

# Funding the Future

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*This is one of a series of posts that will ask what the most pertinent question raised by a prominent influencer of political economy might have been, and what the relevance of that question might be today. There is a list of all posts in the series at the end of each entry. The [origin of this series is noted here](#).*

*After the first two posts in this series, the topics have been chosen by me, and this is one of those. This series has been produced using what I describe as directed AI searches to establish positions with which I agree, followed by final editing before publication.*

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## The Karl Marx question

*Karl Marx was not the first to critique capitalism, but he remains the most enduring. Writing in the 19th century, he saw in industrialisation both extraordinary productive capacity and extraordinary human cost. His central claim was stark: capitalism contains within it contradictions so deep that it is fated to crisis.*

*The essence of Marx's analysis was simple. Capitalists make profits by paying workers less than the value they produce. But if wages are held down, workers cannot afford to buy what they produce. Capitalism, therefore, undermines its own market. It grows by exploiting labour, but in doing so, it weakens demand.*

*This contradiction leads directly to the Marx Question: if capitalism's natural tendency is to concentrate wealth in a few hands, impoverish the many, and generate recurrent crises, why do we still treat it as an inevitable and permanent system?*

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### 1. Exploitation as the engine of profit

Marx's labour theory of value argued that all profit ultimately comes from labour.

Machines may assist, but it is human labour that creates surplus value. Capitalists appropriate that surplus by paying workers less than the value they add.

This exploitation is not an accident; it is the system. Employers compete by squeezing wages, intensifying work, and cutting costs. The result is a structural bias towards inequality. Capital accumulates, labour is dispossessed.

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## **2. Crisis as a recurring feature**

Capitalism is not only unequal; it is unstable. By suppressing wages, it undermines its own demand base. Profits rise in the short term, but long-term markets falter. To bridge the gap, credit expands. Workers borrow to sustain consumption; firms borrow to expand production. Eventually, debt becomes unsustainable, bubbles burst, and crisis ensues.

This cycle — boom, credit expansion, bust — has repeated ever since Marx wrote. From the crash of 1873 to the Great Depression, from 2008's global financial crisis to today's looming debt crises, Marx's diagnosis looks disturbingly accurate.

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## **3. The concentration of capital**

Marx also foresaw the centralisation of wealth and power. Competition drives weaker firms out, leaving monopolies and oligopolies. Today, global corporations dominate markets, supply chains, and even governments. Tech giants command more data than states. Finance capital dominates politics. Wealth inequality has returned to levels not seen since the 19th century.

This concentration is not incidental. It is the logical endpoint of unregulated accumulation.

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## **4. The politics of denial**

Despite repeated crises and ever-widening inequality, capitalism is still presented as the natural, inevitable order of things. Alternatives are dismissed as utopian or dangerous. "There is no alternative," Margaret Thatcher declared, and neoliberalism turned it into dogma.

Why this denial? Because capitalism serves the interests of those who benefit from it —

the wealthy, the asset-owning, the powerful. They use their influence to control narratives, fund think tanks, capture politics, and shape media. Capitalism is not just an economic system; it is a political and ideological project sustained by those it enriches.

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## **5. Marx's unfinished revolution**

Marx believed capitalism would collapse under the weight of its contradictions, giving way to socialism. That has not happened. Capitalism has proved more adaptable than he foresaw. Welfare states, trade unions, and regulation mitigated its worst excesses in the mid-20th century, ensuring its survival at that time, especially when the 1930s had questioned that likelihood. But since the 1980s, those protections have been progressively dismantled. Neoliberalism has restored capitalism in a purer, harsher form — global, financialised, and extractive.

We now face the consequences Marx anticipated: unstable economies, grotesque inequality, and democratic erosion. His revolution never came, but his critique remains potent.

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## **6. What answering the Marx question might mean today**

To respond to the Marx Question, we need not replicate his prescriptions, but we cannot ignore his insights. If capitalism naturally concentrates wealth and generates crises, then stability and justice require countervailing power. That means:

- \* **Redistribution.** We need progressive taxation of income, wealth, inheritance, and capital gains to rebalance shares between labour and capital.
- \* **Labour empowerment.** Strong unions are essential, as is sectoral bargaining (for which I argued in my books *The Courageous State* and *The Joy of Tax*), workplace democracy, and minimum standards (including livable wages) that prevent exploitation.
- \* **Public ownership and planning.** Key sectors like energy, water, housing, and transport should serve public purpose, not profit.
- \* **Democratic regulation of capital.** Finance must be controlled, speculation curtailed, and credit directed into productive, sustainable uses.
- \* **Global cooperation.** Tax havens, secrecy jurisdictions, and unregulated global capital flows must be dismantled if nation-states are to reclaim democracy.

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### ***Inference***

The Marx Question asks whether a system that thrives on exploitation and crisis can

ever be sustainable. The evidence of history suggests not. Unless constrained by democratic power, capitalism eats itself: it devours labour, erodes communities, destroys the environment, and destabilises politics. The evidence for that hypothesis is now seen all around us.

Marx's insight was not that collapse was inevitable, but that contradictions are inescapable. Capitalism cannot be left to itself. Either it is rebalanced by deliberate, democratic intervention, or it will implode under its own weight.

The choice is stark: civilise capitalism, or let it destroy the very foundations on which it rests. Marx's question, left unanswered, is not about economics alone. It is about survival.

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### ***Previous posts in this series***

- \* [\*\*\*The economic questions\*\*\*](#)
- \* [\*\*\*Economic questions: The Henry Ford Question\*\*\*](#)
- \* [\*\*\*Economic questions: The Mark Carney Question\*\*\*](#)
- \* [\*\*\*Economics questions: The Keynes question\*\*\*](#)

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