DOCTORAL THESIS

Abstract

Nagy Dániel Gergely

Karl Marx's Vision of the Future:
The Experiences of the Past and the Opportunities of Modernity

Filozófiatudományi Doktori Iskola, vezetője:
Dr. Boros Gábor, DSc, egyetemi tanár

Etika és Politikai Filozófia Program, vezetője:
Dr. Olay Csaba, PhD, egyetemi tanár

A bizottság tagjai:
Dr. Boros Gábor, DSc (elnök)
Dr. Orthmayr Imre, CSc (belső bíráló)
Dr. Marosán Bence Péter, PhD (külső bíráló)
  Dr. Szalai Miklós, PhD (tag)
  Dr. Ambrus Gergely, PhD (titkár)
  Dr. Olay Csaba, PhD (póttag)
  Dr. Szalai Judit, PhD (póttag)

Témavezető:
Dr. Madarász Aladár, CSc

I. A doktori értekezés adatai

A szerző neve: Nagy Dániel Gergely
MTMT-azonosító: 10047955
A doktori értekezés címe és alcíme: Karl Marx’s Vision of the Future: The Experiences of the Past and the Opportunities of Modernity
DOI-azonosító: 10.15476/ELTE.2017.010
A doktori iskola neve: Filozófiatudományi Doktori Iskola
A doktori iskolán belüli doktori program neve: Etika és Politikai Filozófia Program
A témavezető neve és tudományos fokozata: Dr. Madarász Aladár, CSc
A témavezető munkahelye: MTA KRTK KTI

II. Nyilatkozatok

1. A doktori értekezés szerzőjeként
   a) hozzájárulok, hogy a doktori fokozat megszerzését követően a doktori értekezésem és a tézisek nyilvánosságára kerüljenek az ELTE Digitális Intézményi Tudástárban. Felhatalmazom az ELTE BTK Doktori és Tudományszervezési Hivatal ügyintézőjéjét, Manhercz Mónikát, hogy az értekezést és a téziseket feltöltse az ELTE Digitális Intézményi Tudástárba, és ennek során kitöltse a feltöltéshez szükséges nyilatkozatokat.
   b) kérem, hogy a mellékelt kérelemben részletes szabadalmi, illetőleg oltalmi bejelentés közzétételéig a doktori értekezést ne bocsássák nyilvánosságra az Egyetemi Könyvtárban és az ELTE Digitális Intézményi Tudástárban;
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2. A doktori értekezés szerzőjeként kijelentem, hogy
   a) az ELTE Digitális Intézményi Tudástárba feltöltendő doktori értekezés és a tézisek saját eredeti, önálló szellemi munkám és legjobb tudomásom szerint nem sértem vele senki szerzői jogait;
   b) a doktori értekezés és a tézisek nyomtatott változatai és az elektronikus adathordozón benyújtott tartalmak (szöveg és ábrák) mindenben megegyeznek.

3. A doktori értekezés szerzőjeként hozzájárulok a doktori értekezés és a tézisek szövegének Plágiumkereső adatbázisba helyezéséhez és plágiumellenőrző vizsgálatok lefuttatásához.


[a doktori értekezés szerzőjének aláírása]
The primary aim of my dissertation is to present Karl Marx’s vision of post-capitalism and to discuss those economic proposals which argued that it is possible to realize communism based on ideas of the 19th-century theorist. Therefore I address and attempt to explore the following question: could Marxian communism provide a realistic and feasible solution to the crises of our modern times? The main theoretical thesis behind my study is that, apart from political activism, Marx claimed that the realization of communism depends on the comprehensive socialist transformation of the capitalist economy, which is only practicable on the theoretical basis of the political economy of socialism. If the theoretical foundations of post-capitalism are laid down in the Marxian political economy of socialism it is worth considering whether the implementation of these principles and policies results in the establishment of a better organized, more rational, effective and just economic system than current capitalism or not.

The first of the three major parts of my dissertation reflects upon the twist that brought back the idea of communism into life after the breakdown of the Soviet experiment with socialism.

