A Reappraisal of Marxian Economics

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Volume 1: Essays on Volume III of Capital: Method, Value and Money
Volume 2: Essays on Volume III of Capital: Profit, Prices and Dynamics
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Capital III came into this world like Shakespeare's portrayal of Richard III:

> Deformed, unfinished, sent before my time
> Into this breathing world, scarce half made up,
> And that so lamely and unfashionable...
> (*Richard III*: I.i.20)

As a consequence it is contentious to cite this text as evidence or to develop any firm interpretation or argument, let alone theory, on it. The apparent tendency for the profit rate to fall, elaborated in Part III of Marx's work, is a prime example. Maximilien Rubel, pointing to Engels's lack of finesse at editing both *Capital II* and *Capital III*, tried his own hand at it. But the relatively recent publication in MEGA of the manuscripts which formed the basis of both edited versions opens the way for further study and enquiry. Nevertheless one expects that this volume of Marx's work is 'determined to prove a villain' (*Richard III*: I.i.30) for scholars.

Engels admitted to enormous difficulties editing *Capital III*, especially Part V, which monetarily speaking is the most significant. Amongst several problematic chapters, some were extensively reordered by Engels, some required 'substantial interpolations' and he gave up entirely on one that Marx sarcastically referred to as 'The Confusion' (Engels 'Preface' to *Capital: A Critique of Political Economy. Volume III*, Harmondsworth, Penguin Books, 1981, pp. 91-111, esp. pp. 94-6). In view of Engels's alleged intellectual familiarity with Marx, it is also significant that in an extensive end comment to the volume he not only crudely presents but also seems to misrepresent Marx precisely on 'money' (*Capital III*, pp. 1034-7; John Weeks, *Capital and Exploitation*, Princeton, Princeton University Press, 1981, pp. 18-9, 36, 55). Rubel's edition ends with a section on money that Engels places much earlier in Volume II in fact, though not without openly acknowledging that Marx had planned it to appear later. In both cases the editors claim to use Marx's rationale in their presentation; in their distinctive versions they 'clothe ... naked villainy, with odds and ends stolen forth of holy writ' (*Richard III*: I.iii.336).

Whichever version or alternative interpretation of Marx's work one subscribes to, difficulties arise. The point is that Marx's satirical literary style, with all its political overtones, often blurs and even substitutes for sound scientific and/or economic analysis. I will stick with the example of the concept of 'money', which fortunately has become central in Marxian debates over the last few decades. Interest-bearing capital, which epitomises commodity fetishism according to Marx, is treated unsatisfactorily in *Capital*. Even if dealt with in some detail in Part V of *Volume III*, the credit system, as always, is secondary to the money commodity. Like Quesnay, whose *Tableau* inspired the reproduction schemas sketched out in *Capital II*, Marx assumes a passive and unproblematic role for money in the circuit of capital, making commodities and their values causal elements. In Marx's examination of the gold producer's role and the supply and demand for the material of money, he fails to acknowledge that the gold producer and the money 'consumer' are dealing with a quite peculiar 'commodity'. Also Marx shelves an explicit and full theoretical statement on the monetary role of the capitalist state. Admittedly he wished to treat matters like the credit system, the state and crises thoroughly later. He never did - but let us 'harp not on that string' *(Richard III:* IV.iv.365).

Two thick volumes devoted to reappraising Marx's *Capital III*, and comprising 35 different articles, are a welcome addition to current neoMarxian literature. This is not to suggest that all or even most of the contributors would call themselves neoMarxians. The volumes boast contributions from postKeynesians and Circuit theorists and yet others with approaches derived from their special interests in postmodernism, Kalecki, Ricardo, Hegel and Keynes. The academic disciplines represented here range from the predictable, i.e. monetary theory, economic history and political economy, to the more general, sociology and philosophy, with one contribution even from a computer scientist. The articles are standardly short, several thousands of words long. The work evolved from conferences in Italy organised by the editor a couple of years ago.

