

## The experience of reactualizing the Marxist methodology in the area of exploring the economic and class determinants of the crisis of capitalist ideology and consumption society

Anton S. Krasnov and Konstantin V. Kondratyev

Kazan Federal University, Faculty of Philosophy, Kazan, 420111, Russia

**Abstract.** This article provides an analysis of the reflection of the financial downturn of 2008 in the intellectual space of modern neoliberal ideology. The systemwide economic crisis exposed the internal contradictions of the global capitalist system, pointing to the impossibility of continuing to ignore these contradictions in terms of the economic, political, and philosophical theory of modern society. The economic downturn sets the world's intellectuals the task of developing a new ideology, a new theory of societal development, which would include a conceptualization of all the previous experience. The article examines an attempt at such a conceptualization, which was made by F. Fukuyama, one of the key neoliberal thinkers of the modern age – but through reforming the ideology, which must be built on the same principles as the one preceding it. The article provides consistent criticism of Fukuyama's views from the standpoint of the neomarxist analysis of the ideology. Fukuyama suggests carrying out just a cosmetic renovation of the building of capitalist ideology, while its key foundations, which conceal the real antagonisms of modern society, remain unchanged. The modern global crisis, which has resulted in a decline in the efficiency of capital, is due to the impossibility of the expanding of markets and, consequently, deepening of the division of labor, since the extent of the division of labor, as A. Smith and K. Marx maintained, is finite and is defined by the size of society itself. As an alternative to neoliberal ideology, which has discredited itself and has impaired the modern state of society, the author proposes a reactualization of Marx's finiteness of capitalism theory, whose heuristic potential is demonstrated through the example of the explanatory potential of Marxism as applied to conceptualizing the modern economic downturn.

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### Introduction

Contrary to commonly accepted opinion, the history of the capitalist system cannot be expressed in the form of a linear process of progressive accumulation of wealth by representatives of commercial and industrial social strata, which is attended by gradual growth in the political influence of the bourgeois. In reality, the history of capitalism consists of periodically alternating periods of active growth and catastrophic crises, which lead to the verge of bankruptcy entire nations and states (for a detailed analysis of the history of capitalism, see Kagarlitsky [1]). Concurrently with these economic processes, there occurs a cyclic re-orientation of the capitalist system from the free market to government regulation and vice versa. Note that the end of the crisis period and resumption of economic activity leads every time to a new belief in that subsequent growth will be constant and there will be no need for government intervention.

The nature of the present-day situation lies in that amid the economic crisis, which has been going on for 6 years already, we have seen no return to government regulation of the economy – the government, on the contrary, has been backing the global transnational corporations with the money of

taxpayers, thus stimulating explosive growth in speculative activity. At the same time, such international institutes as the IMF and the WTO are putting a lot of pressure on countries within the orbit of their influence, forcing them to privatize enterprises within the social sphere, pull the plug on state programs, and adopt other similar measures for stimulating “free competition”.

This situation has been kept up on the theoretical level by the works of present-day economists, who are consistently championing the priority of private ownership and free competition over state ownership and social association. This can be exemplified through the works of economists in the Austrian School [2, 3, 4] as one of the most influential neoliberal economic schools.

Capitalism, according to G. Deleuze and F. Guattari, is a machine that “constantly breaks down along the way and then works only in that broken-down state” [5, pp:56]. This is why, within the frame of the ideological model of modern capitalism, the 2008 crisis is not viewed as the crisis of the capitalist system and its fundamental characteristics are viewed as unshakeable. What is accepted for consideration are just suggestions on the cosmetic restoration and superficial reformation of the global economic model

– but not arguments against its foundational principles. In these conditions, it would not be redundant to make use of A. Badiou’s “loyalty to the event” principle: “The event will turn that which was announced to be impossible into a possibility” [6, pp.19]. Nonetheless, the continuing neoliberal ideological work is oriented towards eliminating “the event” and closing down the horizon of probabilities in the field of “the possible”. In our view, a crucial condition for reactualizing Marxist philosophy and the Marxist methodology is the critical analysis of ideological narratives existing in the space of people’s modern intellectual life and everyday activity.

### Materials and methods

The primary *subject* of our study is the ideological narrative of modern capitalist society, which is examined through the example of works by Francis Fukuyama as an ideologist of modern capitalism. At the end of the last century, on the wave of the disintegration of the Soviet system and the crisis of the Communist ideology, F. Fukuyama released his quite famous book “The End of History and the Last Man” [7]. The book’s two major themes are: 1) that capitalism and liberal democracy are the “last” social-economic formation, which no longer has any serious competition; 2) that the “Homo Capitalisticus” model is the ultimate form of the existence of man.

