Economic Activity and Its Relationship to Return and Growth of Surplus Prepared for Investment

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Abstract: - Within the framework of classical economic thought, Adam Smith and Karl Marx present different visions of the relationship between the surplus prepared for investment and economic activity. This relationship developed thanks to the role played by imperialism in strengthening its control over this accumulated surplus through geographical expansion and the exploitation of colonies. The problem of the study focused on the great discrepancy between the economic theory presented by Adam Smith and Karl Marx, regarding the impact of economic activity on the return and growth of the surplus prepared for investment, especially under the imperialist system. While Smith believed that the division of labor and the accumulation of capital would lead to increased returns and surplus, Marx believed that the capitalist system leads to the concentration of wealth in the hands of the class that owns the means of production, and this class exploits the working class, which prevents a fair distribution of the economic surplus. Hence, the study seeks to show how we can understand the relationship between economic activity, return, and the growth of the economic surplus, in light of these two theories, and what is the impact of imperialism on this relationship. The study concluded that the organization of economic activity depends largely on the surplus prepared for investment. According to Adam Smith, free markets and free trade stimulate the growth of surplus by raising the efficiency of production. In contrast, Karl Marx believed that the capitalist system supported by imperialism leads to the exploitation of surplus for the benefit of a few owners at the expense of the majority, which deepens the gap between classes. The study also concluded that imperialism played a pivotal role in enhancing the concentration of capital and the exploitation of surplus in colonized countries, which led to the distortion of the process of economic growth and the transfer of resources from local investment to capitalist centers.

Key-Words: - Economic growth, Economic activity, Returns, surplus, investment, Adam Smith, Karl Marx.

Received: May 27, 2024. Revised: December 21, 2024. Accepted: January 24, 2025. Published: March 13, 2025.

1 Introduction

Since ancient times, economic thinkers have sought to understand the dynamics of economic activity and its effects on the distribution of economic resources and wealth. This study addresses the relationship between economic activity, return, and growth of the surplus available for investment in the context of the theories of both Adam Smith and Karl Marx. Adam Smith presented ideas about capital accumulation and the division of labor and their role in achieving efficiency and economic growth through investment. Karl Marx presented a critical analysis of the capitalist system as a whole, pointing out the contradictions that arise from the exploitation of labor and its impact on the distribution of wealth. In addition, this study sheds light on a very important issue: the impact of imperialism on economic activity, return, and growth of the surplus available for investment, as imperialism led to radical changes in the structure of the global economy, and thus affected the dynamics of economic growth.

The problem of the study is to try to answer the central question: How do the visions of Adam Smith and Karl Marx intersect and differ in the relationship between economic activity and return and the growth of the surplus prepared for investment, and how imperialism contributed to shaping this relationship in capitalist economies. The study sought to answer this central question, indicating that Adam Smith focused on the expansion of the market through which tasks and work can be divided among workers, which increases worker productivity raises demand rates, and thus drives economic activity and growth. Karl Marx sought to prove that the capitalist's constant pursuit and search for profit and investment led to higher wages and flooding of markets with products, which accelerated the occurrence of economic crises, which in turn reduced the profits of capitalists. The emergence of imperialism also played a decisive role in the rise in wages, as under the free competition between the capitalists themselves, capital accumulated greatly, which eventually led to monopoly, and then a decline in profit rates.

2 Adam Smith and the Returns on Investment

Adam Smith was interested in the issue of capital accumulation and the division of labor and considered them as two main factors that encourage the increase of wealth and stimulate economic growth and activity. Most economic thinkers have argued that Smith used the term "division of labor" with two different meanings: The first meaning: He meant the allocation of labor power accompanying the process of economic progress, which results in an increase in the ability and skill to innovate, and thus an increase in the power of labor productivity. The second meaning: Smith meant the labor power between those who work in productive work and those who work in unproductive work.

