" is taken by Smith and Ricardo not as an historical result, but as the starting point of history, as something "posited by nature, because for them this individual was in conformity with nature, in keeping with their idea of human nature."<sup>51</sup> According to this classical liberal logic, to be an individual is to be free from the constraints of society, and to be free from constraints is to be natural, or in accordance with human nature. With the exception of James Steuart's political economy, Marx says, "This delusion has been characteristic of every new [theoretical] epoch hitherto."<sup>52</sup> Marx seems to suggest that the classical political economists (and indeed the "prophets of the eighteenth century on whose shoulders [they] were still wholly standing") had to mythologically construct the early human as the ideal individual, devoid of social attachments, in order to demonstrate a natural progression to the modern, independent individual's full realization.<sup>53</sup> They aimed to show that this was the natural, free individual from which feudalism was a departure, and to which bourgeois society (capitalism) was a return.

Marx goes to great lengths to demonstrate that the conception of the independent individual of bourgeois society is an illusion, even delusion – just as much as the notion of the

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<sup>49</sup> Wolf, *Europe and the People without History*, 21.

<sup>50</sup> Marx, *A Contribution to the Critique of Political Economy*, 188.

<sup>51</sup> Marx, *A Contribution to the Critique of Political Economy*, 188.

<sup>52</sup> Marx, *A Contribution to the Critique of Political Economy*, 188.

<sup>53</sup> Marx, *A Contribution to the Critique of Political Economy*, 188.

independent early human in the state of nature is. He goes so far as to *reverse* the classical position by highlighting that paradoxically, the bourgeois epoch which produces this illusion of the solitary individual is the very same epoch which is marked by the most highly developed *social* relations. To understand how social holism is most characteristic of capitalist society in particular, and why, paradoxically, the illusion of individual autonomy is a *necessary* deception of market society, it is worth reproducing the following quote from Marx in full:

The further back we trace the course of history, the more does the individual, and accordingly also the producing individual, appear to be dependent and to belong to a larger whole. At first, the individual in a still quite natural manner is part of the family and of the tribe which evolves from the family; later he is part of a community, of one of the different forms of the community which arise from the conflict and the merging of tribes. It is not until the eighteenth century that in bourgeois society the various forms of the social texture confront the individual as merely means towards his private ends, as external necessity. But the epoch which produces this standpoint, namely that of the solitary individual, is precisely the epoch of the (as yet) most highly developed social (according to this standpoint, general) relations. *Man is a Zoon politikon [political animal] in the most literal sense: he is not only a social animal, but an animal that can be individualised only within society.*<sup>54</sup>

Thus, bourgeois society begins to produce individuals who *see themselves* as independent, and who strive for independence as the ultimate freedom. Marx does of course note that there is a component of truth to the claim of bourgeois freedom. Bourgeois relations free individuals from oppressive feudal ties – but only for these newly freed workers to find themselves facing a new form of oppression in waged labor. In this negative sense, the process of proletarianization “frees” individuals from their land and other means of production and is therefore also a process of dispossession. The proletariat is thus free in a “double sense.”<sup>55</sup>

Individuals begin to act on this freedom, in both its real and ideational senses, by treating other individuals as a mere means to their own private ends. Here we return to David P. Levine’s argument that the core element of what defines capitalist society – socially determined production in its most highly-developed historical form yet – must be negated by that same society. Capitalist production creates the illusion of, and desire for, free, independent individuals,

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<sup>54</sup> Marx, *A Contribution to the Critique of Political Economy*, 189, my emphasis.

<sup>55</sup> Marx, *Capital Vol. I*, 874.



disconnected both from their land and from a feudal past in which the individual is a mere “appurtenance.” Yet, capitalist institutions and ideology must deny the socially determining core that continues in capitalism itself. The very idea of *social* labor, which produces wealth, must be conceived of as a result of the actions and decisions of free, autonomous *individuals*. I now take a closer look at how social determinacy constitutes the market order itself.

## 2.2 *The holism of the market: Abstract and social labor*

I noted in the introduction to this chapter that Marx makes explicit two dimensions of labor that remain implicit in the liberal theorists we have already examined. David L. Blaney and Naeem Inayatullah specify that we can distinguish between two notions of simple or abstract labor in Marx’s work.<sup>56</sup> The first abstraction, they note, is the category of *labor* itself, which is neither culturally nor historically specific, as it is common to all cultures and historical epochs since the beginning of human history. Labor in general is humanity’s capacity to deliberately transform nature into use-values. In Marx’s words, “Labor, then, as the creator of use-values, as useful labor, is a condition of human existence which is independent of all forms of society; it is an eternal natural necessity which mediates the metabolism between man and nature, and therefore human life itself.”<sup>57</sup> This uniquely human activity can be thought of as the planned construction of useful things to satisfy needs: “[W]hat distinguishes the worst architect from the best of bees is that the architect builds the cell in his mind before he constructs it in wax.”<sup>58</sup> There is also a spiritual component of this general category that Marx inherits from Hegel, in which humans discover themselves in what they create: “Man not only effects a change of form in the materials of nature; he also realizes [*verwirklicht*] his own purpose in those materials.”<sup>59</sup> The second abstraction is Marx’s definition of *abstract labor* itself. This notion can be thought of as the content of the commodity labor-power, arriving only in relatively recent history with the rise of capitalism.<sup>60</sup> Blaney and Inayatullah, using R.G. Collingwood’s language, note that the historical appearance of abstract labor is the moment when, for Marx, all previous forms of the

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<sup>56</sup> Blaney and Inayatullah, *Savage Economics*, 161.

<sup>57</sup> Marx, *Capital*, Vol. I, 133.

<sup>58</sup> Marx, *Capital*, Vol. I, 284. See Blaney and Inayatullah, *Savage Economics*, 174.

<sup>59</sup> Marx, *Capital*, Vol. I, 284.

<sup>60</sup> Blaney and Inayatullah, *Savage Economics*, 161.

category are rendered lesser in a scale of forms. It is arguably here where Marx's labor theory of value and his theory of history come together: it is only with the abstraction of labor that history becomes "theoretically knowable," as Dipesh Chakrabarty puts it.<sup>61</sup> In other words, it is only through the lens of the most developed and complex historical organization of production, bourgeois society, that we gain insight into "vanished social formations" that nonetheless carry "partly still unconquered remnants" in the present.<sup>62</sup> Further, it is only this highly developed epoch itself which gives rise to general abstractions. Marx uses an analogy from the natural sciences in a famous passage: "Human anatomy contains a key to the anatomy of the ape. The intimations of higher development among the subordinate animal species, however, can be understood only after the higher development is already known."<sup>63</sup>

We see that the conception of labor in its general form has a transhistorical quality.<sup>64</sup> In this universal form, labor is simply the metabolic interaction between humans and nature, common to all epochs of human history. But when labor is "economically considered," it is "as modern a category as the relations which give rise to this simple abstraction."<sup>65</sup> It is not the case that abstractions such as labor develop from a general to a particular, modern form; it is rather that the use of abstractions by modern political economists always presupposes a "more concrete legal category."<sup>66</sup> Yet in capitalism, something peculiar happens: a certain general quality of labor is expressed *in practice*. Labor is abstracted in practice as the specificity of employment and the identity of workers become irrelevant to the process of production and circulation of capital. Marx says, "Indifference towards specific labors corresponds to a form of society in which individuals can with ease transfer from one labor to another, and where the specific kind is a matter of chance for them, hence of indifference."<sup>67</sup> This "equality and

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<sup>61</sup> Chakrabarty, *Provincializing Europe: Postcolonial Thought and Historical Difference*, 29–30, cited in Blaney and Inayatullah, *Savage Economics*, 163.

<sup>62</sup> Marx, *Grundrisse*, 105.

<sup>63</sup> Marx, *Grundrisse*, 104.

<sup>64</sup> Marx, *A Contribution to the Critique of Political Economy*, 209; See also Marx, *Grundrisse*, 103.

<sup>65</sup> Marx, *A Contribution to the Critique of Political Economy*, 209.

<sup>66</sup> Marx, *A Contribution to the Critique of Political Economy*, 207. See also Marx, *Grundrisse*, 102.

<sup>67</sup> Marx, *Grundrisse*, 104. Marx notes abstract labor's distinctly modern character: "But there is a devil of a difference between barbarians who are fit by nature to be used for anything, and civilized people who apply themselves to everything" (*ibid*, 105).

equivalence of all kinds of labor because and in so far as they are human labor in general” is what Marx calls “the secret of the expression of value.”<sup>68</sup> Here we see both a theoretical and historical move into the realm of abstraction: “‘labor as such’, labor pure and simple, becomes true in practice.”<sup>69</sup> Marx notes that the secret of value could not be deciphered “until the concept of *human equality* had already acquired the permanence of fixed popular opinion.”<sup>70</sup> This new equality directly implicates the way in which surplus is extracted from workers as exploitation is “stripped” of its ascriptive cloaks.<sup>71</sup>

We see that labor is always bound by its specific historic relations during all epochs of human history. But in capitalism, this particularity is universalized in the form of abstract labor. To be clear, this universal category of abstract labor – the condition of possibility for economic equality as market participants – remains a historically specific development arising with capitalist social relations.<sup>72</sup> However, this historical peculiarity, by its very nature (nature here meaning intrinsic property, not natural) takes on a universal character. Marx is careful to note that despite the universal quality of these abstractions, they are still the result of historical processes, and possess their validity only for and within relations of capitalism.<sup>73</sup> Through intentional and unintentional mystifications, these historically created abstractions appear as eternal and natural in Smith and Ricardo’s presentations, as we will explore further.

In sum, I reiterate three points at this juncture: First, Marx makes clear that the bourgeois individual in a society of free competition only *seems* to be rid of socially determined production, when in fact, socially determined production is most developed in a society of free competition. The individual is *individuated* only within society. Second, this free individual is an abstraction created by a mythological as opposed to historical construction of the human being – a construction which Marx believes is reproduced not only in eighteenth century political economy, but also in nineteenth century political economy in the work of Proudhon and others.<sup>74</sup>

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<sup>68</sup> Marx, *Capital*, Vol. I, 152.

<sup>69</sup> Marx, *Grundrisse*, 105.

<sup>70</sup> Marx, *Capital*, Vol. I, 152, my emphasis.

<sup>71</sup> Marx, *Capital*, Vol. I, 1027.

<sup>72</sup> See Wood, *The Origin of Capitalism*.

<sup>73</sup> Marx, *Grundrisse*, 105.

<sup>74</sup> Marx, *A Contribution to the Critique of Political Economy*, 189.

Finally, any notion of justice is accompanied by a vision of how the world “should” be, which Marx, at least when he is being a scientist, believes to be an escape from what “is.” As we will see, classical political economists have a mythical construction of the “natural” human. In an unannounced next move, they equate what is natural to what is just. In this view, because free competition (meritocracy) rewards labor as a “natural” measure, it appears to be more in line with justice. It is in this sense that meritocracy, or a hierarchy based on a logic of deservingness according to labor, begins to appear as something natural and therefore just in classical political economy. For Marx, by contrast, it is a distinctly social form of societal organization. I conclude this section by reflecting on the limits of equal exchange.

### *2.3 Socially necessary labor and the limits of equal exchange*

This section demonstrates the immanent nature of Marx’s critique of capitalism by examining how and why Marx accepts the Ricardian premise of equal exchange. Contrary to Adam Smith and the Smithian socialists, Marx begins with the assumption that the commodity *labor-power* is bought and sold at its value, and that “its value, like that of all other commodities, is determined by the labor-time necessary to produce it.”<sup>75</sup> Here, Marx follows Ricardo in his theory that exchange in capitalist society is in fact an exchange of *equivalents*: “a given amount of labor in one form is exchanged for an equal amount of labor in another form.”<sup>76</sup> It is for this reason that Noel Thompson calls Marx the only Ricardian socialist.<sup>77</sup> But similarly to the socialists before him, Marx attempts to objectively prove the existence of exploitation. He does this through his theory of surplus-value, an aspect of what is commonly called his labor theory of value. To understand how this exploitation occurs, Marx takes us out of the realm of exchange and into the realm of production. It is only in the realm of production that we can witness exploitation: how the commodity labor-power, in its own expenditure, creates more value than it consumes. In production, the laborer performs surplus labor time that is appropriated by the capitalist as surplus-value.<sup>78</sup> In artisanal or pre-capitalist societies, before commodities attain the

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<sup>75</sup> Marx, *Capital*, Vol. I, 340.

<sup>76</sup> Marx, *Critique of the Gotha Programme*. Marx is referring to the Ricardian “embodied” labor-time.

<sup>77</sup> Noel Thompson, *The People’s Science*, 105.

<sup>78</sup> According to Marx, just because value is stolen from the worker, does not mean that value in the system as a whole changes.

“universal character” that they do in capitalism, the proprietors of the means of production are themselves producers. But as soon as a labor force of workers who are not themselves proprietors must sell their labor on the market, a different form of exploitation occurs from the earlier form of exploitation of apprentices and of slave labor. As Slavoj Žižek explains it:

With this new commodity [labor-power], the equivalent exchange becomes its own negation – the very form of exploitation, of appropriation of surplus value. The crucial point not to be missed here is that this negation is strictly internal to equivalent exchange, not its simple violation: the labour force is not 'exploited' in the sense that its full value is not remunerated; in principle at least, the exchange between labour and capital is wholly equivalent and equitable. The catch is that the labour force is a peculiar commodity, the use of which – labour itself – produces a certain surplus-value, and it is this surplus over the value of the labour force itself which is appropriated by the capitalist.<sup>79</sup>

For Marx, the labor theory of value is not a doctrine that determines what an individual deserves. It is instead the assertion that value is abstract labor congealed in a commodity.<sup>80</sup> As E.K. Hunt puts it, the theory “is intended simply to be descriptive of what Marx considers to be one of the most important, essential facts of capitalism, namely, that the concrete, particular labour of the isolated individual ‘becomes social labour by assuming the form of its direct opposite, of abstract universal labour.’”<sup>81</sup> As I have argued in the previous chapter, labor theories of value need not be moral contentions, though they may have ethical implications for those attached to some variation of Locke’s labor theory of property. But if labor grants entitlement to wealth or property, and *social* labor is by definition not tied to any one particular individual, but rather to the social whole, then wealth is a matter of entitlement based on need, rather than a matter of deservingness contingent upon labor contribution. In E.K. Hunt’s terms, the purpose of the labor theory of value is “to be an accurate, descriptive definition of the real essence of the indirect sociality involved in capitalist commodity production.”<sup>82</sup>

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<sup>79</sup> Žižek, *The Sublime Object of Ideology*, 17.

<sup>80</sup> Hunt, “Joan Robinson and the Labour Theory of Value,” 337.

<sup>81</sup> Hunt, “Joan Robinson and the Labour Theory of Value,” 337, quoting Marx, *A Contribution to the Critique of Political Economy*, 34.

<sup>82</sup> Hunt, “Joan Robinson and the Labour Theory of Value,” 340.

As Marx himself explains, social labor and the law of value are, on some level, rather common-sense notions:

Every child knows a nation which ceased to work, I will not say for a year, but even for a few weeks, would perish. Every child knows, too, that the masses of products corresponding to the different needs required different and quantitatively determined masses of the total labor of society. That this necessity of the distribution of social labor in definite proportions cannot possibly be done away with by a particular form of social production but can only change the mode of its appearance, is self-evident. No natural laws can be done away with. What can change in historically different circumstances is only the form in which these laws assert themselves. And the form in which this proportional distribution of labor asserts itself, in the state of society where the interconnection of social labor is manifested in the private exchange of the individual products of labor, is precisely the exchange value of these products.<sup>83</sup>

What is less obvious is how this private, individual exchange of equal products of labor yields exploitation and inequality. Therefore, in addition to explaining the social interdependence of individuals in capitalist society, Marx also uses the labor theory to perform an immanent critique of capitalism and classical political economy. I will now outline the nature of Marx's critique of equal exchange.

In a system of free labor, the capitalist purchases the laborer's labor-power, or capacity to labor, in an equal exchange. One commodity is exchanged for another: wages for the commodity labor-power. But Marx observes that in capitalist societies, the worker is coerced, either directly through violence or indirectly through the pangs of hunger, into selling their labor-power for a wage, to meet subsistence needs for themselves and their families, allowing for self-reproduction. In the process of production, the laborer performs a "surplus" labor time, past what is necessary to reproduce themselves, which is appropriated by the capitalist and turned into surplus-value – the profit, or private wealth to which the latter alone is entitled. Wages serve to not only provide the worker with their means of subsistence; the fact that they are one side of an equal exchange relation masks the laborer's exploitation. Although Marx starts with the assumption of equal exchange in the capitalist's purchase of the commodity labor-power, he emphasizes that labor-power itself is a special commodity, which has a dynamic element that allows it to augment value in production. Thus, the "secret" behind the commodity form lies in

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<sup>83</sup> Marx, "Marx to Kugelmann In Hanover."

the capital-labor relation itself: Although wages still represent an equal exchange when the contract between laborer and overseer is made, when the commodity labor-power is expended, a surplus product is produced, which the capitalist appropriates as private profit. Avoiding the Lockean language of “mixing” labor and capital, Marx understands labor and capital dialectically: They are opposed, yet each is incomprehensible without the other, and the opposites therefore constitute one another in capitalism.

We can see how there is a component of Marx’s analysis of exploitation which cannot be conceptualized solely in the narrow, economic space of the capital-wage relation. This is because value itself is a category of *social* control, and capital (personified by the capitalist) possesses this control over labor (personified by the worker). There are social mechanisms in place that allow the capitalist alone to appropriate and maintain control over surplus-value, produced by the laborer. In sum, the “fruits of labor” are structurally in the hands of the owners, and not the producers of wealth.<sup>84</sup> Thus, we can also glean in Marx’s text not only an *economic*, but also a *political* theory of exploitation, which further demonstrates the limits of critique at the level of exchange.<sup>85</sup>

Although it is still linked to labor-time, we can see that “value” for Marx takes on a different meaning than it does for Smith and his predecessors. “Necessary labor time” refers to the amount of time a laborer must work to earn enough in wages to reproduce himself. This means that “if it takes 6 hours to produce the average daily means of subsistence of the worker, he must work an average of 6 hours a day to produce his daily labour-power, or to reproduce the value received as a result of its sale.” Proceeding from this understanding of labor-time, Marx is critical of the idea of “natural price” of labor – a phrase popular with the classical political economists and their socialist successors. Responding cynically to Ricardo in particular, Marx says: “The natural price of labor is no other than the wage minimum.”<sup>86</sup> For Marx, if necessary labor-time is quantifiable, then so too is the additional time which the laborer works beyond the

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<sup>84</sup> See Geras, “‘The Fruits of Labour’ — Private Property and Moral Equality.”

<sup>85</sup> See Carver, “Marx’s Political Theory of Exploitation.” As Pateman points out, critics of capitalism who focus on *exploitation* often overlook *subordination*, “or the extent to which institutions held to be constituted by free relationships resemble that of master and slave” (Pateman, *The Sexual Contract*, 9).

<sup>86</sup> Marx, *The Poverty of Philosophy: Answer to the Philosophy of Poverty by M. Proudhon*, chap. 1, pt. II.

necessary labor-time it takes for the laborer to reproduce himself. This additional time constitutes “surplus” labor-time; “the ratio of surplus labor-time to necessary labor-time determines the rate of surplus-value.”<sup>87</sup> Although Marx makes the realm of production central, he recognizes that production alone cannot determine socially necessary labor – the realm of circulation, specifically exchange and competition, allows for comparison between different producing units. Social labor by its nature cannot be a solitary activity; production of commodities is increasingly production for the *world market*. The value of a commodity, then, cannot be determined by its individual production time; it is determined by the average or normal time it takes society as a whole to produce that same commodity.

As Marx puts it in his 1844 critique of French socialist Pierre-Joseph Proudhon (1809-1865), “[W]hat determines value is not the time taken to produce a thing, but the minimum time it could possibly be produced in, and the minimum is ascertained by competition.”<sup>88</sup> Absent competition as a means to ascertain the minimum labor necessary for the production of a commodity, “It [would] suffice to spend six hours' work on the production of an object, in order to have the right, according to M. Proudhon, to demand in exchange six times as much as the one who has taken only one hour to produce the same object.”<sup>89</sup> In this socialist imaginary that Marx critiques, familiar to us by now, workers are more deserving the longer they have spent laboring on an object.<sup>90</sup> We can see how with Marx’s understanding of social labor at the level of society

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<sup>87</sup> Marx, *Capital*, Vol. I, 340.

<sup>88</sup> Marx, *The Poverty of Philosophy*, chap. 1, pt. II; It is interesting to note that socially necessary labor time – instead of labor time – was anticipated even before Marx by British socialist Piercy Ravenstone, previously discussed in Chapter 2, who wrote in 1821, “He who is employed in doing that which in another manner may be done, with less labour, is really employed in doing nothing, his time and his industry are entirely thrown away ... The man who is uselessly employed, is as much an idle man as he who does nothing” (Ravenstone, *A Few Doubts as to the Correctness of Some Opinions Generally Entertained on the Subjects of Population and Political Economy*, 321).

<sup>89</sup> Marx, *The Poverty of Philosophy*, chap. 1, pt. II.

<sup>90</sup> Or as Marx explains the relationship between individual and social labor elsewhere, “It is the labour-time of an individual, *his* labour-time, but only as labour-time common to all; consequently it is quite immaterial *whose* individual labour-time this is. This universal labour-time finds its expression in a universal product, a *universal equivalent*, a definite amount of materialised labour-time, for which the distinct form of the use-value in which it is manifested as the direct product of one person is a matter of complete indifference, and it can be converted at will into any other form of use-value, in which it appears as the product of any other person. Only as such a universal magnitude does it represent a social magnitude. The labour of an individual can produce exchange values only if it produces universal equivalents ... The labour time of the individual is thus, in



as a whole, deservingness becomes a moral category which is irrelevant to his analysis of the production and acquisition of wealth. Instead, for Marx, valuable labor is socially determined through competition.

Importantly, in order to quantify social labor, a unit of measure is needed; this unit is time.<sup>91</sup> For hours worked to count as socially necessary labor *time*, a laborer must not exceed the time it takes society as a whole to produce that same commodity of its kind, or the social average. As Marx explains it:

The total labour-power of society, which is manifested in the values of the world of commodities, counts here as one homogeneous mass of human labor-power, although composed of innumerable individual units of labour-power ... Socially-necessary labor-time is the labor-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.<sup>92</sup>

We will notice that the concept of socially necessary labor invokes both the realm of production and exchange. On the one hand, hours spent in immediate production are a measure of socially necessary labor time. On the other hand, what constitutes social necessity, and the social average of production time itself, can only be determined through competition and circulation – the realm of exchange in the global economy, or society as a whole. As we have seen, by presupposing society as a whole and explicitly jettisoning *individualist* understandings of labor, Marx moves away from moral explanations of wealth and poverty. Further, for Marx, instead of being merely quantitative, value and its measure (abstract labor time) have a *socially mediating*, and therefore qualitative character.<sup>93</sup> Value is not a mere quantity; it is a social relation.<sup>94</sup> As Moishe Postone puts it, “Because abstract human labor constitutes a general social mediation, in Marx’s analysis, the labor time that serves as the measure of value is not individual and contingent, but *social* and *necessary*.”<sup>95</sup>

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fact, the labour-time required by society to produce a particular use-value, that is, to satisfy a particular want” (Marx, *A Contribution to the Critique of Political Economy*, pt. I).

<sup>91</sup> For a discussion of the temporal element of social labor, see Postone, *Time, Labor, and Social Domination*.

<sup>92</sup> Marx, *Capital*, Vol. I, 129.

<sup>93</sup> Postone, *Time, Labor, and Social Domination*, 189.

<sup>94</sup> Meek, *Studies in the Labor Theory of Value*, 62.

<sup>95</sup> Postone, *Time, Labor, and Social Domination*, 190, emphasis in text.

As I have established, for the purposes of immanent critique, Marx accepts Ricardo's assumption that as subjects of exchange, individuals are in fact formally equal and "[i]t is impossible to find any trace of distinction, not to speak of contradiction, between them; not even a difference."<sup>96</sup> This equality in turn reflects the fact that, barring subjective error or cheating, the commodities which the two subjects exchange are equal. But, Marx adds, this view of equality is only possible insofar as the commodity bought and sold, including the commodity labour-power, is conceived of in terms of *exchange-value*. He further qualifies this assumption of equality with an emphasis on the limitations of viewing society as simply a series of mutually beneficial exchanges – a view perhaps most explicitly posited by Bastiat and Proudhon.<sup>97</sup> While for Marx, "equal exchange" is the *pre-condition* for capitalist wealth inequality, the Smithian socialists misunderstand it as the *solution*. Having examined Marx's social holism, which he derives from the social nature of individuals and the interconnected nature of labor in capitalist society, I now turn to how this framework enables him to critique the meritocratic mythmaking characteristic of classical political economy.

### 3. Marx's critique of classical political economy (Adam Smith and David Ricardo)

As I noted in the previous section, Marx accepts the assumption of equal exchange for the purposes of immanent critique. We have seen that Marx recognizes that there are severe theoretical and historical limitations to containing analysis of inequality within the realm of exchange on the marketplace. Equal exchange, as we have seen, ignores the temporal aspect of exploitation, which happens in production. Further, Marx emphasizes, equal exchange presupposes the social violence of the separation of workers from their means of production so that they must sell their labor, while capitalists own and gain income from property. As I will discuss in this section, one of Marx's criticisms of classical political economy is that acknowledgement of this presupposition is absent in Ricardo's speculative history, and in Smith's analysis of the "industrious" workers who first begin to generate capital. By explicitly examining Marx's critique of classical political economy and his narration of the history of

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<sup>96</sup> Marx, *Grundrisse*, 241.

<sup>97</sup> Marx, *Grundrisse*, 239; Hunt, "The Relation of the Ricardian Socialists to Ricardo and Marx," 180.

economic thought, we can better understand how his critique of the moralistic logic of deservingness arises out of his understanding of the capitalist economy as a whole.

Marx's holistic method is developed in part by critiquing the ahistorical foundations of classical political economists. What makes Marx's method novel is that he also accounts for *why* they are ahistorical in their mode of analysis. In other words, rather than pass moral judgement, he must ask why classical political economists must think of abstractions in their historically specific forms – such as *labor* and *property* in the context of capitalism – as eternal and ahistorical.<sup>98</sup> His answer is that capitalism itself creates the conditions for ahistorical thinking through its production of what have been called “real abstractions,”<sup>99</sup> which universalize culturally and historically particular relations of production, making them appear eternal and even natural. In order to demonstrate this, Marx traces the history of economic thought from the physiocrats to classical political economy. This section begins by following Marx on a brief journey through the history of political economic thought to understand how labor begins to be connected to value. I then turn to Marx's criticism of Smith and Ricardo's ahistorical, meritocratic and individualistic origin stories of capitalism, and finish with Marx's own origin story of capitalism in preparation for the final section on Marx's theory of history.

### *3.1 Conceptualizing the link between labor and value: From the monetary system to classical political economy*

As I have argued, Marx's holism arises out of a critique of classical political economy; and in turn, his holism allows him to generate a critique of classical political economy at the methodological and ontological level. Before outlining what Marx finds unsatisfying about what he calls classical political economy, it is important to outline what he finds distinct about it – in other words, why he bothers to engage with it at all. To understand both the achievements and failures of classical political economy, we briefly follow Marx as he traces the history of modern economic thinking before Smith and Ricardo, from what he calls the Monetary System to the Physiocrats. Marx frames his history of economic thought – both his own and that of others – as

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<sup>98</sup> My focus in this chapter has been on how Marx and others treat the abstraction “labor” in particular.

<sup>99</sup> On the concept of “real abstraction” (a term used to analyze Marx's theory but not used by Marx himself), see most famously Sohn-Rethel, *Intellectual and Manual Labour*; See also Toscano, “The Open Secret of Real Abstraction”; For a psychoanalytic interpretation of the term, see Žižek, *The Sublime Object of Ideology*, 10-16.

the quest for the origin of the discovery of surplus-value. As we mentioned in Chapter 2, Marx claims that Adam Smith has recognized “the true origin of surplus-value.”<sup>100</sup> Marx is keen to show the evolution of thinking that results in political economists linking surplus-value to the appropriation of surplus labor time. He argues that for the classical political economists, the production of surplus-value is always the distinguishing characteristic of a productive worker.<sup>101</sup> Therefore, the notion of a productive worker varies with their changing conception of the nature of surplus-value.

In what Marx calls the Monetary System, wealth<sup>102</sup> is still regarded “objectively, as an external thing” in the form of money.<sup>103</sup> With the onset of what he in some instances calls the Mercantile system, and in other instances the “commercial, or manufacture, system,” the source of wealth is located not in an object, but rather in a *subjective* commercial and manufacturing activity. However, the Mercantile conception of the source of wealth is limited in that it still conceives of this activity “within narrow boundaries, as money-making,”<sup>104</sup> and it is only this circumscribed activity of mercantile or industrial labor that produces money.<sup>105</sup> Further, industrial capital has value for mercantilists *only as a means to enter circulation as money*, rather than itself having value as wealth in the productive process.<sup>106</sup> In other words, for mercantilists, value is produced through exchange, rather than in the productive process. It is for this reason that Marx looks elsewhere in his quest to locate the discovery of labor as the origin of surplus-value in the history of modern economic thinking.

In contrast to the Monetary and Mercantile understandings of wealth, the Physiocrats, a group of French economic theorists in the 18<sup>th</sup> century led by François Quesnay and Anne-Robert-Jacques Turgot, posit a specific *type* of labor – agricultural labor – as the creator of

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<sup>100</sup> Marx, *Theories of Surplus-Value, Vol. I*, 80. See also King, “Utopian or Scientific? A Reconsideration of the Ricardian Socialists,” 349.

<sup>101</sup> Marx, *Capital, Vol. I*, 644.

<sup>102</sup> Levine defines classical political economy's understanding of the definition of wealth as “the multiplication of objects capable of fulfilling human needs themselves a product of multiplication and expansion” (Levine, *Economic Studies: Contributions to the Critique of Economic Theory*, 25).

<sup>103</sup> Marx, *Grundrisse*, 103–104; See also Marx, *A Contribution to the Critique of Political Economy*, 209.

<sup>104</sup> Marx, *Grundrisse*, 104.

<sup>105</sup> Marx, *A Contribution to the Critique of Political Economy*, 209.

<sup>106</sup> Marx, *Grundrisse*, 328, my emphasis.

wealth.<sup>107</sup> However, for the Physiocrats, wealth, even as the product of labor, still remains a naturally, as opposed to socially, determined product; it is seen to be “the product of agriculture, the product of the earth *par excellence*.”<sup>108</sup> Further, their conception of surplus-value itself must be expressed in a material product; it does not arise from labor as such. But the Physiocrats nonetheless “distinguish between capital and money, and conceive [capital] in its general form as autonomous exchange value which preserves and increases itself in and through production.”<sup>109</sup> It is their attribution of autonomous exchange-value as always both presupposing and rising out of itself, and their understanding that “the creation of surplus value by wage labor is the self-realization, i.e. realization, of capital” that, for Marx, makes the Physiocrats “the fathers of modern economics.”<sup>110</sup> But in Marx’s assessment, what the Physiocrats cannot answer, or perhaps cannot even ask, is the question of *how* labor acts as a means to produce surplus-value out of capital, i.e. already-present value.

According to Marx, it is Adam Smith who begins to develop the understanding of labor as wealth creating activity not in relation to any specific *type* of labor – such as manufacturing, commercial or agricultural labor – but as productive labor *in general*.<sup>111</sup> This abstract universality which creates wealth also implies the universality of objects defined as wealth: they are the products of past, materialized labor.<sup>112</sup> Marx believes that the pre-condition for Smith’s ability to conceptualize labor in this way – as a general category, in which its particular form becomes irrelevant – is bourgeois society itself, “the most advanced and complex historical organization of production.”<sup>113</sup> These abstractions arise “only when concrete development is most profuse.”<sup>114</sup>

However, Marx highlights in *Grundrisse* that Smith, in some instances, like the Physiocrats, still holds the “crude” view that surplus-value must express itself in a material

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<sup>107</sup> Marx, *A Contribution to the Critique of Political Economy*, 209.

<sup>108</sup> Marx, *Grundrisse*, 104. See also Marx, *A Contribution to the Critique of Political Economy*, 209.

<sup>109</sup> Marx, *Grundrisse*, 328.

<sup>110</sup> Marx, *Grundrisse*, 328.

<sup>111</sup> Marx, *Grundrisse*, 104. See also Marx, *A Contribution to the Critique of Political Economy*, 209.

<sup>112</sup> Marx, *A Contribution to the Critique of Political Economy*, 209.

<sup>113</sup> Marx, *A Contribution to the Critique of Political Economy*, 210.

<sup>114</sup> Marx, *A Contribution to the Critique of Political Economy*, 209–10.

product.<sup>115</sup> For Smith, labor is the source of value and wealth, but “only in so far as in the division of labour the surplus appears as just as much a gift of nature, a natural force of society, as the soil with the Physiocrats. Hence the weight [Smith] places on the division of labour.”<sup>116</sup> For Marx, it is not only surplus, but also the division of labor itself that is naturalized in Smith. As a result, the distinctly *socially created* element of wealth and poverty arising from it remains implicit in Smith’s theory. According to Marx, the element of the social, as distinct from the natural, is lost altogether.

Nonetheless, unlike the Physiocrats, Smith has a labor theory of value (however riddled with inconsistency, as we saw in Chapter 2),<sup>117</sup> which suggests that productive labor is a human, natural force *in general*. In a different passage, however, Marx claims that Smith does not distinguish labor in general from *waged labor* in particular – he cannot conceive of the latter “in its specific character as form in antithesis to capital.”<sup>118</sup> Here, Marx implies that the material conditions that have given rise to abstract labor, reflected in Smith’s recognition of the universal character of labor, have served to mystify capitalist relations even to Smith himself.

Marx believes this mystification accounts for why Smith thinks that “labour should actually have its own product for wages,” and “wages should be [equal] to the product.”<sup>119</sup> It is this belief of Smith’s that the Smithian socialists develop, and it is within this line of thinking that we can locate the origin of the notion of justice<sup>120</sup> as returning to the laborer the “whole produce” of their labor, as we saw in the previous chapter. But Marx suggests this type of equality is a pious wish. Claiming that labor should have its product for wages is akin to saying,

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<sup>115</sup> Marx, *Grundrisse*, 328. As I noted in the last chapter however, Smith does not use the term “surplus-value”; this is Marx’s term.

<sup>116</sup> Marx, *Grundrisse*, 330.

<sup>117</sup> Like David Ricardo’s criticism of Smith, Marx points out that Smith fails to make clear that the *value* of labour and the *quantity* of labour are no longer equivalent in capitalist society (Noel Thompson, *The People’s Science*, 88–89, footnote 25). Marx notes that “[Smith] sometimes confuses, and at other times substitutes, the determination of the value of *commodities* by the quantity of labour required for their production, with its determination by the quantity of living labour with which commodities can be bought, or, what is the same thing, the quantity of commodities with which a definite quantity of living labour can be bought” (Marx, *Theories of Surplus-Value, Vol. I*, chap. iii, pt. I).

<sup>118</sup> Marx, *Grundrisse*, 330.

<sup>119</sup> Marx, *Grundrisse*, 330.

<sup>120</sup> In Chapter 5, I outline the Rawlsian distinction between justice and fairness in a discussion of F.A. Hayek.

“labour should not be wage labour and capital not capital.”<sup>121</sup> In other words, it is to wish that capitalism did not exploit and therefore that it were deprived of its essential feature. Smith cannot see that the relation between labor and capital depends on the production of a surplus product. If we had the type of equality that Smithian socialists hope for, we would not have the relation between capital and wage labor as such, nor the surplus-value that derives therefrom; therefore, capitalism would not perform what Marx sees as its historically necessary task. What makes the Smithian socialist vision utopian is the wish for social equality in the context of a society in which production is fundamentally riven by class exploitation; it is to wish for capitalism without class. It is from this understanding of utopianism that Marx develops his immanent critique of what he sees as the foundation of capitalist society: The capital-wage relation, in which material and social inequality result from *formally equal* exchange. I now turn to Marx’s criticism of the meritocratic mythmaking arising from classical political economy’s naturalization of capitalism’s social and historical origins.

