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MARX: THE SPECTRE HAUNTING ECONOMICS

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ABSTRACT

This paper was presented to the 1998 conference of the Brazil Society for Political Economy. Two short sections are flagged for later incorporation, and this never happened so the article is until now unpublished. The ground these were to address is fully covered elsewhere, however this text contains material that does not exist anywhere else, so for the record I am depositing it with Repec.

The original abstract follows:

The paper examines the present state of the discipline of economics in the light of Marx's Critique of political economy. Marx's dedication to the study of economic theory is without parallel in the history of the subject; yet, in the work of the economists of today, he receives less attention than in any other subject. Moreover the profession's unanimous official teaching, repeated tirelessly and dogmatically for most of this century, is that Marx's development of the classical theory of value leads irrevocably into contradiction, that therefore the further development of this theory is fruitless and the only alternative is its current orthodoxy.

This state of affairs is called into question by an internal crisis of economics, provoked by a combination of two factors: the appalling failure of its official remedies, and the political defeat of Keynesianism. Major international institutions such as UNCTAD, the World Bank and the IMF are in open conflict over their predictions and recommendations concerning globalisation; the profession itself faces a growing body of internal criticism, and heterodox economic associations are flourishing. The abandonment of Keynesian economic remedies, the consequent loss of influence by economics in policy-making circles, and the relegation of economics to the status of an ancillary of banking and commerce, has accelerated this crisis. The large body of economists displaced from positions of influence at the ears of governments have been reflecting more carefully than before on the transitory nature of market phenomena.

This paper proposes a materialist analysis of the theory and practice of academic economics, the body of thought which Marx dubbed the 'graveyard of economics'. It proposes to subject the claim of the profession to be acting as a science to a rigorous theoretical enquiry, examining both its reaction to the empirical facts of its failures, and the manner in which its theoretical categories express the material interests to which it is subjected. The aim is not dismiss the profession and its products as simple apologetics, but to uncover the internal structure of its thought and to propose an alternative, critical standard of scientific conduct for economic enquiry under a market economy.

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MARX: THE SPECTRE HAUNTING ECONOMICS

Alan Freeman, April 1998

INTRODUCTION

With the fall of the Soviet Union, official economics believed for a brief if euphoric instant that it had written Marx out of the history books. Not for the first time, a political defeat was mistaken for a theoretical one.

This judgment has proven premature. The New Yorker for 20 October 1997 featured an article entitled 'The Next Thinker: the return of Karl Marx' (later reprinted in the English *Independent*) by John Cassidy, an astute if controversial observer of the contrarian economic scene. Subtitled "Why Wall Street should be consulting the scourge of capitalism" the piece noted that

> Many of the contradictions that he saw in Victorian capitalism and that were subsequently addressed by reformist governments have begun reappearing in new guises, like mutant viruses.... He wrote riveting passages about globalization, inequality, political corruption, monopolization, technical progress, the decline of high culture, and the enervating nature of modern existence--issues that economists are now confronting anew, sometimes without realizing th at they are walking in Marx's footsteps.

"Globalization is set to become the biggest political issue of the next century," Cassidy writes, "but Marx predicted most of its ramifications a hundred and fifty years ago." Cassidy also notes that during the past two decades, "a systematic assault" has been carried out on reforms that were originally designed to improve the living standard of working people. "This right-wing backlash has produced a sharp upsurge in inequality, just as Marx would have predicted. Between 1980 and 1996," there was "an unprecedented redistribution of resources from poor to rich."

Yet as Cassidy himself notes, the economics profession almost totally ignores the work of Marx. "A new textbook, *Principles of Economics* by N. Gregory Mankiw, a Harvard professor, mentions Marx just once in eight hundred pages," he notes, "and that reference is pejorative."