The investigation begins with the evocation of a former and rather negative turn in history regarding the strength and influence of the communist idea. Statistical evidence of different quality from theorists with diverse backgrounds, namely Joshua Muravchik and János Kornai, indicate that in reality the socialist project of alternative political, social and economic organization to capitalism globally reached its horizon in the middle of the 80s, when socialist leadership ruled and governed nearly one third of the world’s entire population.

However, only a few years later changes in the realm of ‘actually existing socialism’ markedly weakened the strength of the global position of the socialist alternative. Reflecting upon the changes in the late 80s and 90s, Francis Fukuyama formulated his end-of-history thesis and envisaged an unstoppable worldwide liberal revolution while left-wing thinking which did not break up with Marx’s ideas on socialism was in a sufferable condition.

With the hindsight of ten years, in 1999, British theorist Wendy Brown came up with a unique explanation incorporating philosophical, political and psychological analysis that focused on the crisis of the Left after the global-scale failure of Soviet-type socialism. Referring to Walter Benjamin’s meditation on ‘left melancholy’ and Sigmund Freud’s thoughts on melancholy, Brown aimed to demonstrate that left-wing
thinking had fallen into a melancholic state in the beginning of the 90s which kept its perspectives from moving forward and leave behind the demons of its controversial past.

Brown’s conception and analysis has recently been overwritten by Jodi Dean, who asserted at a conference exclusively dedicated to the idea of communism in 2011 that the left has started to overcome its former melancholic state with the new-born ‘desire of communism’ as a result of the recent crisis of capitalism and a noticeable collective demand of the masses for fundamental change in the name of equality and emancipation. Hence, the closing sections of the first part of the thesis focus on Dean’s notion of the ‘desire of communism’, which the American political theorists articulates as a synthesis of the philosophical conceptions of two mainstream radical left-wing thinkers, Alain Badiou’s and Antonio Negri’s differing, yet somewhat similar views on communism.

The aim of the corresponding final sections is to introduce Dean’s theory of communist desire along with Badiou’s and Negri’s ideas on communism and point out the limitations of such philosophical interpretations of communism. In my opinion one of the major weaknesses and deficiencies of these proposals is that they do not say anything about how and in what measures communist desire could be realized or satisfied. My conclusion is that neither Badiou nor Negri or Dean have nothing else to offer but the unexplained certainty that communism will succeed capitalism.

The second part of the thesis attempts to present Karl Marx’s outlook of post-capitalism in detail with the intention to reveal that from these works born in the 19th century emerge a more pragmatic and practical image of the future after capitalism than from those conceptions that the forenamed contemporary advocates of philosophical communism introduced. It explores the theoretical development of Marx’s ideas on communism from the post-Hegelian conception of the Economic and Philosophic Manuscripts of 1844 to the two-phase theory of post-capitalism presented in the 1875 Critique of the Gotha Programme.

The exploration opens with demonstrating why it is problematic to give a comprehensive account of Marx’s vision of communism and it also puts forth the Marxian critique of utopian socialism. After revealing that one of the main reasons why Marx refused to extensively discuss his vision of the future was the scientific scepticism of utopian phantasms the forthcoming section provides a critical examination of the essential features of Marx’s materialist conception of history.
relating to his ideas on socialism. The critical analysis of historical materialism is based on David Ramsay Steele’s examination of Marx’s historico-philosophical theory and points out that instead of referring to the determinist doctrines of the Marxian materialist conception of history, the discussion about feasible Marxian socialism should focus on the political economy of the post-capitalist society.

As the reconstruction of Marxian socialism takes into consideration and pays attention to the development of Marx’s thoughts on post-capitalism, the *Economic and Philosophic Manuscripts of 1844* is the first work to be examined, where communism appears as the philosophical idea of the elimination of alienation through ‘the positive transcendence of private property’. After that I turn to *The Manifesto of the Communist Party* which incontestably demonstrates that around 1848 Marx permanently withdrew from his early Hegel-influenced ideas and regarded communism as the historical mission of the proletariat, which is destined to put an end to capitalism with a revolution that brings forth the socialist transformation of the capitalist economy.

