

This assignment will explore the theory of Marxism. It will describe the fundamental principles of Marxist ideology and examine the ways in which Marxism has been implemented and interpreted through government policies. The essay will be framed within a degree of historical context, and will explore examples of how it has manifested in global socioeconomics. The essay determine if Marxism still has relevance today and to what current issues might Marxist theory and analysis still be applied to.

Born in Trier, a largely agricultural region of the Rhineland, Karl Marx (1818-1883) grew up in a time when Europe was very much in the process of rebuilding. Recent history had seen not only the turmoil of the French Revolution but more recently, mass destruction in the wake of the Napoleonic Wars (1803-1815). The fallout from the wars did however bring with them change. Napoleonic reforms to education afforded Marx's father Heinrich the opportunity to study and practice law (Stedman Jones, 2016).

The young Karl Marx initially followed in his father's footsteps, though somewhat grudgingly at times, when he enrolled in university to study law and political economy, first in Bonn, and then the following year in Berlin (Mehring, 1962). When Marx completed his doctorate in 1841, he had hoped to secure an academic position in. Marx's involvement with a group of radical thinkers, the Young Hegelians most likely jeopardised his chances of that, and so looked to establish a career in journalism (Stanford Encyclopedia of Philosophy, 2017).

It was in late 1842, through his work as a journalist, that Marx first encountered Friedrich Engels. Marx's writing though, had begun to convey increasingly radical views. Eventually the publication he had been writing for was banned by the German authorities. Stedman Jones (2016) suggests it was Marx's frustration at feeling unable to express his political views that lead him to move to Paris in 1843. It was there that Marx and Engels became reacquainted the following year, and embarked on what was to become a lifelong friendship.

Toprak (2016) describes the relationship between Marx and Engels as considerably more than a mere friendship or collaboration. Engels provided a great deal of financial and practical support for Marx. That is not to say that Engels did not contribute to literary output. Marx relied heavily on Engel's knowledge of socioeconomics and the working class. The partnership they formed was responsible for what was described as "one of the most influential and widely-read documents of the past two centuries" (Boyer, 1998, p.151). He was of course referring to 'The Manifesto of the Communist Party', written in 1847 and first

published in 1848. Boyer went on to say that although Marx was largely responsible for writing the *Manifesto*, the background and practical experience of capitalism that Engels could offer was invaluable.

“For a manifesto to succeed, it must speak to our hearts like a poem while infecting the mind with images and ideas that are dazzlingly new.” (Varoufakis, 2018). A considerable amount of the theory that formed the philosophy of Marxism though was arguably not that new. Nor were they theories that Marx developed to any real extent, but rather he embraced and structured them to form an ideology, the fundamentals of which are still widely revered today (Von Mises, 2006). According to Eagleton (2011), one area where Marx did break new ground was in his comprehensive scrutiny of capitalism. Not only did Marx give form and structure to capitalism as an entity, but outlined the mechanics of its functionality as well as a vision for its ultimate demise.

Marx’s renowned critique of political economics, *Capital (Volume One)*, was originally published in his native language of German in 1867. In a lengthy and detailed analysis, Marx proposed the idea that division created between the ‘proletariat’ (the wage-labourers) and the ‘bourgeoisie’ (the owners of production facilities) was essentially a class struggle driven by capitalism’s reliance on acquiring labour at a cost inconsistent with the value of the goods produced, in order to achieve profit. The insatiable pursuit of ever greater yield, whilst simultaneously driving down the cost of labour, would create an instability that Marx believed would eventually reach a crisis point (Spicker, 2014).

The current rise of in-work poverty could be considered as one such crisis. The Living Wage Foundation (2018) recently proclaimed that approximately 180,000 people would receive a raise following the introduction of the new *Living Wage* rates. The aim of the campaign has been to address the inequality in earnings and shifting the onus to employers to take responsibility for paying employees at a rate that reflects the true cost of living, rather than the government’s National Minimum Wage (NMW) policy. Butcher, Dickens and Manning (2012) produced a report for the Centre of Economic Performance to explore the effect minimum wage policies have on employment and wage inequality. Financed by the Social and Economic Research Council, the report acknowledges that there are substantial amounts of data regarding NMW but believes it focuses disproportionately on the effect on employment, rather than wage inequality.