The excision of Marx from the discipline of economics is as surprising as it is total. Commenting on this in a recent symposium in the *History of Political Economy* Anthony Brewer (1995) writes that

> By any normal standard, he should not be accorded a significant position in the history of economics at all. It is not just that his ideas are not to be found in modern textbooks, but that they were never seriously discussed by mainstream economists, either during or after his lifetime. So, for example, the index to Alfred Marshall's *Principles of Economics* which effectively defined the subject for the English-speaking world for many decades, contains only three references to Marx. Two deal with 'his misunderstanding of Ricardo' and the other is to a passing comment in an appendix….the neglect of Marx's work by the mainstream has been so complete and so visible that it would be a waste of space to document it.

This excision by an entire discipline of one its principal founders is without parallel. It is not to be found in history, in sociology or politics where, although Marx is a minority figure and under frequent attack, his presence and his influence are undeniable. In subjects such as biology, Marx's influence on the scientific contribution of figures like Stephen Jay Gould or R.C. Lewontin is undeniable.

This is a paradox. Alone among the social studies, economics makes a definitive claim to be a hard, exact science on a par with the natural sciences: to be the custodian of a body of positive truth. Yet its suppression of Marx – indeed, its obtuse and wilful refusal to consider almost anything he wrote –

is one of the strongest indicators of a fundamentally unscientific character. The hallmark of scientific endeavour is ruthless self-criticism; systematic critical testing of explanations of the observed facts against alternative explanations. To the extent that any actual scientific discipline departs from this norm, its historians record this as a departure from scientific principles.

What verdict, then, should we pass on a subject that has ignored its foremost critic for one hundred and fifty years? One particular explanation of economic events is systematically suppressed, moreover the one explanation most critical of all existing doctrine: the views of Karl Marx. How can the results of economics possibly be taken as serious science, when at least one major alternative is never considered?

THE EVIDENT EMPIRICAL FAILURE OF ECONOMICS

A line of defence which economics might lay claim is adequacy to the facts. If economics could prove it has accounted for the major phenomena of modern markets, then it might conceivably argue that the views of past thinkers have no contemporary interest, in the same way that, say, Ctesibius or Harrison are respected by historians as founders of the modern clock, but unknown in wider circles.

But, in the first place, economics continuously acknowledges thinkers who are both historically prior and theoretically poorer than Marx. Smith is the patron saint of markets, and the practical foundation of modern trade theory remains, in all but detail, Ricardo's. Walras's account of general equilibrium has never been superseded but only rigourised and axiomatised by his successors. Marshall's teachings, as Brewer's remarks suggest, remain the pedagogical basis of almost all high-school and freshman microeconomics.

But more decisively, economics has in fact failed dismally either to explain or predict the decisive modern known facts.

THE ECONOMISTS QUESTION ECONOMICS

The empirical failure of economics is directly acknowledged by its own leading figures. Paul Ormerod, by no means a radical, is an Oxford and Cambridge Don, a successful businessman and a former director of the Henley Institute of Forecasting and of the *Economist*'s Assessment Unit. "Good economists know, from work carried out within their discipline, that the foundations of their subject are virtually non-existent," he explains in *The Death of Economics* (1994),

> Economists from the International Monetary Fund and the World Bank preach salvation through the market to the Third World … Yet economic forecasts are the subject of open derision. Throughout the Western world, their accuracy is appalling. Within the past twelve months alone, as this book is being written, forecasters have failed to predict the Japanese recession, the strength of the American recovery, the depth of the collapse in the German economy, and the turmoil in the European ERM.

Economics failed to predict Black Wednesday, wrongly claimed a global free market would lead to world prosperity, and through the IMF and World Bank imposed advice which has led to economic catastrophe, famine, war, havoc and genocide. On the basis of current orthodoxy, unemployment in Europe hovers at forty million and fascist parties are either in government or second-line opposition in both Italy and France.

It may be argued (and frequently is) that individual economists and dissident currents did predict these events. But *every* widespread forecasting technique, from racehorse tipping to astrology, can always find *someone* who predicted some otherwise unforeseen event, if for no other reason than the enormous spread of such predictions. If we consider mainstream economics as taught in the textbooks, selected in the journals, and practiced by the policymakers, it is hard to find any correspondence at all between the theoretical predictions and the events predicted, as a growing number of critics have noted.

