WHY MARX STILL MATTERS

By Jon D. Wisman*

“Men make their own history, but not of their own free will; not under circumstances they themselves have chosen but under the given and inherited circumstances with which they are directly confronted. The tradition of the dead generations weights like a nightmare on the minds of the living” (Marx 1974: 146).

“[T]he competitive order must be partly responsible for making emulation and rivalry the outstanding quality in the character of the Western peoples who have adopted and developed it” (Knight 1999: 39).

“The physicist who is only a physicist can still be a first-class physicist and a most valuable member of society. But nobody can be a great economist who is only an economist -- and I am even tempted to add that the economist who is only an economist is likely to become a nuisance if not a positive danger” (von Hayek. 1956: 463).

“Marx’s importance in the history of thought should not be judged only on the basis of how much his ideas and work contributed to the later development of economics, but also by the unfinished business for the future development of economics his work puts on the intellectual agenda” (Foley 1995: 164).

Abstract: This article explores why a deep understanding of Marx’s project is essential for developing an adequate science of society. The imperative to re-examine Marx’s project has been made evident not only by the incapacity of the fragmented contemporary social sciences to grasp the causes and necessary responses to capitalism’s current crises, but more urgently what is arguably humanity’s greatest challenge – avoiding ecological devastation and perhaps even ecocide. Due to space limitations, this article cannot address these pressing issues directly. Instead, it focuses on how Marx’s approach offers the most promising scope and method for addressing challenges such as these. Marx viewed humanity’s struggle to overcome nature’s scarcity as causally and dynamically related to social organization and social consciousness. Critical to this breadth, and what is yet more alien to the Anglo-American social science tradition, Marx unfolded a theory of our self-creation, the manner in which products of our manual and intellectual labor act back upon us to create us socially and intellectually. To the extent that we lose consciousness of this authorship, we are unfree. We are controlled by our own creations, frequently in harmful manners. Our full freedom, and therefore our capacity to

*The author is Professor of Economics at American University, Washington, D.C.
come to terms with contemporary challenges requires a social science with the breadth of Marx’s that enables us to recover awareness of our authorship of our social creations and thereby be empowered to control them, as opposed to being their victims.

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Karl Marx has never been highly appreciated by the discipline of economics’ mainstream.¹ And although an interest in Marx’s work flourished among heterodox economists and other social scientists between the mid-1960s and the late 1980s, since the collapse of the Soviet Union, the study of Marx and the use of approaches drawing upon his legacy have dramatically shrunken, not only among economists, but in academia generally.² Whether the contemporary crisis will stimulate a sustainable re-discovery of Marx remains to be seen.

The dismissal and ignorance of Marx’s project is a mistake. More than any other major figure in the history of the science of economics, Marx struggled to embed economic analysis within the broadest social framework. He clarified the scope that a science of economics must ultimately embrace if it is to provide humanity with the fullest possible understanding of its social existence.

Conventionally understood, economics addresses the problem of nature’s scarcity. Marx also began with the problem of scarcity. But he insisted that we must address how our struggle with scarcity is causally and dynamically connected to our social organization and to our social consciousness. Relatedly, and far more alien to the tradition of Anglo-American social science, he studied our self-creation -- the manner in which phenomena of our own creation act back upon us to help determine how we live and think.

To the extent that we lose consciousness of our authorship of our creations, whether material or mental, we are unfree. Because we are in part produced and controlled by our own creations, potentially in harmful manners, our freedom, and therefore welfare, requires that we recover awareness of our authorship.

This article develops a framework for understanding why Marx still matters. However, it does not offer a defense of his specific theories such as his view of history occurring in stages punctuated by revolutions and ending in communism, his labor theory of value, or his belief in a falling rate of profit and the immiseration of the masses. Indeed, even if these specific theories were rejected, his broader approach as to what would constitute an adequate science of society would retain its value. Thus the modest claim that this article develops is that it is his conception

¹ Samuelson, for instance, referred to Marx as a “minor post-Ricardian” (1962:12); Schumpeter pointed to his work as an example of how not to do economics (1954: 685ff), although he also identified Marx along with Walras as the two greatest influences on his work (Clemence 1951). Re-asserting Samuelson’s claim, Anthony Brewer has concluded that “…Marx added little or nothing useful to the classical heritage….It was, of course, necessary to study Marx’s theory in order to establish that it was indeed a dead end….It is not just that his ideas are not to be found in modern textbooks, but that they were never seriously discussed by mainstream economists, either during or after his lifetime” (1995: 139; 141; 111).

² Heterodox economics departments, wishing to hire economists with a strong training in Marxist economics find the task impossible. They are no longer being trained. Nevertheless, there have been attempts to reformulate Marxism so as to infuse it with new life. For a notably example, see Sherman 1995.
of what the scope of a science of economics must be and what that science must accomplish that remain critically important.