### 3.2 “Adam bit the apple”: Meritocracy as “economic original sin”

In addition to his exposition of how classical political economists cannot fully grasp social labor as the substance of value, Marx is critical of how Smith and Ricardo’s abstractions render relations that are specific to capitalism ahistorical and eternal. For instance, Smith says of the division between stock and labor: “As soon as *stock has accumulated in the hands of particular persons*, some of them will naturally employ it in setting to work industrious people, whom they will supply with materials and subsistence, *in order to make a profit by the sale of their work, or by what their labour adds to the value of the materials.*”<sup>122</sup> Marx interjects here, noting the unspoken presuppositions of Smith’s analysis:

Stop, before we follow the passage further. In the first place, whence come the ‘industrious people’ who possess neither means of subsistence nor materials of labour—people who are hanging in mid air? If we strip Smith’s statement of its naïve phrasing, it means nothing more than: capitalist production begins from the moment when the conditions of labour

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<sup>121</sup> Marx, *Grundrisse*, 330.

<sup>122</sup> Quoted in Marx, *Theories of Surplus-Value*, Vol. I, chap. iii, pt. I, Marx’s emphasis.

belong to one class, and another class has at its disposal only labour-power. This separation of labour from the conditions of labour is the precondition of capitalist production.<sup>123</sup>

For Marx, Smith's use of the term "industrious people" mystifies the very pre-condition of capitalist production, which is that laborers are stripped from their means of production and forced to sell their labor-power for wages, while the capitalist class takes ownership and control over the means of production. A further problem, Marx notes, is that because Smith conceives of value as *use* value, he focuses on the *form* in which capital emerges from circulation, as money, which "is therefore created out of circulation, by *saving*."<sup>124</sup> We recall from Chapter 1 Smith's belief, expressed in *The Wealth of Nations*, that "Capitals are increased by parsimony, and diminished by prodigality and misconduct."<sup>125</sup> Marx's commentary allows us to see how Smith's theory of capital's expansion corresponds to Smith's belief in both the efficacy and truth of meritocracy's logic. In particular, we see Smith's valorization of thriftiness. Further, we can note the tension between Smith's belief in thriftiness or saving, and his belief in labor, as the origin of wealth.

In Marx's reading, Smith's view of capital accumulation tells us something about how he understands the origin of capital accumulation itself – or rather, the way he misunderstands it. Marx cites Smith's claim that "The accumulation of stock must, in the nature of things, be previous to the division of labour."<sup>126</sup> Smith's theory of "previous accumulation," or what Marx renames "original accumulation,"<sup>127</sup> "plays approximately the same role in political economy as original sin does in theology."<sup>128</sup> Marx narrates sardonically:

Adam bit the apple, and thereupon sin fell on the human race. Its origin is supposed to be explained when it is told as an anecdote about the past. Long, long ago there were two sorts of people; one, the diligent, intelligent and above all frugal élite; the other, lazy rascals, spending their substance, and more, in riotous living ... Thus it came to pass that

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<sup>123</sup> Marx, *Theories of Surplus-Value, Vol. I*, chap. iii, pt. I.

<sup>124</sup> Marx, *Grundrisse*, 330, my emphasis.

<sup>125</sup> Smith, *The Wealth of Nations*, 332.

<sup>126</sup> Smith, *The Wealth of Nations*, bk. II, "Introduction," cited in Marx, *Capital, Vol. I*, 873.

<sup>127</sup> Commonly translated as "primitive accumulation."

<sup>128</sup> Marx, *Capital Vol. I*, 873.



the former sort accumulated wealth, and the latter sort finally had nothing to sell except their own skins.<sup>129</sup>

This “economic original sin”<sup>130</sup> is the origin story upon which classical political economists continually rely to justify wealth and poverty. By contrast, Marx historicizes capitalist exchange relations. The capitalist does indeed come to the market with previously accumulated capital. But contra the narrative of classical political economy, it has been acquired not through thriftiness, but through a legacy of African slavery, and the pillage and plunder of the Americas.<sup>131</sup> Marx is clear that slavery heavily contributed to capitalist surplus, and that “the veiled slavery of the wage-labourers in Europe needed the unqualified slavery of the New World as its pedestal.”<sup>132</sup> In slavery and colonialism, exploitation (the extraction of surplus-value) is blatantly violent, while in the form of waged labor, it remains hidden.

Marx similarly criticizes Ricardo for naturalizing capital and its origins.<sup>133</sup> Marx believes that in one sense, classical political economy does understand the social origins of the capitalist mode of production, insofar as it reduces “value and surplus-value of commodities to labour.”<sup>134</sup> Nevertheless, Marx continues, “even [political economy’s] best representatives remained more or less trapped in the world of illusion their criticism had dissolved.”<sup>135</sup> Ricardo’s mistake is that he does not consider capitalism – or feudalism, or any other mode of political-economic organization for that matter – as a historical process which has corresponding laws, relations and ideologies of its own.<sup>136</sup> Unlike Smith, “Ricardo never concerns himself with the origin of surplus-value. He treats it as an entity inherent in the capitalist mode of production, and in his eyes the latter is the natural form of social production.”<sup>137</sup> Ricardo’s discussion of labor productivity solely concerns the magnitude of surplus-value, and not its cause of existence.

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<sup>129</sup> Marx, *Capital*, Vol. I, 873.

<sup>130</sup> Marx’s term in *Capital*, Vol. I, 873.

<sup>131</sup> Marx, *Capital*, Vol. I, 873.

<sup>132</sup> Marx, *Capital*, Vol. I, 925.

<sup>133</sup> Hunt, “The Relation of the Ricardian Socialists to Ricardo and Marx,” 183-184; Marx, *Capital*, Vol. III, 830; See also Marx, *Capital*, Vol II, chap. 10-11.

<sup>134</sup> Marx, *Capital*, Vol. III: *A Critique of Political Economy*, 969.

<sup>135</sup> Marx, *Capital*, Vol. III, 969.

<sup>136</sup> Hunt, “The Relation of the Ricardian Socialists to Ricardo and Marx,” 182.

<sup>137</sup> Marx, *Capital*, Vol. I, 651.

Ricardo is at least aware though, “that the operation of the law [of the magnitude of value] depends on definite historical pre-conditions.”<sup>138</sup> However, a contradiction is apparent in Ricardo’s thought. He recognizes, on the one hand, that the bourgeois form of economy is historically particular: “the determination of value by labour-time applies to ‘such commodities only as can be increased in quantity by the exertion of human industry, and on the production of which competition operates without restraint.’”<sup>139</sup> What he describes here are the advanced social conditions of capitalism. Yet, on the other hand, Marx notes how Ricardo naturalizes and renders these very relations ahistorical in other parts of his work:

Ricardo's primitive fisherman and primitive hunter are from the outset owners of commodities who exchange their fish and game in proportion to the labour-time which is materialised in these exchange-values. On this occasion he slips into the anachronism of allowing the primitive fisherman and hunter to calculate the value of their implements in accordance with the annuity tables used on the London Stock Exchange in 1817.<sup>140</sup>

Marx nonetheless believes that David Ricardo, even more explicitly than Adam Smith, is able to recognize social labor as the substance of value, and to recognize commodity prices as value’s mere form.<sup>141</sup> “*David Ricardo*,” he says, “unlike Adam Smith, neatly sets forth the determination of the value of commodities by labour-time, and demonstrates that this law governs even those bourgeois relations of production which apparently contradict it most decisively.”<sup>142</sup> The problem is that neither Ricardo nor Smith can recognize the significance of their discoveries, because they are still too caught up in a fetishized view of capitalist society.<sup>143</sup> It is this fetishized view that Marx seeks to demystify through his method of critique, which we have explored. And while I will return to Marx’s theory of history in section 4, I first turn to Marx’s own origin story of capital. This enables us to better understand the link between the specificity of capitalism and the rise of meritocracy as an ideology and practice from Marx’s point of view.

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<sup>138</sup> Marx, *A Contribution to the Critique of Political Economy*, 60.

<sup>139</sup> Marx, *A Contribution to the Critique of Political Economy*, 60, quoting Ricardo, *On the Principles of Political Economy and Taxation*, 3.

<sup>140</sup> Marx, *A Contribution to the Critique of Political Economy*, 60.

<sup>141</sup> See Hunt, “The Relation of the Ricardian Socialists to Ricardo and Marx,” 181.

<sup>142</sup> Marx, *A Contribution to the Critique of Political Economy*, 60, emphasis in text.

<sup>143</sup> Hunt, “The Relation of the Ricardian Socialists to Ricardo and Marx,” 181.

### 3.3 *The historical specificity of capitalist surplus*

Marx states plainly that “Capital did not invent surplus labor.”<sup>144</sup> Exploitation and the coercive extraction of surplus have roots in ancient history. What the capitalist mode of production has in common with ancient Athens, “Etruscan theocracies,” and the US slave-holding South<sup>145</sup> is that a *part* of society possesses a monopoly over the means of production.<sup>146</sup> This ensures that “the worker, whether free or unfree, must add to the labor-time necessary for his own maintenance an extra quantity of labor-time in order to produce the means of subsistence for the owner of the means of production.”<sup>147</sup> But Marx wishes to emphasize what is historically unique about the acquisition of *capitalist* surplus-value transformed from surplus labor. What is distinctive about exploitation in modern capitalism is that production is directed toward market exchange-value for the world market, while in ancient societies, production is directed toward immediate use-value. In pre-capitalist societies, “surplus labor will be restricted by a more or less confined set of needs ... no boundless thirst for surplus labor will arise from the character of production itself.”<sup>148</sup> Further, the “moderately patriarchal character” of the Southern United States was maintained as long as production was for “immediate local requirements” and therefore surplus was kept in check.<sup>149</sup> Production for exchange-value historically corresponds to an increase in *relative* as opposed to *absolute* surplus-value: “The production of absolute surplus-value turns exclusively on the length of the working day, whereas the production of relative surplus-value completely revolutionizes the technical processes of labour and the groupings into which society is divided.”<sup>150</sup> Marx’s discussion of the *formal* subsumption of labor unambiguously integrates the logical presupposition of non-capitalist exploitation – that is, the acquisition of capital through means other than exploiting waged-labour – into his theory of

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<sup>144</sup> Marx, *Capital*, Vol. I, 344.

<sup>145</sup> Marx recognized the slave-owning South as itself a part of the “capitalist” mode of production; unlike ancient slavery, he did not consider it a “pre-capitalist” mode of production (See Banaji, *Theory as History*, 3).

<sup>146</sup> Marx, *Capital*, Vol. I, 344.

<sup>147</sup> Marx, *Capital*, Vol. I, 344.

<sup>148</sup> Marx, *Capital*, Vol. I, 344.

<sup>149</sup> Marx, *Capital*, Vol. I, 345.

<sup>150</sup> Marx, *Capital*, Vol. I, 645.

capitalist wealth. However, he believes these forms of direct domination, characteristic of feudalism and slavery, are overcome both logically and historically by the *real* subsumption of labor, in which “the process of exploitation is stripped of every patriarchal, political or even religious cloak.”<sup>151</sup> In other words, capitalism destroys hierarchies based solely on ascribed status.

Marx’s articulation of the novelty of free competition, and what I am identifying as the *idea* of a meritocratic organization of society, is most apparent when he discusses the transition from slavery to free labor. It is in this transition that Marx locates a new focus on the individual worker’s agency. Whereas the slave is kept in his situation through direct compulsion, and “a *minimal wage* appears to be a constant quantity, independent of his work,”<sup>152</sup> the free worker is responsible for maintaining his own position through the sale of his labor-power. Further, “the *value of his labour-power* and the *average wage corresponding to it* does not appear to [the worker] as something predestined, as something independent of his own labour and determined by the mere needs of his physical existence.”<sup>153</sup> But although value may not be “predestined” in a system of social labor, it is socially determined. The average value of a worker’s labor-power, like all commodities, is in fact more or less *constant*. And this social average is also a social minimum: it is just enough to meet the worker’s subsistence needs so that they are able to reproduce their labor-power. Thus, a worker’s wages may rise above or sink below this minimum constant, but these fluctuations reflect mere changes in the *price* of labor-power. As Marx explains the relation between value and price: “You would be altogether mistaken in fancying that the value of labour or any other commodity whatever is ultimately fixed by supply and demand. Supply and demand regulate nothing but the temporary *fluctuations* of market prices. They will explain to you why the market price of a commodity rises above or sinks below its *value*, but they can never account for the *value* itself.”<sup>154</sup> Yet, it nonetheless appears to the free laborer that his wages vary in accordance with “the results of his own work and its individual

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<sup>151</sup> Marx, *Capital*, Vol. I, 1027. For a discussion of the formal versus real subsumption of labor under capital, see *Capital*, Vol. I, 1019-1038.

<sup>152</sup> Marx, *Capital*, Vol. I, 1031.

<sup>153</sup> Marx, *Capital*, Vol. I, 1032, emphasis in text.

<sup>154</sup> Marx, “Supply and Demand,” emphasis in text.

quality.”<sup>155</sup> Thus we can see that although there is something “true” or real about individual productivity or skill that prices – such as the wages of labor – may indicate, they are ultimately a mere *appearance* of the socially determined essence, which is value.

To reiterate, although Marx affirms the social determinacy of the *value* of labor, he does not entirely dismiss the link between the *price* of wages and the particularity of the individual: Indeed, “there is scope for variation (within narrow limits) to allow for the worker’s individuality ... we find that wages vary depending on the diligence, skill or strength of the worker, and to some extent on his actual personal achievement.”<sup>156</sup> Ultimately, although Marx posits that the majority of wages are determined by the value of what he calls “simple labour-power” – or commodified, unskilled labor – in the case of “highly developed labor-power,” the greater value of an individual’s labor-power is reflected in higher wages.<sup>157</sup> This prospect of individual variation provides individuals with the incentive “to raise themselves to higher spheres by exhibiting a particular talent or energy.”<sup>158</sup> Yet, since “the sole purpose of work in the eyes of the wage-laborer is his wage ... he is wholly indifferent toward the *content* of his labour and hence his own particular form of activity.”<sup>159</sup>

In his presentation, Marx thus highlights *and* diminishes the historic importance of the worker’s individuality. On the one hand, the individual is rewarded for their particular talents and skills (if they are lucky), and is the owner of their own labor-power. On the other hand, whereas in a guild system of labor, the individual’s “activity was a calling,” for the waged-laborer, work is often “merely something that befalls him,” although it is a significant social improvement from slavery.<sup>160</sup> As long as the worker has some mobility, they are ready, in principle, to accept any activity which “promotes higher rewards,” thus becoming indifferent toward the content of their work.<sup>161</sup> This indifference lends the work a versatility that is absent in slavery; it gives a *universal* quality to labor-power, which we explored in section 2. It is here

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<sup>155</sup> Marx, *Capital*, Vol. I, 1032.

<sup>156</sup> Marx, *Capital*, Vol. I, 1032.

<sup>157</sup> Marx, *Capital*, Vol. I, 1032.

<sup>158</sup> Marx, *Capital*, Vol. I, 1032.

<sup>159</sup> Marx, *Capital*, Vol. I, 1033.

<sup>160</sup> Marx, *Capital*, Vol. I, 1033.

<sup>161</sup> Marx, *Capital*, Vol. I, 1033.

where we can observe in Marx's work how meritocracy – or achieved hierarchy – takes theoretical and historical shape as the appearance of distinctly capitalist relations. I now turn to a discussion of the liberal logic of deservingness in relation to Marx's theory of history.

#### 4. Marx's theory of history: Colonialism, slavery, and temporal difference

We have seen that because Marx presupposes the social determinacy of labor, the logic of deservingness in classical thought is rendered an irrelevant moralism. Because individuals are creatures of their social circumstances, they cannot be deserving or undeserving of wealth or poverty. For Marx, capitalism is characterized by a highly developed form of *social* labor. As we will explore in this final section on Marx's theory of history, Marx's social determinacy extends to his theory of history: There cannot be any justification for those whose lives history has sacrificed in the name of progress or betterment, no matter which side of the capital-labor relation they inhabit. This section proceeds in two parts. I begin by outlining Marx and Engels's analysis of the historical and theoretical contradiction between bourgeois equality and late modern, racialized slavery. I then turn to Marx's discussion of capitalism's historical developmental role of overcoming ascriptive hierarchies, and the simultaneous problem of tyranny inherent to colonialism.

##### 4.1 *Slavery and bourgeois equality*

As we have explored in Chapter 1, the struggle for bourgeois equality largely amounts to the struggle for the equal opportunity to compete for positions in a presupposed hierarchy. However, Friedrich Engels senses an awakening of consciousness with regards to economic rights, too: "in the 18th century, ... [t]he demand for equality was no longer limited to political rights; it was extended also to the social conditions of individuals."<sup>162</sup> Although Marx and Engels are famously known for their criticism of the discrepancy between the bourgeois ideology of equality, and the reality of capitalism's production of material inequality, what is often overlooked is their emphasis on the *significance* of bourgeois society's historically unprecedented assertion of human equality. As Engels puts it:

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<sup>162</sup> Engels, *Socialism: Utopian and Scientific*, Vol. 3, chap. I, "The Development of Utopian Socialism."

The idea that all men, as men, have something in common, and that to that extent they are equal, is of course primeval. But the modern demand for equality is something entirely different from that; this consists rather in deducing from that common quality of being human ... a claim to equal political and social status for all human beings, or at least for all citizens of a state or all members of a society.... [B]efore that conclusion could even appear to be something natural and self-evident, thousands of years had to pass and did pass.<sup>163</sup>

Engels notes that even in “the most ancient, primitive communities,” equality of rights only applied to members of a community, which always excluded slaves, women and foreigners.<sup>164</sup> It would have “seemed insanity” to the ancients that freemen and slaves, citizens and peregrines, would all have a claim to equal political status.<sup>165</sup> It is not until the Roman Empire that these distinctions gradually disappeared, with the exception of the distinction between freemen and slaves. In this way, Engels notes, Roman law developed – only for the freemen of course – on the basis of equality between private individuals, becoming “the completest elaboration of law based on private property which we know.”<sup>166</sup> Here we see echoes of John Locke’s understanding of property: the beginnings of a recognition of a certain human equality in theory. Property becomes a means for expressing one’s own autonomy and individuality, and recognizing that of others, insofar as property is seen to be earned as the result of an individual’s labor. Of course, at this time, the theory was dramatically different from the reality, in which slaves and women were excluded. Further, as we saw, “labor” took on a very specific meaning during the time of Locke’s writing, as value-producing labor: For Locke, this meant that indigenous labor did not deserve to be counted as labor. Engels in this instance, however, emphasizes the emancipatory *idea* of the universal equality of rights.

In Engels’s analysis, the antithesis between freemen and slaves must be destroyed before this human equality could be truly contemplated universally. He observes that as long as this antithesis existed, “there could be no talk of drawing legal conclusions from general equality

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<sup>163</sup> Engels, *Anti-Dühring: Herr Eugen Dühring’s Revolution in Science*, pt. I, chap. X, “Morality and Law,” section: *Equality*.

<sup>164</sup> Engels, *Anti-Dühring*, pt. I, chap. X.

<sup>165</sup> Engels, *Anti-Dühring*, pt. I, chap. X.

<sup>166</sup> Engels, *Anti-Dühring*, pt. I, chap. X.

of *men*; we saw this even recently, in the slave-owning states of the North American Union.”<sup>167</sup> We might recall here Marx’s comment that the equality of all kinds of labour, “because and in so far as they are human labour in general,” could not be recognized “*until* the concept of human equality had already acquired the permanence of a fixed popular opinion.”<sup>168</sup> The issue for Marx and Engels is not necessarily causality – i.e., it is not a matter of whether the belief in human equality *causes* bourgeois relations to flourish, or whether the bourgeois mode of production *causes* a new belief in human equality. Rather, the point for them is, on the one hand, to analyze the inherent contradiction of extreme inequality in bourgeois socio-economic society and its corresponding ideology of equality, for the purposes of immanent critique. On the other hand, it is to show the *emancipatory kernel* that arises with bourgeois society, both ideologically *and* materially in its recognition of labor as a universal, value-producing “substance.” They hope to show how the concept of bourgeois equality does not recognize its own presuppositions, nor can it recognize how it undermines itself through its own contradictions, necessitating a transition to communism, which will arise out of these contradictions.

In other words, the point is not to deny the staggering contradiction in the US between slavery and the proclamation of freedom – the point is in fact to highlight it. By bringing to light the extreme hypocrisy of slavery in the context of human rights, the need for a more substantial understanding of equality is made that much more pronounced. It is significant, Engels says, “of the specifically bourgeois character of these human rights that the American constitution, the first to recognise the rights of man, in the same breath confirms the slavery of the coloured races existing in America: class privileges are proscribed, race privileges sanctified.”<sup>169</sup> But unlike J.S. Mill’s display of outrage toward Thomas Carlyle’s defense of slavery from his own moral high ground of bourgeois rights, Marx and Engels *connect* slavery to the “specifically bourgeois character” of human rights in the context of the US. Slavery appears here not as an embarrassing contradiction in bourgeois society, but rather a symptom through which bourgeois society’s repressed truth articulates itself.<sup>170</sup> Although bourgeois society contains an egalitarian seed, it

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<sup>167</sup> Engels, *Anti-Dühring*, pt. I, chap. X, emphasis in text.

<sup>168</sup> Marx, *Capital*, Vol. I, 152, my emphasis.

<sup>169</sup> Engels, *Anti-Dühring*, pt. I, chap. X.

<sup>170</sup> Žižek, *First as Tragedy, Then as Farce*, 78.



perpetuates blatant inegalitarianism in practice throughout its history. And yet, this seed drives the movement of history to push for greater equality: “[W]here economic relations required freedom and equality of rights, the political system opposed them at every step with guild restrictions and special privileges ... Nowhere was the road clear and the chances equal for the bourgeois competitors — and yet that this be so was the prime and ever more pressing demand.”<sup>171</sup> We will explore in the next subsection how Marx makes this connection not only to show the discrepancy between theory and practice, but also to demonstrate how capitalism’s commitment to a specific type of equality plants the seed of communism. In this way, we further demonstrate how he thinks beyond the boundaries of meritocratic emancipation.

#### *4.2 Colonization and temporal difference*<sup>172</sup>

Implicit in this chapter so far has been Marx’s temporal understanding of modes of production, with capitalism being the as yet most advanced mode through which all cultures and nations of the world must pass. To this extent, he follows Smith and Hegel’s stadial theories of history. But unlike Smith and Hegel, he does not see capitalism as the end point. On the contrary, he believes in the necessity of capitalism only as a means to reaching beyond its horizons: the emancipation of labor in the form of advanced communism. It is this belief of Marx’s that accounts for his hope in a universal workers’ movement to overcome late modern slavery in the colonies and in the Americas. However, it is also this belief that accounts for why Marx does not express solidarity with anti-colonial movements in his early writings. Yet, it is likely that he rejected the rigidity of Smith and Hegel’s stage theories wholly or in part by the time of his mature writings, as we will see. We will also notice in our examination of Marx’s view of non-European societies how he shifts back and forth between a speculative history that conforms to his teleological or stage theory of history, and a more complex and comparative history.<sup>173</sup>

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<sup>171</sup> Engels, *Anti-Dühring*, pt. I, chap. X. This phenomenon Engels articulates is comparable to the “Tocqueville effect” based on Alexis de Tocqueville’s point that “it is natural that the love of equality should constantly increase together with equality itself, and that it should grow by what it feeds on” (Tocqueville, *Democracy in America*, chap. III).

<sup>172</sup> On the use of time (temporality) in the construction of the “Other,” see Blaney and Inayatullah, *Savage Economics*; Fabian, *Time and the Other*.

<sup>173</sup> Blaney and Inayatullah make this point in *Savage Economics*, 145.

It is evident in Marx's early writings as a journalist that he at least initially inherits Smith and Hegel's view of Indian and Chinese societies as stagnant, even if not inherently so.<sup>174</sup> However, Marx recognizes and sometimes even regrets the social cost of England's destructive rule in India. If he is an apologist for colonialism at this stage of his writing, he is not an unambivalent one in the way that John Locke and J.S. Mill are, as we have seen in Chapter 1. In an 1853 article, which Marx wrote during his time as a foreign correspondent for the *New York Tribune*, he laments that the loss of the old world, "with no gain of a new one, imparts a particular kind of melancholy to the present misery of the Hindoo, and separates Hindostan, ruled by Britain, from all its ancient traditions, and from the whole of its past history."<sup>175</sup> He even concedes that the rupture of colonialism is the greatest brutality ever to befall Indian society: "[T]he misery inflicted by the British on Hindostan is of an essentially different and infinitely more intensive kind than all Hindostan had to suffer before."<sup>176</sup>

However, lest his reader begin to deplore colonial rule too much, Marx concludes his article by describing the "Oriental despotism," "barbarian egotism," "brutalizing worship of nature" and "vegetative life" in Indian culture prior to British occupation.<sup>177</sup> Here, one gets the impression that just like the liberal theorists we have examined, Marx regards India as culturally inferior to modern Europe. More specifically, this inferiority for him appears to be tied to the lack of cultural attributes which drive the dynamic force of industrial progress. Similar to J.S. Mill's description of Celts as the "half-savage relics of past times," it appears there is nothing redeemable or even worth mentioning about these cultures, except that they are doomed to extinction. In Marx's bleak portrait, non-liberal societies initially appear as state-of-nature constructions – the same constructions he presumably despises in Ricardo and Smith's narratives of pre-modern societies. Marx's method, which is against a moral individualizing of units or actors, might appear to fall apart in this instance of his social analysis of the British in India.

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<sup>174</sup> Avineri, *Karl Marx on Colonialism and Modernization: His Despatches and Other Writings on China, India, Mexico, the Middle East and North Africa*, 12.

<sup>175</sup> Marx, "The British Rule in India," 214.

<sup>176</sup> Marx, "The British Rule in India," 213.

<sup>177</sup> Marx, "The British Rule in India," 218.

Further, he engages in the speculative history of which he is so critical in Ricardo, Smith, and Mill.

Yet, Marx is clear that Britain's empire is just as barbaric as its subjects. He even slips into moral relativism with his suggestion that colonialism amounts to "European despotism, planted upon Asiatic despotism."<sup>178</sup> But it becomes clear in Marx's second report on the British rule in India that he privileges Britain's despotism as something dynamic and necessary for the movement of world history.<sup>179</sup> This suggestion is reminiscent of J.S. Mill's argument that colonialism is beneficial so long as the "superior" civilization dominates, and that by contrast, when the "inferior" dominates the "superior," a great misfortune befalls the human race, as in the case of Macedonia's absorption of Greece.<sup>180</sup> Marx believes that while the intentions of the British in India were far from noble – their actions motivated by the "vilest interests" and their conduct "stupid," even – they were at least an "unconscious tool of history" in bringing about development and eventually revolution in India.<sup>181</sup> Ultimately, the British brutality enabled "the social state of Asia" to "fulfil its destiny."<sup>182</sup> Here are the echoes of Smith's teleological stage theory, which outlines the stages of development through which all nations must pass, and of Hegel's theory of Europe as bearers of world spirit, destined to spread liberalism to the rest of the world. Significantly however, Marx adds that India will not reap the benefits of its new society until "in Great Britain itself the now ruling classes shall have been supplanted by the industrial proletariat" or until "the Hindoos themselves" grow "strong enough to throw off the English yoke altogether."<sup>183</sup>

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<sup>178</sup> Marx, "The British Rule in India," 213.

<sup>179</sup> Marx, "The Future Results of the British Rule in India," 220. See also Blaney and Inayatullah, *Savage Economics*, 151.

<sup>180</sup> Mill, *On Liberty and Considerations on Representative Government*, chap. XVI, "Of Nationality, as connected with Representative Government."

<sup>181</sup> Marx, "The British Rule in India," in *Dispatches for the New York Tribune*, 218.

<sup>182</sup> Marx, "The British Rule in India," in *Dispatches for the New York Tribune*, 218.

<sup>183</sup> Marx, "The Future Results of the British Rule in India," 224. These passages on Western colonialism can be compared to similar passages in the opening of *The Communist Manifesto*. In Kevin Anderson's analysis, Marx's opening paragraphs praising the wonders of bourgeois society in the *Manifesto* are "followed by a far less flattering portrait of capitalism, one in which its inner contradictions pull it apart, first by way of the economic crises which Marx and Engels viewed as endemic to this particular social system, and second from the revolt of labor against the alienating and exploitative conditions of modern production. Therefore, Marx and Engels' praise for Western colonialism's conquest in Asia in the *Manifesto* can be seen as part of their overall sketch of the

Thus, regardless of Britain's intentions, we get the sense that for Marx, its objective historical role is to develop industries in India. In doing so, it both plays a progressive role via development, and a politically emancipatory role by unwittingly causing an uprising. However, Marx is clear that the "regeneration" resulting from laying the foundations of Western society in Asia first requires "annihilation" of the old society.<sup>184</sup> One is then left with the sense that the role of the British in India is all but genocidal. Yet ultimately, Marx hopes that despite Indians' "natural langor," we might see the regeneration of "that great and interesting country," rich in language and religion.<sup>185</sup> Here we see, on the one hand, a naturalism in Marx's depiction of Indian society, which reproduces Hegel's geographical racism. On the other hand, Marx also seems to soften the demeaning claims about Indian culture he makes earlier. Ultimately, what Marx supports most of all is the destruction of not only all forms of natural or ascriptive hierarchy, but also all forms of domination. This includes, eventually, not only the abolition of class society, but also the abolition of colonial rule.<sup>186</sup> Like Smith and *unlike* Hegel's theory of history, world progress in Marx's view is available to all peoples of the world.<sup>187</sup>

Marx identifies historical stages of societies based on their modes of production. In European history, societies progress from the ancient, to the feudal to the bourgeois in a dialectical process.<sup>188</sup> As Schlomo Avineri points out, Marx eventually adds the "Asiatic mode" to his discussion of historic modes of production by 1859.<sup>189</sup> But while the former, European modes contain the seeds to their own structural change (*Aufhebung*), the Asiatic mode lies

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achievements of capitalism in Western Europe and North America, a sketch that is followed by a withering critique" (Anderson, *Marx at the Margins: On Nationalism, Ethnicity, and Non-Western Societies*, chap. 1). By the time Marx writes his article "The Future Results of the British Rule in India," his recognition of the need for a national liberation movement to end British colonialism, in addition to a worker's liberation movement, becomes explicit.

<sup>184</sup> Marx, "The Future Results of the British Rule in India," 220.

<sup>185</sup> Marx, "The Future Results of the British Rule in India," 224.

<sup>186</sup> Marx predicts that in India, the railroad will become "the forerunner of modern industry" which will "dissolve the hereditary divisions of labor, upon which rest the Indian castes, those decisive impediments to Indian progress and Indian power" (Marx, "The Future Results of British Rule in India," 220-221).

<sup>187</sup> Blaney and Inayatullah, *Savage Economics*, 127.

<sup>188</sup> Avineri, *Karl Marx on Colonialism and Modernization*, 4.

<sup>189</sup> Avineri, *Karl Marx on Colonialism and Modernization*, 4-5. "Asiatic mode" is added in Marx's 1859 work, *A Contribution to the Critique of Political Economy*. See also Marx, "Pre-Capitalist Economic Formations."

outside the temporal succession and is therefore non-dialectical,<sup>190</sup> or “stagnant” in the words of Smith and Mill. Although Avineri is correct about the relative simplicity of Marx’s understanding of the so-called Asiatic form, we might note that Marx did acknowledge “a collection of diverse patterns” of communal property in India, and that “various prototypes of Roman and Germanic private property can be traced back to certain forms of Indian communal property.”<sup>191</sup> In this sense, Marx does at least integrate the Asiatic mode into his dialectical understanding of European history. Thus, instead of dismissing this passage entirely, it is here that we might linger on a more generous reading of Marx’s discussion of communal property. When we do, we find a disruption in Marx’s dominant temporality, where non-Western forms of labor and property are recognized as something *other* than historic stages to be overcome by modernity – where, as Blaney and Inayatullah put it, the past may demonstrate models for potential post-capitalist futures.<sup>192</sup>

Some have noted, further, that Marx likely gave up his unidirectional development thesis of universal capitalism via colonialism in later writings.<sup>193</sup> Even by the late 1850s, during the time of the Algerian uprisings against the French, there is evidence that Marx and Engels clearly demonstrated anti-colonial solidarity.<sup>194</sup> We also saw that Marx expresses solidarity with the Indian revolt against the British – but only *after* India undergoes the annihilation and regeneration process brought on by the British empire. Moreover, by 1861, Marx unambiguously condemned the US’s seizure of Northern Mexico and its expansion of slavery. Indeed, his views on slavery are clearer than his views on colonialism, if still teleological. He sees slavery as an unambiguously anachronistic form of political-economic organization to be overcome by the capital-wage relation. For Marx, slavery in all forms – from feudal Europe to the colonial US South – is an obstinate barrier to the universal realization of capitalism, and therefore also to the eventual post-capitalist emancipation of labor.<sup>195</sup> He famously states: “[i]n the United States of

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<sup>190</sup> Avineri, *Karl Marx on Colonialism and Modernization*, 5–6.

<sup>191</sup> Marx, *A Contribution to the Critique of Political Economy*, 33, footnote.

<sup>192</sup> See Blaney and Inayatullah, *Savage Economics*. In this work, the authors pick up on this implicit, perhaps even unconscious, alternative temporality latent in Marx’s writings, and develop its implications for international political economy.

<sup>193</sup> For a discussion of this debate, see Blaney and Inayatullah, *Savage Economics*, 178.

<sup>194</sup> Nimtz, “The Eurocentric Marx and Engels and Other Related Myths,” 68–69.

<sup>195</sup> Marx, *Capital*, Vol. I, 414; Nimtz, “The Eurocentric Marx and Engels and Other Related Myths,” 70.

America, every independent workers' movement was paralysed as long as slavery disfigured a part of the republic. Labour in a white skin cannot emancipate itself where it is branded in a black skin."<sup>196</sup> Unlike Mill or Smith, Marx and Engels directly implicate capitalism in the historical intensification of slavery and racism. As we saw, Marx recognizes in his account of primitive accumulation that "the veiled slavery of the wage-labourers in Europe needed the unqualified slavery of the New World as its pedestal."<sup>197</sup> Nonetheless, they locate an emancipatory kernel which begins to unfold as industrial capitalism advances, in which the Enlightenment value of human equality takes a social and economic form in the concept of abstract labor.

In what Jeffrey Vogel calls the "conflict theory of history," there are two fundamental, yet incompatible, values that modern social and political thought inherits from the Enlightenment: "a belief in human rights or human dignity," on the one hand, "and a belief in human progress or human destiny" on the other.<sup>198</sup> The two are incompatible because, as we explored in Chapter 1, the necro-political economy of capitalism dictates that human rights and dignity, including the right to enjoy the fruits of wealth and progress, are not available to those who must be sacrificed in the production of that very wealth and progress to be enjoyed. We have seen this tension plainly in Adam Smith's belief in moral equality and his concern for the dignity of workers who are forced into poverty or dull, unsatisfactory labor, on the one hand, and his recognition of the vast increase in wealth and progress brought about by the division of labor, on the other hand. Vogel notes that theorists of postmodernism, such as Friedrich Nietzsche, Jacques Derrida and Richard Rorty, try to escape this fundamental tension of liberalism by rejecting the Enlightenment value of progress. In this instance, if progress happens at the expense of human dignity, then slavery, poverty, *and* progress all become easily condemnable, absent any tension.<sup>199</sup> As we have seen, meritocracy serves to mediate this tension in liberal theory: Liberal theorists do not deny the benefits of progress, but instead stoically accept that slavery and poverty are its necessary consequences, or that some must lose in the race of life. For Smith,

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<sup>196</sup> Marx, *Capital*, Vol. I, 414.

<sup>197</sup> Marx, *Capital*, Vol. I, p. 925.

<sup>198</sup> Vogel, "The Tragedy of History," 36.

<sup>199</sup> Vogel, "The Tragedy of History," 52.

what we would today call “meritocracy” is a morally necessary deception in a society in which only some can win, while others must have their lives and dignity sacrificed in the name of the betterment of the whole. Mill denies the conflict theory of history altogether by arguing that colonialism ultimately makes everyone better off.<sup>200</sup>

Marx, by contrast, makes no such evasive moves. In what Vogel deems Marx’s “tragic theory of history,” no justificatory reasons are available for those who are required to sacrifice themselves on behalf of human progress.<sup>201</sup> I return here to my earlier point that Marx’s method aims to take a hard look at the material “is” and steer away from the utopian “ought.” More dialectically and immanently, he believes the “ought” can be found implicitly within the “is” (reminiscent of Hegel’s “What is rational is actual, and what is actual is rational.”) Marx asks, rhetorically, whether the bourgeois has “ever effected a progress without dragging individuals and people through blood and dirt, through misery and degradation?”<sup>202</sup> For Marx, misery and human degradation are indeed the price of modern progress; whether modernity “could have been” otherwise is beside the point, from a historical materialist perspective. Crucially, however, this suffering can never be vindicated, even in the name of progress. Human sacrifice is never *justified* in a moral sense; it simply *is* a fact of history. As Vogel points out, Marx’s effort to avoid moralizing individuals applies to the bourgeoisie, too, whom he sees to be just as “innocent<sup>203</sup> as the Greek slave or English peasant.”<sup>204</sup> As we know from Marx’s temporal theory of communism, he believed that the bourgeoisie, too, would experience violence when their time came to be overthrown. In sum, none of these individuals or groups can ever “know why they are to be harmed in the name of human development.”<sup>205</sup> This is because the only “justification” for their coercion – future human progress – “is in principle not available to them.”<sup>206</sup> Perhaps

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<sup>200</sup> Vogel, “The Tragedy of History,” 43. Vogel notes that the insistence that justice requires a justification to those who are asked to sacrifice themselves is itself a distinctly modern phenomenon. It is within this modern sensibility that I locate “meritocracy” as a problem of political economy.

