

[Think piece: Why Marx was wrong about capitalism](#) [1]

Written by [Dr Madsen Pirie](#) [2] | Thursday 11 April 2013



On Tuesday, Madsen took part in an Intelligence Squared debate at the Royal Geographical Society on the motion that "Karl Marx was right: capitalism post-2008 is falling apart under the weight of its own contradictions." Speaking in favour of the motion were Tristram Hunt MP, Robin Blackburn and Frank Furedi, while against it were George Magnus, Madsen Pirie and Judith Shapiro. The vote taken before the start of the debate saw the audience roughly equally divided between those in favour, those against, and those undecided. The vote after the debate saw a huge majority against the motion, with most of those undecided switching to vote against it. People will be able to watch the debate when it is posted on Intelligence Squared's YouTube channel. Meanwhile the text of Madsen's speech can be read here:

Like many public figures who leave a legacy, either in their writings or their deeds, Karl Marx was sometimes right and sometimes wrong. I concentrate on some of the things about which he was wrong.

He was wrong to predict that history would take us to the inevitable triumph of the proletariat and then stop. History shows no signs of doing either. Marx was also wrong to suggest that this would happen first in the most advanced economies as the final stage of capitalism. In fact such revolutions as came took place in less developed economies such as Russia and China. It has not happened in the advanced economies, and this could be because Marx was wrong about something else.

He predicted that capitalism would drive down wages to survival level before its final denouement. In fact as economies became more advanced, both wages and living standards rose to levels not even dreamt of in Marx's day, and this seems to have lowered the pressure for revolutionary change.

Marx was also wrong about something more fundamental. He was wrong about change. I don't just mean that he was wrong about the changes that would come about; more fundamentally he was wrong about how change takes place. He took the Hegelian model of change.

[Continue reading](#). [3]

[blog comments powered by Disqus](#) [5]

Source URL: <http://www.adamsmith.org/blog/economics/think-piece-why-marx-was-wrong-about-capitalism>

Links:

[1] <http://www.adamsmith.org/blog/economics/think-piece-why-marx-was-wrong-about-capitalism>

[2] <http://www.adamsmith.org/taxonomy/term/5779>

[3] <http://www.adamsmith.org/research/think-pieces/why-marx-was-wrong-about-capitalism>

[4] http://disqus.com/?ref_noscript

[5] <http://disqus.com>