Due to the crush of the revolutions of 1848/49 rather than continuing revolutionary activism, Marx put more efforts in elaborating his scientific project of the critique of bourgeois political economy. The long-term project of the critical examination of capitalism and the analysis of bourgeois society from a politico-economic point of view culminated in 1867 with the publication of the first volume of *Capital*. Correspondingly, the following section surveys his course to completing the first volume of *Capital* with the attention to those previous texts on political economy (*The Poverty of Philosophy*, *Outlines of the Critique Political Economy* and *A Contribution of the Critique of Political Economy*) which are regarded as drafts to Marx’s major economic work. Subsequent to the presentation of the key features of the Marxian critique of bourgeois political economy follows the introduction of the political economy of socialism supplied by the content of his voluminous *Capital*.

The contents of the three volumes of *Capital* outline the contours of a centrally planned socialist economy which Marx claimed to be more effective and rational than capitalism. After displaying the outlines of Marx’s non-market and moneyless socialist command economy, which abolishes private property, together with the division of labour and performs economic calculation in labour time, the closing section of the second part of the thesis focuses on a text in which Marx explicitly discussed how the economy and society of socialism will be established.
The aforementioned text is the *Critique of the Gotha Program* from 1875 in which Marx divides the development of communism into two specific stages. Overall I attempt to prove that Marx thought that it is possible to establish a planned socialist economy, which is more effective in fulfilling the needs of all members of the society than capitalism by abolishing private property, market, money, commodity production and division of labour and introducing a new and higher level of mode of production which uses labour hours for economic calculation. I also argue that Marx believed that the inherent trends of capitalism point towards the development of communism, however he generally misjudged these tendencies, therefore his arguments seems to be disproved over the course of time.

The third part of the dissertation concentrates on the socialist calculation debate. The survey only exhibits the main arguments of those theorists who got engaged in the debate and had a major influence on the progress of the discourse, which still cannot be considered closed. My overview also includes some references to those actual events in the history of the last century that shaped the discourse.

The consensus is that the calculation debate broke out with Ludwig von Mises’s 1920 paper *Economic Calculation in the Socialist Commonwealth* in which he reasoned that socialism without private property, market and monetary prices is a logical impasse, an “abolition of rational economy” (Mises 1935: 110). Before highlighting the original rational calculation argument it is crucial to mention some central theses of Mises’s contemporaries, namely the remarks of Max Weber and Boris Brutzkus who were influenced by the historical experiences and theoretical concepts of war economies of the beginning of the 20th century and also refuted socialism on a similar basis than their Austrian economist.

The reconstruction of Mises’s line of argumentation against socialism followed by the account of early market socialist proposals, including Oskar Lange’s competitive market socialist model, which intended to raise the Misesian challenge by allowing the market of consumer goods and introducing trial and error method the central by which the administration of the socialist command economy will successfully determine equilibrium prices.

The following theme is Friedrich Hayek’s epistemological information-argument against socialism which intended to demonstrate that the socialist alternative to capitalism is not a logical impossibility, but a practical impasse due the centrally planned system’s incapacity to acquire and make use of knowledge required.
for economic calculation. Afterwards the evaluation of the socialist calculation debate of the 20s and 30s is being carried out, which alludes to the defeat of the Austrian adverts of capitalism, whose arguments seemed to be disproved not only theoretically by Lange’s model, but by the reality of the Soviet experiment with central planning.

Despite the fact that the Soviet system did not collapse and even made some achievements which contradicted the Austrian prognosis on the prospects of socialist central planning, reforming the overcentralized socialist system became more urgent from the beginning of the 50s. In the post-Stalin era, Soviet leadership became aware of the urgent need of reforms and tried to amend the malfunctions of ‘actually existing socialism’ by liberalizing its overcentralized political and economic system. When highlighting the desperate and illusory project of liberalizing and decentralizing state socialism in the Eastern bloc, I also pay specific attention to a rather unexposed Hungarian critique of Marxian political economy from the 70s, namely the polemic piece of Bence György, Kis János and Márkus György.

