

Marxism

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Karl Marx (1818–83) has undoubtedly produced a very important set of ideas strongly influencing current economic and social thought. Among them is the notion that social classes are a crucial element to consider in order to fully understand the deep logic and the dynamics of societies, deemed to be an output of the essentially conflictual nature of class relations. According to what Marx himself explicitly and emphatically posited to be a founding assumption of his reasoning — inasmuch as we do not usually evaluate a man based on his self-image but rather try to become acquainted with his actual life, thereby becoming able to fully understand and contextualize the aforementioned self-image — we ought not to consider any given epoch or society based on the discourses such an epoch or society elaborates, that is, its philosophical, religious, artistic, or even formally scientific systems of ideas. Instead, we should proceed the opposite way: detecting within the underlying, deep economic structure of such a society, indeed its material “infrastructure”, the key to an in-depth understanding of how it really operates, and thereby also the real reasons for those systems of ideas, or “superstructures”.

These Marxian theses were expressed in the context of a personal (albeit only partial) distancing from his own previous intellectual trajectory, initially mostly under the auspices of Georg Wilhelm Friedrich Hegel (1770–1831), according to whom universal history expressed successive coherent sets of notions, inclinations, and feelings, each one considered a particular Geist and all manifesting in various degrees the evolution (and indeed simultaneous self-revelation and self-production) of the universal *Weltgeist*, or “world spirit”. Regardless of recognizing pertinence and relevance to much of Hegel’s reasoning, Marx crucially and consciously added to it the important insight according to which ideas are mostly an indirect consequence of material life, and so dedicated his subsequent efforts predominantly to the study of political economy and particularly its so-called “classical school”, an important current of thought officially concerned with the production, distribution, circulation, and consumption of the means of material life.

Within the debates internal to this discipline, mostly advanced during the 19th century and chiefly in Great Britain, Marx intended to detect the emblematic

contradictions, dilemmas, and aporias allowing a global endeavor of critical apprehension of such study of the “subterranean” structures of society’s existence. Hence Marx’s magnum opus *Das Kapital* having the revealing subtitle of “a critique of political economy”. Based on the models of reasoning provided by the classical school of political economy, a current of critical thought had indeed previously emerged: the so-called Ricardian socialists, to which group Marx’s work ought to be partly referred. Starting with the important Ricardian notion that the foundation of market value resides in the cost of production as measured by hours of “embodied labor”, these authors were prone to inferences of a distributive nature, alleging the illegitimacy of forms of earnings other than the ones of labor — above all rents, which were deemed to be merely dislocated for the benefit of one particular social group and not actually amounting to any real creation of value but, instead, being simply transferred income. Highlighting the difference between the work hours normally “embodied” into a certain amount of goods and the respective “commanded labor”, that is, the quantity of labor available for hiring via the value of the same amount of goods, Marx argued that this systemic differential corresponded to a “surplus value”, whose deep “secret” reflected the fact that it was feasible to produce a systematically increasing value based on the economic consumption of not exactly a certain amount of labor but, rather, of “labor power.”

In other terms, formally free wage workers do not actually sell their labor but, instead, their labor power and are themselves thereby transformed into one very “peculiar commodity” whose productive consumption has the capacity to reproduce its own value in a consistently expanding pattern. The economic surplus of his contemporary society, underneath its typical form of profit, would therefore have its moment of genesis, its “hidden abode” in the production of a certain mass of surplus value. This peculiar commodity is thus the key piece that renders possible the generalized “capitalist circulation”, which Marx distinguishes from “simple circulation”. Whereas simple circulation consists of $C - M - C$, a cycle where agents start with some commodity, selling it in exchange for money, and then using that money to buy what they want to consume, capitalist circulation is defined by $M - C - M'$. Notice that M' is equal to M plus a certain additional. Simple circulation is about changing the nature of the commodities that are traded, the purpose of agents being final consumption. In capitalist circulation there is an increase in the quantum of value. The purpose is quantity, and the process becomes potentially an endless movement, instead of a cycle. Agents start with money, buy a set of commodities and then sell it in order to obtain a value that is bigger than the one they started with. Obviously, some agents may occasionally cheat or take advantage of others, but with capitalist circulation this is a generalized practice, and so, Marx argues, there is normally no formal

cheating, each commodity being traded on average by its normal value. How is this even possible? Precisely because of the "peculiar commodity" that, when consumed, reproduces its original value and systematically adds something: labor power, or what the wage workers really sell.

