

Marxian Political Economy

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Abstract: Marxian Political Economy focuses on the exploitation of labour by capital. The economy is not conceived as consisting of neutral transactions for exchange and cooperation, but instead as having developed historically out of asymmetric distributions of power, ideology and social conflicts.

The Perspectives of Pluralist Economics

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This text presents a perspective of Pluralist Economics. In the orientation section you can learn about and compare ten different perspectives of Pluralist Economics.

1. Core Elements

Marxist Political Economy (MPE) denotes a range of political economy perspectives that are broadly connected to and in the tradition of the writings (notably The Communist Manifesto, Grundrisse and Capital) and insights of Karl Marx. Although this research tradition is very diverse and heterogeneous, it is nevertheless possible to identify some common key tenets. Generally, MPE comprises an integrative analysis of the economy, society and politics. These three fields are not considered as isolated but as interdependent structures that evolved historically. The analysis of class struggle, involving the exploitation of **labour** by **capital** within the capitalist mode of production, is fundamental to the understanding of dynamics within this analysis.

From this perspective, capital and labour represent two antagonistic classes. The former is primarily characterized by ownership of the **means of production**, while the latter comprises **free wage labourers** in a double sense. They are free from control over the means of production and free – compared with the feudal system – to sell their **labour power**. **Capital** is central to this and is primarily organized to ensure the profitability of invested money. This is why the famous notion of capital as money which begets money is formalized as M-C-M'.

An integrative economic analysis, in this context, involves moving beyond a sole focus on the functioning of the economy. Thus, under capitalist conditions, labour is not only exploited but also

faces **alienation**. This means that wage labourers are not the directors of their own work. Instead, s/he is employed in the capitalist mode of production, performing specialized tasks in commodity production, without owning the products. Moreover, the capitalist mode of production is not limited to an isolated sphere in society but structures the latter in various ways. For example, through the process of **commodification**, social relations that were formerly untainted by market logic, are transformed into commercial relationships, relationships of exchange, and relationships of buying and selling.

MPE has the explicit aim to change the current state of economic and societal organization, with an emancipatory perspective to establish a more just society by overcoming capitalism. Although this school of thought is generally marginalized in economics faculties at large, it has gained renewed attention over the past decade. Much of the interest is due to Marx's analysis being relevant to the analysis and explanation of the global financial crisis of 2007/2008; it has also been relevant to various other crisis movements that are linked to the economic system and seem to converge with it, e.g. the climate crisis. Moreover, new forms of protests and social movements, and intensifying social conflicts in the presence of crisis, have also created both a need and a challenge for radical academic analysis.

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2. Terms, Analysis, Conception of Economy

"Fundamental to any Marxist analysis is its understanding of the economy, how capital is reproduced, how profitability is maintained, and how crises develop" (Gamble 1999, 140).

MPE perceives the economy as a continual process of transformation of nature and society by production. The **mode of production** is the historical form in which the two core dimensions of any economic organization of society are united. These two central elements are the **productive forces** – phenomena that enable production, like technology and infrastructure – and the **relations of production**, referring to the class-based organization of production, distribution and consumption in society. Accordingly, MPE argues that the socio-economic character of different societies in history is characterized by the specific mode of production, like slavery, feudalism or capitalism. The historical configuration of productive forces and relations of production is a crucial point of departure for MPE. Particular emphasis is given to the analysis of class struggles and the different forms of exploitation of labour power, as well as to contradictions and crisis. Thus, the economy is not conceived as a neutral platform of exchange and cooperation, but as historical and political constitution primarily characterized by asymmetric power relations, ideology and social conflicts. To understand the contemporary world economy, proponents of MPE

claim that Marx's core analysis of the capitalist mode of production in the eighteenth and nineteenth century remains a useful starting point.

