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Karl Kautsky

Introduction

Karl Kautsky (1854-1938) was for several decades before the First World War, during the Second International, a leading, if not the leading theoretician of the Social Democratic Party of Germany (SPD) who had a decisive impact on socialist thinking and policy in Europe and elsewhere too (Salvadori 1979; Steenson 1978; Stenberg 1973; Lewis 2017). Kautsky was a prolific writer who published tens of books and hundreds of articles on various themes of social and economic theory as well as on actual politics. For 34 years, he was the editor-in-chief of *Die Neue Zeit*, the theoretical organ of the SPD, the most influential Social Democratic Party of the Second International, and its most regular contributor from its very founding in 1883 till 1917, when Kautsky left the party. In 1890 Kautsky was commissioned to draft the party program, to become known as the Erfurt Program which the German Social Democratic Party adopted in the following year. The program acted as a model for many social democratic parties. Kautsky's extensive commentary on the program (1906a (1892)), known in English as *The Class Struggle* (1910), became the Catechism of Socialism which, together with his work Karl Marx's oekonomische Lehren (1906b (1887)), *The Economic Doctrines of Karl Marx* (1936), set the theoretical foundations to socialist, revolutionary thinking and critique of capitalism at the turn of the 20th century. A whole generation of Marxists learnt their Marxism through these works.

Kautsky was, in the eyes of both the friends and enemies of socialism, thought to represent genuine Marxism who spoke with the theoretical legacy of Karl Marx and Friedrich Engels. He collaborated closely Engels during the latter's final years. Kautsky edited and published many of Marx's posthumous works, including the first published version of *Theories of the Surplus Value* (1904; 1905; 1910). Kautsky's Marxism was during his lifetime the target of many critics and disputes both from the left and the right of the party. The best known dispute was the full-scale attack on all the main theorems of his Marxism, the so-called revisionism dispute, put forward by his close friend and collaborator, Eduard Bernstein, at the very end of the 19th century. This dispute is often referred to as the starting point of social democratic reformism. Neither Bernstein nor Kautsky's later critics could seriously shatter Kautsky's faith in the basic truths of Marxism or challenge his position as the acknowledged theoretician of the labor movement before the First World War.

Kautsky's theory of capitalism and the socialist revolution

Kautsky laid the foundations for the Marxist theory of capitalism as it became known in the labor movement of his time through his influential interpretation of Marx's economic doctrine. Kautsky

understood Marx's *Capital* as a historical work which presented the historical laws of the development of capitalism, for example, the evolution of capitalism from simple commodity production, where producers owned their own means of production and exchanged their products according to the law of equal exchange, to a fully-fledged capitalism in which the means of production were monopolized in the hands of the capitalist class who exploited wage workers by appropriating the surplus product of their labor. The general law of capitalist accumulation was a central law of capitalism. To Kautsky it was a historical, empirical law predicting the future development of capitalism towards the increasing concentration of capital in the hands of the capitalist class. As a result, the increasing numbers of wage workers who constituted the great majority of the population faced diminishing numbers of capitalists who accumulated increasing amounts of capital in their hands. Together with its other side, the immiseration of the working class, the law predicted the polarization of the bourgeois society into two antagonistic social classes. (Kautsky 1907-08). This became the basic doctrine of the inevitability of the coming socialist revolution.

In Kautsky's understanding, Marx's *Capital* was not a historical study in the sense of presenting a detailed historical account of these developments in any concrete country, but put forward the theoretical laws of capitalist development reached through generalization. In his opinion, the difficulty of understanding Marx's *Capital* was partly due to the fact that, in particular in its first chapters in which Marx introduced his concepts of commodity, value and money, he did not present concretely enough the historical facts supporting his claims. (Kautsky 1906b, IX-X). Kautsky's selective reading of *Capital* neglected Marx' analyses of the value form of the commodity and labor power and paid hardly any attention to the reification of social relations in capitalism. Kautsky's theoretical understanding was in a sense closer to classical political economy than to Marx's critique of it. Marx's critique of political economy was immanent, showing that bourgeois society did not hold its promise of a reasonable society guaranteeing the freedom and equality of its members and the human existence and well-being of the greatest number of humankind whereas Kautsky's was a more straightforward critique of capitalist exploitation, the appropriation of the products of alien labor by the capitalist class, which violated the right of the worker to the products of his own labor.

