International Journal of World Economic Research
ISSN: 3080-9886 (Print), ISSN: 3080-9894 (Online) | Vol. 3, No. 3, 2026

The Limits of Western Marxist Cultural Critique and the Return of the Critique of Political Economy

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Abstract: Over nearly a century, Western Marxism—despite having begun with the declared intention of'returning to Marx'—has moved progressively away from the critique of political economy, the most central component of Marx's theoretical system. From Lukács's theory of reification and Gramsci's cultural hegemony, through the Frankfurt School's critique of the culture industry, to Habermas's communicative rationality, economic exploitation and the mechanisms of capital accumulation have gradually retreated from the centre of critical theory, whose focus has shifted to consciousness, culture and norms. Contemporary financial capitalism, however, exhibits an algorithmic form of domination: platform algorithms regulate the labour process in real time, credit scoring distributes the conditions of existence through chains of debt, and fictitious capital reproduces itself through data. Domination now operates directly on the material conditions of individual survival. This article argues that cultural critique fails before algorithmic domination in three structural respects: the failure of its presupposition of consciousness-raising, the absence of categories adequate to financial and credit analysis, and the failure of its text-centred method. Only by reassessing the legacy of Western Marxism and reactivating the critique of political economy developed in Capital can these new problems be addressed. The argument enters into dialogue with the recent Anglophone Marxist debate holding that artificial intelligence is constant capital rather than labour and that living labour remains the sole source of new value, thereby adding a critical-historical dimension to the digital labour theory of value.

Keywords: Western Marxism, cultural critique, critique of political economy, algorithmic domination, digital capitalism.

1. Introduction

Western Marxism set out with the declared intention of 'returning to Marx', yet in its subsequent development it drifted ever further from the critique of political economy, the most central element of Marx's theoretical system. Perry Anderson observed that, contrary to Marx's own trajectory from philosophy towards political economy, the attention of Western Marxism remained fixed on the cultural sphere [1]. Hu Daping similarly argues that the cultural turn of Western Marxism after the 1970s fundamentally altered the basic character of Marxist theory: it ceased to be a political-critical programme directed at the capitalist system and gradually became a diffuse cultural practice of resistance to power [2]. Nancy Fraser's reflection on the 'politics of recognition' reveals the same symptom: when critical theory cedes the problem of redistribution to recognition struggles over identity and difference, it inadvertently provides legitimacy resources for neoliberalism [3].

The cultural turn was not merely a shift of thematic focus; it weakened the critical efficacy of Western Marxism at a deeper level. The centre of gravity of contemporary capitalist domination no longer rests on ideological mystification. Through algorithmic parameters, credit scoring and chains of debt, domination is inscribed directly into the material conditions of individual existence, constituting a distinctively algorithmic form of domination. In 2026, the Nature-affiliated journal Humanities and Social Sciences Communications published a study by Zhang Feng which systematically argues that artificial intelligence should be understood as constant capital (dead labour) rather than as an independent creator of value, that living labour remains the sole source of new value, and which explicitly calls for empirical verification in subsequent research [4]. This debate poses a question in the history of theory: why does Western Marxism, which claims the mantle of 'critique', fall silent before the power mechanisms of algorithms and artificial intelligence? This article argues that the answer must be traced back to the cultural turn of Western Marxism itself.

The tasks of this article are threefold. First, it re-reads the representative texts of Lukács, Gramsci, the Frankfurt School and Habermas in order to reconstruct the genealogy by which cultural critique departed from the critique of political economy. Second, taking platform algorithms, credit systems and fictitious capital as empirical materials, it demonstrates the threefold failure of cultural critique in the face of algorithmic domination. Third, it reactivates the categories of Capital in order to show how the return of the critique of political economy can grasp the core mechanisms of contemporary capitalist domination and enter into dialogue with the latest debate on the digital labour theory of value. The argument of this article constitutes an explicit confrontation with the cultural turn: the legacy of cultural critique must be reassessed, but it can become a critical method adequate to algorithmic power only when it recovers a political-economic foundation.

