

Understanding Marx's Most Important Critique of Capitalism

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Source: <https://medium.com/@postliterate/understanding-marxs-most-important-critique-of-capitalism-6b06715238fe>

What is left of Marx in the 21st century?

An endless plethora of non-Marxists have, for the past half-century, all triumphantly declared: “*Nothing.*” Communism is dead, exploitation is no longer relevant, classes have withered away, and the labor theory of value has been relegated to the past — or so they say. Most unfortunate is not that this position is common, but that many of the Marxists who supposedly represent the capability of Marx in the face of these doubts, have resorted to tepid left-Ricardianism, Lassalleanism, and worldview Marxism.

For many of these Marxists, class oppression and exploitation are simply hidden (masked by “ideology”), and the labor theory of value simply needs better empirical proof → <https://users.wfu.edu/cottrell/eea97.pdf>. Otherwise, they may claim dialectical materialism is the eternal science whether we like it or not. Derivatives of Marxism-Leninism (and Trotskyites, to some extent) broadly fall into this category.

For others, the specter of the decrepit Eastern Bloc has turned them away from much of Marxism altogether. Speakers such as Richard Wolff resort to advocacy of collective decision-making within capitalist firms, backed by a history of “market socialist” thought which came into being

because of initial intimidation by the assertions of the Austrian School. Branches of Democratic Socialism and Social Democracy generally fall into this camp.

The former group relies on asserting the truthfulness of the past, asserting the beauty of capitulated old regimes, or the imminence of this or that theory or theorist from 100+ years ago. Because of this framework, many of them even discourage reading new works, new innovations in Marxism or new interpretations. “*The tradition of all dead generations weighs like a nightmare on the brains of the living,*” and many of them are stuck going through the same motions and the same aesthetics kept up for centuries.

The latter group is the opposite: they hastily attempt to deny their association with the former group, and thus any mention of the word “communism.” Decrying all past communist regimes, to their opponents they try to assert that their theory is completely new and full of hope — to their Marxist allies they try to assert that their theory is still Marxist.

Both of these groups rely on either outright misinterpretations of Marx’s project of a critique of political economy or are just missing the point of it. This article will briefly discuss these issues and what is, in my opinion, a more genuine understanding of Marx’s project — what it achieved, and how it remains relevant today.

Weak Arguments Against Capitalism

1. Inequality and Class

Many leftists get introduced to anti-capitalist ideas through a critique of wealth inequality. It is true that severe wealth inequality has negative socio-political impacts → https://emilkirkegaard.dk/en/wp-content/uploads/The-Spirit-Level-Why-Greater-Equality-Makes-Societies-Stronger-Kate-Pickett-400p_160

[8193411.pdf](#), and this is often paired with moralistic arguments against billionaires. But is it really possible, the heart of postmodern capitalism (the US), to create the reforms necessary to make billionaires obsolete?

Many (such as Richard Wolff or Yanis Varoufakis) would argue no. There is precedent for this at both the level of Social-Democratic countries which supposedly represent the desired model still facing internal failures (particularly environmental → <https://www.aljazeera.com/opinions/2019/12/6/the-dark-side-of-the-nordic-model>), and with even “liberal” capitalism itself setting a historical record of capitulation to fascism. Moreover, there remains talk about Social-Democratic countries’ exploitation of the global South and their economic reliance on more imperialistic nations such as the US.

Wolff’s and Varoufakis’ solution is workplace democracy. But what good can that do? No matter the flattening of wealth inequality that would occur under such a system, better conditions for workers, and new potentials for solidarity — each firm itself would still operate on the logic of market competition. In effect, the system would still be plagued by much of the same ecological dangers of overproduction, inefficiency, and ceaseless capital expansion. All of the dangers of consumerism would remain and all of its forms of social entrapment, only now produced under more ethical working conditions.

Taking this a step further, the logic of market competition would still compel firms to drive each other out, centralizing. Proponents of the system claim to have abolished class by abolishing the employer/employee relation, but in reality nothing of the sort has occurred. This relation simply becomes more abstracted, employment now the collective responsibility of the company rather than certain bosses. Class could be reproduced in the form of larger, successful firms buying out and dominating smaller ones, reproducing the chain-of-command which has proven so successful in the market. However, even if we assumed that all firms could forever remain collectively managed in a market, little has yet been changed.

It should have given Wolff and other “market socialists” a clue that their model was enthusiastically embraced → https://www.youtube.com/watch?v=YJQS_uUZdcV4 by the most hard-line libertarians, making their claims about their system being incompatible with capitalism unconvincing.

2. Democracy and Class

Proponents of “market socialism” purport to have reclaimed “democracy” — that precious flower which the free market has supposedly trampled. Yet the emergence of democracy has historically been calmly alongside slavery and capitalism itself, and by formulating a platform of “true realization of democracy,” gradualism and pardoning for capital are implied. “Market socialists” do not attack democracy as an arm of capital, but wish to *retain* it for some hope that it can be replicated without capital. But in the end, democracy is also, of course, integral to the movement of fascism — that odious thing whose imposing existence haunts the Social-Democratic imagination.

Because democracy acts as the abstraction from real class antagonisms, with the ballot-box appearing as a simulacrum of civil equality, the disappearance of these antagonisms must make the method by which they are abstracted — democracy — obsolete.

But even on market socialism’s own terms, what about markets are democratic? No matter who makes the decisions within a firm, workers are still compelled to succeed in business to keep their jobs, and thus the decisions that must be made in a market are made anyway. Capital is the “automatic subject” and capitalists are merely personifications of this economic category; in theory, any person or persons can fulfill the role of executor of the markets’ dictated commands. Only reformist-small leeway can be doled out among the workers (now acting as petty-bourgeois), who can redistribute surplus-value amongst themselves or grant better pay and working conditions more easily.