Therefore, Smith relied in his analyses of the issue of capital accumulation and economic growth later on this distinction, as he showed through his definition of productive labor; that it must contain two conditions: the first condition: is that it adds value to the material in which it is spent. The second condition: is that it adds its expenses and the profit of its employer or master. The first condition leads to the production of a material commodity, and the second condition leads to the creation of a surplus in production; which can contribute to the investment process. Therefore, Adam Smith believed that capital accumulation can only be achieved through productive labor, as he showed that "that part of the annual produce of land and labor in any country which replaces capital is directly employed only in the expenditure of productive labor. It pays the wages of productive labor only. As for that part which is immediately allocated to constitute income, either in the form of profits or rent, it may support productive and unproductive workers without bias", [1].

Smith also showed that the accumulation of capital must precede the division of labor, since "labor cannot be divided into departments and branches according to proportions until money has been accumulated and collected and increased. The quantity of materials consumed by a number of persons in their work increases in a greater proportion when labor is divided into more departments and branches". Smith emphasized the necessity of securing a stock of provisions, materials, and tools, which he considered essential to the process of investment, and thus to increasing the accumulation of capital. This accumulation is necessary, as Smith says, to make improvements in productive forces. The person who invests his money in a certain work undoubtedly wants to employ it in a way that enables him to produce the greatest possible amount of work. The accumulation of capital, on the one hand, will be spent on purchasing machinery, equipment, and raw materials that increase labor productivity, and on the other hand, it will lead to the employment of new workers. This is always the meaning of investment in itself.

As for economic growth, Adam Smith believed that growth is achieved if governments limit their role to national defense, achieving order and justice, providing education for the people, offering public benefits; and refraining from placing restrictions on internal and external trade. Smith was also interested in identifying the factors that achieve economic growth, of which the division of labor is one of the most important, as it plays a role in "increasing labor productivity resulting from increasing the skills of specialized workers and increasing innovations resulting from specialization, in addition to decreasing the time required for the production process. All of this contributes to reducing production costs and increasing production capacity, and thus facilitating the task of accumulating capital". Adam Smith emphasized that living standards and growth in output "depend on investment, which is the driving force for accumulating capital, and that investment, in turn, depends on savings resulting from profits generated from agricultural and industrial activity based on labor specialization". "Productivity increases with the size of the target market: the larger the market, the more precise the division of labor, which increases the worker's productivity. The higher the worker's productivity, the more abundant the market, which stimulates demand, which increases the size of the market, and thus creates new possibilities for the division of labor, and so on", Smith adds. Moreover, free trade opens up global markets, which allows for greater specialization of tasks, [2].

Smith also considered that increasing returns come from most industrial activities while decreasing returns come from activities that depend on the land, as he considered land to be a fixed factor of production. Smith argued that the decline of capitalism becomes possible due to the depletion of resources, and thus the fixed returns of production, so competition among capitalists will reduce profits, which in turn will lead to a decrease in capital accumulation.

3 Karl Marx and the Surplus for Investment

In his book "Capital" Karl Marx agreed with classical thought, including Adam Smith's thought, that the main reason for crises occurring in the economy is the decline in profits, but he disagreed with them on the reasons for this decline. The classic showed that the scarcity of natural resources and the rate of technological progress are the reasons for the decline in profits, while Marx believed that the real reason lies in the capitalist system itself, which is based on a set of contradictions. Marx believed that the problem lies in the inability to confront rapid progress in technology. This progress leads to increased unemployment by expelling more workers from work, which is the result of introducing new machines and equipment to replace them. Here, what is called the "reserve industrial army" appears, as wages fall to the subsistence level for workers who remain in work. When capitalists try to maintain their profits by reducing wages and extending the working day, the situation worsens, as Marx says. As a result of competition between capitalists, many of them leave the labor market and become workers, which leads to more economic crises. Ultimately, this bad situation leads to the collapse of the capitalist system. Joseph Stalin (1878- 1953) wrote in this regard: "The history of capitalism has fully confirmed the theories of Marx and Engels regarding the laws of growth in capitalist society, which inevitably lead to the downfall of the entire capitalist system".