<sup>201</sup> Vogel, “The Tragedy of History,” 43.

<sup>202</sup> Marx, “The Future Results of the British Rule in India,” 223.

<sup>203</sup> I object, however, to Vogel’s use of the term “innocent”; if the bourgeoisie cannot be judged as “guilty” due to the moralistic property of that term, then how can they be judged as “innocent”?

<sup>204</sup> Vogel, “The Tragedy of History,” 47.

<sup>205</sup> Vogel, “The Tragedy of History,” 47.

<sup>206</sup> Vogel, “The Tragedy of History,” 47.

ironically, it is this avoidance of moralizing individuals that gives Marx's social analysis its humanist ethics.

## Conclusion

We have observed in the first two chapters how liberal and early socialist theorists usually only see inequality as unjust if it is perceived as unearned – in other words, if it is the result of an unfair process by which individuals are deprived of their rightful earnings (exploited). Conversely, they have little to say about a hierarchical outcome that is “earned,” and therefore the result of an achieved or “fair” process. By proposing the possibility of equal exchange as a means to greater economic and social equality, the early socialists betray their liberal belief in capitalism as an eternal and ahistorical relation of production. For them, the concept of labor-embodied value represents not socially necessary labor, but *all* physiological labor on an individual level. We can conclude that these early liberal and socialist theorists of capitalism do not tend to see hierarchy itself as unjust; it is simply unearned hierarchy that is a problem. Residing at the core of this position is a methodological individualism that posits *individual indeterminacy*.

At the same time, we have provided evidence for *social determinacy* – that is, a structural or methodologically holistic strand – that runs throughout the political economic theories of Adam Smith, John Stuart Mill, and William Thompson. This socially holistic method of analysis understands the individual as constituted by, and therefore an expression of, their social environment. It necessarily runs *counter* to the moral logic of deservingness which posits an “earned” or “fair” hierarchy. If individuals are products of their social environment, which in this case is constituted by the relations characteristic of a capitalist political economy, then analysis is shifted not to the individual level, but to the systemic level that produces the individual's condition of wealth or poverty, or of industry or idleness.

Building upon his classical predecessors, Marx does not merely demonstrate how the realm of exchange poses a dead end in workers' claims to deservingness of higher wages. His method, based on an immanent critique of capitalism, seeks to present a socially holistic – instead of individualistic – view of how inequality is created, as well as how it might ultimately be overcome historically. This chapter has explored how Marx and Engels, through immanent



critique, identify a new egalitarian core – even amidst the historical reality of massive inequality – that emerges in early theories of market society, in which value-producing labor is recognized as a universal, *social* productive power. Marx then demonstrates, by way of immanent critique, the incoherence of the analysis of individual labor contribution in the context of this capitalist system of social labor, which increasingly connects individuals through the global market and makes the value of individual contributions indistinguishable; value is only coherent at the level of the whole. In particular, I have shown how Marx’s method of social and economic analysis and his theory of history arise from this presupposition of social holism. Social holism, I have argued, opposes the methodological individualism inherent to the logic of deservingness.<sup>207</sup> For this reason, Marx’s political economic theory provides a framework of analysis that opposes meritocracy.

We have also seen that Marx’s polemical voice vitriolically condemns, mocks and scorns apologists of capitalism. But his more scientific voice aims to place ideas in their material and historical context, reconstructing them through immanent critique. It is, however, sometimes difficult to distinguish these voices, and even to decipher what Marx, as an author, really thinks. In Terrell Carver’s interpretation,

Marx's sophistication as a writer – and as a sardonic humourist – generates yet another interpretive puzzle: exactly when is he quoting and citing what he agrees with in the contemporary science of political economy, which he praises for setting problems and attempting solutions? And exactly when is he speaking in his own voice as a convinced critic and on-the-case political activist, excoriating political economy for its uncritical endorsement of bourgeois class power? Two things work against Marx here: he was assiduous in narrating political economy in order to set it up for a fall, but his way of generating that fall is itself easily mistaken for an amendment to political economy on its own terms. This is a well-known problem deriving from satire when – as a matter of genre – it takes the form of parody.<sup>208</sup>

Nonetheless, what this lack of clarity itself highlights is the element of generosity that makes Marx’s scientific method a *social* science, countering the logic of deservingness.

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<sup>207</sup> I will return to the problem of levels of analysis, and in particular “methodological individualism,” in relation to meritocracy in Chapter 5.

<sup>208</sup> Carver, *Marx*, 130–31.

## Chapter 4: W.E.B. Du Bois, racism, and meritocracy

*Democracy in economic organization, while an acknowledged ideal, is today working itself out by admitting to a share in the spoils of capital only the aristocracy of labor—the more intelligent and shrewder and cannier workingmen. The ignorant, unskilled, and restless still form a large, threatening, and, to a growing extent, revolutionary group in advanced countries.*

W.E.B. Du Bois, “The African Roots of War,” 1915

*The essence of Social Democracy is that there shall be no ... man or woman so poor, ignorant or black as not to count ... I have come to believe that the test of any great movement toward social reform is the Excluded Class ... If you are making a juster division of wealth, what people are you going to permit at present to remain in poverty? If you are giving all men votes (not only in the “political” but also in the economic world) what class of people are you going to allow to remain disfranchised?*

W.E.B. Du Bois, “Socialism and the Negro Problem,” 1913

### Introduction

I have established that in one sense, “meritocracy” is a modern term for an ancient idea: the belief that a just hierarchy is one in which the most deserving occupy the top positions in society. But I have rooted my discussion of the notion in its modern iteration by focusing on how

it relates to the labor theory of value in classical political economy. In this modern sense, meritocracy is a logic of deservingness in which the supposedly measurable value of one's labor either *does* or *should* entitle them to varying degrees of wealth. But there is a catch: only work deemed socially necessary – that is, work having use- and exchange-value, as determined by the global market – counts as labor. Further, as we have explored in the previous chapter, Marx argues that wages compensate the laborer not for the *value* of their labor, but for their socially necessary *labor-time*; wages allow the laborer to reproduce their labor-power each day for a designated amount of time during the working day. In that sense, the wage-labor relation represents an equal exchange. But there is an inequality present in two respects: One is in the unequal class dynamics between the owner and producer of wealth, the two parties involved in the exchange – what Terrell Carver calls Marx's "political theory of exploitation."<sup>1</sup> Second, in a capitalist system, wages can never compensate the laborer for the "value" of their labor; capitalism functions precisely because the laborer is compelled to produce surplus value beyond what is required to reproduce their own labor-power.<sup>2</sup> Therefore, in a system constituted by the social determinacy of labor, to award an individual the full value of their labor is an incoherent concept for two reasons. First, doing so would threaten capitalist wealth accumulation and therefore threaten the capitalist's incentive to hire the laborer. In this regard, capitalism offers no way to abolish exploitation. Second, in a system of globally interconnected and interdependent labor, it is impossible to determine precisely what a laboring individual contributes and therefore what they "deserve." The labor theory of value serves to mask this incoherence and impossibility by positing an objectively determined portion of labor that an individual is thought to add in the production process.

I have also argued that capitalism depends for its stability on ideologies that naturalize hierarchy.<sup>3</sup> These ideologies keep alive the illusion of coherence and legitimacy in the hierarchy. However, capitalist hierarchy need not be meritocratic, if capitalism is defined as the separation of labor from the means of production, the extraction of surplus value, and the subordination of the producers to the owners of wealth. We saw that Marx recognizes this in his thesis that

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<sup>1</sup> Carver, "Marx's Political Theory of Exploitation," 1987.

<sup>2</sup> In other words, capitalism depends on exploitation.

<sup>3</sup> By "naturalize hierarchy," I mean create the appearance of natural hierarchy.

capitalism initially depended on slavery – “the veiled slavery of the wage-labourers in Europe needed the unqualified slavery of the New World as its pedestal.”<sup>4</sup> In addition to organization based on merit, racialization is a form of naturalizing hierarchy. Racialization is the process of organizing humans into phenotypical or cultural characteristics that are supposedly discrete and disconnected from one another. Race need not accompany beliefs in biological inferiority and superiority, although historically, it has accompanied such beliefs, particularly in the late 1800s and early 1900s. By the middle of the twentieth century, the language of race shifted from “biology” to “culture,”<sup>5</sup> with the latter implying more opportunities for social mobility: race was no longer an immutable mark of inferiority or superiority.<sup>6</sup> “Improvement” was thought to be possible when one simply adopts or adapts to a different culture, or exhibits behavior that is considered more deserving.

I have established that “free labor,” as distinct from slavery, is affirmed in the modern world as an important part of a meritocratic world order. What has been implicit in our discussion is the process of racialization that accompanies colonialism and slavery on the one hand, and the process of decolonization<sup>7</sup> and abolition, which supposedly frees capitalism from these un-meritocratic forms on the other. In this chapter, I aim to explore the complexities of racism and meritocracy more thoroughly. I will argue that class divisions themselves create a form of racialization even in a “meritocratic” order, in which the poor are considered inferior humanity, and the rich superior.<sup>8</sup>

Robbie Shilliam and Lisa Tilley ask why contemporary political economy ignores or marginalizes the discussion of race, “despite the existence of a wealth of literature by racialised

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<sup>4</sup> Marx, *Capital Vol. I*, 925. Further, as the drive for creating surplus-value for exchange in a world market began to dominate in the US South, “the civilized horrors of over-work” were “grafted onto the barbaric horrors of slavery, serfdom, etc.” (ibid, 345).

<sup>5</sup> On the variegated material and symbolic dimensions of the word “culture,” see Williams, *Keywords: A Vocabulary of Culture and Society*, 87–93.

<sup>6</sup> For a detailed study of the different variants of racism and Eurocentrism, see Hobson, *The Eurocentric Conception of World Politics*.

<sup>7</sup> Though we do not have space to address it here, the implications of decolonization for meritocratic ideology on a global scale is an important area for future research.

<sup>8</sup> Robbie Shilliam pursues a similar argument in *Race and the Undeserving Poor*, in which he discusses the “blackening” of the poor in the Elizabethan Poor Law legislation. He goes so far as to claim that “class is race” (ibid, 178).

and colonised intellectuals from W.E.B. Du Bois to Frantz Fanon, and from Sylvia Wynter to Angela Davis to Cedric Robinson"?<sup>9</sup> In one sense, the answer to their question is simple: Many of these intellectuals are not considered political economists. We might then say that a question behind their question is: why aren't they? Given that we live in a racialized, unequal world, it makes sense that these texts of central importance become marginalized by default in academic institutions, which reproduce this unequal world. Indeed, Shilliam and Tilley observe that "neoliberalism can be said to have radically increased the obfuscation of race from the economy, that is, the racialised division of labour, wealth accumulation, property ownership, environmental degradation and global debt."<sup>10</sup> If neoliberalism has obfuscated racism from the economy, then it should come as no surprise that it has also obfuscated racism from the study of political economy, relegating its study to its own specialized field.<sup>11</sup> Part of our work, then, may be to find out if we can read some of these anti-colonial thinkers as political economists. In this chapter, we shift our focus from European liberalism to the United States context. I turn primarily to the work of William Edward Burghardt Du Bois (1868-1963), who is described as a sociologist (sometimes considered the first<sup>12</sup>), Pan-Africanist, civil rights activist and socialist, but rarely as a political economist.<sup>13</sup> The focus on W.E.B. Du Bois's work has primarily been in the realm of Africana and sociology, with his concepts of "the color line" and "double consciousness" becoming popular analytical heuristics in these fields. I do not seek to challenge the significance of these widely-cited Du Boisean concepts. Rather, I argue that our understanding can benefit from reading them alongside his political economic analysis. An engagement with Du Bois's political economic critique allows for a view of his socially holistic analysis of the racialized

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<sup>9</sup> Tilley and Shilliam, "Raced Markets: An Introduction."

<sup>10</sup> Tilley and Shilliam, "Raced Markets: An Introduction."

<sup>11</sup> I prefer the term "racism" to "race." In what Karen E. Fields and Barbara J. Fields call the "race-racism evasion," they claim that scholars often use the term "race" when they are likely referring to racism (Fields and Fields, *Racecraft*, 99-100). The authors specify that race and racism belong to two different categories of social construction. As they put it, most would agree that race, like the evil eye, is a myth or superstition. By contrast, racism, like genocide, is not a fiction – it is a crime against humanity (ibid, 101).

<sup>12</sup> See Morris, *The Scholar Denied*, 2.

<sup>13</sup> However, rather than trying to fit any thinker into one disciplinary container, it is better to ask whether a given thinker is addressing the subject in question; in this case, our subject is the specificity of capitalist relations and their racialized permutations in relation to the logic of deservingness.

global economy, and the varying degrees to which he accepted and challenged both liberalism and Marxism.

For the purposes of this thesis, we continue our focus on the emergent logic of deservingness according to labor contribution and the moral characteristics thought to accompany it, such as industriousness and intelligence. I read Du Bois as engaged in the question of *who* is deserving of wealth and social recognition in the context of capitalism. Throughout Du Bois's long writing career, he focuses on the political economy of racialization, which is an element of our discussion that has remained in the background so far, and which this chapter aims to foreground. The first section of this chapter helps establish the historical context of Du Bois's writing through a discussion of abolition as it relates to the free labor ideology. The second section explores, on the one hand, Du Bois's advocacy for a truly meritocratic society in which equal opportunity for Afro-Americans in the US is established.<sup>14</sup> On the other hand, it demonstrates his simultaneous belief in social holism, as he challenges the popular view that poverty and crime can be explained with a logic of deservingness that blames individuals and ignores *social environment*. This section begins with the debate between Du Bois and Booker T. Washington, followed by a reflection on Du Bois's own theory of the "Talented Tenth." The third section examines Du Bois's complex relationship with Marxism, socialism and communism. In addition to class, Du Bois sees race as a socially constructed ordering principle that shapes inequality – a reality that he believed Marxism was insufficiently equipped to critique. The fourth and final section builds upon the previous section, returning to a discussion of abolition via Du Bois's magnum opus, *Black Reconstruction in America: An Essay Toward a History of the Part Which Black Folk Played in the Attempt to Reconstruct Democracy in America, 1860–1880*. In this work, Du Bois discusses the US Civil War, which he renames "the War to Preserve Slavery," and its aftermath.<sup>15</sup> He frames the nineteenth and early twentieth century US in terms of oligarchy, caste and serfdom, challenging views that the US was meritocratic and socially progressive. We will see that Du Bois's repeated references to US

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<sup>14</sup> Again following Fields and Fields, I use the term "Afro-American" because it may allow room for different identities between US Americans with African ancestry or descent, and those who are naturalized citizens from Africa (Fields and Fields, *Racecraft*, vii).

<sup>15</sup> Du Bois, "Behold the Land," 548.

backwardness are met with a call to a more meritocratic ordering of society. The appeal of what I am calling meritocracy, to Du Bois and many others at the turn of the century, is worth dwelling on as it has important implications for contemporary debates.

Jo Littler convincingly argues that our modern “meritocracy” is essentially a plutocracy.<sup>16</sup> Further, she argues that in the guise of equality, meritocracy allows racism and sexism to operate insidiously. Meritocracy, then, serves two functions that are damaging to society. First, it makes a blatantly apologetic and contradictory proposition about class hierarchy: that given the conditions of “equal opportunity” (a term which itself ignores the reality of class), hierarchies of wealth are fairly earned. Second, it makes *non-meritocratic* hierarchies palatable by successfully disguising them. Yet even Littler’s excellent argument has not fully reckoned with the significance that the ideology – and, at least to some extent, reality – of meritocracy has had for individuals whose own success depended on it. Although he struggled immensely with the racism that confronted him, Du Bois would not have achieved the success he did, at the historical moment in which he did, without a growing (albeit grossly imperfect) meritocratic ideology that recognized him as exceptional. It was in this context that he was admitted to Harvard, earning his PhD in 1895. Therefore, part of this chapter, rather than simply criticizing meritocracy, seeks to appreciate its revolutionary significance. This appreciation necessarily complicates any critique of meritocracy. But acknowledging the constructive – even revolutionary – place of meritocracy in the twentieth century need not preclude a critique. On the contrary, it is only through an appreciation of meritocracy that we can be precise about how its internal inconsistencies and commitment to hierarchy mean that it does not go nearly far enough, if the goal is to reach a more socially and economically equal society.

This chapter also speaks to theorists such as Lester Spence, Michael C. Dawson and Meghan Ming Francis, whose work discusses the abandonment of black radicalism and the subsequent “neoliberal turn” in black politics in the US after the civil rights movement.<sup>17</sup> In our own terms, this turn is what we might think of as an acquiescence to a vision of meritocratic inequality rather than a more egalitarian political economic vision. By examining the historical

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<sup>16</sup> Littler, “Meritocracy as Plutocracy.”

<sup>17</sup> Spence, *Knocking the Hustle*; Dawson and Francis, “Black Politics and the Neoliberal Racial Order.”

context and prevalent ideologies at the time of W.E.B. Du Bois's writings, I aim to locate the origins of the later neoliberal turn. In the US, Du Bois was attempting to understand the experience of Afro-Americans, and the exploitation of colonies abroad, at a time when post-war Reconstruction had been completed. At this time, the notion of "equal opportunity" was on the horizon, yet racial inequality was newly codified in the form of Jim Crow laws after the abolition of slavery. I now turn to the significance of abolition and its attendant ideologies.

### 1. "Her natural right to eat the bread she earns with her own hands": Abolition and free labor ideology

The labor theory of value had a profound influence in the territories of what became the United States, even before US independence.<sup>18</sup> It resonated with the anti-monarchical politics that culminated in the 1775 War of Independence, influencing figures from Samuel Adams to Thomas Paine, Thomas Jefferson, James Madison, Andrew Jackson, and Abraham Lincoln.<sup>19</sup> Like in the European context, the labor theory's egalitarian yet deeply hierarchical implications can be observed in its historical manifestations. To provide an example of its significance in the US context shortly before the Civil War of 1861, let us consider Abraham Lincoln's 1857 speech in which he uses a form of the labor theory of value to challenge the logic of slavery.<sup>20</sup> In his speech, given as a Republican leader before he ran for president, Lincoln provides his interpretation of the line in the Declaration of Independence stating that "all men are created equal." Central to his interpretation is his assertion of meritocratic hierarchy, rather than equality, as an ideal ordering principle:

In some respects, [the black woman] certainly is not my equal; but in her natural right to eat the bread she earns with her own hands without asking leave of anyone else, she is my

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<sup>18</sup> Wilentz, "America's lost egalitarian tradition," 67-68. See this work for an analysis of the labor theory of value in US history.

<sup>19</sup> Wilentz, "America's lost egalitarian tradition," 67-68. In a letter to John Adams, Thomas Jefferson expresses his wish for a "natural aristocracy" of virtue and talent to govern, replacing the "artificial aristocracy" founded on wealth and birth (Jefferson, "Thomas Jefferson to John Adams"). But as Barrington Moore Jr. points out, the US context was different from Europe's liberal revolutions for a variety of reasons, one of which was that the US did not have political struggle between a pre-commercial landed aristocracy and a monarch (Moore, *Social Origins of Dictatorship and Democracy*, 111). Further, unlike the anticolonial revolutions of the 20<sup>th</sup> century, radical socialist currents of the US American War of Independence were unable to break to the surface (ibid, 113).

<sup>20</sup> Lincoln, "Springfield Speech," 329-330. For a discussion of this speech as it relates to the labor theory of value, see Oakes, "Du Bois's 'General Strike.'"



equal, and the equal of all others ... I think the authors of that noble instrument [the Declaration of Independence] intended to include *all* men, but they did not intend to declare all men equal *in all respects*. They did not mean to declare that all men were equal in color, size, intellect, moral developments, or social capacity. They defined with tolerable distinctness in what respects they did consider all men created equal – equal with ‘certain inalienable rights, among which are life, liberty and the pursuit of happiness.’ This they said, and this they meant.<sup>21</sup>

A society free from slavery need not mean a society free from racial segregation, Lincoln promises his audience. Crucially, Lincoln frames the black woman’s “right to eat the bread she earns with her own hands” as a means to better *maintain* racialized segregation. When citing Judge Douglas’ horror at the prospect of the mixing of races should slavery be abolished, Lincoln enthusiastically concurs: “Agreed for once – a thousand times agreed.”<sup>22</sup> But in fact, Lincoln says, it is slavery itself that is the greatest culprit of the “mixing of blood”<sup>23</sup> as most “mulattoes” are the product of the “forced concubinage” of female slaves to their masters.<sup>24</sup> In this example, even the idea of labor *equality* accompanies deeply racialized thinking that is characteristic of the United States.<sup>25</sup> Of course, Lincoln also fails to account for the many cases of mutual attraction between the “races.”<sup>26</sup> Whether Lincoln was promising greater segregation solely to appease his opponents, or whether he “truly believed” in white superiority is up for debate. But this example demonstrates how even the emancipatory idea of free labor does not solve the problem of racialization and servitude in the nineteenth century.

Robbie Shilliam contends that the prospect of abolition posed a central dilemma for classical political economy. Yet despite its historical centrality, he argues, discussions of abolition in relation to the global market remain recessive in political economic theory today.<sup>27</sup> To break the relative silence on abolition in the field of political economy, Shilliam draws upon Du Bois’s concept of “abolition democracy” in *Black Reconstruction in America* and Angela

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<sup>21</sup> Lincoln, “Springfield Speech,” 330-331.

<sup>22</sup> Lincoln, “Springfield Speech,” 334.

<sup>23</sup> Lincoln, “Springfield Speech,” 334, 336.

<sup>24</sup> Lincoln, “Springfield Speech,” 337.

<sup>25</sup> On the different colonial racial logics, see Patrick Wolfe’s study *Traces of History: Elementary Structures of Race*.

<sup>26</sup> On the variety, complexity, and psychodynamics of interpersonal relationships in the context of slavery, see Berry and Harris, *Sexuality and Slavery: Reclaiming Intimate Histories in the Americas*.

<sup>27</sup> Shilliam, “The Past and Present of Abolition,” 3.

Davis' argument that the abolition of present-day carceral systems is a necessary part of any confrontation with global capitalism.<sup>28</sup> Shilliam calls for the re-scripting of the classical political economy tradition so that abolition is recovered "as a central issue for the ethical evaluation of global capitalism."<sup>29</sup> Further, he wishes to recover the central agents of abolition: the enslaved themselves, who tend to be obfuscated in classical political economy.<sup>30</sup> While many Marxist political economists have made groundbreaking contributions to our understanding of the role of chattel slavery in capitalist development,<sup>31</sup> what makes Shilliam's analysis singular is his shift of emphasis to *abolition* and global capitalism.

Shilliam challenges readings of Adam Smith that emphasize, as I have in this thesis, the significance of the conceptual binary of formally free and unfree labor.<sup>32</sup> "[I]f we take Smith to be our guide," Shilliam argues, classical political economy itself did not apprehend labor in this oft-assumed binary.<sup>33</sup> Shilliam contends that in fact, even the idea of formally free labor was initially far too dangerous for 18<sup>th</sup> century England to accept. The possibility of laboring for reward was debated not in terms of freedom versus slavery, but in terms of *servitude* versus slavery. The transition to free labor would thus be integrated into the existing patriarchal relations of the time: "Smith's moral philosophy entangled with judicial and parliamentary attempts to resolve the danger of abolition by reference to existing master/servant sanctions and customs, that is, in terms of freedom-through-service."<sup>34</sup> In other words, to become "free" in England and on the plantation colonies in the Caribbean was to move from slavery to servitude. Shilliam then wonders why the law of contract is emphasized even in Marx's political economy, when the law of servitude was, as late as the nineteenth century, more fundamental to struggles

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<sup>28</sup> Shilliam, "The Past and Present of Abolition," 1-2.

<sup>29</sup> Shilliam, "The Past and Present of Abolition," 17.

<sup>30</sup> See C.L.R. James's remarkable 1936 political economic work on the Haitian revolution, *The Black Jacobins*.

<sup>31</sup> For instance, the classic works of Williams, *Capitalism and Slavery*; Genovese, *The Political Economy of Slavery*; James, *The Black Jacobins*. More recently, Alexander Anievas and Kerem Nişancıoğlu center slavery and colonialism in their analysis of capitalism's history in *How the West Came to Rule*.

<sup>32</sup> Shilliam, "The Past and Present of Abolition," 17. For another historical argument which challenges this conceptual binary, see Steinfeld, *The Invention of Free Labor*.

<sup>33</sup> Shilliam, "The Past and Present of Abolition," 17.

<sup>34</sup> Shilliam, "The Past and Present of Abolition," 17.

over labor; “[i]n fact, the first English edition of Capital Vol.1 was published ten years before the end of master/servant legislation in Britain.”<sup>35</sup>

Shilliam’s point that the “freeing” of labor was in fact the transition to legal servitude is crucial. It shows us how the development of liberal theory was, from the beginning, enmeshed in patriarchal and other unfree social, political and economic conditions: not only slavery and imperialism, but also the master-servant law within England. In fact, Shilliam shows, the only labor free from patriarchal institutions at the time could be found in cultures of creative survival pursued by the enslaved communities themselves.<sup>36</sup> These communities in the Caribbean nurtured a semi-autonomous market system, “run principally by women, and distinct to the imperial circuits of plantation production,” in which members occasionally hired out their labor to their fellow enslaved.<sup>37</sup> Significantly, this system was eventually recognized by colonial law.<sup>38</sup> Jamaica’s Consolidated Slave Act of 1792 “required allotment to slaves of a ‘sufficient quantity of land’, accompanied by a ‘sufficient time to work the same’, with the purpose of providing ‘him, her, or themselves, with sufficient provisions for his, her, or their maintenance.’”<sup>39</sup> For Shilliam, it is arguably these systems that best guaranteed slaves their “liberal reward of labor,” to use Adam Smith’s term.<sup>40</sup> Yet, formal abolition in 1833 meant that English patriarchal law would eventually become grafted onto plantation labor too: “[T]he master/servant legislation in the Anglo-Caribbean after 1838 orchestrated Black freedom as dispossession [of slaves from

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<sup>35</sup> Shilliam, “The Past and Present of Abolition,” 17. In this instance, we could argue that Shilliam breaks from Marx’s method of immanent critique. As we saw in the previous chapter, for the purpose of immanent critique, Marx *accepts* of the law of value and equal exchange, in contrast to the Smithian socialist claims that what was exploitative about capitalism was that labor did not receive its full formal value. However, a different interpretation of Shilliam’s argument might be that Marx mis-apprehends the whole which he theorizes; in making this argument, Shilliam demonstrates what the binary of free and unfree labor hides. In this way, his critique remains immanent. I thank David Blaney for the latter interpretation.

<sup>36</sup> Shilliam, “The Past and Present of Abolition,” 15-16.

<sup>37</sup> Shilliam, “The Past and Present of Abolition,” 16. Notably, Marx acknowledges these autonomous communities in Jamaica. He remarks on how, much to the West-Indian plantation owner’s chagrin, freed Jamaicans “content themselves with producing only what is strictly necessary for their own consumption ... They have ceased to be slaves, but not in order to become wage labourers, but, instead, self-sustaining peasants working for their own consumption” (Marx, *Grundrisse*, 325-326).

<sup>38</sup> Shilliam, “The Past and Present of Abolition,” 15-16.

<sup>39</sup> Shilliam, “The Past and Present of Abolition,” 16, quoting Edwards, *The History, Civil and Commercial, of the British Colonies in the West Indies Vol. 2*, 373.

<sup>40</sup> Shilliam, “The Past and Present of Abolition,” 16.

their provision grounds] and re-patriarchalization.”<sup>41</sup> This meant a paradox of abolition from the standpoint of the freed: “a removal of the tyrannical institutions of slavery,” on the one hand, and “an immediate imposition of existing English institutions that upheld patriarchal servitude (even to the same master), a dispossession of any property conventionally inherited, and/or banishment if one refused to serve in the master’s house” on the other.<sup>42</sup>

As we saw in Chapter 1, in many instances, liberal theory was unable to envision a future beyond extraordinarily oppressive conditions; we recall here Adam Smith’s lament in 1763 that slavery might be a permanent aspect of commercial society.<sup>43</sup> This fact indeed complicates the free-unfree binary of labor, as does Shilliam’s point that abolition also meant dispossession and “re-patriarchalization” for former slaves as they became integrated into the master-servant labor regime. It can be noted that Marx himself did not entirely conceive of free and unfree labor as a binary. As we have seen, Marx recognized the diversity of forms that surplus-value production took even under the subordination of capital. Further, for Marx, “free” labor meant free in the double sense: free from slavery or serfdom, and the forcible “freeing” of laborers from their land and independent means of production. We subscribe to this understanding of free labor, just as it appears Shilliam does. With this understanding, even formally free *contract* labor does not eliminate servitude because there is an inherent inequality in the employer-employee relation. Further, wages function to allow the laborer to reproduce their labor-power, rather than compensate them for the supposed value of their labor itself. As I have demonstrated, the “value” of an individual’s labor – and therefore what they deserve in reward – becomes incoherent in a capitalist global economy, if it is determined by the labor theory of value.

However, challenging the free-unfree binary does not negate the importance of the transition to the *formality* of free labor, especially in light of the fact that the master-servant legislation in England *was* gradually replaced with free labor ideology and freedom of contract over the course of industrialization. As economic historian Evelyn Atkinson puts it, the new “free labor ideology dictated that employees be independent, self-reliant, and responsible for their own persons, as well as capable of bargaining for themselves in a competitive

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<sup>41</sup> Shilliam, “The Past and Present of Abolition,” 16.

<sup>42</sup> Shilliam, “The Past and Present of Abolition,” 16.

<sup>43</sup> Smith, *Lectures on Jurisprudence*, 187.

marketplace.”<sup>44</sup> Focusing only on the master-servant relation, while crucial to our historical and theoretical understanding of capitalism and liberal political economy, gives us only a partial view of our present predicament. The rise of an increasingly *meritocratic* rhetoric of the independent and autonomous laborer in the nineteenth and twentieth centuries, and the simultaneous perpetuation of social and economic inequality, also requires explaining.

There is no shortage of evidence for Shilliam’s point that “freedom” has, for most of capitalism’s history, meant the *freedom to labor for reward*, and *not* freedom from servitude or from racialized labor regimes as such. In the US – the focus of the present chapter – Southern backlash against abolition and other political, economic, and social gains of Reconstruction after the Civil War was severe: The Southern states swiftly implemented a system of racial segregation to disenfranchise black US Americans and remove their social, political and economic gains as quickly and thoroughly as was legally possible.<sup>45</sup> The Jim Crow laws were imposed in the US South shortly after Reconstruction and would be stringently enforced for nearly another century afterward. It is this context that makes Du Bois’s struggle for even *formal* equality urgent and necessary at the time of his writing; he died a year before the Civil Rights Act of 1964 was passed, which would outlaw formal segregation and discrimination based on race, sex, or religion.

I have demonstrated in previous chapters that the logic of labor and reward is of central importance to liberal political economic theory. While Adam Smith and J.S. Mill were not politically active abolitionists per se, they were opposed to slavery both economically and morally, and this opposition significantly informed their brand of liberalism. From this view, abolition can be seen as the realization of a liberal *idea* that existed in theory even as the slave trade took off. So far, two points regarding labor’s fair reward – a central tenet, if not *the* central tenet, of free labor ideology – have become clear in our analysis and are worth reiterating here. First, we have seen that inequality is woven into the very fabric of free labor ideology, as the belief in the fair reward of labor amounts to an ideology of a just hierarchy. As Marx says of the notion of the “equal right” to the proceeds of labor: “This *equal* right is an unequal right for

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<sup>44</sup> Atkinson, “Out of the Household: Master-Servant Relations and Employer Liability Law,” 205.

<sup>45</sup> As Du Bois phrases it, “The slave went free; stood a brief moment in the sun; then moved back again toward slavery” (Du Bois, *Black Reconstruction in America*, 65).

unequal labor ... it tacitly recognizes unequal individual endowment, and thus productive capacity, as a natural privilege. It is, therefore, a right of inequality, in its content, like every right.”<sup>46</sup> Moreover, we have seen how these outcomes of “earned” hierarchy take on moral and racialized overtones in the presumed division between the deserving and undeserving. Second, even slavery and colonial tutelage become coherent within liberalism when we conceive of liberalism not as a set of moral codes, but as a theory of history. As we have explored in previous chapters, this theory of history is distinctly stadial. This would explain Hegel’s ability to unflinchingly integrate freedom *and* slavery in his statement about what constitutes justice: “Slavery is unjust in and for itself, for the essence of man is freedom; but he must first become mature before he can be free. Thus, it is more fitting and correct that slavery should be eliminated gradually than that it should be done away with all at once.”<sup>47</sup> Furthermore, we could replace “slavery” with “colonial rule” and we would have a statement resembling J.S. Mill’s argument. In both cases, freedom’s proper place is as a universal aspiration, not as a universal actuality in the present. It is in this logical and temporal sense that both inequality and unfreedom are consistent with liberal theory. I now turn to W.E.B. Du Bois’s work, where we will continue to explore these tensions within liberalism, with a focus on racialized and class inequality as it relates to meritocracy.

## 2. Meritocracy, individualism and holism in Du Bois’s early work

Du Bois’s distinction between the racialized caste system in the United States, and a socio-economic hierarchy based on talent, education and achievement premised on the equality of opportunity, would remain two significant and opposed ideal-types throughout much of his work. As we will see, he initially had faith in the latter, but would become increasingly disillusioned with even the idea of a meritocratic hierarchy. Importantly, Du Bois would reflect in his late life that his own vision and that of Booker T. Washington’s were not entirely contradictory: “Neither I nor Booker Washington understood the nature of capitalistic exploitation of labor, and the necessity of a direct attack on the principle of exploitation as the

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<sup>46</sup> Marx, “Critique of the Gotha Programme.”

<sup>47</sup> Hegel, *Lectures on the Philosophy of World History: Introduction*, 184.

beginning of labor uplift.”<sup>48</sup> By examining Du Bois’s own early program of equal opportunity and his later reflection on it, we can better understand how Du Bois arrived at a rejection of meritocratic logic and methodological individualism in favor of a more socially holistic conception of equality. Before turning to the well-known debate between Du Bois and Washington, I begin by briefly establishing the context in which Du Bois was writing.

We can understand Du Bois’s ambivalent meritocratic ideal not only in the context of the liberal theory we have examined in earlier chapters, but also the historical and cultural context of the US setting. Social Darwinism in particular emerged out of the erosion of religious influence in US culture and the rise of “evolutionism.”<sup>49</sup> Secularization of universities began in the late 1800s; until then, college trustee boards were traditionally dominated by clergy.<sup>50</sup> As Adolph Reed Jr. puts it, there was an intellectual convergence around the “technicization of social life,” which extended the civil service model to the private sector.<sup>51</sup> This tendency “entails not only a commitment to a certain notion of equality but it also authorizes the principle of meritocracy on which intellectuals typically base their claims to special status.”<sup>52</sup> The rise of technical and scientific education rose with rising demand.<sup>53</sup> New ideas about the proper conduct of social sciences and discourse were reinforced institutionally through increased licensing and credentialing requirements.<sup>54</sup> These societal changes were part of what Reed calls “meritocratic postures” which acknowledge a “social and ethical propriety of a hierarchy of knowledge and expertise”<sup>55</sup> assumed to be neutral and in search of scientific truth, rather than interest-grounded.<sup>56</sup> Even deeper than this, the new order’s connection to scientific development perhaps accounts for talent and knowledge appearing “as an intrinsically rational and therefore unquestioned, ‘natural’ basis for stratification.”<sup>57</sup> Rather than being ordained by God, the

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<sup>48</sup> Du Bois, *The Autobiography of W.E.B. Du Bois*, 236-237.

<sup>49</sup> Reed, *W.E.B. Du Bois and American Political Thought*, 16.

<sup>50</sup> Reed, *W.E.B. Du Bois and American Political Thought*, 16.

