

# Marxism and Capitalism in the 21<sup>st</sup> Century: A Comparative Study

**Rudra Bahadur Pulami Magar**

Lecturer, Central Department of Political Science, Tribhuvan University

**Email :** rudrajung43@gmail.com

<https://doi.org/10.3126/kanyaj.v6io1.87721>

ORCID: <https://orcid.org/0009-0004-5425-4185>

## Abstract

This research article, titled "Marxism and Capitalism in the 21st Century: A Comparative Study", critically analyzes the continued dominance of capitalist structures in the contemporary world and the significances associated with them. The research shows that while capitalism has made remarkable achievements in technology, production, and economic expansion, it has institutionalized inequality, worker insecurity, environmental crises, and capitalist control over the democratic process. Methodologically, the manuscript adopted a qualitative, descriptive, and comparative approach, relying exclusively on secondary sources such as books, journal articles, and credible academic reports. The dominance of multinational corporations and international financial institutions in developing countries has created new forms of dependency and inequality, which Marxists understand as neo-colonialism. In addition, the profit-oriented nature of capitalist structures has accelerated climate change and the depletion of natural resources, which poses serious challenges to environmental justice. Marxists view these problems as impossible to solve through reformist or technological means alone, and point to the need for structural change. The labor movement, alternative politics, and environmental justice movements have intensified the ideological and practical challenge to capitalism. This research concludes that while capitalism is still dominant, its internal contradictions have made the search for alternative models inevitable. It argues that social justice, equality, participatory democracy, and long-term solutions to environmental challenges can be found.

**Keywords:** Marxism, capitalism, social inequality, alternative politics

## Introduction

Looking at the world order of the twenty-first century, it becomes clear that the debate between Capitalism and Marxism is not over yet. In the 1990s, with the collapse of the Soviet Union and the end of the Cold War, the triumph of Capitalism was interpreted as the "end of history." "This point is crucial for the comparison among different geopolitical units, all of which faced distinctive configurations of the Cold War", (Steinmetz, 2025, p. 4). But within two decades, serious challenges to the basic structure of capitalism emerged, such as the 2008 financial crisis, climate change, income inequality, unemployment, and the erosion of workers' rights. All of this posed a major challenge to the view of capitalism as a perpetually stable system. This again made the critical perspective of Marxism somewhat

relevant again. The fact that Marxism can not only reveal the structural contradictions hidden within capitalism, but also open the way to finding alternatives has become the focus of the debate today.

“The term ‘capitalism’ has started popping up in unexpected places”, (Delanty, 2023, pp. 323-344). Capitalism has revolutionized the world in terms of production, technology, and trade since its inception. Capitalism, based on private property, individual freedom, and market competition, made the Industrial Revolution possible and paved the way for global economic development. But this process also led to economic inequality, labor exploitation, class division, and social injustice. “It was created by the haves who were the owners of private property to oppress and exploit the have-nots who did not possess private property”, (Mahajan, 2016, p. 574). Marxist analysis sees these problems as inevitable byproducts of capitalism and argues that while capitalism may indeed provide temporary prosperity, it will ultimately lead to its downfall due to its inherent contradictions. This conflict has deepened in the twenty-first century, with the digital economy, artificial intelligence, global supply chains, and financial capitalism presenting capitalism in new forms that make Marxist analysis even more relevant.

“The impact of globalization is vast, as the definitions that we present here indicate”, (AI-Rodhan, 2006, p. 3). The impact of globalization has not only strengthened capitalism, but also made its inequalities and risks for global. “Globalization is multilayered and unfolds at multiple levels – macro, meso, and micro - which do not operate at similar speeds or under headings that rhyme”, (Pieterse, 2025, pp. 37-41). The economic gap between North and South is growing, the gap between rich and poor is deepening, and the environmental crisis has become a challenge for the survival of humanity. The Marxist perspective, which sees such problems as a consequence of the capitalist structure, has received a new interpretation. Marxist ideology shows that the continuous profit-oriented expansion of capitalism is destroying nature, eroding workers' rights, and undermining social justice. In this context, Marxism is becoming not just a historical or ideological exercise, but a major basis for critical analysis of today's climate crisis, inequality, and the world system. “Climate change is therefore not just an environmental issue; it is both a social and an ecological crisis”, (Gurrero, 2018, p. 30). This debate is of particular importance in a country like Nepal. On the one hand, Nepal has entrenched itself in the capitalist structure by adopting liberalization, privatization, and market-oriented policies since the 1990s, while on the other hand, the major political forces here are still driven by Marxism or Marxist ideology. This has brought ideological conflicts directly to the fore in Nepal's political and economic journey. While market-oriented economic policies have brought development and investment opportunities, they have also increased unemployment, income inequality, and the rural-urban divide. Thus, Nepal has become a mini-model of the world system, where the struggle between capitalism and Marxism is not only theoretical but also practical.

This study will examine in depth the relationship, significance and challenges between Marxism and capitalism in the twenty-first century. “The rise of Marxist thought

in the 20th century profoundly influenced global politics and intellectual discourse”, (Khan, 2025, p. 30). It will attempt to expose its inequalities, exploitation and crises while acknowledging the innovations and technological achievements of capitalism. Similarly, the critical vision presented by Marxist thought will be evaluated in terms of practical alternatives, not just ideological ones. The study will also focus on the question of what is the relevance of these debates for developing countries, including Nepal. In this way, it is expected to not only contribute to academic research but also provide practical messages for future political and economic policymaking at both the global and local levels.