'Commodities' are at the core of Marx's analysis of the capitalist mode of production; they are defined as products or services sold on markets and produced by human labour power. The peculiar characteristic of commodities is their dual character – they exhibit both **use value** and **exchange value**. The capitalist mode of production is primarily defined by the neglect of the use value, while the exchange value – potentially translating into higher return on investments – is paramount. Thus capitalist societies do not primarily produce for the needs of the population but for the sake of realizing a high exchange value – simply put, profit. MPE argues that this profit is rooted in the exploitation of labour power, more specifically the wage labourer. Capitalists only pay the workers the wage they need to reproduce their labour power even if workers generate a higher value. This **surplus value** is then appropriated by capitalists and then reinvested. The amassing of money as capital in the hands of the capitalist class is also defined as **capital accumulation**. It presents the core dynamic of the capitalist mode of production and thus implies a structural imperative of the capitalist economy to grow. Yet, as was mentioned above, the capitalist mode of production is not free from contradictions and from an MPE perspective **crisis** play a prominent role as recurrent patterns in capitalist development.

Generally speaking, crises emerge from various **contradictions** that exist in the basic constitution of the capitalist mode of production, but more specifically consist of a specific conjuncture of tendencies and triggers. Thus, each economic or financial crisis has links to the general contradictions of capital and to specific political, ideological and cultural circumstances. Different lineages of MPE also stress the importance of different aspects of contradictions and many argue for multiple causation, including, for example, credit insufficiency, scarcities of or political difficulties with labour supply, resistance or inefficiencies in the labour process, excess capital and wages squeezing profits.

Currently, many MPE scholars argue that the tendency of the **over-accumulation** of capital since the 1970s is key to understanding the various financial and economic crises of the past decades throughout the globe. In this situation too much money capital is searching for profitable investment opportunities. Since investments in financial assets have become increasingly profitable in the past decades, money capital is disproportionately subtracted from industrial production and employed as **fictitious capital**. This form of money capital is fictitious because it is without any material basis in commodities or productive activities. Although not generating any surplus value in the labour process, fictitious capital can reproduce itself (M-M') through the representation of a claim on the realization of future surplus value. While these investments may be profitable for some money holders, the general economy suffers from rising economic inequality, lack of effective demand (which is temporarily supported by credit-funded consumption), and recurring inflation of asset prices that translate into 'bursting bubbles'. A prime example for this process is the global financial crisis of 2007–2008 which was triggered by excessive derivatives trading (fictitious capital) in subprime mortgages.

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3. Ontology

The central problem addressed by MPE is the exploitation of workers by capital, i.e. the dominance between classes and the power of capital. Thus, the **unit of analysis is classes**, not individuals and collective interests are determined within classes rather than between individuals. This does not mean that individuals are unable to make their own choices. However, within a certain mode of production there are powerful material and **social structures** (e.g. competition) that induce people to behave accordingly. Hence, MPE does not propose a universalist view of humans as being necessarily competitive or collaborative but emphasizes the effects of the **historically specific mode of production** on the way humans behave.

Within a certain mode of production, MPE historically has sought to isolate some tendencies and **laws of motion** in the economic, the social and the political spheres. In the capitalist mode of production, examples would be the increasing accumulation of capital and its concentration, as well as the recurring crises of capitalist production. These laws of motion are thought to be ontologically real and some MPE scholars have argued that the laws **determine** the behaviour of societies. Some strands of MPE have however put emphasis on **over-determination**, highlighting that even though laws of motion can be discerned, their interconnectedness and multiplicity makes it more difficult to make accurate statements about the behaviour of human societies (see also Methodology). Theorizing in the field of Critical Political Economy has emphasized the concept of **hegemony**, stressing the historical nature of processes of societal change and the constant struggle of ideas and movements (the war of position in the words of Antonio Gramsci) for temporal and spatial dominance. According to these theorists the laws of societies and economies are more dependent on historical and cultural junctures, thus making a case against determining theorizing. A possible bridge between these two traditions is offered by critical realist theorists: they assume a real world, both in the natural and the social world, but this is subject to changes and actualizations that can originate in the actions of historical and spatially confined actors. With Marx one could restate that:

‘Men make their own history, but they do not make it as they please; they do not make it under self-selected circumstances, but under circumstances existing already, given and transmitted from the past.’ (Marx 1852)

Notwithstanding these theoretical differences, MPE theories do generally agree that the world is not made out of particulars that can be isolated for the purpose of analysis. Instead entities like classes, firms, states, and institutions exist within a context, which is essential to their existence. By disaggregating these bigger components to their constituent part one cannot do justice to their real nature, since at each stratum or level of organization (from subatomic particles to complex systems such as human societies) there are emergent powers that are ontologically real in their own right (Sayer 1992, 119). Also, MPE gives importance to dynamic processes like e.g. class conflict or accumulation that are historically embedded and change over time. An important

aspect of MPE is furthermore that Capital is not defined ontologically as a material asset (like money, machinery, etc.) but as a social relation and hence only acquires ontological existence and significance in the capitalist mode of production and the corresponding class relationships.

