

K.Marx's Conception on Ownership

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Abstract: According to K.Marx, ownership relations in an economic system can only be understood when they are placed in the entire real equivalent relations of production. Applying these methodological guidelines and from the contemporary world's prospect, it is needed to re-interpret and recheck his notion on the typical ownership relations in capitalism and socialism. This can remedy biased views on private ownership relations in a modern market economy as well as misunderstanding of the public ownership system. This also serves as necessary premises to continuously step up the renovation process in Vietnam.

Keywords: Marxism, private ownership, public ownership, market economy.

Subject classification: Economics

1. Introduction

Renovation in Vietnam is, in fact, a process of transferring from a centrally planned economy, designed on the basis of the thinking of the old-fashioned socialist economy, into a market economy. The great achievements that the renovation process has brought about, has confirmed the soundness of the transfer process. However, difficulties and uncertainties accumulated in Vietnam's current economy also show that the driving forces created by the recent renovation phase are weakening, and their exploitable potentials are running out. The renovation process should, therefore, be boosted in a thoroughgoing, more consistent

and less "hesitant" manner. To reach the target, elevating obstacles to thinking is necessary premise. Ownership is a core relationship in an economic system. In Vietnam, the issue of ownership is often discussed as a component of an economic model that a country should select. Therefore, the object of ownership that people care about is the means of production, not the consumer materials, and the question often posed is: which mode of ownership - public or private ownership - is the foundation for the "transition" economy in Vietnam? In the old economic model (before the renovation process), the dominance of the public ownership regime is seen as its essential feature. The reality of

transition gradually has clarified the role and position of the private sector, which has made both researchers and policymakers change their views on the correlation between public ownership and private ownership. However, until now, the notion of equating socialism with the dominance of public ownership and its consequences has still had an important influence over Vietnam's current policymaking processes when the development of the "market economy" has been associated with "socialist orientation". This is a knot in thinking that needs to be removed or re-evaluated. Since this concept originates from K.Marx, in this article, some of his related property arguments will be discussed again, based on his methodology as well as on the reality in Vietnam and the world in modern time. The article reviews K.Marx's conception on ownership from current realities in Vietnam and the world.

2. K.Marx's conception on general ownership relations

It is necessary to identify two layers of conception in K.Marx's conceptions: one related to his general methodological view on ownership; and the other related to his concrete conceptions on ownership in capitalism and socialism.

Regarding his general methodological view on ownership, he gives several noticeable theoretical points: "In each historical period, ownership developed in a different way and in completely different social relations. Thus, to define ownership is not something different but to display all

social relations of capitalist production" (the author underlined); "If ownership is defined as an independent relationship, a special category, an abstract and permanent concept, it will become metaphysical illusion or have only jurisprudent features" [2, pp.153-154].

"What Proudhon was actually dealing with was modern bourgeois property as it exists today. The question of what this is could have only been answered by a critical analysis of "political economy," embracing the totality of these property relations, considering not their legal aspect as relations of volition but their real form, that is, as relations of production" [3, p.193].

"The general conclusion at which I arrived and which, once reached, became the guiding principle of my studies can be summarised as follows: In the social production of their existence, men inevitably enter into definite relations, which are independent of their will, namely relations of production appropriate to a given stage in the development of their material forces of production. The totality of these relations of production constitutes the economic structure of society, the real foundation, on which arises a legal and political superstructure and to which correspond definite forms of social consciousness... At a certain stage of development, the material productive forces of society come into conflict with the existing relations of production or - this merely expresses the same thing in legal terms - with the property relations within the framework of which they have operated hitherto" [4, pp.14-15].