Capitalism, from a Marxist point of view, is "the system and economic activity in which money, which is transformed into capital by the work performed by the worker, grows, producing what Marx calls surplus value" (surplus value: It is the difference between the value that a worker produces from his work and the wage he receives for this work.). The capitalist is the person who buys the worker's labor as a commodity, uses it, and nothing remains for him from what his labor produces except a subsistence wage for the worker to live on, while the capitalist keeps all the profits that the worker makes, meaning that surplus value corresponds to the amount of labor for which the worker is not paid, and it is the profit of capital. The romantic socialist economist Saint-Simon pointed out that "workers are at the mercy of employers; in order to live they must accept work at any wage the employer cares to pay. The supply of labor is determined entirely by the demand on the part of the capitalist for wage labor". Here we note that the roots of the idea of surplus value go back to the socialists who preceded Karl Marx, such as Simon, Proudhon, and others.

Marx formulated his theory of value on the basis of labor, in order to go beyond the scope of the classical economists' point of view, because if "the exchange value of a commodity is nothing but the expression of the socially necessary labor time used in its production, then labor itself cannot have any value". But if labor is the main and only determinant of value, what is it that allows rent and profit to exist? Marx calls rent and profit "surplus value", and accuses capitalists of exploiting workers; if "value is the product of labor, then the profit of the capitalist and the rent of the landowners must be surplus value unjustly extracted from the real earnings due to the working class", [3].

Here we note that Karl Marx's interest in the theory of value is due to his desire to explain "surplus value", which showed that the exchange process differs under capitalist production from that under simple production, as under simple production the product (commodity) is sold for money, and then this money is used to obtain the other commodities it needs, or in other words; the exchange process is completed "by the occurrence of two transformations of the commodity that are characterized by two opposite but complementary characteristics- namely the transformation of the commodity into money, and the transformation of money back into a commodity". That is, the sale process is done for the purpose of buying, or exchanging a specific commodity for another commodity, as shown in Figure 1.

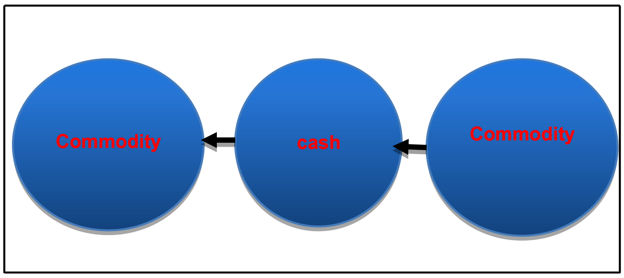

Fig. 1: The process of exchanging goods under simple production
Source: Marx, 2013, Vol. 1, 146

Marx believed that the change in form (Commodity -Cash- Commodity) through which the material exchange of the products of labor is achieved requires that the process begin with a certain value in the form of a commodity, and return to the starting point also in the form of a commodity. Therefore, the movement of the commodity is a circular movement. On the other hand, this form denies that money can make a circular movement. Therefore, what results from this process is not “the return of money to its starting point, but rather it's further and further distancing from this starting point”. As long as the seller clings to money, this form into which his commodity has been transformed, that commodity remains in the first stage of impossibility, and only completes the first half of its circulation cycle. As soon as he completes the process, i.e. selling for the sake of buying, the money leaves the hands of its original owner.

Under capitalist production, the process takes a different form, as “the process begins with the capitalist purchasing the element of labor and the primary resources that he uses in production, and then he sells them in the market for money”. Therefore, this process begins with money and ends with money, since the real product, which is the worker, does not produce for his own account, but for the account of the capitalist. The form of exchange becomes as follows:

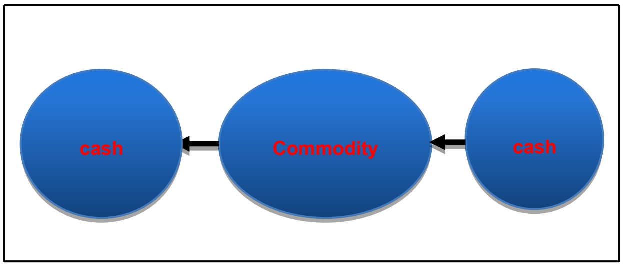

Fig. 2: The process of exchanging goods under capitalist production
Source: Marx, 2013, Vol. 1, 156