<sup>51</sup> Reed, *W.E.B. Du Bois and American Political Thought*, 19.

<sup>52</sup> Reed, *W.E.B. Du Bois and American Political Thought*, 19.

<sup>53</sup> Reed, *W.E.B. Du Bois and American Political Thought*, 16.

<sup>54</sup> Reed, *W.E.B. Du Bois and American Political Thought*, 17-18.

<sup>55</sup> Reed, *W.E.B. Du Bois and American Political Thought*, 18.

<sup>56</sup> Reed, *W.E.B. Du Bois and American Political Thought*, 18-19, 17.

<sup>57</sup> Reed, *W.E.B. Du Bois and American Political Thought*, 18.

meritocratic order's legitimacy depended on the notion of individual deservingness or worthiness. James Gilbert suggests the term "collectivism" to signify the general agreement among intellectuals in the US during this time who were committed in varying degrees to socialism, progressivism and managerialism; all converged around a meritocratic vision of hierarchy.<sup>58</sup> In Gilbert's words, "even those intellectuals who seemed willing to sacrifice the rights of private property for the sake of social control over production were unwilling to surrender their belief in a hierarchical society. Many wished only for a more truly meritocratic class system."<sup>59</sup>

## 2.1 "A gospel of work and money": The debate between W.E.B. Du Bois and Booker T.

### *Washington*

In 1895, Booker T. Washington gave what would become a historic speech at the Cotton States and International Exposition held in Atlanta, Georgia. Washington was Principal of the Tuskegee Normal and Industrial Institute in Tuskegee, Alabama, which he founded in 1881 as a historically black college to teach trades to students. Du Bois would later rename Washington's Atlanta Exposition speech, addressed to US President Grover Cleveland, the Board of Directors of the Exposition, and citizens, "The Atlanta Compromise," referring to what he saw as Washington's excessive concessions to white Southerners and a racially unequal civic order more broadly. Washington would become increasingly prominent as he gained favorable recognition from the White House. Meanwhile, Du Bois would grow increasingly troubled by the power enveloping Washington and his ideas.<sup>60</sup> Du Bois was critical of what he called Washington's "Tuskegee Machine," as it was funded and encouraged by Northern capitalists to build a strong labor force that would profit the North, discourage black voting and "restrain the unbridled demands of white labor, born of Northern labor unions and now spreading to the South and encouraged by European socialism."<sup>61</sup> He also believed it kept the mass of Afro-American laborers "stirred up by ambitions incapable of realization."<sup>62</sup> He feared that ambitions of civil

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<sup>58</sup> Gilbert, *Designing the Industrial State*, cited in Reed, *W.E.B. Du Bois and American Political Thought*, 18-19.

<sup>59</sup> Gilbert, *Designing the Industrial State*, 36.

<sup>60</sup> Robinson, *Black Marxism*, 193.

<sup>61</sup> Du Bois, *The Autobiography of W.E.B. Du Bois*, 239.

<sup>62</sup> Du Bois, *Dusk of Dawn*, 36, 38.



rights and social equality were being substituted with those of entrepreneurship and self-help. It is largely in opposition to these ideas that Du Bois developed his own political economic theory.

Washington begins his speech with a parable in which a vessel lost at sea spots another vessel passing by. The lost captain cries out for help: “Water, water; we die of thirst!” The signal is answered by the passing vessel: “Cast down your bucket where you are.” This same call is met by the same response from a second, third and fourth passing vessel. The distressed captain finally casts down his bucket, finding that nothing other than “fresh, sparkling water from the mouth of the Amazon River” has come up.<sup>63</sup> Washington analogizes the captain’s dilemma and its solution to the plight of black US Americans thirty years after their formal emancipation from slavery. He calls to them: “Cast down your bucket where you are.”<sup>64</sup> In this context, he means to suggest that they should cast their buckets down “in agriculture, mechanics, in commerce, in domestic service, and in the professions.”<sup>65</sup> He emphasizes that it is in the South that, “when it comes to business ... the Negro is given a man’s chance in the commercial world.”<sup>66</sup> Attaining success in the business world, however, required a strategic balancing act in which one was to valorize common labor while diligently and humbly working one’s way toward the top:

Our greatest danger is, that in the great leap from slavery to freedom we may overlook the fact that the masses of us are to live by the productions of our hands, and fail to keep in mind that we shall prosper in proportion as we learn to dignify and glorify common labor and put brains and skill into the common occupations of life ... No race can prosper till it learns that there is as much dignity in tilling a field as in writing a poem. It is at the bottom of life we must begin, and not at the top. Nor should we permit our grievances to overshadow our opportunities.<sup>67</sup>

Washington also calls on his white audience: “Cast down your bucket where you are.”<sup>68</sup> He calls upon white Southern employers to hire black US Americans instead of immigrants (“those of foreign birth and strange tongue and habits”), reminding them that the former “have, without strikes and labor wars, tilled your fields, cleared your forests, built your railroads and

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<sup>63</sup> Washington, “Mr. Washington’s Address,” in Du Bois, *The Illustrated Souls of Black Folk*, 82.

<sup>64</sup> Washington, “Mr. Washington’s Address,” 82.

<sup>65</sup> Washington, “Mr. Washington’s Address,” 82.

<sup>66</sup> Washington, “Mr. Washington’s Address,” 82.

<sup>67</sup> Washington, “Mr. Washington’s Address,” 82-83.

<sup>68</sup> Washington, “Mr. Washington’s Address,” 82-83.

cities, and brought forth treasures from the bowels of the earth, and helped make possible [the] magnificent representation of the progress of the South” demonstrated at the Exposition.<sup>69</sup> This focus on diligent and subdued labor was meant to appeal to Southern employers’ wish for freed workers to possess the deserving qualities of submission and obedience.

Washington seems unable to envision, at the time of his speech and writing, a world in which full “social equality”<sup>70</sup> – it is unspecified whether he means racial, economic, or both – could be realized: “The wisest among my race understand that the agitation of questions of social equality is the extremist folly, and that progress in the enjoyment of all the privileges that will come to us must be the result of severe and constant struggle rather than of artificial forcing.”<sup>71</sup> Although the conditions under which Washington spoke did not at all represent a legally, politically or economically equal playing field between black and white citizens, we can note Washington’s continued emphasis on deserving characteristics of Afro-Americans that make them worthy of respect. Obedience and hard work, he believes, are the best way to climb up the social ladder; it is these characteristics that are explicitly invoked as an alternative to “forcing” equality for all citizens. In Washington’s reformist outlook, equal respect, let alone equal political rights, is something to be *earned* through individual labor. Further, Washington has faith that the market itself will reflect the contributions of black citizens, and that “[n]o race that has anything to contribute to the world is long in any degree ostracized.” Ultimately, he infamously suggests segregation as opposed to integration as a means of moving forward: “In all things that are purely social,” the two races can be “as separate as the fingers, yet one as the hand in all things essential to mutual progress.”<sup>72</sup>

Du Bois perceives the danger in Washington’s acquiescence to the Southern elite interest in maintaining the inferior status of Afro-Americans – a danger which he sees to be driven by a misguided belief in the natural inferiority of the black “race.” Crucially, he understands this

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<sup>69</sup> Washington, “Mr. Washington’s Address,” 82-83.

<sup>70</sup> However, as Judith Stein points out, in the mid 1890s, the term “social equality” was often used as a derogatory euphemism to describe what were thought to be the harmful effects of black political power (Stein, “Of Mr. Booker T. Washington and Others’: The Political Economy of Racism in the United States,” 445).

<sup>71</sup> Washington, “Mr. Washington’s Address,” 84.

<sup>72</sup> Washington, “Mr. Washington’s Address,” 83.

belief to be a catalyst of both Western imperialism and the economic caste system in the US.<sup>73</sup> In his critique of Washington's program published in his 1903 work, *The Souls of Black Folk*, Du Bois writes:

Mr. Washington represents in Negro thought the old attitude of adjustment and submission; but adjustment at such a peculiar time as to make his programme unique. This is an age of unusual economic development, and Mr. Washington's programme naturally takes an economic caste, becoming a gospel of work and money to such an extent as apparently almost to completely overshadow the higher aims of life. Moreover, this is a time when the more advanced races are coming into closer contact with the less developed races, and the race-feeling is therefore intensified; and Mr. Washington's programme practically accepts the alleged inferiority of the Negro races.<sup>74</sup>

Du Bois is critical of Washington's focus on accommodation and self-improvement because it goes hand-in-hand with Southern wishes to maintain submission and civic disenfranchisement in the post-Reconstruction order.<sup>75</sup> He proposes instead full enfranchisement, echoing civil rights leaders Archibald and Francis Grimke, Howard University mathematician and sociologist Kelly Miller, and Methodist minister and civil rights proponent J.W.E. Bowen.<sup>76</sup> These men, Du Bois states, call for three things: the right to vote, civic equality, and the education of youth according to ability. But at this point in time, Du Bois is still confined to meritocratic language: "[T]hey do not ask that ignorant black men vote when ignorant whites are debarred ... they know that the low social level of the mass of the race is responsible for much discrimination against it, but they also know, and the nation knows, that relentless color-prejudice is more often a cause than a result of the Negro's degradation..."<sup>77</sup> Du Bois proposes that, "So far as Mr. Washington praises Thrift, Patience, and Industrial Training for the masses, we must hold up his hands and strive with him."<sup>78</sup> But so far as he "apologizes for injustice, North or South, does not rightly value the privilege and duty of voting, belittles the emasculating effects of caste distinctions, and opposes the higher training and ambition of our brighter minds,

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<sup>73</sup> Du Bois, "Of Mr. Booker T. Washington and Others" in Du Bois, *The Illustrated Souls of Black Folk*, 73.

<sup>74</sup> Du Bois, "Of Mr. Booker T. Washington and Others," 73.

<sup>75</sup> Du Bois, "Of Mr. Booker T. Washington and Others," 74.

<sup>76</sup> Du Bois, "Of Mr. Booker T. Washington and Others," 76.

<sup>77</sup> Du Bois, "Of Mr. Booker T. Washington and Others," 76.

<sup>78</sup> Du Bois, "Of Mr. Booker T. Washington and Others," 76.

we must unceasingly and firmly oppose [him].”<sup>79</sup> I now turn to Du Bois’s early iteration of meritocratic equality.

## *2.2 The “Talented Tenth” and Du Bois’s ambivalent social holism*

Du Bois’s 1903 essay, “The Talented Tenth,” argues that the most talented ten percent of black men must be allowed the opportunity to develop themselves. This distinguished social class within the race could then lead the masses, he believed. Fulfilling the task of “racial uplift” required a liberal arts education, not just the industrial education advocated by Washington’s Atlanta Compromise; learning trade alone would not “civilize a race of ex-slaves.”<sup>80</sup> Du Bois describes this Talented Tenth as a black “aristocracy of talent and character.”<sup>81</sup> He asks rhetorically, “Was there ever a nation on God's fair earth civilized from the bottom upward? Never; it is, ever was and ever will be from the top downward that culture filters. The Talented Tenth rises and pulls all that are worth the saving up to their vantage ground.”<sup>82</sup>

Yet, it was not the creation of an elite leadership as an end in itself that was at stake for Du Bois. It was in the name of basic humanization that he was fighting, and the development of an intellectual class was a means to this humanization: “[T]he object of all true education is not to make men carpenters, it is to make carpenters men.”<sup>83</sup> On the one hand, we might be critical of Du Bois’s meritocratic posture which only seems concerned with those “worth the saving.”<sup>84</sup> On the other hand, it was his commitment to a fuller redress for Afro-Americans via the equality of opportunity that informed his struggle for civil rights and independence for African colonies. His disagreements with Washington would lead him to found the Niagara Movement to oppose racial segregation and disenfranchisement in 1905, out of which the National Association for the Advancement of Colored People (NAACP) would arise in 1909.<sup>85</sup>

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<sup>79</sup> Du Bois, “Of Mr. Booker T. Washington and Others,” 80.

<sup>80</sup> Du Bois, “The Talented Tenth,” 57.

<sup>81</sup> Du Bois, “The Talented Tenth,” 57.

<sup>82</sup> Du Bois, “The Talented Tenth,” 45.

<sup>83</sup> Du Bois, “The Talented Tenth,” 63.

<sup>84</sup> Du Bois, “The Talented Tenth,” 45.

<sup>85</sup> Du Bois, “The Negro and Communism,” 587.

As we will explore in more depth in the next section, we can also explain Du Bois's faith in the growing black elite as a logical corollary to his eventual conclusion that as a result of the racism weaponized by the Southern plantocracy, the working class was hopelessly divided between poor white laborers and black freedmen. The extreme hostility of white workers toward Southern black workers led Du Bois to conclude that the black elite, and therefore also their alliance with Northern capital, were the only hope for struggling Afro-Americans. This may help us contextualize Du Bois's implication in the "race uplift" historiographic tradition.<sup>86</sup>

As Cedric Robinson puts it, "By the last decades of the nineteenth century, the ideological construction of the Black petit bourgeoisie had achieved its maturity. The tendency of the Black intelligentsia toward an elitist consciousness of race – a synthesis of Eurocentric racism and the preoccupation with imperial political forms – had achieved its broadest and most articulate expression."<sup>87</sup> Yet, another crucial reason for Du Bois's advocacy for an aristocracy of talent and character that was specifically black is that he had great disdain for racialized views of intelligence.<sup>88</sup> Du Bois was extremely vocal in his resistance to the prevailing racial pseudo-science, which permeated both the biological and social sciences, and which only began to decline by the time of his later writings. In a biting sarcastic piece for *The Crisis* in 1920, for instance, Du Bois demonstrates the utter paucity of reason in a study at Columbia University that attempts to compare the "brain power" of black versus white subjects. Although there were different tests for those who were literate and those who were illiterate, Du Bois notes that no attention was given to the different social environments or levels of poverty, which obviously influence the subjects' access to education and therefore their performance.<sup>89</sup> In a very basic sense, the study viewed its subjects as atomized individuals, rather than social beings. At the same time, it was bent on locating a biological correlation between race and intelligence. In fact, Du Bois is critical of the biologizing of racial difference itself – a view considered radical for his time.<sup>90</sup> He advocates racial intermarriage as a means to achieve greater social equality and the

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<sup>86</sup> Robinson, *Black Marxism*, 192.

<sup>87</sup> Robinson, *Black Marxism*, 191.

<sup>88</sup> Du Bois, "Race Intelligence."

<sup>89</sup> Du Bois, "Race Intelligence," 197-198.

<sup>90</sup> Notably, however, Alain Locke expressed this view even earlier, in 1911 (Locke, *Race Contacts and Interracial Relations: Lectures on the Theory and Practice of Race*).

disappearance of racial lines altogether.<sup>91</sup> He famously declares, “The problem of the twentieth century is the problem of the color-line, – the relation of the darker to the lighter races of men in Asia and Africa, in America and the islands of the sea.”<sup>92</sup> Du Bois had first announced this at the first Pan-African Congress in 1900, where he linked racialized domination under Jim Crow with the new era of imperial expansion in the late nineteenth century.<sup>93</sup>

Nonetheless, Du Bois seems to accept the biologizing of difference as such. He calls on Afro-Americans to select their “mates” “for heredity, physique, health and brains, with less insistence on color, comeliness or romantic sex lure, miscalled love.”<sup>94</sup> In this sense, he seems to have accepted, to some degree, the biological view of inferior and superior human “stock” that was popular in his day. Two years after his polemic against racialized intelligence, he writes: “There is undoubtedly vast difference in heredity, strains of blood leading to the rise of individuals of great ability here and others of criminal and degenerative tendencies there. It is also undoubtedly a great human duty to improve the human stock by rational breeding and by eliminating the unfit and dangerous.”<sup>95</sup> As we have seen, Du Bois actually tries to use this logic as a means to leveling the playing field for more equal competition: “[I]t is quite possible,” he notes, “that science will eventually show just as many superior strains in black and yellow as in white peoples, and just as much innate degeneracy in Europe as in Asia and Africa.”<sup>96</sup> Again, Du Bois adheres to, on the one hand, the social Darwinism popular in his time, which saw no hope beyond the fight for “equality of opportunity”: the development of a “fairer” class society organized by deservingness – in this case, demonstrated by strength or ability. In the twentieth century, this logic corresponded with a social and biological ideology of “the survival of the fittest.” On the other hand, Du Bois is drawn toward a more radical conception of human equality – equal human dignity and worth across all “races,” and a social constructivist view of race itself – that few other prominent voices of his time seemed able to envision.

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<sup>91</sup> Du Bois, “Social Equality and Racial Inter-marriage,” 372.

<sup>92</sup> Du Bois, *The Souls of Black Folk*, 8.

<sup>93</sup> Getachew, *Worldmaking after Empire: The Rise and Fall of Self-Determination*, 6.

<sup>94</sup> Du Bois, “The Talented Tenth: Memorial Address,” 351.

<sup>95</sup> Du Bois, “Social Equality and Racial Inter-marriage,” 373.

<sup>96</sup> Du Bois, “Social Equality and Racial Inter-marriage,” 373.

This pull of social Darwinism on the one hand, with its focus on adaptive and deficient *individuals*, and of *social* equality on the other, takes the form of a tension between methodologically individualist and socially holistic explanations for inequality in Du Bois's analysis.<sup>97</sup> This tension is perhaps most evident in his early sociological study published in 1899, *The Philadelphia Negro*, which is considered by some scholars to be the first to employ a community survey as a method of data collection in the social sciences.<sup>98</sup> In a house-to-house investigation, Du Bois interviews Afro-American residents of Philadelphia's Seventh Ward. His resulting analysis provides a distinctly sociological account of black disadvantage that counters the moral, psychological and biological explanations prevalent during his time. One section of his study is dedicated to "the difficult question of environment, both physical and social."<sup>99</sup> Du Bois contends that:

Notwithstanding the large influence of the physical environment of home and ward, nevertheless there is a far mightier influence to mold and make the citizen, and that is the social atmosphere which surrounds him: first his daily companionship, the thoughts and whims of his class; then his recreations and amusements; finally the surrounding world of American civilization, which the Negro meets especially in his economic life.<sup>100</sup>

Du Bois seeks to explain economic behavior, such as the failure to pay rent, in social-environmental terms, pushing back against the psychologizing and pathologizing interpretations common in his day. Although he concedes that personal traits are not irrelevant, Du Bois points to material forces as the primary shapers of the difficulties that black Philadelphians face: "Ignorance and carelessness," he says, "will not explain all or even the greater part of the problem of rent among Negroes."<sup>101</sup> Du Bois explains the primary reasons for Afro-Americans' inability to pay rent in Philadelphia – that is, reasons other than the simple fact that they are disproportionately poorer. He notes that most whites preferred not to live near black Philadelphians, limiting the black family's choice of homes, let alone affordable homes.<sup>102</sup> Even

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<sup>97</sup> On the coexistence of two different levels of analysis – the "individual-romantic" and the "social-environmental" – in Du Bois's writing, see Conway, *The Historical Ontology of Environment*, 295.

<sup>98</sup> Morris, *The Scholar Denied*, xx. See this work for a discussion of Du Bois's pioneering work in sociology.

<sup>99</sup> Du Bois, *The Philadelphia Negro*, 5.

<sup>100</sup> Du Bois, *The Philadelphia Negro*, 221.

<sup>101</sup> Du Bois, *The Philadelphia Negro*, 211.

<sup>102</sup> Du Bois, *The Philadelphia Negro*, 211.

when black families were tolerated in a suburban neighborhood, they often felt shunned, stared at or generally uncomfortable.<sup>103</sup> Often, for instance, they would feel alone and without community outside the city; while one black family might be tolerated in a predominantly white suburban neighborhood, six would likely not.<sup>104</sup> Moreover, real estate agents' informal discrimination meant that they would raise the rent for black tenants, if they did not refuse them altogether. Finally, the fact that most black US Americans were "purveyors to the rich" meant that they needed to live near their place of work.<sup>105</sup> Unlike white factory workers who could often rent cheap cottages near the factories, black workers largely worked in centrally located hotels and private homes as waiters, laundresses, and porters, forcing them to the city center.<sup>106</sup>

In his prescription for greater equality, Du Bois does not appeal to kindness or philanthropy of white people. For him, ending discrimination is in everyone's interest: "Discrimination is morally wrong, politically dangerous, and socially silly. It is the duty of the whites to stop it, and to do so primarily for their own sakes."<sup>107</sup> As an antidote to the US's continued state of inefficient "political serfdom,"<sup>108</sup> Du Bois advocates "industrial freedom of opportunity."<sup>109</sup> This means, simply, that "talent should be rewarded, and aptness used in commerce or industry whether its owner be black or white."<sup>110</sup> Unless this is done, Du Bois adds, "the city has no right to complain that black boys lose interest in work and drift into idleness and crime."<sup>111</sup> In Du Bois's functionalist argument in favor of industrial freedom of opportunity, everyone has a stake in their work because they know they will be judged based on its merits and thus rewarded fairly. He seems certain that such a moral change would be nothing short of revolutionary, if not in reducing economic inequality, then at least in reducing crime and increasing racial equality. In a telling passage, Du Bois states that, "Even a Negro bootblack

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<sup>103</sup> Du Bois, *The Philadelphia Negro*, 212.

<sup>104</sup> Du Bois, *The Philadelphia Negro*, 212.

<sup>105</sup> Du Bois, *The Philadelphia Negro*, 211.

<sup>106</sup> Du Bois, *The Philadelphia Negro*, 211.

<sup>107</sup> Du Bois, *The Philadelphia Negro*, 273.

<sup>108</sup> Du Bois, *The Philadelphia Negro*, 274.

<sup>109</sup> Du Bois, *The Philadelphia Negro*, 273.

<sup>110</sup> Du Bois, *The Philadelphia Negro*, 273.

<sup>111</sup> Du Bois, *The Philadelphia Negro*, 273.



could black boots better if he knew he was a menial not because he was a Negro but because he was best fitted for that work.”<sup>112</sup> This is not to say, he clarifies, that such work is not honorable and useful, but rather “that it is as wrong to make scullions out of engineers as it is to make engineers of scullions.”<sup>113</sup> Here, meritocracy is the catalyst that motivates labor. If work is allotted according to deservingness, alienation is alleviated as individuals accept their positions in the social and economic hierarchy as genuine reflections of their innate abilities.

By the middle of the twentieth century, however, Du Bois walks back some of the claims he made at the turn of the century regarding the role of the black elite.<sup>114</sup> He saw the limitations of merely reproducing amongst Afro-Americans the class hierarchies and vacuous bourgeois culture characteristic of the US, citing the merits of his Howard University colleague E. Franklin Frazier’s 1957 work *The Black Bourgeoisie*.<sup>115</sup> This work challenges the notion that black business enterprises will solve the problem of poverty for the majority of black people in the US. Because of the increasing class stratification amongst black US Americans two generations after the abolition of slavery, Du Bois becomes critical of understanding the “black community” as an undifferentiated mass. Further, he distances himself from any implied elitism: “my own panacea of an earlier day was a flight of class from mass through the development of the Talented Tenth; but the power of this aristocracy of talent was to lie in its knowledge and character, not in its wealth.”<sup>116</sup>

As I have outlined, both the idealization of meritocracy and social Darwinist beliefs in hereditary fitness are compatible with certain brands of socialism that believe in the necessity of hierarchy. But it is obvious that Du Bois is aware of these tensions. As we will see in the next section, he develops a socialist ethic especially in his later writings. In one piece, he explicitly reflects upon how the philosophy of Marx slowly seeped into his own thinking over time, and notes that he aims to apply a Marxist analysis to the Afro-American experience.<sup>117</sup> Forty-five

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<sup>112</sup> Du Bois, *The Philadelphia Negro*, 274.

<sup>113</sup> Du Bois, *The Philadelphia Negro*, 274.

<sup>114</sup> Du Bois, “The Talented Tenth: Memorial Address,” 347.

<sup>115</sup> Du Bois, “The Present Leadership of American Negroes,” 354. See also Vitalis, *White World Order, Black Power Politics*, 12.

<sup>116</sup> Du Bois, *Dusk of Dawn*, 109.

<sup>117</sup> Du Bois, “The Talented Tenth: Memorial Address,” 350.

years after writing “The Talented Tenth,” Du Bois directly acknowledges the accusation from his unnamed critics that his proposition is elitist and opposed to a Marxist sensibility: “It has been said that I had in mind the building of an aristocracy with neglect of the masses. This criticism has seemed even more valid because of emphasis on the meaning and power of the mass of people to which Karl Marx gave voice in the middle of the nineteenth century, and which has been growing in influence ever since.”<sup>118</sup> Du Bois integrates this critique into his reflection, as he acknowledges the worrisome parallel between an aristocracy and the stratification implied in the notion of a talented few: “[Aristocracy] was for a long time regarded as almost inevitable because of the scarcity of ability among men and because, naturally, the aristocrat came to regard himself and his whims as necessarily the end and only end of civilization and culture. As long as the masses supported this doctrine, aristocracy and mass misery lived amiably together.”<sup>119</sup> Du Bois notes Marx’s unique stance that poverty need not be an eternal part of human society. This broke from earlier views, which saw the poor as objects of charity and sympathy, and intimated eventual justice for them in Heaven, but not on Earth.<sup>120</sup> He also notes that Marx recognized that the poverty of the masses did *not* reflect a poverty of talent in the population: “[Marx] insisted that the masses were poor, ignorant, and sick, not by sin or nature but by oppression.”<sup>121</sup> Therefore, given wealth and opportunity, and freed from the vicissitudes of the market, “out of the masses of men could come overwhelming floods of ability and genius.”<sup>122</sup> After this re-examination of Marx’s contribution to a political economic rather than individualist theory of inequality, Du Bois reformulates his “theory of the ‘Talented Tenth’” to the “doctrine of the ‘Guiding Hundredth.’”<sup>123</sup> Yet, throughout his writing, Du Bois saw limits to Marx’s ability to address racial inequality. I now reflect further on the significance of Marx to Du Bois, and the limitations the latter saw within Marxism, communism, and socialism.

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<sup>118</sup> Du Bois, “The Talented Tenth: Memorial Address,” 347.

<sup>119</sup> Du Bois, “The Talented Tenth: Memorial Address,” 349.

<sup>120</sup> Du Bois, “The Talented Tenth: Memorial Address,” 349.

<sup>121</sup> Du Bois, “The Talented Tenth: Memorial Address,” 349.

<sup>122</sup> Du Bois, “The Talented Tenth: Memorial Address,” 349.

<sup>123</sup> Du Bois, “The Talented Tenth: Memorial Address,” 353.

### 3. Du Bois and Marxist thought

Although Du Bois uses Marxist language throughout his long writing life, and would embrace Marxism explicitly in his 1948 memorial address discussed above, he remained warmly ambivalent about the completeness of a Marxist theory of black oppression throughout most of his life. In his 1933 piece written for *The Crisis* entitled “Marxism and the Negro Problem,” Du Bois asks how the philosophy of Karl Marx applies in his present day “to colored labor?”<sup>124</sup> He polemically declares: “First of all colored labor has no common ground with white labor.”<sup>125</sup> Du Bois seems to be referring here, on the one hand, to what he sees as the political need for both US American socialism and communism to ignore or explicitly disavow the unique concerns of black workers – a need that he sees as both built into the racist fabric of US American social life and a commitment to class reductionism. On the other hand, Du Bois acknowledges the growth of a black elite not only in the US, but also in West Africa, South America and the West Indies. In this sense, race is no longer a direct caste system, as class divisions take place *within* racialized divisions, which would seem to allow for greater class as opposed to racial solidarity.

Yet, if European imperialism and US social life continue to create a global “color bar,” it appears logical that solidarity might be sought along racial rather than class lines.<sup>126</sup> Du Bois points out that the enmity of European capitalist imperialism inhibits the full development of the African bourgeoisie in West Africa: “African labor and black capital are therefore driven to seek alliance and common ground” against both European capital *and* European labor, which represent capitalist imperialism – that is, both the white managers and engineers in West Africa, and those in the US who furnish “armies and navies and Empire ‘preference.’”<sup>127</sup> In the “peculiar” case of the US, Du Bois notes that the black petty bourgeoisie are “not the chief or even large” investors or exploiters of black labor.<sup>128</sup> “The revolt of any black proletariat could not, therefore, be logically directed against this class, nor could this class join either white capital, white engineers or white workers to strengthen the color bar.”<sup>129</sup> In another piece, he

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<sup>124</sup> Du Bois, “Marxism and the Negro Problem,” 542.

<sup>125</sup> Du Bois, “Marxism and the Negro Problem,” 542.

<sup>126</sup> Du Bois, “Marxism and the Negro Problem,” 543.

<sup>127</sup> Du Bois, “Marxism and the Negro Problem,” 543.

<sup>128</sup> Du Bois, “Marxism and the Negro Problem,” 543.

<sup>129</sup> Du Bois, “Marxism and the Negro Problem,” 543.

contests the Communist party's charge that the black petit bourgeoisie minority is dominating a helpless black proletariat, claiming that "The attempt to dominate Negro Americans by purely capitalistic ideas died with Booker T. Washington. The battle against it was begun by the Niagara Movement and out of the Niagara Movement arose the N.A.A.C.P."<sup>130</sup>

Moreover, although black labor in the US "suffers because of the fundamental iniquities of the whole capitalistic system, the lowest and most fatal degree of its suffering comes not from the capitalists but from fellow white laborers."<sup>131</sup> Du Bois initially argues that it is the white laborer who is most discriminatory towards the black US American when it comes to voting rights, education, affiliation with trade unions, and housing. He does acknowledge, however, that there is "an immense amount of truth" to the Socialist and Communist explanation for this phenomenon, which is that racism is an ideology instrumentalized by the ruling class to divide workers racially, preventing solidarity across the working class.<sup>132</sup> We can locate the origin of this position in Marx's theory of race as a weapon of the bourgeoisie to divide the proletariat, rendering the working class impotent. Marx says that:

Every industrial and commercial centre in England now possesses a working class divided into two *hostile* camps, English proletarians and Irish proletarians. The ordinary English worker hates the Irish worker as a competitor who lowers his standard of life. In relation to the Irish worker he regards himself as a member of the *ruling* nation and consequently he becomes a tool of the English aristocrats and capitalists against Ireland, thus strengthening their domination *over himself*. He cherishes religious, social, and national prejudices against the Irish worker. His attitude towards him is much the same as that of the "poor whites" to the Negroes in the former slave states of the U.S.A. The Irishman pays him back with interest in his own money. He sees in the English worker both the accomplice and the stupid tool of the *English rulers in Ireland*.

This antagonism is artificially kept alive and intensified by the press, the pulpit, the comic papers, in short, by all the means at the disposal of the ruling classes. *This antagonism* is the secret of the *impotence of the English working class*, despite its organisation. It is the secret by which the capitalist class maintains its power. And the latter is quite aware of this.<sup>133</sup>

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<sup>130</sup> Du Bois, "The Negro and Communism," 587.

<sup>131</sup> Du Bois, "Marxism and the Negro Problem," 541.

<sup>132</sup> Du Bois, "The Negro and Communism," 598.

<sup>133</sup> Marx, "Marx to Sigfrid Meyer and August Vogt In New York," 222, emphasis in text.

But on the contrary, Du Bois argues, “the bulk of American white labor is neither ignorant nor fanatical.”<sup>134</sup> It too, he says, “knows exactly what it is doing and it means to do it,”<sup>135</sup> adding that not even the Great Depression was enough to unite black and white labor effectively.<sup>136</sup> He comments that “Socialists and Communists may sneer and say that the capitalists sought in all this profit, cheap labor, strike-breakers and the training of conservative, reactionary leaders. They did. But Negroes sought food, clothes, shelter and knowledge to stave off death and slavery and only damned fools would have refused the gift.”<sup>137</sup> Du Bois acknowledges the “grain of truth in the Communist attack” on black leadership, which is that US capitalist wealth has benefitted Afro-American advancement in a certain respect.<sup>138</sup> But although the courts from the Supreme Court down are “prostituted to the power of wealth” and Big Business, they have so far been Afro-Americans’ only hope against complete disenfranchisement and segregation: “Big Industry in the last ten years [1920-1930] has opened occupations for a million Negro workers, without which we would have starved in jails and gutters.”<sup>139</sup>

Du Bois sees that rather than recognizing full human equality, US socialism risks reproducing the hierarchies inherent to liberalism. He claims that “In the Negro problem as it presents itself in the United States, theoretical Socialism of the twentieth century meets a critical dilemma”: If it includes Afro-Americans, its growth in the South and North will be “decidedly checked.”<sup>140</sup> If it acquiesces to racial hatred, then it has the chance to turn Southern white radicalism to its own party, but at the cost of betraying its core values.<sup>141</sup> Du Bois calls upon the socialist leaders: “After you have gotten the radical South and paid the price which they demand, will the result be Socialism?”<sup>142</sup> Du Bois wonders if socialism is no different from the “industrial aristocracy which the world has always tried; the only difference being that such Socialists are trying to include in the inner circle a much larger number than have ever been included

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<sup>134</sup> Du Bois, “Marxism and the Negro Problem,” 541.

<sup>135</sup> Du Bois, “Marxism and the Negro Problem,” 541.

<sup>136</sup> Du Bois, “Marxism and the Negro Problem,” 543-544.

<sup>137</sup> Du Bois, “The Negro and Communism,” 592.

<sup>138</sup> Du Bois, “The Negro and Communism,” 591.

<sup>139</sup> Du Bois, “The Negro and Communism,” 592.

<sup>140</sup> Du Bois, “Socialism and the Negro Problem,” 577.

<sup>141</sup> Du Bois, “Socialism and the Negro Problem,” 580.

<sup>142</sup> Du Bois, “Socialism and the Negro Problem,” 580.

before.”<sup>143</sup> He does not believe a true Social Democracy is compatible with the exclusion or exploitation of any “man or woman so poor, ignorant or black as not to count.”<sup>144</sup> Here, Du Bois posits a universal humanism and is critical of the tendency of “industrial aristocracies” to ignore the most exploited classes. The imperative for social holism is apparent in his series of challenges to those who call themselves socialist:

Who is it that Reform does *not* propose to benefit? If you are saving dying babies, whose babies are you going to let die? If you are feeding the hungry, what folk are you (regretfully, but perhaps none the less truly) going to let starve? If you are making a juster division of wealth, what people are you going to permit at present to remain in poverty? If you are giving all men votes (not only in the ‘political’ but also in the economic world) what class of people are you going to allow to remain disfranchised?<sup>145</sup>

Finally, in addition to political and economic challenges, Du Bois considers an important psycho-social dynamic that obstructs worker unification and feeds racism. He comments that white laborers “were compensated in part by a sort of public and psychological wage. They were given public deference and titles of courtesy because they were white ... while this had small effect upon the economic situation, it had great effect upon their personal treatment and the deference shown them.”<sup>146</sup> It is worth mentioning here that contemporary theorists have appropriated and developed this “psychological wage” motif in numerous ways, without considering it alongside Du Bois’s political economic analysis. For instance, David Roediger’s *Wages of Whiteness*, which pioneered the field of whiteness studies in the US, poses “whiteness” as a central problem in US political history that prevents class solidarity – an argument reminiscent of Du Bois’s critique of Marxism, but absent his evaluation of its analytic utility.<sup>147</sup> Du Bois posits that whiteness is a false unity: “[The majority] knew that an organized inner group was compelling the mass of white people to act as a unit; was pounding them by false social sanctions into a false uniformity.”<sup>148</sup> Relatedly, Gurinder K. Bhambra identifies “methodological whiteness” as a pernicious racial identity politics that distorts working class

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<sup>143</sup> Du Bois, “Socialism and the Negro Problem,” 578.

<sup>144</sup> Du Bois, “Socialism and the Negro Problem,” 578.

<sup>145</sup> Du Bois, “Socialism and the Negro Problem,” 579.

<sup>146</sup> Du Bois, *Black Reconstruction in America*, 607.

<sup>147</sup> Roediger, *The Wages of Whiteness*.

<sup>148</sup> Du Bois, *Black Reconstruction in America*, 551.

power.<sup>149</sup> Yet by arguing that race (instead of racism, colonialism or imperialism) is “fundamental to the configuration of the modern world,” she seems to sanction and employ identity politics to decenter the importance of class analysis. The trap into which these arguments fall is that they have the effect of reifying whiteness, even while claiming to socially deconstruct it.<sup>150</sup> Troublingly, the concept of race itself becomes reified in their analyses; that is, it becomes a substitute for racialization and racism<sup>151</sup> as process and ideology, respectively.<sup>152</sup> Suspiciously, accompanying such views tends to be an *a priori* dismissal of Marx that has become almost routine.<sup>153</sup> By contrast, I follow Keeanga-Yamahtta Taylor’s more holistic view that:

The exclusive focus on the racism of ordinary white workers ignores the important instances when that racism broke down and the extent to which struggle was possible. The point is not to make a fetish out of instances of interracial unity under narrow circumstances that often failed to transcend a particular moment. The point is to understand how profound this new possibility was and how it underlined the extent to which a genuine social revolution had occurred. While Blacks were still, in most cases, denied their political rights, the Civil War and Reconstruction revolutionized the social forces of production in both the South and North.<sup>154</sup>

But it was not only equality within national boundaries that was at stake for Du Bois. He ultimately saw that the political unification of labor and capital, and the failure of a united worker’s movement, had dire international consequences: “Successful aggression in economic expansion,” he posits, “calls for a close union between capital and labor at home.”<sup>155</sup> In his

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<sup>149</sup> Bhambra, “Brexit, Trump, and ‘Methodological Whiteness.’”

