

The background of the poster is a black and white photograph of St Paul's Cathedral in London, with its iconic dome and classical columns. In the distance, a modern city skyline is visible. A white rectangular frame is superimposed over the center of the image, containing the event title and dates.

STILL RETHINKING? THE NEED FOR PLURALISM IN ECONOMICS

30-31 March 2019

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Rethinking
Economics



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PESEA | Institute of Political Economy,
Governance, Finance and Accountability

THE OXFORD HANDBOOK OF KARL MARX

Tomás Rotta

University of Greenwich, London



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≡ The Oxford Handbook *of*
KARL MARX

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The Oxford Handbook of KARL MARX

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The Oxford Handbook of
KARL MARX



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Karl Marx is one of the most influential writers in history. Despite repeated obituaries proclaiming the death of Marxism, in the 21st century Marx's ideas and theories continue to guide vibrant research traditions in sociology, economics, political science, philosophy, history, anthropology, management, economic geography, ecology, literary criticism, and media studies.

Due to the wide influence and reach of Marxist theory, including over 150 years of historical debates and traditions within Marxism, finding a point of entry can be daunting. The Oxford Handbook of Karl Marx provides an entry point for those new to Marxism. At the same time, its chapters, written by leading Marxist scholars, advance Marxist theory and research. Its coverage is more comprehensive than previous volumes on Marx in terms of both foundational concepts and empirical research on contemporary social problems. It also provides equal space to sociologists, economists, and political scientists, with substantial contributions from philosophers, historians, and geographers.

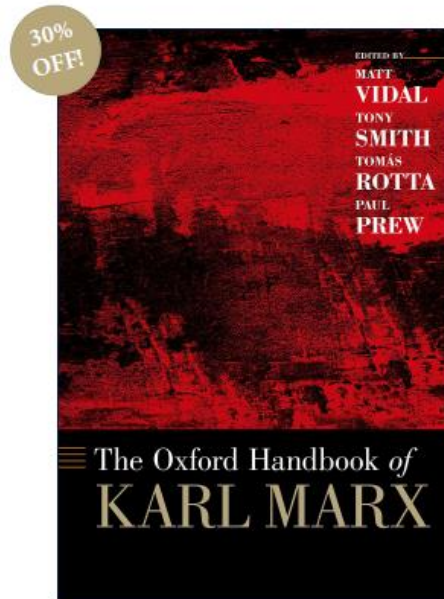
The Oxford Handbook of Karl Marx consists of seven sections. The first section, "Foundations," includes chapters that demonstrate that the core elements of Marx's political economy of capitalism continue to be defended, elaborated, and applied to empirical social science including historical materialism, class, capital, labor, value, crisis, ideology, and alienation. Additional sections include "Labor," "Class," and "Social Divisions"; "Capitalist States and Spaces"; "Accumulation, Crisis, and Class Struggle in the Core Countries"; "Accumulation, Crisis, and Class Struggle in the Peripheral and Semi-Peripheral Countries"; and "Alternatives to Capitalism."

The Oxford Handbook of KARL MARX

NEW FROM OXFORD

THE OXFORD HANDBOOK OF KARL MARX

Edited by Matt Vidal, Tony Smith, Tomás Rotta, and Paul Prew



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The Oxford Handbook of
KARL MARX

April 2019 (US) | June 2019 (UK)
~~\$175.00~~ **\$122.50** | ~~£115.00~~ **£80.50**
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Karl Marx is one of the most influential writers in history. Despite repeated obituaries proclaiming the death of Marxism, in the 21st century Marx's ideas and theories continue to guide vibrant research traditions in sociology, economics, political science, philosophy, history, anthropology, management, economic geography, ecology, literary criticism, and media studies.

