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Expert Opinion

Marxist Theory and Contemporary Political Economy

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Karl Marx remains one of the most consequential and contested thinkers in the intellectual history of the modern world. His theoretical framework, constructed across several decades of the nineteenth century, attempted nothing less than a comprehensive account of how human societies are organized, how they change, and why the capitalist mode of production generates systematic inequality and social conflict. This article offers a sustained scholarly engagement with Marx's core theoretical contributions, including historical materialism, the theory of class struggle, the labor theory of value, the concept of surplus value, the doctrine of alienation, and his analysis of ideology and false consciousness. Drawing on primary texts and contemporary secondary scholarship, the article situates these theoretical categories within their intellectual and historical context while also examining their analytical purchase in the twenty-first century. The discussion addresses major critical challenges to Marxist thought, including structural critiques from liberal political economy, post-structuralist revisions, and empirical objections arising from the historical record of actually existing socialism. The article concludes that, notwithstanding these challenges, Marx's theoretical framework continues to offer indispensable conceptual resources for the critical analysis of capitalism, inequality, and ideological power.

Few thinkers have provoked as much intellectual controversy, political mobilization, and scholarly debate as Karl Marx (1818-1883). Born in Trier in the Kingdom of Prussia, Marx developed across his lifetime a body of work that touched on philosophy, economics, history, sociology, and

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political theory, weaving these disciplines together into what he and his long-time collaborator Friedrich Engels called scientific socialism. From the early philosophical writings of the 1840s, including the *Economic and Philosophic Manuscripts of 1844* and *The German Ideology*, through to the monumental three-volume critique of political economy published as *Das Kapital* (1867, 1885, 1894), Marx elaborated a theoretical system of formidable scope and ambition.¹

The legacy of this system has been both generative and troubled. On one hand, Marxist theory inspired mass political movements, shaped the constitutional arrangements of dozens of states, and gave rise to an extraordinarily rich tradition of academic scholarship spanning economics, literary criticism, anthropology, and cultural studies.

Marx's intellectual formation drew on three principal sources: German idealist philosophy, principally Hegel; French socialist and revolutionary political thought; and English classical political economy, especially the work of Adam Smith and David Ricardo. His relationship to Hegel was one of critical appropriation. Marx accepted Hegel's insight that history is a dynamic process structured by internal contradictions but rejected what he regarded as Hegel's idealist inversion of the real relationship between thought and material life. Where Hegel located the driving force of history in the development of Absolute Spirit or Idea, Marx relocated that force in the material conditions of human existence, above all in the way human beings organize the production of their material needs.

This reorientation is captured in Marx's famous formulation in the Preface to *A Contribution to the Critique of Political Economy*: "it is not the consciousness of men that determines their existence, but their social existence that determines their consciousness."²

Contemporary authors have revisited these philosophical foundations with considerable sophistication. Cohen, in his landmark analytical

¹ Karl Marx. *Economic and Philosophic Manuscripts of 1844*, Trans. by M. Milligan (Prometheus Books, 1988). (Original work written 1844); K. Marx and F. Engels. *The German ideology* ed. by C. J. Arthur, (International Publishers, 1970). (Original work written 1845-1846); and Marx, *Das Kapital*. Trans. Capital: A Critique of Political Economy, 3 volumes, Trans. by . B. Fowkes, (Penguin, 1981).

² Marx. *A Contribution to the Critique of Political Economy*, M. Dobb, Ed.; S. W. Ryazanskaya, Trans. (International Publishers, 1970), 21. Original work published 1859.

reconstruction of Marx's theory of history, argued that the materialist conception of history can be rendered as a coherent and defensible theoretical programme, while Wood and Callinicos have situated Marx's philosophical commitments within broader debates in contemporary social ontology.³

The high point of Marx's social theory is the concept of historical materialism, the claim that the form of a given society at any historical moment is ultimately determined by the way in which the production of material life is organized. Central to this claim is the distinction Marx draws between the forces of production and the relations of production. The forces of production include the technical means through which nature is transformed, tools, machinery, labor skills, raw materials, and scientific knowledge. The relations of production denote the social relationships into which human beings enter as they engage in production, most fundamentally, who owns the means of production and who does not according to Marx.⁴

