

The Projections of Classical Political Economy & The Solution in Alienation

I. Introduction

The Karl Marx that inhabits the mind of many today is a gung-ho advocate for the working class, revolution, and a communist paradise. What else would one assume of the man who wrote a book called "THE COMMUNIST MANIFESTO"? While this image is not wholly wrong it confuses what made Marx unique among the socialists of his day. Marx had a disdain for those whom he called the "utopian socialists"; those who were enamoured by the paradise that communism, socialism, and other utopian ideals theoretically promised them. Marx' project was of a very different flavor. He was not concerned with the reorganization of capitalist society to fit the needs of the less fortunate, a plan that could have aligned with the utopian dreams, but to overhaul the system completely and show its inherent flaws.

His focus was on showing the instabilities in the current system, and doing very little to speculate about what was to come in the future. His obvious adversaries would be the figureheads of economic analysis in favor of the current system at the time, those who we today call the classical economists. Their economic thought was built on certain categories, ideas, and presuppositions that were sourced from their individual assumptions about the world around them. These assumptions included the necessity of private property, the separation of the categories land, labor, and capital, and subsequently wages, profit, and ground rent. Marx' critique was to show that these relationships which they held to be self-evident were in fact quite weak, and were an attempt to justify the economic chaos of capitalism. What Marx did was reanalyze the same world from a different, more real starting point, the relationship of the human to his world; in economic terms, the laborer to his product. Marx resulting analysis of capitalism from this perspective is what becomes the theory of alienation.

In this paper, I will describe how Marx analyzed these particular ideas in the Economic and Philosophic Manuscripts of 1844, and how he re-grounded his economic analysis of capitalism on the relationships between labor and objects that result in alienation. I will conclude with some criticisms and alternative approaches from other economists contemporary to and after Marx.

II. The Foundations of Classical Political Economy

Often considered the godfather of modern economic thought, Adam Smith theorized in *An Inquiry into the Nature and Causes of the Wealth of Nations* (1776) what it was that made some nations wealthier than others. He offers a number of explanations, most notably that men are more productive when they divide their labor among one another. From him developed theories of other influential economists like David Ricardo, Frederic Bastiat, and John Stuart Mill.

In the Economic and Philosophical Manuscripts of 1844, Marx outlines certain presuppositions that these thinkers took for granted and attempts to explain their existence while simultaneously destroying their necessity. Taking from the tradition of the Young Hegelians and Ludwig Feuerbach, Marx believed that man projected his ideas onto the world and did not indifferently receive the “truth” through senses or rationality. Feuerbach analyzed how man projected religious ideas onto the heavens, while Marx analyzed how the economists projected private property and other economic categories onto the world around them. “Let us not be like the political economist who, when he wishes to explain something, puts himself in an imaginary original state of affairs. ... Similarly, the theologian explains the origin of evil through the fall, i.e. he presupposes as an historical fact what he should be explaining.” (McLellan 86) Political economists would assume a state of nature that presupposed those categories that their theories were built upon, the individual, his rights, and thus his property.

The position that Marx notes the classic economists start from is private property. The relationship of owner to owned is primary. It is from this relationship that they derive the concepts of the different economic goods to be owned. The major categories of economic goods were Labor, Capital, and Land, however Marx notes that there is absolutely no reason to separate these categories. The economists only feel the need to separate these as they have accepted these categories from their experience in their specific economy. “Political Economy starts with the fact of private property, it does not explain it to us.... Political Economy does not afford us any explanation of the reason for the separation of labor, and capital, capital and land.” (McLellan 85) From private property, the only force that drives the economic agent in capitalism is greed and the competition that results from said greed.

Marx lists a number of things that the economist haven't been able to explain as of yet with their theories as they are based on private property. “...new contradictions have arisen in its doctrines, of example, between that of monopoly and that of competition, freedom of craft and corporations, division of landed property and large estates. For competition, free trade, and the division of landed property were only seen as fortuitous circumstance created by will and force, not developed and

comprehended as necessary, inevitable, and natural results of monopoly, corporations, and landed property.” (McLellan 86) How can monopoly exist in a world grounded on competition? How can there be free trade when corporations exist? Is the feudal system really overturned when capitalist estates are just as large? Marx attempts to solve these problems by basing economic analysis not on the relationship of owner and property, but on the relationship between human and product. This is a relationship that is in fact necessary to every human society, unlike the arbitrary projections that the political economists made onto the world.

III. Marx' Answer in Alienation

Marx begins his regrounding in the Economic and Philosophical Manuscripts of 1844 with the statement, “We start with a contemporary fact of political economy: The worker becomes poorer the richer is his production, the more it increases in power and scope. The worker becomes a commodity that is all the cheaper the more commodities he creates. The depreciation of the human world progresses in direct proportion to the increase in value of the world of things. Labor does not only produce commodities; it produces itself and the laborer as a commodity and that to the the extent to which it produces commodities in general.” (McLellan 86) This is the beginning of the concept of alienation, and it is from this necessary relationship that Marx analyzes capitalism.

He elaborates on four aspects of alienation:

1. The laborer in the capitalist mode of production, alienates his product from himself when they are owned now by the capitalist through the imagined system of private property. This creates a world of things and traded commodities opposed to the human world. Just like in religion a creation of man is subsuming the products of man. “It is just the same in religion, The more man puts into God, the less he retains in himself.” (McLellan 87)
2. The laborer must make the labor itself a commodity and he now stands opposed to himself. Labor is forced upon him, and it is no longer his home. He is slave to the whims of his economic conditions. His only solace is “leisure time”, that time that he is not producing any good. He consoles himself with his animal functions; eating, drinking, procreating etc.
3. The third aspect is derived from the other two. Man is now alienated from his species-being. When nature is alienated from man, and then man alienated from himself, labor is now only a tool to serve his individual interests. The only reason for life and labor is to further extend one's own life. Labor extends life, but it does not produce authentic human life. Human labor no

longer retains the purpose of living in the species, but in putting the individual interests ahead of species interests, denying an important part of the human essence.