### **Review of Related Literature**

To understand the philosophical basis of Marxism, one must first recall the influence of Hegel's dialectical philosophy and Feuerbach's materialism. Marx, turning Hegel's dialectics from an "ideological" to a "materialistic" direction, proposed that social development is determined not by thought or spirit, but by material production relations. “Marx’s ideas were first presented in popular form in the “Manifesto of the Communist Party,” written jointly with Engels and published in 1848”, (Sayers, 2021, p. 377). On this basis, he developed historical materialism, according to which the various stages of human history are driven by the contradictions between the relations of production and the forces of production. For example, the transition from feudalism to capitalism is the result of the conflict between the forces of production and the relations of production. It explains history as a scientific process guided by class struggle, not simply a collection of events. Thus, Marxism laid the foundation for historical materialism to bring society, politics, and the economy into a single structural analysis. “The general theory of the motive forces and laws of social change, developed on the basis of Marx’s discoveries, is known as the materialist conception of history, or historical materialism”, (Cornforth, 2016, p. 12).

The widespread inequality that arose after the Industrial Revolution in the 19th century, the plight of the working class, and the capitalist system of accumulation led to the rise of Marxism as a movement for social justice and equality. The Communist Manifesto (1848) presented Marx and Engels with the slogan "Workers of the world, all are one" and portrayed the working class as the main force for historical change. Then, *Das Capital* (1867) scientifically analyzed the economic structure of capitalism, the theory of value, the exploitation of labor, and the process of capital accumulation. Describing capitalism as a historically permanent but temporary stage, Marx argued that this system would be replaced by a classless society in the future. However, in the 20th century, when countries such as the Soviet Union, China, and Cuba adopted Marxism as a practical system of government, it led to different interpretations and consequences. Although criticized in some cases for authoritarianism, economic instability, and human rights abuses, Marxism still remains a powerful theoretical basis or weapon for resistance against inequality and exploitation.

### **Theories of Capitalism and the Influence of Liberal Economics**

When looking at capitalism as an economic system, its core premise is private ownership of the means of production and the goal of maximizing profit. Adam Smith

presented the theoretical framework that underpins capitalism in *The Wealth of Nations* (1776), in which the concept of the "invisible hand" presents the idea that a free-market system can efficiently allocate resources. This concept considers free competition, individual initiative, and private ownership to be the main factors of economic growth. "Economics liberty aims at the creation of that structure of society wherein there is sufficiency for all before there is superfluity for the few", (Kapur, 2016, p. 261). Liberal economists such as David Ricardo and John Stuart Mill also argued that productivity, division of labor, and freedom in international trade leads to long-term prosperity. This view accelerated the Industrial Revolution in the 19th century and established capitalism as a global system. "It is called First Industrial Revolution or simply Industrial Revolution", (Mohajan, 2019, p. 2).

But liberal economics has also linked capitalism not only to an economic structure but also to a political and social ideology. In particular, in the 20th century, John Maynard Keynes, after witnessing the failure of pure laissez-faire capitalism, such as the Great Depression of the 1930s, proposed the idea that state intervention in liberal economics was necessary. This led to the development of Keynesian economics, which emphasized the role of government policies in preventing market failures and creating jobs. This led to the transformation of liberal capitalism into a market economy with rules, rather than a completely free one. The welfare state model of Western countries after World War II, in which the state ensured services such as social security, education, and health, was in fact a practical form of liberal capitalism.

Although the liberal conception of capitalism remains powerful in the 21st century, neoliberalism has had a significant impact on it. Neoliberalism was widely promoted in the 1980s under Margaret Thatcher and Ronald Reagan, emphasizing market liberalization, privatization, financial liberalization, and trade liberalization. However, while this model has accelerated global economic growth, it has also increased income inequality, labor exploitation, environmental degradation, and the dependency of developing countries. Neoliberal capitalism has, on the one hand, made the world economy more susceptible to the global financial crisis of 2008. Thus, the interrelationship between capitalism and liberal economics has had a profound impact on the world economy, which is being challenged by Marxist approaches in the 21st century.

### **The ideological struggle between Marxism and Capitalism**

The struggle between Marxism and capitalism cannot be understood solely as a matter of the economic or production system, but also relates to the structure, ideology, and form of power of society. Capitalism presents "market freedom" and "individual ownership" as the supreme value of human freedom. This system has interpreted competition and profit as the main drivers of social development and modern civilization. However, Marxism has challenged this and dismissed capitalism as a system that reproduces class exploitation, the commodification of labor, and inequality. Karl Marx's *Das Kapital* has clarified the contradictions inherent in capitalism, in which the contradiction between capitalist interests in increasing profits and the living standards of workers ultimately leads to social explosion.

In this sense, the struggle between capitalism and Marxism is not only a debate about changing the economic system, but is also linked to the vision of human liberation and the ultimate goal of building a society free from exploitation.

This ideological struggle remains just as relevant in the 21st century, although its form has changed somewhat. Despite the claim that capitalism had triumphed with the end of the Cold War, the global financial crisis of 2008, rising economic inequality, and the climate crisis have exposed the frail foundations of capitalism. This has once again provided an opportunity to reinterpret Marxist theory. Neo-Marxist thinkers are working to explain the exploitation of multinational corporations, the influence of finance capitalism, and new versions of the “global class division” through Marxist analysis. On the other hand, supporters of capitalism are pointing to technological innovation, entrepreneurship, and market dynamics as the means of progress. In this way, today’s struggle is not limited to direct political revolution, but rather continues within ideological debates, policymaking, social movements, and the global economic structure.

### **Challenges of Capitalism in the 21<sup>st</sup> Century**

The main challenge facing capitalism in the 21st century is the extreme state of economic inequality. As contemporary economists such as Thomas Piketty have argued, wealth and capital are increasingly concentrated in the hands of a handful of wealthy people, which is leading to a widening gap between the rich and the poor. This trend has not only created social inequality but also undermined democratic values and political stability. The working class continues to suffer from problems such as minimum wages, precarious employment, and lack of social security. In addition, the rapid development of automation and artificial intelligence has brought about fundamental changes in the traditional structure of employment, pushing millions of people into unemployment or underemployment. Thus, the capitalist production system has begun to devalue human labor by prioritizing technology and profit, which has exposed its inherent weaknesses.

