

Is marxism still relevant today?

[Politics](#), [Marxism](#)



The Industrial Revolution (1750-1850) had brought about significant changes in agriculture, mining, manufacturing, transportation and technology and subsequently established an era of unprecedented economic growth in capitalist economies. It was within this era that Karl Marx had observed the deprivation and inequality experienced by men of the proletariat, the working class, who had laboured excessively for hours under inhumane conditions to earn a minimum wage while the bourgeoisie, the capitalist class, reaped the benefits.

For Marx it was this fundamental inequality within the social and economic hierarchy that had enabled capitalist societies to function. While Marx's theories, in many instances have been falsified and predictions invalid, his ideas about class struggle and conflict being a motivator for change is still relevant in contemporary society. The disparity of wealth between occupations in Australia demonstrates that class stratification is still inherent within society and the recent Qantas airline dispute is a relevant example of this.

Marx's theory of class struggle originates with his belief that "the history of all hitherto existing society is the history of class struggles" (Marx & Engel, 1848). Marx had established that conflict between classes was the key driving force of history and the main determinant of social change. For Marx, conflict originates with the deterioration of a 'false consciousness' and the subsequent acquisition of a unified 'class consciousness'.

Marx argued that that proletariat was under the influence of a 'false consciousness' brought about with the acceptance of the dominant ideology that freedom and equality could be interpreted as an equal exchange of

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labour for wages (van Krieken et al. , 2010). Marx however, perceived this as an exploitive relationship because in capitalism, the labourer only receives what is deemed sufficient to meet his basic needs for himself and hisfamily, as opposed to the real value of his labour power.

Marx had identified that the difference between the labourer's wage and the value of the goods in which he produces is taken as profit, of which only the capitalist is the beneficiary (Habibis & Walter, 2009). Marx had theorised that, as a result of this exploitive relationship, alienation would occur. Marx argued that commodification of goods and services produced in conjunction with the lack of control over the end result would mean that workers would no longer recognise a connection with their labour, and hence become alienated from their labour.

Only with the recognition of class exploitation and alienation would a class consciousness develop. Marx referred to class consciousness as a ' class for itself', denoting a collective self-awareness of the interests shared by members of a social group (van Krieken et al. , 2010). Marx predicted that class consciousness would create a conflict of interest between classes and revolution would eventuate. The bourgeoisie would be overthrown, capitalism would collapse and a classless state would emerge as its successor (van Krieken et al. , 2010). In post-modern times however, it is widely accepted that the opposite occurred.

Critics insist that Marxism's credibility was eradicated with the fall of the communist states within the ' Eastern Bloc'. While others such as China, although still governed by a communist party, have adopted numerous capitalist policies (van Krieken et al. , 2010). Marxism has also been

criticised for its over-concentration on economic relationships and its tendency to overlook other forms of non-economic conflicts (Griffith, 2005). Feminists, for example, argue that the conflicts between male and female relations are not necessarily related to economics, but patriarchal.

Furthermore, Marx like other social theorists at the time had ignored the role and contribution of women. Marx had described the proletariat of industrial societies where manual labour was involved; he did not however, take into consideration a woman's domestic or reproductive labour. Federici (2004) asserts that Marx failed to recognise the importance of reproductive labour because he had adopted the capitalist criteria for what constitutes labour and believed that a wage in exchange for labour would be the paradigm that shapes humanity. Considering that as of 2010, 45. % of the Australian labour force comprised of women it would seem that Marx's socialist perspective is less so equal or relevant in contemporary society. Marxism is often cited as being irrelevant within contemporary society due to the fact that Marx had critiqued an almost incomparable society. McDonald & Brownlee (2001) argue that contemporary society exists in a post-modern era where westernised societies enjoy the benefits of higher living standards, where the rights of employees are elicited within the Australian Constitution and the rights of humans are dictated within Geneva conventions.

An era where employees are entitled to government pensions, allowances, superannuation, and employees accrue sick and annual leave (McDonald & Brownlee, 2001). Furthermore employees are able to seek union representation and are legally entitled to industrial action. McDonald and Brownlee (2001) assert that Fair Work Australia, established as an institution

responsible for fixating minimum wage and resolving work related disputes, perpetuates the notion that Australia is in transition to become an egalitarian society with minimal class disparity.

Critics have also argued that Marxism within western society is no longer relevant due to the increased levels of social mobility. Social mobility refers to movement in an individual's or group's social position over time and is often assessed on their change in income over time (Borgatta & Montgomery, 2000). The traditional stratification of classes had a tendency to overlook the middle class and analyse the two extremes of rich and poor, bourgeoisie and proletariat (van Krieken et al. 2010). In the context of Marxism, the middle class was ignored due to their perceived limited role within the political revolution that would depose of capitalism. In contemporary society however, the traditional labouring occupations have decreased, leading to a shortage of skilled labourers and tradesman. As a result these occupations often earn a higher income, blurring the line between working class and middle class (Braverman, 1974).

In August 2011 the most common occupations were distinctly white collar with the workforce comprising of 22% professionals, 15% Clerical and administrative workers and 14% Technicians and trades workers (Australian Bureau Statistics, 2011). The evident emergence of the white collar-middle class within contemporary society significantly undermines Marx's theory of class stratification who had predicted an absorption into the working class and the emergence of a classless state. Despite this however, research has suggested that social mobility has not necessarily increased.

