16.1C: The Marxist Critique of Capitalism

Karl Marx saw capitalism as a progressive historical stage that would eventually be followed by socialism.

LEARNING OBJECTIVES

Examine Karl Marx’s view on capitalism and the criticisms of the capitalist system

KEY TAKEAWAYS

Key Points

- Karl Marx saw capitalism as a progressive historical stage that would eventually stagnate due to internal contradictions and be followed by socialism.
- Marxists define capital as "a social, economic relation" between people (rather than between people and things). In this sense they seek to abolish capital.
- Revolutionary socialists believe that capitalism can only be overcome through revolution.
- Social democrats believe that structural change can come slowly through political reforms to capitalism.
- Marxists define capital as “a social, economic relation” between people (rather than between people and things).
- Normative Marxism advocates a revolutionary overthrow of capitalism that would lead to socialism, before eventually transforming into communism after class antagonisms and the state ceased to exist.
Key Terms

- revolution: A political upheaval in a government or nation-state characterized by great change.
- socialism: Any of various economic and political philosophies that support social equality, collective decision-making, distribution of income based on contribution and public ownership of productive capital and natural resources, as advocated by socialists.
- progressive: Favoring or promoting progress; advanced.

Capitalism has been the subject of criticism from many perspectives during its history. Criticisms range from people who disagree with the principles of capitalism in its entirety, to those who disagree with particular outcomes of capitalism. Among those wishing to replace capitalism with a different method of production and social organization, a distinction can be made between those believing that capitalism can only be overcome with revolution (e.g., revolutionary socialism) and those believing that structural change can come slowly through political reforms to capitalism (e.g., classic social democracy).

Karl Marx saw capitalism as a progressive historical stage that would eventually stagnate due to internal contradictions and be followed by socialism. Marxists define capital as "a social, economic relation" between people (rather than between people and things). In this sense they seek to abolish capital. They believe that private ownership of the means of production enriches capitalists (owners of capital) at the expense of workers. In brief, they argue that the owners of the means of production exploit the workforce.

In Karl Marx’s view, the dynamic of capital would eventually impoverish the working class and thereby create the social conditions for a revolution. Private ownership over the means of production and distribution is seen as creating a dependence of non-owning classes on the ruling class, and ultimately as a source of restriction of human freedom.

Marxists have offered various related lines of argument claiming that capitalism is a contradiction-laden system characterized by recurring crises that have a tendency towards increasing severity. They have argued that this tendency of the system to unravel, combined with a socialization process that links workers in a worldwide market, create the objective conditions for revolutionary change. Capitalism is seen as just one stage in the evolution of the economic system.

Normative Marxism advocates for a revolutionary overthrow of capitalism that would lead to socialism, before eventually transforming into communism after class antagonisms and the state cease to exist. Marxism influenced social democratic and labor parties as well as some moderate democratic socialists, who seek change through existing democratic channels instead of revolution, and believe that capitalism should be regulated rather than abolished.