

# CHAPTER ONE

## KARL MARX (1818–1883)

### KEY CONCEPTS

capitalism	capital	alienation from our
bourgeoisie	profit	species being
inequality	use-value	alienation of individuals
mode of production	commodification of	from one another
means of production	labor power	standpoint of the
proletariat	false consciousness	proletariat
private property	surplus value	ideology
historical materialism	exchange-value	fetishism of commodities
class relations	division of labor	superstructure
class consciousness	alienated labor	economic base
exploitation	alienation from	ruling class
dialectical materialism	products	ruling ideas
communism	objectification	
subsistence	alienation in the	
species being	production process	

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**Timeline 1.1** Major events in Marx's lifetime (1818–1883)

1818	First steamship (the <i>Savannah</i> ) to cross the Atlantic Ocean, taking 26 days
1819	British Factory Act prohibiting employment of children under 9 in the cotton industry; and 12-hour days for those ages 10–16.
1821	US population: 9.6 million
1830	Revolution in France, fall of Charles X and Bourbons
1833	Britain abolishes slavery in its empire
1837	US Congress passes a “gag” law to suppress debate on slavery
1840	Railway-building boom in Europe
1841	First university degrees granted to women in America
1842	Depression and poverty in England
1842	British Mines Act forbids underground employment for women and girls and sets up inspectorate to supervise boy labor
1843	Skiing becomes a sport
1845	Engels, <i>The Condition of the Working Class in England</i>
1845	Florida and Texas gain statehood
1846	Height of potato famine in Ireland
1848	Revolutions against monarchy/aristocracy in Europe (Paris, Berlin, Prague, Budapest)
1848	Marx and Engels, <i>The Communist Manifesto</i>
1848	California Gold Rush
1850	Sydney University established
1854	Charles Dickens, <i>Hard Times</i>
1859	Peaceful picketing during a strike legalized in Britain
1862	Abraham Lincoln issues Emancipation Proclamation declaring slaves free
1862	Lincoln issues the first legal US paper money
1862	Victor Hugo, <i>Les Misérables</i>
1866	National Labor Union (crafts union) established in the US
1867	Marx, <i>Capital (Das Kapital)</i>
1871	Trade Union Act in Britain secures legal status for trade unions, but picketing illegal
1872	Penny-farthing bicycle in general use
1876	Alexander Graham Bell invents the telephone
1877	US railroad strike; first major industrial dispute in US
1879	Thomas Edison produces incandescent electric light
1882	Standard Oil Company controls 95 percent of US oil-refining capacity

## BIOGRAPHICAL NOTE

**Karl Marx** was born in Germany (in Prussia, in 1818) into a middle-class family and completed several years of university education studying law, history, languages, and philosophy. Rather than pursuing an academic career, he turned to journalism and devoted his attention to business and economics, writing about labor conditions during this era of rapid industrialization. The year 1848 was the “Year of Revolutions” in Europe, as workers and ordinary people rose up against the ruling monarchies in Germany, Italy, Austria, Hungary, and France. Marx himself had participated in the German revolutionary movement, and that same year he and Friedrich Engels published their famous treatise *The Communist Manifesto*. Marx was expelled from Germany and subsequently too from France because of his revolutionary views. He eventually settled in England in 1849, with his German wife, Jenny von Westphalen. For many years subsequently, they and their six children suffered abject poverty, relying on

money from Engels and small fees from Marx’s political articles for the American radical newspaper the *New York Daily Tribune*. He died in 1883, predeceased by his wife and three of their children (Tucker 1978: xvii; Kimmel 2007: 170).

### Marx’s Writings

1844a: “Alienation and Social Classes,” ASC

1844b: *Economic and Philosophical Manuscripts of 1844*, EPM

1846: *The German Ideology* (with Engels), GI

1847: *Wage Labour and Capital*, WLC

1848: *The Communist Manifesto* (with Engels), CM

1852: “The Eighteenth Brumaire of Louis Bonaparte,” Bru

1858: *The Grundrisse: Foundations of the Critique of Political Economy*, Gru

1859: “Preface to ‘A Contribution to the Critique of Political Economy,’” Preface

1867: *Capital (Das Kapital)*, Cap

## EXPANSION OF CAPITALISM

When you hear the name **Karl Marx** it is tempting to wonder why you should be studying his ideas. Marx has been dead for well over one hundred years, and communism, the political system with which his theoretical vision is associated, has all but disappeared around the world. The dominant communist power of the twentieth century, the Soviet Union, collapsed – an event captured literally by the fall of the Berlin Wall on November 9, 1989. Today, the largest ex-Soviet republic, Russia, is in the throes of adopting **capitalism**, crystallized by the development of shopping malls even in Siberia, and by the expanding global economic reach of Russian millionaires and billionaires. One, for example, owns the world-famous Chelsea (England) Football (soccer) Club, another was an early capital investor in Facebook, another paid \$88 million for a luxury Manhattan penthouse in 2012, another owns the Brooklyn Nets, the NBA professional basketball team who have recently made their home in the spectacular Barclays arena in Brooklyn, a venture in which Jay-Z is also an investor. Such developments would have been unimaginable 20 years ago. Capitalism is steadily expanding too in China (see Topic 1.1); China occupies a major role in the global economy and it is expected to be the world’s number one economy by 2030, displacing the US.

Lest you think that this capitalist expansion is all the more reason not to study Marx, you might be surprised to know that Marx, in fact, predicted it:

The need of a constantly expanding market for its products chases the *bourgeoisie* [the capitalist ownership class] over the whole surface of the globe. It must nestle everywhere, settle everywhere, establish connections everywhere ... The bourgeoisie, by the rapid improvement of all instruments of production, by the immensely facilitated means of communication, draws all, even the most barbarian, nations into civilization. The cheap prices of its commodities are the heavy artillery with which it batters down all Chinese walls, with which it forces the barbarians' intensely obstinate hatred of foreigners to capitulate. It compels all nations, on pain of extinction, to adopt the bourgeois mode of production; it compels them to introduce what it calls civilization into their midst, i.e., to become bourgeois themselves. In one word, it creates a world after its own image. (CM 83–84)<sup>1</sup>

Thus writing in the mid-nineteenth century, Marx envisioned today's global economy! The expansion of capitalism and its need to have bigger and bigger global markets for its commodities create capitalist societies whose progress is defined by the extent of their bourgeois capitalist culture, i.e., their adaptability to meeting the demands of capitalism by producing commodities for domestic and global consumption. Western capitalism has expanded to create a globalizing capitalist world in which consumer goods are the common global cultural currency. This is a theme we will discuss further in chapter 15.

### Topic 1.1 China: Consumer capitalism in a state-controlled society

The successful summer Olympics in Beijing, China, in 2008 showcased a highly modern and resourceful city well able to blend old cultural traditions with hyper-modern architecture and technologically sophisticated art forms. The Olympics provided the world with a sustained look at the new China as it weaves together authoritarian state control and core elements of market capitalism. Its economy has grown steadily since the 1980s, and with western societies in the doldrums of economic recession, the Chinese economy emerged in the last few years as the new global juggernaut highlighted by high levels of economic growth, strong export flows, strong domestic spending, and booming demand within China for such staples of capitalist consumption as cars, real estate, and the latest household appliances. Consumer demand for personal technology items is intense, making China the fastest growing market for Apple products. Demand for Apple's iPhone far exceeds supply and the scalper market is vibrant and aggressive; scalpers hire groups of migrant workers to stand in line to buy new phones. Indeed, wary of the large crowd of shoppers waiting in line outside Apple's flagship store in Beijing the day the iPhone4 was supposed to go on sale (January 13, 2012), the shop remained closed for business and many of the approximately 1,000 people outside reacted "by pelting the store's gleaming glass walls with eggs" (LaFraniere 2012: B2).

The Chinese economy is not immune to the volatility of market capitalism. It is currently experiencing a marked slow-down in its economic growth though still remarkably strong with approximately 7.5 percent growth in its Gross Domestic Product (GDP) for 2013, compared to the US (1.9 percent growth in GDP), Britain (1.0 percent), and countries in the Eurozone (-0.06 GDP). Today, more than 87 percent of Chinese families own or partially own property, and more than one-tenth own more than one property (Wong 2013b: A9). Income inequality is, however, a growing problem: in 2012, “households in the top 5 percent income bracket earned 23 percent of China’s household income” (Wong 2013b: A9). Recent high-profile political controversies underscore the huge gap in economic and social inequality between the privileged lives of its political and business elites and the middle class and the poor, many of whom are denied even the most basic of human freedoms. But despite the strong-armed and well-funded domestic security forces that police everyday life, China seems to have its own version of the Occupy movement. There were, for example, an estimated 180,000 “mass incidents” of protest in China in 2010 (Wong 2012: A12), as crowds in various cities and provinces mobilized against the blatant inequality and corruption that pervade Chinese society as it hungrily competes to devour the spoils of capitalism. Environmental pollution from large manufacturing and chemical plants is also increasingly visible across China’s cities and provinces, and increasingly too, a source of mass demonstrations. Indeed a study conducted by Chinese scientists using official Chinese data sources indicates that people in the south of China live approximately five years longer than their counterparts in the north of the country where coal-generated air pollution levels are particularly high (Wong 2013a: A6).

## CAPITALISM AS STRUCTURED INEQUALITY

But while many people enjoy the wide range of consumer goods available, what Marx emphasizes is the **inequality** that inheres in capitalism. Capitalism is one way of organizing production in order to meet the needs of our existence; it is the **mode of production** that characterizes our organization of society. From a long historical perspective, capitalism is not the only mode of production known to society; medieval Europe (for approximately five hundred years, from 1000 to 1490), for example, was characterized by a feudal mode of production whereby serfs worked and cultivated the land of medieval lords, who, in turn, assumed responsibility for the everyday welfare of the serfs and their families.

Capitalism is a mode of production based on unequal private ownership of the means of production (in contrast, for example, to state ownership in socialist societies, e.g., North Korea). Under capitalism, a minority of capitalists, the bourgeoisie, who own and monopolize the **means of production**, i.e., property – land, oil wells, railroads, factories, corporations – accumulate profit based on the labor of employees – the wage-workers, the **proletariat**, who must work hard to meet production demands in factories, farms, mines, corporate offices, and hotels (see Introduction), and who through their work convert raw materials into commodities (including services and information) that are sold by the capitalists for profit. In turn,

capitalists use this profit to expand their ownership of **private property** while the property-less workers – like hotel housekeepers (cf. Introduction, Topic I.1) – continue to toil for minimal wages, thus maintaining, as Marx argued, the ever-growing economic and social gap between capitalists and workers.

Thus Ronald Perelman, the billionaire chairman of Revlon cosmetics, can buy an emerald necklace for his wife (the actress Ellen Barkin, now his ex-wife) that is estimated to be worth between \$250,000 and \$350,000; a diamond ring worth at least \$1 million; and upward of 100 pieces worth \$15 million. By contrast, many wage-workers make great personal sacrifices, often working at two low-paying jobs, simply to buy the food for their family's dinner (e.g., Hays 2003). This inequality, according to Marx, is inherent in capitalism; it is both necessary to, and a consequence of, capitalism.

## MARX'S THEORY OF HISTORY

Marx understands history as the progressive expansion in the material or economic forces in society, i.e., in the advances made by societies in organizing their material production (e.g., agriculture, manufacturing, services). Marx's theory is often referred to as **historical materialism** because he focuses on the material (economic) conditions in society and how these determine social structures and social relations. As elaborated by Marx's intellectual collaborator, Friedrich Engels,

The materialist conception of history starts from the proposition that the production of the means to support human life and, next to production, the exchange of things produced, is the basis of all social structure; that in every society that has happened in history, the manner in which wealth is distributed and society divided into classes or orders is dependent upon what is produced, how it is produced, and how the products are exchanged. (Engels 1878/1978: 700–701)

History, Marx emphasizes, does not simply evolve independent of individuals and of the objective social relations (e.g., unequal **class relations**) which condition their lives. Rather, Marx argues that historical change, i.e., change in the material conditions of society and in how economic-social relations are organized, emerges out of the *contradictions* perceived in the existing economic and social arrangements. Thus, in Revolutionary France, the bourgeoisie overthrew the despotism of feudal monarchs and the aristocracy to create progressive economic and social institutions grounded in democratic principles (see Introduction).

