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Research Article

A Comparative Analysis Of Classic-Marxism And Neo-Marxism In The International Political Economy System

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Abstract. The objective of this paper is find out the deference of the Classic Marxism and Neo-Marxism. This article focuses on Classic Marxism and Neo-Marxism. The study is conducted with reference to existing theoretical literature on Marxism requirements for the International Political Economy system. The study is mainly a literature review and looks at literature relating to Classic-Marxism and Neo-Marxism. Moreover, the concept of relating the two topics has been under researched. The current methodology falls within the qualitative research methodology and comparative analysis done by observation. Classic Marxism originated in the early socialist era, inside the socialist labour movement, and specifically among its organizations and political parties. And Neo-Marxism Updates Marxist principles to account for the state of the world economy today. In this paper, authors tried to do a comparative analysis of classic Marxism and Neo-Marxism in the International Political Economy (IPE) system.

Keywords: Marxism, classic Marxism, Neo Marxism, IPE system.

INTRODUCTION

Karl Marx and Friedrich Engels established Marxism, an ideological and socio-economic concept (Hoselitz and Bert, 1949: 8). Its central tenet of communism is that everyone has a right to partake in the rewards of their labour. Still, this right is denied by a capitalist economic system, which creates two social groups non-owning employees as well as non-working capitalists (Maliniak, Daniel and Michael Tierne, 2011: 22). Marx referred to the ensuing circumstance as "alienation," and Marx said that alienation might be eliminated and socioeconomic disparities would end once the labourer took ownership of something like the rewards of his effort (Phillips and Nicola, 2011: 27). The failure of the 1848 European Revolutionary movements as well as the growing desire to expound on the Marxist theory which has an analytic rather than a social orientation led to modifications like Leninism and Maoism. Soviet Marxism seemed to have come to an end as a useful political or economic theory throughout the late twentieth century with the fall of the Soviet Union and its allies in the Eastern Bloc. China, however, embraced a number of democratic economic principles that it referred to as the progression instead of rejection of Marxism Philosophical thought (Karl Marx, 1973: 705). Marxism is still valued in the West as a theory of historical change and a criticism of market capitalism.

Marxism served as a foundation for Marxism-Leninism and Maoism, the revolutionary ideologies created by Vladimir Lenin in Russia and Mao Zedong in China, respectively, and it assisted in the consolidation, inspiration, and radicalization of elements of the labour and socialist movements in western Europe in the middle of the 19th century (Karl Marx, 1994: 211). In Germany, it also served as the model for a more moderate type of socialism that would later become social democracy (Amin, A., B. Gills, R. Palan, and P. Taylor, 1994: 9). In this paper, we tried to do a comparative analysis of classic Marxism and Neo-Marxism in the International Political Economy system.

LITERATURE REVIEW

Classic Marxism

The discussions as well as ideas now known as "classic Marxism", originated in the early socialist era, inside the socialist labour movement, and specifically among its organizations and political parties. At the same time, Karl Marx and Friedrich Engels were still alive. When the word "classic Marxism" is used here, it does not mean anything about its value. It is used to identify a particular historical and logical context (Bovenkerk, E, R. Miles and G. Verbunt, 1991: 383). We may divide "classic Marxism" into three distinct periods. The first is about the early ideas of socialism and the fights between Karl Marx and Friedrich Engels (Choonara and Joseph, 2009: 17). It is within this third generation, however, that a split within Marxism becomes clear. Marxism-Leninism may claim to be following in the footsteps of the classics by situating itself in those traditions, but it was "Austro-Marxism," followed by "left socialism" and "left communism," all of which are considered variants of "classical

Marxism," that made the most significant contributions to Marxism theory. So, the second big group, "Western and Heterodox Marxism," became the most important place for a Marx-based critique of society to grow and change. However, "Classic Marxism" is also used to explain several currents from the latter decade of the twentieth century, like Trotskyism and Maoism.

Marx's classic theory depicts capitalism has only the most recent iteration in a series of logically succeeding economies. He said that the way social and economic groups interact shows the larger, less personal forces at work in history (Farahmandpur, R, 2004: 46). According to Marx, all nations appear to be stratified into socioeconomic strata, with citizens having stronger values and interests than the other classes. A few fundamental points from Marx's analysis of classes struggle under capitalism would be as follows: In a capitalist society, the bourgeois and the company owners own and run the production equipment, while the proletariat, or workers, turn raw materials into products that can be sold. Worker commoners have limits in a free market economy where they do not have access to means of production. When unemployment rates are high, employees are quickly replaced. It further lowers its consumer perception. In order to increase profit, company owners must extract maximum productivity from their workforce while paying them the minimum wage. Workers are put in a position where they cannot protect themselves from being abused by employers, leading to a significant power differential.

