

The Disintegration of the Marxian School

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Introduction

I have been asked to comment on the importance and relevance of value theory today, as well as the problems it faces. I shall focus mostly on the problems: the aging community of Marxist economists is not replenishing its ranks; over the last three decades, a large segment of its members, perhaps a majority, has abandoned the field; the quantity (and, arguably, the quality) of Marxian economic research has dropped sharply; and it would be very difficult to say that the field as a whole has made progress.¹

There are two reasons why I choose to focus on this disintegration of the Marxian school rather than on the importance and relevance of value theory. Firstly, it seems obvious to me that the current economic crisis has made value theory newly important and relevant, at least value theory rooted in Marx's *Capital*, where value theory and crisis theory are facets of an inseparable whole. I cannot put the matter better than this journal's Editorial Board (2009): "The central ideas of Marxism have taken on a new credibility and urgency: the inevitability of crises; capital's undermining of itself even, ... [T]he crisis is not merely a crisis of finance but of the capitalist system as a whole; and it has arisen not from the technical errors of governments, but from the contradictions of capital accumulation and associated class struggle." What is this if not value theory rooted in *Capital*?

Secondly, however, the renewed relevance of Marxian value theory will just not matter unless the crisis provokes its practitioners into addressing its severe structural problems and forging a radically different path. The potential of Marxian value theory at this moment of crisis—the explanations, critiques, and solutions it can offer humankind—will be realized only slightly and noticed even less unless fundamental rethinking occurs. Such rethinking has begun among mainstream economists and economic thinkers (see, e.g., Colander, et al. 2009, Posner 2009). Will Marxist economists follow their lead?

Ironically, when viewed in terms of fundamental theoretical foundations, Marxian value theory is in a stronger position than ever. The history of Marxian economics, at least in the West,

¹ Although Marxian value theory and Marxian economics are not identical, I shall use these concepts interchangeably, since value theory is of considerable importance, directly or indirectly, to the whole of Marxian economics.

has largely been an interminable debate about the supposed internal inconsistencies that plague Marx's value theory (and associated results, such as his law of the tendential fall in the rate of profit) and what to do about them. Yet, as I shall discuss below, the temporal single-system interpretation of Marx's value theory (TSSI)—of which I and Alan Freeman, another contributor to this issue, are proponents—has refuted the supposed proofs of inconsistency, thereby eliminating the logical imperative to reject or correct Marx's theory. And a much wider audience, including a significant audience of politically active Marxists, has become aware of this fact during the last few years.

It is nevertheless appropriate to refer to the disintegration of the Marxian school because theoretical renewal does not, by itself, reverse a process of disintegration. The scholarly community must be willing and able to take advantage of the theoretical renewal. But the Marxian-economics community has not been, and is not now, either willing or able to take advantage of the refutations of supposed proofs of inconsistency in Marx's theory.

I believe, however, that the process of disintegration can still be reversed. Indeed, I believe that the current economic crisis provides us with a rare opportunity to forge a new beginning. Thus my analysis of the Marxian school's disintegration is not intended as an obituary, but as an attempt to understand the past in order not to repeat it. Accordingly, the paper's conclusion shall offer a few suggestions about what may yet be done to renew Marxian value theory.

Internal Sources of Disintegration

This paper's title recalls Marx's (1989, p 791, emphasis omitted) analysis of the "disintegration of the Ricardian school." Although he generally stressed that intellectual life is conditioned by the mode of production of material life, when explaining the disintegration of Ricardian political economy, Marx singled out a factor *internal* to the development of ideas—the inability of Ricardo and his successors to solve a theoretical conundrum (the apparent contradiction between the law of value and the tendency of rates of profit to equalize). My analysis of the disintegration of the Marxian school shall likewise be largely "internalist." Yet whereas Marx identified an insoluble theoretical problem as the cause of the Ricardian school's disintegration, I shall emphasize sociological as well as theoretical determinants of the disintegration of the Marxian school. Theoretically, the disintegration of Marxian economics is largely rooted in problems arising out of the alleged internal inconsistency of Marx's value theory. But these problems have led to disintegration because of a sociological factor: the inability or unwillingness of Marxian economists to come together as a scholarly community and treat its theoretical problems as puzzles to be disposed of in the course of conducting what Kuhn (1970) called "normal science."

