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**THE ROLE OF NIKOLAY SIEBER  
IN EARLY RUSSIAN MARXISM**

The Swiss-Russian economist Nikolay Ivanovich Sieber (1844–1888) has been unduly forgotten for his role in the history of early Russian Marxism, as well as in his role in the history of the Ukrainian revolutionary movement. Besides these injustices, that are too big to restore in this chapter, another aspect of Sieber is put forward: Sieber’s work has a contemporary appeal in offering an alternative renewal of classical political economy. The forthcoming translation into English of Sieber’s David Ricardo’s *Theory of Value and Capital* (1871) is intended to give an impetus to this new view on Sieber.

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According to a widely circulated view that the *Encyclopedia Britannica* repeats to his readers, “[t]he person who originally introduced Marxism into Russia was Georgy Plekhanov, but the person who adapted Marxism to Russian conditions was Lenin”. Histories of Russian Marxism, written in the West, and in the Soviet Union all celebrate Plekhanov in his role of father of Russian Marxism, and Lenin as the one who understood the role of Marxism for Russia. More details are found in the more careful, scholarly accounts: about Danielson and the translation of Marx’s *Capital*; the other members of the Emancipation of labour group besides Plekhanov – Zasluch, Akselrod, Deutsch, Ignatov; the temporary role played by outsiders such as the

legal Marxists – Struve, Tugan-Baranovsky, Bulgakov, Frank, Berdyaev; alternative views around Lenin such as Bogdanov, etc. But what all these histories have in common is that they forget to mention the role of the Swiss-Russian economist Nikolay Ivanovich Sieber (1844–1888) in the history of early Russian Marxism. Why such oblivion?

Several reasons may account for this neglect, and they are collected here in five broad hypotheses. These reasons for why Sieber forgotten are by no means exhaustive, nor exclusive from each other. We will return to these five hypotheses in the text below, but let's have a quick look at them. *First*, Sieber wrote in a painful way. His style was heavy, and his sentences were often complex to grasp, at least when compared to Russian economists of the same period like A.I. Chuprov or N.Kh. Bunge. Sieber – a bad writer? *Second*, Sieber had Ukrainian acquaintances, and therefore could not be remembered as the first Russian Marxist (perhaps as the first Ukrainian Marxist). *Third*, Sieber was not a faithful Hegelian, and when one knows the importance that Hegel took in the definition of Russian Marxism due to Lenin, this is an important point. *Fourth*, Sieber was mostly remembered as an arm-chair isolated scholar, interested in abstractions. This is far from the idealized Russian Marxist figure, writing both theoretical treaties and illegal political pamphlets by day, and organising direct actions for fighting in the class struggle by night – being a scientist and a revolutionary. The way Sieber was characterised was not correct. While he certainly was no direct-action revolutionary caricature, he was neither an exclusively abstract isolated mind (see Аллиссон 2016, Raskov 2018, Расков 2018). *Fifth*, and perhaps most importantly, history is written by the victors, and hence Plekhanov became the first Russian Marxist, and Sieber was relegated at best as an early propagandist of Marx. Bolsheviks wrote the Soviet historiography, and Soviet and Western (whether pro- or anti-Soviet) historiography diligently repeated the early history of Russian Marxism (which was already written before the 1917 revolutions; see Шупрокорад, 2018).

A collective from Switzerland and Russia, composed by Danila E. Raskov, Leonid D. Shirokorad, Federico D'Onofrio and the present author, worked in the framework of an international cooperation in order to counterweight the underestimation of Sieber in general. Sieber was not only an important figure in the history of Russian academic economic thought, as is often recognised in the Russian scholarly literature, but he is also an important missing step in the understanding of the history of early Russian Marxism, and in the history of the early Ukrainian national movement of the third quarter of the 19th century. All this has already been shown by the above-mentioned collective (*Allisson et al.*, 2020).