Nor is the criticism confined to mavericks, as testified by a bitter 1997 UNCTAD [ref] report denouncing the growing gap between rich and poor nations in the epoch of 'globalisation and freedom'. UNCTAD's conclusions are confirmed in an article by World Bank Economist Lant Pritchett's (1997). *Divergence, Big Time* refers to the doctrine of 'economic convergence', the dogma of mainstream trade policy advice, which predicts that the world market should over time equalise the income of nations. It examines long-term evidence back to 1870, and concludes, to the contrary of this dogma, that the differences between the small group of rich nations and the bulk of the world has increased almost secularly. Most striking is the impact of the recent period during which markets have liberalised. "From 1980-1994," he writes,

> growth per capita GDP averaged 1.5 per cent in the advanced countries and 0.34 percent in the less developed countries. There has been no acceleration of growth in most poor countries, either absolutely or relatively, and there is no obvious reversal in divergence...taken together, these findings imply that almost nothing that is true about the growth rates of advanced countries is true of the developing countries, either individually or on average." (Pritchett 1997:14)

THE PRINCIPLE OF EQUILIBRIUM: A PARADIGMATIC PRINCIPLE

This empirical failure is considered by many to be a minor defect of an otherwise healthy science. We differ. The problem lies deeper: to use a Kuhnian phrase, it lies in the imposition of a false 'paradigm', for reasons that we shall try to prove are ideological.

Orati (1996:110) poses the question thus:

> Marx locates the metaphysical aspect of the classical heritage in its inability to conceive the object of political economy as a historical and therefore necessarily transient phenomenon. This object, insofar as it refers to capitalist economy is in the classical tradition without exception subsumed under conceptual categories which attain their validity *sub specie aeternatis* … In this we can confirm the ideological – and hence non-scientific – character of "economic science" which objectively comprises an apology for that which exists as the only alternative.

Modern economics sets itself the goal of explaining how markets work. This is an insufficient object of study because markets do not always work; or, to put the matter more charitably, a scientific study cannot assume that they work in advance of finding out if they do. Nor is it sufficient to establish that they 'sometimes' work: humans 'sometimes' live, but, so far, they also invariably die.

There is no doubt that economics explains how markets work when they work as economists explain them. This is tautological. The problem is that they don't actually work that way; the issue is whether the economists have anything to say about these circumstances, or indeed whether economists *can* have anything to say about these circumstances.

The general idea that Marx conceived of the market economy as a specific phase of history, and that both classicals and neoclassicals treat it as eternal, is widely accepted. However, the issue is a deeper one. The distinction between Marx's approach and that of mainstream economics does not reduce to a distant future in which capitalism would give way to socialism. It relates to the analysis of the now, as well as the future.

Marx's approach, we will attempt later to show, is *paradigmatically* distinct. It is one of the few, and possibly the only attempt in economic history, to examine the market *without the prior presupposition that it works*. This is a far deeper philosophical endeavour than is understood, not just by the mainstream economists, but by most of the Marxist economists also; Marx's achievement, we will argue, is the construction of a genuinely *temporal* analysis of markets: an analysis in which none of the objects that he describes – value, price, money, profit, employment, reproduction, accumulation, and so on – rely on the prior assumption that the market in which they are contained is capable of reproducing them. Their persistence, therefore, is not an assumption but a deduction. This is a radically different project from the rest of economics. Most of the rest of this paper is dedicated to explaining just how radical this difference is, and to arguing that the rejection of Marx'' economics by mainstream economics is not reducible to the simple suppression of one of a number of competing explanations of events, but to a *paradigm clash in which the normal scientific order has been reversed*: that is, the suppression of Marx represents the overturn of a more scientific, more advanced, and theoretically superior paradigm by an earlier, poorer, theoretically more deficient one. That is, the excision of Marx must be considered as a reversal of the normal order of scientific progress: as symptomatic of a century-long *regression* in economic thinking: the victory of ideology over science.