As part of a similar historical logic, Marx predicted that the expansion of capitalism with its endless pursuit of profit would lead to its downfall. Capitalism produces economic crises that threaten its very foundations; these crises include recessions; the collapse of stock markets; severe financial losses for banks, companies, and households; high levels of unemployment; worker unrest; and the depletion of natural resources. Marx argued that under the cumulative impact of these ongoing crises and the polarized class antagonisms he predicted they would create (between the bourgeoisie and the proletariat), the working class would develop a **class consciousness**, i.e., individual wage-workers would come to recognize that their **exploitation** is part of the mass exploitation of all wage-workers, and that

this exploitation is inherent in the structural organization of capitalism. Class consciousness would propel the working class to revolt against capitalism. Thus, in Marx's construal, the downfall of capitalism is contingent on both the bourgeoisie and the proletariat. The bourgeoisie, through their constant efforts to expand capitalist markets, sow the seeds of their own and of capitalism's downfall; they are its "grave-diggers" (CM 94). And the proletariat is the "revolutionary class" – the "special and essential product" of modern industrial society (CM 91), the class that would overthrow capitalism and usher in a new society. We saw a glimmer of this revolutionary potential in the US in the 1920s with the rise of the anti-establishment Anarchist Party, and a surge in labor union protests against factory-owners. This disruption was relatively short lived, however, dampened in part by the social-democratic New Deal policies of the Roosevelt government which provided economic benefits to those hardest hit by the Depression. More recently, the Occupy Wall Street movement and the Occupy groups it has spawned in various US, European, and Asian cities is another example of an attempt to disrupt capitalism (see chapter 14, pp. 483–484). It is hard, however, for these actions to gain political momentum due – as Marx also recognized – to the overarching economic and ideological constraints that impede the overthrow of capitalism.

Despite the ongoing crises that capitalism produces, it has also evolved in ways that Marx did not anticipate and these developments mitigate against its (predicted) downfall. One, Marx assumed that the expansion of capital (and profit accumulation) would also require the expansion of the proletariat (i.e., that more laborers are needed to produce more commodities), and lead to an increase in workers' mass association and consolidation (unionization; CM 89–90). Two, he envisioned that the expanding proletariat would remain poor (CM 87–88), and thus would be further motivated by their pauperism to revolt against the capitalists. These conditions did not occur. Technological advances have made commodity production less contingent on manual labor than Marx anticipated, and while there is persistent poverty and substantial class inequality in well-established capitalist societies such as the US, the working class is relatively well off. Wage-workers avail of many of the economic and consumer opportunities in society – the shopping mall has become an equalizer of sorts; we can all (more or less) go shopping. Thus the working class, like the capitalist class, has a major stake in the ongoing success of capitalism. We will explore the reasons for this in a later section of this chapter when we discuss ideology.

## DIALECTICAL MATERIALISM

For Marx, history does not progress smoothly. Each historical-economic epoch (e.g., slave society, feudalism, capitalism) is characterized by tensions or contradictions. Change emerges only when these contradictions, and the social forces and relations which reproduce these contradictions, are exposed and ruptured through social revolution – "revolution is the driving force of history" (GI 29). Marx's view of history emphasizes that the human-created economic conditions in place at a given historical moment give rise to particular economic and social practices. These practices motivate particular groups (like Occupy Wall Street) to challenge the unequal conditions of their existence, and this opens the way for the emergence of new material (economic) conditions and social relations.



This historical process, for Marx, is **dialectical materialism**. The word “dialectic” derives from the Greek word *dialegein*, meaning “to argue,” and was used by philosophers from Plato down to Hegel to draw out the contradictions in the logic used in intellectual ideas. This method typically follows not a linear but a pendulum-like thesis–antithesis–synthesis form. Marx – given his focus on what he considered *real* history, i.e., the history not of ideas but of “the production of material life itself” (GI 16) – used the term to capture the human-social activity involved in the historical transformation of contradictory or antithetical economic forces and relations. In this dialectical framing, existing material conditions (e.g., capitalist class inequality – the thesis) produce opposition (class revolt – the antithesis) which in turn leads to a new economic system (communism – the synthesis). In a similar fashion, slave-based economies gave way to feudalism with indentured peasants only to be superseded by capitalism with its rising middle class of small shop-owners.

Although the dialectic sounds complicated, we basically see a dialectical process in the regular cycle of democratic politics. In the US, for example, no one political party dominated the White House for more than 12 years or so over the course of the twentieth century. This is partly because when the Republicans are in power, their policies (thesis) eventually produce a backlash (antithesis) among the electorate that contributes to the Democrats gaining power. Once in power, the Democrats have to deal with the new reality created by Republican policies and thus modify their own agenda, producing new policies (synthesis), which, after creating a temporary balance, lead eventually to disaffection among the electorate, who then return the Republicans to power, and the back-and-forth cycle of adjustment and change continues. For Marx, dialectical materialism means that historical change (i.e., material/economic change) is the result of conscious human activity emerging from and acting on the socially experienced contradictions of historically conditioned (i.e., human-made) economic forces and relations in order to produce a new form of social existence:

History is nothing but the succession of separate generations, each of which exploits the materials, the forms of capital, the productive forces handed down to it by all preceding ones, and thus on the one hand, continues the traditional activity in completely changed circumstances, and on the other, modifies the old circumstances with completely changed activity ... It shows that circumstances make men just as much as men make circumstances. (GI 38, 29).

## MARX'S VISION OF COMMUNISM

In Marx's evolutionary view, **communism** is the type of society that would emerge following the overthrow of capitalism. It would be a society characterized by the abolition of: private property, profit, the division of labor, and social classes. The logic of material production in communist society would require each person to contribute their labor to the everyday material and social good of the community on the basis of their diverse and multifaceted abilities (to build cabins, grow tomatoes, cook, sew, sing). Communism would deprive

no man of the power to appropriate the products of society: all that it does is to deprive him of the power to subjugate the labour of others by means of such appropriation ... In place of the old bourgeois society, with its classes and class antagonisms, we shall have an association [a community] in which the free development of each is the condition for the free development of all. (CM 99, 105)

In contrast, therefore, to the unequal relations of capitalist production between owners and wage-workers, there would be equality between people (no one would be particularly rich or poor). This would end the structural conflict that inheres in capitalism – the division between the property-owning bourgeoisie and the property-less proletariat. Marx outlined this vision in *The Communist Manifesto*. Labor, he argued, would “no longer be converted into capital, money, or rent, into a social power capable of being monopolized” (CM 98). Rather, all individuals would be entitled to “appropriate the products of society” (CM 99); hence the division of labor, private property, profit, and class inequality would disappear (CM 104–105; GI 21–23).

Consequently, communism would represent the “end of history,” so to speak; it would mark the end of the periodic historical ruptures from ancient times, through the slave-owning Roman and Classical epoch (from 500 BC to AD 999), the Feudal Age (1000 to 1490), and through the various stages of capitalism. In a communist society – i.e., a society in which private property, profit, and inequality would be eliminated and thus no one class (e.g., slave-owners, feudal lords, capitalists) would control the means of production (slaves, land, capital) – there would be no more tensions and contradictions to resolve. Hence the dialectic of history (dialectical materialism) would come to a stop.

Marx’s vision of communism, therefore, would entail the emancipation not only of the working class, but of all people; it would represent “universal human emancipation” (EPM 82). Thus: “All previous historical movements were movements of minorities, or in the interests of minorities. The proletarian movement is the self-conscious, independent movement of the immense majority, in the interests of the immense majority” (CM 92). It would produce a communal society wherein each person would have rights and responsibilities toward the maintenance of their shared material and social existence.

The communes that have sprung up occasionally in the US and which are prominent in other societies (e.g., Israeli kibbutzim) provide a glimpse of communally cooperative societies and how they work. These “utopian” experiments, however, tend to be short lived due to the challenges confronted in trying to build a truly egalitarian communal living situation and adapt it to a larger and more complex society. The Soviet Union was organized as a socialist society – a step away from the final communist stage envisioned by Marx, but it was characterized by stark inequality and oppression (as is also evident in North Korea).

## THE MILLENNIUM’S GREATEST THINKER

Capitalism has not collapsed and yielded to communism as Marx predicted (or has not *yet* collapsed, as contemporary Marxists who have not ruled out its possible downfall might aver; e.g., Wallerstein; see chapter 14). Nevertheless, Marx’s analysis provides a trenchant critique of capitalism’s underlying structure and how it works. Capitalism has changed a lot over the past several decades, and especially since the late 1990s, propelled by the rise of internet technology and wide-ranging globalizing forces. Today’s capitalist structures are much more complex than they were in the mid- to late nineteenth century when Marx was writing. And then too there was a lot more economic and social deprivation and industrial strife than we see today in western societies. Just think of America or England in the 1890s when child labor was a normal part of everyday life, a theme vividly portrayed in Charles Dickens’s novels.

Yet, despite the changes that have occurred over the last century, Marx's ideas still help us to make sense of the many ways in which capitalism infuses everyday life. The breadth and continuing relevance of Marx's analysis help explain why, as documented by the *Economist* magazine, an active defender of free-market capitalism, British public opinion at the end of the millennium (10 years after the collapse of Soviet communism) resoundingly favored Marx as the "millennium's greatest thinker," followed by Einstein, Newton, and Darwin.

The logic of capitalism does not just apply to one domain of activity such as the economy or paid work. It also pervades sports, medicine, education, Hollywood, politics, and even romance and marriage. We can still enjoy living in a capitalist society and the freedoms associated with capitalism, most especially the freedom to shop. But while reading Marx, we also have to step back from our complete immersion in capitalism and all that we take for granted about how our society is organized. Instead, we begin to critique it, probing beneath surface appearances to discern the multiple ways in which capitalism matters in daily life. It makes us probe, for example, why hotel housekeepers receive low wages for their hard labor (see Introduction) whereas multimillionaire salaried CEOs receive multi-million dollar bonuses even in times of recession and high unemployment and even if in some cases there is a decline in the value of their company's stock.

### Topic 1.2 Corporate executive pay: Some highlights

- In 2012, Wall Street companies paid a total of \$20 billion to employees in bonus pay, an increase of 9 percent over 2011, but less than the \$22.8 billion paid in 2010, and the \$34.3 billion paid in 2006 (before the financial crisis took hold).
- Robert Iger, Chairman of the Walt Disney Company, received \$40.2 million compensation for 2012.
- Brian Moynihan, CEO of Bank of America, was paid \$12 million in 2012.
- Tim Cook, CEO of Apple, received \$387 million in paid earnings in 2011 (including \$376.2 million that will grow over the next ten years); in 2012 he received \$4.2 million in pay.
- Goldman Sachs CEO, Lloyd Blankfein, received \$21 million in compensation for 2012.
- Coca-Cola CEO, John Brock, received a \$21.2 million salary in 2012.

## HUMAN NATURE

Marx's view of human nature is frequently misunderstood. Because Marx is critical of the inequality structured into capitalist society, people who have not studied him tend to think that he is opposed to work. This is far from true. Marx, in fact, has a very positive view of work, of labor, and he saw the individual's productive skills and capacities as integral to what it means to be human. Through work, the ability to work with and transform nature,

individuals demonstrate the higher consciousness of the human species. In *The German Ideology*, Marx celebrates those traits that are distinctively human. He emphasizes:

The first premise of all human history is, of course, the existence of living human individuals. Thus the first fact to be established is the physical organization of these individuals and their consequent relation to the rest of nature ... Man can be distinguished from animals by consciousness ... [Humans] begin to distinguish themselves from animals as soon as they begin to produce their means of subsistence [their livelihood]. (GI 7)

By creatively working with and transforming their physical-natural environment in order to produce a livelihood, individuals collectively “are indirectly producing their actual material life” (GI 7). The creativity shown by individuals in producing material life – their actual physical and social existence – something that whole populations have necessarily done throughout history as they adapt to and make use of the physical and material conditions existing in any given geographical area, is exclusive to the human species. Engagement in this process of transforming nature is integral to what Marx calls our *species being* (humanity); we don’t just simply perform basic bodily functions (e.g., eating, sleeping, procreating) but we also creatively work in and on our physical (and social) environment and adapt it to our needs. In sum, Marx emphasizes, our ability to produce an economic and social existence – e.g., food, tools, entertainment – is what distinguishes us as humans.