This chapter sets itself another goal: instead of returning to the reasons of why he was unduly forgotten, I will stress on the adjective “unduly”, and offer my own personal explanations of why it is necessary to remember Sieber’s intellectual legacy today. This will give a rationale to the forthcoming publication of the first edition into English of Sieber’s dissertation, *David Ricardo’s Theory of Value and Capital in Relation to the Latest Contributions and Interpretations* (further: *David Ricardo’s Theory of Value and Capital*), by the same collective (*Зубер*, 1871).

In a nutshell, Sieber provided an alternative theoretical apparatus that is worth reconsidering today, in the form of a renewal of classical political economy, which gives a positive role, rather than a critical one, to Marx’s *Capital*. Sieber developed a political economy in continuation with Ricardo, in which Marx plays a great role, but not an exclusive role. To uncover the proposed renewal, it is perhaps useful to remind the relations between Sieber and Marx. Then, follows a general presentation of Sieber’s book, of his reconstruction of classical political economy, from a methodological point of view, and of the distinctiveness of his approach from the nascent at the time marginalism. Eventually, an outline of Sieber’s alternative renewal of classical political economy can appear.

### Relationships between Sieber and Marx

Sieber has been a student at the Imperial University of Kiev, with N.Kh. Bunge and G.M. Cekhanoveckij as professors of political economy. The lectures of Bunge (Бунге, 1869–1870) were impregnated with the teachings of the British classical school of political economy – Smith and Ricardo – and French liberalism – J.-B. Say and Bastiat – supplemented by a combination of free-trading Manchesterism and protectionism à la Friedrich List. Cekhanoveckij’s lectures (Цехановецкий, 1866) were more centred on social issues, with Smith, J.S. Mill and the teachings of early French socialists and anarchists in the curriculum. But both professors were also very much impressed by the method of the German historical school, mainly following Roscher. When Bunge proposed to Sieber to make a critique of a new book for the final examination, namely Karl Marx’s *Capital*, he was not waiting for Sieber to become a proponent of these doctrines, and to become the first Russian Marxist. Sieber successfully defended his dissertation *David Ricardo’s Theory of Value and Capital* in 1871, and it went to print in the same year in the university journal – *Universitetskie Izvestija* – and as a standalone book.

Marx first heard of Sieber’s book through his correspondence with Danielson. The latter entered in contact with Marx already in 1868, with the objective of translating *Das Kapital* into Russian, an enterprise that he eventually managed to achieve in 1872 (see White, 2019. Pp. 13–15). Danielson also translated volumes II and III of *Capital* in 1885 and 1896, by keeping in touch with Engels after Marx’s death. Sieber’s book therefore appeared in Russia before the publication of Danielson’s translation. Through his correspondence with Danielson, and thanks to his recent learning of the Russian language, Marx was able to get a copy of Sieber’s book in autumn 1872, and to add the following to his 1873 Afterword to the second German edition of *Das Kapital*:

“As early as 1871, N. Sieber, Professor of political economy at the university of Kiev in his work *David Ricardo’s Theory of*

*Value and Capital* referred to my theory of value, money and capital as in its fundamentals a necessary sequel to the teaching of Smith and Ricardo. What surprises a Western European on reading this excellent work is the consistent comprehension it shows of the purely theoretical standpoint.” (Marx, 1976. P. 99)

Marx is usually miser in compliments, but here, he praised the “excellent work” of Sieber. In the 1870s, Sieber defended Marx against the liberal critics Yu. G. Zhukovsky and B.N. Chicherin, and Marx once again read Sieber’s articles (White, 2019. Pp. 27–33). In January 1881, Sieber was at the library of the British Museum in London, with a few Russian colleagues, and he eventually met Karl Marx. Several sources, including Marx himself in a letter to Danielson, attest of these encounters:

“Last month we had several Russian visitors including Professor Sieber (he has now gone to Zurich) and Mr. Kablukov (from Moscow). They worked for whole days at a time in the British Museum.” (Marx to Danielson, 19 February 1881, in *Marx and Engels*, 1992. P. 64)

On his side, I.I. Janzhul, gave a lively report on the lodging of this small Russian colony in London in his reminiscences (Янжул, 2005. С. 182–186), and Kablukov recalled several visits to Marx and Engels with Sieber in January 1881. Sieber and Marx apparently never exchanged letters, and they never met after January 1881. And therefore, we do not know the exact nature of their relationship, except for those written marks of esteem. In particular, we don’t know if Marx showed to Sieber the copy of the 1871 dissertation, in which he made several marks and annotations (to be found in our forthcoming translation of the book).

