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Marxian Economics

Essay #1

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The historical development of the current political economy is not a collection of names, dates and facts that have been authoritatively documented by omnipotent scholars; rather, as with all history, it is open to interpretation. It is often easiest to reflect upon the past through a lens of inevitability, believing that all that exists today is an obvious progression of humanity and society that are products of a collection of inexorable actions. However, this perspective overlooks the innate composition of history: a collection of decisions made, and actions taken, by individuals. While societal development can be traced through historical themes, the foundation of advancement, progression and evolution is laid by the actions of individuals. Joyce Appleby refers to a quote by Pope Alexander in regard to Isaac Newton’s discovery of gravity: “Nature and nature’s Laws lay hid in Night; GOD said, Let Newton be! And all was Light.” Without being barred down by the introduction of God into the discussion of inevitability (or predetermination), the concept that Pope Alexander introduces is the necessity of Isaac Newton in the discovery of gravity. Had Newton, for example, died at birth, there is no certainty that another individual would have made the same observations and conclusions, and more importantly, in the context of society as a whole, the consequences that followed Newton’s discovery would have surely been dissimilar. Acting as both the philosophical backdrop and the fundamental foundation, Marx’s critique of political economy is deeply rooted in this conception of history and development. Where society stands today is not a product of history running its course while guided by the inclosing boundaries of human nature as Adam Smith, among others, have long believed. Rather, the development of society – composed of political, economic and cultural factors – is written upon the blank pages of time.

While this historical perspective set the underlying philosophical condition for Marx’s critique on the political economy, the convergence of economic, political and cultural changes provided the tangible setting. In England, an increased emphasis placed on manufacturing led towards a fluctuating allocation of jobs between agricultural workers and urban manufacturers. As the distribution of workers began favoring manufacturing – buoyed by the closing of common lands by English lords – advancements in agricultural productivity and sustainable farming supported the growing urban populations. The passage of *poor laws* and creation of *poor housing* only furthered the changing demographic landscape, ultimately leading to a decrease in agricultural employment from 80% of the population to 3% by the time of the Industrial Revolution. For the first time in history, a massive, urban workforce of free men stormed the streets of English cities.

Such radical alterations in lifestyles spilled into the political sphere with the birth of new ideas concerning the governing of society. Tomas Hobbes and John Locke pioneered the *social contract* *theory* by exploring the contrast and balance between a theoretical state of nature and large governing institutions. Much like today, these two philosophers disagreed on the size and functions of government; however, the stage was set for a new political trajectory that would rely upon free markets, freedom of religion and the pursuit of civil society (although Hobbes and Locke varied greatly on how to achieve civility in society). The underlying theme was the search for prosperous governmental structure in post-feudalistic society.

During this period of great change, the massive growth of free, urban individuals led to the creation of new markets. Subsequently, new economic discourses were introduced which sought to dissect and explain, among other things, the emerging economic structure. Mercantilists promoted the monopoly of trade through colonial exploitation while French physiocrats presented a theory of “three great classes”: an agricultural class, a merchant and industrialist class, and a land lord’s class. Most famously, Adam Smith introduced his theory of Social Division of Labor which put forth the idea that the division of labor leads to an increase in markets, productivity of labor and wealth of nations.

A central product of these cultural, political and economic conditions was the emergence of capitalism. As Marx looked upon the world around him, the aggregation of these conditions surfaced the question of societal consciousness; what does society aspire to? And is the current trajectory – based upon present-day cultural, political and economic conditions – congruent with these goals?

Marx’s critique of the political economy came as a response to an aggregation of these cultural, political, economic conditions, as well as his philosophical understanding of the progression of history. Marx desired to create a “ruthless criticism of everything that existed”, one that “must not be afraid of its own conclusions, nor of conflict with the powers that be.” Amongst the possibilities for criticism, it is not a haphazard that Marx begins his critique of modern society with economics. For Marx, economics is the foundation from which individuals “produce their means of subsistence” and therefore, economics exists as the underlying framework within which all individuals advance through their lives. Marx states, “As individuals express their life, so they are. What they are, therefore, coincides with their production, both with what they produce and with how they produce.” The production of goods by individuals exists much like water running through a river. While the water may move at different speeds (in some areas the water progresses rapidly, in others it moves so slow it appears to stop all together), much like individuals produce goods in different ways, the fundamental constant guiding the water’s movement is the river banks. For Marx, the existing economic system functions like the river banks: while it is easy to look upon a winding river and see it as an inevitable product of the land formation, the river’s course is a product of thousands of years of development at the hands of an array of factors (e.g. rainfall, plant-life and soil composition) which all played significant roles in producing the present-day river. What is important to Marx is examining the economic structure to determine if it reflects the aspirations of society – that is, if the river is flowing in the desired direction.

*Capital* argues that the aggregation of cultural, political and economic factors have produced a society with a fetish for the fundamental units of capitalism – commodities. In our world of commodity production and exchange, founded upon a division of labor and production, the basis upon which individuals interact is as commodity owners. The propensity to exchange commodities is a product of society and the institutions that lie within it, not of human nature as Adam Smith would suggest. The value assigned to a commodity is founded in the labor necessary to produce the good.

Marx’s examination of political economy lays the foundation for a powerful argument: the interdependence of commodity owners, juxtaposed by the social institutions of production and exchange, create an economic structure that has social ramifications. A competition based division of labor and production, in which values of commodities are derived from the labor-time necessary to produce them, creates a system in which wage-laborers are vulnerable to the exploitation of production owners who seek profit maximization – and to be competitive in the free market – at the cost of the laborer. As previously discussed, Marx witnessed an overwhelming influx of wage-laborers entering cities looking for work; subsequently, production owners possessed an unending supply of workers who were easily exploited. Marx’s quote in *The German Ideology* expresses the importance of an individual’s work, stating that, what an individual is – their life and who they are – “coincides with their production” and “The nature of individuals thus depends on the material conditions determining their production.”

The underlying theme of *Capital* is a push away from an *inevitable historical narrative* that portrays both capitalism and mainstream political economics as unavoidable products of human nature running its course through history. Rather, by examining the political economy, Marx is able to see where the metaphorical river has run away from the aspirations and consciousness of society. As Marx looks upon the unwritten pages of the future, he uses the past to reflect upon how best to move forward. It is with this sentiment that he declares that his criticism must be ruthless in two senses: “[it] must not be afraid of its own conclusions, nor of conflict with the powers that be.” Marx strips down the political economy to its most basic understanding and looks to build a desirable future that is more congruent with society’s aspirations than the current system.