<sup>150</sup> For this argument, see Johnson, “The Wages of Roediger”; Reed, “Marx, Race, and Neoliberalism.”

<sup>151</sup> Judith Stein cautions that “racism” too can all too easily become reified, if it is understood as a causal factor abstracted from political economy (Stein, “‘Of Mr. Booker T. Washington and Others’: The Political Economy of Racism in the United States”).

<sup>152</sup> As Fields and Fields put it, the conjuror’s trick of what they call “racecraft” transforms racism into race (Fields and Fields, *Racecraft*, 25). This is evidenced even in seemingly common-sense sentences, like “‘black southerners were segregated because of their skin color’” (ibid, 17). Here, “segregation disappears as the doing of segregationists,” and magically “reappears as a trait of only one part of the segregated whole” (ibid, 17). As they bluntly point out, “The more dutifully scholars acknowledge that the concept of race belongs in the same category as geocentrism or witchcraft, the more blithely they invoke it as though it were both a coherent analytical category and a valid empirical datum” (ibid, 100). For a contrasting view which posits that race too becomes a “real abstraction” with productive power in the modern world, see Sorentino, “The Abstract Slave.”

<sup>153</sup> See Sclofsky and Funk, “The Specter That Haunts Political Science.”

<sup>154</sup> Taylor, “W.E.B. Du Bois Black Reconstruction in America 1860-1880.”

<sup>155</sup> W.E.B. Du Bois, “The African Roots of War.”

article “The African Roots of War,” written a year into the First World War, Du Bois argues that the European pillage of Africa is at the heart of the War: “[T]he ownership of materials and men in the darker world is the real prize that is setting the nations of Europe at each other’s throats to-day.”<sup>156</sup> Even many workers hope to reap the spoils from “[t]hat sinister traffic, on which the British Empire and the American Republic were largely built.”<sup>157</sup> Yet, he recognizes that only those at the top of the meritocracy will gain:

Democracy in economic organization, while an acknowledged ideal, is to-day working itself out by admitting to a share in the spoils of capital only the aristocracy of labor—the more intelligent and shrewder and cannier workingmen. The ignorant, unskilled, and restless still form a large, threatening, and, to a growing extent, revolutionary group in advanced countries.<sup>158</sup>

Here, unlike his earlier use of “aristocracy of talent,” Du Bois uses the term “aristocracy of labor” critically.<sup>159</sup> We might say that in this passage, he is critical of what I am calling meritocracy. In his less polemical moments, Du Bois understands white racism as a tragically flawed survival tactic, behind which is “the Shape of Fear.”<sup>160</sup> In fact, he sustains his priority of social explanation even in his reading of the murderous “mob spirit” in the US, which he attributes less to “hate and Schadenfreude” and more to the fears of the “nucleus of ordinary men” behind it: fears of “losing their jobs, of being declassed, degraded, or actually disgraced; of losing their hopes, their savings, their plans for their children; of the actual pangs of hunger, of dirt, of crime. And of all this, most ubiquitous in modern industrial society is that fear of unemployment.”<sup>161</sup>

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<sup>156</sup> W.E.B. Du Bois, “The African Roots of War.”

<sup>157</sup> W.E.B. Du Bois, “The African Roots of War.”

<sup>158</sup> W.E.B. Du Bois, “The African Roots of War.”

<sup>159</sup> The term “labor aristocracy” is usually traced to Lenin, who used it in his 1916 work *Imperialism, the Highest Stage of Capitalism* (Lenin, *Imperialism*, “Preface to French and German Editions,” 8). Lenin gives credit for the idea to Marx and Engels (Lenin, *Imperialism*, “Parasitism and Decay of Capitalism,” 80). But Lenin’s *Imperialism* was in fact written one year after Du Bois’s “The African Roots of War.” Balibar and Wallerstein have this to say about the unification of labor and capital: “The *universalism* of the dominant ideology [of capitalism] is ... rooted at a much deeper level than the world expansion of capital ... it is rooted in the need to construct, in spite of the antagonism between them, an ideological ‘world’ shared by exploiters and exploited alike” (Balibar and Wallerstein, *Race, Nation, Class*, 4).

<sup>160</sup> Du Bois, *Black Reconstruction in America*, 588.

<sup>161</sup> Du Bois, *Black Reconstruction in America*, 588.



Ultimately, Du Bois is clear that black and white labor's interests *are* united in a material sense, and that it is the powerful ideological cloud of racism that prevents white workers in particular from seeing this: "Negroes perceive clearly that the real interests of the white worker are identical with the interests of the black worker, but until the white worker recognizes this, the black worker is compelled in sheer self-defense to refuse to be made the sacrificial goat."<sup>162</sup> By 1947, Du Bois articulates his hope for a newfound solidarity between all working people, "white and black."<sup>163</sup> We can see that Du Bois brings a universal humanist ethic to socialism that does not operate based on a logic of deservingness and hierarchy, unlike other forms of socialism that were attractive at the time. This universalism is further developed in his rewriting of the racist historiography of the Civil War, which we will explore in the next section. In this fourth and final section, I return to the importance of abolition both in theory and as a historic series of events; in particular, I will focus on its significance to our understanding of meritocracy as a developing ideology.

#### 4. "The laborer's Promised Land": Du Bois's *Black Reconstruction in America*

I established the basis of our discussion of abolition in the introduction. I now further explore its significance through W.E.B. Du Bois's monumental 1935 work on the US Civil War and Reconstruction, *Black Reconstruction in America: An Essay Toward a History of the Part Which Black Folk Played in the Attempt to Reconstruct Democracy in America, 1860–1880*. I connect the significance of the historic event of abolition, as it is understood through Du Bois's historiographic contribution, to the idea of meritocracy and the logic of deservingness.

In the early pages of *Black Reconstruction*, Du Bois portrays the different actors in the drama of the early eighteenth-century North American colonies, where "[b]irth began to count for less and less and America became to the world a land of economic opportunity."<sup>164</sup> What appears common to all is the vision of what we would today consider the so-called American dream, where the acquisition of land and property seemed possible to "nearly every thrifty

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<sup>162</sup> Du Bois, "The Negro and Communism," 591.

<sup>163</sup> Du Bois, "Behold the Land," 546.

<sup>164</sup> Du Bois, *Black Reconstruction in America*, 45.

worker” as schools began “to multiply and open their doors even to the poor laborer.”<sup>165</sup> The property holders and employers were mostly of English descent – Du Bois calls them “native-born Americans.”<sup>166</sup> The poor of English descent also “looked forward to the time when they would accumulate capital and become, as they put it, economically ‘independent.’”<sup>167</sup> Even immigrants, “torn with a certain violence from their older social and economic surroundings” had “[v]isions of rising in the social and economic world by means of labor.”<sup>168</sup> There were the “free Negroes” of the North who were voters – in some cases free for many generations, and in other cases fugitives from the South. There were the “free Negroes of the South” who depended on the good will of white patrons, yet were “rising to be workers and sometimes owners of property and even of slaves, and cultured citizens.”<sup>169</sup> Finally, there were the mass of poor whites, “disinherited of their economic portion by competition with the slave system, and land monopoly.”<sup>170</sup> Here, we have a depiction of meritocratic striving for those considered “free,” even under the oppressive conditions of the time. Yet, Du Bois also acknowledges the mass of poor whites and slaves who are excluded from these aspirations. We can see how the United States as an idea<sup>171</sup> – the “laborer’s Promised Land” – may precipitate an ideological unification of labor and capital:

The new labor that came to the United States, while it was poor, used to oppression and accustomed to a new standard of living, was not willing, after it reached America, to regard itself as a permanent laboring class and it is in the light of this fact that the labor movement among white Americans must be studied. The successful, well-paid American laboring class formed, because of its property and ideals, a petty bourgeoisie ready always to join capital in exploiting common labor, white and black, foreign and native. The more energetic and thrifty among the immigrants caught the prevalent American idea that here labor could become emancipated from the necessity of continuous toil and that

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<sup>165</sup> Du Bois, *Black Reconstruction in America*, 45.

<sup>166</sup> Du Bois, *Black Reconstruction in America*, 45. Du Bois is not referring to Amerindians here, a demographic who seem to be absent from his narrative entirely.

<sup>167</sup> Du Bois, *Black Reconstruction in America*, 45.

<sup>168</sup> Du Bois, *Black Reconstruction in America*, 45.

<sup>169</sup> Du Bois, *Black Reconstruction in America*, 45-46.

<sup>170</sup> Du Bois, *Black Reconstruction in America*, 46.

<sup>171</sup> On the geosocial and ideological construct of the Americas – and the United States in particular – in the context of the capitalist world economy, see Quijano and Wallerstein, “Americanity as a Concept: Or the Americas in the Modern World-System.”

an increasing proportion could join the class of exploiters, that is of those who made their income chiefly by profit derived through the hiring of labor.<sup>172</sup>

Working one's way up in the meritocracy became a point of pride and identity. It was an ideology that permeated all classes, and was eventually applied across racial lines as well. As Du Bois puts it:

Abraham Lincoln expressed this idea frankly at Hartford, in March, 1860. He said: 'I am not ashamed to confess that twenty-five years ago I was a hired laborer, mauling rails, at work on a float boat – just what might happen to any poor man's son.' Then followed the characteristic philosophy of his time: 'I want every man to have his chance – and I believe a black man is entitled to it – in which he can better his condition – when he may look forward and hope to be a hired laborer this year and the next, work for himself afterward, and finally to hire men to work for him. That is the true system.'<sup>173</sup>

For Du Bois, Lincoln's statement enunciates "the widespread American idea of the son rising to a higher economic level than his father; of the chance for the poor man to accumulate wealth and power, which made the European doctrine of a working class fighting for the elevation of all workers seem *not only less desirable but even less possible* for average workers than they had considered it."<sup>174</sup> What becomes evident here is that the US – the supposed land of opportunity – fosters an atmosphere of competition rather than cooperation, in which economic equality is accepted as impossible. Rather than profoundly questioning a form of socio-economic organization in which extreme wealth inequality is necessary, the *desire* for equality is rejected in exchange for the desire to work one's way up in the social hierarchy and ultimately achieve wealth and status. Du Bois points out that many waged laborers opposed slavery economically more than morally, as they feared their labor being reduced by competition to the level of slaves, thus hindering their own social mobility: "They wanted a chance to become capitalists; and they found that chance threatened by the competition of a working class whose status at the bottom of the economic structure seemed permanent and inescapable."<sup>175</sup>

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<sup>172</sup> Du Bois, *Black Reconstruction in America*, 55.

<sup>173</sup> Du Bois, *Black Reconstruction in America*, 55.

<sup>174</sup> Du Bois, *Black Reconstruction in America*, 55-56, my emphasis.

<sup>175</sup> Du Bois, *Black Reconstruction in America*, 56.

Du Bois's critique of meritocracy informs his discussion of abolition and Reconstruction. One of the most important contributions of *Black Reconstruction* is its rewriting of a racist history of the Civil War and its aftermath. Henry Louis Gates Jr. describes *Black Reconstruction* as a "sweeping corrective to contemporary histories of the Reconstruction era, which (white) historians had shaped with the view of blacks as inadequate to the task of capitalizing on the freedom that emancipation had given them."<sup>176</sup> Consistent with his earlier writings, Du Bois opposes theories of congenital deficiency that are wielded to explain black poverty and its implication that black people as a supposed whole are undeserving. For instance, he criticizes the way Reconstruction is represented to school children in mainstream US history books, at the time of his writing, which portrayed Afro-Americans as idle, thriftless and entitled as a result of abolition.<sup>177</sup> Du Bois was keen to challenge this logic of deservingness and recover the agency of the slaves-turned-laborers who fought in the Civil War by recognizing their attempt to construct democracy in the US following the war.

As historian James Oakes points out, Du Bois was not alone in writing against the reigning historiographical orthodoxy which portrayed slavery as benevolent and Reconstruction as disastrous.<sup>178</sup> But, Oakes argues, Du Bois understood something others in his time did not, which is that abolition was an *incomplete* revolution. Ultimately, it was a triumph of Northern capital: the revolutionary replacement of slavery with a new system based on waged labor.<sup>179</sup> While ending slavery was critical to the defeat of the secessionists, it would not *necessarily* lead to substantively greater material equality. Equally critical would be the building of new democratic foundations. As Robbie Shilliam puts it, following Angela Davis' insight:

Du Bois's great insight, as [Angela] Davis sees it, was to recognize that legal manumission would not in and of itself redress the iniquitous structures of slavery. Rather than simply a 'negative process of tearing down', abolition, notes Davis, had to involve 'building up' new institutions that would establish a meaningfully holistic

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<sup>176</sup> Gates, "Introduction," in Du Bois, *The Philadelphia Negro*, xxii.

<sup>177</sup> Du Bois, *Black Reconstruction in America*, 615-616.

<sup>178</sup> Oakes, "Du Bois's 'General Strike.'"

<sup>179</sup> Oakes, "Du Bois's 'General Strike,'" footnote 4.

enfranchisement across social (education), political (suffrage) and economic (property) domains.<sup>180</sup>

It is in this sense that Du Bois understood at once the significance *and* incompleteness of formal abolition to those racialized as black in the United States. Like Marx, his political vision, at least in his later writings, ultimately reaches beyond formal equality.

Du Bois understands the conflict between the Northern and Southern United States partly as a competition between two types of capitalism – one based on waged labor and the other based on slavery. Even after the South’s defeat in the Civil War, Southern capitalism continued to bring black labor back toward slavery in its overthrowing of Reconstruction. This was “a determined effort to reduce black labor as nearly as possible to a condition of unlimited exploitation and build a new class of capitalists on this foundation.”<sup>181</sup> Thus, the triumph of the North was in this sense the replacement of one type of capitalist labor force with another: a transfer of labor “from the Confederate planter to the Northern invader, in whose army lines workers began to be organized as a new labor force.”<sup>182</sup> We now explore the significance of this transition.

Du Bois demonstrates that the role of the black worker was decisive in the North’s triumph. The black worker, Du Bois shows, won the war and achieved emancipation “by a general strike.”<sup>183</sup> Du Bois’s description of the slaves who escaped to join the union army as a “general strike” is significant: This strike, involving half a million people, “was not merely the desire to stop work. It was a strike on a wide basis against the conditions of work.”<sup>184</sup> The strike began after much deliberation on the part of Southern slaves. Isolated on Southern plantations, they were unsure of which side of the war to align themselves with. Fearing an insurrection, the South spread propaganda which claimed that if the North won, slaves would be sold into worse slavery in the West Indies.<sup>185</sup> Du Bois follows Frederick Douglass’ 1865 analysis that the South wished to expand slavery beyond the union, while the North wished to keep it in the union.

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<sup>180</sup> Shilliam, “The Past and Present of Abolition,” 2, citing Davis, *Abolition Democracy*, and Davis, *Freedom is a Constant Struggle*.

<sup>181</sup> Du Bois, *Black Reconstruction in America*, 582.

<sup>182</sup> Du Bois, *Black Reconstruction in America*, 86.

<sup>183</sup> Du Bois, *Black Reconstruction in America*, 86.

<sup>184</sup> Du Bois, *Black Reconstruction in America*, 96.

<sup>185</sup> Du Bois, *Black Reconstruction in America*, 91.

Therefore, it can be argued that the North was not initially abolitionist because like the South, it had a vested interest in maintaining slavery at the start of the war if for no other reason than preserving the Union. Du Bois points out that because of both sides' political economic investments in slavery, it was initially by no means clear to the four million slaves which side of the war they should join. However, as we saw in section 1 of this chapter, even before the US Civil War, the formality of free labor that was essential to antimonarchical politics would increasingly become a keystone of Lincoln's politics against slavery. As Du Bois insinuates, however, Lincoln's personal distaste for slavery may have been irrelevant if he was willing to sacrifice his anti-slavery agenda for the political purposes of keeping the Union together. I emphasize it only insofar as it reflected an idea in the air of his times.

In 1861, Lincoln passed the Confiscation Act, which freed slaves that were being used by the rebellion, allowing them to fight on the side of the Union without fear of being returned to the Southern plantations from which they escaped. Eventually, the act led to more than the mere recognition of slaves as confiscated property, or wartime contraband, to be returned to their masters when the war ended. On the contrary, the law decreed that masters who put their slaves to work for the rebellion had forfeited their property rights to their slaves.<sup>186</sup> After the slaves were "confiscated," by the Union, they were emancipated by the president, and offered wages in return for their labor in the Union army.<sup>187</sup> Du Bois emphasizes the importance of wages here, as they served to recognize the newly emancipated workers as *laborers* and no longer as property.

When Vicksburg, Mississippi fell in 1863, much of the black population – the largest in North America, according to Du Bois – "rushed into the Union lines."<sup>188</sup> Yet, Du Bois reminds us, less than a year before emancipation, Lincoln still insisted that the war was not to free slaves, but to preserve the Union; "if Lincoln could hold the country together and keep slavery, he would do it."<sup>189</sup> But he soon realized that he could not. By 1862, slavery was formally abolished in the territories. Lincoln began to consider compensation for masters of emancipated slaves and

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<sup>186</sup> Oakes, "Du Bois's 'General Strike.'"

<sup>187</sup> Du Bois, *Black Reconstruction in America*, 108.

<sup>188</sup> Du Bois, *Black Reconstruction in America*, 108.

<sup>189</sup> Du Bois, *Black Reconstruction in America*, 108.

possible colonization of the slaves, so great a threat did their freedom seem to the nation.<sup>190</sup> Later that year, “Lincoln faced the truth . . . and that truth was not simply that Negroes ought to be free; it was that thousands of them already were free.”<sup>191</sup> In 1863, Lincoln issued his Emancipation Proclamation, declaring that the slaves of all persons in rebellion were henceforward free.<sup>192</sup> Thus it was the movement of history, the economic conditions, *and* their corresponding moral beliefs that brought about these stages of emancipation, which would eventually lead to the Thirteenth Amendment abolishing slavery in 1865.<sup>193</sup>

Three prodigious pieces of legislation that formalized equality were passed in the Reconstruction period after the US Civil War: The Thirteenth Amendment in 1865; the fourteenth amendment in 1866, referred to as the First Civil Rights Act, which constitutionally guaranteed citizenship to persons of African descent born or brought into the United States; and the fifteenth amendment passed in 1870, which stated that voting rights could not be denied by any state based on race or previous conditions of servitude. The South, however, legally implemented poll taxes, literacy tests and other practices that effectively disenfranchised Afro-Americans and the poor for many decades after Reconstruction. Further, a regime of white supremacy stood in the way of even formal equality in the US after Reconstruction. This white supremacist order doubled down its regimes of terror, with organizations such as the Ku Klux Klan, the White League and the Knights of the White Camellia gaining strength across the Southern states.<sup>194</sup> Du Bois notes that while the use of secret organizations had been a tactic of Southern states since the early nineteenth century, their force began to revive significantly in 1865 in New Orleans, when the Civil War officially ended as the rebel army disbanded and returned to the city.<sup>195</sup> We can see how the abolition of slavery in 1865 and the subsequent years of Reconstruction caused a mass uprising of violence and the assertion of white supremacy *in*

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<sup>190</sup> Du Bois, *Black Reconstruction in America*, 108.

<sup>191</sup> Du Bois, *Black Reconstruction in America*, 108.

<sup>192</sup> Du Bois, *Black Reconstruction in America*, 108-109.

<sup>193</sup> The Thirteenth Amendment states that “Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction.”

<sup>194</sup> Du Bois, *Black Reconstruction in America*, 591.

<sup>195</sup> Du Bois, *Black Reconstruction in America*, 590.

*response* to these significant societal steps toward greater formal equality. Voting rights in the US would not be fully realized until the Voting Rights Act barring discriminatory practices was passed one hundred years later, in 1965. Du Bois recognizes that despite the increasing formalization of equality, unequal economic and social conditions meant millions of black workers faced the challenge of making freedom meaningful, as they experienced heightened racial violence, continued economic exploitation and political disenfranchisement.

Du Bois does not understate the significance of the liberal freedom brought about by abolition and the decades following it. In fact, he calls abolition “the coming of the lord.”<sup>196</sup> Yet, he also recognizes its limits, both in *Black Reconstruction* and even in his earlier works challenging Booker T. Washington’s view of market liberation, as we have seen. As James Oakes aptly phrases it, *Black Reconstruction in America* “tossed a much-needed bucket of analytical ice-water on the utopian element in Free Labor ideology” seventy years after the abolition of slavery.<sup>197</sup> Specifically, Du Bois saw that racial prejudice would continue to prevent economic opportunities for those considered undeserving. He knew that subjecting newly freed people to the naked force of the labor market would leave many in poverty and therefore prove insufficient to making their emancipation meaningful.<sup>198</sup>

Du Bois applies the same logic which deems slavery not only unjust but also backward, to race. He speaks of race in the US as a caste system that stunts its social development. The Union victory and the subsequent abolition of slavery after the Civil War were made possible, most centrally, by black labor and imagination. Yet, this was also a victory of Northern capital. Du Bois knew that racism *and* capitalism needed to be overthrown before the substantive emancipation of labor was possible. As Keeanga-Yamahtta Taylor puts it in her review of Du Bois’s *Black Reconstruction*:

The aftermath of the Civil War created the opportunities for the social and political development of the American working class—and in turn the potential for its emancipation. Nevertheless, the “unfinished” nature of Reconstruction and its replacement with white supremacy, both North and South, meant that it would be almost

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<sup>196</sup> Du Bois, *Black Reconstruction in America*, chap. V, 110.

<sup>197</sup> Oakes, “Du Bois’s ‘General Strike.’”

<sup>198</sup> Oakes, “Du Bois’s ‘General Strike.’”



one hundred years before Blacks' full rights as citizens of the United States were realized during the civil rights movement—referred to by some as the “Second Reconstruction.”<sup>199</sup>

It is no surprise, then, that the struggle for civil rights and equal opportunity for black citizens was Du Bois's primary concern throughout his life. The idea of meritocracy replacing racialized hierarchy was seen in US society as a major threat that could not be tolerated by the South. Unlike the more meritocratic capitalism of the North, “In only a minority of cases have such Southern white people been willing to stand on principle and demand for all Negroes rights as men and treatment according to desert.”<sup>200</sup>

What becomes evident is that the social role of racialization in the history of capitalism, including its relation to the idea of meritocracy, is complex and often changing. We can see that Du Bois elaborates on and provides historical depth to Marx's point that racism prevented a unified labor movement in the US after Reconstruction. Here we recall Marx's statement that: “Labour in a white skin cannot emancipate itself where it is branded in a black skin.”<sup>201</sup> Du Bois initially believed that the depth and intensity of racism in the US made “labor unity or labor class-consciousness impossible” insofar as “the Southern white laborers could be induced to prefer poverty to equality with the Negro.”<sup>202</sup> In this analysis, racism is a structuring factor that prevents even the *desire* for greater equality in the general public. This indicates that racism and capitalism were in a symbiotic relationship to one another: Racism served to unite white property holders with white laborers ideologically and politically, against the latter's best interests economically. This made it easier for capitalists to exploit black *and* white labor. But it is important to note that race had to operate informally to benefit capital in this way. Formally, hierarchic organization by race was inefficient, as it disallowed free competition by preventing scores of people from competing in the labor market. A distinct trait of “caste,” it was associated with backwardness, rather than liberal progress. As Adolph Reed Jr. suggests, the dual labor system in the US under Jim Crow was irreconcilable with the need to “free” all labor:

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<sup>199</sup> Taylor, “W.E.B. Du Bois's Black Reconstruction in America 1860-1880.”

<sup>200</sup> Du Bois, *Black Reconstruction in America*, 612.

<sup>201</sup> Marx, *Capital Vol. I*, 414.

<sup>202</sup> Du Bois, *Black Reconstruction in America*, 590.

Scientific management has sought to reduce work processes to homogeneous and interchangeable hand and eye motions, eventually hoping to eliminate specialized labor. A work force stratified on the basis of an economically irrational criterion such as race constitutes a serious impediment to realization of the ideal of a labor pool comprised of equivalent units. (Consider further the wastefulness of having to provide two sets of toilets in the plants!)<sup>203</sup>

Significantly, Du Bois's realization that equality, if it were to be truly emancipatory, would need to be substantial rather than merely formal, would be echoed by Lyndon Johnson thirty years after Du Bois wrote *Black Reconstruction*. In the midst of the dismantling of Jim Crow and the dawn of the affirmative action era, at his commencement address to Howard University, two months before signing the 1965 Civil Rights Act, Johnson stated: "You do not take a person, who for years has been hobbled by chains, and liberate him, bring him up to the starting line of a race and then say, 'you are free to compete with all the others' and still justly believe that you have been completely fair."<sup>204</sup> While Johnson's program would focus on affirmative action and political enfranchisement, it ultimately sidestepped the issue of economic rights. Vijay Prashad argues that it would take leaders such as Martin Luther King Jr. to turn to the question of poverty and advocate the right to a home, education, and job.<sup>205</sup> We can see the beginnings of this call to economic rights in Du Bois's late writings as well. What is imperative, he declares, is the universal "right to vote, the right to real education, the right to happiness and health and the total abolition of the father of these scourges of mankind, *poverty*."<sup>206</sup> In 1961, Du Bois would write a letter of application to the Communist Party of the USA from Accra, Ghana, declaring: "Today, I have reached a firm conclusion: Capitalism cannot reform itself; it is doomed to self-destruction. No universal selfishness can bring good to all. Communism – the effort to give all men what they need and to ask of each the best they can contribute – this is the only way of human life."<sup>207</sup>

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<sup>203</sup> Reed, "Black Particularity Reconsidered," 77.

<sup>204</sup> Quoted in Kramnick, "Equal Opportunity and the 'Race of Life,'" 112.

<sup>205</sup> Prashad, *Everybody was Kung-Fu Fighting*, 40.

<sup>206</sup> Du Bois, "Behold the Land," 549.

<sup>207</sup> Du Bois, "Letter from W. E. B. Du Bois to Communist Party of the U.S.A."

## Conclusion

Adolph Reed Jr. notes the difficulty of categorizing Du Bois's work when "[e]litism is associated with Du Bois as often as if not more than Pan-Africanism and protest."<sup>208</sup> Following the method of immanent critique, I do not read Du Bois primarily as an elitist. Rather, like the other figures I have examined, I read him as a conflicted product of his time, who nonetheless had an emancipatory vision that stretched beyond it. I follow Reed's emphasis on the importance of grounding the specificities of Du Bois's elitist as well as radical commitments conceptually and historically, rather than judging them morally. It is through the framework of meritocracy that I have done this grounding in the present chapter, further demonstrating both meritocracy's allure and its severe limitations as an organizing principle.

Finally, I conclude that Du Bois's explicit commitment to racial equality yields different views from the previous political economists we have examined. I will now summarize these views and their implications. Du Bois's standpoint is important, as no critiques of meritocracy that I am aware of seem to adequately consider the views of those who are arguably most affected by it: those who were poor, racialized or disenfranchised under previously ascriptive hierarchical regimes.<sup>209</sup>

In his early writings, Du Bois's prioritization of racial equality informs his political commitment to a truer meritocracy in which Afro-Americans – and indeed, black people around the world – are given an equal opportunity to develop themselves and to acquire wealth.<sup>210</sup> Du Bois recognizes that this "industrial aristocracy" or "aristocracy of talent" would maintain class stratification, but this is a price he is willing to accept for civil rights for Afro-Americans. Free labor and equal opportunity also represent the dynamism of world progress. In several instances, Du Bois contrasts this *progressive* hierarchy with US *backwardness*, especially in the South, marked by slavery, caste and oligarchy. He comprehensively refutes the view peddled in

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<sup>208</sup> Reed, *W.E.B. Du Bois and American Political Thought*, 39.

<sup>209</sup> With the exception of Kramnick, "Equal Opportunity and the 'Race of Life,' 1981, who examines the bourgeois radicals and their stake in the transition from aristocracy to merited hierarchy.

<sup>210</sup> This strategic use of meritocracy can be understood as a form of immanent critique, much like Marx's assumption of classical political economy's acceptance of equal returns to labor.

children's history books at the time that after abolition and Reconstruction the US became a society of equal opportunity.

Yet, Du Bois's primary focus on racialized inequality allows him to push *beyond* a meritocratic imaginary, towards social holism. As we have seen, Du Bois recognizes, particularly in his later work, that as long as poverty persists, racial equality could not be achieved without giving at least equal if not more analytic weight to class inequality. He came to terms with the fact that allowing a talented few such as himself to rise still left the question of the poverty and unrealized talent of the many – and that poverty and lack of opportunity for all prevented social equality. Further, he came to this conclusion after witnessing a new, more severe form of biological racism that intensified *after* abolition. He associated this modern racism with events from the rise of white supremacist terror organizations such as the KKK to the rise of Hitler.<sup>211</sup> Ultimately, social holism, rather than methodological individualism, is the stronger voice in Du Bois's writing.

Reed posits that Victorian ideology provides evidence that racial essentialism does not necessarily depend on biological arguments.<sup>212</sup> The discovery of the Nazi death camps rendered biologically-based justifications of racial hierarchy unfashionable in liberal US American intellectual life after World War II. "Culture" subsequently replaces biology as the supposed source of essential traits that define and separate human populations according to deservingness.<sup>213</sup> The word "culture" deployed in this way has a racializing effect.

As Vijay Prashad quips, if the problem of the twentieth century was the problem of the color line, "[t]he problem of the twenty-first century, then, is the problem of the color blind."<sup>214</sup> Color blindness, Prashad points out, is "the genteel racism of our new millennium."<sup>215</sup> Although racism is not a major topic of the next chapter, it is this context which forms the backdrop of the following chapter, which examines the mid-twentieth century through the neoliberal era, reflecting on today's ideology of meritocracy and the dangers of its increasingly global

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<sup>211</sup> Du Bois links the rise of Hitler and the plight of Jews to the problem of imperialism and race thinking in "The Present Plight of the German Jew," 81.

<sup>212</sup> Reed, *W.E.B. Du Bois and American Political Thought*, 140.

<sup>213</sup> See Reed, *W.E.B. Du Bois and American Political Thought*, 140.

<sup>214</sup> Prashad, *Everybody was Kung-Fu Fighting*, 38.

<sup>215</sup> Prashad, *Everybody was Kung-Fu Fighting*, 38.

acceptance. Color blindness, we will see, has been met with a multi-culturalism which affirms diversity and difference. Yet as Prashad notes, the prefix “multi” still assumes discrete units. It betrays an implicit belief in cultural and racial purity, and ultimately superiority. Both color blindness and multi-culturalism have important implications for meritocracy and the logic of deservingness as a theoretical object of political economy.

## Chapter 5: Libertarianism, value, and the ruse of merit

*Literally millions of people are involved in providing one another with their daily bread, let alone with their yearly automobiles. The challenge to the believer in liberty is to reconcile this widespread interdependence with individual freedom.*

Milton Friedman, *Capitalism and Freedom*, 1962

*Equality before the law and material equality are ... not only different but are in conflict with each other; and we can achieve either one or the other, but not both at the same time. The equality before the law which freedom requires leads to material inequality.*

F.A. Hayek, *The Constitution of Liberty*, 1960

### Introduction

I introduced this thesis by outlining an ambivalence between methodological individualism and social holism in liberal analysis of market society and suggested that this ambivalence constitutes the market order itself. The market is a social whole in which individuals increasingly depend on the global political economy and the labor of anonymous others to procure basic needs; as we compete in market society, our fate depends on *others* who assess what we supply.<sup>1</sup> However, the market also *individuates* as it provides “self-making” opportunities for individuals to become autonomous from traditional, ascriptive hierarchies. This is where the idea and experience of meritocracy emerges. We found that the strand of analysis in liberal theory that focuses on social holism and market *dependency* remains elusive, ultimately giving way to an analysis in which independent individualism dominates, forming early theories

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<sup>1</sup> Blaney and Inayatullah, “Global Capitalism, Inequality and Poverty,” 172.

of meritocracy: a distinction between the deserving and undeserving that purports to order and sanctify inequality. In Chapters 2, 3 and 4 we explored via early socialism, Marx, and Du Bois, respectively, how capitalism individuates, even as it creates a new kind of social dependence and new inequalities.

Though there are many ways one could write a genealogy or history of “meritocracy,” our narrative has located the idea in its modern form as an intellectual inheritance from classical political economy. Specifically, a liberal logic of deservingness emerges as classical political economy grapples with how to understand the new forms of hierarchy and domination that capitalism brings about. In a second, intertwining thread, I have located the justification for hierarchy based on deservingness within the twentieth century logics of race and imperialism.<sup>2</sup> The focus on capitalism as a primary cause of inequality is most present in the theories of early liberalism, socialism and Marx. While Du Bois’ theory too recognizes capitalism as paramount, he also focuses on racism and imperialism as co-constitutive aspects of inequality. By examining tensions within these authors’ works, we saw how they both challenge and perpetuate logics of deservingness, to varying degrees.

I have located methodological individualism as a mechanism that operates in tandem with political economic theories of meritocracy. The aim of this chapter is to more closely explore the role of methodological individualism as it relates to meritocracy in the context of neoliberalism. In particular, we will look at how methodological individualism develops in the libertarian branch of neo-classical economic thought, with a focus on Friedrich August von Hayek (1899-1992), and to a lesser extent on Milton Friedman (1912-2006). Section 1 provides historical and theoretical background for our focus on neoliberalism more broadly, and libertarianism in particular. Section 2 will look at Hayek’s understanding of meritocracy as it relates to inequality in the context of capitalism. Unlike classical political economy, neoclassical schools of thought are based explicitly on methodological individualism. Hayek and Friedman are perhaps the most prominent figures of the Austrian School and Chicago Schools, respectively, and together

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<sup>2</sup> Relatedly, Andrew H. Kydd locates what he calls methodological individualism and rational choice (MIRC) theory as intellectual offshoots of *liberalism*, the Enlightenment and the struggle for democracy dating back to the ancient Greeks on the one hand, and *science* marked by mathematical modeling and isolated observation dating back to the development of mathematics and astronomy in ancient civilizations and the European Renaissance on the other (Kydd, “Methodological Individualism and Rational Choice,” 425).

represent key figures in the rise of libertarianism.<sup>3</sup> I will show how although libertarian thought accepts certain premises of classical thinkers such as John Locke, Adam Smith and John Stuart Mill, it also turns away from classical political economy. This turn marks a fundamentally different belief about how to best understand and study the human individual in their society. Specifically, Hayek disavows the idea of innate equality which, as we saw, is previously affirmed by Locke, Smith and Mill. He does this, however, to affirm that each individual is born with a “boundless variety” of “capacities and potentialities.”<sup>4</sup> For libertarian thought, inequality is a mark of *difference* and individuality, and therefore something to be celebrated. But perhaps surprisingly, Hayek and Friedman explicitly reject the logic of meritocracy as both an ideal ordering principle and as any accurate reflection of the present reality.

Like Marx, these key libertarian thinkers believe that meritocracy is in fact *incompatible* with capitalist logic: the market does not necessarily reward those who labor the longest hours or work the hardest, nor those who are the most meritorious in a moral sense. Instead, it is *value*, assessed by others according to a market logic, that garners reward. There is, then, no guarantee that individuals will get what they or others think they “deserve.” But unlike Marx, Hayek and Friedman reject explicit conceptions of the market as a social whole. Further, Hayek’s emphasis on formal equality precludes a view of the way in which class, racism and imperialism structure the global capitalist economy.

In section 3 of this chapter, I will show how Hayek’s methodological individualism is informed by at least two important factors. First, he fears that equality is akin to sameness, echoing, to some extent, the fears of Smith and Mill.<sup>5</sup> In his first major work, *The Road to Serfdom* (1944), Hayek opposes government welfare programs more explicitly than the latter thinkers. Like Friedman, he believes that these programs only “force” equality at the expense of

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<sup>3</sup> I will focus on these two intertwining branches of libertarianism, referred to as the Austrian School and the Chicago School. Hayek is often associated with both. He was a key member of the Austrian School founded by Carl Menger. Hayek proved to be a foundational influence on Milton Friedman of the University of Chicago department of Economics, though the two never developed a close working relationship. Hayek was a professor in the university’s Committee on Social Thought from 1950-1962 and maintained close connections to the Chicago School throughout his career.