On the other hand, given the fact that at least partially such profits are regularly consumed as a further productive investment, this accumulation would thus generate the usually expanded reproduction of the very life cycle of "capital" as a whole. According to Marx, given that a capitalist economy includes a compulsion towards technological innovation as an inevitable result from market competition, the general trend would be the rising efficiency in the scale of each productive unit. This fact, in turn, nevertheless implied the growing difficulty of attaining satisfactory profit margins. Actually, in striving for ever greater efficiency, capitalists would habitually replace labor power (or "variable capital") with machinery and other technical devices (or "constant capital"), which would imply that the relative part of the total investment corresponding to variable capital, that is, the investment truly responsible for generating the surplus value would diminish. Therefore, even if the abovementioned substitution produced individual advantages for each capitalist that would momentarily give the capitalist a technological edge over rivals, the whole process, including the responses undertaken by the competition, would amount to rising difficulties in obtaining gains, or a falling trend in the profit rate.

Marx was thus persuaded that he had identified the root, an eminently social one, of an important fact accepted as normal throughout the general sweep of the classical school, the aforementioned trend toward lower profitability, notwithstanding that fact being perceived by those other authors as a consequence of the physical and biological nature of things: namely, the decreasing fertility of new soils, cultivated to fulfill the subsistence needs of human populations, which invariably tended to grow in numbers if left unchecked by scarcity. Consequently, Marx subscribed to the basic empirical evidence taken for granted by the entire classical political economy, particularly the notions of a falling rate of profit and the leaning of wages to a mere subsistence level, but simultaneously provided an additional theoretical frame that made those trends assume a social rather than a physical biological character. As to the tendency toward mere subsistence-level wages, he argued that it was fundamentally due to the existence of a "reserve army of labor", correspondent to a mass of semi-employed and underemployed workers, kept barely alive and permanently dependent on fluctuations of the business cycle. This population, ever on the edge of starvation, was supposedly decisive to exert an influence on the earnings of those employed, indeed preventing any sustained generalized rise in wages.

Furthermore, Marx importantly added that in the compulsive struggle to escape the mentioned tendency toward falling profits, the collective aggregate result of the individual efforts of capitalists was a systematic inclination toward excessive accumulation and investment. While he accepted, within the normal running of a capitalist economy, the scope for the so-called "expanded reproduction" and not merely a "simple" one, such sustained growth had to be submitted to some restraint in order to avoid becoming excessive, which contrasted with the processes actually taking place in aggregate conditions defined as "anarchical"; the inter-capitalist competition, which had already driven the drop in the profit rate, would simultaneously produce a global leaning toward excessive accumulation. At some stage in the process, excessive production of the means of production would necessarily become evident alongside the impossibility of profitably supplying the market due to the referred over-accumulation.

According to Marx, the economic crisis triggered would swiftly spread to the other sector that he identified, the production destined to final consumption, for which the economy as a whole would suddenly go into overproduction, even though such a fact coexisted with the persistent generalized scarcity and impoverishment. The crisis is deemed to drag down economic activities to very low levels of market equilibrium. Even though the economy does return to a trajectory of growth, this is only achieved through taking a lower and turbulent path, marked by violent crises of overproduction and sharp swings in economic cycles. Thus, according to Marx, this merely patently rendered the fact that the capitalist nature of social relations (private ownership of the means of production and "anarchy of production," i.e., economic regulation occurring only *post facto*, through the market) had become an obstacle to the development of productive forces and so should be eliminated and replaced by others, corresponding to a socialist organization, one with public ownership of the means of production and economic planning.