Another major challenge to capitalism is the global environmental crisis. Profit-oriented production, overexploitation of natural resources, and indiscriminate industrialization have seriously affected the environmental balance of the earth. Arguments that climate change, rising temperatures, natural disasters, and ecological imbalances are direct consequences of the capitalist production system are becoming increasingly powerful. Similarly, the political influence of multinational companies linked to capitalism has also become a complex challenge. Such companies are influencing national policymaking and weakening the democratic process. The COVID-19 pandemic that emerged in the 21st century has shown that limiting even the health, education, and basic service sectors to the logic of capitalist profit alone creates a crisis in global human security.

### **Capitalism and Class Struggle**

“The theory of class struggle assumes that there are two classes in society based on the distribution of products, and that the interests between these classes are opposed to each other”, (Siwakoti, 2076, p. 247). In the 21st century, capitalism has not limited class struggle to the traditional conflict between workers and capitalists, but has created many new

dimensions. With the Industrial Revolution and the factory-centered production system of the 20th century, class struggle was relatively clear, as a direct conflict between employers and workers. “The first industrial revolution started in 1760 with the invention of the steam engine. The steam engine allowed the transition from farming and feudal society to the new manufacturing process”, (Min Xu, 2018, p. 90). For him, the steam engine allowed the transition from farming and feudal society to the new manufacturing process. But in today’s situation, globalization, networks of finance capital, multinational corporations, technology and digital markets have made class structures even more complex. Now class struggle is not only in factories, but also in the flexibility of labor markets, temporary employment, the gig economy and new forms of labor exploitation have emerged in technology companies. As Guy Standing (2011) put it, a new class called the “precarious” has emerged, dependent on precarious employment, which is experiencing a crisis of social security, stability and identity. Thus, class struggle has now gone beyond the mutual worker-capitalist conflict and is reflected in the new social reality of precarious workers, unemployed youth, migrant workers and workers working on digital platforms.

In addition, in new perspectives, class struggle is also linked to ethnicity, gender, environmental crises, and identity politics. Feminist Marxist literature shows that domestic labor and care work are also exploited in an unpaid manner under capitalism, which the traditional concept of class struggle could not cover before. Similarly, environmental Marxists are putting forward the concept of “ecological class struggle”, linking the climate crisis with the uncontrolled exploitation of capitalism. In addition, the exploitation of migrant workers, the North-South division of labor, and international labor migration have expanded class struggle to an international dimension. Thus, in the 21st century, capitalism has created new social groups, making class struggle even more multi-dimensional and complex, which Marxist analysis has become indispensable for understanding.

### **A Critical Approach to Marxism**

Although Marxism has been highly regarded in academic literature in the 21st century for its influence and theoretical contributions, it has also been widely criticized. The greatest criticism has been related to its practical implementation. The failures of the Soviet Union, the Eastern European socialist states, and other communist regimes have become the main basis for criticism of Marxism. “The various activities in the history of mankind cannot be explained fully on economic basis”, (Agarwal, 2004, p. 492). These socially oriented plans, state control of production, and the elimination of private property left economies unstable and un-innovative. As a result, these states failed to achieve the desired economic growth, technological improvements, and improvements in the living standards of the people. “Capitalism was modernizing society, generating progressive potentials for all societies, even the most primitive”, (Devetak R. et al., 2016, p. 65). As a result, critics have argued that the gap between Marxist theory and its practical application is based on too much formalism and mechanistic principles, and that it ignores the aspects of cultural, psychological, and individual freedom. Thus, criticism of Marxism is not limited to the economic perspective but also extends to the social and cultural dimensions.

Another important criticism is that Marxism has not given sufficient priority to racial, gender, and environmental aspects. Since traditional Marxist analysis has focused mainly on the conflict between workers and capitalists, the issues of domestic labor, women's labor, and social discrimination have not been given the necessary attention. This shows that Marxist theory has not been able to encompass social inequalities and multicultural conflicts other than the class perspective. Similarly, due to the challenges of the 21st century, such as the ecological crisis, climate change, and the unequal distribution of natural resources, the traditional socio-economic analysis of Marxism has become inadequate. Therefore, modern criticism shows the need to revise and expand Marxism, which can be understood more effectively by including aspects of gender justice, racial equality, and ecological balance.

### **Research Methodology**

The methodology used in this study is based on completeness: secondary data. The nature of the research is qualitative, analytical and comparative, in which, without collecting primary data, published books, reviewed journal articles, and research works of established authors are used as the basis. In particular, the original works of thinkers such as Marx, Engels, Lenin, and Gramsci and contemporary books that explain them have been used as primary sources. Similarly, to understand the theoretical foundations of capitalism, the original writings of economists such as Adam Smith, John Stuart Mill, Hayek, Friedman, etc. and books based on them have been reviewed. These texts have provided a theoretical background to understand the importance and challenges of Marxism and capitalism in the 21st century from philosophical, political, economic, and social perspectives.

The research uses international journal articles such as *Journal of Political Economy*, *Review of Radical Political Economics*, *Capital and Class*, *Critical Sociology*, *World Development*, etc. These articles shed light on the contemporary challenges created by capitalism, such as inequality, globalization, labor insecurity, environmental crisis, and the re-negotiation of Marxism. In addition, the local context is included by citing contemporary studies on Nepal and South Asia. "Political movements associated with sociocultural, economic, and political factors have significantly changed the political environment in Nepal over the years", (Dahal, 2025, p. 68). An attempt has been made to deepen the comparative analysis of Marxism and capitalism and to make the conclusions factual through a critical study of books and journal articles. Thus, the use of secondary sources based on journal articles and books has been made the main basis for increasing the credibility and educational value of this research.