The activities that individuals do in order to live and in order to reproduce their mode of existence (way of life) are what set humans apart from other species. We live with nature and we embrace our natural surroundings but we also act on nature, and in acting on nature we produce and continually reproduce our means of economic (and social) life. We transform our natural environment through what we make of it and out of it, i.e., what we produce. Marx elaborates:

The way in which men produce their means of subsistence depends first of all on the nature of the actual means of subsistence they find in existence and have to reproduce. This mode of production must not be considered simply as being the reproduction of the physical existence of the individuals. Rather it is a definite form of activity of these individuals, a definite form of expressing their life, a definite *mode of life* on their part. As individuals express their life, so they are. What they are, therefore, coincides with their production, both with *what* they produce and with *how* they produce ... This production ... presupposes the intercourse of individuals with one another. (GI 7–8)

## MATERIAL AND SOCIAL EXISTENCE INTERTWINED

Through production, we create and recreate a mode of existence that is compatible with who we are as a species. As humans, we are physical beings, but not that alone. Rather, we have a consciousness which allows us to be aware that we exist in relation to other individuals, and we maintain that existence by producing and interacting with other individuals. Marx elaborates:

In production men not only act on nature but also on one another. They produce only by co-operating in a certain way and mutually exchanging their activities. In order to produce, they enter into definite connections and relations with one another and only within the social

connections and relations does their action on nature, does production, take place ... Thus the social relations within which individuals produce, the social relations of production, change, are transformed, with the change and development of the material means of production, the productive forces. The relations of production in their totality constitute what are called the social relations, society, and specifically, a society at a definite stage of historical development, a society with a peculiar, distinctive character [e.g., ancient, feudal, bourgeois society]. (WLC 29–30)

Throughout history, individuals have always existed in relation to other individuals, both physically and socially. As Marx notes, Robinson Crusoe, the exemplar of the lone individual, is a fictional character. In historical fact, there is no Robinson Crusoe. Explorers, settlers, immigrants have always adapted to their physical surroundings by working collectively to transform their surroundings and in the process to create society. Society is made up of

real individuals, their [practical] activity and the material conditions under which they live, both those which they find already existing and those produced by their activity ... Life is not determined by consciousness, but consciousness by life ... the real living individuals themselves ... men, not in any fantastic isolation and rigidity, but in their actual, empirically perceptible process of development under definite conditions. (GI 7, 15)

Individuals' material existence, therefore, *what* people do in everyday life and *how* they do it, is what matters; it is this "practical activity" (GI 15) that we need to focus on, Marx says. Existence, for Marx, is not something abstract or philosophical. Questions about the meaning of existence have a place in human thinking – most of us have some existential doubts and this is a good conversational topic propelled by reading existentialist writers (e.g., Jean-Paul Sartre, Albert Camus). But Marx is not interested in looking at the idea of existence. He wants us to focus on the actuality of our existence, the concrete things we do, the living conditions and practices that characterize everyday reality, because through practical activity "definite individuals who are productively active in a definite way enter into ... definite social and political relations" (GI 13). Hence if we want to apprehend what is going on in society, the nature of social structures and of social relations, we must study the "life-process of definite [real] individuals ... [who] produce materially, and are active under definite material limits" (GI 13). This is what sociologists do. We don't simply philosophize about social life; we go out into society and investigate how real people live in definite social contexts.

## CAPITALISM AS A DISTINCTIVE SOCIAL FORM

### PRIVATE PROPERTY

Marx emphasizes that the notion of private property developed as the world became more populated and more complex in its social organization. Private ownership was the norm in ancient Rome (e.g., ownership of slaves), in the feudal system of organization in medieval Europe, and it is a core characteristic of capitalism. In capitalist society, ownership of the



**Figure 1.1** Walmart is a fast-growing global retail corporation with over 10,000 stores in 27 countries (with Asda its store banner in the UK). Its employee policies epitomize the low-wage, cost-reduction strategies required by contemporary capitalism. Source: © RiverNorthPhotography/iStockphoto.

march of history), capitalism had outlived its usefulness. While Marx appreciated the economic and technological advances achieved by capitalism, and recognized it as a progression over previous modes of production (e.g., feudalism), he also emphasized its regressive aspects. In particular, Marx underscored the fact that capitalism is a system of commodity production – its fundamental objective is the production of commodities whose sale in the marketplace produces **capital** (money/economic resources) which accumulates as **profit** for the capitalist. With the production of capital/profit as the prime objective in a capitalist society, this means that the ties among individuals are purely determined by economic interests. Capitalism requires a mass of individuals who must sell their labor power, and the only relevance wage-workers have for the capitalists is the extent to which they can be used (employed) to produce profit for the capitalist.

This, according to Marx, is what sets capitalist social relations apart from those in ancient Roman or in feudal systems. In Roman society, slavery was the norm and inequality clearly existed between slaves and masters (and there was also inequality between free men and women). Notwithstanding this inequality, however, slave-masters also had a certain commitment to the welfare of their slaves, as did feudal lords toward their serfs – even if these commitments were driven largely by self-interest. Feudal lords, for example, did not abandon the serfs in times of famine – they felt obliged to still feed the serfs even though the serfs were (temporarily) unable to produce food for the manor.

Conversely, under capitalism, when there is an economic downturn or when profits are in decline, factory-owners and corporations fire many of their workers; they downsize and retrench – thus Pfizer laid off over seven thousand workers in Brooklyn, New York, when its profits were hurt by other companies’ sales of generic drugs. Notwithstanding any personal regrets that a given individual capitalist might have, he or she is obliged to terminate a worker’s employment – this is what “the economy,” i.e., capitalism requires – typically referred to in everyday conversation as “Wall Street,” or “the City” (London’s concentrated

means of production – of land, oil wells, factories, capital – differentiates the bourgeoisie from the proletariat, and on this unequal division rests the whole system of economic, i.e., class, and social relations (GI 8–13). Society, therefore, has long been stratified (organized into unequal classes or strata). Inequality is not the result of the transition to capitalism or the result of industrialized, factory production. Rather, from as early as the slave-owning Roman Empire, inequality has characterized social organization and social relationships.

## THE PRODUCTION OF PROFIT

Marx singles out capitalism for specific critique, however, largely because in his assessment (and in accord with his view of the progressive

financial district). By using these terms, we reify capitalism and its financial institutions and processes: this language makes us think of economic processes as if they are *things* separate from and beyond the control of the collective economic and political decision-making of powerful individuals, rather than a product of capitalist structures and social relations (see Marx, CM 97; Cap 83).<sup>2</sup> Capitalism as a system of profit production and accumulation requires the factory-owner or corporation to maintain economic competitiveness vis-à-vis other companies, and thus to cut production costs (including employees) in order to maintain profitability, its economic viability.

### Box 1.1 Georg Simmel: The coldness of money

Georg Simmel (1858–1918), another important German intellectual figure in the founding of sociology, also wrote about the centrality of money and economic exchange and how they shape the character of modern society and social relations. For Simmel, monetary transactions reflect and reinforce the coldness, fluidity, and emotional detachment of modern social ties, and the emphasis on utility value coupled with indifference toward an individual's unique personality characteristics. He used the example of prostitution as the epitome of the calculated and impersonal detachment that inheres in monetary exchange relations more generally. Simmel argued that the money transaction allows for “a purely momentary relationship which leaves no traces ... for money establishes no ties ... Money serves most matter of factually and completely for venal pleasure which rejects any continuation of the relationship beyond sensual satisfaction: money is completely detached from the person and puts an end to any further ramifications. When one pays money one is completely quits, just as one is through with the prostitute after satisfaction is attained ... Of all human relationships [prostitution] is perhaps the most significant case of the mutual reduction of two persons to the status of mere means ... Money is concerned only with what is common to all, i.e., with the exchange value which reduces all quality and individuality to a purely quantitative level.” (Simmel 1907/1971:121–122; 1903/1950: 326).

## THE COMMODIFICATION OF LABOR POWER

In capitalist society, the capitalists (e.g., owners of capital, land, oil, factories, railroads, banks, technological systems, television networks, etc.), care about workers only insofar as they have **use-value**, i.e., the extent to which they can be put to use in producing something useful, something that results in producing capital and profit for the capitalists. Marx elaborates: “The capitalist buys labour-power in order to use it; ... The purchaser of labour-power consumes it by setting the seller of it to work ... on something useful” (Cap 197). Thus, the extent to which use-value converts into capital, into profit, becomes the criterion determining social relations in a capitalist society. The ties between individuals are based on “naked self-interest,” and sentiment and honor are displaced by

the only value that matters in a capitalist society, the “callous ‘cash payment’” (CM 82). In short, “Show me the money” is the catch-cry informing social relations under capitalism (see Box 1.1).

What is especially distinctive about capitalism vis-à-vis other historical systems of inequality is that under capitalism, workers are free – this is a mark of progress; workers are not owned by masters, even though historically, slavery was integral to the expansion of capitalism (e.g., Patterson 1982; see chapter 12). In democratic capitalist societies, political and economic freedom tend to go together (though there are historical exceptions, such as South African apartheid). The entwining of economic and political freedom produces the historically unusual circumstance whereby in capitalist societies, free workers (must) sell their labor (their labor power) on the market. And in doing so, wage-workers themselves become commodities to be bought and sold. Capitalism thus requires and is built upon the **commodification of labor power**. Marx explains:

what [workers] sell to the capitalist for money is their labor *power*. The capitalist buys this labor power for a day, a week, a month etc. And after he has bought it, he uses it by having the workers work for the stipulated time. For the same sum with which the capitalist has bought their labor power, for example, two marks [German currency], he could have bought two pounds of sugar or a definite amount of any other commodity. The two marks with which he bought two pounds of sugar, are the *price* of the two pounds of sugar. The two marks, with which he bought twelve hours' use of labor power, are the price of twelve hours' labor. Labor power, therefore, is a commodity neither more nor less than sugar. The former is measured by the clock, the latter by the scales. Labor power is, therefore, a commodity which its possessor, the wage worker, sells to capital ... Labor power was not always a commodity. Labor was not always wage labor, that is, free labor. The slave did not sell his labor power to the slave owner anymore than the ox sells its services to the peasant. The slave, together with his labor power, is sold once and for all to his owner. He is a commodity which can pass from the hand of one owner to that of another. He is *himself* a commodity, but the labor power is not *his* commodity. The serf sells only a part of his labor power. He does not receive a wage from the owner of the land; rather, the owner of the land receives a tribute from him ... The free laborer, on the other hand, sells himself and indeed sells himself piecemeal ... The worker belongs neither to an owner nor to the land, but eight, ten, twelve, fifteen hours of his daily life belong to him who buys them. (WLC 17–21)

The freedom under capitalism is really an illusion, Marx argues, because in reality capitalism is a coercive system of labor exploitation. In capitalist societies, the commodities produced are not solely the sorts of things we typically think of, such as manufactured goods, our clothes and food, or information and service goods. Labor power itself is a commodity. Wage-workers are exchanged and traded on the market and their market value, as with other commodities, is given a price. And although wage-workers, unlike slaves and serfs, are free to leave a particular employer because they do not like the price they get for their labor or their general working conditions, this freedom is always constrained. The movement of labor may appear on the surface to be done freely, but it is in fact required, demanded, and coerced by capitalism.



Marx explains:

The worker leaves the capitalist to whom he hires himself whenever he likes, and the capitalist discharges him whenever he thinks fit, as soon as he no longer gets any profit out of him, or not the anticipated profit. But the worker, whose sole source of livelihood is the sale of his labor power, cannot leave the *whole class of purchasers*, that is, the capitalist class, without renouncing his existence. He belongs not to this or that capitalist but to the *capitalist class*, and, moreover, it is his business to dispose of himself, that is, to find a purchaser within this capitalist class. (WLC 21)

Accordingly, for Marx, wage-labor is in essence “forced labour” (EPM 74). Whereas slavery is “*direct* forced labour,” wage-labor is “*indirect* forced labour.” Under capitalism, workers are obligated to present their labor power, their usefulness to a prospective employer, as a commodity for sale. Laborers “live only so long as they find work, and . . . find work only so long as their labour increases capital. These labourers, who must sell themselves piecemeal, are a commodity, like every other article of commerce, and are consequently exposed to all the vicissitudes of competition, to all the fluctuations of the market” (CM 87).

## PROFESSIONAL SPORTS: THE COMMODIFICATION OF LABOR POWER IN ACTION

The commodification of labor power is well demonstrated in professional sports. We see this in several ways. The very language that professional sports organizations and teams use in talking about their hiring practices ensures that there is no ambiguity about the fact that football or basketball players are evaluated as commodities, as underscored in the US by the annual National Football League (NFL) draft day. We hear about the *trading* that occurs prior to draft day; one team exchanges their #5 pick in exchange for two lower-ranked choices from a different team; we hear how much money a prospective player is willing to settle for, what price he will accept for his labor power; and we are left in no doubt that the quarterback (QB) is being selected (and subsequently assessed) not for his all-around athletic ability or leadership qualities, but for his *piecemeal* value – his arm, his ability to throw the ball, his “passing efficiency.” Despite the glamour (think of Tom Brady, the Patriots QB, or Tim Tebow, who was *traded* from the Denver Bronocs to the New York Jets and then to the New England Patriots), the quarterback more than any other player – and especially compared to defensive backs whose whole bodies are commodified – is reduced to the value of one body piece, the usefulness of his arm. And the efficiency of the arm is determined statistically: the number of completed passes and the ratio of touchdowns to interceptions thrown. (See Topic 1.3.)

We see similar efficiency-evaluation scales used across other professional sports. Players’ usefulness is determined by their productivity; their performance statistics such as the velocity with which baseball pitchers hit the ball, the per game shooting percentages of basketball and hockey players the number of goals scored on the football field, etc., provide a shorthand metric determining their market value. Thus star football (soccer) player David

### Topic 1.3 Scouting new football recruits

The evaluation of football players as efficient physical objects – as future profit-generating commodities – is the primary purpose of the NFL's annual Scouting Combine, the exhibition show for prospective professional football recruits. At the week-long event, college football players are competitively evaluated by NFL coaches and scouts. Several tough physical tests assess the players' physical strength: how well they do in the broad jump, the vertical leap, the three-cone drill, lifting weights – and especially their speed – because in the NFL “each second makes a difference” to the player's and the team's success. It is not all about speed, however. At the Combine, “the least exhaustive test ... often takes the longest to prepare for ... the look test ... During a medical exam, the prospects strip to their shorts to reveal whether they look the part of a football player.” For some, this means bulking-up, for others, slimming down (Packer 2007: C16).