I admit to a definite bias of interest in the matters treated in the first volume, i.e. Marx's methodology and his concepts of value and money and - 'shall I be plain?' (*Richard III:* IV.ii. 17) - a prejudice against the more superficial topics dealt with in the second, namely profit, prices, dynamics. For this reason I start with the latter and deal with it only cursorily. Part II of the second volume presents distinctive approaches to the tendency for the profit rate to fall and the third part considers empirical case studies and attendant theoretical issues. Part I starts 'with the beginning', with prices and value, with questions associated with the 'Transformation Problem', in a sense with questions which lead back to the deeper matters dealt with in the other volume.

The subtitle of Bellofiore's first volume 'Method, Value and Money' refers (consciously or unconsciously) to the sources of Marx's theoretical framework, German Hegelian philosophy, British political economy and French utopian socialism, respectively. However the volume itself is divided into two parts: the first on method and value, the second concentrating on money taking up two-thirds of the volume.

Fortunately authors like Christopher Arthur point to Engels's misinterpretations of Marx and stress an Hegelian reading instead. Hegel's influence is also detected and analysed in Gilbert Faccarello's examination of the competing 'sociological', 'dialectical' and 'technological' approaches to Marx. Bellofiore develops his long concern with Marx's theories of value and money in a contribution with Roberto Finelli, which teases out the meanings of value and abstract labour as they subsist at numerous points in production and circulation, keeping the political significance of the worker's interests in the forefront. Marco Guidi finds Hegel important in understanding Marx's theory of land rent too. Jack Amariglio and David Ruccio form an even less conventional, i.e. postmodern, interpretation of Marx's *Capital III*, while Ernesto Screpanti calls on those fixated on property to focus instead on the relationship between wage labour and capitalist managers, the essential relationship defining various forms of capitalist systems, i.e. systems designed to accumulate capital. On the one hand this first part offers new and deeper insights of interest to those steeped in Marxology. On the other hand it will be relatively easily followed by those wanting an introduction to the area, because of the direct style of the authors' presentations; 'an honest tale speeds best being plainly told' (*Richard III*: IV.iv.357).

In particular I regard current discussion on money and value as vital to Marxian theory and practice, and this is what the contributions in Part II concentrate on. Money and value cannot be collapsed into the same concept but coexist so closely in Marxian theory as to make one impossible to define without reference to the other. Their distinction proves as critical as their dependence. This, of course, makes a proper appreciation of Marx's dialectical method vital. However, the inevitable tendency is to give one concept precedence. The traditional Marxian line gives priority to value. Recent analysts have concentrated on the equally important concept of money and analyse the monetary system as it exists today. Part II contains a representative sample of such writers – Bertram Schofold, Heiner Ganssmann, Carlo Benetti and Jean Cartelier, Augusto Graziani, Suzanne de Brunhoff, Ferninando Meacci, Bellofiore, Nelson Prado Alves Pinto, Henk W. Plasmeijer, Duncan K Foley, Claudio Sardoni and L.Randall Wray - but space determined that each focus on specific issues, like 'fictitious capital', interest and asset speculation. Again, however, this means that both specialist and nonspecialist readers are catered for. Contention surrounding Marx's monetary theory is underlined by commentaries on a couple of the contributions.

The concept of money is fundamental to any economic theory. In this sense these volumes testify that neoMarxian approaches to economic analysis, and their sympathetic critics, have much to offer. It is a sad truth that conventional economic theories on the key term 'money' are deficient. As Tom Bottomore (London, Routledge and Kegan Paul, 1981, p.372) pointed out in the English translation of Rudolf Hilferding's classic *Finance Capital: a Study of the Latest Phase of Capitalist Development:* 'what is needed in order to form an adequate conception of money is a social, rather than a narrowly economic, theory' and Marxian perspectives at least promise that today postKeynesian and Circuit theorist critics perform a vital function not unlike the utopian socialists did in Marx's day. A fruitful discourse between adherents of various approaches can only help develop clearer understandings of what the economy is and its real social limitations.

This optimistic and forward looking conclusion goes against certain fashionable attitudes to Marx and Marxisms which continually ask, in negative tone:

Is the chair empty? is the sword unswayed?
Is the king dead? the empire unpossessed? *(Richard III:* IV.iv.470)

No, it is not time to call: 'A hearse! A hearse!'

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