2. The Displacement of the Critical Point of Departure: From Commodity Fetishism to Class Consciousness

2.1. The Inheritance and Displacement of the Concept of Reification

The concept of reification developed by Lukács in History and Class Consciousness (1923) is the theoretical point of origin of the Western Marxist cultural turn [5]. On Lukács's account, the universal penetration of the commodity form into every sphere of social life confers a thing-like character on

human activity, social relations and even consciousness, which assume the appearance of a 'phantasmic objectivity'. The concept directly inherits Marx's analysis of commodity fetishism in the first volume of Capital: once the products of labour assume the commodity form, the products of human hands appear as independent beings endowed with life and entering into relations both with one another and with human beings [6]. For Marx, this is not a mere misrecognition of ideas but an objective phenomenon necessarily generated by the material structure of the capitalist mode of production; behind the relation between things lies the social relation of labour between persons, and this form of appearance is itself an intrinsic moment of capital accumulation.

Yet in deploying this category Lukács effected a methodological displacement. Marx's critique of fetishism aims at revealing the material basis of value relations; Lukács was more concerned with how reification produces the loss of proletarian class consciousness, that is, the workers' inability to grasp totality conceptually. Zhang Yibing points out that the young Lukács improperly sutured Marx's theory of the reification of social relations to Weber's theory of the 'thingification' of instrumental rationality, which constitutes an important paradox in his theory of reification [7]. Sun Boli similarly holds that in History and Class Consciousness Lukács conflated reification and alienation, deviating from the concept of alienation in Marx's middle-period economic studies [8].

2.2. Theoretical Consequences of the Methodological Shift

The theoretical consequence of this shift is that the revolutionary task was displaced from overthrowing the objective structure of capitalist domination to awakening the class consciousness obscured by reification. Lukács did not wholly abandon economic analysis, but he opened a path for later Western Marxism along which the centre of gravity of critique could bypass the hard mechanisms of capital accumulation and settle directly on the plane of consciousness, culture and subjectivity. It is worth emphasising that Marx's proposition in Capital that 'the individual is now ruled by abstractions' should have served as the point of departure for analysing the objective structures of abstraction in capitalism; Lukács's treatment of this proposition in the philosophy of consciousness made later critical theory far better equipped to analyse 'how abstractions are experienced' than 'how abstractions are produced'.

3. The Retreat of Economic Analysis: From Cultural Hegemony to Communicative Rationality

3.1. Gramsci: From the Transformation of Production Relations to Cultural Discursive Power

If Lukács opened a methodological breach, the theoretical lineage from Gramsci to Habermas completed the systematic dissolution of the economic dimension. In the Prison Notebooks, Gramsci decomposed the mechanisms of domination in advanced capitalist states into the coercion of political society and the consent of civil society, holding that the latter constitutes the foundation of the legitimacy of bourgeois rule. He thereby proposed replacing the 'war of manoeuvre' with the 'war of position', attributing the defeats of revolution to the bourgeoisie's establishment of a stable cultural hegemony [9]. The cost of this shift is that economic exploitation was quietly removed from the centre of critique: once the legitimacy of domination is reduced to the achievement of consensus, the primary task of overturning domination moves from transforming the relations of production to contesting cultural discursive power.

3.2. The Frankfurt School: The Limits of the Critique of the Culture Industry

While deepening the cultural turn, the Frankfurt School progressively weakened the economic dimension of critique. Horkheimer and Adorno's critique of the culture industry exposed the commodification and standardisation of cultural products in production and circulation, arguing that their anonymous authority dissolves artistic autonomy and the individual's experience of negativity [10]. However, the ultimate target of this critique is the corruption of culture itself and the domestication of its audience, not the way in which the commodification of culture serves the overall accumulation of capital. It criticises the industrial form of culture without asking why industry needs culture, or what structural function culture performs in the reproduction of capital. Marcuse's theory of one-dimensionality is similar: he demonstrates how advanced industrial society dissolves negative thought through the production of material abundance and false needs, yet he never asks how consumption itself constitutes a necessary moment in the realisation of surplus value [11]. The decisive question is not whether workers are satisfied by consumption, but how consumption constitutes a link in the self-expansion of capital.