<sup>4</sup> Hayek, *The Constitution of Liberty*, 86.

<sup>5</sup> It is interesting to note that this quintessentially Cold War fear existed in liberal theory long before the Cold War, as we have observed in classical political economic thought.



liberty.<sup>6</sup> I will situate this libertarian anxiety in the historical context of the ideological battle between neoliberalism and “really existing” socialism. I will also juxtapose Hayek and Friedman’s fear of economic planning with their endorsement of authoritarian liberalism in Latin America. Second, similar to Adam Smith, Hayek’s methodological individualism is driven by a belief that meritocracy must act as the “noble lie” which sustains societal commitment to the market order, even in the face of the extreme inequality that the market produces.<sup>7</sup> Hayek believes that without such a deception, individuals may not remain motivated to compete. Rather than humbly accepting their losses, he fears, they may feel wrongly entitled to a share of wealth. I argue that Hayek’s indirect recognition of the *ontologically* social character of the market, in which we must strive to meet the demands of others, directly conflicts with his *methodologically* individualist approach to understanding inequality, in which this social character of the market is denied.

### 1. Neoliberalism and meritocracy

To understand the specificity of meritocracy in neoliberalism, we must first establish what is distinctive about neoliberalism. Following Michael C. Dawson and Megan Ming Francis, I define neoliberalism as “a set of policies and ideological tenets that include the privatization of public assets; the deregulation or elimination of state services; macroeconomic stabilization and the discouragement of Keynesian policies; trade liberalization and financial deregulation; a discursive emphasis on ‘neutral,’ efficient, and technical solutions to social problems; and the use of market language to legitimize new norms and to neutralize opposition.”<sup>8</sup> To use a more general definition, it is a set of historical practices enacted based on the idea “that society works best when the people and the institutions within it work or are shaped to work according to

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<sup>6</sup> We might recall how Booker T. Washington and Southerners in the US also worried about “forcing” equality at the expense of liberty. As we have seen, the logic of deservingness acts to resolve the tension between liberty and equality under capitalism.

<sup>7</sup> David L. Blaney and Naeem Inayatullah pursue this argument in their immanent critique of Hayek (Blaney and Inayatullah, “Global Capitalism, Inequality and Poverty,” 172).

<sup>8</sup> Dawson and Francis, “Black Politics and the Neoliberal Racial Order,” 27.

market principles.”<sup>9</sup> Ideologically, neoliberalism is the late twentieth and early twenty-first century iteration of the justification for capitalism.

Neoliberalism can also be understood as a *counter-revolutionary* force that confronted both the Soviet Union’s socialist planning philosophies *and* classical, laissez-faire liberalism.<sup>10</sup> It also sought to undermine socialist movements both in the Third World and within Western countries.<sup>11</sup> In Dieter Plehwe’s words, it is this dynamic character of neoliberalism that we must take into account, rather than searching for any “timeless (essentialist) content.”<sup>12</sup> Historically, libertarian thought was born in the transition from World War II to the Cold War. Hayek published his first book in 1944, an era of Third World developmentalism and Keynesian resistance to laissez-faire capitalism. As late as the 1950s, few were interested in the Chicago School’s ideas – though the few who were interested included heads of U.S. multinational corporations who faced demanding unions and a Global South that was less hospitable to their enterprises than they wished.<sup>13</sup>

In the United States, the formation of the neoliberal project was also a response to US President Roosevelt’s Keynesian New Deal policy lasting from 1933-39.<sup>14</sup> Therefore, although we may rightly associate neoliberal *practices* historically with the 1970s and 1980s, the first neoliberal *ideas* were born much earlier.<sup>15</sup> The origins of neoliberal thought are often traced to the founding of the Mont Pèlerin Society, a group still active today, which had its first meeting in Switzerland in 1947 on the initiative of Hayek, who remained president of the society until

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<sup>9</sup> Spence, *Knocking the Hustle*, 3.

<sup>10</sup> Plehwe, “Introduction,” 14–15.

<sup>11</sup> Klein, *The Shock Doctrine: The Rise of Disaster Capitalism*; Prashad, *The Poorer Nations: A Possible History of the Global South*.

<sup>12</sup> Plehwe, “Introduction,” 14–15.

<sup>13</sup> Klein, *The Shock Doctrine: The Rise of Disaster Capitalism*, 56. Even the right-wing Richard Nixon famously declared as late as 1971, after removing the United States from the gold standard that had been established with the Bretton Woods system, “We are all Keynesians now.”

<sup>14</sup> See Foucault, *The Birth of Biopolitics: Lectures at the Collège De France, 1978-79*, 216.

<sup>15</sup> Michel Foucault attributes the first US American neoliberal text to Henry C. Simons's 1934 work, *A Positive Program for Laissez Faire; Some Proposals for a Liberal Economic Policy* (Foucault, *The Birth of Biopolitics*, 216). Simons was writing against the Keynesianism popular during his day, and considered to be the founding father of the Chicago School.

1961.<sup>16</sup> The original conference brought together intellectuals including L. Von Mises (a key member of the Austrian School), Karl Popper and Milton Friedman.<sup>17</sup> The purpose of the meeting of the 38 men and one woman<sup>18</sup> at Mont Pèlerin was to discuss what the participants considered a crisis of planned economies and collectivism. If we take the Mont Pèlerin Society to be our guide, “neoliberalism” as an intellectual project draws on different theoretical approaches, including the Austrian school, the emerging Chicago School of Economics, and the Freiburg school of ordoliberalism.<sup>19</sup> This project expanded throughout the Cold War (an era in which, we have noted, revolutionary violence was not peculiar to communist and socialist regimes). By the mid-1970s, the ideas of Hayek and Friedman had the attention of a large part of the general public, including powerful figures in the Western world. The rise to popularity of Hayek, Friedman and their Mont Pèlerin comrades thus corresponds with the demise of socialist projects in the Third World and of classical liberalism.<sup>20</sup>

It is this historical account that will give us the best understanding of neoliberalism and its international linkages. The global consequences of this ideology will be explored in section 3 of this chapter. Two aspects of the social will frame our discussion of neoliberalism as it relates

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<sup>16</sup> See the Mont Pèlerin website: <https://www.montpelerin.org/statement-of-aims/>. Friedman gives Hayek “full credit” for founding the Mont Pèlerin Society in an interview (Friedman and Friedman, “Rose and Milton Friedman on Mont Pelerin Society”).

<sup>17</sup> Foucault, *The Birth of Biopolitics*, 123, footnote 12.

<sup>18</sup> On the exclusivity of the meeting, see Rose and Milton Friedman’s interview, “Rose and Milton Friedman on Mont Pelerin Society.” Rose Friedman, Milton Friedman’s wife, who co-authored much of her husband’s work and was an economist in her own right, interjects during the interview: “I was not invited!” to which Milton Friedman responds, “It was not a family gathering” (ibid).

<sup>19</sup> See Plehwe, “Introduction,” 14. “The ordoliberal ideal was a traditional social order ruled by elites combined with individualist, merit-based mobility” (ibid, 27). As opposed to the US model of neoliberalism, ordoliberals emphasized the importance of a strong state. For a discussion of the distinctiveness of ordoliberalism, see Foucault, *The Birth of Biopolitics*, 118, 176, 201, 207, 242; Slobodian, *Globalists: The End of Empire and the Birth of Neoliberalism*.

<sup>20</sup> Prashad, *The Poorer Nations: A Possible History of the Global South*, 17. Hayek and Friedman were both complicit in a particular form of neoliberal violence known as “shock therapy” to its proponents. In 1977, Hayek took his first trip to Chile to advise the pro-Western, liberal authoritarian president General Augusto Pinochet, who had ousted the democratically elected socialist president Salvador Allende, on September 11, 1973 in a U.S.-backed coup (Caldwell and Montes, “Friedrich Hayek and His Visits to Chile”). He visited the country again in 1981. Friedman, too, visited Chile twice: once in 1975 and again in 1981, for the purpose of giving economic advice to Pinochet about how best to impose free market policies. The uncomfortable and less recognized aspect of what Hayek and Friedman’s defense of free markets is their insistence on the separation of political democracy from economic policies and institutions (Spieker, “F.A. Hayek and the Reinvention of Liberal Internationalism,” 929).

to meritocracy: the role of the state and the place of the entrepreneurial individual competing in the marketplace. The first aspect of neoliberalism that will be important to our discussion concerns the question of the relationship between the market and state activity. Martijn Konings argues that while IPE theorists are quick to point out instances of neoliberal ideology disguising itself as neutral or objective knowledge when it comes to the benefits of deregulating markets, they often fail to emphasize the ways in which this neoliberal ideology does not in fact correspond to neoliberal practices.<sup>21</sup> One prominent example of ideology failing to correspond to practice is the idea of a minimalist government in neoliberalism. The minimal government myth is exemplified in Friedman's claim that "big government" is the enemy of the capitalist freedom he espouses.<sup>22</sup> Yet, even Friedman acknowledges that it is primarily the *character* as opposed to the size of government that concerns him. We see this concern in his comment that strictly *economic* intervention – such as control of wages and prices – is occasionally acceptable, though not ideal, while *social* intervention, which he considers to be redistributive policies – such as pay to the disabled and efforts to combat pollution – is unequivocally unacceptable.<sup>23</sup> Neoliberalism does not mean less government; it means less social protection from the government and less government regulation of corporations. This recession of social protection is met with *increased* state activity in the realms of penal, police, and military services, and the increased penetration of the private sector into state affairs. As Michel Foucault famously argues, neoliberalism is not about institutional or government retreat, but rather new institutional mechanisms of control.<sup>24</sup>

The second aspect of neoliberalism is the place of the individual in society. Focusing on the cases of France, Germany and the USA, Michel Foucault identifies a change from the liberal to the neoliberal economic subject: The economic subject, or *homo oeconomicus*, becomes the *entrepreneur*. Rather than a producer of goods engaged in exchange relations, the individual is understood to be a producer of "his own satisfaction."<sup>25</sup> This accompanies a glorification of the

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<sup>21</sup> Konings, "Rethinking Neoliberalism and the Subprime Crisis," 110.

<sup>22</sup> Friedman and Friedman, "Rose and Milton Friedman on Mont Pelerin Society."

<sup>23</sup> Friedman and Friedman, "Rose and Milton Friedman on Mont Pelerin Society."

<sup>24</sup> In *The Birth of Biopolitics*, Foucault focuses on the penal system in particular; See also Konings, "Rethinking Neoliberalism and the Subprime Crisis," 110; Seymour, *Against Austerity: How We Can Fix the Crisis They Made*, 9-10; Slobodian, *Globalists: The End of Empire and the Birth of Neoliberalism*.

<sup>25</sup> Foucault, *The Birth of Biopolitics*, 176, 225, 226.

individual who is constantly working for themselves. As Jo Littler observes, the neoliberal aspirational trope of the “mumpreneur” venerates the overworked and underpaid mother, but in a way that also bypasses “the potential for collective co-operation raised by second-wave feminism.”<sup>26</sup> Moreover, in his discussion of how the “neoliberal turn” affects black liberation politics in the United States, Lester Spence observes how the concept of the “hustler” changes in neoliberalism: “Whereas in the late sixties and early seventies the hustler was someone who consistently ... tried to do as little work as possible in order to make ends meet, with the ‘hustled’ being the people who were victimized by these individuals (‘He *hustled* me’), the hustler is now someone who consistently works.”<sup>27</sup> Spence notes how “much of rap explicitly exalts the daily rise-and-grind mentality black men with no role in the formal economy need to possess in order to survive and thrive.”<sup>28</sup> Although this entrepreneurial ideology may be expressed in different ways, we can note that the neoliberal individual is understood in increasingly atomized terms. With the turn toward neoclassical economics and its accompanying entrepreneurial ideology, as Caporaso and Levine put it, “the economy came to be thought of less in terms of material production and reproduction and more as a logic of human action.”<sup>29</sup>

This change in our understanding of the individual “economic subject” (and of the economy itself) accompanies a related shift in the language in which political economy is discussed and understood. Crucially, it marks a move away from the labor theory of value and toward what scholars have called the “subjective theory of value” or the “utility theory of value.”<sup>30</sup> These neoclassical theories focus on *price* and are unconcerned with labor’s connection to *value*.<sup>31</sup> This subjective, utilitarian theory of value can be summarized by Carl Menger, the founder of the Austrian School, in his description of what constitutes value:

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<sup>26</sup> Littler, *Against Meritocracy: Culture, Power and Myths of Mobility*, 182.

<sup>27</sup> Spence, *Knocking the Hustle*, 2.

<sup>28</sup> Spence, *Knocking the Hustle*, 2.

<sup>29</sup> Caporaso and Levine, *Theories of Political Economy*, 79.

<sup>30</sup> Caporaso and Levine, *Theories of Political Economy*, 79; Hunt, “Joan Robinson and the Labour Theory of Value,” 332.

<sup>31</sup> Cf. Marx: “Supply and demand regulate nothing but the temporary *fluctuations* of market prices. They will explain to you why the market price of a commodity rises above or sinks below its *value*, but they can never account for the *value* itself” (Marx, “Supply and Demand”).

The *measure* of value is entirely subjective in nature, and for this reason a good can have great value to one economizing individual, little value to another, and no value at all to a third ... While one economizing individual esteems equally a given amount of one good and a greater amount of another good, we frequently observe just the opposite evaluations with another economizing individual. Hence not only the *nature* but also the *measure* of value is subjective ... There is no necessary and direct connection between the value of a good and whether, or in what quantities, labor and other goods of higher order were applied to its production.<sup>32</sup>

Here, we see no acknowledgement of value's *social* or relational derivation; instead, we see only an individual, atomistic derivation. This economizing individual is an autonomous seeker of a maximum of satisfaction. In other words, Menger does not acknowledge the cultural and social context in which any given individual comes to decide what is valuable. What Menger fails to acknowledge is that capitalist subjectivity and individuality are only coherent within a social context of recognition and a globally connected labor market.

To understand the social aspect of decision-making individuals in the marketplace, I follow David P. Levine's notion of the social determination of "need," which posits that need is simultaneously individual *and* social: "social determination is synonymous with individuation and social needs are always individual."<sup>33</sup> In other words, the satisfaction of need has a subjective and personal end for the individual, but only through its recognition within a system of other individuals with needs. Ultimately, "[n]eed has its real goal in the relentless striving for recognition."<sup>34</sup> The subjective nature of need does not negate its objective or natural element – rather, the determinacy of need "is derived from its exclusive subsistence within the system of needy individuals, and in the recognition of individual need as such by other needy individuals."<sup>35</sup> Here, Marx's illustration of the social determinacy of need is useful: "Hunger is

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<sup>32</sup> Menger, *Principles of Economics*, 146.

<sup>33</sup> Levine, *Economic Theory V.I: The System of Economic Relations as a Whole*, 61.

<sup>34</sup> Levine, *Economic Theory V.I*, 61. On need and interdependence in modern society, Hegel remarks that "When men are thus dependent on one another and reciprocally related to one another in their labour and the satisfaction of their needs, subjective self-seeking turns into a contribution to the satisfaction of the needs of everyone else. That is to say, by a dialectical advance, subjective self-seeking turns into the mediation of the particular through the universal, with the result that each man in earning, producing, and enjoying on his own account is *eo ipso* producing and earning for the enjoyment of everyone else" (Hegel, *The Philosophy of Right*, paragraph 199; see also paragraph 200).

<sup>35</sup> Levine, *Economic Theory V.I*, 62.

hunger, but the hunger gratified by cooked meat eaten with a knife and fork is a different hunger from that which bolts down raw meat with the aid of hand, nail and tooth.”<sup>36</sup> By ignoring the social, cultural and relational aspect of need and value, and focusing only on individual decisions at the micro-level, we move from essentializing value to essentializing the individual who appraises what is valuable.

Given the increasing focus on the individual and on micro-economic processes in neoliberalism and neo-classical economics which Foucault, Littler, Spence, and others critique, it is perhaps ironic that neoliberalism exists a world more globally interconnected than ever.<sup>37</sup> While Foucault’s understanding offers important distinctions about what constitutes the neoliberal as opposed to liberal state and society within Europe and the US, it is equally important to emphasize these international dimensions and linkages of neoliberalism, which will be discussed further in section 3 of this chapter.<sup>38</sup> It is this international dimension which brings different schools of thought together under the banner of “neoliberalism.” I now turn to a discussion of how this neoliberal worldview shapes understandings of the logic of deservingness, as meritocracy solidifies its place as a “necessary deception” in the capitalist economy.

## 2. Friedrich A. Hayek and the logic of the market versus meritocracy

I have outlined how the rejection of the “social” is reflective of a larger turn in the social sciences from holism to methodological individualism. Yet, it is important to reiterate that that Marxism and libertarianism have a common ancestry in classical political economy. Hayek, like Marx, credits Adam Smith as his intellectual forebear. As Naeem Inayatullah phrases it, the path of Scottish social science moves us in two opposing directions: one moves from the Scots to Marx, emphasizing a materialist theory of history, while the other moves from the Scots to Carl Menger and Hayek, emphasizing liberty and anti-constructivism.<sup>39</sup> Having already explored a path leading to Marx and beyond from Chapters 2 through 4, it is the libertarian strand and its implications for modern meritocracy to which we now turn our attention. I begin by outlining

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<sup>36</sup> Marx, *Grundrisse*, 92.

<sup>37</sup> On the symptomatic use of the term “globalization,” see Nandy, “The Beautiful, Expanding Future of Poverty: Popular Economics as a Psychological Defense,” 110.

<sup>38</sup> Plehwe, “Introduction,” 2; See also Prashad, *The Poorer Nations: A Possible History of the Global South*.

<sup>39</sup> Inayatullah, “Theories of Spontaneous Disorder,” 323.

Hayek's recognition of the tension between the individual and the social, and then turn to Hayek's critique of meritocracy.

### *2.1 Individuality and the social whole: Reconciling freedom and interdependence*

For Hayek, equality should be limited to legal equality before the law and should exclude material equality. This reflects his commitment to what Adam Smith, following Aristotle and the scholastics, distinguish as commutative justice, as opposed to distributive justice. Commutative justice is abstention from any positive harm to our neighbor. In this conception, we are doing justice by refraining from directly hurting him "either in his person, or in his estate, or in his reputation."<sup>40</sup> By contrast, distributive justice impels us not to be indifferent to our neighbor but to "serve him and to place him in that situation in which the impartial spectator would be pleased to see him."<sup>41</sup> For Aristotle, according to Smith, distributive justice moves beyond the individual; it concerns "the proper distribution of rewards from the public stock of a community."<sup>42</sup>

This comparison between commutative and distributive justice is important for our purposes: An emphasis on commutative justice, corresponding to a commitment to the rule of law and legal equality for the individual (what Marx calls *formal* equality), characterizes the beliefs of those who view the market as the most just distributor of goods. It is this understanding of justice that constitutes free labor and equal exchange. For libertarian thinkers like Hayek who believe only in the value of commutative justice, distributive justice or any other form of justice is "wholly empty" outside of the context of the "legal rules of just conduct" and that which the courts of justice administer.<sup>43</sup> For Hayek, the act of wealth redistribution implies that harm is done to those with more, from whom we take in order to give to those with less, due to what he believes is a misperception that the latter have suffered a past injustice.<sup>44</sup>

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<sup>40</sup> Smith, *The Theory of Moral Sentiments*, 320.

<sup>41</sup> Smith, *The Theory of Moral Sentiments*, 320-321.

<sup>42</sup> Smith, *The Theory of Moral Sentiments*, 321.

<sup>43</sup> Hayek, *Law, Legislation and Liberty*, v. 2, 100.

<sup>44</sup> Fleischacker, *A Short History of Distributive Justice*, 22. Conversely, from an egalitarian perspective, distributive justice might be called *redistributive* justice. For a comparison between egalitarian and libertarian perspectives of what constitutes justice in market society, see Blaney and Inayatullah, "Global Capitalism, Inequality and Poverty." We will not compare these perspectives here.



The commutative conception of justice directly links to the liberal notion of “freedom.” On the one hand, we have seen that capitalism “frees” individuals. On the other hand, this freedom is double edged: the individual is freed, at different points in history, from fealty and from chattel slavery, but only within a system of wealth production that treats the individual as little more than a bearer of commodities, including self-ownership.<sup>45</sup> As we will see, Hayek’s analysis lacks this dual understanding of freedom. For libertarians, “freedom” itself takes on a one-dimensional definition as market competition with minimal government interference in the distribution of wealth. For them, capitalist freedom is the pinnacle of human emancipation. And yet, because the individual produces commodities for *others*, the element of the “social” is implied even in Hayek’s analysis. But despite this implication, as we will see, the meaningfulness of the social is explicitly disavowed.

We may be surprised to discover that Hayek is critical of the meritocratic individualism found in liberal thought from J.S. Mill to Horatio Alger. On the contrary, we *do not* and *should not* live in a meritocracy, says Hayek. Remuneration signals the *value* we have contributed; it is not to be seen as “reward” signaling our “merit”:

[I]n a free system it is neither desirable nor practicable that material rewards should be made generally to correspond to what men recognize as merit and that it is an essential characteristic of a free society that an individual's position should not necessarily depend on the views that his fellows hold about the merit he has acquired.<sup>46</sup>

This quote indicates that rather than the explicit *individual* nature of meritocracy, it is meritocracy’s implicit *social* character that worries Hayek. An individual’s material rewards, he believes, should not be determined by the social element of recognition, nor the “views his fellows hold” about his merit. He thus puts forth his own methodological individualism in the form of his theory of the market as “catallaxy,” in which outcomes are a result of a multitude of individual decisions unplanned by any central authority.<sup>47</sup> It is here where he explicitly denies the social holism that constitutes market exchange. As we will see, this two-step affirmation of

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<sup>45</sup> Inayatullah, “Beyond the Sovereignty Dilemma: Quasi-States as Social Construct,” 54.

<sup>46</sup> Hayek, *The Constitution of Liberty*, 93–94.

<sup>47</sup> Hayek, *Law, Legislation and Liberty*, v. 2, 107.

individual freedom, and denial of the social whole in which that freedom is realized, comes even as Hayek acknowledges the myriad ways that individuals are *unfree* due to market mechanisms.

As Milton Friedman puts it in his 1962 work *Capitalism and Freedom*, “Literally millions of people are involved in providing one another with their daily bread, let alone with their yearly automobiles. The challenge to the believer in liberty is to reconcile this widespread interdependence with individual freedom.”<sup>48</sup> But neither Hayek nor Friedman dwell on this interdependence, nor do they think of the market itself as a producer of unfreedom. Put differently, they do not acknowledge the fact that capitalism’s wealth-producing purpose operates, as Naeem Inayatullah puts it, “at the level of the system as a whole. There is no assurance that what Adam Smith calls the ‘general plenty’ will disperse toward a particular individual.”<sup>49</sup> Here, we recall Marx’s emphasis that formal freedom is a significant but incomplete emancipation. For an individual to make use of their formal freedom, it must be accompanied by the substantive element of wealth. Whereas for Smith and Marx, markets produce both freedom *and* unfreedom, unfreedom for Hayek and Friedman is limited to either what they perceive as imperfect market conditions brought about by disruptive government imposition (such as affirmative action, which libertarians consider discriminatory), or to luck or chance, which is a natural and unavoidable condition in their analysis.<sup>50</sup> While luck and chance are indeed unavoidable and even natural factors of human life, we will see that libertarian thought conflates the naturalness of luck and chance *generally speaking* with the luck or chance involved in *market competition*, leading them to naturalize the market in the same manner as the classical political economists before them. I now turn explicitly to Hayek’s critique of meritocracy.

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<sup>48</sup> Friedman, *Capitalism and Freedom*, 13.

<sup>49</sup> Inayatullah, “Beyond the Sovereignty Dilemma: Quasi-States as Social Construct,” 55.

<sup>50</sup> A slightly different way of saying this is that Hayek and Friedman attribute *all* freedom to the market and *all* unfreedom to the state, instead of considering that *both* the state *and* the market produce *both* freedom *and* unfreedom. This leads to a “splitting” in their analysis. On the binary logic of “splitting,” see Benjamin, *The Bonds of Love: Psychoanalysis, Feminism, and the Problem of Domination*. I thank Naeem Inayatullah for this point.

## 2.2 F.A. Hayek's critique of meritocracy

Throughout this thesis, I have been critical of what I term “moral” arguments which attribute individuals’ positions of wealth or poverty to moral characteristics of those individuals, such as thriftiness and intelligence, or idleness and irrationality. These moral arguments, I have argued, are characteristic of methodologically individualist analysis, and depend on a logic of deservingness. But perhaps one of the most remarkable aspects of Hayek’s libertarianism is his explicit analytical *rejection* of deservingness as a determining factor of an individual’s wealth or poverty. For Hayek, moral deservingness is an irrational sentimentality, as he explains in his description of how an employee experiences a wage deduction:

The sense of injury which people feel when an accustomed income is reduced or altogether lost is largely the result of a belief that they have morally deserved that income and that, therefore, so long as they work as industriously and honestly as they did before, they are in justice entitled to the continuance of that income. But the idea that we have morally deserved what we have honestly earned in the past is largely an illusion.<sup>51</sup>

This quote demonstrates Hayek’s purported distinction between *fairness* and *justice*. For Hayek, gains and losses are earned as long as they are “fair” according to the rules of the market.<sup>52</sup> Nonetheless, fairness need not imply moral desert, says Hayek, and is thus not an issue of justice. He therefore rejects the view of income as “reward.” Rather, in the context of market society, income functions as nothing more than a banal signal which tells us how well we are meeting the needs of others: “The remunerations which the individuals and groups receive in the market are thus determined by what these services are worth to those who receive them (or, strictly speaking, to the last pressing demand for them which can still be satisfied by the available supply).”<sup>53</sup> By contrast, income is *not* an indicator of “some fictitious ‘value to society.’”<sup>54</sup> It is here where Hayek reveals his classical roots by assuming the perfect expression of demand, namely that it responds frictionlessly to price signals. Sheer inability to pay for a commodity or service which an individual finds valuable is left out of the picture of demand. Poverty is in this

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<sup>51</sup> Hayek, *Law, Legislation and Liberty*, v. 2, 94.

<sup>52</sup> However, Hayek’s distinction between a fair versus unfair market is itself notably ambiguous, despite his continual reliance upon it.

<sup>53</sup> Hayek, *Law, Legislation and Liberty*, v. 2, 76.

<sup>54</sup> Hayek, *Law, Legislation and Liberty*, v. 2, 76.

way erased; the idea that individuals are priced out of the market altogether does not seem to concern or even occur to him in this instance. Nonetheless, Hayek's brutally realist view of the market reiterates that the law of value does not operate morally – a lesson we first learned from Marx's critique of the utopian socialists.

For comparison, it is worth noting that if Hayek is concerned with the *fairness* of the game regardless of the *justice* of the outcome, his contemporary, John Rawls, whom he admired, understands fairness itself as a type of justice.<sup>55</sup> For Rawls, fairness is exhibited by the social contract, which is ostensibly *fair* because unlike slavery, it is consensual. But this does not necessarily make it *just*. Rawls characterizes justice as “an account of certain distributive principles for the basic structure of society.”<sup>56</sup> Like Hayek however, it is telling that in certain circumstances he very explicitly eschews the notion of justice altogether when it comes to the “ordering of institutions” (notably, despite the title of his book, *A Theory of Justice*):

[W]e may reject the contention that the ordering of institutions is always defective because the distribution of natural talents and the contingencies of social circumstance are unjust, and this injustice must inevitably carry over to human arrangements ... The natural distribution is neither just nor unjust; nor is it unjust that persons are born into society at some particular position.<sup>57</sup>

Here it is noteworthy that Rawls takes an *a priori* view of human capabilities in his notion of the *natural* distribution of talent, in contrast to Adam Smith's point that talent is *socially* produced.<sup>58</sup> Unlike Hayek, however, Rawls explicitly recognizes the barrier of class inequality to realizing one's potential. His critique is clear: “The culture of the poorer strata is impoverished while that of the governing and technocratic elite is securely based on the service of the national ends of power and wealth.”<sup>59</sup> He is therefore critical of meritocracy's basic tenet, equality of opportunity:

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<sup>55</sup> Rawls, “Justice as Fairness.”

<sup>56</sup> Rawls, *A Theory of Justice*, 9.

<sup>57</sup> Rawls, *A Theory of Justice*, 87.

<sup>58</sup> We recall here Smith's observation that the difference between a philosopher and a porter “seems to arise not so much from nature, as from habit, custom, and education” (Smith, *The Wealth of Nations*, 20).

<sup>59</sup> Rawls, *A Theory of Justice*, 91.

“Equality of opportunity means an equal chance to leave the less fortunate behind in the personal quest for influence and social position.”<sup>60</sup>

For Hayek, on the other hand, the problem with “merit” is not that it fails to solve class inequality, but that it is tinged with the implication of subjective morality, which, he contends, only an ordering authority could determine. He worries that “justice” is equated to a meritocracy in which a central authority would decide what everyone deserves in reward, necessarily impinging upon individual freedom. In other words, Hayek’s supposed problem with a meritocratic society is that it is not individualist *enough*:

The choice open to us is not between a system in which everybody will get what he deserves according to some absolute and universal standard of right, and one where the individual shares are determined partly by accident or good or ill chance, but between a system where it is the will of a few persons that decides who is to get what, and one where it depends at least partly on the ability and enterprise of the people concerned and partly on unforeseeable circumstances.<sup>61</sup>

Again, underlying Hayek’s assumption that the individual is free to develop their abilities into enterprise is the fact that value is a measure of how well we are meeting the needs of *others*. It is here where we see the explicit element of what I have been calling the “social” present in Hayek’s work: the idea that it is not and should not be *ourselves* as individuals, but rather always necessarily *others* in society, who determine our success or failure. Hayek’s claim that he is “unduly allergic” to the term “social justice” is perhaps symptomatic of this denial, which must be sustained to lend coherence to his methodological individualism.<sup>62</sup>

Milton Friedman similarly rejects any call for “social responsibility.”<sup>63</sup> Here, despite affirming the existence of a global market that connects all individuals, and to which all individuals must collectively submit, Friedman avoids confronting the implications of this socially holistic composition of the market. The belief in “social responsibility,” he says, demonstrates a fundamental misunderstanding of the nature of a free market economy. “In such an economy, there is one and only one social responsibility of business – to use its resources and

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<sup>60</sup> Rawls, *A Theory of Justice*, 91.

<sup>61</sup> Hayek, *The Road to Serfdom*, 106.

<sup>62</sup> Hayek, *Law, Legislation and Liberty*, v. 2, 97.

<sup>63</sup> Friedman, *Capitalism and Freedom*, 133.

engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition, without deception or fraud.”<sup>64</sup> As problematic as we may find their calls for an ostensible state of pure market competition, there is, nonetheless, an element of truth to Hayek’s and Friedman’s denunciation of “social justice” and “social responsibility” in the context of capitalism, which resembles Marx’s critique of the utopian socialists. We can note here that the first part of Friedman’s insight – that in a capitalist society, the only “responsibility” of a business is to turn a profit for its shareholders – might just as easily have come from Marx, as a critique: In a capitalist society, the self-valorization of capital, owned by the ruling class, is an end in itself. Both libertarians and Marx are critical of liberals and socialists who moralize inequality while remaining committed to capitalism’s basic premises. As Marx, Friedman, and Hayek suggest, albeit in different ways, the fact that some may enjoy ownership over the wealth generated, while others find themselves in poverty or in otherwise precarious situations, is in fact a sign that the economy is functioning healthily according to the laws of capitalism. Marx might also agree with the second half of Friedman’s critique – that in a technical sense, this system is indeed “fair,” as long as the players adhere to the rules of the game. But Marx also acknowledges the immiseration, exploitation, and the direct *and* indirect coercion that is required for all to submit to such a “fair” system of equal exchange.

Despite Hayek’s rejection of justice, he is explicit about what for him constitutes a fair and therefore justifiable hierarchy. In effect, he simply shifts from “merit” to “value” in his own affirmation of what constitutes the ideal – and actual – societal ordering principle: “We are probably all much too ready to ascribe personal merit where there is, in fact, only superior value.”<sup>65</sup> While the overall system of ordered liberty may have a moral justification, this does not mean that the individual outcomes represent moral worth or personal merit.<sup>66</sup> Hayek’s concern here is reminiscent of Marx’s critique of Proudhon, who, like the other socialists of his time, argues that those who labor longest deserve the most reward. In his attempt to dismantle the ideal of a meritocracy, Hayek disconnects reward from both effort and labor time – even socially

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<sup>64</sup> Friedman, *Capitalism and Freedom*, 133.

<sup>65</sup> Hayek, *The Constitution of Liberty*, 99.

<sup>66</sup> David Willetts makes this point about Hayek’s thought (Willetts, “The Future of Meritocracy,” 238). In other words, for Hayek, the fairest ordering principle is a system of liberty. Some must be sacrificed in order to make this fair system of liberty function, but that does not mean that these individuals *deserve* to be sacrificed.

necessary labor time. Indeed, he is critical of merit because it is a moral matter that often does not correspond to value produced: “merit is not a matter of the objective outcome but of subjective effort.”<sup>67</sup> He continues, “If the pursuit of a hobby produces a special skill or an accidental invention turns out to be extremely useful to others, the fact that there is little merit in it does not make it any less valuable than if the result had been produced by painful effort.”<sup>68</sup>

Importantly, Hayek even notes the social *harms* that may stem from the belief that society is ordered by merit, especially to the poor: “A society in which it was generally assumed that a high income was proof of merit and a low income of the lack of it ... would probably be much more unbearable to the unsuccessful ones than one in which it was frankly recognized that there was no necessary connection between merit and success.”<sup>69</sup> In a moment of profound honesty, Hayek concludes that, “It would probably contribute more to human happiness if, instead of trying to make remuneration correspond to merit, we made clearer how uncertain is the connection between value and merit.”<sup>70</sup>

Nonetheless, Hayek worries about the cultural influence and allure of meritocracy to both socialist and liberal thought. He warns that defending the market order based on merit is untenable, and that there must be more stable, objective ground on which to justify it. He even notes that it is “probably a misfortune” that especially in the USA, writers like Horatio Alger, Samuel Smiles, and William Graham Sumner “have defended free enterprise on the ground that it regularly rewards the deserving, and it bodes ill for the future of the market order that it seems to have become the only defense of it which is understood by the general public.”<sup>71</sup> Further, he observes that, “Most people will object not to the bare fact of inequality but to the fact that the differences in reward do not correspond to any recognizable differences in the merits of those

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<sup>67</sup> Hayek, *The Constitution of Liberty*, 95.

<sup>68</sup> Hayek, *The Constitution of Liberty*, 98.

<sup>69</sup> Hayek, *The Constitution of Liberty*, 98.

<sup>70</sup> Hayek, *The Constitution of Liberty*, 99.

<sup>71</sup> Hayek, *Law, Legislation and Liberty*, v. 2, 74. Horatio Alger was a U.S. American novelist best known for his novel *Ragged Dick* (1868) in which a poor vagabond rises to respectability due to his frugality and other virtuous behaviors. Samuel Smiles was a Scottish author whose popular work *Self-Help* (1859) argues that the poor are responsible for their poverty. W.G. Sumner was a U.S. American sociologist whose work *What the Social Classes Owe to Each Other* (1883) champions laissez-faire approaches to economic and social inequalities.

who receive them.”<sup>72</sup> Yet ultimately, because meritocracy provides a compelling and functional narrative about inequality, Hayek is ambivalent about whether to challenge it. Once the sham of meritocracy is exposed, he fears, even “fair” inequality within the market order may no longer be justifiable to the general public. “It is therefore a real dilemma,” he explains, “to what extent we ought to encourage in the young the belief that when they really try they will succeed, or should rather emphasize that inevitably some unworthy will succeed and some worthy will fail.”<sup>73</sup> It is clear that at the heart of Hayek’s concern is not whether society will tolerate the market order in the abstract, but whether society will tolerate the inevitable social consequence of extreme wealth inequality that the market order produces. He is explicit in his worry that it may only be “partly erroneous beliefs” including an “over-confidence in the appropriate reward of the able and industrious” that allows society to “tolerate actual differences in rewards which will be based only partly on achievement and partly on mere chance.”<sup>74</sup> In other words, our false interpretation of market outcomes as merited outcomes might be the only outlook which allows us to accept the wealth inequality that market society inevitably produces.