Marx argued that employees were becoming bitter towards employers due to their lack of emotional investment in the success of the companies they worked for (Karl Marx, 1994: 211). The bourgeoisie can employ social institutions, including governments, journalism, and university, at the top institutions like the church and the banks, as weapons in opposition to the proletariat to protect their own privileged position. This led Marx to believe that capitalist society was doomed from the start. The alienation and exploitation of the proletariat that are intrinsic to capitalism ties could ultimately push the middle classes to revolt against the capitalists as well as take ownership of the means of manufacture. Those at the helm of this revolution were the educated few, the "warrior of a proletarian," who had a firm grasp on the nature of social stratification and could use that knowledge to rally the working class and foster a heightened sense of classes solidarity.

Neo-Marxism

As a theory of thought, Neo-Marxism Updates Marxist principles to account for the state of the world economy today. It rose to prominence in the 1960s and 1970s as technologists demonstrated that capitalism's policies stifled growth and widened the wealth gap between the North and South (Choonara and Joseph, 2009: 17). As a result, Neo-Marxists developed both dependence and modern world system theories that demonstrate the manner in which modernity capitalism had widened economic disparities throughout the globe. To gain a better understanding of Neo-Marxist assessments of neoliberal programs, it is necessary first carefully to evaluate and examine the various modern perspectives. Consideration of both proponents as well as detractors of the concept is necessary to determine the validity of the Neo-Marxism judgments. There claimed that Neo-Marxism ideas give a thorough appraisal of the

New International Financial Order as well as an appropriate understanding of how postmodern capitalists have increased the political and economic subordination of the South to the North (Choonara and Joseph, 2020: 24). This developmental issue evaluation is supported by an argument about liberal capitalism.

The argument behind it is that "liberalization increases the efficiency of resources usage, interchange of technologies, as well as greater chances for socioeconomic development than safeguarding domestic market and production." Modernity, which appears to be influenced by such an outlook, contends that its poor will reap the benefits of development as well as productivity if governments implement neoliberal restructuring policies and businesses accumulate financial capacity. In order to imitate established society, neo-libs believe less advanced countries "should learn from the development experiences of the already developed or pioneer nations." According to the IMF and the World Bank, it was "turned up at a consensus that neoliberal policies were required in less developed and emerging market economies" in the early 1990s when both were working alongside the US Treasury Department. Among these measures was an emphasis on deregulating the business environment, free-market policies, as well as public backing for private entrepreneurship (Malott C. S, 2011: 112). The United Nations proposed a number of business policies aimed at accelerating industrialization with in Developing World. Conversely, Neo-Marxists argue that Neo-liberalism and the Washington Consensus have led to economic stagnation that must be addressed by adopting new ideologies. Neo-Marxism theories postulate a fundamental connection between the Northern and Southern Hemispheres of the Universe. The former is a 'bottom-up' approach to international political economy that emphasizes the circumstances encountered by the poor and the oppressed; it emerged in the South and is focused squarely on issues and concerns unique to that region. Additionally, dependence theory evolved from development economics research in 1960s (Harvey, 2014: 378). The hypothesis posits that the North's rapid industrialization during the imperialist era seems to be what ultimately contributed to the South's poverty. As nations in the North amass vast amounts of wealth, those in the South sink further into poverty. Another key tenet of the dependence model would be that "western capitalism perpetuates the exploitation of the South, without the direct political domination of colonial." It is vital to analyze wherever neoliberal has also been applied in both developed and underdeveloped nations while analyzing modernity appraisals of neoliberal. Take Central America as an illustration of how neoliberalism became institutionalized there; that region had a gradual shift toward neoliberal capitalism so over the course of multiple successive programs. There's been one strategy in particular, an overvalued currency, that "artificially reduced that regional cost of import," but had "disastrous effects on the balance of payments and labour." That decline in saving and investment rates as well as the significant rise in public debt ratios owing to a high rate of interest is the result of other measures, also including local economic liberalization of the capital accounts. It was during Thatcher's watch (1979-1990) that neoliberal ideas were put into effect (Daly, 2017: 91). In contrast, she left behind the highest balance of payments in history, as well as massive bankruptcy, skyrocketing and rising unemployment, and rising inflation and interest rates in advanced

economies. The current financial crisis in the United Kingdom is a prime example of flaws in neoliberalism theory.

