Writing On A Trip To Ecuador Essay, Research Paper

Comparison of Adam Smith and Karl Marx on the Ideas of Individual Work and Production.

The task of political economy, Karl Marx argued, was to understand all the presumptions within productive and social relations, which made social life in a given form possible at a particular time. The aim of political economy is to understand the processes that produce these differences. The two historical figures that analyzed capitalism were Adam Smith and Karl Marx. Their philosophy differs in the way each viewed the human conditions and the role of the individual. It could be argued that history has shown Smith to be right and Marx to be wrong but the fact is that each of these men understood capitalism on different terms although both had similar material ideas.

The main difference between Marx’s and Smith’s thoughts is found in the values that each were concerned with. Smith suggested that the economic process could be forever unchangeable in its natural stage as individuals seek their own advantages. If people are left free they will try to improve the quality of their lives. This can be achieved in two ways: by individual effort, or at someone else’s expense. Most individuals will search for or make something that others will pay for rather than live at someone else’s expense. On the other hand, Marx noticed a growing consciousness among the working class of society which he believed was formed by economic development and that would create a transformation of the whole social system. He asserts that it is not the consciousness of men that determines their existence, but rather the opposite. Marx is talking about consciousness and the development of the society. He believes that the wealth produced by the industrial system develops the personal thought in all people, more importantly among working class. The individual comes to a self-realization through creative labor and develops a self-identity through relations with other members of the society. He considers the potential for intellectual growth as a way to take society to a new level of equality. For Marx the most basic human needs have to do with recognition of oneself in the products of labor. Through material labor and the labor that involves them in social relations, humans create their environments. Through their activities, the world becomes a place where humans can live and feel secure. Since one can have a place through activities, his individuality based upon how creative he is.

Marx believes that in his society labor activity is not a pain since one class isn’t forced to work for the other. Thus, for Marx the needs and capacities of labor are universal. Activities of people determine how they develop their capacities and the society determines the result of these activities. For Marx, human nature is changeable and that new social conditions create new kinds of individuals. So, Marx disagrees with the fact that capitalism is inevitable because it is formed of basic human desires. Marx would argue that capitalist society itself creates those desires. Because humans create the social and natural environment and as a result improve themselves during this process, they become historical beings. They have the power to decide their future and change things. In fact, the ability to control one’s future and develop in the process is how Marx describes freedom. His freedom is positive on one hand and social on the other. It focuses on the capability of activity, many of which is social and therefore can be appreciated without other individuals.

In order to understand Marx’s human nature, we have to take a close look at alienation. The basis of his argument is that capitalism alienates humans from their essence in labor. Capitalist society is undesirable since it doesn’t allow individuals utilize their natural potentials, which is, for Marx, to express and develop oneself through labor in one’s environment. This system of labor is made up of four relations: The worker is alienated from his or her productive activity, playing no part in deciding what to do or how to do it. The worker is alienated from the product of that activity, having no control over what is made. The worker is alienated from other human beings, with competition and mutual indifference replacing most form of cooperation. Finally, the worker is alienated from the distinctive potential found in the notion of human beings. Marx argues that alienation and capitalism come hand in hand. To get rid of alienation, one has to abolish capitalism. In capitalism, labor power of a certain group/class of people is exploited. This result in alienation in both sides, exploiter and exploited.

Besides all these explanations, it is necessary to examine Adam Smith s perspective. He simply states the reasons why all men naturally follow self-interest, and that this process leads to the greatest production of wealth in society. He asserts that it is only for the sake of profit that any man employs a capital in the support of industry. As we can see, Smith was not so much concerned with the development of consciousness among men, he never directly mentions the two classes- the bourgeois and the proletariats- Smith makes, because according to him all men do decisions based on self-interest. Since he defines the individual as sovereign (within the laws of justice), and he defines liberty as freedom from constraint, his argument begins with the individual, defining a man’s labor as the foundation of all other property. He uses his economic theory to support his belief that this limitation on government action creates the most overall good for society. He believes that the economic order should be independent from the political order.

Smith s Wealth of Nations was a critique of the existing system of state controls that he called mercantilism. He argued that the state intervention not only restricted freedom but also was economically inefficient. In contrast to Marx, Smith doesn’t see laborers as slaves: rather as free men with something to sell-their labor. According to Smith’s view all men are laborers since all must use effort to create their industry, thus final profit for themselves. He believes that all men are capitalists in a free economic society. Smith suggests that those who possess wealth have an interest in increasing it and giving society free exercise of all individual interests could never motivate such increase. He states that the sum of individual private fortunes makes up the wealth of the nation; there is no wealthy person who does work to become richer.

Each of these philosophers had valid points to make but they are focused on different targets. They in fact, agree that the production of wealth in society is good but they would not agree on the conditions of the workers. If Smith possibly asks who stops the workers from leaving their profession and joining another, Marx response would be the social conditioning of another job. People need to believe that if they had made right choices, or worked hard enough, they would have gone to the top of society. They would have also achieved the amount of wealth that they desired.