

The marxist critique of capitalism



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Marx critique of capitalism has been, and in certain respects, remains important in the development of global economies. Marx's theory stems from his view that capitalism is a wonderful innovation, but immorally exploitative. Therefore the Marxist critique of capitalism aims to justify this point and provide an alternate form of economic and political system. Yet does Marx succeed in providing an effective critique of capitalism? Or has the collapse of the Soviet Union and mass global capitalism bring with it the end of official, public discourse about Marxism? Or has the recent financial recession rejuvenated the Marxist critique of capitalism? These questions require answers in order to reach a conclusion on whether the Marxist critique is accurate and still applicable to capitalism.

Marx critique of capitalism has not only had an impact on the discipline of philosophy and economics, but also an impact upon the globalised world. Marx was a character influenced by the prominent writers of his time, most notable Fredrich Hegel. Marx began his academic writings with a critique of Hegel's theory of the Spirit and continued to criticise Hegel's idea that the state is above civil society. In 1884 Marx began to apply his philosophy to the analysis of economic life. Marx wrote in the Paris Manuscripts " Religion occurs only in the realm of the consciousness, but economy alienation is that of real life; it transcends therefore covers both aspects" (Hughes 2003 :). Marx was critical of economic doctrines of his day, arguing that they confused a particular historical situation for the natural, universal condition of humanity. Marx argued that political economist theories failed as they " assumed the actual fact of capitalist production, rather than seeing it as one particular and historically specific form of production" (Hughes 2003 :). Marx

idea of capitalism is a historically specific mode of production, in which capital is the means of production. For Marx this production cannot be defined by technology, but in the way production is owned or controlled, and by the social relationships between each individual characterised by the process of this production. This suggests that social and historical development can be explained in means of economic and class factors. In the eyes of Marx economic factors are based on the idea of exchange, and that exchange in capitalism takes form in the exchange of property.

Private property is an essential feature of capitalism. Marx critiques the capitalist notion that the notion of ‘ Private Property’ is the rational system for Exchange. Marx stresses that “ private property is only maintained in capitalist societies by an elaborate system of laws supported by the power of the state” (Hughes 2003 :). For free market capitalist such as Adam Smith it is the acquisition of private property that motivates people to produce wealth, but this acquisition will bring about the “ breakdown of genuine social relationships” (Hughes 2003 :). Why does Marx believe this? The answer Marx gives is a logical one; ones person’s ownership of an object denies its benefits to another creating conflict and producing fierce competition over resources. Marx explains that in the case when property is actually the product of another’s work, it becomes human alienation. In such a scenario under capitalism, labour is effectively reduced to a mere commodity and work becomes depersonalised. In this view workers efforts enrich and empower those who oppress them, the capitalist, alienated from their product and processes of their labour and ultimately, from themselves as “ creative and social beings” (Heywood 2007: 56). Marx believes that

humans are unique in that we have the capacity to control the environment and create wealth from it. Examples of human's efforts exemplify this point; humans have built houses instead of sheltering in caves, constructed dams to produce hydro electricity. These are to name a few examples where humans have changed the environment to benefit general welfare. Activity of work has a special significance essential to human beings, yet under the conditions of alienated labour this is denied. The capitalist argument that private property motivates is rendered by Marx as simply a consequence of alienated labour.

Alienated Labour is important in understanding Marx critique of capitalism, yet more central to Marx critique of capitalism is class struggle. Marx views “the history of all hitherto existing society is the history of class struggles” (Marx and Engels 1985: 79). In a capitalist society division arises from the existence of private property. There is division between the bourgeoisie, the owners of the means of production, and the proletariat, “a class of labourers who live only so long as they find work...these labourers, who must sell themselves piecemeal, are a commodity” (Marx and Engels 1985: 83). In previous and contemporary societies this division is evident. Institutes such as universities reinforce these divisions, for example Oxbridge caters to those more ‘bourgeoisie’ and polytechnics cater to those ‘proletariat’ in society. The bourgeoisie is the ruling class, not only by economic power through the ownership of wealth, but by also wielding political power. The bourgeoisie, since establishment of modern industry, has established exclusive political sway in form of a modern representative state. The state

is “ a committee for managing the common affairs of the whole bourgeoisie” (Marx and Engels 1985: 83).