### **Results and Discussion**

In the 21st century, capitalism has not only changed its form, but its structural nature remains the same. Neo-liberal policies, market liberalization, the global dominance of financial institutions, and technology-based production systems have further strengthened capitalism. The fundamental basis of capitalism is profit-oriented production relations, which have perpetuated the unequal relationship between labor and capital. The working class is still forced to sell labor, while ownership of capital is concentrated in the hands of

a limited number of classes. The growing influence of multinational companies in international markets has revealed a structure that controls the production and distribution system, which is pushing capitalism towards a more monopolistic form.

When analyzing capitalism in the 21st century, it is clear that its stability is deeply rooted not only in the relations of production, but also at the ideological and institutional levels. “An institution that is seen as legitimate finds it easier to gain acquiescence with its rules and decisions and so relies less on outright coercion”, (Hurd, 2018, p. 717).The weakening of socialist models after the Cold War has presented capitalism as a globally unsustainable or natural economic system. As a result; international institutions such as the United Nations, the World Bank, the IMF, and the WTO have made capitalist values and principles the basis for policymaking. This has created a structure of “neocolonialism” by undermining the policy freedom of developing countries. However, the fundamental nature of capitalism is still profit-driven, and it continues to transform labor into commodities. In the 21st century, technology-based production and global trade relations have further complicated this process, reducing the working class to mere sellers of labor power while empowering the owners of capital to further their economic, socio-political dominance. In this way, even though the structural basis of capitalism is changing, its exploitative characteristics continue to persist, making Marxist analysis even more relevant.

**Table 1**  
*Structural characteristics of capitalism*

Characteristics	Description	Results
Production system	Based on technology, highly automated, digital economy	Labor instability, growth of the gig economy
Ownership structure	Dominance of multinational companies	Capital is concentrated in a select few classes.
Market relations	Globalization, liberalization	Dependence of developing countries
Financial structure	The control of the financial institutions and investment banks	The expansion of monopoly capitalism

*Source:* Author’s development.

**Technology, the Digital Economy, and New Capitalist Challenges**

Technology and digitization have not only transformed the capitalist relations of production in the 21st century, they have also rewritten the very terms of labor, value, ownership, and regulation. “Digitalization is the new buzzword for every industrial sector”, (Mentsiev at el., 2020, p. 2960). Platform-based models have decentralized the reciprocal employer-employee relationship by mediating production and services, with employers now often operated by impersonal algorithmic servers and multinational platform companies. Data has become the new source of productivity, and the collection, analysis, and sale of



user behavior, worker performance, and market trends are increasingly profitable for business monopolies. This process has given a new dimension to traditional forms of commodity worship, as not only labor but also individual data, time, social relationships, and attention are being marketed. In the process, surveillance capitalism has emerged, where workers are monitored, profiled, and targeted, resulting in a reduction in their autonomy and ultimately used as ‘work resources’. The gig economy and temporary employment undermine traditional labor protections, collective bargaining, and social security structures, while platforms shift risks and costs to workers through contract-based work, further entrenching profit-oriented structures. Technological automation and robotics are displacing some traditional categories of workers, creating new forms of unemployment and restructuring, which have the potential to exacerbate labor market stagnation and income inequality in the long term.

“From a historical perspective of social change, the merger between biological and AI has already crossed beyond any point of return, at least from the social science perspective of society as a whole”, (Hilbert, 2020, p. 193). Such technological transformations also pose policy, regulatory, and philosophical challenges that traditional labor politics and Marxist analyses cannot easily address. The transnational nature of platforms introduces new complexities in tax regulation, labor law enforcement, and consumer protection, with multinational technology companies using tax and legal structures to exert their influence, which appear to be severely limiting state policy freedom. Similarly, the lack of transparency in algorithmic management and decision-making processes leaves workers’ rights, as well as anti-monitoring arguments, challenges to outcomes, and avenues for redress. The digital divide has deepened cultural and geographic inequalities in new ways, with the benefits of high-tech access and centers of expertise likely to leave the rich and disadvantaged even further behind. But new avenues of potential resistance have also emerged, with efforts such as platform cooperatives, digital unionization, legal demands for data rights, and universal social security measures all providing policy challenges to digital capitalism. Overall, technology-driven capitalism has continuously adopted new methods to perpetuate itself, prompting Marxist theory to be updated to include new tools and class-based analysis, otherwise traditional labor-centric analysis risks failing to fully capture the complex, multidimensional, and international relations of production of the digital age.

**Table 2**  
*The impact of digital capitalism on working life*

Aspect	Nature of the 20th century	Digital form of the 21st century	Impact
Employment	Permanent employment (factory based)	Temporary employment/gig employment (freelance, app based-work)	Labor insecurity and loss of rights
Labor regulation	Regulated by formal labor laws	Informal and poorly regulated	Labor-rights weakened
Social security	Pension/Insurance (regular)	minimal or absent	Long-term insecurity
Production control	Owner/Manager focused	Digital-platforms, control by algorithms	Loss of autonomy

*Source:* Author’s development.