The Scope of Economic Science

Since its modern beginnings with Adam Smith, mainstream economics has generally defined the economic problem as one of material scarcity. The focus has been on the human struggle with nature to overcome material privation and satisfy human desires. A number of prominent classical economists, most notably Adam Smith and John Stuart Mill, studied economic phenomena within a historical, sociological and political framework. But the focus narrowed considerably toward the end of the nineteenth century as economists struggled to purge economics of those elements they believed compromised the scientific character of economics.3

Marx, too, defined economics as a problem of material scarcity. However, he believed that this struggle with nature could not be adequately understood without grasping the causally related character of two other struggles: the struggle among humans concerning the social organization of production and for shares of output; and the struggle occurring in human social consciousness between ideas that legitimated differing patterns of social organization.4 To adequately (and therefore scientifically) understand the material problem, it is not possible to abstract out the material problem from its causal relatedness to how we are socially organized and to our social consciousness. In our struggle with nature, we change ourselves: By “acting on the external world and changing it, he at the same time changes his own nature” (Marx 1970: 177).

Most all of the tradition of modern mainstream economics has ignored the domains of social relations and social consciousness by assuming them constant or exogenous to its field of study. Even when they recognized that our struggle with nature dynamically affects and is dynamically affected by our social relations and social consciousness, when they set out to define the character of a science of economics, they abstracted from these relationships. This is true even for the most historical, sociological, and institutional mainstream political economists such as Adam Smith, John Stuart Mill, and Alfred Marshall.

Adam Smith, for instance, demonstrated a clear grasp of the extent and manner in which humans are social products in his *Theory of Moral Sentiments*. Yet when he narrowed his focus to the economy in the *Wealth of Nations*, he not only largely ignores this social formation, but he provides a number of statements that suggest humans are universally endowed by nature with fixed behavioral traits such as a propensity as “to truck, barter, and trade.”5 Mill too viewed humans as substantially formed by their environments, but then embraces the position that “Political economy presupposes an arbitrary definition of man...a being who invariably does that by which he may obtain the greatest amount of necessaries, conveniences, and luxuries” (Mill 1881: 241). Moreover, he went on to argue, “only through the principle of competition has

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3 This purge was not entirely independent of ideological motivations (Wisman and Smith 2011).

4 For this, Schumpeter offered praise: “Marx was the economist who discovered ideology for us and who understood its nature. Fifty years before Freud, this was a performance of the first order” (1954: 35).

5 Smith, along with other members of the Scottish Historical School, also examined the manner in which the mode of subsistence influenced the legal system and the distribution of political power. However, little of this broad focus finds its way into *The Wealth of Nations*. For a discussion, see Meek 1967.
political economy any pretension to the character of a science” (Mill 1881: 242).

Marshall held that “man’s character has been molded by his every-day work, and the material resources which he thereby procures...Economic influences [have been] enormous and incomparably more powerful in the formation of character than any other influences” (1920:1). However, when he turned his attention more narrowly to the construction of economic science, he concluded that “It is this definite and exact money measurement of the steadiest motives in business life, which has enabled economics far to outrun every other branch of the study of man” [and therefore economic science must limit itself to those problems that] relate specially to man’s conduct under the influence of motives that are measurable by a money price” (Marshall 1920: 14; 27).

Marx is unique in that his endeavors to construct economic science include a struggle to integrate the more narrowly economic domain with the broader domain of how it is related to social structure and consciousness. He too builds upon Adam Smith, and is every bit as much the successor to Smith as is modern mainstream economics. However, whereas mainstream economics plucked from Smith his focus on the market mechanism, abandoning his rich emphasis on the historical institutional character of budding industrial society, Marx went in the opposite direction. He viewed the market sphere as surface reality, not the profound causal nexus that explains the dynamics of capitalism as a socio-economic system. To uncover these deeper causal forces, Marx expanded on Smith’s rich historical institutional analysis.

For instance, Smith saw the division of labor as the motor force for economic growth. Yet he recognized that it comes at a high human cost (rendering “the greater body of the people...as stupid and ignorant as it is possible for a human creature to become” (1937: 734). Marx greatly expanded upon this more socially complex view of the social consequences of continuing development of the division of labor. Thus, like Smith, and the classical school of political economy generally, Marx sought to further develop a science of society and of social evolution emanating from some of the very social phenomenon that they had identified. However, he saw it as necessary to pursue much further the complex and often contradictory aspects of capitalism.

**Marx’s Project: The Centrality of Labor**

Even given the extraordinary scope of Marx’s analysis, the reason Marx must be considered first and foremost an economist is that he grounded social evolution in the economic sphere. Economics’ fundamental importance is that it addresses the most critical problem faced by humans -- that of scarcity. We cannot do much of anything (create civilizations, art, subatomic physics, pornography) prior to achieving a modicum of success in this domain. If we cannot physically survive, nada. The challenge to all living creatures is first and foremost a

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6 This observation by Smith represents the beginning of the study of “worker alienation.” It is an example of the manner in which in Marx’s framework, changes in the forces of production affect social relations and social consciousness.