Thus, based on K.Marx's view, several remarks can be made, as follows:

Firstly, practical production relations are contents of the ownership relationship. Normally, on the surface of society, ownership relations exist as a form of legal expression of production relations. However, to understand the nature of ownership relations, they should be examined not in the legal expression but in their whole real form like production relations. If "to define capitalist ownership is not something different but the presentation of all social relations of the capitalist production," to learn about the ownership relations, it is necessary to start from all real production relations other than to go in the opposite direction. This also means, the definition of an ownership mode does not fall short in legal statements. If realist production relations (equivalent to the legal ownership form) are not set up, the legality of the ownership does not exist in the reality. In this case, ownership will not have the same contents as its cover of legality, that it wishes to express has. Even the conflict between the legal form and economic content of ownership will become a factor restraining the development process. For instance, if person named A is legally considered the single owner of a certain asset while other people can even still hold, appropriate, exploit the asset or get benefits of the asset without his authorisation, his ownership of the asset will exist in name only. So A will not want to seek ways to exploit his own asset in a creative and effective manner. Unlike in the case of my personal belongings, if a forest declared to be

owned by the people can be exploited even illegally by deforesters and foresters, this will not have any economic values to me in my capacity as a co-owner of the forest.

Secondly, ownership relations as well as production relations always have their own historical nature. Their formation, movement and development accord with the nature and development level of the production relations. One ownership relation, reflecting a certain production relation, will not disappear when it still lets production forces develop. A new ownership relation will not be shaped if productive forces have not yet fully developed and become a fulcrum for it. K.Marx wrote, "No social order is ever destroyed before all the productive forces for which it is sufficient have been developed, and new superior relations of production never replace older ones before the material conditions for their existence have matured within the framework of the old society" [4, pp.15-16]. In other words, ownership relations, relations of production can not surpass the level of productive forces. The mistake about a possibility of establishing an advanced relation of production, superior to the level of the existing productive forces, to open a road to the development of productive forces, really goes against K.Marx's viewpoint, and more importantly, it has been rejected by the reality. On the other hand, in modern societies, as productive forces, guided by scientific and technological revolutions, develop fast, social relations, including ownership relations, will anyway not stand still but evolve continuously.

Thirdly, various forms of ownership have existed in human history. “Common” ownership in the form of ownership of tribes, communes was seen as the primitive mode of ownership. Private ownership appeared only in the disintegration of the primitive communal system when social production and division of labour developed to a certain level. Private ownership also developed in various forms in slave, feudal and capitalist societies, of which capitalist ownership is considered as the highest level mode of private ownership.

In this general development, when a mode of ownership characterising a new, higher-level and more advanced society appears and replaces the ownership mode featuring the old society, this does not mean the old ownership mode completely disappears in all cases. The new society can inherit some historical products by admitting old ownership modes and forcing them to adapt to and depend on the new ownership mode. Therefore, when discussing concepts of capital and land rent, K.Marx considers that land rent is, generally speaking, the real economic presence of the ownership of land [7, p.270].

On the other hand, although land rent appeared before capital, the capitalist land rent could only be understood after having comprehended capital; meanwhile, capital can be understandable without the understanding of land rent [8, pp.74-75]. This means: when being admitted to the capitalist production system, ownership of land will also hold the mode of capitalist

land ownership. Likewise, in the capitalist production system, public ownership (via state ownership), private ownership of small-scale production people still remain as auxiliary and dependent modes of ownership. In other words, a mode of capital ownership having formed earlier, when existing in a new production system and being influenced by new social production relations, will be modified to adapt to and accord with a higher-level production system.

Fourthly, K.Marx also provides a guide to an important methodology when stating: “Bourgeois society was the most developed and most complex historic organisation of production. The categories which express its relations, the comprehension of its structure, thereby also allows insights into the structures and the relations of production of all the vanished social formations out of whose ruins and elements it built itself up, whose partly still unconquered remnants are carried along within it... Human anatomy contains a key to the anatomy of the ape. The intimations of higher development among the subordinate species, however, can be understood only after the higher development is already known. The bourgeois economy thus supplies the key to understand the ancient economy, etc [8, p.71].