The third cornerstone of Kautsky's (1936, 244) theory of capitalism and the socialist revolution was the contradiction between the social character of production and the private mode of appropriation. The thesis makes sense intuitively in claiming that due to the increasing centralization of production and accumulation of capital the products of labor were no longer the products of any individual laborer but incorporated the past and present work of thousands of individual workers. This short-

hand formula for the conditions of socialism ripening within capitalism is however not totally harmless because it gives the impression that since the production process in capitalism is in fact socially organized all one has to do in order to establish socialism was to appropriate the appropriators and end the capitalist extraction of the surplus value. Its logical conclusion is Rudolf Hilferding's idea of organized capitalism (1973 (1927)), which was an extrapolation of the concept of a general cartel in his *Finance Capital* (1968(1910)), hailed by Kautsky as the fourth volume of *Capital*. In organized capitalism not only had the capitalist anarchy of production come to an end, but so had competition among capitalist firms due to the total centralization of capital in the hands of a small number of capitalists. The only remaining antagonism was the antagonism of distribution. Moreover, the social organization of capitalist production proved that capitalist profits could not possibly be justified as originating from the labor of the private owners of the means of production, as they had in the – imaginary – stage of simple commodity production. (Gronow 2015, 22-26).

In his full scale critique of orthodox Marxism in what became known as the revisionism dispute, Eduard Bernstein (1909 (1899)) in fact shared his friend's interpretation of Marx's doctrine of capitalism. What he questioned instead was its empirical validity. Bernstein agreed in principle that if the capitalist mode of production would, as Kautsky claimed, lead to the increasing concentration and centralization of capital accompanied by the growing immiseration of the working class, then socialist revolution would be the only realistic alternative to it. They both seemed to agree that one of the decisive questions was the fate of the middle classes, small scale independent producers, merchants, artisans and peasants. If they were doomed to disappear, the laboring masses would have no alternative other than to become wage workers exploited by the big capitalists. Immiseration was their predestined fate in capitalism. If on the other hand, as Bernstein claimed, increasing polarization and immiseration were not inevitable, then socialist revolution would not be the only alternative to capitalism. Both Bernstein and Kautsky presented statistical evidence to support their positions. From today's perspective the empirical evidence could not possibly prove anything of the sort. It was also partly overshadowed by Bernstein's more fundamental accusations against Kautsky of historical determinism or fatalism. But even Bernstein admitted that if capitalism developed as Kautsky and Marx predicted then the death knell of capitalism would soon ring. Kautsky defended his own position vehemently against Bernstein's critical claims in a book that came out in the same year as Bernstein's (1899a, see also 1899b) by arguing that Bernsteins's critique was either based on misunderstandings or rested on unconvincing empirical evidence.

Imperialism and its alternatives

Kautsky's concept of ultra-imperialism (2011a and b (1913-14 and 1915)) has become famous as the target of Lenin's critique in *Imperialism the Highest Stage of Capitalism* (1967b (1917)). According to Kautsky, the concentration of capital and annexations of colonies by the great colonial powers would lead to a world-wide organized capitalism as its logical end-product when the big monopolies and cartels would divide the whole world among themselves. What caused Lenin's anger was that Kautsky did not recognize the inevitable aggressive and reactionary nature of imperialism but believed instead in the prospect of a peaceful coalition of democratic nations as an antidote to Imperialism. As a matter of fact Lenin's critique was too polemical, since Kautsky thought that capitalism would, long before any such stage of ultra-imperialism or organized capitalism, collapse into its internal conflicts and contradictions. In this sense his ultra-imperialism was a hypothetical thought-construction in line with Hilferding's projection of a general cartel.