7 As Engels later put this, “According to the materialist conception of history, the ultimate, determining element in history is the production and reproduction of real life.” But Engels went on to emphasize that it is not the “only determining element” (1890: 760-62). It does not set a rigid determination of social arrangements, but only limits to what is compatible with it. In his third thesis on Feuerbach, Marx had written: “The materialist doctrine that men are products of circumstances and upbringing...forgets that it is men who change circumstances” (1845: 144).
material challenge.

Marx developed his broad materialist model by expanding upon a formulation set forth by the Scottish Historical School.\(^8\) Like them, he believed that the material conditions under which labor is exercised determine and set the limiting conditions for how humans are socially organized: “In order to produce, they enter into definite connections and relations to one another, and only within these social connections does their influence upon nature operate, that is, does production take place” (Marx 1933: 28). Further,

“In the social production of their life, men enter into definite relations that are indispensable and independent of their will, relations of production which correspond to a definite stage of development of their material productive forces. The sum total of these relations of production constitutes the economic structure of society, on which rises a legal and political superstructure and to which correspond definite forms of social consciousness. The mode of production of material life conditions the social, political, and intellectual life process in general. It is not the consciousness of men that determines their being but, on the contrary, their social being that determines their consciousness” (1978: 4).

Because it is through labor that production occurs, a central focus upon labor is necessary for the formulation of a full science of economics. Whereas the Scottish Historical School had focused on labor within a “mode of subsistence,” Marx substituted “mode of production.” However, while the Scottish Historical School identified stages of economic development in terms of their modes of subsistence, they did not unfold a theoretical explanation for why one mode changes into another. For Marx, to offer such a conceptual framework was a critical part of his project. He believed he had identified the causal forces propelling a society from one mode of production to another in the evolving tensions between changing material conditions of work (forces of production) and social organization (social relations of production) that would be expressed through class conflict and revolutionary change.

At the core of this model of our struggle with this material problem is labor. Labor is a universal condition of humankind, a nature-given necessity, what is common to all modes of production: “...it is the necessary condition for effecting exchange of matter between man and nature; it is the everlasting nature-imposed condition of human existence, and therefore is independent of every social phase of that existence, or rather, is common to every such phase” (Marx 1970: 183-84). It is for this reason that making labor central to the building a science of

\(^{8}\) In addition to Smith, other notable members included Adam Ferguson, William Robertson & John Millar. Their understanding of the economic foundation for the character of society was put by Robertson as follows: First, “in every inquiry concerning the operations of men when united together in society, the 1st object of attention should be their mode of subsistence. Accordingly as that varies, their laws & policies must be different. Second, "Upon discovering in what state property was at in any particular period, we may determine w/ precision what was the degree of power possessed by the king or by the nobility at that juncture" (cited in Meek 1967: 37)

\(^{9}\) In the Manifesto, Marx and Engels wrote: “Does it require deep intuition to comprehend that man's ideas, views, and conception, in one word, man's consciousness, changes with every change in the conditions of his material existence, in his social relations and in his social life? What else does the history of ideas prove, than that intellectual production changes its character in proportion as material production is changed? The ruling ideas of each age have ever been the ideas of its ruling class” (1848: 489).
economics made sense.

Much of Marx’s focus on the centrality of labor in humanity’s economic and social condition was drawn from classical economics and the broader context of social thought in which it evolved. For instance, it is the central role given to labor by Adam Smith that signals the beginning of modern economics. “The real price of every thing, what every thing really costs to the man who wants to acquire it, is the toil and trouble of acquiring it” (1937: 30). We are socially organized to produce for each other through the division of labor and markets, and thus “The far greater part of [commodities] he must derive from the labour of other people, and he must be rich or poor according to the quantity of that labour which he can command, or which he can afford to purchase” (1937: 30).10

Some of the broader consequences of the changing conditions of how humans labor were also drawn from Smith. For instance, Smith identified the division of labor as the motor force for economic growth. Yet, as noted above, he recognized that it comes at the high cost of dehumanizing workers.

As is well-known, Marx drew upon and developed the dominant theory of value he found in English political economy – especially David Ricardo’s labor theory of value. But Marx went much further. He found that the labor theory of value permitted him to view the capitalist form of social organization as having a critical common element with such forms of social organization as slavery and feudalism. In all such instances, a dominant class living in relative wealth and ease owned and controlled the means of production while the subservient class lived at the edge of bare subsistence and provided the greater part of labor services. Private ownership of the means of production by one class represents not just power over things, but it also represents a social relation whereby this class holds right of access to what all others need to survive. Thus, under capitalism, the worker is “the slave of other men who have made themselves the owners of the material conditions of labour. He can only labour by their permission and hence only live by their permission” (Marx 1975: 526).

The labor theory of value views value as prior to exchange. Thus although demand is important in determining what is produced, beyond that it is not directly relevant to the determination of value. However, it is not easy to track labor values into market prices, and in fact Marx’s focus was not so much upon market prices as upon the institutional structure within which value was produced and how it was distributed among classes as profit, rent, and interest. He realized that actual market prices can vary from labor values, and attempted, albeit with limited success to demonstrate why and how this occurs (the so-called “transformation problem”).