### **Continuity of Class Struggle and Inequality**

The continuity of class struggle in the 21st century is not limited to the old industrial work-places, it has taken on new forms at all levels of social life and has reinforced multidimensional structures of inequality. At the global level, the centralization of capital, the rapid development of financialization and the dominance of multinational corporations have made income and wealth distribution unequal, while at the national level, neoliberal policies – market liberalization, massive cuts in social security and privatization – have divided access to public resources and opportunities along class lines. “This created the conditions for a massive round of centralization of capital as state property (the mass of capital controlled by states) since the early 2000s”, (Alami et al., 2022, p. 303). In the process, the labor market has been divided into two sides, on the one hand, the stretched segments of highly skilled and highly paid workers, and on the other, the temporary, unpaid and socially unprotected ‘precarious’ class, which is disrupting the structures that define the traditional worker-employer relationship. This division is even more pronounced in developing societies like Nepal, where an economy dependent on foreign employment and remittances has transformed the structure of the domestic labor class, while unequal access to land and resources, caste and gender divisions, and the concentration of urban economic opportunities have reinforced class inequality. Such structures not only create divisions in income and wealth, but also take the form of discrimination in the means of social development such as education, healthcare, digital access, and political access, which tend to reproduce class differences for generations.

This reconfiguration of class struggle is having profound political and social consequences, challenging traditional forms of labor movement and political representation. “This struggle over the means of leverage is both overt and covert, individualized and institutional”, (Sgambati, 2022, p. 12). Labor solidarity appears weak in the context of industrial-era centralized trade unions and collective bargaining systems, but at the same

time, new forms of resistance and organization—digital unionization, platform cooperatives, community-based movements, and identity-based social movements—are emerging that are linking class demands to gender, ethnic, and ecological questions. At the political level, chronic inequalities have given way to populist and divisive political trends that threaten to further entrench the dominance of capital in democracy and policymaking. On the other hand, social movements are demanding policy responses such as tax reform, expansion of public services, minimum income or social protection, and the restoration of labor rights. Theoretically, these conditions are prompting a transformation and enrichment of the original Marxist class analysis, in particular, the challenge of incorporating digital labor, the care economy, social reproduction, and identity-based inequalities into class analysis had become inevitable. “The term identifies the dialectic relationship of new capacities and technologies with well-established structures of capitalist exploitation”, (Neilson, 2018, p. 883). Policy-wise, reducing inequality requires progressive tax policies, wealth taxes, universal social security, sustainable investment in public education and health, and legal structures that ensure collective representation of workers. If these structural reforms are not implemented, the intensity of class struggle will only increase and social instability and political polarization will likely deepen.

**Table 3**  
*Inequality and class division*

Index	On the top 1% (Elite capitalist)	On the bottom 50% (Working and poor)	Impact/outcome (Social)
Property ownership	Control of 45-50% of world wealth	Only 5-7% of assets owned	Extreme inequality and the social conflict
Political access	Direct impact on the policy making	Limited and poor access	Unequal participation in democracy
Access to education and technology	Leading in higher education, innovation	Limited to the basic services only	The digital divide
Standard of living	Luxurious, safe and stable	Struggle for minimum necessities	Continuation of class struggle

*Source:* Author’s development.

**The Relevance and Challenges of Marxism in the 21st Century**

In the 21st century, Marxism has emerged not only as a tool for historical analysis, but also as an important ideological basis for explaining contemporary problems such as social inequality, labor exploitation, and the environmental crisis. The centralization of capital in modern capitalist systems, the rise of the gig economy, temporary employment based on digital platforms, and the erosion of workers’ rights have made the core elements of Marxist theory—class struggle, control over the means of production, and the structure of exploitation—more explicit and relevant. Similarly, Marxism has the potential to bring

into the scope of analysis not only traditional labor-employer relations, but also inequalities based on data, digital labor, social reproduction, and identity. "In the 21st century, Marxism ideas all are right in the present time most over it; he gives the privilege about the feature of the economy", (Kumar R. at el., 2020, p. 17).

Another important aspect is the capacity of Marxism to contribute to social resistance and the construction of alternative politics. The new forms of inequality created by the digital age, globalization, and neoliberal policies have inspired Marxism for new debates and research. Marxist analysis is providing a logical basis for various social movements, labor rights movements, and environmental justice initiatives. This clearly shows that Marxism is still not just a historical theory, but an active non-ideology that can understand and challenge issues of inequality, exploitation, and social justice in contemporary society. Therefore, in the 21st century, Marxism is constantly transforming itself, keeping itself relevant, and being used as an indispensable tool for analyzing future social, economic, and political structures.

### **Capitalism and the Environmental Crisis**

The fundamental character of the capitalist system is profit-oriented production and endless growth, which has exacerbated the misuse of natural resources and environmental imbalance. From a Marxist perspective, in capitalist production, nature is viewed as a mere raw material, to be exploited according to market needs. This trend has taken the environmental crisis to a new level, where problems such as climate change, pollution, loss of biodiversity, and depletion of natural resources are becoming increasingly acute. Such a culture of unlimited consumption and the relentless pursuit of profit created by capitalism have directly affected the ecological balance of the earth. In such a situation, Marxism considers the environmental crisis not only a technical or policy problem, but also a structural problem, the root of which is the profit-oriented nature of the production system. "As a result, reducing carbon emissions and creating a low-carbon economy have received significant attention globally", (Prempeh, 2024, p. 1).

Therefore, in the context of the 21st century, Marxism seems more relevant to understanding the relationship between capitalism and the environmental crisis. Although there is talk of climate-friendly technology and a "green economy" within the capitalist system, the Marxist argument that the environmental crisis cannot be solved as long as we continue to rely on the endless cycle of production-consumption seems important. Climate change and environmental destruction are disproportionately affecting today's workers, farmers, marginalized communities, and poor nations, which, according to Marxist analysis, can be understood as an 'environmental class struggle'. In this way, Marxism has provided a broad basis for the argument that an alternative structure to capitalism is necessary to achieve environmental justice. "Environmental justice concerns can be some of the most discriminatory and oppressive injustices due to the ways that environmental contaminants are often unseen and slow acting and yet have radically deleterious health impacts for affected communities", (Miles M. at el., 2025, p. 1462). Based on the argument that the potential for green development under capitalism is limited, Marxist thought has put

forward the conclusion that only a socialist approach can provide a long-term solution to the environmental crisis.