Following this thought of K.Marx, it can be conceived that people should stand from the highest step of the development ladder of social history, to look into, examine the lower steps that human society has experienced before, if they want to thoroughly comprehend them. In other words, the current society is the key to

understand past societies rather than going in the opposite direction. Over the past 200 years, the world has drastically changed, and the pace of these changes has increased in recent decades. In this circumstance, it cannot be denied that today's capitalism and world are on the development ladder much higher than the 20th century's capitalism and world. Following the sense of the above mentioned discussion, the study on today's capitalism and world is the key, helping us to correctly understand capitalism and world in K.Marx time's. We can use the discussion to reappraise several specific concepts of his on ownership in capitalism and socialism.

3. K.Marx's views on capitalist ownership - the characteristic form of ownership of the system of market economy

K.Marx generalised and summarised the views on the capitalist ownership from the reality of his capitalist society. During his time, the capitalist ownership was a kind of private ownership in which means of production were possessed by a small group of capitalists. Most of the labourers had no means of production and were forced to become workers for hire. According to K.Marx, by possessing means of production, the capitalists dominated the production and appropriated the surplus value produced by workers. What the workers received was just the wage, i.e. the labour cost determined by the value of things necessary for living just enough for labour reproduction. Reproduction was also

the process that established the capitalist production relations, in which workers were impoverished and permanently bogged down in the status of labourers for hire. Since wages were only part of the total value created by workers, the capital-labour relationship is the relationship of exploitation. In this case, the origin of exploitation is the capitalist ownership of means of production [6] although its exploitation method differs from those of other private ownerships, relying on the directly-dependent relations. Therefore, the abolition of private ownership serving as the abolition of the "exploitation of man by man" was raised by K.Marx and F.Engels as a short formulation in the "Communist Manifesto" [1, p.68].

On the one hand, K.Marx's view and analysis of the capitalist ownership (and his predictions of types of ownership in the future society drawn from it), were based on his philosophical views on history. On the other hand, they also reflect vividly the real conditions of his time, the industrial engineering age, associated primarily with the first industrial revolution.

First, it can be said that K.Marx did not simply consider the ownership of the bourgeoisie merely a type of private ownership, but as a result of the development from other types of private ownership recorded previously in the history, making it completely different. In the slavery system, slave-owners not only possessed the means of production, but also owned the slaves themselves as "speaking tools." In feudalism, land - the main means of production - belonged to the landlords, while the serfs, though not as slaves, were

dependent on land and landlords. Those societies resulted in a type of natural economy, much relying on land and natural resources available; and the relationship between land owners and labourers was the directly-dependent relationship. Meanwhile, in the capitalist society, the economy is a universal commodity one (a true market economy) and the relationship between capitalists (as owners of means of production) and workers is the relationship between independent individuals. Thus, the capitalist private ownership is completely different from other types of private ownership in pre-capitalist societies.

K.Marx saw the capitalist production as a form of universal commodity production generally developing from the simple production of goods. He always asserted that private ownership was one of the two conditions leading to the birth and development of commodity production [6, p.72]. It is on the basis of private ownership that goods producers want to exchange goods with one another. The division of labour both separates and connects goods producers and ties them together. Only in the private ownership mode do goods holders see each other as independent economic subjects. When they are not able to arrogate others' products through direct distribution or through tributes, new market transactions are necessary. This view of K.Marx is consistent as he assumed that socialism, as a negation of capitalism, would be established on the basis of the public ownership of means of production. K.Marx always imagined in socialism there would be no goods production. In previous realistic

socialist models, when dealing with the fact that the commodity-monetary relations still exist, Marxist theorists had to erroneously fix this argument of K.Marx by explaining that in socialism, the relative separation of economic entities (not necessarily private ownership) is the basis for commodity and market relations [9, p.50]. However, in reality, once private ownership is not recognised or not properly recognised, market relations do not really grow and develop in a healthy way.