The labor theory of value places the focus on the social character of production. It helps unveil the illusion that is produced by markets and reinforced by mainstream economics’ preoccupation with the market sphere, an illusion that Marx termed “commodity fetishism.” Through the division of labor and the social institution of the market, individuals in seemingly

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10 Smith continues this passage in an embrace of the labor theory of value. “The value of any commodity, therefore, to the person who possesses it, and who means not to use or consume it himself, but to exchange it for other commodities, is equal to the quantity of labour which it enables him to purchase or command. Labour, therefore, is the real measure of the exchangeable value of all commodities” (1937: 30). As is well known, Smith will release this embrace of the labor theory of value when he takes up the problems presented by private ownership of capital and land.
producing for themselves, are in fact producing for others. But the mediation of markets between individuals leads them to view themselves as related to commodities as opposed to each other. Thus their most elemental social relationship (whereby they work for each other) is mystified by this “commodity fetishism.” It was also part of Marx’s project to reveal how markets (and economists’ preoccupations with them) disguised the fact that land and capital are not only things, but also social relationships, ones that enabled their owners to extract the surplus value from the producers in a hidden manner.

Intellectually, mainstream economics reinforces this illusion. As it developed, it came to view economic relationships as between things as opposed to among people, thereby sweeping their social relationship out of sight. This first received clear and unambiguous expression with Leon Walras, who noted that interaction among economic actors could be represented as relationships between inputs and outputs. For instance, he wrote: “Assuming equilibrium, we may even go so far as to abstract from entrepreneurs and simply consider that productive services as being, in a certain sense, exchanged directly for one another” (1873: 225).

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Traditional mainstream economics views the value of a commodity as the result of land, labor and capital each bestowing value upon it. But this masks the fact that all value is created by labor and that the returns to land and capital are the consequence of a specific set of society’s property rights, that enables the owners to receive a portion of the value created by labor. And thus there is “the conversion of social relations into things...[yielding] an enchanted, perverted, topsy-turvy world, in which Monsieur le Capital and Madame la Terre do their ghost walking as social characters and at the same time as mere things” (1967: 830).12

It should also be noted that although the labor theory of value does not offer precision in explaining market prices, it continues to be used implicitly in developing an understanding of many contemporary concerns. For instance, we appeal to its basic framework implicitly when addressing the demographic changes in all wealthy countries whereby the growth of retirees exceeds that of the active workforce. In different language, we focus on the problem of extracting more surplus from the latter to allocate to the former (through taxes and social security payments or corporate pensions). And the charge of “greedy geezers” to characterize the increasing political power of the elderly to extract what some believe to be an excessive share of workers’ surpluses is just another way of inferring exploitation.

Humans Make Themselves

All of economics addresses the human struggle with nature to overcome privation and meet human needs and desires. But Marx went further by pointing out that as humans transform

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11 Markets had an effect on social consciousness such that “the relation of the producers [workers] …is presented to them as a social relation, existing not between themselves, but between the products of their labour...[and thus] a “definite social relations between men themselves…assumes …the fantastic form of a relation between things.” (Marx 1906: 83).

12 Marx went on to note that

“It is the great merit of classical economy to have destroyed this false appearance and illusion...by reducing interest to a portion of profit, and rent to the surplus above average profit, so that both of them converge in surplus-value; and by representing the process of circulation as a mere metamorphosis of forms, and finally reducing value and surplus-value of commodities to labour in the direct production process” (1967: 830).

The neoclassical revolution, however, by explicitly dropping the labor theory of value, thereby sacrificed this ability to see through the illusion.
nature through labor to overcome scarcity, they transform themselves. Thus, "...the whole of what is called world history is nothing but the creation of man by human labor, and the emergence of nature for man; he therefore has the evident and irrefutable proof of his self-creation, of his own origins" (1975: 139). In studying this self-creation, he tried to establish a framework for understanding how our progressive successes in our struggle with nature would influence the manner in which we are socially organized and the character of our consciousness. He struggled to create a conceptual framework that would uncover the relationship between the economic realm and the political, social, and ideological forces that shape human life. He believed that an adequate science of economics, and a full understanding of history, would require such understanding.

Historically, the world within which humans have labored has become increasingly human-created or cultural. When humans first became differentiated from other primates, they faced the non-humanly given world of nature with a relatively rudimentary cultural framework. But as humans progressively developed their productive powers, their cultural became increasingly complex and thus they increasingly faced a world that was both nature and culture, the latter their own creation. Through labor, humans were increasingly the authors of their world, and thus of themselves. Their labors created innovations that changed the way they lived together and thought. But their authorship of this cultural world was generally lost to consciousness, and in this sense they became alienated from their own products. These products act back upon them, setting limits and directions to their behavior. They are controlled by their own products, and to the extent that such control reduces their welfare, they are victims of Frankensteinian monsters. They are unfree.

