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The Basic Theories of Karl Marx

Marx's Economic Theory - General approach and influence

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Publication date: Tuesday 30 December 2003

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A general appraisal of Marx's method of economic analysis is called for prior to an outline of his main economic theories (theses and hypotheses). Marx is distinct from most important economists of the 19th and 20th centuries in that he does not consider himself at all an 'economist' pure and simple.

The idea that 'economic science' as a special science completely separate from sociology, history, anthropology etc. cannot exist, underlies most of his economic analysis. Indeed, historical materialism is an attempt at unifying all social sciences, if not all sciences about humankind, into a single 'science of society'. For sure, within the framework of this general 'science of society', economic phenomena could and should be submitted to analysis as specific phenomena. So economic theory, economical science, has a definite autonomy after all; but it is only a partial and relative one.

Probably the best formula for characterising Marx's economic theory would be to call it an endeavour to explain the social economy. This would be true in a double sense. For Marx, there are no eternal economic laws, valid in every epoch of human prehistory and history. Each mode of production has its own specific economic laws, which lose their relevance once the general social framework has fundamentally changed. For Marx likewise, there are no economic laws separate and apart from specific relations between human beings, in the primary (but not only, as already summarised) social relations of production. All attempts to reduce economic problems to purely material, objective ones, to relations between things, or between things and human beings, would be considered by Marx as manifestations of mystification, of false consciousness, expressing itself through the attempted relocation of human relations. Behind relations between things, economic science should try to discover the specific relations between human beings which they hide. Real economic science has therefore also a demystifying function compared to vulgar 'economics', which takes a certain number of 'things' for granted without asking the questions: Are they really only what they appear to be? From where do they originate? What explains these appearances? What lies behind them? Where do they lead? How could they (will they) disappear? Problemlindheit, the refusal to see that facts are generally more problematic than they appear at first sight, is certainly not a reproach one could address to Marx's economic thought.

Marx's economic analysis is therefore characterised by a strong ground current of historical relativism, with a strong recourse to the genetical and evolutionary method of thinking (that is why the parallel with Darwin has often been made, sometimes in an excessive way). The formula 'genetic structuralism' has also been used in relation to Marx's general approach to economic analysis. Be that as it may, one could state that Marx's economic theory is essentially geared to the discovery of specific 'laws of motion' for successive modes of production. While his theoretical effort has been mainly centred around the discovery of these laws of motion for capitalist society, his work contains indications of such laws - different ones, to be sure - for pre-capitalist and post-capitalist social formations too.

The main link between Marx's sociology and anthropology on the one hand, and his economic analysis on the other, lies in the key role of social labour as the basic anthropological feature underlying all forms of social organisation. Social labour can be organised in quite different forms, thereby giving rise to quite different economic phenomena ('facts'). Basically different forms of social labour organisation lead to basically different sets of economic institutions and dynamics, following basically different logics (obeying basically different 'laws of motion').

All human societies must assure the satisfaction of a certain number of basic needs, in order to survive and reproduce themselves. This leads to the necessity of establishing some sort of equilibrium between social recognised needs, i.e. current consumption and current production. But this abstract banality does not tell us anything about the concrete way in which social labour is organised in order to achieve that goal.

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Society can recognise all individual labour as immediately social labour. Indeed, it does so in innumerable primitive tribal and village communities, as it does in the contemporary kibbutz. Directly social labour can be organised in a despotic or in a democratic way, through custom and superstition as well as through an attempt at applying advanced science to economic organisation; but it will always be immediately recognised social labour, inasmuch as it is based upon a priori assignment of the producers to their specific work (again: irrespective of the form this assignation takes, whether it is voluntary or compulsory, despotic or simply through custom etc.).

But when social decision-taking about work assignation (and resource allocation closely tied to it) is fragmented into different units operating independently from each other - as a result of private control (property) of the means of production, in the economic and not necessarily the juridical sense of the word - then social labour in turn is fragmented into private labours which are not automatically recognised as socially necessary ones (whose expenditure is not automatically compensated by society). Then the private producers have to exchange parts or all of their products in order to satisfy some or all of their basic needs. Then these products become commodities, The economy becomes a (partial or generalised) market economy. Only by measuring the results of the sale of his products can the producer (or owner) ascertain what part of his private labour expenditure has been recognized (compensated) as social labour, and what part has not.

Even if we operate with such simple analytical tools as 'directly social labour', 'private labour', 'socially recognised social labour', we have to make quite an effort at abstracting from immediately apparent phenomena in order to understand their relevance for economic analysis. This is true for all scientific analysis, in natural as well as in social sciences. Marx's economic analysis, as presented in his main books, has not been extremely popular reading; but then, there are not yet so many scientists in these circumstances. This has nothing to do with any innate obscurity of the author, but rather with the nature of scientific analysis as such.

The relatively limited number of readers of Marx's economic writings (the first English paperback edition of *Das Kapital* appeared only in 1974!) is clearly tied to Marx's scientific rigour, his effort at a systematic and all-sided analysis of the phenomena of the capitalist economy.

But while his economic analysis lacked popularity, his political and historical projections became more and more influential. With the rise of independent working-class mass parties, an increasing number of these proclaimed themselves as being guided or influenced by Marx, at least in the epoch of the Second and the Third Internationals, roughly the half century from 1890 till 1940. Beginning with the Russian revolution of 1917, a growing number of governments and of states claimed to base their policies and constitutions on concepts developed by Marx. (Whether this was legitimate or not is another question.) But the fact itself testifies to Marx's great influence on contemporary social and political developments, evolutionary and revolutionary alike.

Likewise, his diffused influence on social science, including academic economic theory, goes far beyond general acceptance or even substantial knowledge of his main writings. Some key ideas of historical materialism and of economic analysis which permeate his work - e.g. that economic interests to a large extent influence, if not determine, political struggles; that historic evolution is linked to important changes in material conditions; that economic crises ('the business cycle') are unavoidable under conditions of capitalist market economy - have become near-platitudes. It is sufficient to notice how major economists and historians strongly denied their validity throughout the 19th century and at least until the 1920s, to understand how deep has been Marx's influence on contemporary social science in general.

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