Marx believed that “the form of movement which the circulation of commodities directly imparts to money takes the form of a steady departure from its point of departure, taking a path that transfers it from the hand of the owner of one commodity to the hand of another. This movement constitutes the flow of money”. From here we notice that the flow of money is constantly repeated. Karl Marx continues by saying: “The first transformation (case of Figure 1) of the commodity appears to the eye not as a movement carried out by money alone, but as a movement carried out by the commodity itself; but in the second transformation (case of Figure 2) the movement appears on the contrary, as a movement of money alone”. Thus, from Marx's point of view, the capitalist achieves benefit if the amount of money he obtains is greater than the money with which he began the exchange process. This increase in the money that the capitalist obtains results from surplus value, which is the result of the worker's ability to produce something of greater value than what he consumed. In other words, the ultimate goal of the exchange of goods under simple production (Figure 1) is use value, while the ultimate goal of the exchange of goods under capitalist production (Figure 2) is exchange value itself.

In the exchange process (commodity-Cash-commodity), both “poles have the same limited economic form: both are commodities, and both have equal value. However, at the same time, they have qualitatively different use values, and the content of the process is the renewal of social life”. While the exchange process (money-commodity-money) is a meaningless repetition, except for the quantitative difference between its two poles, as more money is extracted from circulation than was put into it. For example, cotton was bought for (100) pounds and then sold for (110) pounds, and the process follows the following formula, [4].

100 + 10 = 110

$M + \Delta M =$… … … … … …. . . (1)

If **(ΔM)** represents the surplus value. This value does not remain constant in the process of circulation, but rather adds surplus value to itself, it expands itself, and this movement, as Marx says, transforms money into capital.

Karl Marx gives us an example within the limits of the working day, and he assumed that if the production of the daily intermediate means of subsistence for the worker takes 6 working hours, then he must work 6 working hours on average every day to produce his daily labor power or to reproduce the value he received in exchange for selling this labor power to the capitalist, [5].

But this man is a wage worker, and he has to sell his labor power, so the capitalist who buys it gets its use value, which may be any part of that day, for example, 8 hours, so from the difference between 6 and 8 working hours, surplus value arises, which is about 2 working hours, which is considered (the worker's forced labor). In other words, since work is characterized by the worker's ability to produce goods of greater value than the value of the goods he consumed, “the capitalist can employ the worker for a number of hours greater than the number of hours needed to produce the goods necessary for his life, and from here the capitalist gets the difference, which is called surplus value".

We can summarize the idea of the emergence of surplus value according to Karl Marx, by assuming that there is a worker working for a wage in an industrial workshop that produces copper screws, since the value of a working day is equal to ($3), and it represents (6 hours) of work, and these 6 hours are sufficient to make (10) copper screws, whose supply value is estimated at ($12). In this case, there is no surplus value, since ($9) is the value of the cost of purchasing raw materials and the cost of production to make these screws, and ($3) is the worker's wage, and thus the employer does not receive any increase, so this process is useless for the capitalist. But since the worker works for a subsistence wage, and that ($6) is enough to keep him alive for a full day (24 hours), this does not prevent the employer or capitalist from keeping the worker in any way to work a full day, i.e. (12 hours), and with the same previous wage ($3). Here the worker will produce twice the previous production, i.e. (20) copper screws per day, and thus the value of the daily supply of copper screws will be ($24). Here we subtract ($18) as the cost of the screw production process, and also subtract ($3) as the daily wage of the worker who keeps him alive for a full day, and thus the employer or capitalist obtains ($3) as an additional value for a working day, and this is what Karl Marx calls "surplus value", which is the result of the worker being forced to work (6) additional hours and with the same wage, and here money turns into capital, and the capitalist's money accumulates at the expense of the worker, who cannot obtain his full right to work for (12 hours) Because he lacks access to the means of production (machines and tools) and raw materials, and also because his ability to bargain over wages is governed by the law of supply and demand for wages, as there is a whole army of unemployed industrial workers ready to take his place if he demands a high wage from the employer.