This view of humans as creating themselves is one of the most important assets that Marx brought to political economy. It was, of course, alien to English and American political economy and remains so today. The extreme extent of this is evidenced by mainstream economics’ insistence that preferences be taken as given. That is, beyond the assumption of humans as fully self-directed rational calculating maximizers of something like utility, the origins of human behavior are not viewed as appropriate subject matter for economic science. Consequently, within the science, the question can not be broached as to whether human behavior is influenced by social institutions or whether it stems from ideological reflex or imprisonment.

The power of Marx’s perspective of humans creating themselves could be explored in practically every aspect of our social institutions and consciousness. For the sake of brevity, attention will be limited to two interrelated domains: Our institutional and attitudinal

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13 For an extensive discussion of this process, albeit by non-Marxists, see Berger and Luckmann 1967.

14 Thus Marx points out that despite all the progress in technology and wealth creation, “The most developed machinery thus forces the worker to work longer than the savage does, or than he himself did with the simplest, crudest tools” (1975: 708-09). For a vivid example of how a change in the forces of production, in this case a simple technology, can dramatically change social relations and consciousness, see Méteaux, 1959.

15 It is noteworthy that while mainstream economics takes tastes as exogenous to their science, before their reputed empirical stance is the not-hard-to-discern fact that corporations and governments are not so naive. They spend enormous sums of money to influence tastes, and as they must show profits and answer to stockholders, there is reason to believe that they are onto something.
relationships to economic growth and to work.  

*Our Growth Obsession*

In today’s wealthy countries, economic growth has dramatically raised living standards, but simultaneously created social institutions and social consciousness that have locked us into a relentless pursuit of growth even when this entails the sacrifice of other more pressing social needs. At the altar of economic growth we sacrifice the environment, equality, community, family, the quality of the workplace, and free time.

Philosophers since at least Aristotle have identified happiness as the highest good, and this is supported by contemporary research. Ng, for instance, finds that “For most people, happiness is the main, if not the only, ultimate objective of life” (1996: 1). There has also been surprising agreement as to what have been identified as the requisites of happiness. Diener and Seligman, in reviewing the literature on the economic psychology on well-being, find the six major factors to be: Living in a democratic and stable society that provides material well-being, having rewarding and engaging work, having supportive friends and family, being reasonably healthy and having treatment available in case of health problems, having important goals related to ones values, and having a philosophy or religion that provides guidance, purpose, and meaning to one’s life (2004, 25). Yet the behavior of people in wealthy countries suggests that they seek happiness predominantly through ever higher incomes and the accumulation of material possessions, even though a substantial body of research suggests that above a fairly low threshold, subjective well-being does not correlate with higher incomes and material possessions. Although average levels of satisfaction are considerably lower in very poor countries than in rich ones, after a certain income level has been attained, further increases in income do not seem related to higher levels of subjective well-being. What becomes important is not absolute level, but ones relative position (Diener and Diener 1995; Veenhoven 1993).

Mainstream economics is of little help in sorting this out. Although it pretends to be value free, it uncritically accepts the goal of economic growth -- a value judgment -- as the end to be pursued. The broad approach of Marx, by contrast, would suggest the need to investigate why this value – one that was not embraced until very recently in human history – has come to dominate modern consciousness. It might focus on how state military competition in Europe came to put a premium on economic growth, on how growth became necessary to minimize unemployment and therefore its threat to social stability, or on how growth becomes necessary to make a high level of inequality tolerable.

Because mainstream economics takes preferences as given and because these appear to be for ever-higher incomes and levels of consumption, it must presume that individuals’ pursuit of greater material wealth is appropriate in furthering their welfare. Mainstream economics’

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16 The importance of relative income standing has been confirmed in a study by Solnick and Hemenway (1998) that finds that when presented with the question of whether they would prefer to live less-well-off in a rich society or near the top in a poorer society, fifty percent claimed they would give up half their real income to live in a society where they were better off than most others.

17 But, as Marx made clear, to begin with individuals is to miss their social character: “…private interest is itself already a socially determined interest, which can only be achieved within the conditions established by society and through the means that society affords” (Marx 1973: 65). “Man is in the most literal sense of the word a zoön politikon, not only a social animal, but an animal which can develop into an individual only in society” (Marx 1970: 189).
methodological stance precludes its practitioners from grasping the welfare consequences of consumption externalities that were so comprehensively treated by Thorstein Veblen (1899), or by what John Kenneth Galbraith called the Dependency Effect (1958) whereby production is instrumental in determining preferences. It locks them into an ideology that might be termed “a material progress vision” (Wisman 2003). Central to this vision is the presumption that economic growth will make possible the good and just society. Therefore, society should consider economic growth as its highest priority. This has promoted a somewhat exclusive preoccupation with material progress as the key to improved human welfare. Largely neglected are such essential components of human welfare as more creative and fulfilling work; greater equality in the distribution of opportunity, income and wealth; richer and more supportive communities; a sustainable environment; and more time for family, friends, and reflection, all of which can be treated as subsidiary issues because maximum material progress is believed to hold the key to a better future. For the sake of maximum economic growth and the greatest potential for augmenting everyone’s consumption, capitalism’s creative destruction must be fully unleashed, even if this results in ever-more intense competition, insecurity, stress, and environmental destruction.