In stressing the part played by these internal factors, I do not mean to deny the importance of external ones. Following the economic crisis of the mid-1970s, there was an apparent stabilization of capitalism, the rise of Reaganism and Thatcherism, and renewed faith in the "free market." These factors led to some disillusionment with Marxian economics and abandonment of the field, and it faced reduced resources and difficulties in replenishing its ranks. And since many if not most Marxian economists were pro-Stalinist to varying degrees, further disillusionment and abandonment occurred in the wake of the collapse of the state-capitalist regimes in Eastern Europe and the USSR.

Nonetheless, there are two reasons why it is important to stress the internal causes of disintegration. One is that internal factors are important to us because it is they that we can influence. The other is that the disintegration was initially an internal matter. Debates between

Sraffians and defenders of Marx's theory—debates that led to an ever-widening rift—were already underway *before* the economic crisis of 1973.² By 1977, two years before Margaret Thatcher took office and more than a decade before the Berlin Wall came down, Ian Steedman's *Marx after Sraffa* delivered a knockout blow to the defenders of Marx's theory, effectively putting an end to the 1970s phase of the value controversy. So the external factors noted above only exacerbated a pre-existing internal process of disintegration.

Every Man His Own Marxist

The first internal determinant of the Marxian school's disintegration was the fact that it lacked, and failed to develop, a common purpose. As a result, it lacked common standards and criteria of justification, which in turn implies that it was unable to make progress.

This implication is true almost by definition. Addressing the question of why most disciplines outside of the natural sciences seem not to progress, Kuhn emphasized that, when there are fundamental internal divisions within a discipline, one school's contributions simply will not be recognized as progress by the others:

No creative school recognizes a category of work that is, on the one hand, a creative success, but is not, on the other, an addition to the collective achievement of the group. If we doubt, as many do, that non-scientific fields make progress, that cannot be because individual schools make none. Rather it must be because there are always competing schools, each of which constantly questions the very foundations of the others. [Kuhn 1970, pp 162-63, emphasis in original]

The internal divisions that prevented Marxian economics from progressing should not be seen as a static fact. Initial divisions can sometimes be resolved over time, and it is also possible to work out theoretical problems collaboratively, despite persistent differences—if there is a desire to do so. But in my experience, there was little such desire among Marxist economists.³

Because of this, the internal divisions within Marxian economics actually became greater over time. Marxist economists could have dealt with the overriding, chronic problem the field faced—the alleged internal inconsistency of Marx's own value theory—by sitting down together, trying to reinterpret Marx in a way that makes his value theory make sense, and thereby to reclaim it as a basis of their research program. Yet almost all Marxist economists took the opposite tack. An atmosphere of “every man his own Marxist” emerged. In efforts to correct Marx's supposed errors and overhaul their research program, competing approaches and faddish solutions to “the transformation problem” proliferated, as did various attempts to marry Marxian economics with, or subsume it under, one or another variant of bourgeois economics. Very little of this work has withstood the test of time—almost everyone who engaged in it has since turned to other matters—and in the end there was very little else to build upon.

In retrospect, it seems clear that this way of responding to the allegations of internal inconsistency in Marx's theory weakened Marxian economics considerably. Lacking a focused

² See, for instance, early issues of this journal's predecessor, the *Bulletin of the CSE*, which first appeared in December 1971.