The transition from one mode of production to another occurs when the existing relations of production come into conflict with the developing forces of production, becoming, as he put it, fetters on those forces. At such moments, the social superstructure, comprising law, political institutions, and ideological forms, is compelled to transform as the economic base reorganizes itself. This base-superstructure metaphor has been one of the most debated aspects of Marx's theory. Critics have argued that it implies an untenable economic determinism in which law, politics, and culture are merely passive reflections of economic conditions.⁵

Contemporary authors on historical materialism have moved significantly beyond the sterile base-superstructure debate. They deployed historical materialist categories to rethink the emergence of capitalism as a distinctly agrarian phenomenon in early modern England rather than a universal and

³ Gerald A. Cohen. *Karl Marx's Theory of History: A Defence* (Princeton University Press, 1978); Allen W. Wood. *Karl Marx*, 2nd ed. (Routledge, 2004) and A. Callinicos. *Making History: Agency, Structure, and Change in Social Theory*, 2nd ed. (Brill, 2004).

⁴ K. Marx & F. Engels. *The Communist Manifesto*, G. S. Jones, Ed., S. Moore, Trans. (Penguin, 2002). Original work published 1848.

⁵ R. Williams. *Marxism and Literature* (Oxford University Press, 1977).

teleological process, challenging both liberal and orthodox Marxist accounts of modernization.⁶

If historical materialism provides the structural framework of Marx's theory, the concept of class struggle furnishes its dynamic principle. The opening sentence of *The Communist Manifesto*, elaborated that “the history of all hitherto existing society is the history of class struggles”, and this proposition runs as an organizing thread through all of Marx's historical and theoretical work.

The theory of class struggle has attracted sustained critical scrutiny. Weber critiqued that Marx's binary model of class was inadequate to the complexity of social stratification, which he analyzed in terms of the three analytically distinct dimensions of class, status, and party. For Weber, the market situation of different occupational groups generated a plurality of class locations that could not be reduced to the capital-labor divide.⁷

More recent contemporary literature has focused on the ways in which class intersects with other axes of social differentiation, particularly race, gender, and colonialism. Capitalism cannot be adequately understood as an economic system alone but must be grasped as an institutionalized social order that depends on and reproduces racialized and gendered hierarchies. This intersectional reframing of class analysis has been significant in contemporary sociology.

Central to Marx's critique of political economy is his account of how exploitation is embedded in the very structure of capitalist production rather than being a contingent product of individual greed or market imperfection. The theoretical foundation for this account is the labor theory of value, which Marx inherited from the classical political economists Ricardo and Smith but transformed it into in significant ways.⁸

⁶ B. Teschke. *The Myth of 1648: Class, Geopolitics and the Making of Modern International Relations* (Verso, 2003).

⁷ M. Weber. *Economy and Society: An Outline of Interpretive Sociology*, G. Roth & C. Wittich, Eds. University of California Press, 1978). Original work published 1922.

⁸ S. Clarke . *Marx, Marginalism and Modern Sociology: From Adam Smith to Max Weber*, 2nd ed. (Macmillan, 1991).

The difference between the value produced by the worker and the value received as wages, Marx called, surplus value, and it is this surplus value that is appropriated by the capitalist as profit, interest, and rent. Exploitation, in Marx's technical sense, is not a matter of paying workers less than a fair wage or treating them badly, though capitalists may do both. It refers rather to the structural extraction of unpaid labor that is built into the capital relation itself even when wages are set at the competitive market rate.⁹

The labor theory of value has been subjected to fundamental challenge. Many authors demonstrated that the relative prices of commodities can be determined without reference to labor values, and argued that the transformation from labor values to prices of production, the so-called transformation problem, was logically incoherent. These challenges led other thinkers to conclude that the labor theory of value was theoretically redundant.¹⁰ The pro-Marxist framework have responded in various ways: Foley and Duménil proposed a new interpretation of the value-price relationship, while Kliman advanced a temporal single-system interpretation intended to resolve the transformation problem.¹¹

The concept of alienation has generated a rich philosophical literature. Althusser dismissed it as belonging to an ideological, humanist phase of Marx's thought superseded by the mature, scientific Marx of Capital, arguing that the two phases represented an epistemological break. Others, including Ollman and Fromm, maintained the continuity between the early and late Marx and argued that alienation provides an essential normative foundation for the critique of capitalism that is merely implicit in the economic manuscripts. Rahel Jaeggi, drawing on both Hegel and the Frankfurt School tradition, has developed a sophisticated contemporary account of alienation that moves beyond both humanist and structuralist readings, reconceptualizing it as a relation of inappropriate relationship to

⁹ D. Harvey. *A Companion to Marx's Capital* (Verso, 2010).