Critics from many schools of thought like Neo-Marxism have argued, reliance on the world organization is the root cause of underdevelopment. Dependency, economic exploitation, political subjugation, and military brutality have all contributed to keeping underdeveloped states in their current state. While conventional wisdom holds that developing nations may "keep pace" with the Western by embracing neoliberalism growth strategy, critique theory argues that this is impossible inside a global order dominated by the Western. To aid developing nations, the current global order, and especially the rich world's place inside it, needs to undergo a drastic shift. It has to be a fundamental shift in the underlying structure and not a play of "catch-up." This is due to the fact that the global system's privilege for rich nations depends upon this persistence of poverty elsewhere on the globe.

It is a central tenet of critical theory that "there exists a world structure in which dominant interests located in the advanced industrial world dominate and exploit the rest of the world using the economic, political, and military methods," and this is true regardless of the specific critical theory being examined. According to Frank's analysis, the global system is a series of interconnected metropolises and satellites. Every megacity rules over its satellite(s), exploits them, and benefits economically (Helleiner, 2002: 327). The international society seems to be a hierarchy. Frank sees the excess moving up and out from the bottom of the chain. Frank thinks he has to leave the systems entirely in order to grow. Once a state becomes a satellite, the only time it may flourish is when links to the metropolis are severed or weakened, like during battle and perhaps a recession. For proponents of this theory, progress is necessarily incremental and "catching up" is never possible. A new international economic order needs to be built for growth to occur, resulting in modified economic ties in a way that'd reform industrialized and undeveloped nations rather than just forcing its former to adapt to northern patterns.

However, dependency theory is deficient in explaining capitalist interactions as intrinsically destructive and predicated on exploitation. While unemployment, as well as lack of development, were serious issues on a worldwide scale, they are not the only characteristics of the world's marketplace. Accordingly, a personal opinion on the significance of the topic of economic stagnation inside the global political economy could affect how much they suspect social constructivism facilitates comprehension of such trade cooperation (Farahmandpur, R, 2004: 46). Furthermore, problems are discovered in the Interdependence economic theories study on poverty. Because "dependence" does not provide a meaningful understanding of economic stagnation while emphasizing the reality of its development, Despite a few outliers like South Africa and Australia, the globe is often regarded to be split between the established, affluent nations of the Northern Hemisphere and the underdeveloped, impoverished nations of the Southern Hemisphere and now superpowers just the United States, advanced nations Japan, Germany, and the United Kingdom, and developing countries China, Bolivia, and so on. There is also the 2nd World as well as developing nations.

The better macroeconomic theory considers a single underlying and growing global ecosystem rather than a traditional view of three distinct stages of growth. Focusing on a diversity perspective, the position, pushed mainly by American economist Immanuel Wallenstein, utilizes several aspects present inside the Scenario, such as seeing progress in global settings instead of concentrating on financial growth in particular nations. Wallenstein, on the other hand, "moves beyond the static dualism of the dependence concepts then understanding the world in term of "core" as well as "periphery," highlighting important distinctions between the different hypotheses. There seem to be "central nations," such as the United States and Japan; "semi-peripheral countries," Though the Dependency Theory predicted that the developed world would always exploit developing countries, "a few countries of the world were experiencing economics development in terms of industrialization including the Asian Tigers of South Korea, Hong Kong, Singapore, and Taiwan, and Latin American nations including such Brazil," among others (Helleiner, 2002: 327).

In order to foreign interruption to commerce via locally creating alternatives for such items formerly imported. It is a strategy that the governments in less developed nations might utilize for accomplishing industrialization as well as structural improvements. Wallenstein promotes the core and periphery to establish globalization. This paradigm's legitimacy and allure stemmed from its recognition of an expanding internationalization industrial system. In order to Political decisions expand as well as attract finance to the global setting as well as on a global scale. These huge corporate businesses are among the most important new players at that global level, and they've been working hard to setting up a new global section for production. Wherever there exists a cash balance of fully skilled scientific and technical workers. Profit could be reported in those nations where taxes are lowest. In this manner are doing the multinational highlight, perhaps reflecting, this interconnectedness among central as well as peripheral states. Wallenstein suggests an alternative to importing to shift a region's position from peripheral to fundamental. Trade liberalization causes an outward interruption of commerce by locally creating substitutes for previously imported items (Khor Martin, 2007: 6). It's a plan that governments of less-developed countries can use to industrialize their countries and make structural improvements.

