Discussion Series led by Henry Crown Fellows

Karl Marx

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Karl Marx

- Born in Trier, Germany in 1818.
- Father was Jewish but became Protestant to help practice law.
- Fought a duel at age 17. Transferred to University of Berlin.
- Studied Philosophy (!!!) not Economics. Thesis was on Democritus and Epicurus.
- Married to Jenny von Westphalen in 1843 and had six children.
- *Important* – Marx joined communist organizations. He did not invent or originate communism or socialism.
Met Friedrich Engels in 1842. Son of wealthy German cotton industrialist.
• 1843: Publishes “On the Jewish Question.” “Problem” with Jews is not their orthodox religion, but their tendency to exploit by lending money. Calls for “the emancipation of society from Judaism.”

• 1844: Accused by Prussian government of high treason for articles he has written calling for revolution. Effectively exiled for life.

• 1847: Marx and Engels join “The Communist League”.

• 1848: Marx and Engels selected by the Communist League to publish The Communist Manifesto.

• 1848-1849: Revolutions across Europe.

• 1849: Marx family moved to London.

• 1867: Wrote first volume of Das Capital.

• 1883: Died in England.
Heavily Influenced by Hegel and Feuerbach

HEGEL
- Dialectic.
- Two forces in opposition produce a new third outcome.
- Human history is the story of opposing forces producing change, but always toward freedom.
- Alienation! Society forces mankind away from natural self.

Feuerbach
- Materialism.
- How people earn their living determines structure of society and ideas.
- “Things” determine “ideas” at least as much as the other way round.
Marx Introduces Dialectic Materialism

- Marx takes Hegel’s Dialectic and adds Materialism.
- History is NOT best understood as the development of ideas (Plato’s Idealism).
- History is best understood through the study of Material THINGS, the tools by which men and women earn their livings, the jobs they do.
- To understand history, you must understand economic forces and means of production.
- The SUPER-STRUCTURE (form of government, religion, etc.) based on means of production.
Six Stages of History Driven by Economics

• Each stage of history represents more advanced technology of production.
• Movement to next stage of history caused by class conflict.
• One class controls the wealth, opposition class eventually rebels.

1) Primitive Communism – Tribalism
   – Hunt in groups / divide food evenly.
   – Everyone hunts, shares.
   – No classes.

2) Slavery
   – Domestication of animals and agriculture lead to private property and classes.
   – Leads to Slave Owners who own the land and slaves who work the fields.
Six Stages of History Driven by Economics

3) Feudalism – Lords and Serfs
   – Technical advancement such as hand-mill lead to special skills and guilds.
   – “The hand-mill gives you society with the feudal lord; the steam-mill society with the industrial capitalist.”

4) Capitalism – Factory Owners and Workers
   – Development of Steam engine produces factories.
   – Labor now concentrated in cities.
   – Capitalists own factories – workers earn salaries, factory owners (Bourgeoisie) and workers (“Proletariat”).
Six Stages of History Driven by Economics

5) Socialism
   – Produced by workers overthrowing capitalists.
   – Transition period of indeterminate length in which elite “Communist Vanguard” teaches masses about socialism.
   – Equitable distribution of goods.
   – State control of means of production.

6) Communism
   – Workers state “withers away”.
   – Private property, class struggle exploitation disappear.
   – “From each according to his ability, to each according to his needs.”
The Contradictions of Capitalism

• Capitalists want to maximize profits by minimizing costs.
• Capitalist cut wages of workers to a subsistence level.
• But now workers don’t have enough money to buy the Capitalist products.
• CONTRADICTION!

• Capitalists want to cut costs by moving production overseas.
• Local workers lose their jobs and cannot buy Capitalist products.
• CONTRADICTION!

• Capitalists want to cut costs by introducing technology.
• Technology reduces number of workers, who cannot buy products.
• CONTRADICTION!
Path from Capitalism to Socialism

• Capitalists pay only a subsistence wage, but sell products at a profit.

• Workers have created all of the economic value, but Capitalist sells for more than he pays.

• Workers have produced SURPLUS VALUE which is stolen from them.

• Eventually workers (“the Proletariat”) realize they are being exploited.

• They rebel against the Capitalists (“the Bourgeoisie”) and form Socialist Societies and ultimately Communist Societies.

• “Workers of the World Unite! You have nothing to lose but your chains.”
Marx Criticisms of Capitalism

1) Alienation - Capitalism makes man a machine.

2) Insecurity - A man can be fired at a moment’s notice.

3) Competitive wage reduction - Competition to increase profits forces capitalists to cut wages to a subsistence level.

4) Globalization - Capitalists have incentive to move work overseas.

5) Technology - Capitalists replace workers with machines.

6) Excessive Abundance - Capitalism is so efficient it produces more goods than society needs, leading to massive economic downturns.

7) Demeaning of Professions - Every occupation is stripped of its awe. Lawyers, doctors, priests, poets, all become wage laborers.

8) Demeaning Marriage - Family ties become articles of commerce.

9) Expropriation of Value - Workers create all value but Capitalists steal it. Surplus Value.

10) Inequality - The efficiencies of Capitalism are produced by the many but captured by only a few.
Your Questions

• Which of Marx’s criticisms of Capitalism do you find most compelling?

• Where was Marx most wrong about Capitalism?

• Most Marxist countries didn’t work out well. Was there a fatal flaw in Marx’s philosophy that doomed future Marxist societies?

• All past economic and social systems (Slavery, Feudalism) have had beginnings, evolved and eventually ended. Why should Capitalism be different?