### **Developing Countries and the Impact of Capitalist Structures**

The capitalist structure has been keeping developing countries under its control through a fundamentally dependent, unequal and unstable economic system. “Developing countries must pursue a more active role in the formulation of national policies and strategies to promote the information economy, to reap huge benefits in terms of economic and social growth/development”, (Ndou, 2004, p. 16). The basic structure of international capitalism, such as the dominance of multinational corporations, the policy directives of international financial institutions (IMF, World Bank) and the unequal trade system, has unilaterally included the production systems of developing countries in the world market. In this way, developing countries have become suppliers of raw materials, labor and markets, while making them completely dependent on industrial production and technology. “A capitalist is not someone who owns machines, but someone who owns machines, deploys those machines in a production process, hires owners of labor power to use them and appropriates the profits from the use of those machines”, (Wright, 1999, p. 5). From a Marxist perspective, this situation is seen as neo-colonialism, where despite apparent political independence, developing countries have become economically and socially subordinate to the world capitalist structure. This has created a situation where labor power has to be sold at cheap prices and has continuously reproduced social inequality, unemployment and poverty.

Similarly, the capitalist structure has also limited the policy autonomy of developing countries. In the name of structural adjustment programs, liberalization, privatization, and globalization, the national industry, agriculture, and service sectors of developing countries have been brought under the control of foreign capital. In this process, labor rights have been weakened, and public services (health, education, water, electricity) have been pushed towards profit-oriented privatization, which has further deprived the poor and marginalized classes. Marxist analysis shows that such an unequal structure has given a new form to class struggle in developing countries, where political alliances between multinational companies and local big business keep ordinary workers and peasants under double oppression. Thus, the dominance of the capitalist structure has not allowed developing countries to develop according to domestic needs and capabilities, but has worked to mold them to the consumption and profit-oriented interests of the world capitalist system, which has become an essential issue for critical analysis of Marxism even in the 21st century.

### **Labor Movement and Alternative Politics**

Among the important findings of this research, the relationship between labor movements and alternative politics is particularly noteworthy. The working class is constantly exposed to exploitation and insecurity in the capitalist structure, which has raised the possibility of building alternative politics not only through traditional labor movements,

but also through the creation of alternative politics. “This debate is not only about finding an alternative to the party system or leadership, but also an attempt to reinterpret the power relations of power, society, and culture in a broader sense”, (Magar, 2025, p. 256). The direct impact of the profit-oriented production system, job instability, low wages, and lack of social security have created dissatisfaction among workers. This has led the labor movement to develop an alternative perspective on the capitalist structure, rather than limiting it to wage increases or the limited issues of labor rights. “The 'surplus value' realized at the end of the production process thus originates with laborers, whose work is exploited in the form of surplus labor time over and above that for which they are paid”, (Castree, 2001, p. 193). From a Marxist perspective, the argument that only politics based on the leadership of the working class itself can be the basis for long-term change has gained strength.

In the discussion, it can be seen that the labor movement has provided the organizational basis and ideological direction for alternative politics. Not only in developing countries but also in developed capitalist countries, the labor movement has been challenging the unjust nature of the capitalist structure. As globalization destabilizes the labor market, the labor movement seems to be developing more internationally, raising the need for alternative politics at the global level. Alternative politics does not just mean a new party or movement, but rather a structure of justice, equality, and participation based on a socialist perspective. Therefore, in the 21st century, the labor movement and alternative politics have emerged as complementary, which has opened the door not only to capitalist contradictions, but also to new social and political possibilities.

### **Challenges and Conflict Between the Capitalism and Democracy**

It clearly shows that one of the serious challenges of the 21st century is the growing conflict between capitalism and democracy. Capitalism has continued to undermine democratic processes in the name of economic prosperity and technological innovation. Market-oriented policies, a profit-oriented economy, and the dominance of powerful corporations have limited the democratic participation of citizens. It has been concluded that the electoral system, political financing, and the influence of multinational companies have weakened the voice of the common people. Thus, capitalism promotes democracy in appearance, but in practice it is working to fragment the essence of democracy, popular participation, equality, and social justice. The Marxist perspective considers it a good example of "bourgeois democracy" and reveals the situation in which economic power is transformed into political control. “Capitalism’s historical adaptability in the face of resistance and limits is remarkable”, (Harris, 2024, p. 19).

In discussing this, we should understand this contradiction between capitalism and democracy not as a mere theoretical debate but as a practical crisis. In the 21st century, the rich and powerful class has taken control of democratic institutions while excluding the poor, workers, and marginalized classes from the democratic process, creating deep social inequality. The fundamental spirit of democracy has been weakened as the media, public opinion formation, and even policy decisions have been shaped to suit capitalist interests. In such a situation, Marxist analysis has further strengthened the argument that real

democracy is not possible within capitalism and has shown the search for alternative politics to be inevitable. Thus, the very existence and future of democracy had been challenged by the conflict with capitalism, which has become a topic of deep debate for contemporary politics and political science.