Consequently, this is indeed plausible Neo-Marxism judgments of just a growing persistent as well as growing imbalance and domination between the Globe Northern and Southern established by postmodern strategies were legitimate and very well. The emergence of reliance as well as the Modern World System as crucial hypotheses rightly questioned postmodern strategies for economic changes but also how underpinning capitalism would have led to a center being centralized within places of such North. Moreover, there are problems in the Dependency Theory, as indicated, as well as the necessity of solution-oriented discussion on developmental issues facing developing countries. Importantly, Wallenstein's World Systems Theory has effectively been capable of covering not only inner as well as peripheral nations but those relating to peripheral, these included developing market economies.

METHODOLOGY

The study is conducted with reference to existing theoretical literature on Marxism requirements for the International Political Economy system. The study is mainly a literature review and looks at literature relating to Classic-Marxism and Neo-Marxism. Moreover, the concept of relating the two topics has been under researched. The current methodology falls within the qualitative research methodology and comparative analysis done by observation.

RESULTS AND DISCUSSION

Comparative analysis of Classic-Marxism and Neo-Marxism

In terms of underlying political tenets, Classic-Marxism and Neo-Marxism are two distinct philosophical movements. Karl Marx is often credited with developing Classic-Marxism, whereas Neo-Marxism is a catchall word for a variety of philosophies which developed out of Marxism. To put it simply, it is the key distinction between the two words. Communists are people who hold the ideal of complete independence. Marx said that in order to understand freedom, one must first be able to stand on one's own two feet. The capitalist system has robbed people of their basic freedoms. The tragedy is that most people have accepted it without resisting it, preferring instead to live in a realm of false awareness where they are free only in name. The very worst thing that ever occurred to humanity was the rise of the capitalist system since it devalues individual innovation. The least we can do is to counter claims like "capitalism encourages creativity" with arguments of our own. There were two main schools of thought among Marxist communists following his death. A true Classic-Marxism is one that takes Marx's revolutionary theory and his notion of freedom seriously. Authoritarian tendencies emerge within those individuals over time.

Those who prioritize Marx's concept of total liberty are referred to as Neo-Marxists or members of the Critical School of Marxism. Those who disagree with Marx's historical materialist theory and believe that Marx's model of base and superstructures, which includes institutions such as religion and literacy, plays a significant role in establishing a modern nation's hegemonic position (Veblen Thorstein, 1909: 631). For the most part, we adhere to Neo-Marxist principles. As a communist, our worldview seems drastically from the norm. That which is often accepted as obvious makes no sense to me. It seems to reason that one should choose a line of work that promises substantial opportunities for advancement. We see this as a kind of servitude to the economic system that had already shaped your worldview in this way. Users give in to societal demands for capitalism rather than pursuing their own interests, and thus end up doing what their oppressor wants them to do.

Marxism is a useless and annoying concept that has to be abandoned. Marx wasn't a prophet out to found a new society; he had been an academic seeking to further the study of human society. It's to everyone's benefit that not a single "Marxism" adheres strictly to any one interpretation of Marx. Despite the fact that the label "Marxist" made him cringe, "science-based socialist" has been what Marx was. "Classical Marxism" is used to describe the socialist movement's prevailing beliefs during Marx's lifetime, before Bernstein's revisionism and Lenin's revolutionary revisionism diverged Marxism in opposite directions. Most likely, by Neo-Marxism,

you refer to Western literary criticism, of which Marx was the foundation after the Second World War. However, it is necessary to note that current critiques have advanced in significant ways that go beyond the issues Marx is concerned on.

Marxism would be a term used to refer to a variety of revolutionary types of critical social theory that become conceptually identical to the present Darwinism understanding of evolution. Similarly, how the only people talking about "Darwinism" are evolutionists who do not accept scientific evidence. The only ones coming with idiomatic phrases like "Neo-Marxism" are anti-socialists seeking methods to denigrate those they disagree with all political ideology eventually undergoes refinement, alteration, updating, as well as, in certain cases, complete rejection. Marx's theories have spawned a plethora of theoretical approaches, many of which are so diluted that no longer bear any resemblance to Marxism.

CONCLUSION

In the conclusion, this paper found that classic Marxism depicts capitalism has only the most recent iteration in a series of logically succeeding economies. He argued that the dynamics between socioeconomic groups reflect the larger, more impersonal forces working in history. Neo-Marxism theories postulate a fundamental connection between the Northern and Southern Hemispheres of the Universe. The former is a 'bottom-up,' approach to international political economy that places an emphasis upon the circumstances encountered by the poor and the oppressed; it emerged in the South and is focused squarely on issues and concerns unique to that region.

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