

David Corzo - 20190432 - 2021/03/11

Socratic Discussion #6 – Marx and Keynes' Political Theory

Synthesis (200):

Marx video: Karl Marx was a political and economic critic that was one of the first to diagnose the major problems of capitalism, although his solutions to the capitalist problem are indeed erroneous Marx was very much like a doctor discovering a disease but not prescribing the correct treatment. All though Marx's work created horrible human conditions and totalitarian regimes he diagnosed the problems of capitalism and have to thus consider his critiques to build a better and conscious society, not with communism or socialism but instead bettering the flaws pointed out by him to create a better capitalism in which we can all live better.

Keynes video: Keynes was an economist that culminated his career in the middle of a worldwide unemployment crisis. He proposed that wise regulation and good government policies using smart spending could get whole economies out of the recessions that at the time were so common. All though his theory has flaws and is far from perfect, his theories are regarded as useful to some. Sometime after he died at the age of 62 the economic spotlight were turned to liberal thinkers such as Hayek and Friedman for a better theory and explanation on various economic phenomenon.

New concepts (30 c/u):

- **Alienation:** "the Marxist theory of alienation describes the social alienation of people from aspects of their human nature as a consequence of living in a society of stratified social classes."

Source: https://en.wikipedia.org/wiki/Marx's_theory_of_alienation

- **The multiplier effect:** " A Keynesian multiplier is a theory that states the economy will flourish the more the government spends. According to the theory, the net effect is greater than the dollar amount spent by the government. Critics of this theory state that it ignores how governments finance spending by taxation or through debt issues."

Source: <https://www.investopedia.com/ask/answers/09/keynesian-multiplier.asp#:~:text=A%20Keynesian%20multiplier%20is%20a,taxation%20or%20through%20debt%20issues.>

Author description (50):

- YouTube "The School Of Life": " The School of Life is an educational company that offers advice on life issues. It was founded by a number of intellectuals in 2008. The School offers a variety of programs and services covering finding fulfilling work, mastering relationships, achieving calm, and understanding and changing the world. The School of Life, founded by a number of writers and thinkers, including author Alain de Botton, is staffed by psychotherapists, artists, and educators. The faculty includes philosophers Mark Vernon, Robert Rowland Smith, and writer John Armstrong."

Source: https://en.wikipedia.org/wiki/The_School_of_Life

Context description (50):

Marx died the same year Keynes was born. The context of Marx was one in which he saw the elite brutally abusing the workers with no breaks, endless work and little pay. These events enraged Marx and he sought to want to speak against it. In very much the same chaotic context Keynes was born and grew up in the midst of one of the greatest economic recession and unemployment crisis in history, he wanted to create a model in which he could explain the reason behind these recessions and extreme unemployment. After creating this model and writing it down

he went ahead and prescribed a solution for it, he proposed that government, by enacting smart and wise legislation could solve the crisis via public spending, in his model this makes sense because of the multiplier effect. Both thinkers diagnosed problems of their time, perhaps did not prescribe the best solutions but definitely diagnosed them, and identifying the problem is the first step in trying to solve it.

Source: https://en.wikipedia.org/wiki/John_Maynard_Keynes, https://en.wikipedia.org/wiki/Karl_Marx

Questions to the author:

1. Didn't Keynes just create a good excuse for governments to misuse funds?
2. If the nature of a communist utopia is what we would like to aspire to, how do you think we can get there without the risk of a totalitarian dictatorship?

Sources of information:

Source in the video (50): References to the communist manifesto: The Communist Manifesto is a book that outlines the steps necessary in order to implement communism in a society, it involves the implementation of a totalitarian regime and through that get to the final utopia awaiting humanity at the other end. It has been recognized as one of the worlds most influential documents.

Source: https://en.wikipedia.org/wiki/The_Communist_Manifesto

External sources (75): Milton Friedman's critique of Keynesian Theory: Milton Friedman opposed Keynesian economics, the difference between their theories is that one involves the correction of an economy via government expenditures (Keynes) and the other through governmental control of money in the economy. These theories gained popularity especially in countries that were going through recessions.

Sources: <https://www.investopedia.com/terms/k/keynes.asp#:~:text=Monetarist%20economics%20is%20Milton%20Friedman,Keynesian%20economics%20involves%20government%20expenditures>