The effective function of this paper is to understand this ideology by interrogating its reaction to Marx. We should understand Marx as heretic; as one whose views represent the precise content which the ideology of economics is most anxious to avoid, and ask what information this conveys to us, about the content of this ideology.

However, the enquiry will be an unusual one, because like all orthodoxies, economics has an official account of its own opponents. There is an official version of Marx, and an official Marxism, which has for most of this century purveyed the message that Marx himself is irretrievably flawed: that internal inconsistencies in his value-theoretic arguments make it impossible to accept this theory. It is this view of Marx that is now being challenged, and with it the 'official reading' of Marx that portrays him, essentially, as another equilibrium theorist. In short, the 'Marx' that has been refuted by economics, is a Marx constructed by economics, just as the witch-hunters of yore constructed a demonic representation of witches.

The central line of our enquiry is therefore, to call into question the idea of Marx as an equilibrium theorist, and to demonstrate that, viewed in an entirely different light as the most radically *anti*-equilibrium thinker of the discipline, his most contentions assertions concerning both transformation and the rate of profit make perfect sense, but provide the insights necessary to understand the most puzzling phenomena of the modern age.

The assumption that the market works is more than just an apologetic spin on the facts. It is a paradigmatic presupposition. It defines an ontology, a definition of the facts, a means of measuring and interpreting these facts, and a set of highly mathematical and rigorous procedures. The distinctive feature of these, taken all together, is that they eliminate a priori the possibility that the market might not work. To put it in the language of classical rationalist philosophy, the assumption that markets work is a *presupposition* of economics.

This presupposition is captured in the concept of *equilibrium*, the central organising principle of mainstream economics. Technically, equilibrium is the assumption that all markets clear, but it appears in many different guises. It appeared in classical times as Say's Law, to Walras and his successors as the mathematical foundation of formal General Equilibrium theory, in Marshallian economics as comparative statics, in the Keynesian era as Hick's ISLM interpretation, to modern New

Classical economics as Rational Expectations: in short, it appears in a new guise as the central principle of every theory that economics finds acceptable.

On examination it turns out to be a much more general ontological principle. Equilibrium asserts, in essence, a *static ontology*: it asserts that, in studying any moving system, we may deduce and define the essential objects of the system by first assuming the system to be at rest or unchanging self-reproduction. We then enquire what properties these objects would need to have, in order to guarantee this unchanging self-reproduction. This then becomes the definition of the objects concerned.

It is the equivalent, in economics, to the Ptolemaic ontology in astronomy, and the Creationist ontology in Biology. It is the principle that the world of 'that which is' is identical to the world of 'that which is eternal". But since nothing is eternal in the world of real markets, the principle becomes its own negation and defines an ontology of objects that can never exist, but are defined to be natural: 'Natural Price', 'Natural Employment Rate", "Natural Growth Path", and so on. No-one has ever seen a natural price. Employment has never even approached its natural level. Nevertheless, real events are measured against these idealised natural objects, and deemed imperfect: the economists inhabit a terrible disorientating world of "Imperfect Competition", "Market Failure", "Wage Stickiness", "Disequilibrium": everything that exists is a conspiracy against the ideal.

Let us see how this principle applies to the world we live in.

THE CRITIQUE OF PURE SUCCESS

Consider the following major facts of the modern world economy, all phenomena which are explained naturally, and centrally, from Marx's account of modern markets:

- Regular cyclic crisis
- Growing inequality between nations
- Large-scale structural unemployment
- Growing polarisation of incomes in all countries

It would not be fair to say economics has no account of these. Quite the contrary, a great deal of money is spent explaining them. The difficulty is that they are not predicted by the basic theory. The mainstream, rigorously-founded doctrines of economics have little or no coherent explanation for these phenomena.

Therefore, the money goes on a kind of service industry much like today's third-party computer industry whose job is to repair the damage done by the original manufacturers. Cyclic crisis is explained by Real Business Cycle theory, inequality by New Growth Theory', and so on; it is never the theory itself, but its critics and alternates, which account for the real developments.