4. Epistemology

MPE theories do explicitly identify themselves as **normative** and **performative** and regard the positivist position of descriptive and value-free science as false and ideologically motivated. Hence, the goal of scientific analysis is to create knowledge that fosters the emancipation of those who are dominated and oppressed.

According to Andrew Sayer, many proponents of critical social science (of which MPE forms part) conceive emancipation as proceeding in the following manner (Sayer 1997, 474):

1. Identify problems, unmet needs, suffering and false beliefs
2. Identify the sources or causes of these, i.e. a particular form of domination
3. Pass a negative judgement of these sources of illusion and oppression
4. Favour (*ceteris paribus*) actions that remove these sources

As Sayer notes, there are, however, some problems with this linear progression from the scientific identification of problems towards the conclusions, particularly with respect to what constitutes emancipatory practice and which values and norms can be considered better than others, since they are backed by scientific evidence. Sayer's critique specifically points to the need for concrete and feasible alternatives (in general terms or as thought experiments, not as detailed blueprints), which are necessary for evaluating whether a removal of a problem and replacement by something else would indeed mean an improvement or an emancipation for a certain group. Secondly, he problematizes the new emergent interrelationships that might arise once a practice is replaced by another and hence emancipatory practice in one part of society might lead to repression in another. For example, Western women integrating into the paid workforce by contracting reproductive labour to women from the global south; and workers taking over a coal mine that otherwise would have to be closed might emancipate themselves but this can have negative repercussions on the environment or other communities inhabiting the area, as these may be negatively affected by pollution.

MPE theorizing that operates in the philosophical tradition of critical realism holds that the link between the real world and scientific inquiry is not straightforward. They reject positivism and 'naïve' empiricism, which argues that the real world speaks to the scientist, who then without intermediation can represent it. Strong constructivism, the view that the scientist makes the real world by coming up with conceptions or by self-referentially talking in ways that previous scientists have come up with, is also rejected. Instead, the fallible nature of science as well as its theory-laden and standpoint-dependent character is acknowledged but still, judging whether the theory is good or bad is considered to be possible by reference to the real world. This means that social science research can be diverse, depending on the theory applied as well as the personal biography and biases (e.g. class, gender, habitus) of the researcher. Still, a judgement as to whether a particular piece of research draws valid conclusions is possible and as such objective statements about the causal mechanisms that were responsible for concrete social phenomena are feasible.

The test for what is a true statement in critical realism is however somewhat more complicated than in other traditions. Given the emphasis on causal mechanisms rather than on regularities and correlations, simple statistical testing will not suffice to establish the validity of a hypothesis. Instead, from the observational evidence, abstractions have to be made in order to check the validity of a supposed causal mechanism. As such, for example, counterfactual case studies or thought experiments might have to be performed in order to check the explanatory power of a hypothesis.

On the other hand, with regards to theory validation, there is great scepticism towards prediction. This is because, in over-determined and evolving open-systems conditions, for mechanisms to work as theorized they might change during the process and hence new mechanisms might emerge.

5. Methodology

MPE neither works deductively nor inductively but assumes that there are **multiple causalities** and thus multiple ways of undertaking research. These depend on the situation, for example, the particular point of capitalist development. A central element of Marxist analysis is **dialectics**. Dialectics claims to transcend the classical logic of direct causation and linear relationships and replaces it with a dynamic understanding of processes as well as with different categories that would sometimes be considered to be contradictory in classical terms. An example of dialectical reasoning is given in Figure 1 (Sayer 1992, 141), where simple and abstract concepts are combined with the complex, specific and contingent characteristics of a concrete situation.

