

Influences on Marx's thought

Marx's thought demonstrates strong influences from:

- * Hegel's dialectical method and historical orientation;
- * the classical political economy of Adam Smith and David Ricardo;
- * French socialist and sociological thought, in particular the thought of Jean-Jacques Rousseau, Henri de Saint-Simon and Charles Fourier;
- * earlier German philosophical materialism, particularly that of Ludwig Feuerbach
- * the solidarity with the working class of Friedrich Engels

Marx's view of history, which came to be called historical materialism (controversially adapted as the philosophy of dialectical materialism by Engels and Lenin) certainly shows the influence of Hegel's claim that one should view reality (and history) dialectically. Hegel believed that human history is characterized by the movement from the fragmentary toward the complete and the real (which was also a movement towards greater and greater rationality). This progressive unfolding of the Absolute involves gradual, evolutionary accretion which culminates in revolutionary leaps — episodic upheavals against the existing status quo. For example, Hegel strongly opposed slavery in the United States during his lifetime, and he envisioned a time when Christian nations would eliminate it from their civilization.

Marx's critiques of German philosophical idealism, British political economy, and French socialism depended heavily on the influence of Feuerbach and Engels. Hegel had thought in idealist terms, and Marx sought to rewrite dialectics in materialist terms. He wrote that Hegelianism stood the movement of reality on its head, and that one needed to set it upon its feet. Marx's acceptance of this notion of materialist dialectics which rejected Hegel's idealism was greatly influenced by Ludwig Feuerbach. In *The Essence of Christianity*, Feuerbach argued that God is really a creation of man and that the qualities people attribute to God are really qualities of humanity. Accordingly, Marx argued that it is the material world that is real and that our ideas of it are consequences, not causes, of the world. Thus, like Hegel and other philosophers, Marx distinguished between appearances and reality. But he did not believe that the material world hides from us the "real" world of the ideal; on the contrary, he thought that historically and socially specific ideology prevented people from seeing the material conditions of their lives clearly.

The other important contribution to Marx's revision of Hegelianism came from Engels' book, *The Condition of the Working Class in England in 1844*, which led Marx to conceive of the historical dialectic in terms of class conflict and to see the modern working class as the most progressive force for revolution. Engels' article "Outlines of Political Economy" in the *Deutsch-Französische Jahrbücher* also had a great influence in directing him towards the study of the workings of the capitalist economy.

Marx believed that he could study history and society scientifically and discern tendencies of history and the resulting outcome of social conflicts. Some followers of Marx concluded, therefore, that a communist revolution would inevitably occur. However, Marx famously asserted in the eleventh of his *Theses on Feuerbach* that "philosophers have only interpreted the world, in various ways; the point however is to change it", and he clearly dedicated himself to trying to alter the world. Consequently, most followers of Marx espouse not fatalism, but activism: they believe that revolutionaries must organize social change.

Political economy

Marx argued that this alienation of human work (and resulting commodity fetishism) functions precisely as the defining feature of capitalism. Prior to capitalism, markets existed in Europe where producers and merchants bought and sold commodities. According to Marx, a capitalist mode of production developed in Europe when labor itself became a commodity—when peasants became free

to sell their own labor-power, and needed to do so because they no longer possessed their own land. People sell their labor-power when they accept compensation in return for whatever work they do in a given period of time (in other words, they do not sell the product of their labor, but their capacity to work). In return for selling their labor-power they receive money, which allows them to survive. Those who must sell their labor-power are "proletarians". The person who buys the labor power, generally someone who does own the land and technology to produce, is a "capitalist" or "bourgeois". The proletarians inevitably outnumber the capitalists.

Marx distinguished industrial capitalists from merchant capitalists. Merchants buy goods in one market and sell them in another. Since the laws of supply and demand operate within given markets, a difference often exists between the price of a commodity in one market and another. Merchants, then, practise arbitrage, and hope to capture the difference between these two markets. According to Marx, capitalists, on the other hand, take advantage of the difference between the labor market and the market for whatever commodity the capitalist can produce. Marx observed that in practically every successful industry input unit-costs are lower than output unit-prices. Marx called the difference "surplus value" and argued that this surplus value had its source in surplus labour, the difference between what it costs to keep workers alive and what they can produce.

Capitalism can stimulate considerable growth because the capitalist can, and has an incentive to, reinvest profits in new technologies and capital equipment. Marx considered the capitalist class to be the most revolutionary in history, because it constantly improved the means of production. But Marx argued that capitalism was prone to periodic crises. He suggested that over time, capitalists would invest more and more in new technologies, and less and less in labor. Since Marx believed that surplus value appropriated from labor is the source of profits, he concluded that the rate of profit would fall even as the economy grew. When the rate of profit falls below a certain point, the result would be a recession or depression in which certain sectors of the economy would collapse. Marx thought that during such an economic crisis the price of labor would also fall, and eventually make possible the investment in new technologies and the growth of new sectors of the economy.

Marx believed that increasingly severe crises would punctuate this cycle of growth, collapse, and more growth. Moreover, he believed that in the long-term this process would necessarily enrich and empower the capitalist class and impoverish the proletariat. He believed that if the proletariat were to seize the means of production, they would encourage social relations that would benefit everyone equally, and a system of production less vulnerable to periodic crises. He theorized that between capitalism and the establishment of a socialist system, a dictatorship of the proletariat — a period where the working class holds political power and forcibly socializes the means of production — would exist. As he wrote in his "Critique of the Gotha Program", "between capitalist and communist society there lies the period of the revolutionary transformation of the one into the other. Corresponding to this is also a political transition period in which the state can be nothing but the revolutionary dictatorship of the proletariat." While he allowed for the possibility of peaceful transition in some countries with strong democratic institutional structures (such as Britain, the US and the Netherlands), he suggested that in other countries with strong centralized state-oriented traditions, like France and Germany, the "lever of our revolution must be force."