The findings of the report suggest that the NMW has a negligible impact on employment statistics but a much greater bearing when it comes to wage-on-wage inequality. One reason for this, they believe, could be the lack of a theoretical framework with which to measure this form of inequality. A model was presented within the study and the results showed that the NMW had the greatest benefits for younger employees, but for older employees, the impact was minimal. The Joseph Rowntree Foundation (2018) published figures that estimate two thirds of the children living in poverty in the United Kingdom are from working families. That equates to almost three million children. The figures Joseph Rowntree Foundation (JRF) refer to show a worrying trend in increasing levels of in-work poverty, despite record levels of employment. This they say is a result of low-paid, insecure and temporary positions. JRF also acknowledge that this scenario is far from short-term and that as many as five out of six people will be trapped in low-paid employment in excess of ten years.

Marx believed that crisis points were not merely by-products of capitalism but were symptomatic of it. Goldhill (2018) points out that Marx was often prophetic in his writing and even before the introduction of the electric light bulb, Marx had predicted that wage-slave labourers who were essentially the true commodity of capitalism, would themselves eventually be replaced by automation. The resulting conflict would then lead to social and economic instability. Capitalism, he believed, would eventually run out of markets to exploit, rendering it unsustainable. Its logical conclusion would be inevitable collapse.

A detailed hypothesis of how Marx envisaged the demise of capitalism, was notably absent from the body of work published during his lifetime. It was not until Engels began to edit the manuscripts for Marx's unpublished second and third volumes of *Capital* that his *Zusammenbruchstheorie* (collapse theory) was discovered (Stedman Jones, 2018). There have undoubtedly been industrial revolutions without society crumbling, but as Chace (2018) remonstrates, with advances in new technology such as Artificial Intelligence (AI), there is a major difference. Historically it has been the labour force that has borne the brunt of industrialisation. Computers it could be argued have taken that one step further, but the development of AI could be far more significant. It is not merely manpower that is being replaced by AI but the human thought process, the ability to rationalise and make decisions. The unpredictable nature and consequence of such innovation could quite possibly have been perceived by Marx as one such potential crisis.

Marx and Engels (1888) predicted in their ‘Manifesto of the Communist Party’ (originally published in German in 1848) that rapidly increasing efficiency of bourgeois production techniques would spread globally, in a self-replicating model. The result of which would be to spread ‘civilisation’ on undeveloped nations, forcing them to become reliant on their capitalist economic structure. Mullard and Spicker (1998) also alluded to this by suggesting that the forces and relations of production create a substructure that affects not only economics, but society as a whole including culture and politics. Economists are already starting to see areas of globalisation reach new tensions with trade wars between the US and China, as well as ongoing uncertainty surrounding future trading arrangements between the EU and the United Kingdom (Ghemawat and Altman, 2019).

The tension that would be created by global expansion of large corporations was, as Attali (2018) acknowledges, foreseen in Marx’s insight into potentially catastrophic environmental and migration issues. Attali (2018) also re-iterates that it was Marx’s notion of reaching these crisis points that would eventually lead to capitalism giving way to socialism. Not as an alternative to capitalism, but as the logical successor. Ultimately if socialism could also be achieved somewhat globally, then it would eventually pave the way for communism.

Communism has of course manifested in a number of guises, with varying degrees of success and failure, dependent upon viewpoint. Goldhill (2018) proposes that this may be in part due to Marx’s own failings. Not in presenting so much a flawed model of communism, but in failing to offer the same degree of detail as he did for his analysis of capitalism. His preoccupation with capitalist machination left a somewhat ambiguous sketch of communism that was open to interpretation, and perhaps more importantly misinterpretation. Alternatively, Kubalkova and Cruickshank (2016, p.42) drawn attention to Engels view that, “like all other social formations, it should be conceived of as being in a state of constant flux and change”.

When China first adopted communism shortly after the Russia Revolution of 1917, Mao Zedong formed the Chinese Communist Party and implemented his own interpretation of Marxism-Leninism. D’Mello (2010) suggested that, although communism was prevalent, the proletariat lacked the impetuosity to exert sufficient influence. Goldhill (2018) highlights Marx’s belief that the success of communism, though theoretically obtainable, would nevertheless be subject to conditions. He believed for Communism to work, it would require a degree of international consensus, similar to that of capitalism. Internal power struggles, civil

war and breakdowns in foreign relations lead to China becoming ever insular and largely isolated from the international stage.

Some two hundred years after his birth however, Marx is still celebrated, even revered, in China. Hornby (2018) reported on a statue dedicated to Marx in his hometown of Trier, donated not by his countrymen but by the People's Republic of China. Advisors to the German chancellor were in fact, apprehensive about such a dedication but agreed to a scaled-down compromise in its place. In China though, there appears to be no such trepidation. Marxism is not just alive and well but seems to be enjoying something of a renaissance under the current leadership of President Xi Jinping. This may be somewhat surprising given that China's economic growth in recent years has come largely from private sector investment, and has been coupled with one the world's largest gaps in income inequality. Cynics may say however, that could in fact be why Marxism is once again resurgent.

