

# Ownership as an economic category in the research of Karl Marx and their importance in the history of economic thought

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**Abstract:** *The article deals with the problem of ownership as a scientific category. An analysis of Karl Marx's output is made to explain the place of this economic category in the category of dialectic. The subject of the study is "Capital" (three volumes) and other studies by Marx, mainly "Grundrisse der Kritik der politischen Oekonomie" (1857).*

*The article emphasizes the semantic differences of such concepts as: ownership, possession, disposal and derivatives.*

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## Introduction

A critical point without which it is impossible to explain where in Karl Marx's research additional value and profit is contained in the forms of manifestation of the essence and phenomenon and in intermediate links transforming the value in the price of production.

David Ricardo did not understand the process of transforming values into the price of production, because he claimed that capitals that set in motion the same amount of live work should, under other unchanged conditions, bring the same additional value and profit. In a letter to Ludwig Kugelmann (6 June 1886), Marx wrote that when examining the law of values, the task "is precisely to explain how the law of values manifests itself" [Karl Marx, Friedrich Engels: *Selected Letters*. Warsaw 1951, p. 274].

The distinction between the legal and economic notion of ownership has become widespread in modern science. However, the meaning of this distinction is not always clear. The Polish translation of the text "Theory of Supplementary Value" subjectises the Marxist conception of property as a subjectively existing, regardless of law and social consciousness, the economic relation. If one takes into account Marx's isolated statements, with proper selection of quotes, each of the formulated distinctions can be defended and refuted, especially when quotations are included in the contemporary terminological context. In order to support this concept, that Marx's property was to be treated as a legal category, it is enough to rely on its well-known text: "At a certain level of their material development, the productive forces of society fall into contradiction with existing production relations or - *which is only a legal expression* - with property relations within which they have been developed so far." [Karl Marx, Friedrich Engels: *Works*, Volume 13, Warsaw 1966, p. 9, italics - GM].

But the confrontation of this text with the following excerpt from Jean Baptist von Schweitzer will give supporters of the legal interpretation of Marx's position, problems: "on the question of what she [modern property] is, you could only answer by giving a critical analysis of political economy, including all these property relations not in their a legal expression, as relations of will, but in their real form, that is, as relations of production" [Karl Marx, Fryderyk Engels: *Works*, Volume 16, Book and Knowledge. Warsaw 1968, p. 30]. Dozens of other statements leave no doubt that Marx saw in the economy the essence of ownership, beginning with the statement in "German Ideology" that "division of labor and private property are identical expressions - one of them says the same about activity, which is said in the second about the product of the activity" [Karl Marx, Friedrich Engels: *Works*, Volume 3. Book and Knowledge. Warsaw 1961, p. 35].

When Marx considers the property in the *Grundrisse der Kritik der Politischen Ökonomie* as the inorganic nature of subjectivity, the situation is more complex. The "subjectivity" in Marx's text does not mean a psychological sense, a spiritual state, as understood by academic philosophy, identifying subjectivity with spirituality, subjective activity with the activity of pure psyche. But the examination of the psychological aspects of property is very important, especially today. This applies to global financial markets.

Nicos Poulantzas and Charles Bettelheim, the latter in his book, *Calcul économique et formes de propriété*, point to the influence of political factors on ownership. Later, the Nobel Prize winner (2006) in the field of economics, Edmund Strother Phelps, will point to the influence of political factors on the shaping of the streams of money and capital in the modern economy.

### **I. Theoretical categories**

Theoretical categories are burdened with a specific tradition and this tradition can not be eliminated by introducing a different understanding of the category. The specified theoretical-methodological apparatus is always connected with a specific type of theoretical positions and can not be arbitrarily transferred to the expression of other types of positions.

Ownership relations, production and exchange relations, and relation to the means of production are homogeneous, interrelated and deterministic categories. They serve to characterize objective economic ties. In the work *Capital*, the product is consciously treated by Marx as an initial category for the analysis of the capitalist mode of production.

Property is the starting category in the sense that it is a condition of all production, in all economic activity of people in all ages. All production is the appropriation of nature carried out by people in certain social forms. In specifying this general thesis, it is argued that a more substantive and valid methodologically has a thesis claiming that the basic category is not ownership at all, but the ownership of means of production and circulation.