³ The International Working Group on Value Theory held annual mini-conferences for a decade, at which its co-organizers (Alan Freeman and I) repeatedly attempted to foster engagement among proponents of different approaches and interpretations. But, as we noted in a retrospective history of this experience, “[t]he invitation to engage in a pluralistic but critical dialogue was met by Marxist economists with various degrees of scepticism, ranging from bewilderment to rejection” (Freeman and Kliman 2006, p 50).

research program and a common purpose, it was unable to sustain itself once the ideological and political climate shifted to the right and Marxism became unpopular on the left. Much less was it able to offer something positive that might have acted as a countervailing influence. And as I shall discuss below, when new research came along that refuted the myth of internal inconsistency, the ethos of “every man his own Marxist” prevented the refutations from gaining acceptance and even from being treated as such.

Why was there this drive toward proliferation of approaches, rather than to engage in collaborative work? I think there are two main reasons, both consequences of the academic character that Marxian economics has had since the 1970s. The first is a quest to make Marxian economics more respectable, more like “real” economics. In order to “correct” the internal inconsistencies allegedly handed down from Marx and produce a kind of value theory, or theory of income distribution, that other economists would regard as valid, many theorists sought and continue to seek to marry Marxian value theory with one or another variant of bourgeois economics. Since there are several such variants, the result has been a proliferation of Marxian schools.

The other main reason, I believe, is that many Marxian economists have sought to advance their careers through a kind of “product differentiation.” At first, this suggestion seems peculiar, since mainstream economists typically advance their careers in the opposite way—by attaching themselves to mentors, adhering to dominant methodologies, and pursuing research programmes initiated by others. So when Marxist economists argue strenuously with one another and emphasize their differences, this is typically construed, not as a career-advancement move, but as an expression of their supposedly cantankerous natures and/or political commitments.

What is being overlooked here, I believe, is a core-periphery dynamic much like that which operates in some oligopolistic industries. In the soap and detergent industry, for instance, a few large core companies, which are able to compete for the middle of the market, produce essentially the same products as one another. However, smaller peripheral companies must sell to the niches that remain, such as buyers of soaps made by hand using exotic ingredients, and they must differentiate their products in order to do so. Similarly, while mainstream economists can get ahead by being like one another, Marxist and other heterodox economists have to produce differentiated niche products in order successfully to compete for the few remaining rewards that the profession has to offer.

Creation and Perpetuation of Unnecessary Theoretical Difficulties

I have argued that the proliferation of different Marxian approaches stems largely from a quest to make Marxian economics respectable and from the pursuit of product differentiation. I believe that these two factors have also led to the creation and perpetuation of unnecessary theoretical difficulties that have contributed to the disintegration of Marxian economics.⁴

The first factor, the quest for respectability, has resulted in unnecessary theoretical difficulties because it has involved “translating” Marx’s concepts and theories into ones more like those of mainstream economics, and thus potentially more acceptable to mainstream economists. But when concepts and theories are translated in this fashion, they are inevitably distorted, and this can generate theoretical difficulties that were not present in the original theory. This is what occurred when Marx’s value theory and other theories based upon it were

⁴ I am not criticizing the existence of a plurality of theories and methods; quite the contrary (see note 3 above). What I am criticizing is proliferation that is not motivated by a desire to solve the field’s theoretical problems and that has the opposite effect.

reformulated as general equilibrium models in which inputs and outputs are valued simultaneously. Simultaneous valuation is simply incompatible with the foundational principle of Marx's value theory, namely that value is determined by labour-time. Consequently, when the premises of Marx's arguments are translated into "simultaneist" ones, his conclusions fail to follow from his premises in case after case. But if simultaneous valuation and a related revision of Marx's theory are repudiated,⁵ the internal inconsistencies that supposedly plague his theories disappear (see Kliman 2007, esp. Chap. 5).

No one admits to revising Marx's work in an effort to make Marxian economics respectable. They instead often speak of translating his concepts into language that "that an academic could understand": "[Marx's] nineteenth-century metaphysical habits of thought ... are alien to a generation brought up to inquire into the meaning of meaning. I therefore tried [in my *Essay on Marxian Economics*] to translate Marx's concepts into language that an academic could understand" (Robinson 1967, p vii). "As I had felt that Marx's way of writing by Hegelian style sometimes becomes an obstacle for many people to understand his theory, I wrote ["Value and Price"] to demonstrate Marx's proposition by mathematics" (Okishio 1993, viii).