Beckham was paid millions of dollars not only to play ball and to expand a team's fan base but also for his off-the-field usefulness in promoting (and selling) the footwear (Adidas) and clothing brands he wears/endorse. And while some players are “free agents,” not bound by their contract to a previous team-owner, they are nonetheless, as Marx reminds us, not really free; they must find another team-owner to whom to sell themselves. Wage-workers, whether professional sports players or waitresses, have to sell their labor power. Why do they sell it?

In order to live. But the exercise of labor power, labor, is the worker's own life activity, the manifestation of his own life. And this life activity he sells to another person in order to secure the necessary *means of subsistence*. Thus his life activity is for him only a means to enable him to exist. He works in order to live. He does not even reckon labor as part of his life, it is rather a sacrifice of his life. It is a commodity which he has made over to another. (WLC 19)

Many professional sports players earn big salaries; their multimillion dollar contracts allow them to meet their subsistence needs far more easily than is the case for waitresses, sales people, skilled workers, and most professional workers (e.g., lawyers, doctors). Nonetheless, despite their exceedingly high incomes, professional sports players are commodities, and perhaps more than many other workers, they literally sacrifice their lives in order to work. Many sports players retire with a comfortable amount of money, but severely disabled from a career marked by repeated concussions (which lead, for example, to early onset of Alzheimer's disease) and other injuries which have a long-term debilitating impact on the player's physical and mental functioning. This is a topic getting increased attention in football circles, and even NFL owners/executives acknowledge the negative long-term impact of sports injuries.

Not only do professional athletes endure these injuries as part of their job, many feel the competitive pressure to actively harm their bodies over the long term by taking steroids to

build up their short-term strength and endurance. As early as high school, young men are taking steroids – substances that over time build up cumulative negative effects on an individual’s physical and mental health – in order to enhance the price they can get for themselves when (in actuality, *if*) they make it to draft day and a professional career.

## WORK: LIFE SACRIFICE

There is compelling evidence from professional sports of workers’ willingness to sacrifice their health for someone else’s profit. Many other wage-workers too sacrifice their health by working in dangerous jobs in return for relatively low earnings. Meat-packers, miners, fire-fighters, police officers, soldiers, and construction workers confront the threat of injury and death on a regular basis (see Topic 1.4). Even apart from these particularly life-threatening jobs, all wage-workers, Marx reminds us, sell their labor power “in order to live” (WLC 19), to exist. Work thus becomes a means to an end rather than an end in itself; it loses its potential to be a creative and cooperative activity reflective of humans’ higher consciousness. Its value is instead determined by its usefulness in the production of capitalist profit.

### Topic 1.4 Occupational injuries in the meat-packing industry

In 2010, the US Bureau of Labor Statistics recorded 4,690 deaths sustained from injuries in the workplace. The agriculture/fisheries, mining, construction, and warehousing/transportation sectors are the most hazardous ([www.bls.gov/iif/](http://www.bls.gov/iif/)). A report by Human Rights Watch concluded that “Meatpacking work has extraordinarily and unnecessarily high rates of injury, musculoskeletal disorders (repetitive stress injuries), and even death. Whatever the inherent dangers of meatpacking work, they are aggravated by ever-increasing line speeds, inadequate training, close-quarters cutting, and long hours with few breaks ... Almost every worker interviewed ... for this report began with the story of a serious injury he or she suffered in a meat or poultry plant, injuries reflected in their scars, swellings, rashes, amputations, blindness or other afflictions.” Among the meat-industry injuries recorded by the US federal Occupational Safety and Health Administration (OSHA) were the following:

- “Worker killed when hog-splitting saw is activated.”
- “Worker dies when he is pulled into a conveyor and crushed.”
- “Worker loses legs when a worker activates the grinder in which he is standing.”
- “Worker loses hand when he reaches under a boning table to hose meat from chain.”

(See “Blood, sweat, and fear: Workers’ rights in US meat and poultry plants.” <http://hrw.org/reports/2005/usa0105/summary-eng.pdf>.)

Further, even if steroid-using athletes were assured of success – of getting drafted (bought) or getting a contract extension – a Marxist-derived analysis would argue that they are deluded by a **false consciousness**, a consciousness that is itself the historical product of capitalism.

Because, as Marx tells us, we embrace the “illusion” of the capitalist epoch in which we live (GI 30) – its affirmation and celebration of freedom, equality, money, and consumption (GI 40) – we willingly and freely sell ourselves because we believe that we are profiting through our particular actions.<sup>3</sup> But this is false: the capitalist will always profit more than even the most highly paid professional athlete. And the capitalist’s profit, by definition, comes at the expense of the wage-worker’s life. Wage-workers, though consciously working to produce capital (and hence to reproduce capitalism as a system), work under the historically produced illusion that capitalism is a natural economic system rather than a historically specific and humanly produced economic system that favors some (the owners/capitalists) at the expense of others (wage-workers). Under capitalism, therefore, wage-workers are unable to develop a true consciousness of how their economic interests are in contradiction with those of capitalism. They cannot see that their objective class position and economic interests are in contradiction with the class position and economic interests of the capitalists (for whom belief in the “naturalness” of capitalism fits with their economic interests).<sup>4</sup>

## WAGE-LABOR

Wage-workers think they are free; they may think of themselves as just trying to make a decent living, but in essence, as we recall, their labor power is a commodity bought and sold on the market for others’ profit accumulation.

What [a wage-laborer] produces for himself is not the silk that he weaves, not the gold that he draws from the mine, not the palace that he builds. What he produces for himself is wages, and silk, gold, and palace resolve themselves for him into a definite quantity of the means of subsistence, perhaps into a cotton jacket, some copper coins and a lodging in a cellar. And the worker who for twelve hours, weaves, spins, drills, turns, builds, shovels, break stones, carries loads etc., – does he consider this twelve hours’ weeding, spinning, drilling, turning, building, shoveling, stone-breaking as a manifestation of his life, as life? On the contrary life begins for him when this activity ceases, at table, in the public house, in bed. The twelve hours labor, on the other hand, has no meaning for him as weaving, spinning, drilling etc., but as *earnings*, which bring them to the table, to the public house, into bed. (WLC 20)

## WAGE-LABOR AND SURPLUS VALUE

What the high-income professional sports player and the low-income hotel housekeeper have in common is that **surplus value** is extracted from both by their respective employers. Since the logic of capitalism is the accumulation of profit, this profit has to come from somewhere. It comes from the extra value – the surplus value – and hence the extra capital that is created by wage-workers’ labor. Supply and demand influence how much a given worker or a group or class of workers, electricians say, can earn in a given place at any given time. How well the economy is doing, and whether there is an under- or over-supply of qualified workers available to meet the market demand for a particular commodity (e.g., new housing, dentists, restaurant services at a seaside resort), impact how much money workers get for their labor power.

Marx recognizes these factors in determining wages. But he also highlights an even more basic way in which wages are determined – the actual cost of production. Marx argues:

the price of labor will be determined by the cost of production, by the labor time necessary to produce this commodity – labor power. *What then is the cost of production of labor power? It is the cost required for maintaining the worker as a worker and of developing him into a worker. ... The price of his labor will, therefore, be determined by the price of the necessary means of subsistence ...* Another consideration ... in calculating the cost of production of simple labor power, there must be included the cost of reproduction, whereby the race of workers is enabled to multiply and to replace worn-out workers by new ones. Thus the depreciation of the worker is taken into account in the same way as the depreciation of the machine. The cost of production of simple labor power, therefore, amounts to the *cost of existence and reproduction of the worker*. The price of this cost of existence and reproduction constitutes wages. Wages so determined are called the *wage minimum*. (WLC 27–28; italics in original)

In other words, the capitalist pays the worker the minimum necessary to ensure the worker's physical subsistence as a worker, and his or her social existence so that it is conducive to the actual physical and social reproduction of a new generation of workers. Today, in the US, the federally mandated minimum wage is \$7.25 per hour (an amount that is less than the cost of a large cheese pizza). Wage costs are necessary costs that the capitalist encounters in reproducing current and future workers who can be put to work creating capital and profit. In return for these wages, the capitalist receives “the productive activity of the worker, the creative power whereby the worker not only replaces what he consumes [as a worker] but gives to the accumulated labor a greater value than it previously possessed ... he produces capital” (WLC 32). And, this capital has a surplus value for the capitalist above and beyond the worker's production cost (i.e., the cost to the capitalist of the worker's subsistence and reproduction as a worker).

Marx explains surplus value as the differential between a worker's [exchange-value](#) – simply another way to refer to a worker's wages; the market value of a worker's labor – and his use-value:

The daily cost of maintaining [labor] and its daily expenditure in work, are two totally different things. The former [the cost of maintaining labor, i.e. the subsistence and reproduction of the worker] determines the exchange value of the labour-power, the latter [the living labor that it can call into action] is its use-value ... Therefore, the value of labour power, and the value which that labour-power creates in the labour process are two entirely different magnitudes, and this difference of the two values was what the capitalist had in view, when he was purchasing the labour power ... What really influenced him was the specific use-value which this commodity possesses of being a source not only of value, but of more value than it has itself. This is the special service that the capitalist expects from labour power, and in this transaction he acts in accordance with the “eternal laws” of the exchange of commodities. The seller of labour-power, like the seller of any other commodity, realizes [acquires] its exchange value, and parts with its use-value. He cannot take the one without giving the other. The use value of labour-power [labor] ... belongs just as little to its seller, as the use-value of oil after it has been sold belongs to the dealer who has sold it. (Cap 215–216)

## THE GAP BETWEEN EXCHANGE-VALUE AND USE-VALUE

Consequently, what workers are paid – their earnings/market value or exchange-value – and what they are paid for – their labor power/use-value, their usefulness in creating capital/profit – are two very different things. The capitalist pays the exchange-value (wages) of 20 hours’ labor power but gets the use-value of 40 hours’ labor; the wage-workers’ usefulness in creating capital extends beyond what they are paid for, and this difference between their exchange-value (wages) and their use-value to the capitalist is what constitutes surplus value, or profit (Cap 207–217). For workers to subsist and to physically maintain themselves as workers, they may need only to work for 4 hours a day, but they work for 8 hours a day. A worker may need to prepare and cook 12 cheese pizzas every day in exchange for the wages he is paid by the restaurant-owner, but in fact, he prepares 48 pizzas every day. Thus he creates surplus value for the owner through his labor in producing the 36 additional pizzas. The additional hours worked, or the additional pizzas prepared by the worker, over and above his production cost to the capitalist (including the costs of the ingredients, electricity, building maintenance, etc.), are the surplus value that is taken by the capitalist. And it is this surplus value produced by the worker that constitutes the capitalist’s profit.

Accordingly, the capitalist’s surplus value is the worker’s surplus labor (Cap 207–217). The production of surplus value is necessary to the pursuit and accumulation of capitalist profit. The more productive workers are, the more surplus value they create for the capitalist and, accordingly the proportional cost of their labor power becomes cheaper for the capitalist. Hence Marx’s comment: “The worker becomes all the poorer the more wealth he produces ... The worker becomes an ever cheaper commodity the more commodities he creates” (EPM 71). The workers’ use-value to the capitalist increases but their exchange-value, the cost of maintaining them as workers (i.e., their wage), decreases in inverse proportion to their use-value. In short, the workers’ use-value to the capitalist is greater than their exchange-value is to themselves (Cap 215–216). Notwithstanding the gap between the surplus value (profit) workers create and the wages they receive, employers continuously look to find ways to increase their profits at workers’ expense. Caterpillar, for example, the large US-based multinational manufacturer of bulldozers and other heavy earth-moving equipment, earned a record \$5.7 billion profit in 2012. Its top-tier skilled machinists at its American plant in Indiana earn \$55,000 a year while its junior employees earn \$12 to \$19 per hour; overall Caterpillar makes a profit of over \$40,000 per each of its employees. Nonetheless, it is intent on implementing a six-year wage and pension freeze and also requiring workers to pay increased health care contributions (up to \$1,900 per year) (see Greenhouse 2012: A1, 3).

## THE DIVISION OF LABOR AND ALIENATION

The [division of labor](#), or economic and occupational specialization, is a dominant feature of modern capitalist society, and has evolved progressively over time (GI 8). The division of labor separates sectors (e.g., agriculture, manufacturing, services) and workers into discrete spheres of ever-more specialized activity. Adam Smith (1776/1925), the eighteenth-century

Scottish philosopher and advocate of free market capitalism, emphasized the material advantages that derive from exchange based on occupational specialization and the division of labor. Marx, by contrast, underscores its negative, fragmentary effects. Marx argues that individuals have the human ability to do many things and to have many creative interests and hobbies. But the division of labor as a thing-like, or a reified, and objectified structure of capitalism reduces the individual to the performance of the specialized activity for which each has the most use-value in the production of capital (e.g., football quarterback Tom Brady's arm-throwing labor). Thus, Marx states

as soon as labor is distributed, each man has a particular exclusive sphere of activity, which is forced upon him and from which he cannot escape. He is a hunter, a fisherman, a shepherd, or a critical critic, and must remain so if he does not want to lose his means of livelihood; while in communist society where nobody has one exclusive sphere of activity, but each can become accomplished in any branch he wishes ... makes it possible for me to do one thing to-day and another to-morrow, to hunt in the morning, fish in the afternoon, rear cattle in the evening, criticize after dinner, just as I have a mind, without ever becoming hunter, fisherman, shepherd or critic. (GI 22)

## THE PRODUCTION PROCESS

The organization of capitalist production – whether in factories, construction sites, or corporate offices – ensures the usefulness or efficiency of workers in the creation of surplus value, capitalist profit. Workers' tasks are divided into minute elements so that each individual is responsible for a very specific aspect of the production process. The diversity of occupations that exists in any industrialized country underscores that to make a living in today's economy, a worker must specialize in a highly defined activity. Just picking a random page in the US Census occupational code, we see the following specialized jobs: "aircraft cleaner, aircraft communicator, aircraft designer, aircraft electrician, aircraft engine specialist, aircraft instrument tester, aircraft lay out worker, aircraft log clerk, aircraft machinist, aircraft metalsmith, aircraft painter, aircraft riveter, aircraft stress analyst," and so on.