Neither Kautsky nor Lenin were particularly original thinkers of imperialism. Lenin relied heavily on Hilferding's (1968) and Hobson's works (1948 (1902)), and more indirectly on Luxemburg's *The Accumulation of Capital* (1963 (1913)) as well as on Kautsky's writings. The evaluation of Kautsky's contribution to the theoretical discussion of imperialism is difficult because he changed his position with regard to the driving forces and basic nature of imperialism (Kautsky 1907a, b; 1908-9; 1911b). Kautsky's writings can, in line with his other commentary on actual political issues, be understood as the main party ideologist's reactions to the challenges posed by international politics and the war. Two main approaches to imperialism, following each other, can however be discerned in his writings. The first one explained colonial policy and international competition between the leading capitalist states resulting from the natural, uneven development of the agrarian and industrial sectors of production. The second, reminiscent of Luxemburg's conception, was based on the theory of the over-accumulation of capital and the consequent under-consumption and overproduction. These approaches were not necessarily contradictory but differed in their emphasis. Colonial policy was the outcome of the advanced capitalist countries' chronic need for agrarian imports and new markets for their own industrial products.

Kautsky was, arguably, the first one to develop a theory of the historical stages of the development of imperialism in a series of articles published in 1897-98 (see Macnair 2013). The first stage was that of feudal exploitative colonies followed by the "work colonies" (North America and South Africa) that enriched both Britain and the colonies themselves. The next stage was that of free trade, or Manchesterism, after the Industrial Revolution in Britain. It was finally followed by the real exploitative stage of colonialism as a consequence of the new protectionist policy adopted in Continental Europe as an antidote to British supremacy. Kautsky's stages distinguished themselves from each other mainly by the international trade policy which dominated them, as was typically the

case with the later protectionist policy. (Kautsky (2011b, 757). In his writings he discussed at length the beneficiaries and the victims of imperial policy. Kautsky looked for political alternatives to imperialism and colonial policy that would be more democratic and favorable both to the working class at home and those exploited in the colonies. The democratic union of states is the best known of these. Other Marxist theorists of imperialism at the beginning of the 20th century were more inclined to look for the increasing economic contradictions and concentration of capital as the main causes of imperialism (see however Kautsky 1911b, 40-1). Like Lenin, they emphasised its aggressive nature and did not see any other alternatives to it than the socialist revolution that would put an end both to Imperialism and to the whole exploitative nature of capitalism.

Parliamentary democracy and the socialist revolution

After his dispute with Eduard Bernstein at the turn of the 20th century, Kautsky could state that the challenge had left both the Party and its revolutionary program intact. The official declarations of German Social Democracy hardly changed before the outbreak of the First World War and Kautsky could quite safely regard his position of its main ideologist unthreatened. However, the more reformist trade union representatives gained in power in the party in the Copenhagen conference in 1910 (Gaido 2008, 133). This change went largely unnoticed and without any critical comments by Kautsky. He was already balancing between his leftist and rightist challengers in the party. His position has become known as centrist. He believed that, since the working class would inevitably become the overwhelming majority in capitalism within a short time, it could accomplish its historical task and the socialist revolution through parliamentary elections. This demanded however that the party could freely mobilize and organize the working masses in labor unions as well as in a political party and also propagate its revolutionary program. This was possible under the conditions of universal suffrage, freedom of assembly and organization as well as the free press which had become at least a partial reality in Germany after the abolition of Bismarck's socialist laws in 1890. Kautsky could speak in the name of Friedrich Engels (Engels 1974-2004b, 519-24) who in his Introduction to Karl Marx's 'The Class Struggle in France, 1848 to 1850' had written that the time of the old kind of political struggles, 'barricade fighting', typical of the revolutions of the 19th century had become obsolete. Engels also praised parliamentary elections and actions as effective means of mobilizing the working class and measuring its political power. Just as Engels, Kautsky (1909b; 1911a) understood the coming political transformation to be a genuine social revolution which would lead to a radical upheaval and restructuring of the whole political, social and economic order.