By K.Marx's account, it can be seen that a true market economy as a universal commodity economy must be based on the basis of the universally established and recognised private ownership of properties. In K.Marx's time, workers generally might not have the means of production, but it did not mean that they could not own the means of production once they were independent and free individuals, independent of others. They have the right to life, the right to work, the right to freely using their possessions, such as their bodies, knowledge, skills, etc. Those are the rights that slaves or serfs in previous societies did not have. This fact has opened up the possibility for them to possess other physical properties once labour productivity in the society increases and other social conditions come, allowing them to transform their labour capabilities into more money and properties - something that was impossible in K.Marx's time. On the other hand, it is the prevalence of the rights to ownership of private properties, with the abolition of the direct individual dependent relations that have made market relations popular².

Second, we should be more cautious, however, in accepting some of K.Marx's specific arguments on capitalist ownership (as well as his predictive views on ownership in socialism which will be analysed later in this article). In the end, his arguments on economics, in accordance with his philosophy, are merely a reflection of the industrial conditions in his time. They need to be tested as "what is reflected in reality is the standard for truth." Since his death in 1883, 135 years have gone by and the world has seen many changes. Therefore, it is easy to see that arguments raised by K.Marx and widely acknowledged can now no longer explain the world.

In reality, capitalism has so far yet to collapse as K.Marx predicted and still exists with new vitality suitable for the development of the knowledge-based economy. Realistic socialism, which was not born in most advanced capitalist countries like K.Marx's prediction, has in fact failed to achieve higher productivity than capitalism and collapsed. Countries that keep embarking on the socialist path like China and Vietnam have had to carry out reforms, moving from the centrally-planned economy to a market one, which was once negated by the former model of socialism. Such practical evidence requires the re-interpretation and reappraisal of K.Marx's theoretical arguments.

The argument that emphasises the conflict (not co-operation) between capital and labour as well as the exploitation nature of the capitalist production relations is based on the following two main points:

(1) labour is the only source that creates value (goods); and (2) the labour value of the hired workers (according to K.Marx, that is what the wage hinges around) is converted to the value of means of living necessary for workers' reproduction of labour. The first point was coined by pre-Marx economists (first by W. Petty), born in the context that the agricultural economy (in a new method of classification, it is assumed that the history of social production of human beings progresses in the order from the agricultural economy to industrial economy and now in the age of knowledge-based economy) was still dominant. In that age, manual labour is the most important resource, leading and dominating the process of creating wealth. Therefore, the value - labour theory was a mere reflection of that resource's historical importance. When the agricultural economy retreated, the value-labour theory also lost its ground in modern economics, replaced by new theories that better explain factors related to the increase and decrease in price and wage. A well-known example that economists later often mention to contest the value - labour theory is that the value of a natural pearl consists of not only the labour of the pearl diver, but also the value of the pearl itself which encourages people to go finding it, not the other way around. These theories also no longer view wage as a form of expression of labour value, in which the labour value of workers' is determined by the value of things necessary for living needed to reproduce their labour [6], as it is clearly not true in modern economies. It especially fails to explain the phenomenon

in which people with special working abilities earn steady and high incomes, such as athletes, singers, or talented chief executive officers³. Considering that wage is determined by the marginal product value of labour, modern economics explains more precisely the nature of wage and payment for all types of labour.

Moreover, unlike in K.Marx's time, many middle-class or rich people today may still be employed, though they are not completely people without means of production. According to K.Marx, one of the conditions to turn labour into commodity and make workers become hired labourers is the lack of means of production of workers. In a modern economy, especially when the service sector is increasingly growing, one person can be both an employee in this place and an entrepreneur in another. People can also work both as hired labourers and shareholders of enterprises where they work.

Previously, K.Marx held that the positions and functions in the production system between capital and labour were relatively static as the relationship between the two social factors was always self-reproductive. Workers received small wage only, just enough for them and their families' living, so they were stuck to the status of those without means of production and were forced to work as hired labourers. Today, along with scientific and technological advances, with the increase in the level of capital equipment in each unit of labour, marginal products created by labour serves as the basis for wage, and income in general, of workers to be gradually improved over time. On the other hand, the social security

system has been established and increasingly developed and access to education and health services has gradually been extended to all people in developed countries. In other words, institutions in a modern market economy have turned social flexibility into reality, so a desperately poor person can still rise to become rich and vice versa. The status of each person in the social production system is increasingly dependent on the accumulation of human capital (knowledge, skills, energy, will, etc.) rather than on physical resources. Due to this social flexibility, the gaps among classes in the society become blurred.