The fast-moving, assembly-line production we associate with the manufacture of goods (whether cars, pizzas, or candy) epitomizes the division of labor under capitalism. Assembly-line production assigns specific tasks to each worker (or worker team), whose speedy task accomplishment is essential to the smooth, uninterrupted operation of commodity production. A similar division of labor is evident in the production (construction) of houses: a primary contractor is hired to build the house and in turn hires a whole retinue of subcontractor specialists: laborers, plasterers, plumbers, tilers, carpenters, electricians, roofers, and landscapers.

## ALIENATED LABOR

The division of labor may seem necessary to distributing responsibility and expertise for the many complex jobs that need to be done in society, and ensuring that labor is used efficiently to produce the vast amount of commodities that are needed to meet consumer demand. But Marx wants us to see it differently – to see it as dehumanizing of the individual

and of society. Marx argues that the commodification of labor power such that workers are reduced to commodities (with exchange- and use-value) produces alienation, or **alienated labor**. Alienated labor is the result of the economic and social organization of capitalism, of capitalism's production objectives (e.g., profit) and processes such as the division of labor (see EPM 71–81).

### Box 1.2 Alienation inheres in capitalism

- (a) Alienation of wage workers from the products produced
- (b) Alienation through the production process
- (c) Alienation of individuals from their species being (human essence)
- (d) Alienation of individuals from one another

#### (a) *Alienation of workers from the products they produce*

Workers are alienated or estranged from the **products** their labor produces; their labor and the product of their labor are *external* to them both literally and in terms of ownership. A worker's labor is not his or her own, but is "forced labour" (EPM 74), it belongs to the employer. Similarly, the products of the worker's labor do not belong to the worker, but to someone else – the employer who sells the product/commodity and the consumer who buys it. The commodities that workers produce are not theirs to use despite their having made them; they are only theirs to buy. Thus the product of a worker's labor (like the labor itself) becomes a force that is external to the worker. Rather than being the objective reflection of the worker's transformation of raw materials into something new – an object available to the worker – the product of the worker's labor becomes an object, an object for someone else's disposal on the market; "it exists outside him, independently, as something alien to him; ... it becomes a power of its own confronting him: it means that the life which he has conferred on the object confronts him as something hostile and alien" (EPM 72). Marx refers to this process as the **objectification** of labor. The products produced by a worker's labor exert a power over the worker; the worker must keep producing more and more products (and service workers must serve more and more customers, or, like hotel housekeepers, clean more rooms, change more beds, etc.) – but the value of this extra work returns to the capitalist and not to the worker.

This idea fits with Marx's thesis (see p. 52 above) that the more commodities the worker produces the relatively poorer the worker himself or herself becomes. Wages can increase, but the profit return to the capitalist from the wage-worker's labor will always be proportionally greater than the wages paid to (for) the worker. Wage-labor thus differs from the labor done, for example, under feudalism, where the farmer-serfs ploughed the land, planted the seeds, tilled and cultivated the furrows, and then harvested the crops and kept what was necessary for their family's subsistence. The farmers experienced the complete cycle of production and produced for their own needs while also producing for others; as did the blacksmith, the tanner, and all the other farmers and craft workers under the feudal lord's tutelage.



*(b) Alienation of workers in the production process*

The worker is also alienated through the [production process](#) itself. The process of production is “active alienation,” whereby the “worker’s own physical and mental energy” is turned against him (EPM: 74, 75). Labor is not for the worker an end in itself and freely chosen, but is coerced by and performed for someone else, most immediately, the capitalist employer. Wage-labor is “activity performed in the service, under the dominion, the coercion and the yoke of another” (EPM 80). In short, wage-workers do not determine what they produce or how they produce it; they are simply objects in the production process. As those of you who have worked in restaurants know, your daily schedule and the number of tables/customers you serve are not spontaneously determined by you but by your supervisor/employer. And the speed with which you serve the customers is also not yours to decide; each employer sets prior standards and rules that you have to abide by, irrespective of how much energy you might have on a given day (see Topic 1.5).

*(c) Alienation of workers from their species being*

The production process, by reducing workers to objects with use-value in commodity production, [alienates them from their species being](#), from the creativity and higher consciousness that distinguish humans from animals (EPM 76–77). Wage-labor coerces us to use work – our life activity – as a means to our physical existence rather than using our physical existence to realize our humanity and to engage in the freely chosen physical and mental activities of which our species is capable. Therefore, while in principle work can be a creative extension of our selves – “the productive life is the life of the species. It is life-engendering life” – under capitalism, “life itself appears only as a means to life” (EPM 76) – i.e., we work to live (to subsist) rather than (creatively) working to fully actualize our human-social life. Alienated labor strips work of its intrinsic human meaning and its potential to express human creativity, and in this process, humans are reduced essentially to an animal-like status; they are alienated from the very characteristics that distinguish them as humans. Marx writes:

First, the fact that labor is external to the worker, i.e., it does not belong to his essential being; that in his work, therefore, he does not affirm himself but denies himself, does not feel content but unhappy, does not develop freely his physical and mental energy but mortifies his body and ruins his mind. The worker therefore only feels himself outside his work, and in his work feels outside himself. He is at home when he is not working, and when he is working he is not at home. His labor is therefore not voluntary, but coerced; it is *forced labor*. It is therefore not the satisfaction of a need; it is merely a *means* to satisfy needs external to it ... man (the worker) no longer feels himself to be freely active in any but his animal functions – eating, drinking, procreating, or at most in his dwelling and in dressing-up, etc.; and in his human functions he no longer feels himself to be anything but an animal. What is animal becomes human and what is human becomes animal. Certainly eating, drinking, procreating, etc., are also genuine human functions. But in the abstraction which separates them from the sphere of all other human activity and turns them into sole and ultimate ends, they are animal. (EPM 74)

*(d) Alienation of individuals from one another*

Although humans are a social species who relate to and cooperatively interact with others, capitalism produces “the *estrangement of man from man*” (EPM 78; italics in original), of **individuals from one another**. Work becomes the individual’s life, rather than the means by which individuals enjoy their life with others. The demands of work, whether for wage-laborers (e.g., hotel housekeepers) or for professionals in corporate suites (e.g., Epstein et al. 1999), are not conducive to workers’ family life or to their participation in community activities; the demands of work require that work rather than non-work activities receive priority. At Walmart, for example, workplace policies “to create a cheaper, more flexible work force by capping wages, using more part-time workers and scheduling more workers on nights and weekends” mean that workers are pressured to be available 24/7 (Greenhouse and Barbaro 2006). This strategy is seen as an attempt by Walmart to have more part-time than full-time employees, thus reducing its wage costs, expanding its profits, and increasing its stock price on Wall Street. Workers are worried, however, that these open-ended scheduling demands will negatively impact their family and other commitments – making it difficult for them to care for their children, to attend school functions, or to go to church. One worker said: “it makes it hard to establish routines like reading to your kids at night or having dinner together as a family” (Greenhouse and Barbaro 2006).

And at work, the alienation of workers from one another is accomplished through the production process: its demands of speed and efficiency – the number of beds made, of customers served, of hours billable to a client – require workers to work rather than to socialize. Another way in which workers are alienated from one another is through the competitive nature of the workplace. Who will be the employee of the month? Who will get a bonus? Who will get the most valuable player award? These are competitive awards for which there are winners and losers, thus pitting workers against one another, and they exist across all work sectors, from fast-food restaurants to the banking industry. The worker who receives an award will be the one who has been the most productive (i.e., created the most surplus value/profit) during a given time interval: who delivers more pizzas, sells more condominiums, logs more billable hours. So, even when it seems that companies (including universities) are being nice to workers by giving them bonuses and awards, from a Marxist perspective, these incentives are nothing more than another capitalist strategy to ensure that more and more surplus value, more and more profit is being produced by workers for their respective employers and for the capitalist class as a whole.

Capitalist production, moreover, is structured so that the livelihoods of employed workers are in constant threat from those on the sidelines (e.g., due to seasonal work, unemployment, immigration flows). The capitalist always has access to the labor power of the unemployed; current employees can be fired and replaced by other workers who must necessarily find work in order to make a living wage. This is yet another way in which labor is coerced and by which capitalism sets individuals against one another. Further, inter-worker competition is globalized; workers in the US or the UK, for example, are stripped of sympathy for their fellow-workers in the sweatshops of China, whom they see largely as undermining their own continuing employment (thus further dampening the development of the class consciousness of the proletariat envisioned by Marx).

### Topic 1.5 Laboring in the poultry factory

If we were to step inside the poultry plants in Tennessee and Alabama, we would see what is entailed in the alienation of labor that Marx discusses. At these plants, there is a highly specialized division of labor; the women who work in the plant's "deboning line" are not just *poultry* workers, but, more specifically, chicken deboners or "wing cutters" (see Greenhouse 2005). Their personal identity is reduced to this highly specific wing-cutting activity such that they are described as if they were machines, as objects rather than humans (i.e., alienated in the production process and from their human species being). The production process (i.e., the factory-owner's production demands on these cutters) is very specific: to maintain a "42 chickens a minute line speed" – almost a chicken per second. One consequence of this production speed pressure is that workers are not allowed to have bathroom breaks and thus are unable to attend to their basic physical needs. Similarly, there is no time for chatting with other workers on the line. These demands thus produce alienated labor; the workers' physical and social needs are subjugated to the demands of profit production as the workers, who make approximately 18,000 deboning cuts during a typical shift (eight hours), prepare the chicken pieces for supermarket sales to consumers. The deboned chicken breasts, fillets, etc. thus come to exist as objects that have an external, controlling power over the workers; they are not for the workers' consumption, for satisfaction of their physical hunger, but are tallies of the workers' speed and productivity (thus producing workers' alienation from the products of their labor power). Most chicken deboners, even those with a lot of experience, earn less than \$8 an hour. Given that a packet of chicken tenders sells in the supermarket for about \$7, we can readily see that, even taking account of the expense incurred in raising a chicken, and the production costs and profit margins in the distribution chain from factory-owners to shop-owners, there is a substantial gap between the worker's exchange-value (approx. \$8 per hour) and their use-value (deboning over 2,000 chickens per hour) – the surplus value or profit their labor produces for the factory owner. Chicken-cutters produce a lot of surplus value. Nevertheless, their profit usefulness is lessened if they take bathroom breaks – thus this activity is regulated. It is not the worker who freely decides when she needs to go to the bathroom; like the amount of wing-cuts required, this need is determined externally – by factory-owners who are mindful only of profit production demands. And Walmart, and other workplaces too, have similar restrictions on rest breaks for its employees. Thus capitalism produces workers' alienation because workers' basic human-physical and social needs are suppressed in order to meet production demands that are set to ensure the highest possible surplus value/profit for the factory-owner. (See also Topic 2.3, chapter 2, p. 105.)

## THE OPPRESSION OF CAPITALISTS

In Marx's analysis of capitalism, it is not just wage-workers but capitalists too who are alienated. Business-owners and corporate executives are also in servitude to production demands, i.e., the production of capital. There are, for example, at least two competing firms in the poultry industry (Koch Foods and Sun Kist), and they must compete with one another to cut production costs and increase profits and market share.

Capitalists' relation to capital – as owners of land, factories, corporations – is quite different to that of workers, and the production process is organized to maximize the capitalists' accumulation of capital. Nevertheless, capitalists themselves are controlled by capital, though it may seem that they are its masters. In actuality, their life-activity is driven toward the accumulation of capital. To succeed as capitalists they must defer their non-economic interests and activities to the pursuit of profit; this activity takes on a life of its own and renders the capitalists “under the sway of [the] inhuman power” of capital” (EPM 125).

There is much evidence of this in the business world. For example, James Kilts, the retired, highly successful former chairman and chief executive of Gillette, accepted a post-retirement appointment managing a private investment firm. He commented that, unlike some of his peers at other firms who work *part time* (i.e., five days a week), his was a 24/7 commitment. The need for Mr Kilts to work seven days a week was not driven by his lack of personal wealth; when Gillette was sold to Procter & Gamble (P & G) in 2005, he received \$175 million, and an additional \$19.1 million subsequently as vice-chairman of P & G. Yet, despite his extensive economic assets, he is still enchanted by the prospect of making even more money; this is the lure of capitalism and capital accumulation.