For Marx the relationship between the bourgeoisie and the proletariat is one of irreconcilable conflict, in that the proletariat is necessarily and systematically exploited under capitalism. Marx believed that labour is the only real source of wealth. Capital itself; “ land factories, ports, railroads, etc.; represents simply stored labour, since it was, at some point, constructed by wage employees” (http://objectivistcenter.org/cth-1298-Marxs_Surplus_Value_Theory.aspx 24/03/2010). Thus in search of profit the capitalist extract this surplus value by paying the workers less than the value of their labour. As a result instability defines capitalism, as the “ proletariat cannot be permanently reconciled to exploitation and oppression” (Heywood 2007: 56).

Marx believed that the oppression inbuilt into capitalism consequently means that it will be its own grave digger. Marx believed that a serious crisis of overproduction will bring forth a proletarian revolution. The revolution against bourgeoisie goes through stages of development. Firstly, class struggle against the Bourgeoisie is not targeted against Bourgeois conditions of product but against the individual who exploits the individual member of the Proletariat; or it may take the form of attack on the means of production, for example smashing machinery. But with the development of industry the “ proletariat not only increases in number; it becomes concentrated in greater masses, its strength grows, and it feels that strength more” (Marx and Engels 1985: 89).

This allows the proletariat to form a class, an identity, a collective consciousness. The ever-expanding union of workers forms one character and this mobilizes into a national struggle; the proletariat against the bourgeoisie. Marx proclaimed that this proletarian revolution was inevitable, beginning with the seizure of the means of production, the dictatorship of the proletariat in order to contain a counter-revolution and then the eventual peaceful transition to socialism. Marx argued that eventually class antagonism would fade and a fully communist society would come into existence and the proletarian state would wither away. A communist society would eradicate all private property; all property would be owned in common by all. It would be a classless society. Commodity production would be replaced by one of production for use geared to the satisfaction of genuine human needs. With this Marx argues, “ The prehistory of man would come to an end, allowing human beings for the first time to realise their full potential” (Heywood 2007: 57).

Marx writings have developed major ideas which have come to be regarded as the foundations of Marxist thought. Nonetheless Marx political and economic critique on capitalism has come under scrutiny from a variety of academics. A problem with Marx critique is the adoption of the labour theory of value. Marx refusal to accept anything other than the theory that humans are the only source that can add value to raw materials leads to complications. If only humans can add value then what of automated machines that produce value or at the minimum cooperate with humans to create value. If we were not to diverge from Marx argument, it must be concluded that no value is added by such machines. Therefore machines

that produce uranium enriched nuclear power providing electricity for millions would have added no value. To conclude this would be illogical as such machines do add value, as they benefit human wellbeing. Further, sheer physical force and labour are of no use if not directed. Amanda Bissell argues that “ though it is true that labor is needed to construct factories, but throwing a 100 directionless men into a lot with some steel girders, tools and their muscle - and with no plan, no blueprint, or leadership - will not yield anything that contributes meaningful to production” (http://objectivistcenter.org/cth-1298-Marxs_Surplus_Value_Theory.aspx 24/03/2010). Capitalist provides such direction.

Marx inability to understand private property as indispensable to human freedom further weakens his critique of capitalism. Marx critique of capitalism would place the ownership or the control of capital in the hands of those whom hold political power. Marx solution to capitalism would thus combine economic and political power, the two major sources of power. Louis Kelso's in his Critique of Karl Marx's Das Kapital highlights that “ If the factory owners of the nineteenth century, having political influence but not unlimited political power, were in a position to exploit the workers, the bureaucrats of the twentieth century in a socialised state, possessing both unlimited economic and political through ownership of the instruments of production, are infinitely better equipped to exploit workers and other non-bureaucrats” (<http://www.cesj.org/thirdway/almostcapitalist.htm> 24/03/2010). The exploitation of a socialised state is illustrated by the Soviet Union.