3.3. Habermas: Communicative Rationality Replacing the Category of Labour

By replacing the critique of instrumental rationality with communicative rationality, Habermas marks the completion of Western Marxism's final transformation into universal pragmatics and ethics. In The Theory of Communicative Action, the normative foundation of social critique is located in the conditions of undistorted communication between subjects, and Marx's category of labour almost loses its status as the point of departure of critique in this system [12]. Wang Xiaozhang argues that Habermas attempts to reconstruct historical materialism on the basis of communicative rationality, but that his path perpetuates the theoretical bias inherited from Lukács, abandoning Marx's direction of seeking revolutionary potential in the technological progress of capitalism and in new forms of labour itself [13]. At this point, the classical genealogy of Western Marxism had completed its de-economisation.

3.4. The Self-Confirmation of the Genealogy: Cultural Logic and the Economic Gap

The abandonment of the economic dimension by the Western Marxist genealogy is confirmed, in a negative way, by its most profound analysts of culture. Jameson argues in Postmodernism that the 'depthlessness, pastiche and waning of historicity' of postmodern culture is precisely the cultural expression of the financialisation and commodification logic of late capitalism [14]. In other words, within cultural critique the economic dimension is always present in the mode of 'representation', but the laws of motion of capital accumulation itself are suspended as premises that need not be analysed. This diagnosis finds echoes in contemporary

theory: Fraser argues that the imbalance of critical theory between 'recognition' and 'redistribution' places it in a dangerous complicity with neoliberalism [3]; Cicerchia argues that contemporary critical theory's inability to speak about the economy stems from its inheritance of the Weberian concept of 'instrumental rationality' and the consequent exclusion of economic categories [15]. These reflections from within critical theory confirm the judgement of this article: the endpoint of the cultural turn is precisely the point at which critical theory falls silent before the power of capital.

4. Algorithmic Domination and the Threefold Failure of Cultural Critique

4.1. Three Forms of Algorithmic Domination

The new form of domination in contemporary financial capitalism can be summarised as algorithmic: through algorithmic systems, credit ratings and chains of debt, it constructs a comprehensive regulation of existence, whose medium is data and financial instruments rather than cultural meaning or ideology.

The first form is the real-time regulation of the labour process by platform algorithms. Srnicek argues that the defining feature of platform capitalism is the extraction of 'rents' through data monopolies and network effects: platforms do not directly own the means of production, yet they monopolise the channel of intermediation between workers and users [16]. In food-delivery platforms, for example, delivery routes, time requirements and reward-punishment rules are generated in real time by the backend, and the work rhythm of couriers is written directly into system parameters. In her ethnographic study of Uber drivers, Rosenblat develops the judgement that 'the algorithm is the boss': through information asymmetry and the black box of performance, algorithmic management subjects workers to comprehensive domination in the absence of human superiors [17]. Chen Long describes how this control penetrates every detail of courier labour [18]. Here domination does not depend on ideological identification: couriers can lucidly criticise these rules, yet as long as they continue to accept orders, they must labour in the manner prescribed by the algorithm, and domination falls directly on the conditions of earning a livelihood.

