Why Marx Matters

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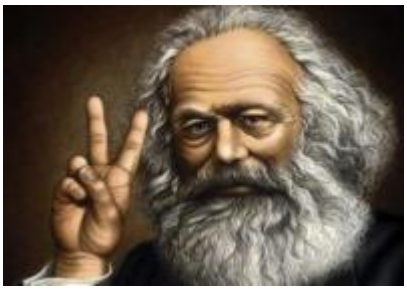

It is extraordinary how relevant Marxist thought is becoming at a time of lingering financial crisis in the US and abroad. The financial debacle of 2008, and its continuous scourge, has at least meant that the words socialism and Marx are no longer distained but fashionable. In fact, the conventional capitalist analysis of Marxism that sees it as nothing but totally irrelevant and not applicable to a modern free and liberal social order is now in question.

To illustrate, Thomas Piketty's *Capital in the Twentieth Century*, has suddenly become a fevered topic, especially in America. Having for years dismissed the gaps between the have and have not, Americans, stung by the excesses of Wall Street, are suddenly talking about the rich and the desirability of income distribution.

Often referred to as the modern successor to Karl Marx, Piketty is best described as a "soft Marx." Piketty, responding to the gross income inequities, states that income disparities have risen sharply "since the late 70's". The most quoted statistic in his work is that "60% of US Income in the last 30 years after 1977 went to the top 1% of earned income." This trend toward a greater wealth inequality is very likely to continue because returns from capital are apt to grow faster than the economy itself.

Piketty maintains that this is the central contradiction of capitalism "when the entrepreneur inevitably becomes a rentier and more and more dominant over those who own nothing but their labor…" In effect the core of his theses is that once constituted, capital reproduces itself faster than output increases, "the past devours the future." This ominous anti-democratic trend is finally finding its way into public discourse and consciousness.

Piketty, gives evidence of a long-term propensity, in capitalism, to increase inequality. Nevertheless, capitalism's leading to inequality is not a new concept. As Marx states "the accumulation of wealth at one pole and at the other pole is the immiseration of agony, toil, ignorance, slavery, and mental degradation."

Readers of Piketty's book who wish it will provide a convincing analysis of why capitalism produces inequality on such a prodigious scale, will be disappointed, even more so those who hope to discover meaningful solutions to our rapacious economic system. Piketty is not however, interested in abolishing capitalism, but merely in reforming it; and moving it politically toward a more democratic form of socialism.

Marxism, more than any other paradigm in the social sciences, is rich in approaches to studying social formations especially with respect to individual agents in history. It will be recalled how Marx revealed the basic contradictions inherent in the Capitalist system and how these dichotomies

impact wages, labor, exploitation and the accelerating practice in capital of outsourcing American jobs.

It is imperative that proponents of a more applied Marxism, deal with the fundamental contradictions inherent between individual freedom and "free-market" ideology. Consequently, it was the revolutionary implications of Hegel's dialectic which gave expression to the idea that contradictions denote historical reality in its ever changing modes. Observed reality is changeful because it consists in its innermost the unstable coexistence and resolution (its synthesis) of incompatible forces.

Marx convolutes Hegel's earlier romantic idealism of man as a dynamic being by constructing a paradigm of man as a social and economic being dialectally related to nature and society. Premised here, in his dialectic, is the notion that man creates himself in a dialectical relation. , (man) to a highly abstract condition called the "Absolute Spirit"; Hegel's final synthesis.

Marks's formulation of the dialectic now becomes the development of man determined by external, material conditions. So, when undertaking to produce their means of subsistence, real men enter into definite relations that are indispensable, but dialectally independent of their will. It is at this point that definite classes emerge in corresponding to precise stages of a worker's material powers of production The sum total of the relations of production constitute the economic structure of society , or that society's distinct Mode of Production. This concept used throughout Marx's statements on historical change states that all of material life conditions social, political, and intellectual life process in general.

Within this Marxist construct, relations of production are as they are because they promote economic productivity. The acknowledgement is that under capitalism significant strides were made in producing goods and services to the public. However, these relations change when new technologies arise to which individuals are poorly adaptive.

Mode of production and its relations represent the seminal core of Marx's general ideas about historical change. So his vision of the impending transformation of capitalism into socialism, like earlier epical transformations in economic form, from Feudal modes of exchange to Mercantilism, involved a process of "creative construction," and its eventual supersession to Socialism. It then emerges from its basis in capitalism's development to become the new social ethos.

So capitalism's very success stimulates changes which facilitate the movement toward the imminence of socialism in new modes of production and its relations. Thus, it interferes with the optimal functioning of the whole system, by unraveling the status quo that serves to preserve and maintain economic, political and social homeostasis.

A Marxist model takes a holistic view of the whole capitalist system in promulgating the contention that capitalism is held together by the exercise of power; economic, political and social. It then becomes necessary, in a good, but complex society, to act in delegitimizing this iron-clad consensus and its claim to validity.