Graetz and McAllister (1994) identified that while the shift between manual and non-manual occupations has increased since the 1970's, most of this has been the result of structural changes in light of technological innovations and advancements in modern society, as opposed to mobility in social classes. Moreover, Leigh (2007) argues that the youth of Australia are equally likely to reproduce, or not reproduce, the class of their parents and that social mobility in the context of Australian youth, has not necessarily increased.

Argy (2005) reinforces this argument and states that while Australia can be referred to as economically liberated country, there has not necessarily been an increase in equal opportunity and the distribution of wealth within Australia is an evident example of this. The National Centre for Social and Economic Modelling (NATSEM) was commissioned to conduct a study in relation to the distribution of wealth in Australia. NATSEM analyst Simon Kelly (2002) reported that the richest fifth of households in Australia each have, on average, forty times more wealth than the poorest fifth of the population.

The NATSEM data reiterates that wealth within Australia is still concentrated in the hands of the wealthy minority who have ascertained the benefits of the economic growth in recent years by disproportionately increasing their personal wealth (Stillwell & Primrose, 2011). The disparity of wealth between occupations was a key indicator of the inequality between classes. NATSEM data identified that personal wealth is the highest for managers and administrators (men \$250, 000, women \$183, 300) and professionals (men \$173, 800, women \$99, 700).

In contrast to these figures, the lowest personal wealth is held by the production and transport workers (\$55, 400), labourers (men 39, 700, women \$29, 300) and trade persons (men 60, 000, women 35, 000) (Stillwell & Primrose, 2011). From a sociological perspective class inequality is often represented by comparing class personal wealth and income. From a Marxism perspective however, a person's social class isn't defined by personal wealth but rather the level of control that a person wields over the means of production.

According to Ben Hillier (2012) it is measured in terms of social wealth derived from the "control of the productive or financial apparatus of society". This can be interpreted as the bourgeoisie having ownership of the assets that enable modern society to function such as the telecommunications infrastructure, electrical companies, newspaper enterprises, transport facilities and mines etc. The transactional influence of these assets inevitably provides its owner with the power to influence governments of capitalist societies and effects how society functions.

The recent Qantas airways dispute demonstrated how this power is exercised. One recent example of class conflict inherent within Australian society was the Qantas airways dispute. On 29th October 2011, Qantas CEO Alan Joyce issued a press release announcing the immediate grounding and cancellation of all Australian domestic and international flights and the lock-out of all employees without pay. Leading up to the unprecedented grounding, Qantas had been involved in contract negotiations with unions representing employees of the company.

The unions were seeking a 3-5% wage increase and better job security for casual staff. (Mulcahy, 2011). Around the same time Qantas had announced its decision to slash 1000 jobs and restructure its fleet to move to Asia under a new airline Jetstar Japan. The traditional international routes within the North Atlantic were operating at a loss with a half year profit of \$241 million a year ago, dropping by 83%, to \$42 million (Ryan, 2012). Despite the evident decline in profit the airlines had awarded Alan Joyce with a 71% lift in his total remuneration package to \$5.1 million, after he received \$2. million worth of shares (Mulcahy, 2011). After two days the debacle finally ended with the intervention of the Federal government submitting an application to Fair Work Australia (FWA), terminating the industrial dispute and ordering Qantas to resume operations. The verdict stated that those involved had 21 days to finalise a settlement to the dispute and neither party could engage in further action for three years after a settlement had been made. If an agreement could not be reached the Fair Work industrial courts would arbitrate the details of the contracts (Mulcahy, 2011).

The economic impact was expected to be profound, Qantas which represents approximately 65% of the aviation industry, contributes \$6 billion to the Australian economy and employs 50,000 employees (Squires, 2011). Although Qantas reports that the dispute cost them \$120 million, its share prices increased by 6% to \$1.61 (Frith, 2011). The controversy attracted much political and economic commentary speculating on who won the dispute and what this would mean for those involved. Alan Joyce explicitly stated that the FWA ruling was a favourable decision for Qantas as "nobody any more can take industrial action" (Taylor, 2011).

This thereby would allow Qantas to restructure its fleet in Asia, ascertaining cheaper wages by outsourcing and offshoring labour, without any internal opposition. The unions established to represent the working class of businesses and corporations would be made obsolete for three years allowing any injustices within the workplace to remain unresolved. From a Marxist perspective this would mean that the bourgeoisie of the company, the CEO and high profile managers, who already have exceeding high salaries, would profit from the new means of production and the proletariat would be further disadvantaged with pay cuts and the risk of redundancy. Karl Marx's critique of industrial societies developed out of the belief that conflict between stratified classes such as the bourgeoisie and the proletariat, would be the drive needed to perpetuate social change. Marx believed that with the acquisition of a class consciousness the proletariat would revolt against the exploitative capitalist institution, eradicating all class structures and establishing a socialist state. Admittedly, Marx's critique failed to recognise essential components of society such as the middle class and female representation which has significantly undermined Marx's theory of class struggle.

Furthermore Marx's predictions have been falsified in light of modern developments which have led to many critics casting doubt on its relevance within contemporary society. The higher living standards, government allowances and union representation enjoyed by citizens within Australia all perpetuate notions of equality and repudiate the potential collapse of capitalism. Despite this however, there are still many instances of class inequality inherent in Australian society.

The disparity of wealth between occupations in Australia demonstrates that the minority with extreme wealth have control over the means of production, and have used the power derived from it to influence society's development. The recent Qantas dispute is a testament of how this power is exercised and demonstrates how the wealthy minority are able to accumulate excess wealth at the expense of the labouring class. Thus attesting to the inherent class inequality that Marx had recognised, and acknowledging its existence within contemporary Australian society. ?