Thus, Fukuyama asserts that the capitalist system should be built on four “pillars”: freedom, private ownership, democracy, and the middle class. To Fukuyama, the spread of Western liberal democracy has to lead to the disappearance of ideological wars, class struggle, as well as the demise of art and philosophy, which Fukuyama sees as “the end of history” without implying the end of historical events. In 2009, on the wave of the 2008 financial crisis, Fukuyama published the article “The Future of History” [8], in which, contrary to the title, he does not renounce his stance but subjects it to critical reconsideration. In this article, Fukuyama builds on the precondition that the source of the global capitalist crisis of the capitalist system are not capitalist relations per se but their inadequate reflection in public consciousness – the ideology, and it is the ideology that needs to be updated.

The main methodological precondition of our study is the methodology of ascending from the abstract to the specific. The analysis of the emergence, formation, development, and historical significance of the subject under study is, by tradition, performed through the methodology of the unity of the historical and the logical. The work employs the methods of comparativistics, determinism,

generalization, and the systemic-cultural and paradigm approaches. In analyzing the works that make up the basis of this study, the work employs the hermeneutic approach.

### Results

An analysis of F. Fukuyama’s new article revealed that the Japanese-American thinker does not find it necessary to subject to radical reconsideration the core of his worldview stance. In this regard, back in the 90s, critics panned Fukuyama’s concept for its considerable underestimation of K. Marx’s theories and those of his followers (e.g., [9]). We believe that K. Marx managed to create a theory whose heuristical and explanatory potential in relation to present-day economic and social processes not only is not inferior but in many aspects is superior to the explanatory potential of neoliberal theories. The methodology and conceptual apparatus on which the liberal and neoliberal concepts were based were built on Weberian sociology, economic theory, and new historical concepts, which for over 100 years they had tried to tightly fit to each other, retouching as much as possible the inevitably ensuing mismatches. Within the frame of serious ideological warfare, the postulates of liberalism were built on the simple gainsaying of the ideas of Marxism. Thus, while in Marx’s teaching capitalism is finite and he managed to develop a theory of postcapitalistic society, in liberal economixism, for instance, capitalism is essentially infinite. Marx came to the conclusion on the end of capitalism by relying on classics of political economy – above all, A. Smith. Smith’s idea embraced by Marx asserts that within the frame of an isolated system of production the extent of deepening of the division of labor depends directly on the size of markets [10]. Sooner or later, due to the fact that our planet is limited spatially, permanent growth, which makes up the essence of capital, has to reach its own limit, beyond which there is the inevitable systemwide crisis of overproduction. The capitalist crises of the 20<sup>th</sup> century, such as those in the 30s and the 70s, were associated with the impossibility to further expand the markets extensively, which in full measure corresponded to the inferences of Marx’s theory illustrated in “Capital”. There is a major difference between the 20<sup>th</sup> century crises and the one that began in 2008 and is still going on at the moment. All the previous crises stumbled upon the impossibility to expand markets for particular segments or particular technological zones, since they were confronted by similar competitive zones and their expansion would be possible only through the elimination of the competitors. Whereas today the market has become global and its further expansion (at least in the space of the *real*) is impossible. An

important condition for overcoming the previous crises was the intervention of government regulation, which restricted the uncontrollable growth of the market (in some cases, this was done through increases in the number of government orders with the defence industry and the militarization of the economy). The economic crises of the past inevitably caused the need for reactualizing the politeconomical and philosophical ideas of Marx either in the form of their creative development (as it is done, for instance, in the works of J. Keynes) or in the form of their monstrous distortion (as it was done in the economic practice of national-socialism). Whereas today, according to Fukuyama, Marx's ideas have become hopelessly "antiquated".

Speculating about the proletariat of the last 200 years, Fukuyama asserts that it was the decline in the proletariat's activity in public life that brought about the demise of the idea of socialism. The middle class became an alternative to the proletariat, as the main consumer of the ideas of liberal ideology. However, the middle class owed its existence to the USSR and the socialist system: it was Western capitalists' fear of a proletarian revolution that made them come up with forms of redistributing excess profits in the favor of the middle class to ensure social stability. Starting in the 80s of the 20<sup>th</sup> century, the condition for the existence of the middle class was the constant credit stimulation of demand and consumption, which is possible in conditions of constant economic growth. However, in principle, economic growth cannot be permanent, which was clearly demonstrated by the financial crisis – consequently, the social foundations of the middle class proved to have been jolted.

Besides, it should be noted that the counteraction of the Marxist theory of class struggle, which stresses the conflictiveness of relations between the classes, is the ideological basis of the theory of the middle class. The middle class, in accordance with stratification theory, is viewed as the backbone of stability in society, which rules out any struggle – that is what Fukuyama counts on. Nevertheless, the world events of the last 5 years – mass protests in Greece, the Occupy Wall Street movement, the Twitter revolutions in Egypt, Tunisia, and Lybia, the emergence of the class of the "new disgruntled" in Russia – all these movements vividly demonstrate that conflict-free relations in capitalist society are essentially impossible, and a methodology that is capable of giving these processes a proper assessment is the Marxist methodology of class analysis.