The pressure toward ever-more capital accumulation on the everyday, capital-accumulation habits of corporate executives gives flesh to Marx's argument that:

The less you eat, drink and read books; the less you go to the theater, the dance hall, the public house; the less you think, love, theorize, sing, paint, fence etc., the more you save – the *greater* becomes your treasure which neither moths nor dust will devour – your *capital*. The less you *are*, the more you *have*; the less you express your own life, the greater is your *alienated* life – the greater is the store of your estranged being ... all passions and all activity must therefore be submerged in *avarice*. (EPM 118–119; italics in original)

This avarice is not necessarily a personal trait of any individual capitalist but is demanded by capitalism: the accumulation of capital and profit is a ceaseless task; it is a 24/7 commitment.

And if the capitalist fails to serve capital by accumulating it in an ever-greater amount, he or she will have to leave the capitalist class or, in today's more differentiated corporate structure, leave its higher echelons, at least for a while. Any action that threatens to reduce the stock price of a company, whether faulty financial management or a CEO's lapse in personal behavior (e.g., sexual harassment, embellishing one's résumé), can spell the demise of its corporate leader. As the business news attests, the “resignation” and management restructuring (i.e., the firing or demotion) of corporate executives are quite common. The everyday, profit-oriented activities and the personal reputation of corporate executives are beholden to “Wall Street” and “the City.” Corporate value and the profit productivity of companies and their executives are the objects of several economic indexes and ratings. Therefore, just

as the productivity of factory workers and football players is easily assessed, we can also readily see the stock performance and capital rankings of corporations, indicators that signal whether company executives are making enough profit-oriented decisions that satisfy corporate owners/shareholders.

Corporate executives are thus subservient to Wall Street's capital growth demands; each business quarter – three months, the length of a semester – brings the threat of failure, of having a profit sheet that shows less capital than anticipated by traders and investors. In sum, although capitalist owners/executives are much wealthier than workers, nonetheless, because of the hold of capital accumulation on their lives, they too are self-alienated. The objective alienation that capitalism produces is all the more dehumanizing given, as Marx recognized, the vast resources that capitalism generates and which could be used to create a society in which individuals are free to pursue goals that are not so tied to the unceasing obligation to produce surplus value/profit. But under capitalism, capitalists and workers alike are servants of capital.

### *Recognizing exploitation*

It is more difficult for the capitalists than it is for the proletariat, however, to recognize the self-alienation and objectification that capitalism produces. After all, it is wage-workers – chicken deboners, Walmart shelf-stockers, hotel housekeepers – who most immediately experience the dehumanization of the production process on a daily basis. By contrast, the bourgeoisie, “the possessing class” (e.g., corporate executives), experiences the profit production process and its results, i.e., private property, as affirming their own abilities and power. Consequently, they misrecognize the alienation that capitalism produces for capitalists and wage-workers alike, and unlike wage workers, they “experience alienation as a sign of their own [bourgeois] power” (ASC 133). Partly for this reason, according to Marx, the overthrow of capitalism will originate with the workers (see pp. 37–38 above), or with what the Hungarian Marxist theorist Georg Lukacs (1968: 149) refers to as the [standpoint of the proletariat](#). Given the stark inequality between the bourgeoisie and the proletariat, Marx states, “the proletariat ... is compelled to abolish itself and thereby its conditioning opposite – [capital]/private property – which makes it a proletariat” (ASC, 133).

## ECONOMIC INEQUALITY

The different positions that capitalists and workers objectively occupy in relation to capital – what is surplus value for the capitalist is the worker's surplus labor – produce the oppositional standpoints and polarized class structure that Marx saw as inherent in capitalism. Therefore, while politicians celebrate worker productivity and job creation as signs of a strong economy, Marx offers a different view. He argues that the more industry prospers and the more the mass of workers grows, “the domination of capital extends over a greater number of individuals” (WLC 34). For Marx, increased employment and increased productivity – even if accompanied by an increase in wages – mean that more surplus labor is being extracted from more workers to provide more wealth for the bourgeoisie, with the effect that the economic and social gulf between capitalists and workers widens (WLC 34–35).

Marx argues that an increase in wages does nothing to change the structural inequality that is inherent in capitalism (between capitalists and workers), and nor does it diminish the capitalists' privileged access to capital, a privilege seen in corporate executive pay. This inequality derives from the fact that "the existence of a class which possesses nothing but its capacity to labor is a necessary prerequisite of capital" (WLC 31). Accordingly,

to say that the most favorable condition for wage labor is the most rapid possible growth of productive capital is only to say that the more rapidly the working-class increases and enlarges the power that is hostile to it, the wealth that does not belong to it and that rules over it, the more favorable will be the conditions under which it is allowed to labor anew at increasing bourgeois wealth, at enlarging the power of capital, content with forging for itself the golden chains by which the bourgeoisie drags it in its train. (WLC 41)

The chains in which workers are enmeshed were more vividly apparent during Marx's day. He was writing when factory conditions were unsafe and unhygienic, child labor was the norm, and extreme poverty was visible on the streets and in the housing tenements of the increasingly populous cities. During the twentieth century, working conditions changed for the better in most sectors of the economy notwithstanding the dangerous conditions that still exist in many workplaces (e.g., meat factories, mines) and especially in the factories and



**Figure 1.2** The continuing fall-out from the financial crisis and evidence of glaring economic inequality in the US between the 1 percent and the rest of Americans motivated the Occupy Wall Street movement in New York City in 2011. Similar Occupy protests occurred in several other cities including Los Angeles, Boston, London, Frankfurt, and Hong Kong. Source: © Demotix/Press Association.

construction sites of expanding capitalist countries (e.g., China). However, despite economic growth and a general improvement in working conditions, Marx's claim of persistent inequality between wage-workers and capitalists finds strong empirical support.

## INCOME DISPARITIES

Economic inequality in the US has grown since the late 1980s, as has the gap between the highest and lowest income groups and families (Glasmeier 2005: 2; Chevan and Stokes 2000). Notwithstanding the many changes that have occurred since the 1970s – an increase in the number of college graduates, advances in computer technology, and the shift from private to publicly traded companies – the greatest increase in household income has occurred among those families who were already well off, thus leading to an increased concentration of economic assets among fewer households – the top one-fifth of Americans own 84 percent of the nation's wealth (Glasmeier 2005: 2). Income inequality was exacerbated by the 2007–2008 recession and continues to grow such that the top 5 percent of households saw an increase in wealth in 2011 whereas middle-income households saw a sharp decline and those at the very bottom stagnated. In 2011, the lowest one-fifth of US households had incomes of \$20,000 or less ([www.census.gov/prod/2011pubs/p60-329.pdf](http://www.census.gov/prod/2011pubs/p60-329.pdf)). The 1 percent of wealthiest American households account for approximately one-sixth of overall income earnings in the US and the top 10 percent account for approximately a half of all income (Lowrey 2012: B5).

The concentration of wealth among fewer Americans is giving rise to comparisons not, as in the past, between the rich and the middle class, but between the rich and the “super-rich,” the 1 percent derided by the Occupy movement. The proportion of poor Americans declined over the last five decades: from 23 percent in 1959 to 13 percent in 2003, and (coinciding with the recession) increased to 15 percent in 2012. Still, the absolute number of people in poverty is staggeringly high: in 2012, the Census estimated that there are 46.2 million Americans living in poverty. The starkness of economic inequality in America, one of the most affluent and economically advanced societies in the world, is that the life expectancy of poor Americans has actually *declined* since the late 1980s, a decline that is further accelerated by the impact of the current recession.

## MAINTAINING THE STATUS QUO

Why are wage-workers seemingly content to accept the status quo? Why do workers work as hard as they do (e.g., Burawoy 1979)? And why, notwithstanding the Occupy movement, do we not see much evidence today of the class antagonism that Marx regarded as integral to capitalism? Many reasons are likely. First, the huge post-World War II expansion in education, the expansion of service occupations, occupational mobility, and a growing middle class (largely comprised of professional, service, and sales workers) have made a relatively affluent consumer lifestyle available to a large sector of the population in western societies and especially in the US (Fischer and Hout 2006). Second, even among the working class (comprised largely of skilled, semi-skilled, and unskilled workers), an increasing proportion of wage-worker households do not rely solely on wages for their livelihood. A half of all American households and about a quarter of British households own investment stock (Halle and

Weyher 2005: 209). The transformation in capitalism away from family or individual company ownership toward the shareholder society ushered in by the public flotation of company shares on the stock exchange means that many wage-workers have a specific economic interest in corporations, through either personal or work-related pension investments. And although workers own fewer shares than company executives, their shares can constitute a significant proportion of wage-workers' overall economic assets, thus making them highly protective of corporate interests and vested in the positive functioning of the economy as a whole.

In short, many wage-workers are owners of capital (though they own a much smaller amount than the financial and corporate executives). Accordingly, the line between capitalists and wage-workers is not as clear cut as it was in Marx's time and for much of the twentieth century, when owners' and workers' relations to property and capital were more straightforward. The shift toward a stock-owning society means that workers, even though they may grumble about the extraordinarily high salaries and benefits that corporate executives receive, are also keenly aware that the fortunes of a particular company and economic growth in general directly affect their fortunes, the value of their stock/pension fund. Stock investment, then, gives workers a particular stake in the production (and reproduction) of capital, notwithstanding the empirical truth in Marx's point that the expansion of the economy does not alter the inequality between the capitalists – the industrial and media tycoons and the corporate executive elite – and the proletariat – all those who rely primarily, if not solely, on wages for their livelihoods.

Third, the state intervenes not just to dampen some of the most severe effects of capitalist crises by propping up financial institutions and markets (e.g., following the collapse of the mortgage industry in 2007–2008), but also by buffering individuals against some of the excesses of the profit logic of capitalism; e.g., by giving unemployment benefits. The state, therefore, has a more active role in capitalist society than envisioned by Marx. It allows the state to maintain the status quo of economic inequality while also appearing to be on the side of wage-workers (e.g., Block 1987; Przeworski 1985) – hence politicians frequently express support for economic policies that help hard-working ordinary individuals, even as those same policies bolster the capitalism system and inequality.

Fourth, worker unionization and the legal right of unionized worker groups to go on strike also help to quell workers' concerns that they are being exploited by employers. Although many employers resist unionization and in some instances prohibit workers from joining unions, many poultry workers, for example, believe that union membership is necessary if they are to be protected from employer mistreatment. Overall, however, this is a minority view. Today, the labor movement in the US is relatively moribund, as unions represent "ever-smaller proportions of the workforce" despite some evidence of local revitalization (Voss and Sherman 2000: 303). In the 1950s, 35 percent of employees in the US were union members; this proportion declined to 20 percent in 1983, and to 11.3 percent in 2012. Public sector and construction workers are far more likely to be union members than are retail or sales employees. European countries have a much stronger labor movement and social welfare tradition, and labor unions are still relatively strong. In some countries (e.g., Ireland), unions are part of the institutionalized policy-making process; they are considered "social partners" along with the government and employers' organizations, who together cooperate in establishing pay scales, benefits, etc.



All of these adaptations of capitalism (e.g., expanding middle class, changes in capital ownership, an activist state, unionization) contribute to workers' acceptance of economic and social inequality. Another, and perhaps the strongest, reason why workers accept the status quo is their immersion in an ideological and cultural system which masks inequality and, when visible, makes it seem fair and justified, a topic to which we now turn.

## IDEOLOGY AND POWER

To talk of *ideology* is basically to refer to the everyday ideas that permeate society. Marx underscored the importance of everyday, lived, material-social existence in determining our ideas about what we consider normal:

Consciousness can never be anything else than conscious existence, and the existence of men in their actual life-process ... [i.e.] developing their material production ... Life [social/economic existence] is not determined by consciousness, but consciousness by life [by material-social existence]. (GI 14, 15)

The everyday activities and experiences in capitalist societies make it seem normal that wage-workers and owners and executives should work as hard as they do. Although the financial rewards differ, most people consent to produce the surplus labor and surplus value that create the profit needed to sustain capitalism.

## EVERYDAY EXISTENCE AND THE NORMALITY OF IDEAS

More generally, the ideas we have about what is normal, and what is inane and what is cool, and whether, for example, to go to college and what to do afterwards, do not just pop into our heads out of nowhere. These ideas come from our everyday existence, from what we already know and have already seen and experience in our families and neighborhoods. Many young people don't apply to university, not because they are not interested in education but because their material/social existence essentially rules out the normalcy of this idea and the affordability of this option.

## FREEDOM TO SHOP

Individuals' social experiences vary in all kinds of intersecting ways from place to place and by gender, race, socio-economic class, etc. But, across today's globalizing economy (see chapter 15), the one common cultural denominator is the primacy of consumption in everyday life (notwithstanding the persistence of poverty). A snapshot of any major city in the world will testify to the prominence of consumer culture, highlighted by the well-known brand names that dominate shop-fronts, billboards, and other public advertisements. We live, as we are frequently reminded, in a consuming society and many partake directly and vicariously of the great range of commodities available. Again, as Marx noted, "The bourgeoisie has through its exploitation of the world-market given a cosmopolitan character

to production and consumption in every country ... In place of the old wants, satisfied by the productions of the country, we find new wants, requiring for their satisfaction the products of distant lands” (CM 83).