### **Future Prospects and Alternative Models**

The research findings show that in the 21st century, the contradictions of capitalism, inequality, worker insecurity, environmental crisis and capitalist control over democratic institutions make the need for alternative models even more urgent. In terms of future prospects, limited reforms within the capitalist structure (such as green economy, social responsibility, benevolent capitalism) are unlikely to provide long-term solutions. “It concerns the contradiction between the ‘forces of production’ (i.e. labor power, technology, scientific knowledge) and the ‘relations of production’ (i.e. the class relations rooted in the ownership structure)”, (Gerber, 2024, p. 1073). He argues, “In classical Marxism, this contradiction is a key factor, via social conflicts, behind the transformation of an economic system into another one, whenever inefficiencies and injustices intensify and make the contradiction no longer maintainable”. Therefore, alternative models should be based on social justice, equality and participatory democracy. Marxist analysis has shown collective ownership, a worker- and farmer-friendly production system and universal access to public services as half of the new society for the future. In addition, the trend of global labor movements, environmental justice movements and alternative political currents integrating in the 21st century has further strengthened the possibility of building a post-capitalist model. Such an alternative structure should not only focus on the revival of ‘state socialism’ but also on the search for a decentralized, participatory, transparent and environmentally sustainable model. Therefore, in the future, building an alternative structure to capitalism that simultaneously addresses economic equality, social justice, and environmental sustainability could become a major path for the survival and development of human civilization.

Based on the results of this study, it appears that although capitalism has changed its structural form in the 21st century, its fundamental characteristics—profit-oriented production, class division, labor exploitation, and centralization of wealth—have remained the same. Global market liberalization, privatization, the dominance of finance capital, technology-based production, and the expansion of multinational corporations have made capitalism more complex, powerful, and institutionalized. However, this same process has deepened structural problems such as economic inequality, unemployment, temporary employment, weakening of social security, and the influence of the private sector on state policies. The climate crisis, misuse of natural resources, environmental damage, and the North-South divide have exposed new contradictions in the capitalist structure. Although liberalization, privatization, and open market policies have brought some development opportunities in developing countries like Nepal, the fact that poverty, unemployment, rural-urban divide, and inequality have increased clearly shows the limits of capitalism. In this

way, although capitalism has taken on a new form in the 21st century, the study shows that its inherent contradictions are gradually intensifying.

However, the Marxist perspective seems to have become more relevant as a theoretical tool for scientifically analyzing these contradictions of capitalism. Marx's concepts of labor exploitation, class tensions, the opposition between the relations of production and the forces of production, and the centralization of capital have reappeared in new forms in today's digital economy, financial capitalism, global supply chains, and the gig economy. Neo-Marxist thinking has been found to explain the dominance of multinational corporations, global financialization, the creation of new categories of workers such as the "precariat," the problem of technological automation reducing employment, and the climate crisis as "ecological class struggle." But the conclusion is clear that Marxism itself needs to become more multifaceted to encompass the challenges of the 21st century—such as gender injustice, racial discrimination, environmental crises, and the political-economic impact of technology. In the context of Nepal, while Marxist ideology is politically dominant, ambivalence and policy instability have emerged as economic practice has shifted towards a capitalist model. The manuscript concludes that the debate between capitalism and Marxism has not ended today; rather, both are still deeply shaping the political-economic discourse of the 21st century, exposing each other's weaknesses and potential.

### **Conclusion**

This research has shown that capitalism remains a dominant force in the global economic, social, and political structure in the 21st century, but its contradictions and challenges have become more pronounced and serious. Although capitalism has brought significant advances in production and technology, it has also created deep problems such as inequality, environmental crises, worker insecurity, and the unnatural control of large corporations over the democratic process. The Marxist perspective has emphasized that all these challenges cannot be solved by mere superficial or reformist means, but rather that the fundamental character of the capitalist structure must be changed. The labor movement, the search for environmental justice, and the participatory politics of the marginalized have all strengthened the critical perspective against capitalism. Thus, the research has confirmed that Marxism is even more relevant in the current situation, when capitalism is making the world more complex and unequal.

Similarly, the search for alternative models for the future seems inevitable. Reform efforts within capitalism, such as green economy or social responsibility initiatives, are only short-term solutions and are unable to address the structural problems. Therefore, the long-term solution lies in alternative structures based on collective ownership, social justice, equal rights and opportunities, and environmental sustainability. The critical analysis and alternative perspectives presented by Marxism seem to have the potential to push human society towards a post-capitalist path. In this context, the debate between 'Marxism and capitalism in the 21st century' is not just an ideological dispute, but a fundamental question that will guide the future of human civilization. Despite the current dominance of capitalism,



its internal conflicts and contradictions are constantly coming to the surface, and this process will pave the way for the construction of an alternative society, this research concludes.

### Acknowledgement

I would like to express my sincere gratitude to all authors for the important secondary resources cited and, referenced in this systemic study.

### Conflict of Interest

The author declared that no conflict of interest.

### References

- Agarwal, R. (2004). *Political theory*. New Delhi, India: S. Chand & Company Ltd.
- AI-Rodhan, N. R. (2006). Program on the geopolitical implications of globalization and transnational security. *GCSP*, 3.
- Alami at el. (2022). "Expropriation of capitalist by state capitalist:" Organizational change and the centralization of capital as state property. *Economic Geography*, 98(4), 303. Retrieved from <https://www.tandfonline.com/doi/epdf/10.1080/00130095.2022.2030216?needAccess=true>
- Castree, N. (2001). *Marxism, capitalism, and the*. Retrieved from [https://selforganizedseminar.wordpress.com/wp-content/uploads/2011/08/castree\\_braun\\_social\\_nature.pdf#page=203](https://selforganizedseminar.wordpress.com/wp-content/uploads/2011/08/castree_braun_social_nature.pdf#page=203)
- Cornforth, M. (2016). *Historical materialism*. Red Star Publishers. <https://doi.org/https://redstarpublishers.org/CornHistMat.pdf>
- Dahal, K. (2025). Changing dynamics of politics in Nepal: How do women fear partly politics? *Journal of Political Science*, 25(2), 68. <https://doi.org/10.3126/jps.v25i1.75774>
- Delanty, N. H. (2023). What is capitalism? Toward a working definition. *Sage Journals*, 62(3), 323-344. <https://doi.org/10.1177/05390184231203878>
- Devetak R. at el. (2016). *Marxism and critical theory*. Cambridge University Press. <https://doi.org/10.1017/CBO9781139196598.007>
- Gerber, J.-F. (2024). The second contradiction of capitalism. *The Journal of Peasant Studies*, 52(5), 1073. <https://doi.org/0.1080/03066150.2025.2451285>
- Gurrero, D. G. (2018). The climate crisis as capitalist crisis. (V. Satgar, Ed.) Wits University Press. <https://doi.org/10.18772/22018020541.7>
- Harris, J. B. (2024). Adapting to climate change: From capitalism to democratic eco-socialism. *Capitalism Nature Socialism*, 35(3), 19. <https://doi.org/10.1080/10455752.2024.2389053>
- Hilbert, M. (2020). Digital technology and social change:the digital transformation of society from a historical perspective. *Original article*, 22(2), 193. <https://doi.org/10.31887/DCNS.2020.22.2/mhilbert>