The second form is the governance of existence through credit scoring and chains of debt. Zuboff defines surveillance capitalism as 'the unilateral appropriation of human experience as free raw material for behavioural data' [19]. This mechanism operates even more directly in the domain of credit: Huabei, JD Baitiao and various online lending platforms bind the individual's financial behaviour to the conditions of existence through credit scoring. The incentive for repaying on time is not moral conscience but the avoidance of losing access to credit, and in modern society the loss of credit access is nearly equivalent to the loss of basic economic participation. Lazzarato argues that debt constitutes the core apparatus of subjectivation under neoliberal conditions: the 'indebted man' becomes the direct bearer of the capital relation [20]. Ascher further argues that credit evaluation is essentially a 'capitalist mode of prediction': capital no longer merely owns the means of production but allocates credit and the conditions of existence by predicting the individual's future behaviour [21].

The third form is the self-expansion of fictitious capital through data. Marx noted in the third volume of Capital that interest-bearing capital presents every regular money revenue as the interest on capital, completing the capitalist imagination of revenue [22]. In the platform economy this mechanism has acquired a new space of realisation: the valuation of platform firms depends not on current productive profits but on the volume of user data, the scale of traffic and expectations of future financing. Algorithms convert the concrete labour of workers into data indicators, obscuring the fact that living labour is the sole source of value; data, platforms and algorithms constitute a new abstract domination across the dimensions of exchange value, relations of production and abstract power.

4.2. Threefold Failure: Why Cultural Critique Cannot Grasp Algorithmic Power

Faced with algorithmic domination, the failure of Western Marxist cultural critique takes the form of three structural deficits.

First, the failure of the presupposition of consciousness-raising. From Lukács's awakening of class consciousness to the Frankfurt School's analysis of the self-reversal of enlightenment, the basic path of cultural critique is the removal of false consciousness. The empirical facts of algorithmic management are exactly the opposite: the dominated can be fully aware of their situation and yet remain firmly controlled by the system. Algorithmic parameters and debt constraints construct a framework of behaviour that does not require you to believe anything: as long as you still accept orders and still repay debts, you must act according to its rules. Here enlightenment is no longer a sufficient condition of liberation.

Second, the absence of analytical categories. Concepts such as reification, the culture industry, one-dimensionality and communicative rationality are organised around consciousness, discourse and norms, whereas categories such as interest rates, credit scores, algorithmic parameters and data property rights are almost entirely absent from their theoretical frameworks. As a consequence, when Western Marxism discusses finance capital, it generally remains at the periphery of critiques of consumerism or the commodification of culture and cannot enter the core mechanism of capital's self-expansion. Li Qiankun argues that classical Western Marxist critique finds itself speechless before the reality of financial capitalism [23].

Third, the failure of the text-centred method. The method of cultural critique has always depended on stable texts: newspapers, radio and film have relatively fixed forms and can be handled by literary criticism and ideological interpretation. But algorithmic domination is not a text to be read, nor does it appear as a set of ideological statements awaiting decoding: it has no stable external form but is generated and adjusted in real time in every click and every payment. Faced with this purely functional form of control, textual analysis has nothing to hold on to.

5. The Contemporary Return of the Critique of Political Economy

5.1. The Contemporary Explanatory Power of the Categories of Capital

Moving beyond the impasse of cultural critique requires reactivating the theoretical resources of Marx's critique of political economy. Marx's categories possess direct

explanatory power for contemporary capitalism: the analysis of commodity fetishism in the first volume of Capital and the examination of interest-bearing and fictitious capital in the third volume provide an analytical framework closer to the essence of contemporary capitalism than cultural critique can offer [6, 22]. The discussion of interest-bearing and fictitious capital is particularly crucial for understanding platform valuation [22]. Capital accumulation has now become highly detached from the material foundation of productive investment, relying instead on credit expansion, debt creation and the self-circulation of financial assets. Kang Zhai summarises this trend as the over-accumulation of fictitious capital [24]. Harvey's concept of accumulation by dispossession provides an effective analytical tool for understanding the unpaid appropriation of user data by platform capital [25]. The valuation of platform firms, the pricing of data capital and the real-time optimisation of labour by algorithms are all necessary links in the chain of self-expansion of fictitious capital.

