

Mark Blaug, Economic Theory in Retrospect pp. 284-285

#### Marx's Use of Historical Material

Although Marx was much more aware of methodological issues than, say, Ricardo, he made no serious effort in his writings to verify his conclusions or to check his predictions against the available body of data. This may seem a strange statement in view of the wealth of empirical material in *Capital*. But the statistical and historical data in *Capital* is used not to test the conclusions of theory but to build up a graphic picture of capitalist society. Marx is never ashamed to admit that the data is selective; it is meant to illustrate a thesis, not to establish it. By virtue of its style of presentation, however, it has a powerful effect upon the reader. The suggestion is that the conditions depicted are a necessary product of capitalism, generated by the peculiar nature of that system, and that similar conditions will be found wherever such a system is in force. But chapter 10 on 'The Working Day' demonstrates the need to ask in every case what conclusions can be legitimately drawn from the material presented. For example, it would be absurd to believe that the conditions described in the historical chapters reflect exploitation of labor rather than the low output per head of the working population in the early years of the 19th century. The living standards of the British working class during the Industrial Revolution could not have been raised significantly even by a perfectly egalitarian distribution of income. A glance at modern national income statistics shows that if we now confiscated all rents and profits, dividends and interest payments in countries like Great Britain and the United States and handed them over to the working class, wages and salaries would rise by about 20-25 percent, assuming that output would be unaffected by such a redistribution. If we accept the Marxist tenet that the rich have been getting richer and the poor poorer, the argument applies with double force to the 19th century. In the final analysis, the deplorable material standards of most working people in the heyday of the Industrial Revolution had more to do with the birth pangs of industrialization than with capitalist methods of organizing production. Similarly, 'alienation' of workers under capitalism, namely, a sense of isolation, self-estrangement, and powerlessness, has surely more to do with the hierarchical organization of the division of labor in factories than with the private ownership of the means of production? Marx is a past master of the fallacy of misplaced concreteness: all the ills of industrialization and urbanization are blamed on capitalism and the question whether socialism would really avoid these ills is brushed aside as Utopian futurology.