Marx showed that in the whole of economic life the primacy has production, that the relations of production determine the relations of division and consumption. He also showed that the way of combining resources with producers distinguishes the economic era of social structure.

(Karl Marx: "Capital." Volume II: Book and Knowledge, Warsaw 1955, p. 37-38.).

The term "fusion" means the various forms of ownership of the means of production. The thesis that ownership is the initial category of the system of theoretical economics is

equivalent on the basis of the methodological directive to starting the scientific analysis of the economic system in any historical period from the examination of the forms of ownership of the means of production.

Karl Marx is particularly emphatic in the essence of the economically understood property relationship in "Grundrisse der Kritik der politischen Oekonomie". Marx stated there that the capitalist can be equipped with the power to employ and release the worker, to the command and supervisor of production processes, to the power to determine the purposes of use of the means of production that he owns, and finally with the power to dispose of the manufactured goods, and despite all these authorities and laws will remain he is the nominal owner of the raw material and tools of labor, if only the laborer employed by him does not produce his surplus value, if he did not multiply the capital that was spent on the purchase of means of production and labor, if the capitalist would not be able to obtain basic means of subsistence.

In "Grundrisse der Kritik der politischen Oekonomie," Marx stated the following: "ownership of the raw material and tools would then only be nominal: economically, raw material and work tools would belong to the worker as much as they belonged to the capitalist, when they would create for capitalist value only as much as he would be a worker himself. Therefore, he would refer to them not as capital, but as the ordinary raw material and means of work, as the worker himself does in the production process. "

(Carl Marx: "Grundrisse der Kritik der politischen Oekonomie." Berlin 1974, p. 279).

It follows from the above quotations that the ratio of ownership of objective working conditions retains in Marx a relative autonomy, also in relation to direct production work. In Marx's opinion, the economic owner of the means of production is not only the one who thanks to the means of production obtains an additional product, but also the one who appropriates thanks to them those factors of production that are not the work of his workers' means of production.

Ownership of the means of production allows their owner to use products made of and from activities carried out in front of "natural agents of socialized work". That is what Marx defined in the manuscript of "Capital" from 1861-1863 functioning in the production process and creating the material resources of nature for the owner. He included wind, water, steam and electricity.

Marx wrote: "these forces of nature cost nothing as such. They are not a product of human labor. But their appropriation is carried out only with the help of machines that are

entitled to value because they are a product of a past work. Therefore, the forces of nature, as agents of the work process, are only covered by machines and only machine owners do. "

(K. Marx, F. Engels: "Sochinniaja." Vol. 47. Moscow 1973, p. 553.).

In the third volume of Capital, the monopoly of using the power of nature, such as from a waterfall supplying mechanical energy. From a rich mine, from water abounding in fish or from a favorable construction site, it is considered a source of additional profit.

(Karl Marx: "Capital." Volume III, Part 2. Warsaw 1959, pp. 210, 212, 348.)

In another place in the same work, Marx said that the appropriation of nature's forces constitutes a primary and necessary condition for the possible appropriation of additional work.

Another object of free appropriation due to the ownership of the means of production is for Marx science and its products. Private property enables monopolistic use of the past generations' past, theoretical progress of humanity. He claimed that capital does not create science, but uses it, appropriates it for the needs of the production process. In the first volume of Capital, Marx wrote the following: nothing "(...) cost capital coupled to the production processes of nature's strength, like water, steam, etc. (...) The science is the same as with the forces of nature. The law about tilting the magnetic needle in the field of electric current or the law that the electric current running around the iron bar arouses magnetism in it, the next day after the discovery it does not cost you any more "

(K. Marx: "Capital." Volume I. Book and Knowledge, Warsaw 1951, p. 457.).

From the current reasoning, it appears that Marx explained the extremely important elements of the production process through which ownership manifests itself as a relatively autonomous in relation to work a set of production relations. Marx emphatically emphasizes the relative autonomy of property relations in labor relations, since the functions of property as an economic phenomenon can never be revealed without the mediation of human labor.

## **II. Disputes about property as an economic category**

To examine ownership as an economic category, it is important to correctly distinguish such concepts as ownership, possession, disposal and use. Around the category of property, the scholars are engaged in arguments, discussions and polemics. Next, the position in these disputes was formulated by three scholars:

- Professor V. P. Szkriedow, MGU. Moscow,
- Bettelheim Charles,
- Poulantzas Nicos.