4. As man is alienated from his species, he is now also alienated from other men. Man relates not to other real members of his species, but to them as other commodities vying for a position in the labor market. "...the relationship of man to himself first becomes objective and real to him through his relationship to other men. So if he relates to the product of his labour, his objectified labour, as to an object that is alien, hostile, powerful, and independent of him, this relationship implies that another man is the alien, hostile, powerful, and independent master of this object." (McLellan 92)

The relationship between worker and product can explain the apparent contradictions in political economy by collapsing the categories into a single necessary one, the human category. Private property can now explain itself. What private property in fact is, is the consequence of the now created world of things. It is man's attempt to explain and justify his own alienation. "But it is evident from the analysis of this concept that, although private property appears to be the ground and reason for externalized labour, it is rather a consequence of it, just as the gods are originally, not the cause but the effect of the aberration of the human mind..." (McLellan 93). The theoretical positions of private property and labor are now flipped.

The concept of wages and prices are now subsumed as well. They become one with the mechanism of private property, they are a system used to explain and justify the exchange and patterns of the world of things; the world of commodities that are created by alienation. "...wages and private property are identical: for wages, in which the product, the object of the labour, remunerates the labour itself, are just a necessary consequence of the alienation of labor." (McLellan 93) It is also worth noting that this is why Marx refused the idea that raising wages or redistributing products would solve the issues of capitalism. The problem was that the world of things was siphoning life out of the human world through the processes of alienation. Any reorganization of that world would do no good to close the gap. This is what he often saw in other socialists such as Proudhon.

The only solution to alienation was then to destroy the concepts that kept it alive. The abolition of private property was the only means of truly liberating the workers and thus humanity. Marx' had offered a bedrock for analysis of capitalist economy that made no unnecessary assumptions in the style of the political economists. Marx had no need to explain how socialism would work. All that he needed to show was that capitalism inherently contained a flaw that alienated humans from their products,

themselves, their species, and each other. What happened after class consciousness was obtained and private property was abolished was not an issue to him yet.

IV. Alternate Criticisms

Marxian critique itself is hotly debated, but what is rarely brought into question is the necessity to critique those presuppositions the classical economists held that seem so arbitrary in hindsight. The following are other approaches that critique both the classical economists and Marx' fashion of critique itself.

A. Carl Menger and Subjective Valuation.

Marx was certainly not the only one to realize that classical political economy had presupposed its categories. Carl Menger, an Austrian economist, similarly noticed that the economic categories which the classicals had devised were wholly arbitrary. He was also concerned that they could not explain the effect that the buyers in a market had on the price and organization of production. Their theory of price determination rested on the costs of production to the seller, and the theory that the value of a good derived from the labor time necessary to produce it. This theory of value was also taken up by Marx. Price determination was calculated by analyzing the nature of the production costs of goods in broad categories which they had arbitrarily designed. The nature of the goods was what determined the actions of the economic actors. In Marx' terms, the human world was a slave to the world of things.

Carl Menger made a similar move to Marx when he re grounded economics on the human, but instead of the relationship between laborer and product he grounded it on human action. "Man is himself the beginning and the end of every economy." (Salerno) He developed a perspective later known as subjective valuation, in which each action by humans was a result of one attempting to satisfy their own perceived need. The economic categories that the classics needed to explain their theories were no longer necessary. Private Property, wages, and prices are not explained by the nature of economic goods in the world of things, but on the terms of each individual's subjective valuation. Marx would respond to Menger by revealing that his system never in fact overcame the process of alienation. Marx believes that alienation is inherent to the capitalist mode of production. When Menger says that humans act to satisfy their subjective needs and wants he shows precisely what Marx meant by alienation from species-being.

B. Ludwig von Mises and the Socialist Calculation Debate

Ludwig von Mises was a student of Carl Menger and participated in a series of debates with socialists now known as the socialist calculation debate. Mises conceded the Marxian idea that if private property were abolished, humans would be able to put species or collective interests in front of individual interests. Marxism, by being primarily a critique of capitalism, avoided criticism of any specific form of socialism as it made no central claims as to what a post-private property world would look like. Mises thinks this an unsafe outlook to base a social movement on. "There is a danger, however, in examining socialism only indirectly through a study of capitalism: Potential problems of socialist organization are apt to be ignored." (Lavoie 29)

Mises problem with Marxism is in the role that he saw property rights and prices played in the economy. They functioned in Menger and Mises' systems as guides that told economic actors more about the economic conditions that were outside the bounds of their knowledge. No one economic actor could contain the total economic knowledge needed to make decisions, and prices through private property and exchange reflected this knowledge to them indirectly. If man is to live as a species-being it necessitates the organization of a central plan and a realized economic order without prices or private property. Therefore, Marxian socialism would need to overcome Mises' knowledge problem. "...if, as Mises calculation argument contends, there is a fundamental flaw in Marx's socialism, this error must also be reflected somewhere in the Marxian analysis of capitalism." (Lavoie 30)

V. Conclusion

Marx realized that the classical economists were projecting their own explanations and justifications for the society that they lived onto the world around them. He was able to explain their reasons for creating these ideals through the theory of alienation. Private property, wages, and commodities can all be understood as a coping mechanism with the process of alienation. Private property alienates the laborer from his product, and then out of necessity private property is designed to make this relationship appear necessary. Marx was not the only one who argued against the classical economists shortcomings, but his particular theory was one of the first and most systematic attempts to rigorously critique classical political economy in order to overcome it.

VI. Works Cited

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