The market socialists forget that class contradictions are not the central focus of Marx's mature critique. Class antagonisms are merely struggles over the value of labor-power — that commodity with special “historical and moral” consideration. The real central focus of *Capital* is value, and value is constituted only in the totality of capitalist relations. Abolishing merely one outcome of it — the perception of class — does not mean that value is at all overcome or that class should not merely reproduce itself in newer abstract forms.

3. Crises and Breakdown

There is also the assertion for anti-capitalism on the basis of it being crisis-ridden, as well as being necessarily in breakdown. However, as with the complaint about the “reserve army of labor,” the Keynesian School has certainly the literature to contest that this should remain an integral part of capitalism. As I will demonstrate later, the most important aspect to Marx's critique of capitalism is one which cannot be reconciled with any current reformist intellectual or political movement.

As for breakdown theory, there is only [shaky empirical basis](https://twitter.com/UnlearnEcon/status/1572569869891305473) → <https://twitter.com/UnlearnEcon/status/1572569869891305473> for the messy assertion of the “tendency of the rate of profit to fall” which appears in *Capital Vol. III*. Moreover, as Heinrich argues,

“Here, a fundamental problem is made abundantly clear: regardless of how we express the rate of profit, it is always a relation between two quantities [constant and variable capital]. The **direction** of movement for these two quantities (or parts of these two quantities) is known. That, however, is not sufficient; the point is, **which of the two quantities changes more rapidly** — and we do not know that. For that reason, at the general level at which Marx argues, nothing can be said concerning long-term tendencies of the rate of profit.”

— (Heinrich, *Crisis Theory*) → <https://monthlyreview.org/2013/04/01/crisis-theory-the-law-of-the-tendency-of-the-profit-rate-to-fall-and-marxs-studies-in-the-1870s/>

Then there is the favorite assertion of the marginalized Marxists (e.g. Hardt & Negri and Wertkritik): that a crisis of labor would be a permanent breakdown of value. Value, in being constituted by abstract labor, would be understood to necessarily crumble should the human labor which is the basis for abstract labor become obsolete. While there is a precedent for the discussion of the diminishing role of human labor in the market and this phenomenon's subsequent effect on individual laborers, it remains unclear why value should cease to exist because of it.

As Heinrich indicates, this theory is derived from the infamous “fragment on machines” from the *Grundrisse*, which predates *Capital* by a decade. Because of this temporal difference, the category of abstract labor does not surface in the former at all — in it the substance of value is considered to be only “labor in the immediate form.” There is little reason why simple alterations of the degree to which human labor acts as a value transfer in the production process could not occur, leaving the law of value intact.

Marx's Fundamental Critique

If capitalism can be reconciled within a framework of equality, workers' cooperation, full employment, and democracy — what critiques are left? For some Marxists, unfortunately, when pressed for a critique beyond that of class conflict or market inefficiency, they can hardly provide one. Because of this, they often mimic the rhetoric of the Social Democrats, speaking about improving living conditions, guaranteeing basic necessities, curbing inequality and free trade.

Yet they have missed what may be Marx's most important critique of political economy, and arguably the one which all the others revolve around: that capitalist relations are in and of themselves a form of impersonal social domination.

The first chapter of *Capital* in some ways lays out the blueprint for the theoretical advance of the critique of political economy. It begins with the commodity, it introduces value and its forms of appearance, and it culminates in the theory of fetishism. This progression is important to stress because it reveals what Marx's theory of value is really after: a theory of fetishism. Marx's theory of value is not attempting to predict prices, but to make a point about value being a social relation mediated by things. As long as labor must be objectified in general forms of exchange, the products of our labor take on an "objective" quality which compels them to act outside of our control, and compels us to act by their regulations.

There is no degree of reform which can alleviate this issue, and as Postone has demonstrated, it can be reproduced in any society governed by value, whether it calls itself "communist" or "capitalist." Fetishism entails mediation of economic social metabolism through value, through objects. In these fetishistic relations of value, individual labor can relate to social labor only through the objects which have been stamped with this value.

However, this relation is not simply economic. One need not even believe that the economy is the basis for general social life to see how fetishism affects us deeply, and how it necessarily extends into the social and cultural sphere. Indeed, how much of our waking hours (and, according to Žižek, our sleeping hours as well) are affected by the contemporary currents of production and consumption?

Guy Debord has extended the logic of fetishism, then, into the realm of culture and cultural consciousness. As Gilles Dauvé stresses:

“[H]uman activity does not produce only goods and relationships, but also representations. Man is not homo faber: the reduction of human life to the economy (since taken up by official Marxism) dates from the enthronement of capital. All activity is **symbolic**: it creates, at one and

the same time, products and a vision of the world... The fetishism of commodities is merely the form taken by this symbolism in societies dominated by exchange.”

— (Critique of the Situationist International) → <https://web.archive.org/web/20010412094621/http://www.geocities.com/~johngray/barsit.htm>

The theory of the “spectacle,” which Debord lays out in *Society of the Spectacle*, is this form of representation of capital, the signifier for the exchange relation signified. This cultural logic can be seen everywhere, from the television to the phone to the movies and through numerous institutions.

Importantly, this abstract social domination is impersonal not because it is weak and hard to see, but because it does not have a single owner. In fact, no particular class is its owner. Individual consciousness is shaped through the form-determinations of capital, and it thus emerges as abstract system-domination.

“Currently, the established egoism has definitively freed itself from any content of material shortage under the money-form. The material surplus-product can no longer be defined as the object of appropriation for anyone’s use and benefit: it has become autonomous as a monstrous end-in-itself that anyone can see.”

— (Robert Kurz, *Domination Without a Subject*) → <https://libcom.org/article/domination-without-subject-part-one-robert-kurz>