FEATURES

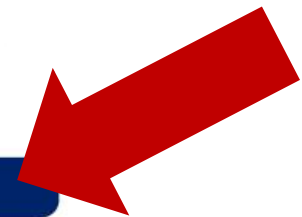
- Coverage is more comprehensive than previous volumes on Marx both in foundational concepts and in state-of-the-art empirical research on contemporary social problems
- The handbook is interdisciplinary, providing equal space to sociologists, economists and political scientists, with substantial contributions from philosophers and historians
- Essays explore how Marxist theory is still effectively used in current research to understand the world around us

Oxford Handbooks

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The **handbook website** is still under construction but you can already download all **41 chapters**:

<http://www.oxfordhandbooks.com/view/10.1093/oxfordhb/9780190695545.001.0001/oxfordhb-9780190695545>

The handbook will be available in **hardcover** and **e-book** formats:

<https://global.oup.com/academic/product/the-oxford-handbook-of-karl-marx-9780190695545?cc=gb&lang=en&>

<https://www.amazon.co.uk/Oxford-Handbook-Karl-Marx-Handbooks/dp/0190695544>

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Relevance of Marx

Relevance of Marx

In 1963 two Economics PhD students at the **MIT** asked the following question to their teacher, **Paul Samuelson**

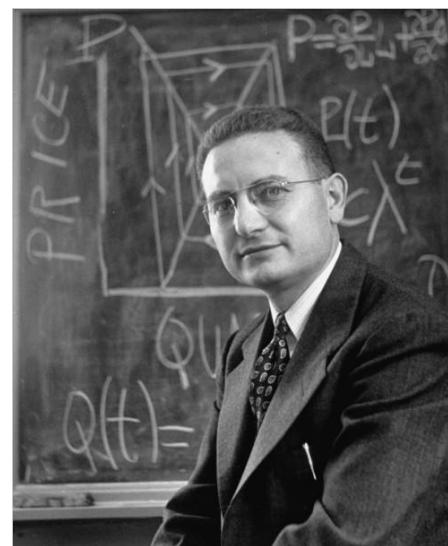
Paul Samuelson was the creator of the Neoclassical-Keynesian Synthesis and the first American economist to receive the “Nobel” prize

S. Hymer and S. Resnick:

“Prof. Samuelson, what is **true in Marx** that is **not** part of the MIT curriculum?”

P. Samuelson:

“**Class**”



Relevance of Marx

Marx is the Darwin of the social sciences

Marx praised capitalism but was its most profound critic

Marx is the product of capitalism, and its most radical self-criticism

Marxism will be relevant as long as capital dominates the production and distribution of wealth

Relevance of Marx

Marx theorized the **essences** and **appearances** of capitalism

For Marx, economics was too fixated with appearances, ignoring the **inner logic** of accumulation

Economics is the religion of capitalism

Relevance of Marx

Many have claimed that Marxism died with:

- the end of the Soviet Union

- the fall of the Berlin wall

- the turn of China and India to global markets

But it is in fact the exact opposite of that

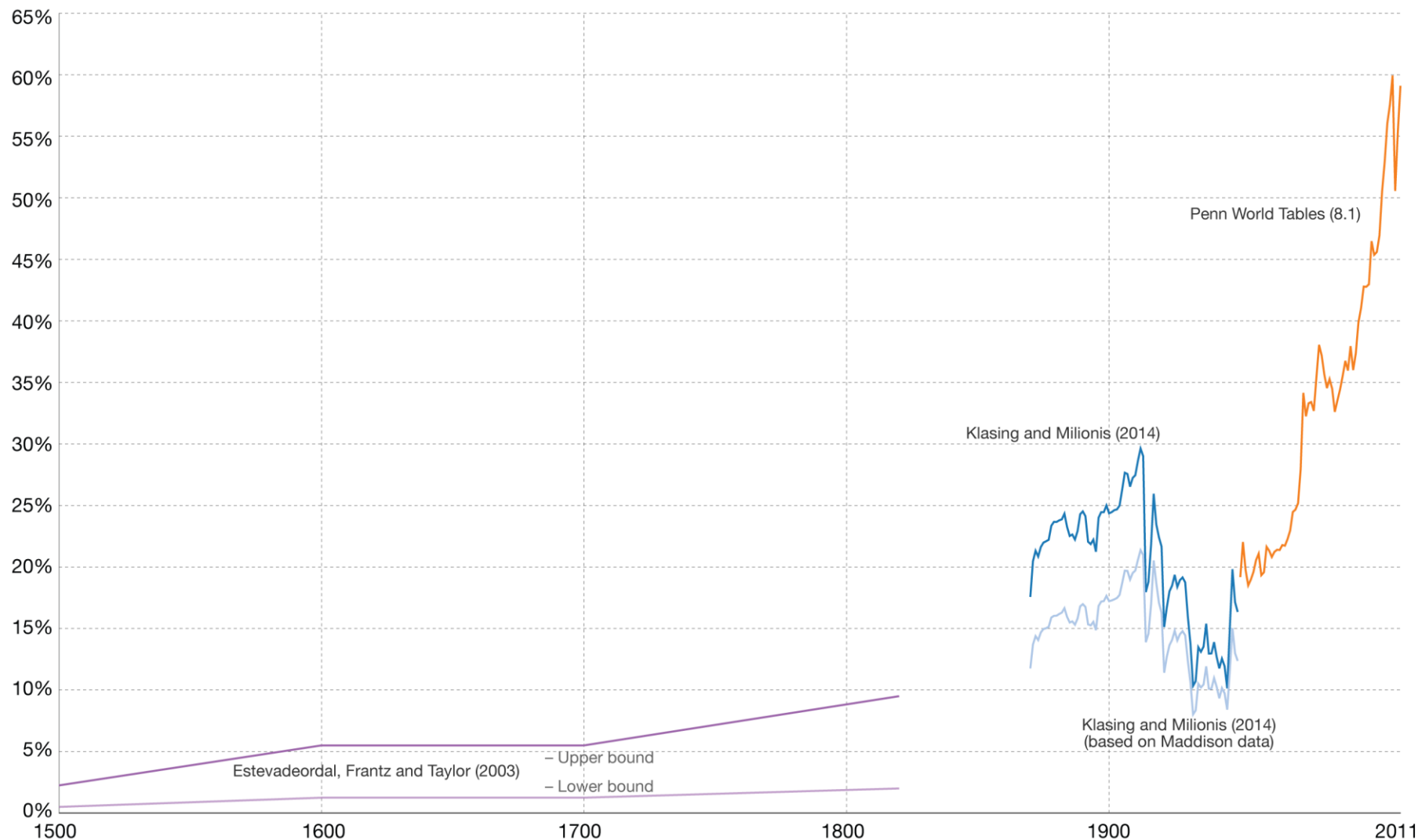
Marxist theory becomes **more relevant** after these events...

... because these events spread capitalism on a global scale never seen before

Globalization over 5 centuries (1500-2011)

Shown is the sum of world exports and imports as a share of world GDP (%)

The individual series are labeled with the source of the data



Data sources: Klasing and Milionis (2014), Estevadeordal, Frantz and Taylor (2003) and the Penn World Tables Version 8.1
The interactive data visualization is available at [OurWorldinData.org](https://ourworldindata.org). There you find the raw data and more visualizations on this topic.

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Foundational Concepts

Foundational Concepts

People make history but not as they wish:

- people can make choices

- but people do **not** choose the **social conditions** under which they make choices

Which social conditions?

Humans live in **social formations**

Social Formation = particular combination of different **modes of production**, in which one mode of production is **dominant**

Mode of Production = social structure that regulates how humans produce, appropriate, and distribute wealth

Foundational Concepts

Human history is the succession of different dominant **modes of production**

Each mode of production can be theorized in terms of its **technology** and **social institutions**

Capitalism = social formation in which the **capitalist mode of production** dominates

In capitalism, capital tends to **commodify** everything

Marx begins the analysis of capitalism via the **commodity form**

Foundational Concepts

Marx's entry point:

not the **individual** as in Microeconomics

neither **economic aggregates** as in Macroeconomics

Marx's entry point:

social form of wealth

Because the true social subject is not the individual, but **capital** itself

Workers and capitalists are **both** subordinated to the inner logic of capital

Foundational Concepts

Wealth = anything that is useful but requires labor to be produced

Commodity = products of human labor produced explicitly for exchange

Value = social form of human labor, when labor produces products for exchange

Money = value that appears as a thing

= value that autonomizes itself from the commodities that have value

Capital = self-valorizing value

Economic crisis = self-correcting mechanism of capital

Foundational Concepts

In Marx's work, there is a gradual **progression** from one category to the next:

Commodity (use-value vs. value)

Money

Surplus value

Capital

Productive vs. Unproductive activities

Capital accumulation

Interest-bearing capital

Rent-bearing capital

Fictitious capital

Foundational Concepts

In the “Foundations” section of the handbook we also have chapters on many other core concepts:

Alienation

Social estrangement

Exploitation

Historical materialism

Dialectics

Class

Class struggle

Ideology

Fetishism

Social reproduction

Types of economics crises

The State

Current Approaches in Marxist theory

Current Approaches

Marx was unable to finish his project

Some areas that he planned to cover before his death:

- Theory of the State

- Theory of international trade

- Theory of pre-capitalist modes of production

Our handbook covers some of these **unfinished parts** of Marx's work

Current Approaches

Our handbook of Marx also covers **new approaches** within the Marxist tradition:

1. Why Neoclassical Microeconomics cannot provide micro-foundations for **money** but Marx can
2. How the behavior of the **profit rate** over the **long run** relates to the different **institutional regimes of accumulation**
3. How one **social structure of accumulation (SSA)** gives rise to a new SSA
4. **Economic crises**: surplus value shortage or excess?
5. Economic consequences of **commodifying knowledge and information**
6. The importance of **interest** and **rents** in the distribution of value
7. Whom does **technology** serve?
8. Is capital accumulation **ecologically sustainable**?
9. Why does capitalism **financialize**? Will capitalism **de-financialize**?

Current Approaches

I would like to focus on **4 arguments** that you can find in our handbook

Current Approaches

Neoclassical economics has no micro-foundations for money

In Macroeconomics, money is everywhere

In Microeconomics, money is nowhere

There is no money in General Equilibrium models: all prices are relative prices

Today, Neoclassical Macro is basically applied Micro: “Micro-founded Macro”

But Micro has no theory of money

Neoclassical economics has no microfoundations of money

Micro: no money; all prices are relative prices; no absolute prices

Macro: money is introduced ad hoc; money is a medium of exchange

International Trade: money is an asset; UIP; CIP

L. Paulani:

General Equilibrium models cannot explain **absolute prices** consistently because they rely on a utility theory of value that is **relativistic**

Absolute utility has no meaning

Current Approaches

The profit rate can explain structural breaks in institutional regimes

Capitalism exists in different insitutional regimes

over time

across countries

insitutional regime \approx social structure of accumulation \approx regime of accumulation

T. McDonough:

In many cases, the behavior of the **average profit rate** over the **long run** can explain the:

nature of an institutional regime

transition between intitutional regimes

An institutional regime is an attempt to solve “the problems” of the previous institutional regime

From a class perspective: “problems” to whom?

Current Approaches

The profit rate only falls over the long run under certain conditions

Marx drafted the “tendency of the profit rate to fall” (TPRF)
over the long run
because of technological change that replaces productive labor

Okishio’s theorem:

If the real wage is exogenous: technological change → profit rate rises
Because the gains from technology cutting costs go to profits

D. Basu:

TPRF depends on the **behavior of real wages**

TPRF depends on how the **rate of exploitation** responds to **technological change**

Current Approaches

Commodified information has zero value

What determines the amount of value of any commodity is...

not the socially necessary abstract labor time (SNALT) to **produce** it
but the SNALT to **re-produce** it

Despite their great total costs of production
any type of **commodified information** will have **zero value**

Movies, recorded music, processed data, software, books, papers, codified knowledge,
chemical formulas, blueprints, ideas

T. Rotta and R. Teixeira:

Knowledge-commodities with zero value = **valueless knowledge-commodities**

Market price of information = **knowledge-rent**

Owners of knowledge = **knowledge-lords**

THANK YOU

Slides available at: marx21.com