The above arguments point to the fact that the production relations of modern market societies necessary for a more accurate understanding of ownership relations in these societies as suggested by K.Marx are far different from those in his time. In fact, in K.Marx's time, the fierce nature of social class conflict and social conflict was undeniable and served as the practical basis for him to come to the prediction of an inevitable collapse in a the near future of his time. That conflict rooted from the relative weakness of poor labourers in the capitalist-labourer relations the efforts of capitalists, or private owners of means of production, to enrich themselves were driven by uncontrolled greed though those same efforts can bring prosperity to society, as A. Smith affirms [14, p.648]. However, the fact as we have seen is that the collapse of capitalism or of the market economy system based on the universal rights to private ownership did not occur. On the one hand, it has demonstrated its strong vitality as it is

suitable with the historical period in which human beings are essentially acting from self-interest, first for their own personal needs. Based on a well-respected and protected private ownership, this system encourages individuals to effectively exploit their possessions and potential in production and exchange activities to maximise their self-benefit. All have created the dynamism and prosperity of market economies. For that reason, in the past two hundred years, despite various changes in this system, “private ownership continues to play the central role.” Private ownership has not become any weaker, but been increasingly strengthened and developing to a more sophisticated level [16, p.41]. On the other hand, it continues to evolve via the self-improvement mechanism (learning mechanism) by developing institutions to protect vulnerable and disadvantaged individuals and punish fraudulent, unhealthy and abusive business conduct (towards disadvantaged groups), thus reducing conflicts and contradictions among interest groups. The modern state is playing the increasingly better role of arbitrator (the third party) in market transactions [16, p.65] by promulgating and enforcing the rules and regulations necessary for the effective operation of the private sector. The functions of the state have also been expanded to deal with “market failures” and protect free competition (antimonopoly, response to external effects, public goods supply, macroeconomic stability, etc.) in the market economy. Social security systems have been established and redistribution policies applied to minimise income

inequality. The expansion and perfection of the role of the state as an institution that provides public services helping maintain the healthy operation of the free market and complement and overcome market shortcomings have increased. The size of the public sector in modern market economies is much larger than that in K.Marx’s time, but it does not replace the private sector [11].

4. K.Marx’s views on ownership in socialism

K.Marx’s views on socialism and its distinctive public ownership are purely an outline predicting what might occur in future societies. The prediction was developed from practical evidence in K.Marx’s time, extrapolated from the “signs warning of the advent of a higher level” (socialism) that he learnt from the very body of “a lower-level creature” (capitalism). That extrapolation derived from his conception of historical development as a linear and natural process, in which capitalism would inevitably collapse and the capitalist private ownership would be replaced by an antagonistic form: the socialist public ownership of means of production. K.Marx argued that this replacement was obvious, based on the internal conflicts of capitalism. Those are the conflict between the increasing socialisation of the production system and the capitalist private ownership and the irreconcilable social class conflict between the hired workers and the bourgeoisie, or the exploiters. K.Marx thought that capitalism would be replaced in a natural manner by communism (in the form of socialism in the

first stage) - a higher socio-economic model. Under the principle of “negation of the negation,” he proposed that in the economic system of the new society, the capitalist private ownership would be abolished and replaced by the public ownership, which was suitable with the nature of the socialisation of the production system. By setting up the socialist public ownership, socialism as imagined by Marxist theorists could not only remove the exploitation-of-man-by-man regime, but also result in a far higher productivity than that in capitalism via the organisation of a planned production system in the whole society. That socialist economic nature is often identified as the public ownership system. As for the realistic socialist model, it can be seen that former socialist countries followed this path of K.Marx.