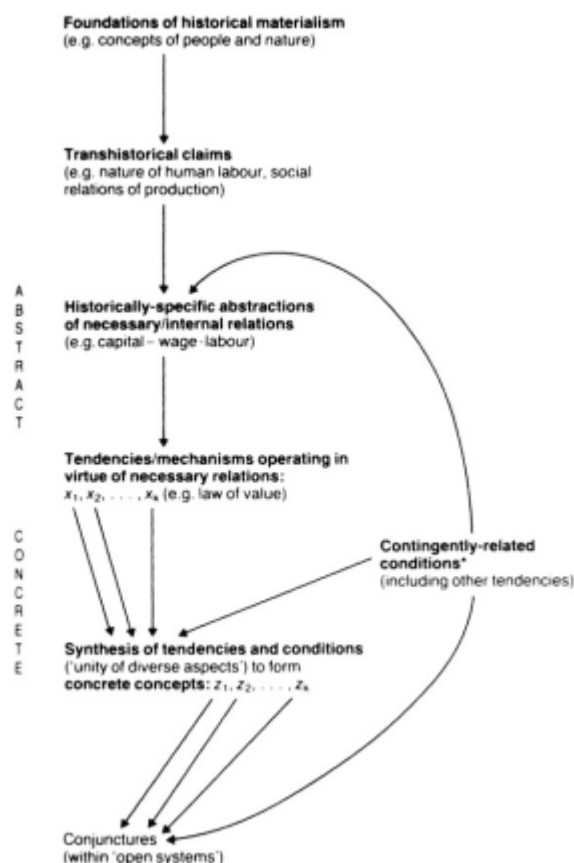


Figure 1. An Example of Dialectical Reasoning

Regarding a typical research method, MPE theories are quite eclectic:

- Mathematical models exist (e.g. the Temporal Single System Interpretation (TSSI) of Marxian value theory) alongside
- discourse analysis (e.g. Hay's 1996 analysis of the British media's construction of the 'winter of discontent,' which paved the way for Thatcher's union busting) and
- detailed case studies (e.g. Jessop's 2014 historical analysis of the Eurozone and the Euro Crisis).

Since a lot of research in MPE often makes reference to abstract concepts such as financialized capitalism or accumulation regimes, these conceptualizations have to be meaningful and justified by having analytical value rather than being ad hoc. As a negative example of bad or chaotic concepts, Sayer refers to the aggregate concept of the 'service sector', which throws together economic activities as unrelated as street cleaning, computer programming, and financial accounting. As such, statements attributing causal powers to the service sector (e.g. 'a service-sector-dominated economy contributes to x' or 'a drop in service-sector productivity affects y') appears rather nonsensical.

As to whether the theoretical perspective or the research object drive research within MPE, historically the theoretical perspective has been more important. Thus, the object (e.g. different societies, economies, and economic sectors) has been analysed from the theoretical perspective of, for example, the labour theory of value, theories of power and hegemony or dialectical materialism. For those working in the tradition of critical realism, this reliance on methods is however somewhat less pronounced, since critical realism claims that different layers or strata are ontologically existent and hence have to be identified by different branches of science. Hence each object – for example, 'the economic,' 'the cultural,' or 'the biological' – would require a distinct scientific approach, thus giving more prominence to object-driven research vis a vis method-driven.

6. Ideology & Political Goals

Marxist political economists have the explicit aims to first **critique** and second **transform** society. It can be conceived as **performative** and **reflexive**. Thus, it is not only the aim to describe, but to transform society. The role of critique is central to this. After all, Marx's critique of political economy was as much a critique of classical political economy as it was a critique of the existing economic and social conditions.