Even, so when we examine the account which these variants offer more carefully, a striking fact emerges: insofar as they explain the unexplained, they do so as 'exogenous' phenomena; as *deviations* from the expected: cycles are the result of 'shocks',[1] inequality the result of policy,[2]

[1] "RBC theory was an attempt to remedy the defects of the New Classical business cycle theory of Lucas and Barro, which relied on misperceptions or informational asymmetries that were incompatible with rational expectations. The Lucas and Barro models were not in fact 'equilibrium' accounts of the business cycle. In contrast, RBC is indeed an equilibrium account, provided output can be decomposed into a permanent and cyclical component. The cyclical component is then expressed as a sum of exogenous random shocks, which can be done only by arbitrarily imposing a particular lag structure on the exogenous technology shock parameter." Dore (1993:93)

[2] "Endogenous growth theory developed a variety of models that capture aspects of the economic mechanism with the following common characteristic: policy affects the rate of accumulation of (some) factor of production of which the asymptotic marginal product does not

unemployment the result of psychology, and in general every departure from ideal perfection is the consequence of something external to the theory: Stripped of sophistications, economics offers non-economic explanations for all the economic events it cannot explain. To put it another way, it offers no explanation at all.

And these are not just any old phenomena. They are the most socially and politically important; that is, the events that matter to anyone but economists are precisely those which economics has the most difficulty accounting for.

What would we say if we encountered a doctor who could account for all of life except sickness, injury and death? We would at least consider his enquiries somewhat incomplete, and we would be unwise to take his advice on any practical matter. But what if this same doctor refused us permission to consider second opinions which not only successfully accounted for injury, sickness and death but predicted them a century and a half ago? We would be within our rights to dismiss this charlatan out of hand.

The difference between such quackery and the normal practice of the economics profession is hard to discern.

ECONOMICS: THE EMPEROR'S TAILOR

Let us examine this failure in more depth. Economics, we see above, responds to every event which it cannot explain with an explanation external to itself; psychological, cultural, political or historical. But this directly contradicts the hegemonic role which economics plays, or seeks to play, in relation to the other social sciences. The distinctive position of economics, in relation to sociology and history and their child disciplines is that it pretends to provides them with their categories. If one wishes to speak of class, of employment, of wealth, or any of the central social categories that distinguish one person or one person from another, it is to the economists that one must turn for sanction.

The empirical incapacity of economics is not merely incidental; it is an organising principle for the social sciences as a whole. Economics organises the ontological structure of the social sciences. It gives them their categories, as it must do in a society in which all purely private relations are transmogrified through alienation into economic social relations. But when these same concepts fail to explain the events these other sciences observe, economics washes its hands of the result.

It plays, pure and simple, an ideological function. Not just economics, but the whole of the social sciences, are voided of scientific content as a consequence. On the one hand, economics cannot explain the decisive phenomena of the epoch; on the other, it stands at the conceptual gateway of of all the social sciences and deprives them of access to any alternative categories which migh permit them to explain these same events differently, and more scientifically. *Its job is to keep Marx's economic categories out of the social sciences as a whole.*

This highlights one of the most peculiar features of economics' claim to perform as a science: it arrogates to itself the exclusive right to test its results itself. There can be no doubt that its conclusions emerge from a process of selection. It applies high mathematics, arcane statistics, vicious peer selection, and a conceptual structure which no serious student can master in less than three years' dedicated study. Indeed this is the basis of Schumpeter's (1994:7) 'proof' that economics is a science, an argument that most practicing economists today would accept without question:

tend to zero. Hence, policy can determine endogenously the economic growth rate, and as policies may differ, sustained divergence in economic performance of countries need not be considered paradoxical from the theoretic point of view". Jacques Vercuil's introduction in Stern (1996)

> A science is any field of knowledge in which there are people, so-called research workers or scientists or scholars, who engage in the task of improving upon the existing stock of facts and methods and who, in the process of doing so, acquire a command of both that differentiates them from the 'layman' and eventually also from the mere 'practitioner'.
>
> Since economics uses techniques that are not in use among the general public, and since there are economists to cultivate them, economics is obviously a science within our meaning of the term

But every specialism has techniques for selecting those results which it finds acceptable – for example the Spanish Inquisition.