Therefore, the solution, which K.Marx proposed, to overcome the inherent conflicts in the capitalist market economy system is totally different from the self-improvement of the system as described above. Socialism in the Soviet Union and other socialist countries previously existed for a short period of time to “realise” and test K.Marx’s predictions. If based on “practical standards,” then the answer is clear.

However, there is one thing that needs clarifying: Is the collapse of realistic socialism (old-style) inevitable? Did the collapse take root from internal faults, or was it simply due to the subjective and momentary mistakes of leaders? Does the replacement of the universal private ownership by the universal public ownership help the economy operate more efficiently,

radically eradicate injustice and the exploitation of man by man, and implement social justice in line with the ideal and the target of socialism?

The abolition of the private ownership and the establishment of the public ownership of means of production in former socialist countries led to the centralised and comprehensive control of state over the production process, manifested first of all in the distribution of input for economic activities, forming the centrally-planned system. This system was seen as a mechanism to prevent the inherent spontaneity of the capitalist production system, thus ensuring the effectiveness of the social production system. The argument over the superiority of the mechanism to allocate input for centralised production activities through the state based on the public ownership was in fact based on the implicit assumption that it was conducted in a perfect country with perfect people. The perfect people, as economic agents and without private ownership, would change their motives to no longer act from self-interest. In principle, the state must always work for the common will, wish and interests of the society and it would always have the capacity to correctly identify those common interests. It would also have enough information and capacity to set and implement decisions in accordance with the common interests of the whole society, ensuring the smooth, balanced and effective operation for the economy. At the same time, individuals always sacrifice their own interests for the common interests⁴. These are very unrealistic

assumptions. Humans, regardless of working inside or outside the state apparatus, are not ideal individuals. They have different tastes and interests (even when they are co-owners of shared properties of the society) and potentially run the risk of conflicting with one another. Personal interests are still the driving force behind their behaviours, but the chance for them to pursue their personal interests in production and exchange activities has been limited dramatically when the market relations and the right to private ownership are significantly removed. To achieve their own interests, they are forced to advance on the hierarchy of power in the state apparatus or other social organisations (including “businesses”) which are prone to being state-owned. The pursuit of power and the contradiction between common and personal interests are objective factors that may lead to the abuse of state power. In addition, the capacity to devise and implement public decisions is always constrained by the ability to collect information and the ability to control people’s responses to government policies due to the bureaucratic inherence of the state apparatus. Decision-making in the public sector is a complex, collective process. Once the imposing power of the state is abused and the capacity of the state is limited, its decision-making and centralised mechanism of allocation of resources will be transformed into the mechanism of “asking for-giving” and become ineffective.

On the other hand, given the public ownership exercised in the form of state

ownership, the co-ownership of individuals does not, in fact, bring them the decision-making power over the assets they share. The inequality in access to information and the difference in decision-making power bring advantages to some people in the state apparatus. Based on these advantages, they appropriate public properties for personal interests (in this case, corruption turns into a form of exploitation). This derives from the nature of the absolute public ownership system, in which one may get properties or commodities of society without having to trade or buy.

Unlike the private ownership, in the public ownership system, people tend to treat their public assets as something not entirely theirs. The mechanism of benefit-and cost-sharing in using public assets among co-owners does not encourage those assigned to the management of public assets to make effective decisions. To them, both the rewards and the fines are negligible compared to the private-sector incentive system. This mechanism does not provide a strong enough incentive system, either, to encourage the remaining co-owners - ordinary people or workers - to actively participate in the supervision and protection of public assets, if it is the case which requires considerable efforts or sacrifice. The problem of “free riders” as in the case of public goods recurs. This is evident in the operation of state-owned enterprises, where it is hard to control and effectively solve the conflict of interest between the owners (e.g. the public) of public assets and those who are authorised to manage those assets. Inefficiency is exacerbated in reality when state-owned

enterprises often operate in an environment lack of competitiveness and less likely to run the risk of going bankrupt due to the support and favour of the state. Moreover, in state-owned enterprises, due to the fact that the assets do not belong to any specific individuals, it is difficult for the enterprises to design and implement effective incentive policies for individuals like in private businesses [13, pp.200-205].