History, in this sense, becomes a narrative of how social structures and arrangements adapt to economic and technological change. Observers contend that Marx was not a fatalist about historical change, despite what people may think. It is possible that even through politics and rational persuasion that we can crucially determine its direction. . History changes when thoughts and desires give impetus to the development of productive forces–i.e. ideas.

In our time, the Marxist project in evolving socialism, never materialized in its rigid deductive,

organic structure. However, its contradictions and manifestations are clearly demonstrated in internal economic and social practices. And singularly indicated in today's world. Imperialism itself is a product of capitalist development is most instrumental in the movement of capital, with no regard for boundaries, across the Globe. In the Communist Manifesto Marx saw the modern structure of capitalism as the final phase of colonial expansion and domination. In *Das Kapital* again it is mentioned that imperialism was to be part of the pre-history of capitalist mode of production its primary purpose is economic exploitation Later, Lenin notes how Colonialism created imperialist rivalries.

The classic formulation of capital penetration and monopolization of global markets centers on Lenin's central theory in *Imperialism the Highest Stage of Capitalism* written in 1916, in which he says that the era of industrial capital has ended and economic power has passed from industrialists to the bankers and financial investment groups. The final stage of capitalism is characterized by the end of the "free enterprise system" and the emergence of monopolistic control by cartels and syndicates.

The most recent example of out- of- control imperial expansion is the United States…President Obama's push for fast-track congressional approval of the Transpacific Partnership free trade accord exemplifies the total control major corporations have in, so-called, global free markets. It is extraordinary, how little opposition, let alone discussion, exists on the content and pernicious implications of this impending legislation. Given its wide impact (twelve nations) will become signatories to TPP as it promises to be the largest free-trade agreement in history. The assurances, made are it will boost economic growth and ensure that American exports will go c

Of course, what is unspoken by these free trade propagandists is that previous trade accords, NAFTA and GATT (later the WTO) produced massive deficits, job losses and an increasing downward spiral of living standards. Devastating agricultural losses impacted many Third World nations. Mexico being the most harmed.

This new so-called "Economic Consensus" model will not only reproduce previous economic and social calamities, but will extend special protection for those very businesses who ultimately outsource American jobs. Perhaps the most important chapter in the impending agreement deals with Intellectual Property Rights (IP) would create new rules which cover patents, trademarks and copyrights. IP would potentially produce unprecedented attacks on freedom of speech, individual rights to read, write and publish.

History shows that, TPP makes unsustainable assurances: such as that it would prevent damage to the environment, protect workers from unsafe working conditions and provide consumer protection for food, drugs and other products.

Instead of promoting economic prosperity for all, this accord will only serve to enrich wealthier nations and corporations, thus creating worsening poverty in The Third World .The end result was and will continue to be the exact opposite, when safeguards were either opposed or eliminated.

TPP, like NAFT, will undermine democratic procedures by transferring decision-making from the public sphere, into the hands of a small group of unaccountable wealthy elites. TPP will become, in fact, an instrument that minimizes democracy. Embedded in these arguments is the old and abiding caveat that whoever controls capital and labor has deep seated-interests to protect.

According to President Obama, unlike past inequities, nations like the United States that participate would have a level playing field for job creation, job protection and the eradication of child labor. There will be rules governing minimum wages and laws providing maximum hours of labor.

Additionally, environmental standards would be raised.

Arguably, in the United States, the prime architect of financial global dominance in an unfettered market system is Milton Friedman. His book *Freedom and Democracy* became *de rigueur* in American economic and political thought, with respect to "free markets" and individual freedom. His vaulted ideological paradigm consists of conflating democracy and free markets with a demand that government withdraw from its regulatory commitments so capitalism can organize the economic activity of society without political interference or coercion. This theory that posits individual rationality will encourage individuals to get from the market those goods that best serve their individual self-interest.

According to Friedman, true choice in the market will be guaranteed when nation-states begin to decentralize their welfare practices. Only then will freedom be advanced. However, it can be shown that coercion in capitalism occurs when individuals choose "not" to be in a market-driven society.

Dissenters from Friedman's Doctrine can show empirically, that capitalism is discordant with individual freedom. Friedman's definition of freedom is a negative freedom in the absence of the individual right to choose. Moreover, he fails to factor in his thesis the ethical and moral claims of equality and justice. His is an ideological system that punishes individuals who chose not to enter market relations, preventing them from opting out of the system consequently, imprisoning them.

A new economic, political and social order is needed to challenge capitalist hegemony in both economic and political imperialism. The New "Economic Consensus" which savages labor and the working poor must be jettisoned. The "young" Marx's *Economic and Philosophical Manuscripts*, demonstrates his militant humanism, clearly animated by the precept that all social arrangements must serve man's development. The notion, that man is an end and never a means. Each individual carries in himself all of humanity. Mark begins to see economic problems in their anthropological aspect, and in doing so, he provides an invaluable heuristic tool for judging the moral and ethical content of various economic and political social formations.