From here we can divide the capital employed by the capitalist into fixed capital, which is spent on purchasing raw materials, machinery, and tools, and variable capital, which is the part spent on purchasing labor power. Economist Eric Rolle has shown that in Marxist doctrine, "the former is called fixed because it does not change its value during the production process, but rather adds it to the commodity being produced". However, variable capital changes its value because "it produces its equivalent and surplus value, which is itself a variable amount". Karl Marx also discusses the issue of "the rate of surplus value", which is "the ratio of the addition to capital that appears at the end of the production process (surplus value) to variable capital", [6].

Assuming that the rate of surplus value is:

$$\frac{F}{M}(X) \ldots\ldots\ldots\ldots\ldots\ldots\ldots \quad (2)$$

Since:
(X) Represents total capital
(F) Represents surplus value
(M) Variable capital represents

This rate, from Karl Marx's point of view, expresses the "degree of exploitation of labor by capital".

Marx believed that necessary labor time is fixed, while overwork time is variable but within certain limits, as it "cannot fall to zero as long as capitalist production continues", and then it stops, and it cannot rise to (24 hours) for physiological reasons, in addition to that; "the maximum limits of overwork are always affected by moral foundations. However, these limits are very flexible". Marx continues that "economic laws demand that the working day should not exceed the worker's normal consumption (which is 24 hours in our previous example)", but what is normal? Here arises a conflict of principles that only force can decide its fate, as Marx says. The capitalist can live longer without the worker than the worker can live without the capitalist, and "union between capitalists is common and effective, but a union between workers is forbidden and its results are painful for them". Moreover, the capitalist and the landowner can increase their income from the product of industry, while the worker cannot do so, since he has neither the rent of the land nor the interest of capital to add to his industrial income, [7]. Thus, the separation between capitalist and worker is inevitable.

According to Karl Marx, the conditions of workers will worsen in comparison with the improvement of the conditions of the capitalists, and when the conditions of workers reach unbearable levels, they will revolt against the employers or against the capitalists, in the form of a social and economic revolution. Behind this idea lies the idea of alienation (Alienation: In economics, the term "alienation" refers to a worker's loss of connection with his or her work, or with the economic system in which he or she lives), in which the capitalists alienate the workers and strip them of their humanity, [8]. The idea of alienation was used by Hegel before Marx, as he saw that human history is at the same time a history of alienation. Hegel wrote: "What reason strives for, in fact, is the realization of its idea, but in doing so, it hides that goal from its vision and is proud and satisfied with this alienation from its essence". Karl Marx said that "man is estranged from himself theoretically and practically in all areas of life and through the values in which he believed and to which he submits in spite of himself". He is estranged from himself theoretically, in religion, morality, and metaphysics when he turns away from his true consciousness and his true problems. He is estranged from himself practically in things that he gives existence to. He is estranged from them in work, which for him becomes slavery, exploitation, and an unbearable burden in the capitalist system. He is estranged in social life in which the community is divided into social classes that rob itself. He is also estranged in money and capital, and in his power over nature when ownership of the means of production is transformed into private property. This estrangement makes man deprived of will and consciousness, for the benefit of a small group that exploits the situation and incites its continuation.

The worker becomes poorer, from Marx's point of view, the more the capitalist's wealth increases, and the worker becomes a cheaper commodity the more commodities he produces. Therefore, we see Karl Marx saying in this regard: "The more the worker produces, the less he consumes; the more values he produces, the more insignificant and insignificant he becomes. The more his product improves in form, the more deformed the worker becomes; the more civilized his subject becomes, the more brutal the worker becomes; the more capable the work becomes, the more helpless the worker becomes; the more creative the work becomes, the more stupid the worker becomes, and the more enslaved he becomes to nature". While Marx presents capitalists as characters in a Greek drama, who are helpless and equally evil, unwittingly causing their own destruction, even though they are driven by greed for profit, this is not because the capitalist is a morally flawed being, but because the laws of his economic system (the capitalist system) give him no rest, and constantly whisper in his ear, saying: "Go on! Go on!" Karl Marx thus describes capitalists as victims of their system, [9].