### **Sieber and his *David Ricardo’s Theory of Value and Capital***

Sieber’s dissertation, *David Ricardo’s Theory of Value and Capital*, has been published by the university in 1871. Besides the copies disseminated in the official herald of the university –

*Universitetskie Izvestija* – 300 copies were printed as a standalone book (Результ, 1931. С. 144).

The book is devoted to the reconstruction of the research method of classical political economy understood as encompassing Ricardo and his school, and to show the connections between the theory of value and of capital in the work of Ricardo. Here, we will focus on the first four chapters of the book, which deal with the theory of value. Sieber's reconstruction is done in three logical steps, in order to arrive to an exposition of the Ricardian canon: first by using the history of economic thought, second by opposing alternative theories, and third by considering the connections between Ricardo's and Marx's theories.

In the first step, Sieber looked in the history of economic thought, with a selection of the authors who have contributed to the Ricardian canon, with a similar intention, before or after him. This is mainly done in the first two chapters. In the first chapter, "On value in general and on its elements", the various definitions of value by Smith, Malthus, Senior, J. Mill, McCulloch, J.S. Mill, Storch, Lotz, Roscher, and Schäffle are scrutinised. In the second chapter, "The theory of value of Ricardo, his predecessors, and some of his followers", the methodological approaches of Boisguilbert, Hobbes, Petty, Locke, Steuart, Cantillon, Quesnay, Lemerrier de la Rivière, Le Trosne, Smith, Ricardo, and Baumstark are scrutinised. Baumstark (1838) in particular is used as the best commentator of Ricardo, so far. This allows Sieber to depict the methodological principles of the Ricardian school (see below), that were already present, albeit implicitly and imperfectly, in pre-Ricardian authors. The kind of history of economic thought done by Sieber in these two chapters is very teleological. To use Mark Blaug's historiographical classification of the four possible styles in performing history of economic thought – *Geistesgeschichten*, historical reconstructions, rational reconstructions and doxographies (Blaug, 1990) – it appears clearly that Sieber's approach is very much a rational reconstruction, sometimes drawing near doxography. But Sieber is not looking

for ancestors to glorify the genius of Ricardo, he is looking at all facets of what he calls classical political economy, which are best embodied in Ricardo, but that are also present in past authors. In his own words:

“We believe, however, that it is useful to return to the older economic literature and point out those few authors who dealt with the matter of value from exactly the same point of view as Ricardo eventually did, but did not attain such clear and definitive results.” (*Зубер*, 1871. C. 51)

In the second step, Sieber opposed the latter line of conduct to other research agendas. In the second chapter, he opposed those economists too keen on subjective utility (such as Carey and Bastiat) and scarcity (Senior and Walras), while on the third chapter, “Costs of production and demand and supply”, he opposed his own interpretation of the Ricardian labour theory of value with those in terms of costs of production (J.S. Mill, Macleod) or supply and demand (Steuart, Malthus). More is given on the critic of nascent marginalism below.

Eventually, in the third step, Sieber exposes Marx’s theory of value and money. In his fourth chapter, “Marx’s theory of value and money”, he depicts in a non-Hegelian way Marx’s chapter on value from *Das Kapital*. It should be remembered here that the first German edition of *Das Kapital*, which was read by Sieber at the time, was much heavier than the second German edition, the French edition, and all subsequent editions, in terms of Hegelian terminology, after Marx removed a significant part of it (*White*, 2019. P. 24). For Sieber, the Ricardian school formulated correctly the question of value, but it remained “just one step [...] in order to reach a clear, accurate, and definitive definition” and this step “was taken by the German economist Karl Marx, who also offered up an entire series of important additions to the theory.” (*Зубер*, 1871. C. 153–154). Marx is really considered as the continuator of Ricardo. Marx is no longer a critique of classical political economy, but becomes a classical political economist under the pen of Sieber.