Whether one looks at Mark's oeuvre or the writings of Luxenburg, Lenin, and Gramsci, one finds an emphasis on the fundamental capacity of the individual to alter the dominant economic and social order and consequently, allow individuals the ability to produce their social world and to self-actualize the "good society."

Marxism more than any other paradigm in the social sciences is rich in approaches to studying social formations, with respect to individual agency in overcoming capitalist structures which impede and minimize direct democratic action.

Definite implications can be drawn from these humanistic postulates when it becomes necessary to focus less on Scientific Marxism and its "hard" deductive conclusions and more on Marx's ethical and moral imperatives.

Ethical humanists with a strong propensity for democracy such as Marcuse and De Man, who attacked the narrow and rigid interpretation of Marxism in the 1930's, began agitating for a moralizing concept that would eliminate Engel's insistence on maintaining the uncompromising dictums of "scientific socialism." In actuality, Marxist thought from start to finish is revolutionary humanist. And it continually serves as a theoretical foundation for the revolutionary struggle for an ethical and moralizing socialism.

Although Marxist views on democracy remain inchoate, having more in common with classical political philosophers, Plato and Aristotle, he believed that democracy is the way to socialism and

that the working classes could achieve power through democratic elections. His assertion is, that people can move beyond the cage of capitalist dogma, and become subjects in their historical evolution, rather than objects of corporate domination.

At this time, current structural realities of the American electoral system militate against third party movements. Leftist preferences for these movements for a participatory Marxism can be encouraged by the general nature of dialectical thinking where the opposing class forces within capitalism are revealed as nothing more than a set of techniques designed to insure the rule of the powerful elite under the guise of "popular consent." Therefore, it is a corrupt system of rule Capitalist interpretation of Marxism sees it as totally irrelevant and not applicable to a modern free liberal social order.

However, many would argue that the Marxist critique of capitalism is still valid. Capitalism still contains massive contradictions, reflected in, seemingly, implacable economic inequalities. Consistent with its attacks labor and its insatiable imperialistic pursuit of profit, is clearly seen in corporate concentration and dominance on a global scale.

Capitalism's creative and destructive sides are intimately connected in Mark's writings. He argues that the idea that industrial capitalism is a necessary precondition to socialism. And socialism cannot exist under poverty-stricken. Capital's creative elements may be characterized as revolutionizing, universalizing and industrializing in its core.

Capitalism, in its industrial form, required a "total" revolution in the transformation of all its pre-capitalist economic and social relations. It became destructive of all the traditional and complacent ways of life. The universalizing tendencies of capitalism, developed technology and production, led to the evolution of a world market-characterized by the spread of capital accumulation, development of science and technology, automation and man's conquest of nature. So, capitalism's growth, process of investment and capital accumulation stimulated demand for labor, higher wages, employment and consumption.

Neo-liberal democratic capitalism, still present in the commanding roles of banking, large agricultural, combined with the private mass media, is still predominately bourgeois in political character. Paul Sweezy, in his writings, holds in maintaining that capitalism commands the strategic positions in our society with respect to money, social prestige, bureaucratic institutions and the armed forces of the state. The channels of communication "are all controlled by capital and will continue to be used vigorously to maintain the position of capital, which all leads to the bankruptcy of reform."

Unfortunately, very little remedy exists in defeating capital's tenacity in mindlessly reproducing itself. Attempts at balancing private ownership and social control are always weakened, as real power is shifted from labor and its associations to the owners of capital. In The Swedish System, as an example, these shifts, coupled with a determined opposition from nonsocialist parties and their allies are effective. Anti-socialist parties, combined with U.S. assistance have, in the case of Chile, for example, overthrew democratically elected President Allende when he adopted policies of nationalization of industries and collectivization. In Venezuela, a very troubled economy is, again, made worse with US involvement. Nicaragua is one of the very few examples of a socialist democracy that willingly submitted itself to a popular referendum and lost. President Daniel Ortega graciously accepted his defeat.

Overall, social democracy has mutated into social and political neo-liberalism. The distressing reality is that it has moved from a posture of transforming capitalism, to one of better managing it. The sorry fact remains that, in these systems, the practice of politics as part of a strategic vision of its

transition toward a new economic and political order, beyond capitalism has gone missing from democratic socialism.

The search for a non-authoritarian form of Socialism has been severely hampered by a crucial flaw in 20th century communist thought that power can be willfully exercised in whatever means necessary to bring about Communist regimes.

However, convincing arguments can be made in formulating a non-authoritarian conception of the "good" polity, contained in the writings of Marx himself that should serve in creating the right political construct for formulating a conception of a socialist order that, hopefully, will eventually find support for a more effective socialism.

It can be stated that both liberal democracy and dialectical and scientific socialism have failed, and a new theory of socialism is needed. If conditions are not such as to permit a party to grasp the reins of power in the old state, then it must work to create those conditions by encouraging the autonomous development of new social movements so people can develop their powers and capacities to the fullest, in a new state.

* Andrew Raposa is Professor Emeritus, Westfield State University, Political Science, Westfield, Massachusetts.