A recent article by Yan (2019) reports on the rising inequality in China which has adopted a new slang term "qiu". Roughly translated it means "dirt poor and ugly". The speed with which China's economy boomed, they suggest, has been matched by the rise in inequality. They argue that the riches accrued by the Communist Party-ruled country have led to the creation of a new elite class. The report cites a study by Peking University that reveals a third of the country's wealth is now owned by the top 1%.

Furceri and Loungani (2018) explored trends in capital account liberalisation to determine the correlation between financial globalisation and inequality. Using empirical data from one hundred and forty-nine countries from 1970-2010, they examined the effect of episodes of rapid financial growth and its impact on poverty, inclusion and the collective bargaining power of the labour force. The study concluded that countries that had a strong existing financial structure were less susceptible to an increase in inequality and were in fact able to reduce it by streamlining consumption. In countries where economies had insufficient access to credit for low earners, coupled with less robust financial institutions, the result was a substantial increase in inequality. Measuring the data across such a wide range of demographics presented problems in respect of correlation. By considering episodes of liberalisation in terms of common factors, such as the adoption of a single market, it was possible to create a benchmark. The study concluded that effects of globalised financial markets had a positive impact on reducing poverty but that caution should be exercised. The

financial instability of weaker economies would not necessarily have an adverse affect on poverty but had the potential to exacerbate inequality.

In Portugal, the rise of inequality amid four years of austerity measures saw the newly-elected minority Conservative government collapse under pressure from the left. Kahn (2015) stated that Pedro Passos Coelho, who presided over the policies warned that Portugal was in jeopardy of becoming 'ungovernable'. Despite this, Freitas (2019) analysis of the political shift in Portugal provides a cautious, if not sceptical observation. The left-wing coalition proposed some radical policies such as anti-privatisation, gender reassignment, animal rights and even legalised euthanasia. The coalition has been described as far-left and neo-Marxist with rumours of extremist infiltration. Despite concerns, Portugal's economy appears to be thriving. Centeno and Coelho (2018) state that fiscal deficits are the lowest in the country's democratic history, public debt has seen a 4.3% reduction, whilst figures for employment have risen.

Finances and employment are not the only subjects that have raised questions regarding the role of capitalism. Climate change has also come under scrutiny. McDuff (2019) recently published an article in *The Guardian* proposing that environmental activism is a mantle that is increasing being taken up by the young. The article argues that due to the urgency of the problems faced, will radicalise the younger generation far more than their parents. McDuff proposes that the political establishment is resistant to change, as too are the older generations that have grown reliant on the capitalist system. It may be that for young people, the absence of any real relationship with capitalism is what allows them the freedom with which to protest. Losing a day's education on a school protest probably does not carry the same weight as losing a day's wages for a day of strike action in the workplace. The article also cites the New Green Deal (GND). The GND environmental policy has been spearheaded by the young American Democrat, Alexandria Ocasio-Cortez and has attracted a fierce backlash from the opposition. Republicans have accused democrats of using these socialist policies as a "Trojan horse", an "attempt to piggyback Marxism onto the back of climate legislation".

Böhm, Misoczky and Moog (2012) explored the suggestion that the threat of climate change would require radical economic reforms. They argued that rather than conservation being completely at odds with capitalism, the commoditisation of ecology would allow capitalism and environmentalism to sit side-by-side. It was the belief of Molyneux (2011) that climate change is often perceived as a scientific or technical problem, requiring technological

solutions and unless it can be seen for what it is – a symptom of profiteering and insatiable consumption – it will inevitably lead to catastrophe. Molyneux also refers to Marx's own analysis of capitalist governments that serve only to satisfy the greed of the bourgeoisie and despite any claims of ecological responsibility; threats such as global warming will not hinder their pursuit of profit.

The prevalence with which Marxist theory can still be found in modern sociology would suggest the twenty-first century still holds some relevance for the analysis of Marx. Although Marx has been likened to philosophers he viewed them with a certain amount of disdain. As Mason (2018) notes; Marx saw no point in creating a critical world view without having the determination to challenge and change it. Marx believed the purpose of humanity was to seek emancipation, not just from work, but from the social constraints that bind them and disconnect them from nature and instinct. Srnicek and Williams (2015) propose freedom from capitalism will not come from fighting technology but embracing it. They suggest socialist activism has largely been ineffectual and that instead fighting change, it should be welcomed. Automation should be encouraged, even demanded as well as the right to universal basic income. The right to work should be replaced with the right to be unemployed, only then will the wage-slaves be truly emancipated.

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