Marx’s framework, on the other hand, insists that we must uncover the historical roots of how our somewhat single-minded pursuit of economic growth has led us to craft our institutions and consciousness so as to come to believe, mistakenly, that it is the sole key to increased human welfare and thus the only rational end to be socially pursued. It insists that all of our institutions and beliefs need to be “deconstructed,” subjected to an analysis of how they evolved and how they are perpetuated, how they must be assessed if we are to become free. 

Work as mere means 

Not since the earliest period of human existence has the nature of the workplace been given by nature. Early hunter-gatherers humans searched for food as did other animals. Progressively, with the evolution of culture, work became ever-more culturally constructed. Although work has always been a means for meeting material needs, it has also been a source for sociability, creativity, and meaningfulness. Indeed, studies suggest that workers today generally enjoy work activities more than leisure (Juster 1985). Paradoxically, as psychologist Mihaly Csikszentmihalyi puts it:

...in our culture the aversion to work is so ingrained that even though it provides the bulk of the most complex and gratifying experiences, people still prefer having more free time, although a great deal of free time is in fact relatively boring and depressing (1993: 202). Research in psychology suggests that above a certain material threshold, it is in the realm of work that well-being is most readily achieved. As Robert E. Lane has put it, “It is in work, not in consumption and, as research reports show, not even in leisure, where most people engage in the activities that they find most satisfying, where they learn to cope with their human and natural environments, and where they learn about themselves” (1991: 235).

However, the social institutions of capitalism produce a motivational orientation that devalues work:
“There is a deep reason for the undervaluation of the psychic income and enjoyment of work: In market accounting work is a cost, whereas consumption is a source of benefit. Making workers happier and work more pleasing is likely to be a charge on profits, whereas making goods pleasanter and consumption more pleasing is probably a source of profits...[and] worker satisfaction has almost no effect on productivity” (Lane 2000: 162).

Tibor Scitovsky noted how mainstream economics reinforces this motivational orientation by largely ignoring the question of the quality of work life:
...effects of work are completely missing from the economist’s numerical index of economic welfare...work which produces market goods may be an economic activity, but the satisfaction the worker himself gets out of his work is not an economic good because it does not go through the market and its value is not measurable (Scitovsky 1976: 90).

But in ignoring the quality of work, not only does mainstream ignore a source for psychic well-being, but also an important site of social formation. Many workers are “bossed about,” with little say or control over their work site activities often making their work repetitious and boring. Their potential for being creative is thereby inhibited, and “like conformity, submission to authority undermines independent cognition.” By contrast, “self-direction on the job improves cognitive capacities and leads to valuing self-direction itself” (Lane 1991: 175; 327).

By insisting that an adequate science of economics must investigate the causal interaction of the spheres of production, social institutional organization, and attitudes and values, Marx’s broad scope permits a deeper understanding of just what improves human welfare. It should be noted that Marx was keenly aware of the importance of work to human well-being. A core component of his critique of capitalism concerned the manner in which it dehumanized work, and thus the worker. Its division of labor separated mental and manual labor and reduced a worker’s task to one narrow function, such that he/she becomes “crippled” and unable “to find admission into any industries, except a few of inferior kind, that are over-supplied with underpaid workmen” (Marx 1906: 481).

The broad approach insisted upon by Marx would have us examine how it came to be that work became so degraded and so predominately merely a means to ever-greater consumption. How the potential of work for providing humans with a vent for creativity, sociability, and personal meaning has been thwarted by the very institutions and social consciousness that humans have themselves produced. He would have us examine how our dominant science of economics helps blind us to our authorship of these institutions and attitudes.  

This was, in fact, the major focus of his critique of classical political economy. He wrote of their focus on the market sphere

“…within whose boundaries the sale and purchase of labour-power goes on, is in fact a very Eden of the innate rights of man. There alone rule Freedom, Equality, Property and Bentham. Freedom, because both buyer and seller of a commodity, say of labour-power, are constrained only by their own free will. They contract as free agents, and the agreement they come to, is but the form in which they give legal expression to their common will. Equality, because each enters into relation with the other, as with a simple owner of commodities, and they exchange equivalent for equivalent. Property, because each disposes only of what is his own. And Bentham, because each looks only to himself. The only force that brings them together and puts them in relation with each other, is the selfishness, the gain and the private interests of each. Each looks to himself only, and no one troubles himself about the rest, and just because they do so, do they all, in accordance with the pre-established harmony of things, or under the auspices of an all-shrewd providence, work together to their mutual advantage, for the common weal and in the interest of all” (1970: 176).
was for us to understand our authorship so as to permit us to transform our social existence to improve our welfare. In the case of work, he believed that when properly institutionally structured, it would promise a vent for creativity, sociability, and dignity (Gulli 2005). Labor is “in itself a liberating activity” (Marx 1973: 611).