However, many of the economists for whose benefit Marx was "translated" were well-educated and extremely intelligent. They either understood *Capital* or could have understood it had they desired. The actual purpose of such "translations," I submit, was not to facilitate understanding of Marx's actual arguments, but to convince these economists of certain conclusions of his by *replacing* his arguments with new ones more acceptable to them. For example, Joan Robinson (1967, pp vii-viii) wanted to convince them that profit results from owners' appropriation of a surplus produced by workers, so she jettisoned Marx's actual argument, based on the "metaphysical" concept of surplus labour, and produced a new argument based on a Sraffian corn model.

Whereas the quest for respectability led to the creation of unnecessary theoretical difficulties, Marxian economists' pursuit of product differentiation led to their perpetuation. In order to explain this, I first need to say a bit about the debate over Marx's alleged internal inconsistencies.

The problem of internal inconsistency once appeared to be intractable or even insoluble, since the controversy was never resolved. However, it was demonstrated long ago—the key demonstrations have been in the public domain for two decades—that all alleged inconsistencies in the quantitative dimension of Marx's value theory disappear when the theory is interpreted in accordance with the TSSI. *Even the TSSI's critics no longer dispute this* (see Kliman 2007, pp 206-08). Yet the debates have not ended. While those who once proclaimed that Marx had been proved inconsistent now typically try to avoid this issue, they try to transform what had been a debate over the internal inconsistency allegations into debates about the fruitfulness of Marx's work and of alternative approaches to Marxian economic analysis (see Kliman 2007, pp 165-68 for a few key examples).

This history suggests that the internal consistency debates were interminable, not because the underlying problems were insoluble or even difficult, but because of a lack of desire to see them solved. In fact, it suggests that Marxist economists have, to some extent, wanted them to remain unresolved. And this is where product differentiation comes in. The different schools that have arisen in and around Marxian economics since the 1970s—Sraffianism, the New Interpretation, value-form analysis, etc.—are essentially different ways of correcting or

⁵ The "related revision" is the severing of values and prices into two distinct systems of calculation. Bortkiewicz's (1984) seminal "correction" of Marx is both simultaneist and dual-system.

circumventing Marx's supposed inconsistencies and working out the consequences. Much effort has been put into correcting Marx and to pursuing research programs founded on "correct" versions of his work. Indeed, this has been the main preoccupation of Marxian and Sraffian economics, at least in the English-speaking world, since the 1940s. Thus, if the allegations of internal inconsistency are recognized as mythical, what happens to all of the differentiated products that owe their existence to Marx's inconsistencies and whose main purpose is to refound Marxian economics on a supposedly sounder basis? In such an environment, the effort to resolve the internal inconsistency debate once and for all can seem to be analogous to a merchant who tries to burn down his competitors' shops.

For a long time, the refutations of the "proofs" of Marx's inconsistency were ignored. When that response was no longer tenable, they were treated as alternative "solutions" and "models" rather than as counterexamples that overturned alleged proofs of inconsistency; and the TSSI was treated as yet another "approach" within Marxian economics—another differentiated product—rather than what it actually is: an exegetical interpretation of Marx's own value theory (see Park 2009 for a recent critique of this sort, and Kliman 2009 for my response). This may be because, in a market filled with differentiated products, it has been difficult to recognize that the TSSI has a different purpose, or it may be because a definitive resolution of the internal inconsistency controversy is too threatening, or both.

In any case, it is clear that a field beset by insuperable theoretical difficulties cannot easily progress, because it always remains mired in controversies over elemental matters and it lacks secure foundations to build upon. As Kuhn (1970) emphasized, "normal science" cannot proceed, and so progress cannot occur, until such controversies are resolved. And so Marxian economics has suffered from a chronic lack of progress that has resulted in disillusionment, abandonment of the field, and inability to attract new blood.