The position of V.P. Szkriedowa on ownership should be considered in the context of the question whether ownership is a legal or legal-economic relationship. Krediyev believed that possession, disposal and use are legal categories by means of which the economic but legal content of the property can be discovered. Historically, these concepts relate to things, without any division into means of production and means of consumption.

According to V. P. Szkriedowa, possession, disposal and use fall within the scope of ownership as a social legal relationship. The science of economics, said Schedled, does not take indifferent legal forms of ownership, but relies on them as previously known facts. Ownership, according to this methodologist, is not an economic category and can not be part of the political economy system. However, the economic content of ownership can be explained through the economic category system. He wrote in his book entitled: <Mietod issledowanija sobstwiennosti in K. Marx's "Capital" as follows: "Political economy does not give a direct answer to the question of what bourgeois property is. He responds indirectly to them. By describing the relations of production in the form of a system of its categories, political economy thus specifically characterizes private property as capitalist property. But in the same word, "ownership" is not made any different sense than the one that is directly contained in it in the legal definition. Economic content is passed on by capitalist property, which in the most general, abstract word, in a word, conveys what has been developed in the economic category system in all three volumes of *Capital*. "

(V. P. Szkriedow Mietod is sited in sobstwiennosti in K. Marx's "Capital" and the Ministry of Justice, Moscow 1973, p. 252.).

### **III. Ownership and ownership - Bettelheim and Poulantzas**

The analysis of the views of two scholars is made on the basis of the following books, of which they are authors. It is a book by Charles Bettelheim entitled "Calcul economique et formes de propriete" and a book by Nicos Poulantzas entitled "Les classes sociales dans le capitalisme aujourd'hui". Paris 1974. Both distinguish property and possession as relations of production from the legal expressions of these relations. They both talk about the difference between ownership and ownership. Further remarks will concern Bettelheim's views.

Economically understood ownership (possession) is, according to Bettelheim, grounded in the ability to set in motion the means of production. On the other hand, property as an economic relation is grounded in power (le pouvoir). It is the power - according to Bettelheim "(...) to determine, set the purposes of use and use of objects, which property

extends, especially the means of production and the power to dispose of products that will be obtained through these means of production."

(Charles Bettelheim: "Calcul économique et formes de propriété", Paris 1970, p. 58.).

In the most important parts of Bettelheim's book, the legal concept of the owner is the premise for an economic interpretation of the ownership relationship. Bettelheim is not only owned and owned by Bettelheim, but also by the state, treated as a legal entity, with power of disposal. The economic holders of the means of production are, in his opinion, under capitalism, those who perform the functions of property on behalf of the company: managers, management of enterprises.

The problem of ownership has long been the subject of research interests in economics and legal sciences. The need to dispose of the general theory of property is constantly felt not only by economic theorists, but also by historians, ethnographers, and sociologists. This reveals the interdisciplinary nature of the theory of ownership.

But at the same time, it must be stated that in modern, highly developed societies, property has lost its former goals of the guaranteeing factor:

- a prominent place in the structure of position and social prestige,
- participation in power and privileges.

Some theoreticians in the field of social sciences, dealing with the latest or modern economic history, take the view that economic structures can not be analyzed in terms of opposition between capital and labor, between the owners of the means of production and social groups deprived of ownership of production tools. It operates globally as a category of ownership, but it does not take into account the special importance of great property in the economy and economic policy of a given country. The term "capitalism" replaced by such terms as: post-industrial society, pluralist society, welfare state, consumer society, free time society, are euphemistic names. Meanwhile, the Marxist property category retains its heuristic power.

E. S. Phelps's research aimed at getting to know social structures brings a lot of new content to explain the issue that is the subject of this study.

## Conclusion

The above considerations lead to the following final conclusions:

- all key categories of *Capital* Karl Marx assume the concept of ownership in a more or less mediated manner,
- without the category of property, money and capital, the desired, sustainable economic development appropriate for contemporary capitalism can not be formulated and the specificities explained monetary and financial markets,
- the cognitive situation of modern economics suggests inevitably the necessary presence of the existing knowledge, and thus the thoughts of Karl Marx, in obtaining new knowledge.

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