The crumbling of the Berlin Wall in 1989 and the swift collapse of the Soviet Union that followed was viewed as a global triumph for free market capitalism. The rise of Neo-liberal economic policies in the 1970s changed the international economic, social and political landscapes. Neo-liberal economic policies have earmarked the monetary union in Europe and the continued growth of Japan and the emergence of South Korea and Singapore as economic forces. Both these factors lead academics to cite that “ Marxism is dead, that Marxism is no longer a viable theory, or politics for the present age” (whither Marxism). Francis Fukuyama in his acclaimed ‘ End of History’ argued that “ Marxism failed in that it sought to promote in extreme form of social equality at the expense of liberty, by eliminating natural inequalities through the reward not of talent but of need, and through the attempt to abolish division of labor” (Fukuyam 1992: 273). For Fukuyama free market capitalism provides the perfect trade-off point between liberty and equality.

Fukuyama argument is a compelling argument. Over the latter half of the twentieth century capitalism has changed significantly from the capitalism that Marx critiqued in the nineteenth century. Marx in his critique of capitalism makes no reference to the States’ economic, or its social and political role. Trade unions emerged in the twentieth century as an important and recognised party in the wage bargain. In the nineteenth century trade unions did not have such an importance on the political and economic factors in the capitalist society. Similarly under capitalist systems universal suffrage has been achieved, allowing all influence on matters of the economy, even at some small level. Universal suffrage has allowed for the rise of social democratic parties across Europe, whose policies have sought to address the

redistributive inequalities experienced in capitalism. Welfare systems, social housing and social unemployment relief are to mention a few of the redistributive measures taken by socialist democratic parties.

Neo-Marxists express an alternative argument regarding the collapse of Soviet Union and its effects on Marxism. The conditions for the proletarian revolution to occur and for communism to be established, were different from those economic and social conditions of early twentieth century Russia. Marx believed that the revolution would occur in an industrial nation like Britain, a nation with both national and global industry. Russia was not an industrialised nation to this extent in the early twentieth century, and therefore a Marxian communist society was never established under the Soviet Union. Kellner points out, “ Marxism has been traditionally a theory of class, one which defines the concept of class based on different power groupings. The fact that the Soviet Union collapsed can ultimately be traced to the corruption and bureaucratisation of its ruling class. It never overcame the problem of alienated labour” (Magnus and Cullenberg 1995: 4). Zhang Longxi in a similar vein views communism under the Soviet Union as dead, but Marxism as a theory is “ very much alive” (Magnus and Cullenberg 1995: 5).

After examining the Marxist critique of capitalism it can be concluded that the critique of capitalism was a critique of nineteenth century capitalism, which can no longer apply to contemporary capitalism. Capitalism for the most part of the twentieth century has evolved to meet the needs of popular demand. Class antagonism is not the same as Marx described, there is no longer a fierce class struggle between the bourgeoisie and the proletariat,

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class de-alignment has taken hold of Western capitalist societies. Neo liberalism has become dominant throughout the globe. It is no longer just Western Capitalist societies that have adapted the neo-liberal free market approach to economics but also developing countries. Despite inequality still arising within free market capitalism, opportunity is also created. Free trade allows for growth and increases a nation's prosperity. The recent global financial crash has propelled Marx's critique back to the forefront of political debate. Yet capitalism still prevails, but what occur from its failings are new developments to remedy the failings created by capitalism. Obama healthcare package in the United States, a traditional strict free market capitalist society, is evident to this fact. Marx critique of capitalism thus underestimated the ability for capitalism to restructure itself.

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