Similar to our critique of the Smithian socialists in Chapter 2, Hayek criticizes the idea of a “just price” based on what its defenders see as a measurable value added to society.<sup>75</sup> Yet, although Hayek is able to understand the incoherence of deservingness in a market order, he does not dwell on the social consequences of deservingness and its relationship to the market order itself. Due to his normative commitment to capitalism, or what he prefers to call a “free enterprise society,” deservingness can easily be dismissed in order to clear the ground for a more efficient and effective justification of the market order.<sup>76</sup> Values attached to different services by

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<sup>72</sup> Hayek, *The Constitution of Liberty*, 93–94.

<sup>73</sup> Hayek, *Law, Legislation and Liberty*, v. 2, 74. For a critical discussion of the ambivalent place of “meritocracy” in Hayek’s work, see Blaney and Inayatullah, “Global Capitalism, Inequality and Poverty” and Blaney and Inayatullah, “Undressing the Wound of Wealth: Political Economy as a Cultural Project.”

<sup>74</sup> Hayek, *Law, Legislation and Liberty*, v. 2, 74.

<sup>75</sup> The decline of the idea of a “just price” and the rise of the capitalist profit motive can be located historically. L.S. Stavrianos locates a gradual shift in Western Europe occurring between 1500 and 1800 from the guild system, in which the concept of a “just price” prevailed, to mercantile entrepreneurship, in which the profit motive began to dominate (Stavrianos, *Global Rift*, 54–55). For most of human history, the idea of making a profit from exchange was frowned upon. We can observe this disdain even long *before* the notion of a “just price,” beginning as far back as Aristotle, who passionately opposed gainful trading (Polanyi, “Aristotle Discovers the Economy,” 92; Aristotle, *Politics*, book I, pt. X).

<sup>76</sup> Hayek, *Law, Legislation and Liberty*, v. 2, 74.



different groups of people, such as a matchmaker who supplies matches to millions, or a ballet dancer who performs for a much smaller group, are *incommensurable*, says Hayek.<sup>77</sup> Most people, Hayek perhaps rightly notes, do not complain about the high salary of a cinema star, athlete, or jazz king, because they can comprehend the usefulness of their activity.<sup>78</sup> By contrast, people may see the earnings of a Wall Street speculator as unjust because they “erroneously regard [the activities] as harmful” and believe “that only dishonest activities can bring so much money.”<sup>79</sup> More recently, the influential conservative economist Greg Mankiw made an argument along similar lines: that it is often not inequality as such that motivates leftist political projects in the United States. Rather, the left becomes most animated when reward does not match perceived contribution to society. For Mankiw, this phenomenon is exemplified by the 2011 Occupy Wall Street movement: “Steve Jobs getting rich from producing the iPod and Pixar movies does not produce much ire among the public. A Wall Street executive benefiting from a taxpayer-financed bailout does.”<sup>80</sup> From this perspective, we could add that it is perhaps no surprise that there was not a parallel “Occupy Silicon Valley” movement. But whatever our sentiments about the rich may be, Hayek warns, the “Great Society” would not function if “remunerations of all the different activities” were determined by the opinion the majority holds of their value – “or indeed if they were dependent on any one person’s understanding or knowledge of the importance of all the different activities required for the functioning of the system.”<sup>81</sup>

Milton Friedman also identifies an ethical conflict at the heart of arguments based on the logic of deservingness:

It is widely argued that it is essential to distinguish between inequality in personal endowments and in property, and between inequalities arising from inherited wealth and from acquired wealth. Inequality resulting from differences in personal capacities, or from differences in wealth accumulated by the individual in question, are considered appropriate, or at least not so clearly inappropriate as differences resulting from inherited wealth. This distinction is untenable. Is there any greater ethical justification for the high

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<sup>77</sup> Hayek, *Law, Legislation and Liberty*, v. 2, 76.

<sup>78</sup> Hayek, *Law, Legislation and Liberty*, v. 2, 77.

<sup>79</sup> Hayek, *Law, Legislation and Liberty*, v. 2, 77.

<sup>80</sup> Mankiw, “Defending the One Percent,” 30.

<sup>81</sup> Hayek, *Law, Legislation and Liberty*, v. 2, 77.

returns to the individual who inherits from his parents a peculiar voice for which there is a great demand than for the high returns to the individual who inherits property?<sup>82</sup>

In addition to the ethical problem posed by “deservingness,” there is also a practical problem with favoring earned wealth over inherited wealth: “It seems illogical to say that a man is entitled to what he has produced by personal capacities or to the produce of the wealth he has accumulated, but that he is not entitled to pass any wealth on to his children; to say that a man may use his income for riotous living but may not give it to his heirs. Surely, the latter is one way to use what he has produced.”<sup>83</sup> What is perhaps most remarkable about Friedman’s argument against the meaningfulness of the distinction between earned and inherited wealth is that he makes it clear that his argument does *not* necessarily justify a capitalist ethic: “The fact that these arguments against the so-called capitalist ethic are invalid does not of course demonstrate that the capitalist ethic is an acceptable one. I find it difficult to justify either accepting or rejecting it, or to justify any alternative principle.”<sup>84</sup> Rather than an end in itself, capitalism is better seen as a means to a different principle, such as freedom: “I am led to the view that [capitalism] cannot in and of itself be regarded as an ethical principle; that it must be regarded as instrumental or a corollary of some other principle such as freedom.”<sup>85</sup> Thus in libertarian thought, “freedom” or “liberty” is the higher principle through which the market order can be justified.

We have seen that not only is meritocracy a false representation of the way the market functions, according to Hayek; meritocracy can also be a harmful goal, as it directs individual efforts away from providing value to others and toward fulfilling a pre-conceived notion of moral merit or desert that is judged by an overseeing authority.<sup>86</sup> Perhaps surprisingly, even the most basic tenet of meritocracy, *equality of opportunity*, is incompatible with a market society according to Hayek. In the existing market order, individuals “are affected by circumstances of their physical and social environment which are beyond their control but in many particular

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<sup>82</sup> Friedman, *Capitalism and Freedom*, 164.

<sup>83</sup> Friedman, *Capitalism and Freedom*, 164.

<sup>84</sup> Friedman, *Capitalism and Freedom*, 164.

<sup>85</sup> Friedman, *Capitalism and Freedom*, 165.

<sup>86</sup> Hayek, *Law, Legislation and Liberty*, v. 2, 82.

respects might be altered by some governmental action.”<sup>87</sup> Yet, Hayek laments, despite its implied demand for government intervention to equalize the playing field, the ideal of equality of opportunity “appeals to, and has been supported by, many who in general favor the free market order.”<sup>88</sup> At the same time, “equality of opportunity” is a necessary deception that motivates competition.

Hayek’s libertarian emphasis is that central planning and the idea of *social purpose* undermines individual freedom and indeterminacy. In 1967, he popularized Adam Ferguson’s notion that “Nations stumble upon establishments, which are indeed the result of human action, but not the execution of any human design.”<sup>89</sup> This is reminiscent of Adam Smith’s invisible hand metaphor: When individuals compete and follow their self-interest, a spontaneously generated market order emerges. However, Hayek is unable to account for the Scottish political economists’ argument that history generates order in the form of government: that uncentered, undesigned, spontaneous processes generate centered, designed institutions, which then in turn act upon the spontaneously generated order.<sup>90</sup> Thus, although Hayek is drawn to the idea of *order without an orderer*, a tension arises for him, and libertarian thought more generally, when that spontaneous order generates an organized power that is self-reflexive, planned, and no longer entirely spontaneous.

Seemingly unaware of this tension, Hayek posits a counterfactual scenario: If equality of opportunity were taken seriously, the “government would have to control the whole physical and human environment of all persons, and have to endeavor to provide at least equivalent chances for each ... This would have to go on until government literally controlled every circumstance which could affect any person’s well-being.”<sup>91</sup> Put slightly differently, if meritocracy were to be taken seriously, children would have to be raised by the state instead of by their families to ensure that they all had truly equal starting conditions. Indeed, it is difficult to deny how undesirable this literal interpretation of “equality of opportunity” would be, taken to its logical

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<sup>87</sup> Hayek, *Law, Legislation and Liberty*, v. 2, 84.

<sup>88</sup> Hayek, *Law, Legislation and Liberty*, v. 2, 84.

<sup>89</sup> Ferguson, *An Essay on the History of Civil Society*, 187, cited in Hayek, “The Results of Human Action but Not of Human Design,” 96.

<sup>90</sup> Inayatullah, “Theories of Spontaneous Disorder,” 325.

<sup>91</sup> Hayek, *Law, Legislation and Liberty*, v. 2, 84–85.

end. But rather than approach the question of limiting government provisions to political and economic rights, Hayek uses hyperbole, genuine or not, to weaponize the fear of absolute government control so that any government involvement in social wellbeing threatens to turn into catastrophic totalitarianism. This fear of totalitarianism leads to an analysis in which “equality” and “sameness” become merged.<sup>92</sup> It is this libertarian fear about the connections between socialism, equality, democracy and totalitarianism that we will now explore. The belief that equality is akin to sameness and the suppression of difference can help us understand and critique the “noble lie” of meritocracy.<sup>93</sup> I now turn to a discussion of the undemocratic liberalism that underlies Hayek’s faith in the market order, the libertarian view regarding the role of the state, and the conflict between individualism as a method versus ontology.

### 3. Deservingness, state activity, and individualism

In this section, I situate the “necessary deception” of meritocracy, the libertarian anxiety about government interference, and the conflation of equality and sameness, in the historical context of the ideological battle between neoliberalism and socialism. In this context, I will also critically examine the libertarian endorsement of authoritarian liberalism in Latin America. Despite their methodological individualism, both Hayek and Friedman recognize the need for social protection from market forces, and the social constitution of individuals. I argue that this recognition of the *ontologically* social character of the market and individuals competing within it directly conflicts with a *methodologically* individualist approach to understanding inequality, in which this social character of the market is denied.

We saw in Chapter 1 that J.S. Mill and Adam Smith also fear that equality is akin to sameness. By contrast, they affirm inequality’s signification of individuality and difference, which are a healthy part of market and social life. A generous reading of Hayek’s influential 1944 work *The Road to Serfdom* would underscore that he was motivated by the pitfalls of economic planning exemplified in its extreme by the violence of Stalinism, or “really existing socialism.” For libertarian thinkers in the second half of the twentieth century, economic inequality can then in part be understood as an affirmation of individuality and an acceptable

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<sup>92</sup> Blaney and Inayatullah, “Global Capitalism, Inequality and Poverty,” 170.

<sup>93</sup> Blaney and Inayatullah, “Global Capitalism, Inequality and Poverty,” 172.

alternative to totalitarianism. In Chris Hayes' words, although Hayek's *The Road to Serfdom* may be "massively over-simplified and tendentious," Hayek's arguments in favor of the free market, "along with the repeated bloodshed and tyranny of so many communist governments around the world" forced "the anti-democratic left and its sympathizers to take a hard look in the mirror."<sup>94</sup> While it may be true that Hayek's work challenged leftists in such a way, Hayes's comment seems to presume that Hayek himself had a commitment to democracy, which he in fact did not. Hayek's primary and indeed only explicit commitment is to individual freedom or liberty, which he admits is sometimes in fact *incompatible* with democracy. Further, we might note that the argument that bloodshed is unique to communism ignores the violent and anti-democratic imposition of markets around the world, a central feature of not only capitalist imperialism or primitive accumulation, but also its modern, neoliberal and neo-colonial forms. I will now more closely examine Hayek's fear of economic planning, and then counterpose this fear with Hayek's endorsement of authoritarian liberalism in Latin America.

Hayek perhaps rightly refuses the move that he sees to be characteristic of socialists at the time of his writing, which tries to dismiss Stalinism and the "Russian experiment" as a distortion of the supposedly more genuine communism envisioned by Marx and Engels. "[T]o nearly all those to whom socialism is not merely a hope but an object of practical politics," Hayek contends, "the characteristic methods of modern socialism are as essential as the ends themselves."<sup>95</sup> A number of present-day scholars even on the left share similar views. Slavoj Žižek, for instance, similarly urges Marxists to take responsibility for communist revolutionary violence. He calls on Marxist theorists to abandon the search for the "wrong turn" in history, whether they locate that turn in Engels, Lenin, Stalin, the Second International, or Marx's purported abandonment of humanism in his later work.<sup>96</sup> Rather, Žižek argues, "the Fall has to be inscribed in the very origins" of Marxist thought.<sup>97</sup> What Žižek refers to here is the method of immanent critique and Hegelian teleology in which the "present is perfect." In order to criticize

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<sup>94</sup> Hayes, "The New Road to Serfdom." On the importance of the Austrian School's challenge to central planning, see also Mann, *Disassembly Required*, 90–93.

<sup>95</sup> Hayek, *The Road to Serfdom*, 34.

<sup>96</sup> Žižek, "Mao Zedong: The Marxist Lord of Misrule."

<sup>97</sup> Žižek, "Mao Zedong: The Marxist Lord of Misrule." See also Nandy, "Evaluating Utopias: Considerations for a Dialogue of Cultures and Faiths," 7.

something immanently (in this case, communist violence associated with Marxism), one must first ask what made the abhorrent event historically necessary. Žižek rightly points out that to abandon immanent logic and locate an outside “intruder” who infected and degenerated the supposed original, pure model is to reproduce the logic of anti-Semitism. As another example, Ashis Nandy points out that any utopia must be held “accountable for its legitimate and illegitimate brain-children” if it wishes to avoid a schizoid split in which social evils done in its name are contextualized, while the good is decontextualized.<sup>98</sup> While no utopia can provide a guarantee against its own misuse, it *can* “build conceptual components which sanctify self-doubts, openness and dissent.”<sup>99</sup> In other words, a utopia can aim to internalize immanent critique.

Both Milton Friedman and Hayek vigorously defend the separation of politics and economics in their open support for authoritarian capitalist regimes. The most infamous example is their support for the capitalist dictator General Augusto Pinochet in Chile, who overthrew the socialist, democratically elected government of Salvador Allende.<sup>100</sup> It is better, according to

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<sup>98</sup> Nandy, “Evaluating Utopias: Considerations for a Dialogue of Cultures and Faiths,” 6.

<sup>99</sup> Nandy, “Evaluating Utopias: Considerations for a Dialogue of Cultures and Faiths,” 7.

<sup>100</sup> In 1976, in response to published criticism from the Citizens’ Committee on Human Rights and Foreign Policy, Friedman analogizes his unofficial role as an advisor to the team of economists running the Chilean economy to that of a doctor: “[D]espite my sharp disagreement with the authoritarian political system in Chile, I do not regard it as evil for an economist to render technical economic advice to the Chilean government to help end the plague of inflation, any more than I would regard it as evil for a physician to give technical medical advice to the Chilean government to help end a medical plague” (Friedman, “Milton Friedman Replies: Advising Chile”). As former Chilean ambassador to the U.S., Orlando Letelier, would point out that same year, it is remarkable that one who writes a book arguing that only classical economic liberalism can support political democracy (referring to *Capitalism and Freedom*), “can now so easily disentangle economics from politics when the economic theories he advocates coincide with an absolute restriction of every type of democratic freedom” (Letelier, “The ‘Chicago Boys’ in Chile: Economic Freedom’s Awful Toll”). Hayek, too, participates in this disentanglement of politics and economics in his even more explicit statements that personal economic liberty is not akin to democracy. He favorably quotes his friend, Austrian jurist Hans Kelsen, who notes that “the principle of democracy and that of liberalism are not identical, that there exists even a certain antagonism between them” (Quoted in Hayek, *The Constitution of Liberty*, 443, footnote 2). The difference between ideals becomes clear, Hayek notes, when we name their opposites: democracy opposes authoritarianism; liberalism opposes totalitarianism. Neither of the two systems necessarily excludes the opposite of the other, he emphasizes: A democracy may well wield totalitarian powers, and it is conceivable that an authoritarian government may act on liberal principles (ibid, 103). Like Friedman, Hayek received much criticism for this view, after which he clarified in a 1978 letter to *The Times* the nature of his support for authoritarian regimes: “I have certainly never contended that authoritarian governments are more likely to secure individual liberty than democratic ones, but rather the contrary. This does not mean, however, that in some historical circumstances personal liberty may not have been better protected under [an] authoritarian than under a democratic government” (Hayek, “Letter to the Editor”). He also notes in the letter that

Hayek, to have an authoritarian government which protects individual liberty than a non-liberal, democratic one.<sup>101</sup> In Jorg Spieker's words, "Taken to its logical extreme, Hayek's absolute prioritisation of individual liberty over democracy gives rise to a form of authoritarian liberalism which sits uneasily with the emancipatory claims of his theory."<sup>102</sup> However, despite his explicit endorsement of authoritarian liberalism, Hayek is ambiguous on the question of liberal internationalism, or what we might call neo-imperialism: "Not all that is the result of the historical development of the West can or should be transplanted to other cultural foundations; and whatever kind of civilization will in the end emerge in those parts under Western influence may sooner take appropriate forms if allowed to grow rather than if it is imposed from above."<sup>103</sup> If, however, the "spirit of individual initiative" is "really lacking," then "the first task must be to waken it."<sup>104</sup> Absent any irony he adds: "and this a regime of freedom will do."<sup>105</sup> Here, the authoritarian connotation of the term "regime" harmoniously accompanies economic "freedom." We can also see the temporal element familiar to liberal ideas of development: As Hayek elaborates in an interview with the Chilean newspaper *El Mercurio* in 1981, "[A]s long-term institutions, I am totally against dictatorships. But a dictatorship may be a necessary system for a transitional period ... Personally I prefer a liberal dictator to democratic government lacking liberalism. My personal impression — and this is valid for South America — is that in Chile, for example, we will witness a transition from a dictatorial government to a liberal government."<sup>106</sup>

What these examples demonstrate is that just as revolutionary violence is not unique to socialism, neither is state activity more generally. Despite his disdain for state intervention in the economy when it comes to economic planning to achieve a socialist purpose for society — such as the redistribution of wealth, or national health care — Hayek has no problem with state

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"In [modern] times there have of course been many instances of authoritarian governments under which personal liberty was safer than under many democracies," adding, "I have not been able to find a single person even in much maligned Chile who did not agree that personal freedom under Pinochet was much greater than it had been under Allende" (ibid).

<sup>101</sup> However, it is important to note that Hayek's sweeping designation of regimes that are both "non-liberal" and "democratic" ranges from Salvador Allende to Adolf Hitler. In other words, he does not seem to distinguish between democratic regimes and democratically *elected* regimes that are non-democratic.

<sup>102</sup> Spieker, "F.A. Hayek and the Reinvention of Liberal Internationalism," 938.

<sup>103</sup> Hayek, *The Constitution of Liberty*, 3.

<sup>104</sup> Hayek, *The Constitution of Liberty*, 3.

<sup>105</sup> Hayek, *The Constitution of Liberty*, 3.

<sup>106</sup> Hayek, "Interview with Friedrich von Hayek."

intervention to create and protect the conditions for market activity.<sup>107</sup> In fact, “[t]o create conditions in which competition will be as effective as possible” requires “a wide and unquestioned field for state activity.”<sup>108</sup> Hayek is referring here to the necessity of “an intelligently designed and continually adjusted legal framework” which prevents “fraud and deception.”<sup>109</sup>

As I have already noted, Hayek is explicit that equality should be limited to legal equality before the law and should exclude material equality. In fact, Hayek says, although greater economic equality may be a desirable side effect of certain government actions, it should never be the goal of governments to bring about a more just distribution, since doing so would also require coercion and the abandonment of equality before the law: “Equality before the law and material equality are therefore not only different but are in conflict with each other; and we can achieve either one or the other, but not both at the same time. The equality before the law which freedom requires leads to material inequality.”<sup>110</sup>

Milton Friedman has a parallel fear that without equality before the law, discrimination can be imposed from above. Paradoxically, however, Friedman uses this argument to *defend* illiberal forms of discrimination, albeit discrimination from “below.” In *Capitalism and Freedom*, he is against the fair employment practices commission (FEPC) legislation being established in a number of states to enable equality of opportunity.<sup>111</sup> In its objective to prevent discrimination based on race and religion, this legislation “clearly involves interference with the freedom of individuals to enter into voluntary contracts with one another.”<sup>112</sup> In this sense, he is in accord with Hayek that such laws ensuring greater equality of opportunity merely thwart instead of support free enterprise. Friedman carefully details the injury inflicted upon the hypothetical shopkeeper who is forced to act against his best interest by hiring black workers in a community that prefers to frequent a shop with white workers. Yet, he fails to consider the significance of the injury inflicted upon those who are denied employment due to racism. For

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<sup>107</sup> Slobodian, *Globalists: The End of Empire and the Birth of Neoliberalism*; Harvey, *A Brief History of Neoliberalism*.

<sup>108</sup> Hayek, *The Road to Serfdom*, 40.

<sup>109</sup> Hayek, *The Road to Serfdom*, 40-41.

<sup>110</sup> Hayek, *The Constitution of Liberty*, 87.

<sup>111</sup> Friedman, *Capitalism and Freedom*, 171, 195.

<sup>112</sup> Friedman, *Capitalism and Freedom*, 111.



Friedman, discrimination and preference based on “race” at the individual level is simply a matter of “taste,” just like any other discrimination or preference, such as preference for blues singers over opera singers.<sup>113</sup> Therefore, he concludes, the FEPC laws inflict *positive harm* against employers akin to “the man who hits another over the head with a blackjack.”<sup>114</sup> By contrast, employers who are free to discriminate based on racial “preference” merely inflict the much less pernicious *negative harm* against prospective employees whom they choose not to hire due to that preference. Importantly, the unintended consequence of Friedman’s example is that it deems harm against employers unacceptable, while justifying harm against employees. In Friedman’s world, the categories of “laborer” and “capitalist” do not exist, as everyone is an individual, first and foremost. The corollary of his disregard for these categories is that he can ignore capital’s political advantage over labor in market society, even as he implicitly defends that advantage. More specifically, Friedman emphasizes the coercive aspect of the FEPC laws on employers, while ignoring the coercive aspect of having to sell one’s labor-power in order to procure funds to meet basic needs, and the added injury and unfreedom of being unable to find employment in a racist society. Simultaneously, he depoliticizes racism by likening it to a matter of individual preference, rather than the societally sanctioned and reinforced valuation of some lives over others.

In an excerpt from a 1977-1978 lecture series, Friedman argues against the labor policy of “Equal Pay for Equal Work.”<sup>115</sup> He claims:

The women who go around today urging equal pay for equal work are being anti-feminist. They don’t intend to be. But that is the effect of their policy. Because if for any reason, a male is preferable to a female, or visa versa, the only weapon the less productive sex has is to offer to work for less. And if you’re denying them that opportunity, you’re assuring yourself that you’re going to have all male jobs, or all female jobs, or all white jobs, or all black jobs.<sup>116</sup>

When asked by an audience member whether his proposed policies would also condemn these jobs to stay segregated, Friedman responds that “The typical course, if you go back to American

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<sup>113</sup> Friedman, *Capitalism and Freedom*, 113.

<sup>114</sup> Friedman, *Capitalism and Freedom*, 112.

<sup>115</sup> Friedman, “Milton Friedman - Case Against Equal Pay for Equal Work.”

<sup>116</sup> Friedman, “Milton Friedman - Case Against Equal Pay for Equal Work.”

history, by taking these low paid jobs ... a great many people were able to ... accumulate a little skill, a little capital, a little knowledge, improve their lot, become advanced in the stage, get to a higher level of productivity, and get a higher income. That's been the typical way up the ladder for most of the people who came in [to the United States]."<sup>117</sup> When a woman in the audience asks Friedman whether he is insinuating that women are less productive and therefore deserve to be paid less, Friedman responds blithely, "I don't think desert has anything to do with it ... I think desert is an impossible thing to decide. Who deserves what? Nobody deserves anything! Thank God we don't get what we deserve."<sup>118</sup> He then argues that if women are "free" to offer their labor for less, and women are equally skilled to men, then the employer "can only hire men if he bears a cost."<sup>119</sup> Friedman concludes his response to the audience member with the rather condescending declaration: "I'm on your side. But you're not."<sup>120</sup>

It is evident, then, that despite his explicit recognition of the flawed deservingness logic, Friedman implicitly expresses a strong faith in a meritocratic order, signified by the metaphorical ladder of opportunity. He unambiguously promotes the "American dream" of taking a low-paid job and "climbing up the ladder" based on increasing one's skill and productivity. As he encourages this mentality, he actively denies the societal barriers of class, sexism and racism to realizing the dream of "rising." In effect, just like Hayek's replacement of "merit" with "value," Friedman's analysis attempts to justify what are, in his understanding, more *objective* logics of deservingness based on market rationality instead of moral characteristics. Further, he believes that the best way to overcome discrimination is to allow those discriminated against to offer their labor for lower costs.

Yet, despite Friedman and Hayek's emphasis on individual liberty, in some parts of their work, they explicitly recognize the importance of some degree of *material equality* to the social fabric. I will now examine two remarkable passages from Hayek in which we can observe his concern for the social whole, or "society." In the first passage, Hayek in fact admits to the potential benefit of some form of government assurance against deprivation:

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<sup>117</sup> Friedman, "Milton Friedman - Case Against Equal Pay for Equal Work."

<sup>118</sup> Friedman, "Milton Friedman - Case Against Equal Pay for Equal Work."

<sup>119</sup> Friedman, "Milton Friedman - Case Against Equal Pay for Equal Work."

<sup>120</sup> Friedman, "Milton Friedman - Case Against Equal Pay for Equal Work."

There is no reason why in a free society government should not assure to all protection against severe deprivation in the form of an assured minimum income, or a floor below which nobody need[s] to descend. To enter into such an insurance against extreme misfortune may well be in the interest of all; or it may be felt to be a clear moral duty of all to assist, within the organized community, those who cannot help themselves. So long as such a uniform minimum income is provided outside the market ... this need not lead to a restriction of freedom, or conflict with the Rule of Law.<sup>121</sup>

The second notable passage exemplifies Hayek's needs-based language in which he concedes the importance of family structure to individual development: He says the family both fulfills a "psychological need" and serves as an "instrument for transmission of important cultural values."<sup>122</sup> Those who are deprived of this benefit are

gravely handicapped ... Yet few will seriously believe (although Plato did) that we can fully make up for such a deficiency, and I trust even fewer that, because this benefit cannot be assured to all, it should, in the interest of equality, be taken from those who now enjoy it. Nor does it seem to me that even material equality could compensate for those differences in the capacity for enjoyment and of experiencing a lively interest in the cultural surroundings which a suitable upbringing confers.<sup>123</sup>

The problems for Hayek arise when need and remuneration for services are determined by authority, rather than through the impersonal mechanism of the market. Therefore, these passages which signal a universal need for social support are notable.

Offhanded though his comment may be, it is remarkable that we need look no further than the libertarian Hayek to find an advocate for basic income as a form of government-assured social protection. Similarly significant is Milton Friedman's advocacy for a negative income tax<sup>124</sup> in order to facilitate setting "a floor below which no man's net income ... could fall."<sup>125</sup> Alleviating poverty in this way is beneficial because "[i]t gives help in the form most useful to the individual, namely, cash."<sup>126</sup> As Foucault points out, American neoliberalism in particular

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<sup>121</sup> Hayek, *Law, Legislation and Liberty*, v. 2, 87.

<sup>122</sup> Hayek, *Law, Legislation and Liberty*, v. 2, 87.

<sup>123</sup> Hayek, *Law, Legislation and Liberty*, v. 2, 87-88.

<sup>124</sup> A negative income tax is a taxation system in which those who earn income above a certain level pay money in taxes to the state, while those who earn income below a certain level receive money from the state.

<sup>125</sup> Friedman, *Capitalism and Freedom*, 192.

<sup>126</sup> Friedman, *Capitalism and Freedom*, 192.

comes up with the idea of the negative income tax as a mechanism that would “be socially effective without being economically disruptive.”<sup>127</sup> This provides the “economic players” with a cash benefit if they either definitively (such as the elderly or disabled) or provisionally (such as the unemployed) fail to reach “what society considers to be the proper level of consumption.”<sup>128</sup> Crucially, this libertarian proposal removes the entrenched “Western governmentality” tradition of distinguishing between the “good and bad poor” (or the deserving and undeserving).<sup>129</sup> Yet, although the proposed negative income tax does not separate the successful and unsuccessful economic “players” in this way, this approach to poverty and inequality still reintroduces “an imbalance between the poor and others, between those receiving aid and those who are not.”<sup>130</sup> It can be noted that long before Foucault, Hegel made the same point about the inherent problems of welfare in modern society in his 1820 work *Philosophy of Right*.<sup>131</sup> Whether through charity or the state, if “the needy would receive subsistence directly, not by means of their work,” this “would violate the principle of civil society and the feeling of individual independence and self-respect in its individual members.”<sup>132</sup> But if the poor are made to work in exchange for welfare,<sup>133</sup> the problem is not solved because “In this event the volume of production would be increased, but the evil consists precisely in an excess of production and in the lack of a proportionate number of consumers who are themselves also producers, and thus it is simply intensified.”<sup>134</sup> It then “becomes apparent that *despite an excess of wealth civil society is not rich enough*, i.e. its own resources are insufficient to check excessive poverty and the creation of a penurious rabble.”<sup>135</sup>

In addition to poverty, Hayek recognizes the social deprivation that may be experienced by those who grow up in abusive or negligent families. Yet despite this recognition, Hayek then

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<sup>127</sup> Foucault, *The Birth of Biopolitics*, 203.

<sup>128</sup> Foucault, *The Birth of Biopolitics*, 203.

<sup>129</sup> Foucault, *The Birth of Biopolitics*, 204.

<sup>130</sup> Foucault, *The Birth of Biopolitics*, 204.

<sup>131</sup> Hegel, *The Philosophy of Right*, paragraph 245.

<sup>132</sup> Hegel, *The Philosophy of Right*, paragraph 245.

<sup>133</sup> We might think of former US President Bill Clinton’s and former UK Prime Minister Tony Blair’s “workfare” models here.

<sup>134</sup> Hegel, *The Philosophy of Right*, paragraph 245.

<sup>135</sup> Hegel, *The Philosophy of Right*, paragraph 245, my emphasis.

disavows his own observation about the social basis of well-being in three steps: First, he asserts that societal deficiencies are impossible to adequately address. This assertion exhibits a particular kind of pessimism necessary to sustain a belief in market dominance. Second, following his commutative logic, he believes that addressing social problems would necessarily encroach upon the liberty of others, a consequence that his libertarian commitments would not allow him to endorse. Third, although he rightly notes that material equality does not compensate for the unhappiness and cultural deprivation conferred by an unsuitable upbringing, he avoids consideration of any possible link between social malaise and wealth inequality. Although perhaps less blunt, Hayek's failure to consider the link between the two is reminiscent of John Locke's conviction that recipients of charity are idle and untrustworthy before they are poor. Hayek evades further reflection on the issue of social deprivation by resorting to narratives of individual irresponsibility and violence – problems which to him are, if not congenital, at least beyond societal repair. In the end, Hayek's methodological individualism remains dominant. He hopes his exposition will make it obvious “that there are no practicable standards of merit, deserts, or needs, on which in a market order the distribution of material benefits could be based, and still less any principle by which these different claims could be reconciled.”<sup>136</sup>

To conclude this section, I argue that Hayek's individualism is ultimately methodological as opposed to ontological. This argument has important implications for how we might understand the ascendance of methodological individualism in the present, and the recession of socially holistic analysis.

We have seen that both Marx and Hayek believe that meritocracy conflicts with the logic of capital, and both are against it. But as we have also seen, a significant factor that differentiates the two is Marx's emphasis on the *social* character of the market. Marx's analysis of social labor and the necessity of participation in social life leads him to conclude that formal autonomy is insufficient for individuals to realize their freedom.<sup>137</sup> In some writings, Hayek too seems to accept this fundamentally social premise of the constitution of market society. He in fact explicitly rejects the view of society as constituted by atomized individuals: “[T]rue

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<sup>136</sup> Hayek, *Law, Legislation and Liberty*, v. 2, 91.

<sup>137</sup> See Inayatullah, “Beyond the Sovereignty Dilemma: Quasi-States as Social Construct,” 54–55.

individualism,” he clarifies in a 1944 lecture, is a “*theory of society*.”<sup>138</sup> He continues: “This fact should by itself be sufficient to refute the silliest of the common misunderstandings: the belief that individualism postulates (or bases its arguments on the assumption of) the existence of isolated or self-contained individuals, instead of starting from men whose whole nature and character is determined by their existence in society.”<sup>139</sup> In this instance, Hayek implicitly affirms a socially holistic conception of the individual à la Marx and Hegel.

Again, however, Hayek avoids dwelling on this point by simply stating that such a view of the whole is impossible methodologically. The basic contention of individual analysis, Hayek claims, “is that there is no other way toward an understanding of social phenomena but through our understanding of individual actions directed toward other people and guided by their expected behavior.”<sup>140</sup> Here, Hayek seems aware of the tension in his work between the *social* world and his strictly *individual* analysis. This need not in itself concern us, however. As Patrick Thaddeus Jackson says of Max Weber’s methodological individualism, “Focusing on individual human beings acting is more of a means to a particular theoretical end than an absolute (or ontological) claim about the priority of individuals.”<sup>141</sup> In this case, the individual is a “social site.”<sup>142</sup> For Hayek, however, I have argued that this social site and its relation to the market remains obscured – perhaps even deliberately.

One important consequence of the difference between an ontologically social versus an ontologically individual view of the market is that it leads to different views about entitlements to wealth. Hayek notes that while “There are good reasons why we should endeavor to use whatever political organization we have at our disposal to make provision for the weak or infirm or for the victims of unforeseeable disaster,” it is an entirely different matter to suggest,

that those who are poor, merely in the sense that there are those in the same community who are richer, are entitled to a share in the wealth of the latter or that being born into a group that has reached a particular level of civilization and comfort confers a title to a share in all its benefits. The fact that all citizens have an interest in the common provision

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<sup>138</sup> Hayek, “Individualism: True and False.”

<sup>139</sup> Hayek, “Individualism: True and False.”

<sup>140</sup> Hayek, “Individualism: True and False.”

<sup>141</sup> Jackson, “Rethinking Weber: Towards a Non-Individualist Sociology of World Politics,” 446.

<sup>142</sup> Jackson, “Rethinking Weber: Towards a Non-Individualist Sociology of World Politics,” 449.

of some services is no justification for anyone's claiming as a right a share in all the benefits.<sup>143</sup>

We can conclude that Hayek's methodological individualism causes him to assert the right to personal liberty, but not the right to a share in socially produced wealth. Yet, we again emphasize the contrast between Hayek's dominant voice in which he rejects the "right" to a "share" of wealth, and his recessive voice which advocates the assurance of an income to all, "provided outside the market," which "may well be in the interest of all."<sup>144</sup> There is a latent egalitarianism inherent to the libertarian idea of negative income tax and universal basic income, which do *not* attach deservingness to income or "reward." Yet, this does not become the dominant voice in libertarianism. The logic of deservingness persists in libertarian thought; it is reinforced as a deliberately deceptive measure that keeps market competition in motion.

## Conclusion

According to Marx, it is in the interest of the bourgeois class to perpetuate a "senseless confusion" about the interconnected nature of social labor, and therefore of wealth and poverty.<sup>145</sup> This is because "[o]nce the interconnection is grasped, all theoretical belief in the permanent necessity of existing conditions collapses before their collapse in practice."<sup>146</sup> In other words, by assigning personal responsibility to individuals for their wealth or poverty and thereby eschewing understandings of our labor as socially connected, the eternal naturalness and goodness of capitalism can be preserved. This chapter has revealed a similar bourgeois fear in Hayek: That the belief in the permanent necessity of market society will collapse if individuals grasp the interconnectedness of labor and the arbitrariness of deservingness. This worry helps explain why Hayek perpetuates the deception of meritocracy.

In the moments when Hayek presumes that the world consists only of individuals and of families, he disavows the existence of "society," or the social whole. He does, however, retain an element of the "social" in his mention of the formative role of the family. The more extreme form of this position would be articulated in former UK Prime Minister Margaret Thatcher's

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<sup>143</sup> Hayek, *The Constitution of Liberty*, 101.

<sup>144</sup> Hayek, *Law, Legislation and Liberty*, v. 2, 87.

<sup>145</sup> Marx, "Marx to Kugelmann In Hanover."

<sup>146</sup> Marx, "Marx to Kugelmann In Hanover."

(in)famous declaration that “there is no such thing as society. There are men and women and children and there are families.”<sup>147</sup> What often remains unacknowledged, in both those who praise and criticize Hayek’s disavowal of society, is that this disavowal conflicts with Hayek’s repeated references to “the Great Society,” and the “free society,” which he idealizes. As we have seen, the tension between the social and individual constitution of individuals – and of the market order itself – reveals itself in significant ways throughout his work. It is not the case that Hayek does not believe in society; rather, he believes that we must perpetuate the idea that we live in a society of isolated individuals, lest too many people adopt the dangerous belief that they are entitled to a share of what society produces, and consequently start to demand their share. It is here where Hayek’s ontology and methodology explicitly diverge.