The Academy’s Rejection of the “Germanic” Project

The dismissal of Marx’s project has always been driven by the dominance within capitalist countries of an ideology that legitimated a social order privileging an elite.19 This has been reinforced by the dominance of a positivistic understanding of the appropriate methodology for social science and the widespread view that because history has demonstrated communism to be a failed social system, Marx’s project is also demonstrated to be without value. Because this second claim is either unthinking, or represents an all-too-obvious uncritical ideological reflex, attention will be reserved for an examination of the role of positivism.

Positivistic science argues that there is only one appropriate methodology. It is that of the natural sciences, best exemplified by physics. Accordingly, science advances by adhering to two fundamental strategies: Theories must be tested for internal logical coherence, and they must be capable of being submitted to empirical testing. Accordingly, modern mainstream economics concentrates its focus on two domains: the extension and logical refinement of its core body of theory;20 and an attempt to devise and use statistical techniques to test hypotheses derived from this body of theory.

A high level of theory sophistication within mainstream economics has been purchased by focusing on marginal changes, confining analysis to human behavior that is self-interested with preferences taken as given, and generally limiting analysis to the market sphere. Accordingly, relatively little interest is expressed in the historical, political, and social character of societies within which markets are embedded. Issues central to Marx such as the social formation of human behavior, the distribution of income, wealth and privilege, class conflict, institutional change, and the course of technological change are, for the mainstream, generally considered as beyond the purview of scientific economics.

The positivistic temper of mainstream economics leads it to believe that theory must be grounded in micro phenomena that can be empirically tested in the appropriate manner. If limited uncomplicated hypotheses can be successfully tested, they can provide a solid empirical foundation for higher level theoretical claims. However, empirical testing within the discipline has failed to deliver significant unambiguous results, a fact that even some of its members recognize (e.g., Summers 1991).

The grandiose scope of Marx’s project approaches knowledge construction with a

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19 As Marx put it: “The ideas of the ruling class are in every epoch the ruling ideas: i.e., the class which is the ruling material force of society is at the same time its ruling intellectual force. The class which has the means of material production at its disposal, has control at the same time over the means of mental production, so that thereby, generally speaking, the ideas of those who lack the means of mental production are subject to it” (Marx 1846).

20 It would appear that some contemporary Marxists have also become caught up in the rush toward theory formalism that dominates mainstream economics, especially as expressed in “analytical Marxism.” The consequence according to one critic is that “in their efforts to make Marx scientifically rigorous, they have rejected as unscientific nearly every tenet of traditional Marxism” (Hunt 1992: 92).
radically different strategy. It recognizes that empirical testing in the social sciences is fraught with intractably difficulties such that it is unlikely that significantly broad conjectures will ever be capable of being tested without highly ambiguous results. Moreover, much of what is empirical available represents a surface reality, beneath which lie the more fundamental causal dynamics. But what then might provide a degree of validation for the existence of such deeper causal forces? Marx’s stance might be characterized as “realist” in a manner that seeks broad social coherence. That is, it strives to grasp how the social whole evolves dynamically. Its methodology is holistic.

It has become clear that there is no one scientific method. Differing subject matters require differing methodologies. Moreover, drawing upon work in post-positivist philosophy such as that of Kuhn, McCloskey made this point clear for economics in his The Rhetoric of Economics. Economics is rhetoric and the only convincing test of theory is ultimately the persuasiveness of its defenders. This will be as true for theory tested by empirical methods as theory tested by holistic coherence.

However, the continuing dominance of a positivistic temper within mainstream economics has meant that McCloskey and others who have expanded on his views have not been heard. There remains little legitimacy for testing by holistic coherence. The mainstream’s methodological stance also means that its expression makes it conceptually incompatible with Marxism -- far more so than is the case in sociology and political science. Macrosociology, for instance, also addresses issues such as class, power, and ideology, and thus finds itself not so conceptually incompatible with Marx’s work.

Mainstream economics uses a rigorously deductive form of theory construction built upon what Hayek called the “pure logic of choice” (1948). Although this theory has not been empirically confirmed, and indeed cannot be empirically tested, its adherents conceive of its analysis as universal, applicable to any economic formation, everywhere, everywhen. In this manner, it pretends that its general laws are of the sort that characterize the physical sciences.

Marx, by contrast, developed a far more holistic form of analysis in which phenomena are mutually or dialectically causative and historically grounded. His primary concern, as noted above, was not with explaining prices, but instead the nature and origin of capital and the distribution of expropriated surplus value from the huge class of asset-poor workers by a small class with monopoly ownership of the means of production (Marx 1906: 235). Guided by its

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21 In Marx’s conception of humans creating themselves, there is at times, especially in his early writings, a strong sense of historical relativism that can be interpreted as putting empiricism into question. For instance, he reproves Feuerbach for not seeing “how the sensuous world round him is, not a thing given direct from all eternity, remaining ever the same, but the product of industry and the state of society; and indeed, in the sense that it is an historical product, the result of the activity of a whole succession of generations… Even the objects of the simplest ‘sensuous certainty’ are only given him through social development, industry and commercial intercourse” (Marx 1946: 170).