## The Methodology of Classical Political Economy

According to Sieber, the two main methodological messages from classical political economy are the following. First, political economy is primarily interested in the economy at the social level, and takes into account the level of the individual economies, and their relations, only in so far as they help us understand the social economy. Second, that the best method of observation of economic phenomena is the average method.

Concerning the first point, the social point of view, Sieber points out in his book that the non-observation of this principle is responsible for most confusions within political economy, even within the Ricardian school. The individual economy shall not to be confused with the isolated economy, which has to survive alone, without entering in contact with other individual economies. The individual economy, in its historical stage, is in an era of interdependency, because of the social division of labour. Cooperation between individual economies is therefore necessary, both to produce more effectively, but more essentially to be able to get what is needed because not produced by itself. The exchanges that take place between the individual economies have to follow rules, so-called economic laws, such as the “law of value”, which explains that the individual economy is subordinated to the social economy.

Concerning the second point, the method of classical political economy is to observe the economy in a scientific way. If you want to observe a static object, you can watch it now, or later. But for any observation in movement, you shall instead take a series of observations, and select an “average moment”. The same for the location in space: if you want to know the price of bread in Russia, it is not sufficient to measure it in Nizhnij Novgorod. You need to compute several observations in several places, and use an average location. Therefore, classical political economy is never interested in any singular exchange that takes place in one location at one time between two people. Classical political economy is devoted to observe the typical, average, transaction. Only on the basis of such observations can “laws”, such as the “law of value” be reached.



It is impossible, according to Sieber, to deduce a law from mere deviations from the typical case, from exceptional events. Only regular, typical, cases (Allisson, 2015. Pp. 42–46).

### A Critique of the Forthcoming Marginalism

Armed with these two methodological tools, Sieber heavily criticised those who favoured a subjective notion of utility at the basis of their notion of value. It should be reminded that at the time Sieber published his book, marginalism was not yet on the scene. Sieber published his book in 1871, which is exactly the year of appearance of Jevons's *Theory of Political Economy* and Menger's *Grundsätze der Volkswirtschaftslehre* (not to mention Walras's 1874 first part of his *Éléments d'économie politique pure*). Sieber thus criticized proponents of utility prior to the notion of marginal utility.<sup>1</sup> He had in mind a continental European version of classical political economy, especially French around J.-B. Say, Bastiat and Léon Walras (of which he quoted *L'économie politique et la justice* of 1860), as well as a German (Rau, Schäffle) and American (Carey) understanding of subjective utility, as opposed to an English objective vision of utility.

A man can desire to eat more than to drink, at a given moment in time. But the reverse situation can also be true. Also, a man can need a means of transportation to go to work more than a house to sleep, or the reverse, depending in which situation he is. But these are only specific cases. If we take an average point in the day, according to Sieber's methodology, there is no sense of preferring to eat, or to drink. One always needs both. One always prefers an umbrella when it rains, but sometimes the weather is nice. Alike, for Sieber, a woman prefers a fur coat in winter, and a thin dress in summer. But at the average moment in the year, there is no such preference: "In an *average* moment in the year, the fur coat and the dress are of equal importance,

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1. On the introduction of marginalism in Russia, see: (Макашова, 2009; Allisson, 2015. Chapter 3; Avtonomov and Makasheva, 2018).

since each of them serves the purpose for which they were made equally fully” (*Зубер*, 1871. С. 30).

The relation of consumers to goods in the individual economy is simply that: goods provide utility, in an objective sense. Goods all serve qualitatively different needs. The degree of urgency of a need has only a limited, local and temporary signification. Personal preferences are idiosyncratic. One may prefer chocolate to a full meal, but we shall only look at the *average* person, and Quetelet’s average man is mentioned in this respect. To conclude, utility, understood subjectively, cannot serve as the basis of a scientific theory. This is why, for Sieber, labour is the only common ground on which to build a social theory of value.

