

Sociological Theory I

Week 5. Marx: The Political Economy of Capitalism

1. In the opening section of *Wage Labour and Capital*, Marx explains that, “The capitalist, it seems, therefore *buys* their [the workers’] labour with money. They *sell* him their labour for money. But this is merely the appearance. In reality what they sell to the capitalist for money is their labour *power*” (Tucker, p. 204). Explain the importance of this distinction to Marx’s overall theory of the relationship between capital and wage labor. Give examples of how the appearance that capitalists exchange money for labor, rather than labor power, continues to dominate popular consciousness and industrial relations. How might working-class trade union and political struggle be conducted differently if it were based on the understanding that wages paid for the value of labor power, rather than the value of labor?

2. Summarize the main tenets of Marx’s theory of surplus value as presented in the Volume One of *Capital* (Tucker, pp. 302-438). What do you see as the most problematic or controversial aspects of Marx’s theory of surplus value? Is it possible to dispense with Marx’s economic theory (the labor theory of value, theory of surplus value, crisis theory, etc.), while remaining committed to the more political and sociological dimensions of Marx’s theory of capitalism? Explain.

3. In “Alternative Perspectives in Marxist Theory of Accumulation and Crisis.” Erik Wright summarizes four main Marxist perspectives on economic crisis: (1) falling rate of profit; (2) underconsumption; (3) profit squeeze; and (4) fiscal crisis. Critically evaluate Wright’s argument that these four different theories can be reconciled by viewing each of them as specific to a particular stage in the historical development of capitalism. Wright’s essay, written more than 25 years ago, fails to anticipate the rise of neo-liberalism as the dominant contemporary strategy for promoting capital accumulation. Is it possible to situate this development within Wright’s general framework, or does it cast his whole argument into question?

4. What is the place of crisis theory within the broader context of historical materialism? In particular, what is the political relevance of (different theories of) economic crisis to an understanding of class struggle, the Marxist theory of the state, and the transition from capitalism to socialism? Can Marx’s views on economic crisis be squared with the fact that capitalism has survived for more than a century since Marx’s death? Explain.