5.2. A Theoretical Dialogue with the Digital Labour Theory of Value

The development of contemporary Marxist theory points the way to the return of the critique of political economy. Ma Jiahong argues that the analysis of digital capitalism has entered the problem-field of the Marxist critique of political economy: applying the method of Capital to the process of surplus-value production of digital capital can reveal the exploitative essence of capitalism in the digital age [26]. Zhang Feng's 2026 study further argues that artificial intelligence should be understood as constant capital (dead labour) rather than as an independent creator of value, and that living labour remains the sole source of new value. Algorithms and platforms have not abolished the labour process but have reorganised the conditions of value production and distribution: value is generated in the network of couriers, data annotators, content producers and unpaid users, yet it is appropriated in the form of rent by platform owners and investors. The article explicitly calls for empirical verification in subsequent research [4]. Fuchs has already made a similar argument in Digital Labour and Karl Marx: the prosumer activity of internet users constitutes digital labour that is appropriated without compensation, and Marx's theory of value can be extended to the digital sphere [27].

What this article contributes to this debate is precisely the critical-historical dimension that it lacks: why is the cultural-critical path unable to grasp the structure of 'constant capital-living labour'? Because the cultural turn suspended the analysis of capital accumulation from the outset, shifting the centre of gravity of critique from 'how abstractions are produced' to 'how abstractions are experienced'. The categories of reification, the culture industry and communicative rationality cannot locate algorithmic power within the relational structure of 'constant capital-living labour', whereas the critique of political economy takes precisely this structure as its point of departure. The speechlessness of cultural critique is not an accidental omission but the necessary result of its theoretical configuration; the return of the critique of political economy, in turn, provides the digital labour theory of value with a double proof, historical and theoretical.

5.3. Institutional Responses and the Self-Renewal of Critical Theory

At the level of practice, the advancement of platform-economy governance in China confirms the practical value of the critique of political economy. The promulgation of anti-monopoly regulations, the progress of data-security legislation and the establishment of systems protecting the rights and interests of workers in new forms of employment all intervene precisely in the field from which Western Marxism retreated: they no longer remain at the level of discursive resistance or aesthetic redemption but directly regulate the rules under which capital operates. Chinese practice is not a mechanical application of Marx's categories but an active delimitation of the boundaries of capital's operation under the conditions of the socialist market economy. What it demands of Marxist theory is not merely a cultural denunciation of algorithmic tyranny but a normative analysis of the concrete mechanisms of data property rights, platform monopoly and credit allocation.

Making the critique of political economy once again the point of departure of Marxist critical theory does not mean denying the historical contribution of Western Marxism. Lukács's disclosure of reified consciousness, the Frankfurt School's critique of the culture industry and Habermas's interrogation of communicative norms all deepened the Marxist understanding of culture and subjectivity. Yet under the new historical conditions, faced with the oppressive forms of algorithmisation and financialisation, cultural critique must recover a political-economic foundation; otherwise it can only describe the cultural appearance of oppression without cutting into its economic core.

6. Conclusion

The cultural turn of Western Marxism once promised a 'return to Marx', yet it ended by moving away from Capital. When algorithmic domination inscribes the power of capital directly into the conditions of individual existence, the enlightenment presuppositions, categorical tools and textual methods of cultural critique all fail. This article has reconstructed the critical genealogy from Lukács to Habermas, demonstrated the threefold failure of cultural critique, and shown that reactivating the critique of political economy can not only explain the material basis that gives rise to reification and the culture industry but also reveal the immanent laws of motion of contemporary algorithmic power and financial-credit mechanisms. This judgement is mutually corroborated by the latest debate holding that 'artificial intelligence is constant capital rather than labour, and living labour remains the sole source of new value': the task of critical theory is to make the fact that living labour is the sole source of value once again an object that can be analysed, regulated and contested. The return of the critique of political economy is a viable path by which Marxist theory can genuinely emerge from its contemporary state of speechlessness.

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