The generality of these, more strictly "economic" ideas of Marx, as well as a cluster of others intimately so connected, was extremely influential and submitted to various degrees of criticism in the subsequent century, turning partly into a largely generalized academic consensus. For example, the model he envisaged associated with the two schemes of capitalistic reproduction was unquestionably a decisive moment in the history of "macroeconomic" analysis, occurring in a century when political economy tended to drag in rather short-sided and strongly doctrinaire debates: some of Marx's contemporaries stood for the alleged a priori impossibility of general overproduction, based on generic assumptions of the intrinsic tendency of markets toward spontaneous equilibrium (and therefore 'all supply generating its own demand', as with the much celebrated "Say's law"),

whereas others merely stated some global leaning to permanent market saturation, based on vague beliefs concerning natural limits to economic progress and/or philosophically questionable ideas regarding the alleged incapacity of human needs to grow endlessly. Instead, Marx pointed to a fundamental analytic distinction, namely, between production of the “means of consumption” and production of the “means of production,” which subsequent economic analysis retained as crucial, even though Marx only sometimes is given due credit for his theoretical anticipations.

Analogously, Marxian attempts to put into context the notions of a fall in the long-term profit rate and recurrent subsistence wages, providing alternative and eminently social or “institutional” explanations for them, constitute no doubt aspects that are very much worth underlining, in spite of the century subsequent to his death having propitiated predominant academic beliefs rather different from both classical political economy and Marxian fundamental reasoning, given the important fact that not only profit rates showed no such consistent tendency to fall, but moreover (and arguably even more important), real wages have mostly sustainably grown, at least in the economically more developed countries, where — according to Marx — events were expected, due to capitalism’s intrinsic dynamics, that would supposedly lead to its demise.

This fact constitutes another relevant aspect of any global assessment of Marx’s work: the most important attempts to break away from the global capitalist order in the period subsequent to his life span, and often officially inspired by his theories, came not from the more developed of “central” countries but really from the less developed of “peripheral” societies, very often emerging from situations of formal or factual colonial submission, a facet inevitably crucial in any appreciation of those events, considering that Marx’s work was supposed to detect how capitalist accumulation allegedly tended to produce insurmountable obstacles to its own perpetuation, capitalist relations becoming an obstacle to the development of productive forces. This cluster of problems is extremely important, particularly considering the number of theories on imperialism that emerged during the 20th century, and its social and political relevance. Many such theories were/are, officially at least, inspired by Marx, but they decisively shift from his mind frame inasmuch as they assume a fundamentally unequal development intrinsic to the capitalist logic of accumulation, some regions/countries benefiting from it and others getting hindered via exploitation of natural resources, exploitation of labor through low wages, an “open door” for profitable investments and guaranteed markets for final products, or any other economic-cum-political dispositions — at any rate inducing and perpetuating inequalities between vast regions of the globe, with the least developed ones

being decisively upset by those connections as to their possibilities of development.

Simultaneously, in the central countries, a set of crucial modifications occurred during the 20th century as well, with state institutions directly intervening much more in the economic sphere, Keynesian economic policies developed and put into practice in order to attenuate the amplitude of economic cycles and often also aiming at full employment, progressive taxation sometimes enhanced, various social security measures implemented to avoid situations of extreme poverty, and very frequently even the promotion of important, state-owned public sectors of the economy, both those oriented for profitable activities (e.g., the energy and transport sectors) and those officially aiming at the pursuit of social goals (schools, hospitals, etc.), and with important segments of economic life being de-commoditized, that is, deliberately put apart from the would-be "normal" market functioning. Globally considered, these changes made the late-20th century economies become correctly definable as "mixed" economies rather than strictly capitalistic ones. This process occurred at different paces in different countries, and no doubt also often in conjunction with trends toward military expansion, leading to the formation of largely parasitic economic-political-military conglomerates that systematically tended to become factual power elites. However, this was also globally accompanied by a consistent democratization of the institutions of more developed countries, which produced social realities considerably distinct from the ones of Marx's times, and far removed from Marxian diagnosis and predictions. Very important too, vast intermediate groups emerged, often generically designated as the "new middle class" or "white-collar" workers, associated with professional positions significantly different from Marx's ideal-typical "proletariat", although mostly corresponding to wage work conditions, and especially from the so-called tertiary sector of the economy, a phenomenon intimately connected with the formation of large-base social consensuses for enlarged forms of (civic, political, and crucially also social) citizenship, which have in the long run made rather less likely a scenario of rapid revolutionary mutations, such as the ones envisaged by Marx.