This emancipatory perspective aims at a more just society that combats dominance, exploitation and inequality, and hence aims to radically reform or overcome capitalism. Emancipation does not only concern inequality in terms of income, property or alienation, but also concerns gendered or racial dominance. Income and wealth distribution are structurally unequally due to the capital-labour relations. Yet, although distributional equality and capital are incompatible, different capitalist phases were characterized by different degrees of inequality. For example, the post-World War II era was characterized by a more equal distribution of income and wealth in industrial economies, whereas since the 1980s/1990s economic inequality has massively risen across the globe. In contrast to Keynesian approaches, MPE does not stress the need to go back to

‘the golden age’ through reducing income and wealth disparities by means of the state (e.g. through taxation). Rather, it suggests tackling inequality at its roots. Thus, worker-control initiatives, solidarity economies and communitarian and cooperative structures of production are frequently promoted, because they alter the very conditions of productions which are foundational to existing inequalities (see also Harvey 2014, 164–181). For instance, in the aftermath of the financial crisis, the concept of the Commons – the communal organization and use of goods and resources – was highly debated within social movements (see e.g. Federici 2011). The Commons are considered as a way to encounter consequences of alienation, land grabbing, property and income inequality and the marketization of life and knowledge and build on movements especially from Latin America. Like the Commons, most of these ambitions are not political goals set in party platforms, but rather are formulated as claims by various social movements or put into praxis by existing alternatives. Perhaps one of the most extensive practical alternatives in this sense is the autonomous region controlled by the Zapatistas in Southern Mexico.

Another powerful normative motif for MPE’s critique of capitalism is constituted by the **alienation** that is experienced by wage labourers in a capitalist economy. The capitalist structure of production – in which the organization and type of economic activity is determined by the holders of capital by separating workers from the decisions how to put their productive energy into use – contributes to a psychological condition in which workers are deprived of the meaning of their labour and reduced to nothing more than an instrument in the production process. This dire condition, alongside the tendency to create poverty and huge inequalities in spite of the huge potentials of production unlocked by capitalism, provides (amongst others) a rationale for the Marxist argument that capitalism is something that has to be overcome.

7. Current debates and analyses

In the past decades, MPE has contributed to a large body of literature studying such diverse topics as the class constitution and socio-economic consequences of neoliberal globalization, the financialization of the world economy, the power of transnational capital, and the potential for post-capitalist formations in the convergence of various crisis moments. To map all of these debates and insights would go far beyond the ambitions of this section. Instead, a short review of the narrative linking convergent crisis, left strategy and transformation towards post-neoliberal or even post-capitalist societies will be further explored, because these themes are mirrored in almost all of the current MPE debates (see contributions and special issues in the journals listed below).

The advent of the **US subprime crisis** in 2007–2008, which quickly evolved into a financial and economic crisis for most of the world economy, signalled a comeback of Marxian analysis and critique of capitalism. Even mainstream and conservative newspapers propagated that ‘Marx is back’ (Fuchs 2014, 9–10). Perhaps the biggest and first fundamental search for alternatives in the aftermath of the financial crisis was the **Occuppy Movement**. Their slogan ‘We are the 99%’ is not just a rhetorical figure but resonates with existing inequalities of wealth and political representation in the US and much of the world economy.

Many MPE scholars claim that this crisis may represent a large or structural crisis for capitalism, potentially changing the structure of the world economy for the upcoming decades. In this context, an increasing strand of interdisciplinary research has broadened the debate by highlighting that the crisis is not limited to finance or the economy, but is best understood as

multiple crises, including the climate and environmental crisis, a crisis of representative democracy and global governance, and a crisis of social reproduction. Ultimately, the convergence of these crisis dynamics calls for a fundamental transformation of the social organization of global production, distribution and consumption. In this regard, current contributions intensely debate strategies, and the strengths and weaknesses of transformative politics and social movements in the face of the crisis. Debates about **post-capitalism**, new forms of socialism or communism have been prominent in recent years. To what extent these debates will translate into effective social change will depend much on the configuration of the balance of forces in society – and not on the speed and scope of academic debate. Yet, the latter can offer an interesting starting point for students to fundamentally rethink society and social change, not the least reason why many economics students have become interested in understanding and employing MPE (see e.g. Barkin 2009; Harvey 2014; Rethinking Marxism 2010).

8. Delineation: subschools, other disciplines, other economic theories

MPE, like most other academic paradigms, has experienced different waves of renovation, reception and magnitude over the past 150 years (for an overview of Western Marxism see also Anderson 1976). While the first generations were almost exclusively political activists, party strategists and academics, at the same time MPE institutionalized strongly as an academic paradigm (with less party affiliation) in the US and Europe during the Cold War – especially in the 1970s and 1980s. Part of this renewal since the 1970s is also reflected in the emerging field of International Political Economy (IPE).