Other Internal Factors

I shall now discuss, more briefly, two other internal factors that contributed to the disintegration of Marxian economics. My discussion of them is briefer because they are easily explained, not because I regard them as less important.

First, since the 1970s, Marxist economists have relied almost solely upon the resources provided by academia, for employment, access to new potential new recruits, and a bit of research funding. It is largely because of this that Marxian economics acquired a careerist orientation, that the quest for respectability became important, and that product differentiation has been pursued. Reliance upon the resources of academia also contributed to the disintegration of the Marxian school in another way: once doing work in Marxian economics became an impediment to career advancement and to one's students' ability to find jobs, the pressures to abandon the field were much stronger than if there had been significant alternative sources of resources.

Of course, Marxist economists are not exclusively to blame for the academization of their field. They had few other options. But they also did little to create other options. Had they known in the 1970s that the ideological climate would shift, so that, instead of taking over academia, they would be taken over by it, they might have done more to create alternative institutions that could fund and foster intellectual work. In any case, it is clear in retrospect that such alternatives should have been pursued.

Second, the dominance of an instrumental approach to ideas (common even among proponents of the TSSI) has contributed to the disintegration of the Marxian school. Interest in

value theory has largely been limited to using it as a tool in empirical research. There has been little interest in putting Marxian value theory on a solid theoretical foundation (except insofar as “corrections” of Marx have purported to be that foundation). Indeed, the effort to get Marx’s theory right has frequently been disparaged as dogmatism or scholasticism. Put in these latter terms, it is easy to see why the effort to strengthen a field’s theoretical foundations is disparaged in the present case, but the defect of this attitude emerges clearly when we situate it in a more general context. What if an instrumental approach to ideas dominated generally? Where would physics be if everyone was an engineer, and there were no physicists engaged in basic research, working to strengthen the theoretical foundations of the field?

A New Beginning?

As I noted above, I believe that the disintegration of the Marxian school can still be reversed, and that the current economic crisis provides us with a rare opportunity to reverse it. In light of the foregoing analysis, I think the following measures are needed in order to extricate Marxian economics from the mistakes of the past and to avoid repeating them.

First and foremost, the field needs to greatly reduce its dependence upon the resources of academia. Intellectual autonomous zones need to be created. This will require significant resources. Sustained collaborative research is needed, and this cannot be accomplished by a few individuals doing such work mostly in their spare time. The needed resources will probably have to come from sympathetic political groups and individuals, but they will first have to be persuaded that intellectual autonomous zones are a top priority

Secondly, cooperative behavior and attitudes, not uncooperative ones, need to be fostered and rewarded. People outside the field can help out by thinking of themselves not only as consumers of its output, but as members of a community it serves who are entitled to demand that it operate in socially responsible manner.

Thirdly, efforts to solve theoretical problems, not efforts to create and perpetuate them, should be fostered and rewarded. Here again, people outside the field can demand that it operate in a socially responsible manner.

Fourthly, garden-variety anomalies such as the “transformation problem” should not be allowed to become sources of internal crisis. While no one should take on faith that Marx was right about everything—or anything—it is reasonable and proper to try to resolve apparent inconsistencies and anomalies in a collaborative manner, and to “think outside the box” in order to do so, before jettisoning the foundations of one’s discipline and heading off in every direction at once. This is how things are done in the physical sciences (Kuhn 1970).

Finally, people outside the field need to appreciate how profoundly the myth of Marx’s internal inconsistencies has damaged it. If Marxist economists will not do their part to set the record straight, people outside the field should take charge—and take them to task. And since a false charge of inconsistency issued knowingly is the moral equivalent of defamation, it would not be unreasonable for the public to ask those who have perpetuated the myth of inconsistency to make restitution. The funds obtained could be used to help re-establish Marxian intellectual work outside of academia.

If these measures go unrealized, I see little future for Marxian value theory. So, can they be realized? I do not know. To some extent, the answer will depend upon what develops during the current economic crisis.

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