- Hurd, I. (2018). Legitimacy and contestation in global governance: Revisiting the folk theory of international institutions. *The Review of International Organizations*, 717. <https://doi.org/10.1007/s11558-018-9338-z>
- Kapur, A. C. (2016). *Principles of political science*. New Delhi, India: S. Chand & Company Ltd.
- Khan, N. A. (2025). Political thoughts and literary theories: 20th century perspective: A review literature. *Cross-Currents: An International Peer-Reviewed Journal on Humanities & Social Sciences*, 30. <https://doi.org/10.36344/ccijhss.2025.v11i03.002>
- Kumar R. at el. (2020). Marxism in the 21'st century. *Veda's Journal of English and Liturature*, 7(1), 17. Retrieved from <https://joell.in/wp-content/uploads/2020/08/14-17-MARXISM-IN-THE-21ST-CENTURY.pdf>
- Magar, R. B. (2025). Alternative politics and Gramsci's hegemonic theory:A study in the context of Nepal. *Contemporary Research: An Interdisciplinary Academic Journal*, 8(2), 256. <https://doi.org/10.3126/craiaj.v8i2.86457>
- Mahajan, V. D. (2016). *Political theory (principles of political science)*. New Delhi, India: S. Chand and Company Ltd.
- Mentsiev at el. (2020). The concept of digitalization and its impact on the modern economy. *Atlantis Press*, 128, 2960. <https://doi.org/10.2991/aebmr.k.200312.422>
- Miles M. at el. (2025). Advancing environmental justice education: a critical review of research and practice. *Environmental Education Research*, 31(7), 1462. <https://doi.org/10.1080/13504622.2025.2483443>
- Min Xu, J. M. (2018). The fourth industrial revolution: Opportunities and challenges. *International Journal of Financial Research*, 9(2), 90. <https://doi.org/10.5430/ijfr.v9n2p90>
- Mohajan, H. (2019). The first industrial revolution: Creation of a new global human era. *Munich Personal RePEc Archive*, 5(4), 2. <https://doi.org/mp.ra.ub.uni-muenchen.de/id/eprint/96644>
- Ndou, V. (. (2004). e – government for developing countries: opportunities and challenges. *EJISDC*, 18(1), 16. Retrieved from [https://d1wqtxts1xzle7.cloudfront.net/32004456/eGov-libre.pdf?1391482431=&response-content-disposition=inline%3B+filename%3DE\\_GOVERNMENT\\_FOR\\_DEVELOPING\\_COUNTRIES\\_OP.pdf&Expires=1764739794&Signature=bpuX2iL04sp6Lpzk8USbE69RRITCml8GDIYwkVnISrm2M~jBCLLnB4mUR](https://d1wqtxts1xzle7.cloudfront.net/32004456/eGov-libre.pdf?1391482431=&response-content-disposition=inline%3B+filename%3DE_GOVERNMENT_FOR_DEVELOPING_COUNTRIES_OP.pdf&Expires=1764739794&Signature=bpuX2iL04sp6Lpzk8USbE69RRITCml8GDIYwkVnISrm2M~jBCLLnB4mUR)
- Neilson, T. (2018). Unions in digital labour studies: A review of information society and marxist autonomist approaches. *tripleC*, 16(2), 883. Retrieved from [www.triple-c.at](http://www.triple-c.at)
- Pieterse, J. N. (2025). Globalization-everything, everywhere, all the time. *Sage Journals*, 1(1), 37-41. <https://doi.org/10.1177/29768667241367241306377>

- Prempeh, K. B. (2024). The role of economic growth, financial development, globalization, degradation in the economic community of west African states. *Cogent Economics & Finance*, 12(1), 1. <https://doi.org/10.1080/23322039.2024.2308675>
- Sayers, S. (2021). What is marxism? *Taylor and Francis Online Journal*, 11(3), 377. <https://doi.org/10.1080/21598282.2021.1965493>
- Sgambati, S. (2022). Who owes? Class struggle, inequality and the political economy of leverage in the twenty-first century . *Finance and Society*, 8(1), 12. <https://doi.org/10.2218/finsoc.7115>
- Siwakoti, G. (2076). *Political thought and analysis*. Putalisadak, Kathmandu, Bagmati, Nepal: Pairavi Prakashan.
- Steinmetz, G. (2025). Explaining geopolitical inventiveness: Late colonialism, decolonization, and the cold war. *Social History* , 49(1), 4. <https://doi.org/10.1017/ssh.2025.10093>
- Wright, E. O. (1999). Foundations of class analysis: A marxist perspective. 5. Retrieved from <https://www.sccc.wisc.edu/soc/faculty/pages/wright/Foundations.pdf>