From utopian socialism to classical (or orthodox) Marxism, from Neo- or Post-Marxism to Analytical Marxism and Critical Political Economy, a wide range of historical and contemporary perspectives have been associated with MPE. In an attempt to provide a typology, Stephan Resnick and Richard Wolff (2006) have classified these perspectives into the following six broad categories.

Property theories emphasize the unequal distribution of wealth and ownership of the means of production. Class conflict, exploitation and other dynamics inside the capitalist system arise as a consequence of the distribution of property.

Power theories emphasize power and authority structures and the possibility of some classes (e.g. capitalists) mobilizing power (such as physical violence or institutional power wielded by the state) to, for example, induce and threaten labourers to work under exploitative conditions.

Accumulation theories stress the relentless drive for accumulation that is internal to capitalism as the driving force of capitalism and hence reproduces all other dynamics and social relations.

Forces of production theories emphasize productive technologies as the determinants of the way a society is structured and the relations that are formed amongst its constituents.

Consciousness theories emphasize the importance of culture and shared ideas. A prominent example is the Gramscian tradition that theorizes about 'hegemony', where the domination of workers by capitalists can only be maintained if the former accept this class relation, which is justified on the basis of ideas and theories.

Over-determination theories do not privilege any of the aforementioned explanations in a deterministic fashion and instead consider them to be partial explanations. Still, the emphasis on class relations and a critical, emancipatory stance are maintained whilst theorizing the capitalist system.

Some current noteworthy traditions

Regulation School

Economists in the Regulation School (e.g. Michel Aglietta) research stability and continuity despite recurring crisis in the capitalist mode of production. They examine the historical and spatial existence of regimes of accumulation (such as post-war Fordism), which have a distinctive set of institutions, and a mode of regulation, that allows for their continuous reproduction in the sphere of production, consumption, politics, and international context. The regulation school combines aspects from Marxian theory with Institutionalist approaches.

World Systems Theory (e.g. Immanuel Wallerstein, Giovanni Arrighi, Beverly Silver, Jason W. Moore)

World Systems Theory economists (e.g. Immanuel Wallerstein, Giovanni Arrighi, Beverly Silver, Jason W. Moore) emphasize the exploitative nature of production relations and the unequal power distribution not within a capitalist state but on a global scale, between industrialized countries (the core), the 'developing' countries (the periphery) and interim countries (the semi-periphery).

Neo-Gramscian and Hegemony theories (Antonio Gramsci, Ernesto Laclau, Chantal Mouffe, Robert Cox)

Neo-Gramscian economists (e.g. Antonio Gramsci, Ernesto Laclau, Chantal Mouffe, Robert Cox) emphasize the political, cultural, and identity aspects in the struggle for a dominant structure of production and class relations (hegemony). Ideas and discourses alongside institutional and material power determine the existence of hegemony, which always stays contingent and is both historical and spatial.

Eco-Marxism (e.g. John Bellamy Foster, Paul Burke, James O'Connor)

Eco-Marxism evolved as a critique of a lack of class analyses in ecological thinking, and the absence of ecological writings in Marxism in the late 1980s (O'Connor 1988). These scholars were inspired by the so-called new social movements and ever since try to combine Red and Green thinking. Key to this approach is a re-reading of Marx in the light of the ecological dimensions of capital's reproduction. One of the most prominent arguments refers to the second contradiction of capitalism, namely the one that continued capital accumulation feeds upon its own conditions of existence ('nature'). Moreover, eco-Marxists claim that nature-society relations should be understood as a metabolism, consisting of the exchange of matter between society and nature, which is mediated through different modes of production. Similar to the alienation of the wage labourer, humans are alienated from nature, referring to an imbalance between the natural and economic cycle. This imbalance is deepening with the expansion of capital accumulation and is referred to as metabolic rift (Foster et al. 2011). In the midst of the present ecological crisis (of resources, energy, climate, etc.), the vision of eco-socialism is a viable vision for these scholars (see e.g. Löwy 2005).

