Outline Lecture Eight—The Marxist Critique of Capitalism

Key Questions:
1) What are the strengths and shortcomings of the Marxist critique of capitalism?
2) Was Marx more of a prescient prophet or delusional ideologue?
3) Is Marx still relevant to our understanding of today’s economic world?

I) Social Conditions in Mid-19th Century
a) Uprisings of 1848
   i) Social turmoil and discontent across continental Europe
   ii) Protests against the old and the new order
   iii) “Spontaneous, undisciplined, and aimless”
      (1) Expected collusion between capitalists and the pro-business political regimes
      (2) Misguided vision of weak-willed and conformist socialists
   iv) “Dress rehearsal for a gigantic production”
      (a) “Workingmen of all countries, unite!”

b) The Hegelian View of History
   i) Meaning of Hegelian Dialectic
   ii) The dialectic applied to the study of history

c) Marx’s Dialectic Materialism
   i) Class struggle as the pivotal catalyst and driving force in history
   ii) Materialist vs. metaphysical philosophy
      (1) Social change always predicated on material conditions
      (2) Modes of production and exchange dictate social relations
         (a) Work hours, machines, work environment, etc. vs. prices, wages, etc.

d) “Base” vs. “Superstructure”
   i) “Superstructure” is the ideology used to rationalize and reinforce that “base”
   ii) Marx: In advanced industrial capitalism, the “base” and the “superstructure” are fundamentally incompatible
      (1) “Base” operates most efficiently on the harmonious interdependence of its parts
      (2) “Superstructure”—concept of private property an inherently individualistic idea—
          “one either accumulates or is accumulated”

II) Marx’s Prophesy of Capitalism’s Demise in Das Kapital
a) Dissecting the Inner Logic of Capitalism: A Labor of Love
   i) Writing the four-volume, 2,500-page tome
   ii) What took Marx 2,500 pages to show?

b) The Social Impact of Superstructure
   i) The inevitability of capitalism’s “superstructure”
   ii) To that end, they use “tradition”, religion, philosophy, even culture, to justify them
      (1) “The ruling ideas of each age have ever been the ideas of the ruling class”

c) Deconstruction of Equivocal Bourgeois Values
   i) Sanctity of Private Property
      (1) “Hard-won, self-acquired, self-owned”?
         (a) To abolish “private” property only implies abolishing the unearned privileges
             and disproportionate resources of a protected class
(2) What about the “hard-earned private property” of the working class?
   (a) Ever “revolving door” of wages earned, wages spent
(3) Is this still the case?
   (a) Is “homeownership” “private property”?
   (b) Illusion of the middle-class dream of “success”

d) The Supposition of a “Pure” Capitalism
   i) Presupposes a capitalist model in its “pure” form
   ii) In this ideal capitalist system, every commodity sells at its “proper price”
       (1) A commodity’s “proper price” reflects its “true value”
   iii) The “value” of labor as a commodity
       (1) Each worker also “sells” his or her labor close to its “true value”
       iv) Marx’s key discovery: “surplus value” is the source of capitalist profit
   v) Why does the worker not demand to work less? Or get paid more?

e) Capitalism’s Dialectic Course towards Doom
   i) Crisis #1—Smith’s Law of Accumulation
      (1) Mill’s and Marx’s caveat about population growth
   ii) Renewal #1—Capitalists turn to “labor-saving machines”
   iii) Crisis #2—More expensive machines, fewer exploitable workers
   iv) Renewal #2—Biggies slop up the carcass
      (1) Smaller businesses fold
      (2) Stronger enterprises will exploit the carnage
   v) “Business Cycle” of crisis and renewal repeats itself
      (1) But each time with heavier consequences
      (2) Why Capitalism will gradually yet inexorably devour itself

f) The Nature of the Beast
   i) Rejects Mills assumption of a “high stationary plateau” of wages and profits
      (1) Competition makes a state of equilibrium impossible
   ii) Grow or die—The Starbucks Effect
      (1) [http://www.youtube.com/watch?v=ENGUYeiGtNk](http://www.youtube.com/watch?v=ENGUYeiGtNk)
   iii) Innovate or Die—The Amazon or Apple Effect
   iv) Last Gasp/Survive another “business cycle”—The Blockbuster Effect

g) The Lasting Relevance of Marx
   i) The death of Communism is not the death of Marx
   ii) Capitalism resilience not in spite of Marxist prophesy, but maybe because of it