As I have noted, freedom and capitalism tend to go together – hence we talk about democratic capitalist societies such as the US (though for Marx “free” labor is coerced; see p. 47 above). The links between capitalism and freedom, however, are not all-encompassing. In countries such as China or Russia, for example, a growing capitalist economy coincides with and requires the freedom of consumer choice, but not the freedom of the press, the freedom to vote, to criticize the government, or to publicly assemble, etc., the freedoms that are institutionalized in the everyday culture of the US and most other western societies. Each semester when I ask students to list what it means to be American, they invariably name all of these political freedoms without much prompting. These are the freedoms that democratic societies take for granted.

Additionally, in capitalist societies – societies in which the production of commodities is crucial to capital and profit accumulation – one of the most expansive and ingrained freedoms is the freedom of choice, and its twin, the freedom to shop. Yet it is rare for students to mention these freedoms in an initial listing of American values. Because the freedom to shop and to make choices every day at the vending machine and in the supermarket and on the Abercrombie & Fitch and American Eagle websites, is so much a part of our social existence, we don’t think of it as something special; it is simply what we do. It is an everyday freedom as opposed to one we might avail ourselves of on more formal occasions by voting, going to a church or temple, or attending a political rally.

## IDEOLOGY OF CONSUMPTION

Consumption pervades our existence – that is why so many people work as hard as they do; they endure the burdens of work so that they can buy the things they covet. We work to live, Marx tells us (see p. 49 above), and many define their life by what they own. The power of money to buy all of the things we do not ourselves possess – e.g., beauty, popularity, friends – Marx argues, lures us into reproducing capitalism through consumption. “All the things which you cannot do, your money can do. It can eat and drink, go to the dance hall and the theater; it can travel, it can appropriate art, learning, the treasures of the past, political power – all this it can appropriate for you – it can buy all this for you” (EPM 119). It is so “natural” for us to shop, to consume, and to own things, we don’t consider this a special freedom or privilege. It is our existence. This is the power of ideology in everyday existence: consumption, and ideas about consumption, structure who we are and what we do.

We rarely wonder, moreover, where the impulse to buy comes from, or how things get produced – the labor invested in making commodities – or what heavy lifting hotel housekeepers must do in when moving the super-thick mattresses in the Westin hotel’s “heavenly” beds (see Introduction). It is only when a favorite brand is missing from the shelf that we wonder what unnatural thing might have happened to account for its mysterious absence. It is the expected and coveted presence of commodities in our lives, in defining and anchoring our everyday social existence, that makes capitalism so alluring and which makes critique of capitalism so difficult, even at an intellectual level (i.e., while studying

Marx). We are enchanted with consumption because that is what is real to us; we are more likely to shop than to vote, or assemble for a religious, political, or civic event. Public holidays – e.g., Labor Day/May Day, Thanksgiving, Veterans Day – days on which we might well ponder the value of labor, are instead occasions for shopping, promoted by the additional allure of heavily marketed, big “sales events.”

## THE MYSTICAL VALUE OF COMMODITIES

We relish being consumers and by extension living in a capitalist society. Because freedom of choice is so routinized in daily life, we remain blissfully unaware of the social relations that underlie our freedom to shop, i.e., the social relations vis-à-vis commodity production and by extension the unequal relations of workers and capitalists to capital and profit. Marx calls this the *fetishism of commodities*. We are so fixated with the commodity as an object in itself, we don't recognize what it really is: raw materials transformed by human labor (increasingly outsourced to unsafe factories in under-developed economies such as Bangladesh) for someone else's profit. As with other aspects of capitalism, we reify commodities as if they are things that have a life of their own, as if they are mysteriously independent of the social organization of production (and consumption). But as Marx emphasizes, production is “always production ... by social individuals ... Production mediates consumption; it creates the latter's material; without it, consumption would lack an object” (Gru 85, 91). Marx elaborates:

A commodity appears at first sight, a very trivial thing, and easily understood ... So far as it has a value in use, there is nothing mysterious about it, ... it is capable of satisfying human wants, ... [and is] the product of human labour. It is as clear as noon-day, that man, by his industry, changes the ... materials furnished by Nature, in such a way as to make them useful to him. The form of wood, for instance, is altered by making a table out of it. Yet, for all that, the table continues to be that common, every-day thing, wood. But, so soon as it steps forth as a commodity, it is changed into something transcendent ... The mystical character of commodities does not originate, therefore, in their use-value ... A commodity is ... a mysterious thing, simply because in it the social character of men's labour appears to them as an objective character stamped upon the product of that labour ... the products of labour become commodities, social things whose qualities are at the same time perceptible and imperceptible by the senses ... There is a physical relation between physical things. But it is different with commodities. There, the existence of the things qua commodities, and the value-relation between the products of labor which stamps them as commodities, have absolutely no connection with their physical properties and with the material relations arising therefrom ... the definite social relation between men [as producers of the products of labor] ... assumes ... the fantastic form of a relation between things. (Cap 81–83)

Marx is not opposed to consumption. His writings continually acknowledge that needs are not just physical but social, and that each mode of existence produces new needs. Thus, being a college student today may require you to have an iPhone. But what Marx critiques is how we let our obsession with commodities obscure the social relations that underpin commodity production (and consumption), and how in this process we objectify the workers as well as ourselves. “You are known by what you own” (the tag line used a few years ago by Zebo, an internet and advertising technology company) is not simply a cliché. It is a

dominating idea in society and a primary organizing principle of capitalist production – the class that owns the means of production (e.g., land, oil, etc.) also owns more things, has more wealth, than the working class. We are reduced to what we own; and whereas we own our labor power but must sell it (in order to live), we can consume the (other) commodities we possess. “We are what we own” is the ideology that circulates in capitalist societies. And although we ourselves are active promoters of this ideology in our everyday social relations, we are also heavily encouraged by the advertising industry to do so. Advertising celebrates consumption and in doing so celebrates capitalism as a system of commodity production; it “glorifies the pleasures and freedoms of consumer choice” (Schudson 1984: 218). Every advertisement – on the highway, in the subway, at the bus stop, in the football stadium, on television and the internet, in magazines and church bulletins – even if it is not showcasing a product that we ourselves want, is celebrating the everyday capitalist freedom to shop. We might not be persuaded to buy a given advertised item, but each advertisement reminds us of what we can own and what we should aspire to own (e.g., Marchand 1985).

Our social existence and our consciousness are determined by capitalism. And though we make our own history, as Marx tells us, it is not under conditions of our own choosing: “Men make their own history, but they do not make it just as they please; they do not make it under circumstances chosen by themselves, but under circumstances directly found, given, and transmitted from the past” (Bru 595). We freely consume, but in ways and under conditions not chosen by us but by the capitalist class, and by the advertising industry which is one of its core channels of power.



**Figure 1.3** The freedom to shop is at the heart of everyday life in capitalist society. Source: © Maciej Gowin/iStockphoto.

The allure of consumption further dampens the development of class consciousness; if we can all go to the mall, and consume the commodities produced by capitalism (some more, some less), why should we be concerned that some have more things to consume than others? We all partake of the freedom to shop; we all partake of the goods produced within our capitalist society. False consciousness, therefore, means not just that we freely consent to selling ourselves on the labor market such that we are cheaper than the commodities our labor power produces and cheaper than the commodities we buy (see pp. 50–52 above). Additionally, we deceive ourselves that we will be worth more if we buy more. Marx presumed that in pushing through a revolution against capitalism, “The proletarians have nothing to lose but their chains” (CM 121). The failure of Marx’s prophecy (so far), however, is itself a testament, in part, to the insight of his analysis of the power of money and of consumer ideology within capitalism. Commodity consumption is such an integral part of lived existence in economically developed societies that it makes a vision of society in which “we are *not* what we own” beyond the imagination of most of us, though some individuals and families experiment with living a simpler life. Consumption, and the ideology of consumption, bind us to capitalism; they are the mark of global civilization. (See chapter 15, pp. 508–515.)

## THE CAPITALIST SUPERSTRUCTURE

The advertising industry is just one, albeit a very powerful, element in the larger ideological system that governs our everyday existence. Marx highlights that other institutions in society, those not tied directly to economic markets, also promote capitalist ideology. He argues that because the social institutions in a capitalist society evolved in ways that are compatible with capitalism, they serve the economic interests of the bourgeoisie. The ideology of “free competition [is] accompanied by a social and political constitution adapted to it, and by the economic and political sway of the bourgeois class” (CM 85). In this view, the political, legal, educational, family, religious, and cultural institutions – all those spheres of social existence whose (apparent) purpose is not economic/capital production – promote ideas and practices that support capitalist production and accumulation and suppress those that might in any way challenge the capitalist status quo (EPM 102–103; CM 100).

Marx refers to these institutions as the **superstructure**; their existence and activities bolster the foundational, **economic base** of capitalism, and the structural inequality of capitalists and wage-workers.

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, the real foundation, 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. (Preface 5)

The everyday institutional practices of the state, the media, education, the church, the family, the courts, and the parliament, in executing their specialized activities and constraining individuals' social experiences, are, at the same time, practices that support capital accumulation and the ideology of capitalism that underpins and justifies it. Thus, Marx argues, the organization of the bourgeois family and the gender inequality and exploitation it institutionalizes is "based on capital, on private gain ... the bourgeois [man] sees in his wife a mere instrument of production" (CM 100–101; see also Engels 1844/1978); she produces the next generation of wage-workers and capitalists and her (unpaid) labor in the home (as well as her paid labor if she is employed) contributes to the surplus value required and appropriated by the capitalist class.<sup>5</sup>

When we look at education, we see that schools and colleges (and parents) emphasize daily practices affirming disciplined work habits, focus, and productivity; and you are required to major in a specialized field of study rather than develop several of your intellectual and creative interests. And although colleges verbalize the intellectual value of an allegedly wide-ranging "liberal arts" education, this must be balanced with training graduates who are able to meet the economy's demand for specialized workers. In the domain of law, for example, the courts protect individuals' property rights, and in politics, notwithstanding the hand-wringing that occurs over the fact that big business and corporate donations have too much influence on the political process, the right of business leaders and political lobbyists to make large campaign donations is defended as part of their constitutional rights, i.e., their (political-economic) freedom of expression.

In a capitalist society, the rights of capital are more strongly protected than the rights of workers and of the poor. As Marx emphasizes, you "cannot give to one class without taking from another" (Bru 616). Hence when politicians approve legislation (e.g., freezing the minimum wage), or universities are revising the curriculum, or the courts are evaluating particular laws (e.g., workplace discrimination), we are prompted to ask: "Who benefits?" The answer in most instances will be the capitalist class. Moreover, even when economically struggling individuals, many of whom are wage-workers whose earnings are insufficient to maintain their basic needs, are given welfare benefits, this too is an effort by the state to prop up capitalism, to suppress its contradictions (e.g., unemployment, recession, etc.).

What the poor do have, Marx argued, is religion, yet another institution that upholds capitalist ideology and the status quo. For Marx, religion distracts workers from consciousness of their exploitation. Just as wage-labor (coerced by capitalism) produces alienation (see pp. 54–57 above), so too Marx argues, does religious faith; "The more man puts into God, the less he retains in himself" (EPM 72) – religion becomes an alien power over the individual. The core ideas in Christianity, for example, can be seen as promoting the interests of the capitalist class; it is meekness and non-material values that Christian scripture affirms: "Blessed are the meek, for they will inherit the land; blessed are the poor for theirs is the Kingdom of God." And although activists in poor inner-city neighborhoods frequently use religion to challenge economic and social inequality (e.g., McRoberts 2003), for the most part, religion has a stabilizing rather than a revolutionary impact in society.

Across various social institutions, therefore, we see that the ideas articulated routinely are ideas that serve the interests of the capitalist class – i.e., the **ruling class** – and of capitalism as a system (of inequality). Marx explains:

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. (GI 39)

In addition to the multiple ways in which the interests and ideas of the ruling class are affirmed and protected across non-economic social institutions (e.g., education, law, politics, etc.), the ruling class also has the capital to directly purchase media and other opportunities to directly disseminate advertisements and political and economic messages that serve its interests. The class which owns or controls access to capital gets to define literally what we are reading or watching and, by extension, the sorts of things and issues we are prompted to think about and how to think about them (e.g., Gitlin 1987). Even with the democratizing opportunities provided by internet blogging, corporations and their owners tend to have greater resources than ordinary individuals to publicize their ideas. It is hard to compete, for example, against the American beverage and restaurant industry (represented by the American Beverage Association), which placed full-page advertisements in large circulation news media in 2008 opposing in-car breathalyzers (ignition interlocks), an initiative it opposed because it would mean not just fewer drunk drivers but the end of “moderate responsible drinking prior to driving” and thus “no more champagne toasts at weddings ... no more beer at ballgames” (*New York Times*, May 20, 2008). Similarly, a few years later, in 2012, the Beverage Association ran a successful campaign against New York City Mayor Michael Bloomberg’s initiative to restrict the size of soda containers (at a maximum of 16 oz) that can be sold in the city. Sponsoring a humorous – and ideologically powerful – one-page color advertisement in the *New York Times* (June 2, 2012: A5), the advertisement stated: “The Nanny: *You only thought you lived in the land of the free*” – thus explicitly linking political freedom with consumer freedom, the freedom to buy whatever one pleases. Clearly, it is relatively easy for the capitalist class to pay for and disseminate ideas that protect their economic interests, a point further reinforced by the advertisement’s note that one could find out more about this issue at the website: [consumerfreedom.org](http://consumerfreedom.org).