Feminist-Marxism (e.g. Maria Mies, Silvia Federici, Frigga Haug)

Feminist Marxists address the oppression of women within capitalism and patriarchy. One important aspect is the organization of work and unpaid caring activities. Thereby, they point to omissions in Marxist analysis, in particular the reproductive work of women. In Marx's theory on the exploitation of labour, capitalists pay the labourers a wage for the reproduction of their workforce – but this reproduction only accounts for the consumption of goods, not for caring activities. The 'wage-for-housework' debate raised by Feminist Marxists in the 1970s (Mariarosa Dalla Costa, Silvia Federici) addressed this blind spot and served as a starting point for further feminist analysis on reproductive labour.

Overlap with other disciplines

Since most traditions of MPE reject the reduction of the analysis of capitalism to an economic realm only, there are many relations with other disciplines. Critical and Marxian analysis are to be found in Sociology, Political Science, International Relations and International Political Economy but also in Linguistics, Geography, Psychology (especially with regards to Freud and Lacan), social theory, and Philosophy.

Current special issues of the Global Labour Journal: precarity; unionism; decent work; labour standards.

9. Delineation from the mainstream

Resnick and Wolff (2006) contrast Marxists and Neoclassical Economics by showing that they have different entry points for the analysis of society and economy: Neoclassical Economics begins with the assumption of rational, self-interested individuals who interact via the market in a world of scarce resources, whereas MPE's entry point is the analysis of classes, be it in terms of power or in terms of ownership. The different entry points have vast implications for how to analyse the economy, for example, on how to analyse the income of individuals. According to MPE, individuals' income does not depend on their free decision on how much labour to supply or their marginal productivity but on the capitalists' appropriation of the surplus value. MPE criticizes neoclassical economics for ignoring the power relations between classes, as for Marx, these determine the behaviour and decisions of individuals. According to MPE, individuals are related by multiple societal, economic and political structures, not only via the organization of supply and demand within the market. Those socio-economic relations are determined by the mode of production – capitalism – which is characterized by hierarchies and conflicts. Thus, the economy is not a mere platform of exchange between equal individuals. For MPE, capitalism is one mode of production which evolved historically. Other forms (slavery, feudalism) existed and other modes of production may evolve (namely socialism). The historical analysis and the dynamic conception is necessary in order to understand current configurations of the economy.

Moreover, Marxist and Neoclassical Economics have different conceptions of capital, a central category of Marxist analysis. The neoclassical conception of capital is very broad, including money, means of production, but also knowledge or social networks (human and social capital). For MPE those things are perceived as capital if they are employed in the production process by the use of wage labour. Capital is a social relation, a relation which is determined by the exploitation of labour power.

Even if MPE does highlight certain laws of motion, it states that there is not one perception of the societal and economic reality, but that perceptions may vary. Thus, there is not one objective reality that needs to be analysed. Instead, the 'reality' that is discovered also depends on the perspective of the researcher and the methods used. Moreover, the political character of academia is stressed because science plays a crucial role in legitimizing and normalizing certain policies and social orders, while rendering others impossible. In this sense, Marxist political economists highlight their societal responsibility (real-world economics).

Historical representatives

Karl Marx, Friedrich Engels, Wilhelm Liebknecht, Ferdinand Lassalle August Bebel, Paul Lafargue, Karl Kautsky, E. Belfort Bax, Georgi Plekhanov, Dora Montefiore, Daniel DeLeon, Rosa Luxemburg, Eduard Bernstein, Clara Zetkin, Vladimir Lenin, Alexandra Kollontai, Leon Trotsky, Antonio Gramsci, Louis Althusser, Ernest Mandel, Paul Baran, Paul Sweezy, Michio Morishima, Shigeto Tsuru, Rudolf Hilferding

Journals

- New Left Review
- Monthly Review
- Global Labour Journal
- Historical Materialism
- Capitalism Nature Socialism
- Capital and Class, UK
- International Socialism
- International Journal of Political Economy,
- Socialist Register
- Review of Radical Political Economy
- Review of International Political Economy
- Socialist Register
- Cambridge Journal of Economics
- Science & Society
- Rethinking Marxism
- World Review of Political Economy

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