It is important to note that such social changes occurred partly as a direct or indirect consequence of countless political initiatives undertaken by parties, trade unions, and other groups very often officially inspired by Marx, and sometimes even formally "Marxist", which is unquestionably an ironic (or dialectically contradictory) aspect of Marx's diffuse influence till today, as well as an important source for interpellation of strict Marxism. The central point is: whereas tertiary-sector wage workers (e.g., a professor or a nurse) hired by a private firm may be considered productive workers, qua producers of surplus value, and in that sense,

arguably, a variety of “intellectual” or “immaterial” proletariat, the same wage workers hired by a nonprofit-oriented public hospital or public school must be considered “unproductive workers” by strict Marxian criteria and, therefore, irrevocably excluded from any possible definition of the proletariat. This global diagnosis does not, however, invalidate further perspectives of changes toward bigger social state intervention and/or a broader public component in the economy at large. As a matter of fact, there seems to exist enough factual material to support the idea that the generalized state’s retreat from the economy, following the adoption of “neoliberal” policies since the late 1970s and further emphasized in the early 1990s, has largely reproduced economic and political situations (viz., via the accentuation of social inequalities, the reduction of chances for upward social mobility, the profound degradation of life patterns among the lower classes — even in some of the richer societies, the massive de facto disfranchisement of less resourceful groups) that have partially revalidated the strict Marxian classical 19th-century scheme of thought and diagnosis.

Regardless of these more directly political aspects, in any assessment of Marx’s work, it is important to mention also the relevant theoretical developments of the 20th century that were influenced by him, either with the purpose of confuting him or aiming at his vindication. Other than the already mentioned themes of imperialism theories, economic analysis regarding the long-term trends of wages and profits, and economic cycles and theories of social classes, it is worth mentioning also the global discussions regarding economic value theories, with Marxian influences being overwhelmingly important within the ambit of cost-value theories (partial circumstantial Ricardian revivals notwithstanding). Simultaneously, a mainstream academic consensus associated with predominantly “marginal utility” theories of “utility” and “rarity” was incrementally promoted, no doubt partly expressing the need to find alternative global explanatory schemes able to avoid/exorcize any possible channels of influence for Marx’s thought.

Lastly, the more sociologically inclined problems regarding the so-called micro-macro analytical linkages in social theory or, in other terms, the recurrent analytical questions regarding the articulation of “institutions” with “human agency” also find abundant expression in the debates concerning self-proclaimed Marxist authors and theories — some more prone to emphasizing generic trends or “laws” while others underwrite the capacity of human societies for conscious self-determination, both under the form of individual expressions of human freedom and as collective coordinated action; some currents emphasizing the idea that large-scale repetitive economic facts or “infrastructures” are the most important aspect to consider in any perception of social realities, whereas others

are much more prone to stressing the “autonomy of the polity”, its capacity to “retroact” over infrastructures, and therefore the essential indeterminacy of social trajectories; some fully recognizing cultural values as an enduring social cement and a provider of consensus and stability, whereas others underline the importance of social conflict as well as the omnipresence of elements of deceit and self-deceit in ideologies; and, finally, some supporting the traits of necessity and generality, as opposed to others who tend to endorse the aspects of randomness, irreversibility, uniqueness, and intrinsic indeterminacy (often perceived as freedom) as defining traits of human condition and agency.

These groups of oppositions, also often referred to the very academic duality officially formed by “sociology” and “history,” seem to at any rate indicate how much the internal problems of Marxism may well be considered basically the fundamental problems not just of that area but of social theory at large, a fact no doubt testifying to the vitality of Marx’s thought, its resilience, and its enduring capacity to exert a relevant influence up to the present time.

Further Readings

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