However, Karl Marx's idea of surplus value was refuted by most economists, most notably the English economist Alfred Marshall (1842-1924), who showed that Karl Marx "ignored the added value that society gains from taking risks and waiting. Through investment, the capitalist gives up the pleasure of buying goods. His return on investment compensates him for this waiting and for delaying his pleasure. If everyone consumed everything now, society would not produce anything new. This is why profit plays an important and legitimate role". Marshall also believed that what Marx and others claim is that "labor always produces added value, which exceeds their wages and exceeds the consumption of the capital used to assist them, and that the harm that befalls labor lies in the exploitation of this added value by others". But assuming that this entire added value "is the product of labor alone is considered to be What they are trying to prove is already taken for granted, and therefore they are not trying to prove it, and it is not true. It is not true, from Marshall's point of view, that "the spinning of cloth in a factory, after paying the wear and tear of the machinery, is the product of the labor of the workers", but rather of "their labor plus the labor of the employer, the assistant managers, and the labor capital", [10].

The economist Joseph Schumpeter has shown that Karl Marx's doctrine of surplus value is untenable since the quantity theory of labor can never be applied to the commodity known as labor because this "means that workers, like machines, are produced according to reasonable estimates of cost. If they are not, there is no justification for supposing that the value of labor-power will be proportional to the hours of labor which go into its production". Schumpeter argues that from a logical point of view, "Marx would have been better off if he had accepted the law of iron wages, or if he had confined himself to arguing along financial lines, as Ricardo did; but if he had rejected this approach, and he had been very wise, his theory of exploitation would have lost from the start one of its essential foundations", [11].

One of the pioneers of the Austrian school of economics, Eugen von Bohm- Baverick (1851-1914), criticized Marx's theory of surplus value, stating that Marx did not take into account the element of "time" when he discussed the issue of surplus value. "Marx believed that capitalist employers exploit workers, and get them to work for several days, before giving them their wages at the end of the week". But in contrast to these workers, Eugen Baverick believed that employers or capitalists have to wait months and years until the product is ready to be put on the market, and only then will the capitalist get his money. In fact, "capitalists provide They work for income before they get the return in the hope of selling the commodity they produce", and the capitalist who bears the risks of work is more cautious than the workers, and for this reason, disputes may occur over wages, as Baverick says, but these "disputes are only natural differences in valuation, and not a sign of exploitation by another party”.

4 Imperialism and the Erosion of Capitalist Profit Rates

Karl Marx was not the only economist in the socialist arena who criticized the capitalist system and its economic activity and the resulting accumulation of capital and returns in the form of surplus value, resulting from the exploitation of workers from his point of view, despite the doubts of some economists about the validity of what Marx said in this regard. For example, we see that the English economist John Hobson (1858-1940), author of the famous book “Imperialism” (Imperialism: In economics, the term "imperialism" refers to the control of a country or major economic power over other countries, with the aim of exploiting their resources and markets) and Vladimir Lenin; tended to follow Karl Marx's approach to what the capitalist system does in terms of violations against other nations to dispose of their accumulated capital and surplus value as an investment, with the aim of bringing in more profits or returns.

Under the free competition that takes place in the labor market between the capitalists themselves, capital will accumulate very greatly, which in turn will lead to greater accumulation that will eventually lead to expansions in monopoly, and then to an erosion in the rate of profit through the rise in real wages. Accordingly, the invention of machines and industrial machines used in work will maintain a high level of profits and prevent the rise in workers’ wages. However, since the capitalist system is in a state of continuous development, this development will be accompanied by the “law of the tendency of the rate of profit to fall”. This law alone is sufficient, from the Marxist point of view, to transform the capitalist system toward imperialism. Here we are faced with the most violent and fiercest campaign of criticism launched against the profit system, as Robert Heilbroner says, At the internal level of the capitalist system, capitalism was characterized by inequality in the distribution of wealth and the exploitation of workers, and that the profit system led to the increase in the wealth of the rich and the increase in the offspring of the poor, [12].

The unequal distribution of income has led to the inability of the rich and the poor to consume enough of the produced goods, as the poor live on subsistence income, while the rich make profits that turn into savings that the local market is unable to invest. This means that “the savings that the rich create automatically can be invested in a way that is not accompanied by an increase in production at home, which means that they can be invested overseas”. This is the origin of imperialism. Hobson, therefore, sees industrial progress as not the reason for the demand for “the opening of new markets and areas of investment, but the maldistribution of consumption capacity which prevents the absorption of goods and capital within the country”. Imperialism was thus “the natural product of the economic pressure of a sudden capitalist advance which found no room for itself at home, and which needed foreign markets for goods and investments”, [13].