Fukuyama's criticism of socialist ideas also raises doubts. Fukuyama writes: "Economically, the ideology could not begin with a denunciation of

capitalism as such, as if old-fashioned socialism were still a viable alternative. It is more the variety of capitalism that is at stake and the degree to which governments should help societies adjust to change"[8]. We cannot agree with this assertion either, since political control itself is only possible when it is backed with a certain resource, as, for instance, was the case during the times of the Reagan economy, which managed to correct the model of capitalism that preceded it and overcome the capitalist crisis of the 70s through expanding the market (after the collapse of the USSR). In present-day conditions, the expansion limits have been reached already, and the political and economic levers of control are leaving the hands of the government for those of private corporations. As a result, we are witnessing the complete helplessness of modern states before the global economic crisis.

In underestimating the legacy of Smith and Marx, Fukuyama fails to comprehend that the deepening of the division of labor is possible starting from a known moment of historical development only through the expansion of markets. Fukuyama asserts: "The new ideology would not see markets as an end in themselves; instead, it would value global trade and investment to the extent that they contributed to a flourishing middle class, not just to greater aggregate national wealth". It is clear that a decrease in markets will cause in today's situation only a decrease in the degree of the division of labor, a new crisis of the national economies, and (looking forward) the release of a huge quantity of revolutionary masses.

There is no need to worry about the leaking roof if the house is already on fire. The modifications that Fukuyama suggests making to modern ideology specifically remind us of this kind of cosmetic renovation of an unfit building. In conditions of modern society, Marxist theory not only proves an effective methodology for scientific analysis but can provide an efficient instrument for resolving issues that neoliberal ideology is, in principle, unable to resolve.

## Discussion

It would not be redundant to note that F. Fukuyama's work, which was initially published in 1989 in the form of an article and was already later reworked into a true book, touched off a stormy reaction in the intellectual community, which oscillated between complete approval among intellectuals and politicians close to the administrations of B. Clinton and George W. Bush and sharp criticism and rejection (e.g., [11, 12]). Fukuyama's stance was subjected to heavy criticism from the standpoint of philosophy – more

specifically, they mainly found fault with his incorrect interpretation of Hegel [13, 14] and Marx [15]. In addition to his incorrect interpretation of Marx, Fukuyama, according to critics, also underestimated historical and dialectical materialism as a real methodology [9].

The 2008 crisis aroused an unprecedented interest towards Marxist-oriented philosophy and political economy in the countries of the former USSR. Starting in 2000, numerous works dedicated to the reactualization of Marxism were published both in Russia (e.g., [16, 17]) and overseas [18]. Particular aspects of the criticism of the modern model of capitalism are addressed in a work by O. Gersemann [19], in which he subjects to critical examination the models of American “cowboy capitalism” and Europe’s “cozy capitalism”. We should also note a work by V.M. Mezhuyev [20], in which the author sets himself the goal of going back to authentic Marx, especially, his social-philosophical legacy, having overcome both Soviet vulgar apologetics and a “shallow” understanding of Marxism and the present-day biased attitude towards Marx. Of great interest is a work by S.S. Peruansky [21], in which he levels strident criticism at the ideas of K.R. Popper, who from the standpoint of liberal positive science branded Plato, Hegel, and Marx “enemies of open society”.

### Conclusion

As a result of all the work done as part of this investigation, we have come to the following conclusions:

1. Modern social conditions govern the need to reactualize the methodology and conceptual apparatus of classic political economy through the A. Smith – K. Marx tandem to obtain the most adequate scientific description of social and economic processes of the modern age.

2. The middle class as the backbone of modern capitalist ideology ceases to meet the hopes pinned on it. The middle class, the need for creating which was associated with Western bourgeois states’ fears of a proletarian revolution in Russia, gets stripped starting in the 80s of the 20<sup>th</sup> century of social guarantees promised to it and ceases to serve as the guarantor of stability. Protest movements of the recent years prove to be initiated by the middle class and are best described using the terms of the Marxist theory of class struggle.

3. The main assertion declared taboo in modern liberal ideology is the assertion on the essential finiteness of capitalism as a social-economic system. Ignoring this assertion, grounds for which we find in the works of A. Smith and K. Marx, serves as a reason behind the total scientific untenability of

neoliberal interpretations of economic and political processes of the modern age.

4. The assertion on the finiteness of capitalism calls for the need for a new strand of investigation, whose aims go far beyond the scope of this article: creating a theory of postcapitalist society.

The limitations of our study are the absence of analysis of such phenomena as the ethical component of disputes between modern ideological systems; the criticism of the assertion on the utopian nature of socialism; economic analysis of the efficiency of the neoliberal economy. In the future, we shall continue our chosen path of the critical analysis of modern neoliberal ideology and philosophy, as well as our politeconomical study into the economic basis of modern capitalist society.

The practical application of the findings of this study is possible in teaching lecture courses and special courses on philosophy, political anthropology, economic theory, and political economy. Also, certain points in this study can be used in drawing up political party programmes and in developing a positive programme for overcoming the modern economic and ideological crisis.

### Corresponding Author:

Dr. Krasnov Anton S.

Kazan Federal University, Faculty of Philosophy, Kazan, 420111, Russia

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