¹⁰ P. A. Samuelson. "Understanding the Marxian notion of exploitation: A summary of the so-called transformation problem between Marxian values and competitive prices," *Journal of Economic Literature* 9, no. 2 (1971): 399-431.

¹¹ A. Kliman. *Reclaiming Marx's Capital: A refutation of the myth of inconsistency* (Lexington Books, 2007).

one's own practices and forms of life rather than a deviation from a fixed human essence.¹²

Recent empirical scholarship in organizational sociology and psychology has found renewed relevance for alienation as a theoretical concept. New authors documented the widespread experience among workers of meaninglessness, powerlessness, and social isolation in contemporary workplaces, conditions that bear striking resemblance to the dimensions of alienation.

Marx's analysis of ideology extends his critique of capitalism beyond the sphere of production into the domain of culture, consciousness, and political thought. His central claim is that the dominant ideas of any epoch are the ideas of the ruling class: the class that controls the means of material production also controls the means of mental production, with the consequence that the ideas that attain general currency and appear as universal are in fact expressions of ruling class interests.

This claim has a descriptive dimension, concerning the social mechanisms through which ideas favoring the dominant class are produced, disseminated, and naturalized, and a critical dimension concerning the way in which those who accept such ideas fail to grasp the actual conditions of their own subordination. Engels introduced the term false consciousness to describe the latter condition, though Marx himself never used this precise phrase. The concept points to the way in which ideological representations can be sincerely held and internally coherent while nonetheless systematically misrepresenting social reality in ways that serve to legitimate existing relations of domination.

The most significant development of Marx's theory of ideology in the twentieth century was Antonio Gramsci's concept of hegemony. The domination of the capitalist class is secured not primarily through coercion but through the active consent of the subordinate classes, a consent manufactured through the education, the Church, trade unions, political parties, and civil society. Hegemony is always contested and unstable, requiring constant active work of renewal and adjustment, and can be challenged through a counter-hegemonic strategy.

¹² Rahel Jaeggi. *Alienation*, F. Neuhausser & A. E. Smith, Eds., F. Neuhausser & A. E. Smith, Trans. (Columbia University Press, 2014).

These contributions have enriched the analysis of ideological reproduction while also raising fundamental questions about the adequacy of the base-superstructure framework as an account of the relationship between economic power and cultural production.

Marx's theoretical analysis of capitalism was inseparable from a political project aimed at its revolutionary transcendence. He argued that capitalism carries within itself the contradictions that would ultimately produce its own supersession.

The political theory of the state was developed further by Lenin (1917/1964), who used Marx's and Engels's writings to argue for the necessity of smashing the bourgeois state apparatus and replacing it with a dictatorship of the proletariat modelled on the Paris Commune of 1871.¹³

Contemporary Marxist political theory has largely moved away from the Leninist model of revolutionary organization and state power. Poulantzas argued for a democratic road to socialism that worked through and transformed existing state institutions rather than smashing them.¹⁴ Laclau and Mouffe proposed a post-Marxist theory of radical democracy that abandoned the privileged revolutionary subject of the proletariat in favor of a pluralist coalition of social movements.¹⁵

Marx's theoretical framework has attracted criticism from multiple intellectual traditions.

The economic determinism opined that Marx's framework, whatever his intentions, ultimately reduces political, cultural, and ideological phenomena to mechanical expressions of economic interests and relationships. This critique carries empirical force: the history of actually existing capitalism reveals that political institutions, religious movements, nationalist ideologies, and racial formations have exercised autonomous causal influence on social outcomes that cannot be derived from the logic of capital accumulation.

¹³ V. I. Lenin. "The State and Revolution" in *Lenin Collected Works*, Vol. 25. (Progress Publishers, 1964), 381-492. Original work published 1917.

¹⁴ N. Poulantzas. *State, Power, Socialism*, P. Camiller, Trans. (New Left Books, 1978).

¹⁵ E. Laclau & C. Mouffe. *Hegemony and Socialist Strategy: Towards a Radical Democratic Politics* (Verso, 1985).

Hayek and Nozick argued from libertarian premises that centralized economic planning is both epistemically impossible, given the dispersed and tacit character of economic information, and incompatible with individual liberty.