Here the result is disastrous, as imperialism becomes a path leading to war. It does not become a path of adventure, but rather a “vile process in which capitalist peoples compete to obtain the sources in which their wealth grows”. Then all the people ruled by the capitalist system will follow the same approach, which is the approach of racing and seizing the richest markets in order to avoid profit.

Robert Heilbroner believed that what Hobson presented regarding imperialism, and the ideas he presented calling for violence and conflict, fell on deaf ears among economists, as it was said that Hobson had “mixed economics with other things”. Nor did he depart from the point of view of the bourgeois, the advocates of social pacifist reformism, a point of view that does not differ much in its essence, as Vladimir Lenin says, from the position currently held by the former Marxist theorist Karl Kautsky (1854-1938), who gave an accurate description of the political and economic characteristics of imperialism. Although Hobson dealt with the issue of imperialism in depth and breadth, he did not throw on it the royal Marxist cloak, as others did, and we mean Vladimir Lenin.

Imperialism was no longer the main axis of Marxist economics, and Marxists did not sanctify it. Rather, it began to expand its boundaries, to the point that it exceeded the framework drawn for it by John Hobson. The image of capitalism became as follows: “ensuring the maximum capitalist profits, by excluding the peoples of other countries, especially backward countries, and systematically plundering them”. The years (1875-1914) were characterized by the presence of a large number of new fields for the employment of capital, and then by the gradual sharing of these fields among the imperialist countries, so we can call this period the “age of imperialist renaissance”, [14].

Vladimir Lenin believed that the export of capital was linked to forms of domination that led to the intensification of massive concentration and the division of the world in the field of commercial navigation. However, this did not change the expectations of the corruption of the capitalist system and its transformation through socialist power by means of class struggle. If the conflict that Marx expected would bring the capitalist system to the stage of class maturity, the interpretation that Lenin gave is that "the form of the conflict can change, and it always changes according to various reasons of a special and relatively temporary nature, while the essence of the conflict (and its class content) will not change as long as the classes remain". What Lenin achieved regarding the idea of class struggle is that this conflict changes with the change in the transition of the stages of the capitalist system. From the stage of the transition of capitalism to monopoly capitalism, and then to the stage of finance capital, the conflict reaches the final stage the conflict for the division of the world's lands, [15].

5 Conclusions

The ideas of Adam Smith and Karl Marx showed a clear difference in their perception of how wealth should be distributed and the economic surplus prepared for investment should grow. Smith relied on the dynamics of free markets and the mechanisms of supply and demand as a means of achieving economic growth through investing this wealth, Karl Marx criticized the capitalist system, considering that it contributes to strengthening class exploitation and seizes the capital resulting from surplus value. The study also concluded how these concepts developed with the rise of imperialism, as the economic surplus and accumulated capital were exploited to expand economic and political control over the colonies, which reinforced global economic disparities. The study also concluded that the relationship between economic activity and return was not limited to the borders of the internal market of countries, but extended to form part of the global system, as the surplus prepared for investment became a tool to finance and sustain imperialist expansion. Based on these results and conclusions, we can say that understanding contemporary economic growth is not complete unless we dismantle the complex links between Adam Smith's thought, Marxist criticism, and imperialist policies, which helps in a deeper analysis of economic policies related to the issue of economic growth.

Declaration of Generative AI and AI-assisted Technologies in the Writing Process

The authors wrote, reviewed and edited the content as needed and they have not utilised artificial intelligence (AI) tools. The authors take full responsibility for the content of the publication.

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Contribution of Individual Authors to the Creation of a Scientific Article (Ghostwriting Policy)

The authors equally contributed in the present research, at all stages from the formulation of the problem to the final findings and solution.

Sources of Funding for Research Presented in a Scientific Article or Scientific Article Itself

No funding was received for conducting this study.

Conflict of Interest

The authors have no conflicts of interest to declare.