It shall be noted here that while there are parallels in the literature between Sieber and the legal Marxists Struve and Tugan-Baranovsky (Stuve inheriting more the *average* notion, and Tugan-Baranovsky being the legatee of Sieber’s labour conception of value); on that specific point of a rejection of subjective utility, there is absolutely no legacy at all.

### **Sieber’s Alternative Renewal of Classical Political Economy**

Economists and historians of economics fought for decades about the meaning of Ricardo’s theory of value: did he had a labour theory of value, or a costs of production theory? As a half-joke, published in the *American Economic Review*, the American economist and historian of economics George Stigler famously evoked Ricardo’s 93% labour theory of value (*Stigler*, 1958).

In the 1870s, the marginalists proposed to reject classical political economy (Jevons in a lesser degree). Marshall will eventually have the last word on this: he proposed to follow the legacy of Ricardo, and to integrate Jevons in his synthesis. But in this story, Ricardo’s costs of production were embedded.

Sieber, on his side, strictly kept to Ricardo’s labour theory of value, because the labour theory of value is essential for the social economy. The costs of production theory is only of some significance to the individual economy. It is good for the

book-keepers, but not for the economist. With Marx, Sieber found a better expression for Ricardo's theory. Ricardo famously used one word, "profit", for two different cases: for the social and for the individual economy. Marx cleared the confusion for Sieber: "profit" is for the sphere of the individual economy, and "surplus value" is for the sphere of the social economy. Ricardo and his school often mixed labour and costs of production. This is exactly here that Sieber proposes an alternative renewal of classical political economy: he started to develop Ricardo's theory as if Marx wanted to be a classical political economist (and not a critique of political economy).

In this sense, Sieber also offers an alternative to other renewals of classical political economy. In the 1960s, Sraffa famously exposed to the public his own Ricardian-based renewal of political economy, also with a critique of marginalism. But Sraffa's programme is different from Sieber's. Sraffa eventually rejected the labour theory of value, and kept to a logical and mathematical formalisation of the notion of prices of production. This is far too "individual" for Sieber. Sieber's programme is not only concerned with the theory of value. The remaining of his 1871 book mainly develops the notion of capital. This is interesting because in Sraffa, value is always discussed in conjunction to distribution, and this contributes to remain a very theoretical construction. When value leads to capital, as Sieber has done, it opens a door, which he took himself, to more applied and historical studies.

This becomes clearer with the second, enlarged edition of his 1871 book, entitled *David Ricardo and Karl Marx in their Social-Economic Researches* (Зибер 1885), with additional chapters on the theory of capital. And Sieber went further. In order to enrich his theoretical, applied and historical understanding of the notion of capital, of the historicity of the social economy, and of contemporary capitalism, he studied as an arm-chaired economic anthropologist the economic institutions of so-called primitive cultures (Зибер 1883; on which, see Расков 2016), and he followed the ideal of the German historical school by studying a lot of applied issues, such as lodging in Kiev, and

the fate of the Russian commune (община; on his controversy with Vorontsov, see Дубянский 2016). It shall be reminded that Sieber's political economy was not only based on British classical political economy and on Marx's *Kapital*. He also attended in 1872 the Eisenach founding meeting of the *Verein für Socialpolitik* with Schmoller, Wagner and Brentano, the leading economists of the German historical school.

Sieber, the Swiss-Russian economist with too short a life, was a genuine European scholar, interested in the fate of Russian capitalism, who published all his life in the Russian language, even if he spent 10 years abroad in self-exile in Switzerland. He was the first Russian Marxist, and played a role in the history of the Ukrainian national movement. But, perhaps more importantly, he started to produce what can today be considered an alternative renewal of classical political economy, based on Ricardo's labour theory of value, following Marx, but with a deeper emphasis on social and historicized notions. Let's give it a chance!

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