Kautsky's (1914) political caution became evident in the disputes over the use of the general strike as a political weapon and in his critique of Rosa Luxemburg (1970a (1899); 1970b (1906)) and Anton Pannekoek (1911-12; 1912-13). In the minds of these radical critics of Kautsky, the general strike was valuable as a means of propagating and mobilizing the working class by showing them both their enemies and allies and revealing their real interests in the coming, final revolutionary struggle. They also accused Kautsky of not taking into account the response of the reactionary political forces and the previous ruling classes. Kautsky was however obviously fully aware that the bourgeoisie would not be all that willing to hand over their power to the workers' government without any resistance (Nygaard 2009). He presented also some concrete ideas of the economic transition and the new kind of working class self-organization needed to manage economic production and distribution when faced with the – unsuccessful – German revolution in 1919 (Kautsky (1918a; 1919a).

Kautsky's political position has with certain truth been characterized as “revolutionary attentisme” and strategy of attrition since he was careful in warning for any kind of adventurism that could endanger the main power base of the Social Democrats, the party organization with millions of members. This combination of revolutionary vigor and practical caution was highlighted by Mathias (1957; see also Lichtheim 1964, 259-64; Groh 1973). All the working class had to do was to wait and see until its organizations had grown sufficiently in size and strength to take over the state power (Bonner 1980, 597-8). His opponents ridiculed the tactic as ballot box revolution. Recent scholarship, based on exploring Kautsky's conception of socio-political change and its development throughout his career (Gaido and Day (eds.) 2011; Lewis 2011; Lewis 2017 forthcoming), has pointed out that Kautsky was throughout his career, from the Erfurt program onwards, a principled advocate of radical democratic republicanism who understood that a genuine parliamentary regime necessitates, in addition to universal suffrage, the election of judges and other state officials as well as a people's army

The Russian Revolution and the “renegade” Kautsky

Kautsky is probably best known to the many Marxists as the Renegade, the verdict that Lenin announced after the Russian Revolution (Lenin 1967g (1918)). The immediate reason for this verdict was Kautsky's vehement critique of the Bolshevik Revolution and of the political dictatorship the Bolsheviks had established in Russia (Kautsky 1918b; 1919b). This well-known confrontation, which sealed or rather spoiled Kautsky's reputation as a Marxist in the Soviet Union and among Soviet-minded communists, has almost totally obscured the fact that Lenin was a most

ardent admirer and pupil of Kautsky's until World War I. Kautsky's and Lenin's views about the perspectives of the Russian Revolution were closest during the first Russian Revolution in 1905 (Kautsky 1906c; Lih 2008, 155-156). They both welcomed it as the first, democratic stage of the expected two-stage revolutionary process, the second stage of which would be the final socialist revolution, but only after a long period of bourgeois rule during which both the economic and social conditions as well as the working class organizations could mature enough to make the next, socialist stage of the revolution possible.

Both Kautsky and Lenin shared the opinion that since the bourgeoisie and its political forces had become reactionary they were not any more the natural adherents of a bourgeois, democratic revolution and could not anymore be relied to accomplish the historical task that had fallen naturally on their shoulders during the political struggles of the previous century. Therefore the working class and its political organization, the Social Democratic Party, had to accomplish this historical mission of establishing and defending a genuinely democratic constitution. They could however, as the doctrine went, by their political activity also speed up the historical process of the maturing of the conditions of socialism within capitalism, thus shortening the period between the two revolutions. As far as the Russian case was concerned, both Kautsky and Lenin relied on the idea that socialist revolutions would soon break out in Germany and other more advanced European countries which could create favorable conditions for the socialist transformation in Russia too.

The other European revolutions failed but even if they had succeeded it would have been difficult to any serious Marxist to defend the October Revolution which followed the February one only half a year after as the genuine socialist stage of a revolution. Kautsky was determined in his condemnation of Lenin's Bolshevik dictatorship which he thought to be an inevitable consequence of the untimely and premature take-over of state power in Russia, a country which was populated by backward peasants and the industrial proletariat of which was small in numbers and undeveloped. One could therefore claim that, if anyone was a renegade from Marxism, it was Lenin, because he had abandoned the Marxist two-stage revolutionary formula and defended the Bolshevik dictatorship of the proletariat as socialism (Lenin 1967c (1917)). Kautsky published several pamphlets after the Bolshevik coming to power that condemned Bolshevik rule as a dictatorship of a minority and demanded a democratic transition.