## THE RULING POWER OF MONEY IN POLITICS

The ideas of the ruling class also get directly transmitted into the halls of political power as a result of the ruling class’s political spending. Once again, we can refer to Marx’s analysis of the power of money in a capitalist society. Just as the capitalist can buy bravery, culture, glamour, love, a “trophy wife,” so too he can buy political power. Money is crucial in determining who runs for and gets elected to political office; the financial disclosure forms of several of the 2012 US presidential contenders indicated their hefty multimillion dollar personal assets, and similarly, the US Senate is aptly referred to as a “millionaires’ club.”

Additionally, money can buy access to politicians in multiple ways. For example, company owners and corporate executives move in much the same social circles as politicians, making it easy for them to press their economic and policy concerns. In the UK, as we learned

during the controversy that ensued as a result of inquiries into newspapers' phone-hacking practices, the newspapers' owner, the multibillionaire media baron Robert Murdoch, and his family and top executives frequently socialized with British Prime Minister David Cameron and other leading politicians. Mr. Cameron was also a close friend of one of Murdoch's most senior and trusted executives, Rebekah Brooks, who was subsequently arrested in relation to the phone-hacking scandal. But corporations do not have to wait for dinner-parties, fundraisers, golf tournaments, and other social events to communicate with politicians; the extensive lobbying system in politics provides a well-organized, routinized way for corporations, industries (e.g., the American Beverage Association), and other groups to advance their economic and legislative interests. And many paid lobbyists have themselves been political office-holders (or intimately related to legislators). In short, networks matter (see chapter 7), and in a capitalist society money buys network connections. Corporate interests readily receive greater priority from politicians than the everyday issues that matter to ordinary wage-workers and their families, despite the opportunity all citizens have to visit their local representatives during public constituency meetings.

Further, as underscored by several political corruption scandals, some politicians sell their political (labor) power (as either legislators or lobbyists) in exchange for free dinners, golf trips, and cash. And, as is true of all wage-labor, the politician's use-value to the capitalist extends beyond his or her exchange value; the use-value continues long after the politician has consumed free dinners and vacations as a result of his or her ongoing policy interventions aiding capitalist profit accumulation.

In sum, the power of money in the political process and in determining the political agenda illustrates Marx's thesis that the ruling ideas in society (e.g., "free trade," the triumph of economic priorities over human rights or environmental considerations, as in US and European trade with China) will be those that accord with the interests of those who are the ruling material force in society. And these ideas serve not simply the individual interests of a given entrepreneur but, more importantly, the interests and ideology of capitalism as a whole – the ongoing expansion of capitalist markets and of profit.

## SUMMARY

Marx argued that each mode of production (e.g., imperial Rome, feudal Europe, capitalism) contains the seeds of its own destruction; the mode that was once an improvement over its predecessor will eventually suffer its own demise and be replaced with a system that improves on it, until history ends with the destruction of capitalism and its replacement by communism. This latter stage has (so far) not emerged. To the contrary, capitalism has shown itself to be remarkably adaptive to integrating the crises and contradictions that challenge its supremacy. Its underlying structure (e.g., division of labor), and processes (e.g., production of surplus value/profit), moreover, have not changed and, indeed, with the global expansion of capitalism and consumer culture, Marx's analysis remains highly applicable to understanding contemporary society.



## POINTS TO REMEMBER

- Marx focused on the structure of capitalist society
- Marx saw history as a progression in material forces and conditions:
  - Slave society
  - Feudal society
  - Capitalism
  - Communism
- Marx emphasized that capitalism and all existing societies are characterized by inequality

Characteristics of capitalism emphasized by Marx:

- The objective of capitalism is the production of capital/profit
- Capitalism is a system of structured class inequality based on unequal relations to capital
- Two dichotomously opposed classes:
  - The bourgeoisie (capitalists/owners)
  - The proletariat (wage-workers who produce capital/profit)
- Capitalism is a system of commodity production
- Labor power is itself a commodity
- Wage-labor is exploited labor; labor power is used by the capitalist to produce profit for the capitalist
- Surplus value produced by wage-workers becomes the capitalist's profit
- Surplus value derives from the gap between a worker's exchange-value and his or her use-value to the capitalist
- The division of labor produces alienated labor
  - Alienation from the product produced
  - Alienation in the production process
  - Alienation from our own species being
  - Alienation from other workers
- Economic power determines political and social power
- Social/material being determines consciousness; how we live determines what we know and think
- Economic relations determine ideology
- Economic/profit logic (base) determines the logic/practices of all social institutions (superstructure)

## GLOSSARY

**alienated labor** the objective result of the economic and social organization of capitalist production (e.g., division of labor):

**(a) alienation from products produced:** Wage-workers are alienated from the product of their labor; a worker's labor power is owned by the capitalist, and consequently the products of the worker's labor belong not to the worker but to the capitalist who profits from them.

**(b) alienation within the production process:** Wage-workers are actively alienated by the production process; labor is not for the worker an end in itself, freely chosen, but coerced by and performed for the capitalist; the worker is an object in the production process.

**(c) alienation of workers from their species being:** By being reduced to their use-value (capitalist profit), workers are

estranged from the creativity and higher consciousness that distinguish humans from animals.

**(d) alienation of individuals from one another:** The competitive production process and workplace demands alienate individuals from others.

**bourgeoisie** the capitalist class; owners of capital and of the means of production, who stand in a position of domination over the proletariat (the wage-workers).

**capital** money and other (large-scale) privately owned resources (oil wells, land) used in the production of commodities whose sale accumulates profit for the capitalist.

**capitalism** a historically specific way of organizing commodity production; produces profit for the owners of the means of production (e.g., factories, land, oil wells, financial capital); based on structured inequality between capitalists and wage-laborers whose exploited labor power produces capitalist profit.

**class consciousness** the group consciousness necessary if wage-workers (the proletariat) are to recognize that their individual exploitation is part and parcel of capitalism, which requires the exploitation of the labor power of all wage-workers (as a class) by the capitalist class in the production of profit.

**class relations** unequal relations of capitalists and wage-workers to capital (and each other). Capitalists (who own the means of production used to produce capital/profit) are in a position of domination over wage-workers, who, in order to live, must sell their labor power to the capitalists.

**commodification of labor power** the process by which, like manufactured commodities, wage-workers' labor power is exchanged and traded on the market for a price (wages).

**communism** envisioned by Marx as the final phase in the evolution of history, whereby capitalism would be overthrown by proletarian class revolution, resulting in a society wherein the division of labor, private property, and profit would no longer exist.

**dialectical materialism** the idea that historical change (i.e., material/economic change) is the result of conscious human activity emerging from and acting on the socially experienced inequalities and contradictions in historically conditioned (i.e., human-made) economic forces and relations.

**division of labor** the separation of occupational sectors and workers into specialized spheres of activity; produces for Marx, alienated labor.

**economic base** the economic structure or the mode of production of material life in capitalist society. Economic relations (relations of production) are determined by ownership of the means of production and rest on inequality between private-property-owning capitalists (bourgeoisie) and property-less wage-workers. Economic relations determine social relations and social institutional practices (i.e., the superstructure).

**exchange-value** the price (wages) wage-workers get on the market for the (coerced) sale of their labor power to the capitalist; determined by how much the capitalist needs to pay the wage-workers in order to maintain their labor power, so that the workers can subsist and maintain their use-value in producing profit for the capitalist. The workers' exchange-value is of less value to the worker than their use-value is to the capitalist.

**exploitation** the capitalist class caring about wage-workers only to the extent that wage-workers have "use-value," i.e., can be used to produce surplus value/profit.

**false consciousness** the embrace of the illusionary promises of capitalism.

**fetishism of commodities** the mystification of capitalist production whereby we inject commodities with special properties beyond what they really are (e.g., elevating an Abercrombie & Fitch shirt to something other than what is really is, i.e., cotton converted into a commodity), while remaining ignorant of the exploited labor and unequal class relations that determine production and consumption processes.

**historical materialism** history as the progressive expansion in the economic-material-productive forces in society.

**ideology** ideas in everyday circulation; determined by the ruling economic class such that they make our current social existence seem normal and desirable.

**inequality** structured into the profit objectives and organization of capitalism whereby the exploited labor power of wage-workers produces surplus value (profit) for the capitalist class.

**means of production** resources (e.g., land, oil wells, factories, corporations, financial capital) owned by the bourgeoisie and used for the production of commodities/profit as a result of the labor power of wage-workers.

**mode of production** how a society organizes its material-social existence (e.g., capitalism rather than feudalism or socialism).

**objectification** the dehumanization of wage-workers as machine-like objects, whose maintenance (with subsistence wages) is necessary to the production of commodities (objects) necessary to capital accumulation/profit. The term is interchangeable with “alienation.”

**private property** the source and result of the profit accumulated by capitalists; and a source and consequence of the inequality between capitalists and wage-workers.

**profit** capitalists’ accumulation of capital as a result of the surplus value generated by wage-workers’ (exploited) labor power.

**proletariat** wage-workers who, in order to live, must sell their labor power to the capitalist class, which uses them to produce surplus value/profit.

**ruling class** the class which is the ruling material force in society (capitalists/bourgeoisie) is also the ruling intellectual/ideological force, ensuring the protection and expansion of capitalist economic interests.

**ruling ideas** ideas disseminated by the ruling (capitalist) class, invariably bolstering capitalism.

**species being** what is distinctive of the human species (e.g., mindful creativity).

**standpoint of the proletariat** the positioning of the proletariat vis-à-vis the production process, from within which they perceive the dehumanization and self-alienation structured into capitalism, unlike the bourgeoisie, who experience capitalism (erroneously) as self-affirming.

**subsistence** wage minimum needed to sustain workers’ existence (livelihood) so that their labor power is maintained and reproduced for the capitalist class.

**superstructure** non-economic social institutions (legal, political, educational, cultural, religious, family) whose routine institutional practices and activities promote the beliefs, ideas, and practices that are necessary to maintaining and reproducing capitalism.

**surplus value** capitalist profit from the difference between a worker’s exchange-value (wages) and use-value; the extra value over and above the costs of commodity production (i.e., raw materials, infrastructure, workers’ wages) created by the labor power of wage-workers.

**use-value** the usefulness of wage-workers’ labor power in the production of profit.

## QUESTIONS FOR REVIEW

- 1 What specific characteristics of capitalism contribute to the inequality that is inherent in capitalism as an economic and social system?
- 2 How does the organization of production under capitalism contribute to dehumanizing the individual?
- 3 What is ideology, and how does it work in everyday life?
- 4 What are the structural and cultural (ideological) factors in contemporary society that seem to militate against the development of class consciousness?
- 5 How does the state and other social institutions (e.g., universities) prop up capitalism?

## NOTES

- 1 In citing Marx’s writings (and subsequently Durkheim’s, chapter 2, and Weber’s, chapter 3), I reference the book initials rather than the date of publication. Thus in this first quote, “CM” refers to Marx’s *Communist Manifesto*. I do this to help students keep in mind the

classical theorists’ main books, which comprise the core foundation of sociological theory. A list of the theorist’s writings, their dates, and the book title initials for referencing them appears after the biographical note in the chapter.

- 2 The influential Hungarian Marxist theorist Georg Lukacs (1885–1971), elaborates the centrality of the concept of reification in Marx’s writing (1968: 83–222). See also Chapter 5, on Critical Theory in this textbook.
- 3 Marx argues that we misunderstand history because we do not perceive the real conditions of everyday life, instead preferring to talk in general terms of some universal spirit or universal idea (e.g., freedom). Under capitalism and the division of labor to which we must consent, individuals’ material activities become divorced from their real interests and hence their economic activities “become an alien power opposed” to them (GI 22), a power that makes us desensitized to the real, unequal, material forces in society (GI 20–24). See section in this chapter on historical materialism.
- 4 Lukacs (1968: 48–55) elaborates on Marx’s theory of class consciousness. He emphasizes that Marx’s collaborator Friedrich Engels pointed out that while humans make history and do so consciously, this consciousness is false insofar as it is part of “the historical totality” of class-conditioned social relations of inequality which exist under capitalism, and which can only be transcended by the class-conscious revolutionary political action of the proletariat.
- 5 There are times when superstructural institutions critique capitalism – for example, the critique by the Catholic church of consumerism and of the extremes of economic inequality within the West and between the so-called first and third worlds; or the fledging discussion among university economists of the limits of free market ideology. These critiques, however, tend to be of specific capitalistic practices and ideas, rather than of the system of capitalism as a whole.

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