In the first section of this chapter, I provided some background on the specificity of neoliberalism, and how methodological individualism becomes more pronounced in neoclassical economics. In the second section, I outlined the libertarian critique of meritocracy, represented primarily by Hayek. Hayek is clear that “merit” is a subjective morality; hard work and other deserving qualities should not be mistaken for what he considers to be the objective allocation of wealth based on “superior value.”<sup>148</sup> Those who become wealthy in market society may be talented, hard-working, or simply lucky. However, Hayek believes that the *illusion* that talent and hard work are always rewarded fairly is important to keep individuals motivated to compete. He therefore downplays, and perhaps genuinely underestimates, the social connectedness of labor in market society. In the third section of this chapter, I discussed Hayek’s skepticism toward socialism, informed by the historical horrors committed in its name at the time of his writing. However, Hayek’s libertarian criticism of socialism leads to a view in which equations of sameness and equality become “too tightly fused.”<sup>149</sup> There is very little space in Hayek’s thinking to consider that individual flourishing and *difference* may in fact be best realized by more materially and socially *equal* conditions. For Hayek, any redistributive program amounts to totalitarian logic in which a higher power practices discriminatory coercion and therefore violates commutative justice. But we have also located a hypocrisy at the heart of Hayek’s notion

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<sup>147</sup> Cited in Littler, “Meritocracy as Plutocracy,” 63; Harvey, *A Brief History of Neoliberalism*, 23.

<sup>148</sup> Hayek, *The Constitution of Liberty*, 99.

<sup>149</sup> Blaney and Inayatullah, “Global Capitalism, Inequality and Poverty,” 170.



of a “regime of freedom,” and along with Milton Friedman, his praise of authoritarian, anti-democratic liberalism in Chile, where some of the first neoliberal policies were forcibly put into practice.<sup>150</sup> In the concluding chapter, I will outline the stakes of what I have been calling social holism and determinacy, as distinct from determinism. In both individualism and determinism, “agents” and “structures” are clearly bounded categories. Determinacy, by contrast, moves away from rigid structural analysis, from the individualist logic of deservingness, and from the asocial nature of both.

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<sup>150</sup> Spence, *Knocking the Hustle*, 29–30; Klein, *The Shock Doctrine: The Rise of Disaster Capitalism*.

# Conclusion

*How an open society can be created out of closed selves is a paradox to which no liberal theorist has paid much attention.*

Bikhu Parekh, “The Cultural Particularity of Liberal Democracy,” 1992

## 1. Meritocracy and political economy

This thesis has interrogated the logic of deservingness from a political economic perspective. Although deservingness is traditionally delegated to the fields of philosophy, theology, and legal studies, I have re-examined it as a problem of political economy. While political economy has interrogated concepts such as “value,” “labor,” “fair distribution,” “property,” and “individualism,” these categories have never been considered together under the more fundamental framework of the logic of deservingness itself. Through a contextually close reading of key classical political economic thinkers, and divergent thinkers emanating in part from this liberal tradition, I have traced the deservingness logic’s development from a variety of perspectives, contexts, and temporal horizons. We have seen how political economic questions about who is deserving are always exclusionary, as they are also necessarily questions about who is undeserving. It is abundantly clear that meritocracy stands in the way of the more egalitarian principle of the right to wealth: The principle of the universal deservingness of humanity, or Marx’s “to each according to need,” which is independent of labor contribution. When it comes to the economic means to life, abolishing the category of deservingness itself would allow us to envision a more equitable distribution of wealth – one in which the universal right to basic material means of life replaces the market’s rationing of life and death. As long as basic income,

health care, education, housing, and nourishment are commodities attached to deservingness, then society does not guarantee its citizens the right to the means of life.<sup>1</sup>

I have investigated what insights we gain when we take seriously meritocracy, and at its heart the logic of deservingness, as a theoretical object of political economy. In this way, I have addressed the central research question: How might we understand “meritocracy” as a problem of political economy? I have argued that understanding the logic of deservingness through a political economic lens yields a view of meritocracy not only as a modern deception, but as a *necessary* deception which sustains the capitalist political economy. In order to interrogate the logic of deservingness, and what makes it a necessary illusion, I have employed three dichotomies throughout the course of the argument: methodological individualism and social holism; moralizing judgement and immanent critique; and achieved hierarchy and ascriptive hierarchy. However, we have also seen that these terms cannot always be confined within neat dichotomies – sometimes, they work against each other, but other times they work together and overlap. On the one hand, meritocracy’s logic of deservingness depends upon a moralizing, individualist logic which affirms achievement and does not take seriously the social holism of the market by which people become individuated. On the other hand, the interconnected nature of labor, including the fact that individuals are constantly subject to the demands and evaluations of *others*, lurks in the background of meritocratic ideologies. Further, the logic of deservingness itself can have racialized implications, insofar as it classifies humans as innately or culturally inferior and superior.

I began the thesis by establishing my reading of the market as a social whole, primarily using David P. Levine’s analysis as a framework. I then established how immanent critique is an appropriate methodological orientation for my reading of individual political economic theorists. As a third part of the introduction, I outlined the historic and theoretical significance of the move from ascribed to achieved hierarchy, arguing that these categories are distinct but never fully separable even in the modern world. Chapter 1 established my reading of classical liberalism as

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<sup>1</sup> However, citizenship itself is of course an exclusionary category. There is an extensive body of literature in political theory, sociology, and international law which examines deservingness in relationship to citizenship, immigration, and rights. See for example Bloemraad et al., “Membership without Social Citizenship?”; Monforte, Bassel, and Khan, “Deserving Citizenship?”; Nielsen, Frederiksen, and Larsen, “Deservingness Put into Practice”; Bob, *Rights as Weapons: Instruments of Conflict, Tools of Power*.

dependent on an underlying logic of deservingness, in which the economic category of value-producing labor maps onto the moral category of deservingness. Traits such as excellence, worldliness, and industriousness are valorized; individuals and entire cultures are evaluated in a methodologically individualistic manner that does not take seriously their relation as social beings in an interconnected and interdependent global economy. Meritocracy, in this form, is distinctly middle-class and bourgeois: Those considered responsible for productive labor – labor that produces *value*, that enhances the earth for the benefit of life – are considered most worthy of reward, as long as they are understood to be operating under conditions of equal opportunity.

John Locke makes a distinction between the deserving and undeserving poor. Slavery holds a riven, contradictory place in relation to the freedom that he espouses. Further, his labor theory of property does not apply to indigenous labor, which is deemed undeserving because it is not value-enhancing. Adam Smith more explicitly recognizes a universal moral equality, which would seem to override the moral distinction between deserving and undeserving humanity. Yet, he recognizes that the division of labor requires inequality, and that poverty is produced as a byproduct of wealth. He advances a theory of the race of life, in which all runners are afforded equal opportunity through education; nonetheless, he recognizes that only some can win while others must lose in order to keep the market functioning. The market is seen as the cornerstone of commercial society and therefore civilized modernity. Of the liberal theorists we examine, Smith most carefully considers the social holism of the market. He recognizes that it is constituted by the division of labor in which individuals are perpetually dependent on satisfying the needs of others, and are increasingly less self-sufficient as commercial society advances. Nonetheless, Smith cannot fully face the implications of this interdependence and social determinacy: that everyone might be equally deserving (or equally undeserving) of a share of wealth. As a result, he turns to meritocracy.

J.S. Mill presents an important challenge to eighteenth century liberalism as both the most explicitly feminist and anti-racist of the liberal theorists we examine. Further, his opposition to slavery is the most resolute. Yet, despite these emancipatory and egalitarian impulses, out of the three classical liberal thinkers examined, Mill is the greatest apologist for British empire – the notorious purveyor of unfreedom and inegalitarian policies toward those considered idle or temporally immature. In this designation, there is an implicit racialization of

the undeserving: Like in Locke's theory, certain individuals, cultures and nations in this liberal imaginary are "constitutively undeserving."<sup>2</sup> Freedom is an unacknowledged privilege for those who are considered innately superior, or who represent the dynamism of global capitalist progress. But in what I have called the liberal logic of deservingness – a distinctly middle-class logic – deservingness is not unique to laborers who carry out the productive work. *Proprietors* of productive labor are in some cases even more deserving. We saw this most explicitly in Locke's theory, where the overseer of productive labor takes responsibility for the labor of his servants, and exploitation therefore remains unaccounted for.

Chapter 2 established our distinctly political economic reading of deservingness by taking a closer look at the labor theory of value. We saw how ambiguities, particularly in Adam Smith's but also David Ricardo's labor theory of value, create space for socialist thought to explicitly claim deservingness as a status for laborers: compensation is fair if it reflects the laborer's expenditure of effort. Value-producing labor and physical toil often remain indistinguishable in early socialist thought, as labor is defined by that which provides, in William Thompson's words, "a preponderance of good."<sup>3</sup> Early socialists utilize a combination of Adam Smith's labor theory of value and John Locke's labor theory of property to assert that labor legitimizes claims to wealth or property. I read these theorists – both Smithian socialists and utopian socialists, despite their differences – to be inverting the liberal logic of deservingness. If the liberal logic of deservingness provides the *affirmation* of what I have called meritocracy or fair competition under conditions of equal opportunity in a capitalist market society resulting in achieved hierarchy, the early socialists provide the *negation*. They target what they consider to be unfair distribution and seek to promote equality through the notion of equal exchange, in which exploitation can be quantified and therefore remedied politically and economically. Deservingness remains intact, albeit ambivalently, in early socialist thought as a whole.

In the conclusion of Chapter 2, I suggested that the problem of labor and deservingness reverberates into the twentieth and twenty-first centuries. I began to reflect on these echoes by noting the constitutive challenges of determining which labor is "exploited" and therefore

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<sup>2</sup> Shilliam, *Race and the Undeserving Poor*, chap. 2.

<sup>3</sup> William Thompson, *Labor Rewarded*, 21.

“deserving” labor, since the categories do not always align. Finally, I concluded that today there are indeed still plenty of productive, waged workers who are also exploited, a visibly obvious case being factory workers. But, we might add, this says nothing of other types of labor – labor that is “non-productive” but arguably equally “deserving” and equally under-appreciated: the labor of nursing, teaching, care work, and janitorial work, for instance.<sup>4</sup> And then there are those whose work may not count as labor in a political economic sense, such as artists. As we noted, there is an abundance of labor “whose excellence is not the less because [its] utility is not immediately obvious.”<sup>5</sup> And as Marx points out, the entire framework of reward according to work (deservingness according to labor) still says nothing of how those who are unable to work at all are to acquire their means of subsistence. As Covid-19 reshapes the economy and as labor becomes increasingly automated in the twenty-first century, the sheer number of those unable to find employment to meet their subsistence needs means that the question of labor and deservingness likely will continue to haunt us.

We saw that liberalism and classical political economy provide the *affirmation* of fair inequality (or fair distribution) between the producers and proprietors of wealth, and early socialism provides the *negation* of the claim that the inequality (or distribution) is fair. Marx, then, can be seen to provide the *negation of the negation*, in Hegelian terms. In Chapter 3, I argued that Marx’s challenge is directly to the logic of deservingness itself. This challenge occurs at the methodological and ontological level. For Marx, the nature of capitalist society, constituted by the control and command of social labor, means that individuals become free – and become *individuated* – only within a system of competition and subordination. What is not often acknowledged by modern theorists is Marx’s recognition of the deeply *social*, and not only individual, nature of capitalism – in fact, he says capitalism is the mode of production with the most advanced social relations to date.<sup>6</sup> The interconnected nature of labor – and, therefore, capital – necessitates a method that can conceptualize this totality, aligning with the implicitly social characteristic of market society itself. Highlighting what we have called social holism, I

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<sup>4</sup> Many of these “non-productive” professions are traditionally feminized – an issue for future exploration.

<sup>5</sup> Ravenstone, *A Few Doubts as to the Correctness of Some Opinions Generally Entertained on the Subjects of Population and Political Economy*, 174.

<sup>6</sup> Marx, *A Contribution to the Critique of Political Economy*, 189.

argued that Marx is the first political economic thinker who can apprehend the whole theoretically. His methodological approach is derived from his observations and deliberations about how the capitalist economy actually functions. Because he remains true to his method of immanent critique, Marx is crucial for understanding how the appearance of meritocracy operates. Its appearance as a natural and emancipatory mode of organization is not arbitrary. Rather, meritocracy is a *necessary* appearance arising out of the social, political and economic conditions of capitalist society itself. As such, Marx does not moralize the political economic thinkers he criticizes – instead, he wishes to reveal how they remain captives to the illusory economic categories that they inherit. Further, he does not subordinate the “agent” to the “structure” in an economistic fashion. Rather, holism recognizes, in a dialectical manner, how the individual only becomes an individual *through* the recognition of others: individuals must become *individuated* through the market. Value, in the capitalist political economy, is a problem encompassing the totality of individuals connected through the social relations of the market. What counts as socially necessary labor, and therefore who is “deserving” of reward, is determined not by the individual, but by others, via competition in the world market. In addition to Marx’s method and ontology of social holism, he takes equal exchange as a given in order to show how even under what we would call “meritocratic” conditions of equality and fairness in the marketplace, exploitation still occurs.

Chapter 4 diverged from classical political economy to explore how a branch of emancipatory thought develops in the twentieth century United States. I opened the chapter with a debate over the significance of “free labor,” and the instructive example of how the labor theory of value is (implicitly) invoked in Lincoln’s speech as an argument against slavery that nonetheless affirms a racially segregated world order. W.E.B. Du Bois is situated at the intersection of liberal, Marxist and black radical thought. He grapples with fundamental problems which remain in the background of the political economic theorists we explored previously: the distinct yet inseparable questions of slavery, abolition, and racialization in modern society. Du Bois observes that even meritocratic competition does not seem to apply to those who are racialized as black. In this chapter, I posited that Du Bois is read in many different ways, but rarely is he read as a political economist. I wondered what new insights about meritocracy and the logic of deservingness we might gain from reading Du Bois in this way.

Although Du Bois does not deeply engage with the classical political economy tradition, he is one of the few theorists in the U.S. of his time to contest the moralizing narratives of poverty and race, and to advance political economic and social explanations for black poverty and segregation after the failure of Reconstruction in the United States. As a profoundly ascriptive category, “race” is fundamentally opposed to the logic of *achieved* hierarchy that meritocracy affirms. Yet, with the abolition of slavery – the meritocratic equalizing of labor that Marx saw as a necessary development to unite all workers – there is initially a doubling down of racially oppressive regimes in the United States in the form of the Jim Crow laws, and later the expansion of the carceral system.<sup>7</sup> Initially, Du Bois’s language of struggle remains within meritocratic confines. But eventually, Du Bois concludes that the struggle for racial equality cannot be disconnected from the struggle for economic rights. Ultimately, he loses faith in meritocracy as a means of overcoming extreme social and economic inequality.

One path from Adam Smith leads to more egalitarian, socialist, and communist political economic theories and practices. This is the path leading to the work of early socialists, Marx, Du Bois, and countless others. But another path from Adam Smith leads to a market fundamentalism exemplified in its most extreme form by the libertarianism of the mid twentieth century. Chapter 5 brings us to this second divergent branch away from the classical political economy tradition, with a focus on the place of meritocracy in Milton Friedman’s and particularly F.A. Hayek’s work. Libertarianism more broadly of course cannot be fully separated from the first branch away from classical political economy leading to Marxism: After all, Hayek and his allies were responding to the totalitarian developments which claim to have taken inspiration from Marx. Hayek argues that to avoid totalitarian terror, absolute acceptance of market freedom must come at the cost of all else, even if this means sacrificing democracy and embracing radical wealth inequality. In order to achieve absolute freedom, the market rather than the government must reign. This belief leads to a “splitting” in their analysis, in which all freedom is associated with the market, and all tyranny is associated with the state. However, Hayek acknowledges the deceptiveness of the deservingness logic in the deeply volatile capitalist economy, in which every economic pursuit is a gamble, and individual success is determined entirely by a combination of luck and the ability to meet the demands of others. Yet, he does not

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<sup>7</sup> Alexander, *The New Jim Crow*.



deny the deservingness logic's ultimate utility. It is only if individuals have a sense of pride and self-efficacy in their pursuits, he believes, that they will continue to be committed to the capitalist order. Hayek's methodological individualism contrasts with the sociality of the market, which he himself acknowledges. By insisting on a methodologically individualist analysis and only implicitly recognizing the market's ontological holism, Hayek has no developed concept of the whole, and is thus unable to apprehend the totality of the capitalist market.

Having provided a comprehensive summary of the work done in this thesis, I will now reflect on some possibilities and implications for future political economic research on meritocracy and the logic of deservingness.

## 2. Pathways toward future research

This political economic study of meritocracy as a necessary deception of capitalism opens several pathways toward future research. One of those pathways would contribute to a discussion of the political economic roots of emancipatory politics. For example, this work might contribute to a recovery of the socialist and anti-imperial currents of the Civil Rights movements in the United States, as several authors have done.<sup>8</sup> It could be beneficial to re-read key figures of these movements who envisioned a social order surpassing the limits of meritocracy.<sup>9</sup> Relatedly, a second pathway toward future research would engage questions of feminism and meritocracy, asking how feminist renderings of "labor" and "value" both speak to and disrupt classical understandings of these terms. Looking at feminism, meritocracy and the logic of deservingness would contribute meaningfully to already-existing debates within feminist political economy.<sup>10</sup>

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<sup>8</sup> Taylor, *From #BlackLivesMatter to Black Liberation*; Stein, "'Of Mr. Booker T. Washington and Others': The Political Economy of Racism in the United States"; and Dowd Hall, "The Long Civil Rights Movement and the Political Uses of the Past" re-read histories of racism and the struggle against it through a political economic lens. On the erasure of colonialism and imperial history from the disciplinary history of sociology and international relations, see, respectively, Magubane, "Science, Reform, and the 'Science of Reform'"; Vitalis, *White World Order, Black Power Politics*.

<sup>9</sup> As just one example, civil rights organizer Stokely Carmichael wrote in his piece "Who Is Qualified?" that "money, who you know, and especially education – are what people mean when they use the word *qualified* ... My objection is to the basic approach, which excludes the unqualified" (Carmichael, "Who is Qualified?").

<sup>10</sup> For example, we might critically re-examine the Wages for Housework Campaign and the Global Women's Strike begun by Selma James in 1972, and the literature surrounding it. See Dalla Costa and James, *The Power of Women*

A third important pathway toward future research would more explicitly engage the global dimensions and implications of a political economic view of “meritocracy.” A global view of meritocracy and its critique might begin with a re-reading of dependency theorists, world-systems theorists, and uneven and combined development theorists, who sought to comprehend wealth and poverty in the context of the global division of labor.<sup>11</sup> In order to bring this thesis back out “into the world,” I will spend the remainder of the conclusion reflecting on what a global understanding of meritocracy might look like.<sup>12</sup>

### *2.1 Meritocracy at the global level?*

Methodologically, I have contrasted the individualism found in liberal theory with the methodological holism of Marx. A history of political economic thought picking up where we left off with Hayek might examine the extent to which the present, post-colonial world order might be considered meritocratic. Here, we might turn to Marxist debates in the twentieth century, particularly scholars who attempted a theory of holism on an international level. Dependency and world-systems theories began to be developed by Latin American scholars contemporaneously to Hayek’s later writing, though they were not in direct conversation with him. According to dependency theorist Andre Gunder Frank, “cold war ideological opposition to dependence theory ranged across the entire political spectrum from right to left.”<sup>13</sup> Criticizing neo-imperialism and the methodologically individualist stage theory of development, Frank found himself alienated from both sides of the polarized, ideological orthodoxy of his time.<sup>14</sup> Neither individualist nor structurally determinist, dependency theory and world-systems theory

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*and the Subversion of the Community*; Federici, *Revolution at Point Zero*. On “postwork” politics, see Weeks, *The Problem with Work*.

<sup>11</sup> Originally articulated by Lenin at the turn of the twentieth century, there has recently been a revival of interest in uneven and combined development perspectives in particular. See, for instance, the work of Justin Rosenberg, such as Rosenberg, “The ‘Philosophical Premises’ of Uneven and Combined Development”; Rosenberg et al., *New Directions in Uneven and Combined Development*. See also Anievas and Nişancıoğlu, *How the West Came to Rule*.

<sup>12</sup> In the field of IR, there have been several calls for a more systematic and relational understanding of the international. See Kurki, “Multiplicity Expanded”; Rosenberg and Kurki, *Multiplicity*; Davenport, “Marxism in IR.” A view of the global market as a “social whole” and critiques of meritocracy on a global scale may contribute to these efforts.

<sup>13</sup> Frank, “The Cold War and Me,” 82.

<sup>14</sup> Frank, “The Cold War and Me.”

fell “between the cracks” of the debate between “‘the West’ versus ‘the Rest’” in which moralizing narratives about First World wealth and Third World poverty were prevalent.<sup>15</sup>

It is both the content of Marx’s political economy *and* the form or method of his presentation that has inspired the lineage of political economic thought flowing from Rosa Luxemburg’s theory of capitalist imperialism in 1913<sup>16</sup> and Leon Trotsky’s uneven and combined development thesis in 1917,<sup>17</sup> to dependency theory and world-systems theory developing in the 1960s.<sup>18</sup> Broadly speaking, dependency theory and world-systems theory emerge as politically potent alternatives to the moralizing narratives about the “failure” of the Third World to develop economically. These theories demonstrate, historically and theoretically, how wealth and economic development in the “core” are directly linked to poverty and underdevelopment in the “periphery,” and in the case of world-systems theory, the “semi-periphery.” They offer methodologically rigorous alternatives to the technical, inflexible, and ahistorical stage theory of economic growth proffered by Walt Whitman Rostow in 1959.<sup>19</sup> What is important for our purposes is to note how the social or relational *ontology* of these theories aligns with their social or relational *methodology*. On the methodological importance of holism, world-systems theorist Immanuel Wallerstein cites Georg Lukács affirmatively: “[I]t is not the primacy of economic motives in historical explanation that constitutes the decisive difference between Marxism and bourgeois thought, but the point of view of totality.”<sup>20</sup> By contrast, we have seen how liberal and libertarian thought sever the two: There is an inconsistency between Hayek’s recognition of the social constitution of the individual, and his method of analysis, which takes the individual as the unit of analysis.

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<sup>15</sup> Frank, “The Cold War and Me,” 84.

<sup>16</sup> Luxemburg, *The Accumulation of Capital: A Contribution to an Economic Explanation of Imperialism*.

<sup>17</sup> Lenin, “Imperialism, the Highest Stage of Capitalism.”

<sup>18</sup> For examples of major works in this school of thought, see Wallerstein, *The Modern World System, 3 Volumes*; Frank, “The Development of Underdevelopment”; Rodney, *How Europe Underdeveloped Africa*.

<sup>19</sup> Rostow, “The Stages of Economic Growth.” Rostow’s stage theory states that all nations go through the same basic stages of development to reach the “age of high mass consumption.”

<sup>20</sup> Lukács, “The Marxism of Rosa Luxemburg,” 27, cited in Wallerstein, “The Rise and Future Demise of the World Capitalist System: Concepts for Comparative Analysis,” 387.

In David L. Blaney and Naeem Inayatullah's words, dependency theories "reveal the lie: that development is a set of separable national projects."<sup>21</sup> By focusing on the social whole, these theories demonstrate instead how "development proceeds within the processes of the global system, enriching some and marginalizing others."<sup>22</sup> Rather than reducing processes to individuals *or* to structures, they "revive the tension between wholes and parts and between international relations and its larger context by exploring the strains between the imperatives of sovereignty and those of global capitalism."<sup>23</sup>

Wallerstein contends that "in the nineteenth and twentieth centuries there has only been one world-system in existence, the capitalist world-economy."<sup>24</sup> He defines a world-system "quite simply as a unit with a single division of labor and multiple cultural systems."<sup>25</sup> A world-empire is a world-system with a common political system, such as the Ottoman and Russian empires, while a world-economy is one without a common political system. Wallerstein seeks to analyze "the historically specific totality which is the world capitalist economy."<sup>26</sup> His understanding of the constitution of the capitalist world-economy as a whole aligns with his method of analyzing how wealth and poverty are produced within it. Importantly, world systemic analysis must be both historically specific *and* have an element of analytic universality.<sup>27</sup> In a passage reminiscent of Marx's methodological point that we arrive at an analysis of the universal *via* the concrete, Wallerstein notes that "just as in cosmology the only road to a theory of the laws governing the universe is through the concrete analysis of the historical evolution of this same universe."<sup>28</sup> The study of the particular is ultimately a means to lead us back to the whole.

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<sup>21</sup> Blaney and Inayatullah, "International Relations from Below," 666.

<sup>22</sup> Blaney and Inayatullah, "International Relations from Below," 666.

<sup>23</sup> Blaney and Inayatullah, "International Relations from Below," 666, referencing Blaney, "Reconceptualizing Autonomy: The Difference Dependency Theory Makes."

<sup>24</sup> Wallerstein, "The Rise and Future Demise of the World Capitalist System: Concepts for Comparative Analysis," 390.

<sup>25</sup> Wallerstein, "The Rise and Future Demise of the World Capitalist System," 390.

<sup>26</sup> Wallerstein, "The Rise and Future Demise of the World Capitalist System," 391.

<sup>27</sup> Wallerstein, "The Rise and Future Demise of the World Capitalist System," 391.

<sup>28</sup> Wallerstein, "The Rise and Future Demise of the World Capitalist System," 391.

However, neither taking the nation state as the social whole, nor any other view from “above,” necessarily counters a methodologically individualist or methodologically nationalist analysis.<sup>29</sup> In international relations, the traditions of realism, liberalism, and the game theory model are often criticized for rendering the state itself a unitary actor in their respective analyses.<sup>30</sup> Perspectives that discuss the “behavior” of the state as that of a rational actor preclude any reference to how the state itself is internally constituted.<sup>31</sup> In these examples, even a seemingly higher level analysis can easily reproduce methodological individualism, rather than providing an alternative to it. Paradoxically, as Justin Rosenberg points out, international relations theories often contribute to rather than challenge this “internalism” or methodological nationalism, which obscures from view inter-societal relations and deprives the social sciences “of a proper understanding of the international dimension of their subject matter.”<sup>32</sup> It is then important that socially holistic views take into account international *relational* dynamics, in which the whole is not simply made up of individual parts, but rather wholes and parts are constitutive of each other.<sup>33</sup>

Therefore, the risk of structural perspectives like Wallerstein’s is that they may not sufficiently account for the *social* element that we consider crucial. First, he claims that the “essential feature of a capitalist-world economy” is “production for sale in a market in which the object is to realize maximum profit.”<sup>34</sup> Here, Wallerstein excludes any mention of the social dynamics unique to capitalism, let alone the inequality inherent to these dynamics. While

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<sup>29</sup> Ulrich Beck calls for a “methodological cosmopolitanism” to oppose methodological nationalism (Beck, “The Cosmopolitan Condition,” 287).

<sup>30</sup> John Mearsheimer observes that in international relations, both realist and liberal perspectives take the state as the primary unit of analysis (Mearsheimer, *The Tragedy of Great Power Politics*, chap. 1). See Kydd, “Methodological Individualism and Rational Choice,” 428 for an overview of this criticism of methodological individualism at the level of the state. Max Weber, however, denies the equation of states with individuals (Weber, *Economy and Society*, 13, 14, cited in Kydd, “Methodological Individualism and Rational Choice,” 428).

<sup>31</sup> Kydd, “Methodological Individualism and Rational Choice,” 428.

<sup>32</sup> Rosenberg, “The ‘Philosophical Premises’ of Uneven and Combined Development,” 569–70.

<sup>33</sup> Inayatullah and Blaney call such a process “flow,” defined as “the simultaneity that expresses how structures are created from the actions of individuals, who themselves act according to these structures, while both change constantly within this process” (Inayatullah and Blaney, “Units, Markets, Relations, and Flow: Beyond Interacting Parts to Unfolding Wholes,” 18).

<sup>34</sup> Wallerstein, “The Rise and Future Demise of the World Capitalist System,” 398.

Wallerstein is rightly critical of the classical political economic view of production which presumes that the market is a natural and eternal state of humanity, he is missing Marx's nuanced analysis of the how the *character* of labor changes as it becomes abstracted in capitalist production, which I explored in Chapter 3. In other words, Wallerstein's account does not allow us to see *how* capitalism develops and expands socially rather than naturally. He thus succumbs to what Robert Brenner calls a "neo-Smithian Marxism."<sup>35</sup> Further, although he does not participate in methodological individualism or nationalism, Wallerstein, like other world-systems theorists, may be too rigid in his structural account of the Third World as victims, and in characterizing the simultaneous development of the core and underdevelopment of the periphery as fixed and unchanging.<sup>36</sup> But what Wallerstein demonstrates, and what is important for our purposes, is the historical interconnection and co-constitution of societies in the global capitalist economy, which necessitates a socially holistic analysis to comprehend.

The conflict between the necessity of the division of labor and the necessity of sovereignty poses a formidable challenge to individualist narratives in contemporary political economy, which prefer to emphasize the opportunities and choices of rational actors.<sup>37</sup> As we have seen, meritocratic narratives – but also the critique of those narratives – both have roots in classical political economy. Despite Adam Smith and David Ricardo's recognition of the constraints of the division of labor, their conflict theory of history recedes into the background. They ultimately foreground a theory of the global economy as a harmonious meritocracy of production: "When Adam Smith and David Ricardo had envisaged a growing worldwide division of labor, they had thought that each country would freely select the commodities it was most qualified to produce, and that each would exchange its optimal commodity for the optimal commodity of others."<sup>38</sup> Their vision excludes from consideration the "constraints that governed

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<sup>35</sup> For similar critiques of Wallerstein and world-systems theory, see Brenner, "The Origins of Capitalist Development"; Skocpol, "Wallerstein's World Capitalist System: A Theoretical and Historical Critique"; Wood, *The Origin of Capitalism*.

<sup>36</sup> See Wolf, *Europe and the People without History*, 22, cited in Inayatullah and Blaney, "Units, Markets, Relations, and Flow: Beyond Interacting Parts to Unfolding Wholes," 13.

<sup>37</sup> Inayatullah, "Beyond the Sovereignty Dilemma: Quasi-States as Social Construct"; Inayatullah and Blaney, "Realizing Sovereignty."

<sup>38</sup> Inayatullah and Blaney, "Units, Markets, Relations, and Flow: Beyond Interacting Parts to Unfolding Wholes," 12–13.

the selection of particular commodities, and the political and military sanctions used to ensure the continuation of quite asymmetrical exchanges that benefited one party while diminishing the assets of another.”<sup>39</sup> Even absent direct military coercion, market domination by more powerful participants necessitates a “forced choice.”<sup>40</sup> Such a view of the global social whole moves us away from moralizing, meritocratic individualism just as it moves us away from a rigid, structural determinism. In place of this duality, we might think of holism and social determinacy as a set of relational dynamics in which all parties are subject to the global market order, even as they shape and change that order by participating in it. As Marx famously puts it: “Men make their own history, but they do not make it as they please; they do not make it under self-selected circumstances, but under circumstances existing already, given and transmitted from the past.”<sup>41</sup>

We might then ask why a conception of the international order in which hierarchy is competitively achieved, in which merit corresponds to deservingness, remains either an imagined reality or an alluring ideal in the fields of international relations and international political economy.<sup>42</sup> Political, economic, and affective commitments to capitalism are primarily what sustain the illusion of merit and reward, and what can best explain the enduring appeals of meritocracy. This is so even when, as F.A. Hayek and Milton Friedman show, the overlap between the logic of capitalism and that of meritocracy is incomplete.

### 3. Final remarks

In developing the phrase “logic of deservingness,” I have offered a framework through which we might reconsider the ethical acceptance of hierarchy and the subordination of labor reflected in the tradition of liberal political economy. Politically, a critique of the logic of deservingness disrupts and helps us think through our tacit commitments to distinctions between deserving and undeserving *labor*; between the deserving and undeserving *poor*; between the deserving and undeserving *rich*; and most of all, between deserving and undeserving *humanity*.

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<sup>39</sup> Wolf, *Europe and the People without History*, 314, cited in Inayatullah and Blaney, “Units, Markets, Relations, and Flow: Beyond Interacting Parts to Unfolding Wholes,” 13.

<sup>40</sup> Inayatullah and Blaney, “Units, Markets, Relations, and Flow: Beyond Interacting Parts to Unfolding Wholes,” 13.

<sup>41</sup> Marx, *The Eighteenth Brumaire of Louis Bonaparte*, chap. I.

<sup>42</sup> Blaney and Inayatullah, “Global Capitalism, Inequality and Poverty,” 162.

In Hegelian terms, if meritocracy and the logic of deservingness at its center are the “affirmation,” this work has provided their “negation.” I have done this through a process of immanent critique of political economic theorists whose objects of inquiry are the social consequences and implications of the extremely unequal distribution of wealth and social status in the capitalist political economy. Although I have presented, particularly in Chapters 3 and 4 via Marx and Du Bois, respectively, social holism as a methodological and ontological challenge to deservingness, I have not explicitly discussed any alternative ordering principles. If meritocracy supports the principle “from each according to ability, to each according to work,” while capitalism supports the principle “from each according to ability, to each according to market distribution,” then what principle supports Marx’s “from each according to ability, to each according to need,” or the abolition of the deserving and undeserving distinction?

Those who support a national health service, or universal basic income, may emphasize human rights as opposed to deservingness. As Levine puts it, in these cases, “Membership in a political system (citizenship) rather than property holding in a market becomes the crucial condition for consumption. Those who believe in the superiority of public provision may make their case in terms of need and entitlement rather than want and efficiency.”<sup>43</sup> Efforts to place need above market efficiency are underway in the form of campaigns for Universal Basic Income and Medicare for All in the United States. However, in addition to a theory of citizenship, the question of rights to income, health care, and other basic economic provisions (in short, the right to wealth) also requires a theory of the state itself. The question arises: What are the state’s responsibilities in administering economic goods? In what ways does the state – in its roles as a legislator and administrator of rights, and crucially, as a vehicle of law enforcement, foreign policy, and imperialism – operate based on a logic of deservingness? How does it decide which rights are universal, and which are conditional? These questions all point toward fruitful avenues through which the logic of deservingness could be made the subject of future political economic research.

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<sup>43</sup> Caporaso and Levine, *Theories of Political Economy*, 223. However, as I noted earlier, entitlement to consumption by being a member of society raises questions about exclusion from citizenship, and the role of deservingness in determining citizenship. The issue of who is deserving of citizenship, a question necessarily arising when the term “society” is invoked, is another important avenue of research, and is beyond the scope of this dissertation.



In sum, the outcomes of extreme wealth and poverty become palatable to the modern sensibility through a logic of deservingness. Those who are unable or unwilling to contribute labor that is deemed sufficiently valuable by the market are deemed undeserving of the right to consume. We have seen that the “condemnation imperative” and the anxieties it conceals apply not only to individual acts of violence, but to economic categories as well. As Loïc Wacquant puts it,

These castaway categories - unemployed youth left adrift, the beggars and the homeless, aimless nomads and drug addicts, postcolonial immigrants without documents or support - have become salient in public space, their presence undesirable and their doings intolerable, because they are the *living and threatening incarnation of the generalized social insecurity*.<sup>44</sup>

Or in Dipesh Chakrabarty’s words,

The ‘mad’ man ... is world-poor. He powerfully brings to view the problem of human belonging. Do not the figures of the often mentally ill, homeless people on the streets of the cities of America, unkempt and lonely people pushing to nowhere shopping trolleys filled with random assortments of broken, unusable objects – do not they and their supposed possessions dramatically portray the crisis of ontic belonging to which the ‘mad’ person of late capitalism is condemned?<sup>45</sup>

Although Wacquant and Chakrabarty speak of neoliberalism and “late capitalism” as the bearers of social insecurity and crises of ontic belonging, the phenomena they express is neither new, nor unique to the cities of the United States of America (though as the world’s richest nation, the contrast may indeed be particularly striking there). Although wealth, poverty, and social alienation take on new forms and reach new heights in the neoliberal era, these problems more fundamentally have to do with capitalism itself. A socially holistic understanding of wealth and poverty reflects the nature of the global capitalist economy, allowing us to better grasp its essential tensions and contradictions. Accepting such an understanding may render the deception of meritocracy intolerable.

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<sup>44</sup> Wacquant, *Punishing the Poor*, 4, emphasis in text.

<sup>45</sup> Chakrabarty, *Provincializing Europe*, 69.

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