Some commentators and critics of Lenin, most notably John H. Kautsky (1994, 2001), have claimed that Kautsky and Lenin understood the relations between the intellectuals, or professional revolutionaries, and the working class in a totally different light. According to this interpretation, Lenin relied on the professional revolutionaries, who, armed with the right Marxist doctrine and possessing the socialist consciousness, formed the core of his revolutionary party. Without them the

working masses could only develop a trade-union consciousness. Lenin's (1967a, 384-5 (1902)) analysis of the workers' aristocracy, whom the capitalists had bought over to their side by higher wages and other privileges as well as the sharp distinction he made between the spontaneous trade-union consciousness and the real socialist or revolutionary consciousness of the wage workers is often presented to support the thesis that Lenin's party was a party of professional revolutionaries. Kautsky, in his turn, could never imagine any radical break between the party and the ordinary members of the working class. Lih (2008 and 2011) has challenged this interpretation by arguing convincingly that Lenin was a most ardent follower of the revolutionary formula of Kautsky's Erfurt program until the Russian Revolution. Both Kautsky and Lenin thought that it was the historical mission of the organized working class to accomplish the socialist revolution. The main task of the Social Democratic Party and its "intellectuals" was to propagate Marx's and Engels' teachings among the workers, a task to which Kautsky diligently committed himself for the best part of his life. He believed firmly in the power of the scientific nature of Marxism expressed in the general laws of capitalism and the socialist revolution.

The eclipse of Kautsky

Karl Kautsky lived twenty years after the First World War and the great social and political upheavals that followed it. His position as the main ideologist of the party and the Second International had however lost its momentum already during the war. The decline in his status was a dramatic one. It was certainly connected to the inability of the Second International to prevent the outbreak of war and the nationalistic revival in the belligerent countries with the resulting massacre of millions of workers on the battlefields. Many radical Social Democrats, Lenin among them, thought that Kautsky had personally betrayed their cause by not distancing himself publicly from the majority of his party voting for the war credits in the Reichstag. There are however other reasons for the decline of Kautsky's star in the German and international labor movement. After the death of the highly respected leader of the German Social Democratic Party, August Bebel, in 1913, Kautsky lost his closest contact to day-to-day politics. In 1917 Kautsky left his old party and joined the new Independent Social Democratic Party, USPD, at the same time as losing his position as the editor-in-chief of *Die Neue Zeit*. Such concrete historical events played a role in directing his future life course and literary activity but it is presumably safe to conclude that Kautsky's theoretical – centrist - position did not fit any more with either sides in a labor movement that was divided between reformist social democracy and revolutionary communism. His position was too far to the right for the Communists, too far to the left for the Social Democrats. Kautsky's thinking was also of rather little help in understanding the emergence of the National Socialist Party and its appeal

among German workers. (In this Kautsky was certainly not alone.) He did however contribute to the unification of the two Social Democratic parties in Germany and some of his ideas were taken over in the new party program of 1925. (Morgan 1989, 61; Lewis 2017 (forthcoming))

Kautsky did not give up his literary activity after the war. On the contrary, he wrote and published extensively after having moved to Vienna in 1924 to a scholarly retirement. Few of his later works are known or read today beyond a small circle of specialists. The magnum opus of his later years was the two-volume *Materialist Conception of History* (1927), which was influenced by evolutionist thinking. *Sozialisten und Krieg* (1937, Socialists and War) was a continuation of a theme which he had started in *Krieg und Demokratie* (1932, War and Democracy). These works did not get much of a response.

Kautsky died in Amsterdam, the Netherlands, in 1938, after Germany had annexed Austria. To many Marxist thinkers, Kautsky remains the renegade of Marxism. To Social Democrats he is merely of historical interest as a figure from the party's "pre-history". Reflecting on his life, Kautsky (2017, 40 (1924)) was adamant: "So I will die as I have lived, an incorrigible Marxist."