Perhaps the most damaging empirical challenge to Marxist theory comes from the historical record of states that claimed Marxist legitimacy. The Soviet Union under Stalin, Maoist China, Cambodia under the Khmer Rouge, and other self-described communist regimes produced records of political repression, mass violence, and economic failure that represent a fundamental indictment of any theoretical framework that inspired or legitimated such outcomes.¹⁶

Marxists have responded in several ways: by arguing that these regimes deviated fundamentally from Marx's own theory; by pointing to the specific historical conditions, including imperialist encirclement and underdevelopment that constrained their development; and by arguing that the crimes of Stalinism no more refute Marx than the crimes of colonialism refute liberalism. Whether these responses are adequate is a matter of ongoing scholarly and political debate.

A fourth set of challenges comes from post-colonial and feminist scholarship. Spivak and other post-colonial theorists have argued that classical Marxism was deeply embedded in Eurocentric approaches about historical development, progress, and the universal revolutionary subject, assumptions that rendered it inadequate to the analysis of colonial and post-colonial societies.¹⁷ Feminists including Federici and Hartmann have argued that Marx's analysis failed to adequately theorize domestic labor, social reproduction, and gender oppression as structural features of capitalism rather than mere epiphenomena.¹⁸ These critiques have been productive in generating important theoretical extensions of the Marxist framework, including theories of social reproduction and the political

¹⁶ F. Dikotter. *Mao's Great Famine: The History of China's most Devastating Catastrophe, 1958-62* (Walker Books, 2010).

¹⁷ G. C. Spivak. "Can the Subaltern Speak?" In C. Nelson & L. Grossberg (Eds.), *Marxism and the Interpretation of Culture* (University of Illinois Press, 1988), 271-313.

¹⁸ H. Hartmann. "The Unhappy Marriage of Marxism and Feminism: Towards a more Progressive Union," *Capital and Class* 3 no. 2 (1979): 1-33. <https://doi.org/10.1177/030981687900800102>.

economy of the household, even where they have challenged the adequacy of the original framework.¹⁹

The collapse of the Soviet Union in 1991 was widely interpreted as marking the final refutation of Marxism and the permanent triumph of liberal capitalism. Fukuyama in his thesis “The end of history and the last man,” famously declared the end of history, understood as the universal and final victory of liberal democracy and market economics. Three decades later, this triumphalism has proven premature. The global financial crisis of 2008-2009, the persistence of extreme inequality within and between nations, the emergence of new forms of authoritarian capitalism, and the deepening of ecological crisis have all prompted renewed scholarly and popular interest in Marx's critique of capital.²⁰

Karl Marx developed, across several decades of sustained intellectual labor, a theoretical framework of extraordinary ambition and analytical power. His materialist conception of history, his analysis of class struggle and the dynamics of capitalist production, his account of surplus value and exploitation, his philosophical investigation of alienation, and his critique of ideological mystification together constitute a body of work that has irreversibly shaped the intellectual landscape of the social sciences and humanities. These contributions do not form a seamless or unproblematic theoretical system. They have been subjected to fundamental challenges from liberal political economy, analytical philosophy, feminist theory, post-colonial scholarship, and the weight of historical experience. Many of Marx's specific predictions have not been borne out, and the regimes constructed in his name produced outcomes he would have found abhorrent.

And yet the persistence and vitality of Marxist scholarship, the continued return of critical social scientists to Marx's categories in the face of renewed manifestations of capitalist inequality and crisis, suggests that his framework addresses something real and enduring about the structure and dynamics of modern societies. As Hobsbawm argued, what Marx offered

¹⁹ T. Bhattacharya (ed). *Social Reproduction Theory: Remapping Class, Recentering Oppression*. (Pluto Press, 2017).

²⁰ D. Harvey. *Seventeen Contradictions and the end of Capitalism* (Oxford University Press, 2014); T. Piketty. *Capital in the Twenty-First Century*, A. Goldhammer, Trans. (Harvard University Press, 2014).

was not a set of fixed predictions but a way of asking questions about how the economic organization of society shapes, constrains, and deforms human social life, and those questions remain as urgent in the twenty-first century as they were in the nineteenth. Engaging seriously with Marx's theoretical legacy, with both its insights and its limitations, remains an indispensable task for anyone who wishes to understand the world as it actually exists rather than as it presents itself to naive common sense.