Marx’s principles of a just income distribution

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Karl Heinrich Marx
(1818 – 1883)

• born in Trier, Kingdom of Prussia's Province of the Lower Rhine
• Education:
  • University of Bonn
  • University of Berlin
  • University of Jena
• Influences on Marx's thought:
  • Hegel
  • Adam Smith and David Ricardo
  • J.J. Rousseau, Ch Fourier
  • Ludwig Feuerbach
Karl Heinrich Marx
(1818 – 1883)

- Writings:
  - On the Jewish Question (1843)
  - Economic and Political Manuscripts of 1844
  - Communist Manifesto (1848)
  - Capital (1867-95)
  - Theory of Surplus Value (1862)
  - Critique of the Gotha Programme (1875)
Capitalism

He based his studies in the struggle of classes and surplus in the capitalism, in which he differentiated two kinds of social classes:

- **Working class or proletariat**
- **Bourgeoisie**
What is his argument?

- Capitalism system of income distribution is too unequal.
- He argues that the history of humanity divides in different stages:
  - *Primitive Communism*
  - *Slave Society*
  - *Feudalism*
  - *Capitalism*
  - *Socialism*
  - *Communism*
What does he propose?

He proposes a more equalitarian system that we can divide in two:

- The income distribution in the socialist sphere
- The income distribution in the communist sphere
The income distribution within the socialist sphere

- Not equal salaries.
- Income in relation on what they contribute to their society.
- “equal amount of product for equal amount of labor”
The income distribution within the socialist sphere

• Why:
  – Inborn abilities:
    One man is superior to another physically or mentally," states Marx, "and so supplies more labor in the same time, or can labor for a longer time (...) It recognizes no class differences, because everyone is only a worker like everyone else; but it tacitly recognizes unequal individual endowment and thus productive capacity as natural privileges. It is, therefore, a right of inequality, in its content, like every right.

  – Acquired abilities:
    As long as higher skills are obtained by individual effort, schooling or experience such income differentials may be ‘deserved'
The income distribution within the socialist sphere

Why does he propose so?

- Society comes from a capitalist system, which can’t disappear from one day to another
- Society cannot yet provide the level of justice and equality necessary to cover everyone’s needs
- Because of the scarcity, the people will have to accustom to an income according to their production, not to their needs
The income distribution in the communism sphere

Two types of communism:

- Crude Communism
- True Communism
The income distribution in the Crude Communism sphere

- He opposes to because it supposes the equality
  "it aims to destroy everything which is incapable of being possessed by everyone," because "it wishes to eliminate talent etc. by force"
- Comparison between Crude communism and Prostitution.
The income distribution in the True Communism sphere

- Not equal salary
- “From each according to his ability, to each according to his need”
- Every worker will receive a salary according to his needs.
- “The worker must have just what is necessary for him to want to live, and he must want to live only in order to have this.”
The income distribution in the True Communism sphere

- Who has different needs?
  - Better workers
  - Better educated people
  - Politicians because of their education
  - No discrimination about the sex, ages, races, classes, etc.
Marx’s ideas used in reality: Soviet Union

- Lenin used the ideas of Marx and Engels to build a socialism, and later on, communism society.
- Stalin’s „the law of value under socialism“
- Model of a centrally planned economy with a built-in regulated market mechanism.
- Marxism-Leninism.
Criticism

- Criticism from the disidents of Soviet Union
- Milton Friedman and monetarism <=> Marx and the theory of income distribution
- Criticism also his others theories, e.g. theory of the superstructur
Conclusion

- Marx divided society in several levels that are changed by time
- Main work: Das Kapital
- Difference between income distribution in socialism and communism
- His theories have a good background, but they were misused and/or some of them were criticized
Thank you for your attention

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