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Marxian Economics Paper 1

In the late 1800’s, Karl Marx was spurred by theoretical, political, cultural, and economic factors to critique the accepted economic ideal of the late 1800’s, that is, classical political economy. These factors brought Marx to the critique and are reflected well in the first three chapters of the first volume of his *Capital*. He expands on why he chose the economic sector as a point of focus in *The German Ideology* as well as Engels’s letter to Joseph Bloch.

Theoretically, Marx had many influences for *Capital*. The idea of a critique of the current way of life is one intrinsic to the idea of modernity. Since Martin Luther’s critique of the Catholic Church, it has been common practice to intellectually engage well-regarded and accepted ideas in society to maintain their validity. It would therefore follow for Marx to look at the accepted world he knows and find something worth engaging. Marx studied Hegel and Feuerbach and knew their positions on history and philosophy well. Hegel spurred Marx to extend his idea of the rational order of history. Hegel said that history reflects man’s need to know itself and that as history unfolds, the mind begins to know itself better. Feuerbach focused on religion. God, he asserted was a social construction and once man realizes the false consciousness, religion will end allowing man to know itself more. These two theoretical approaches to life inspired Marx to declare himself an atheist in his letter to Ruge, “For a Ruthless Criticism of Everything Existing.” Marx said that his focus at that point in his life was to criticize history, to engage past debates, to change the world. In the “Ruthless Criticism,” Marx writes the he can “find the new world only through criticism of the old" and he wants to construct a "ruthless criticism of everything existing." He says it is "ruthless in two senses: the criticism must not be afraid of its own conclusions, nor of conflict with the powers that be.” The theories of critique and their applications in Hegel and Feuerbach brought Marx to his critique of political economy.

When Marx was ejected from Germany for his criticisms of accepted norms such as religion, he was led to analyze the culture and politics of his time. Marx was led to write his critique by the prevailing culture, one that accepted social norms and standards as givens. Marx pointed out in his “Ruthless Criticism” that in Germany, the prevailing cultural and political norm was one in which “everything [was] being forcibly repressed, a true anarchy of the spirit… stupidity itself reigns supreme.” The people accepted the political, cultural, and economic situations and ways of thinking without considering the possibility of a change. Beyond the surface issues of the economic and political agendas, Marx was struck by the cultural norm of acceptance. He underwent the writing of *Capital* because the people of his time were so unwelcoming of revolutionary notions. Instead of engaging and debating with ideas, Germany ejected him from its society. Upon arriving in London, Marx was further pushed to write *Capital* by the culture of his new home. In exploring the art culture of London and how it welcomed change and analysis, Marx began to write his critique of political economy. The politics of the time were also a contributing factor. Marx had travelled across Europe from Germany to the United Kingdom and he had experienced the politics of different areas. Marx asserted that “reason has always existed, only not always in a reasonable form” and that a “critic can… develop from the unique forms of existing reality the true reality as its norm and final goal… Out of this conflict of the political state with itself, therefore, one can develop social truth.” Here Marx asserts that politics in any region can function as a springboard to find the real social truth and get closer to an idea world. By debating with political ideas, one can reach a greater reality.

The economic factors that spurred Marx to write *Capital* are the most explicit in the pages of volume 1. Capital functions in a twofold manner: on one side it is a critique of capitalism as an economic system, while on the other it questions the widely accepted notion of classical political economy. Like Joyce Appleby in her book, *Relentless Revolution*, Marx looked at the foundations of capitalism and accepted notions on economics as a launching point for his critique. He looked at Smith and Ricardo, the premier minds of classical political economy. Like Appleby, Marx discovered that capitalism was not a natural offshoot of human nature. In the *Grundrisse*, Marx points out that Smith and Ricardo use history and philosophy as jumping points without considering that they are constructed and not always the moral or actual correct ideals. While they might say that capitalism came from a social contract born from human nature, in reality capitalism was created by deliberate choices based on exploitation and slavery. Marx goes even further to question the popular conception of markets as a production of division of labor created automatically by supply of commodities, as asserted by Jean Baptiste Say in Say’s law. These economic factors led Marx to write capital.

In *The German Ideology*, Marx and Engels asserted that in a society, the means of production functions not only as the means of production of things and people, but as “a definite form of activity of these individuals, a definite form of expressing their life, a definite mode of life on their part. As individuals express their life, so they are.” It is for this reason that Marx chooses to criticize political economy specifically. Engels adds to this in a letter to Joseph Bloch when he asserts that when he and Marx analyzed the economy, they did it because the economy figures heavily into the formation of history while there are other factors in the reflection of society. In seeing the economic system as a reflection of a society and its people, Marx found criticizing the economy as a legitimate way of getting to the heart of society and humanity as a whole. In the construction of a new economic model, Marx sought to construct the most correct reflection of what people should strive to be.

Marx’s influences and inspirations clearly led to the first chapter of the first volume of *Capital*. He begins *Capital* by exploring the notions or commodities, exchange, and money. He says that the classicals focus too much on production as it leads to consumption, but in reality, he asserts, production and consumption must exist in a dialectical unity with each other as well as exchange and distribution. Thought and commodities therefore never find an end. The end of one process is just the beginning of another. This reflects his theoretical influences as they spurred him to criticize. Social existence, Marx points out, determines the existence of commodities, exchange, money, and even culture. Humanity needs to exist socially to find the need for commodities as well as to meet for their exchange. The socially necessary abstract labor that goes into each good is what determines its exchange value and then gives rise to commodity money. In the first three chapters, Marx begins to build up his own idea of an economy by criticizing the accepted ideal of classical political economy. He builds his argument from the ground up without the assumptions of his predecessors, all the while taking jabs at the accepted notions. The notion of criticism on the political, economic, social, and cultural levels as necessary for change and movement towards a better world inspired *Capital* and is present on every page.