

# Marxian theory of economic development assignment

[Sociology](#)



He attempts to explain that all historical events have been influenced by economic conditions. The key concepts in his explanation are mode of production and relations of production. The term 'mode of prod.' refers to a particular social arrangement of production. Corresponding to a particular mode of production, there is an appropriate set of relations of production. (Property relations). These relations of production define the character of a society class structure. According to Marx, the class structure in every society except socialism sums chiefly of a dominant directing class and an oppressed class.

The mode of production determines the economic, social and political super-structure of society. Evolution in a society occurs because the material forces of production, i. e. , the mode of production changes. In the early stages of a particular social system, the material forces of production are compatible with the relations of production & the super-structure of ideas and institutions. But gradually, the mode of production changes, whereas changes in the relations of production & the cultural super-structure lag behind. All history according to Marx follows this cycle of evolution. Marx and Engels discern 4 social systems in History: 1.

Primitive Communism 2. The Ancient Class State 3. Feudalism 4. Capitalism  
All these systems, except first, have witnessed class struggles between freeman & slave, baron & serf, between Patrician & Plebian, haves and have not and so on... Ultimately the capitalists (thesis) and the proletarians (anti-thesis) face one another. The outcome of the struggle is the 'syntheses, a new classless social order called 'socialism' or the dictatorship of the proletariat. Ultimately, socialism will blossom into communism. The slogan then will be "let each according to his means".

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Mar's interest was not primarily in an explanation of the past. The analysis of the past merely furnishes a background for his principal concern with the nature and causes of the imminent disintegration of capitalism. Mar's theory of value provides the framework on which he basis his analysis of economic adapt under capitalism. Mar's theory of value is based on the classical labor theory of value. That is, the labor theory explains that labor is the soul source of value of the commodity. For, land and other natural resources cannot contribute value without the help of man ND capital is embodied labor.

Therefore, Marx believed that the value of a commodity is determined by the socially necessary labor time spent on it. THEORY OF SURPLUS VALUE The Capitalist produce commodity with the application of labor (active factor of prod) to the machinery and raw material (passive factors of prod). These commodities command a certain value in the market. But the wages paid to workers are less than the market value of the comity (I. E. , only subsistence level). The difference between the market value of the output and the wages paid to workers constitutes the profits r surplus value.

This surplus value is appropriated by the capitalist class which, according to Marx, ought to have gone to the workers. This, according to Marx, is exploitation of the working class. Thus, it is the exploitation of labor that creates surplus value and it is the reinvestment of surplus value which ultimately ensures the progress of the society under capitalism.

COMPONENTS OF VALUE Total value of a commodity is composed of three factors: constant capital (C), variable capital (V) and surplus value (S). Thus,

total value  $TV = C + V + S$ . 'C' represents the value of materials and machinery used in the production function. Represents the amount of labor used during a particular period, i. e. , wages and 'S' is surplus value or profit. These components can be used to explain certain ratios which are relevant for the capitalist process of adapt.