When the public ownership regime is fully established and labourers generally become without private properties, the distribution according to labour naturally becomes the guiding principle that regulates the division of output results. It is also considered an equal distribution mechanism. However, the inefficiency in the allocation and use of input resources, as analysed above, has also resulted in undesirable consequences in the distribution of output. *First*, the decrease in the common efficiency will reduce the general welfare and well-being of the whole society. *Second*, the allocation of labour in a centralised manner that is not based on the capacities and interests of individuals also reduces their welfare. *Third*, the absence of an objective measurement method for the quantity and quality of labour that each individual contributes makes it inevitable for the method of labour distribution to become relatively equalitarian for the majority of workers. *Fourth*, the abuse of power in the state apparatus among positions which are authorised to manage all economic resources of the society creates a group of privileged people, totally contrary to the principle of social justice.

The equalitarian distribution applied to the majority of workers, the formation of a small privileged group capable of abusing state power, and the ineffectiveness of the resource allocation mechanism clearly conflict with the objectives of socialism and do not create driving forces necessary for the long-term development of the economy. That is the profound, internal reason for the collapse of the former socialist system.

5. Conclusion

The above analysis shows that K.Marx's notions and ideas about ownership are plentiful and complex. On one hand, his conception of the history of ownership forms, the need to distinguish the economic nature of ownership from its legal form as well as his understanding of the integrity of ownership in the overall social relations that it reveals are still valuable points. K.Marx's suggestion that one should stand on the current ladder to understand and shed light on what the human race has experienced in the past is still a useful methodological guide that needs to be exploited. On the other hand, it is possible to use the above methodological suggestions to see that some of K.Marx's conceptions of the capitalist private ownership regime or his visualisation of the socialist regime's ownership have been overcome.

The reality shows that as long as people are still acting from self-interest and pursuing personal interests is still the

motive for their economic behaviours, the market economy, based on the respect for and protection of the private ownership system, still exists and functions effectively. At the same time, the public ownership system, in this context, show defects and appear to be ineffective. In a market economy, the public ownership and the public sector still exist; however, they act as an additional element needed for the private ownership and the private sector to ensure that the state performs the function of dealing with market failures rather than a form of ownership or a dominant economic sector.

K.Marx is a great thinker and a scholar with profound influence in the history of ideology of humankind. He discovered and deeply criticised the shortcomings of the capitalist production system and inspired social movements to change and improve the world. Though history has not gone the way K.Marx envisioned, it is clear that great changes in the world today, even in capitalist countries, are attributable to his criticism and such social movements.

What K.Marx left for later generations who share his ideology of socialism is not a detailed method of how to build a future society, but a methodological instruction strictly tested by the principle of “what is reflected in reality is the standard for truth.” Acquiring K.Marx’s thought in that manner will help us get rid of prejudices on ownership, including the identification of socialism as the public ownership regime, so as to further promote the renovation process.

Notes

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² People often make mistake when not considering the market economy a specific product of capitalism, but a common product that has existed in many different modes of production. In fact, in pre-capitalist societies, market relations were marginalised, becoming secondary and dominated by natural economic relations.

³ A lot of footballers playing for European football clubs are earning more than GBP 100,000 per week, far exceeding the need of labour reproduction for themselves and their families.

⁴ As a result, in former socialist countries, there always existed a tendency to negate or look down on personal interests and “wipe out individualism” was even chosen as an official slogan. When having to recognise the legitimate right to personal interests, they came to call for a harmonious relationship between personal interests, collective interests and social benefits, in which social benefits must be in the first place, higher than personal and collective interests. In fact, the socialist economic system failed to establish an effective mechanism to harmonise those benefits as the market economy system does.

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