The treatise of Bence, Kis and Márkus exposed that the validity of Marxian political economy depends on whether it is possible to put into practice the political economy of socialism on the basis of Marx’s ideas. Their investigation into the political economy of post-capitalism was an important contribution to the discussion about feasible socialism because it highlighted a tenacious dichotomy in Marxian socialism, an indissoluble tension between what is desirable and what is put into practice: between the idea of humanist progressivism and the reality of economic despotism.

One of the final sections of the thesis contains some remarks on market socialism, which came to the centre of attention in the beginning of the 90s when socialist central planning no longer seemed to be an option for developing an alternative economic system to capitalism. The critical examination of market socialism through David Ramsay Steele’s analysis, which reveals that that financial markets, along with factor markets and markets for consumer goods, generate and make acquirable information which is necessary for operating and coordinating a complex economy of a technologically advanced society. Steele’s critique of market socialism is followed by the presentation of Paul Cockshott’s and Allin Cottrell’s proposal for central planning with modern computer technology as a 21st-century project for replacing capitalism with socialism. Their proposal of computerized planning employing modern information technology and input-output analysis was
particularly designed to attest that rational calculation is possible in a centrally planned socialist economy without private property and the assistance of markets and market prices.

The limitations of Cockshott’s and Cottrell’s plan for computerized socialist central planning is shown in the light of the modern Austrian argument formulated in the late 80s. The revised Austrian position ameliorated the original Hayekian concept of knowledge and deepened its philosophical foundations: it emphasized that economic knowledge is not just dispersed among all members of society, but in addition it has a tacit kind. Individuals do not hold possession of the tacit knowledge about the ever-changing economic realm and it is also non-objectifiable and non-transferable. To confront socialists, theorists like Steven Horwitz and Don Lavoie reasoned that economic knowledge becomes discoverable through performing entrepreneurial activity on the market, which has a cognitive function similar to language and also argued that socialism does not depend on the potential of overcoming the limitations of computing with the advancements of modern information technology, but rather on the possibility of exceeding the limits of the human mind.

At the end of the third part I introduce Geoffrey Hodgson’s recently published paper which reveals some of the limitations of the socialist calculation debate and emphasizes that without Albert Schäffle’s and the German historical school’s critical remarks on socialism even the primmest historical account of the debate should be considered as incomplete.

In sum, I am of the opinion that, despite its shortcomings, the arguments of the Austrian school go beyond the ideological horizon of praising capitalism for its technical and economic efficiency and draw attention to an essential nexus that exists between individuals and the extant capitalist order. In concrete terms, the Austrian defenders of capitalism, from the pioneers of the 20s and 30s to the modern adherents of the Austrian school, pointed out that the importance of market relations and mechanisms does not exhaust in catering the most applicable technical apparatus for performing rational economic calculation, carrying out optimal resource allocation and creating a balance between supply and demand. The Austrians also alluded that on the ground of capitalist institutions spontaneously grows out an order with its own particular explicit and tacit expertise and rules that determine and shape individual actions, choices, demands, habits, etc. to an extent that individuals are not only
indisposed to replace capitalism with socialism but cannot even imagine an alternative realm to the current state of affairs.

From the investigation that has been undertaken, it is hoped to conclude that contrary to the expectations of those who (re)discovered Marx and his ideas on post-capitalism it is not a promising opportunity to break away from the current system and install a new social, economic and political order in the 21\textsuperscript{st} century on the basis of the 19\textsuperscript{th}-century Marxian politico-economic proposal of socialism.
Bibliography

Entries itemize those works that were directly quoted in the core text or notes, additionally documents which served as an indicator or source of inspiration for covering the issues which were dealt with in this dissertation.

All quotes from Karl Marx and Friedrich Engels are derived from the 50-volume set of Karl Marx and Friedrich Engels: Collected Works (MECW), published between 1975 and 2005 by Lawrence & Wishart, London in collaboration with Progress Publishers, Moscow.