22 There is much in Marx’s project that conforms to contemporary trends in philosophy. As Milberg has put it, “poststructuralist thought is perfectly compatible with Marxian economic analysis and its emphasis on the endogenous nature of culture and consciousness” (1991: 94).

23 Foley contends that “The gap between Marx’s thought and postmarginalist economics is rooted in philosophical and methodological differences that are more deeply seated than political disagreements over class relations” (1995: 164).
methodology, the mainstream has, for most of its history, considered the phenomena of most interest to Marx, such as institutions, wealth distribution, preferences, and technological change, as exogenous to its predominately market focus. Other issues to which Marx gave serious attention such as class and class conflict, power, ideology, alienation, dehumanization of work, and institutional change are also generally viewed as outside the scope of an economic science. Moreover, its methodology has precluded the possibility of addressing the very dimension of social dynamics that Marx insisted was critical -- how human products act back upon their authors such as to control and transform them.

The response of even a sympathetic economics profession might be that such a project is a form of meta-social science that should be a specialty unto itself. Thus, even should the project be worthy, each subdiscipline should continue its current practice. But the claim here is that current practice impedes the very evolution of such a larger view. Its methodology delegitimizes its very existence. And its theory and methodological prescriptions are themselves human creations that act back upon us so as to limit our freedom. Without beginning with the sort of scope that Marx suggested, we are doomed to remain victims of our own creations, including an economic science that blinds as much as it clarifies. Moreover, for the economics mainstream, this conception of freedom that Marx drew from Hegel is part of the opaque “Germanic” project.

Concluding Reflections

Both modern economics and Marx had their roots in the Enlightenment. Central to the Enlightenment was the concept of human freedom as the principal key to human welfare. Following the lead of the Physiocrats and Adam Smith, mainstream economics has focused upon free individual choice, viewing humans as inherently free.24 Freedom was also central to Marx. However, he focused upon the complexity of self-creation and the struggle to become aware of this process so as to become free.

This could be put differently. Both Smith and Marx are products of the Enlightenment. Both celebrate freedom. However, they understood freedom differently. Smith viewed freedom instrumentally. He believed that an institutional framework that permitted freedom of choice would promise economic dynamism and a promise of lifting humanity above life at the precarious edge of privation. There is little in Smith that suggests that he embraced freedom as an end in and of itself.

Marx, writing three-quarters of a century after Smith and drawing upon the philosophical framework of Hegel, viewed freedom as the end, not merely as a means to an end. To be free was to be fully human. Being free, however, meant far more to Marx than merely being free to choose among institutionally given options. His freedom was the freedom that comes when humans recognize their authorship of their own creations and thereby gain the power to no longer be their victims. Marx’s freedom enables “the absolute working-out of human creative potentialities…i.e. the development of all human powers as an end in itself, not as measured on a

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24 Leon Walras put it as follows: “Man is a creature endowed with reason and freedom, and possessed of a capacity for initiative and progress....From the rational point of view...a person, just because he is conscious of himself and master of himself, is charged with responsibility for the pursuit of his ends and for the fulfillment of his destiny” (1873: 55; 62). The most complete contemporary expression of this view is New-classical economics, wherein all economic behavior -- consumption, workplace decisions, the formation of expectations, and even anticipation and responses to monetary and fiscal policies -- are understood and represented in terms of individual self-interested, rational maximizing free choice.
predetermined yardstick” (Marx 1973: 110-11). As Eagleton puts it, “For Marx, as for his mentor Aristotle, the good life consists of activities engaged in for their own sake” (2011: 124).

And he was optimistic that this would eventually occur, that history was unfolding to bring this about. In this sense, he was a child of the Enlightenment, not an advocate for totalitarian socialism. His faith was in reason, albeit historically embedded reason (the legacy from Hegel).26

As noted earlier, Marx famously wrote that “It is not the consciousness of men that determines their being, but on the contrary, their social being determines their consciousness” (1970: 21). But with the full evolution of our freedom, our consciousness would become empowered to determine our social being.27

Finally, human welfare depends upon the character of society as a whole and how it is unfolding. Our knowledge industry, however, has broken the subject matter of society down into separate disciplines, that are themselves broken down into specialized fields, with poor communication among all the disparate parts. The consequence is that the whole is largely “unseen.” Marx matters because he provided the vision and much of the method for how this greater integrated understanding can be achieved.

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25 Modern social science also issues from the Enlightenment. However, it has lost awareness of the overall project. That is, we seek knowledge, not for its own sake, but for our liberation. And while liberation is the goal, the tool is reason.

26 Marx, following Hegel, viewed the production of knowledge as active and social, as opposed to the activity of passive contemplative individuals.

27 As Heilbroner aptly put it, “The laudable element in Marxism is its declaration that the only ‘meaning’ to be ascribed to history is its moral unfolding, or more precisely, its orientation to human freedom….No other study of history is so consciously oriented to mastering history, as is Marxism” (1980: 30-31).