The similarity between economics and the Inquisition is this: it qualified only its *own* specialists to administer the checks. In a nutshell, economics judges its own results, and the idea that the uninitiated might judge for themselves is simply not entertained, as testified by the breathtaking presumption of an *Economist* leader entitled, of all things, the *Failure of Economics* (23 August 1997:11):

> Crucial ideas about the role of prices and markets, the basic principles of microeconomics, are uncontroversial among economists. These are the first ideas that politicians and the public need to grasp if they are to think intelligently about public policy.

Perhaps the first idea the economists need to grasp, if they are to think intelligently about anything at all, is that what they take to be uncontroversial might also be wrong.

Why is Galileo, justly or unjustly, recorded in history as the founder and hero of the modern rational and scientific tradition, while Cardinal Bellarmino – with his epitaph 'With my sword I have subdued the brains of the mighty' – has come down to us as the principal obstacle to its progress? Because Galileo's simple telescope placed the capacity for independent verification in the hands of every educated member of the public, and took it out of the hands of the scholars and priests. It turned scientific activity into a universal principal of human organisation; it denied the right of the experts to judge their own conclusions.

The scientific and the democratic principle are justly allied in post-Renaissance history. The device of the experiment, in the natural sciences, has a political and social significance: anyone can do it. The experiment is in principle a universal human activity. With the rise of 'expertise' and the end of Renaissance man, it is increasingly difficult *technically* for everyone to conduct every experiment. But, nevertheless, the essence of the right remains with the general public: we can check the work of the scientists by reference to independently-observable facts. The Popperian principle of falsification, as normally stated, requires the vital extension that the theories can be checked by people other than those who create them. The emperor's tailor cannot be the judge of the emperor's suits – unless the tailor is an economist.

We can judge the engineers by whether their bridges stay up, the meteorologists by whether it rains, the astronomers by whether the stars, planets and comets appear as forecast. The medical profession is highly specialised, but offers an independent test of its methods, namely whether they cure patients. Economics has never been known to cure anything. But not only is it permitted to practice; its remedies reign supreme. Incarnated as IMF and World Bank packages, and increasingly as WTO trade doctrine, official economics is a uniquely powerful source of authority over the political programmes of most countries in the world.

The problem is that economics is never challenged from the outside, because it has persuaded the world to accord it a privilege hitherto only achieved by the most exalted priesthoods (to be more precise, those who pay for its services have deemed it prudent to make it so). It has arrogated to itself the sole right to judge its own conclusions.

THE THEORETICAL CRISIS IN ECONOMICS

THE RE-BIRTH OF HETERODOXY

A profession which produced no dissenting voice in the face of such striking failures would not only be unscientific but inhuman. What we need to ask, however, is whether dissidence is capable of provoking self-reform. The argument of this article is that it is not. First, however, it is useful to consider some indicators of the state of the opposition.

Heterodox paradigms have in any case shown stubborn persistence. The Evolutionary and Institutionalist schools have had a healthy life and a strong resurgence. Post-Keynesian and Kaleckian economics continues to thrive. Schumpeterian and Neo-Austrianism have both revived and survived.

What is new is that murmurs of disquiet have reached a point where we should begin to ask if they are symptoms of a serious internal crisis. In my view, the crisis has probably reached a level comparable with that which, in the 1930s, eventually gave rise to the Keynesian revolution.

In Europe, the European Association for Evolutionary Political Economy (EAEPE) has grown to over 1000 members within six years and holds regular conferences of several hundred participants regrouping most heterodox economic currents including Post-Keynesians, Marxists, Sraffians, Schumpeterians, Institutionalists as well as the Evolutionary Economists who founded it. A strong radical tradition has re-emerged in Latin America. In Brasil a new national association will hold its third National meeting on Political Economy this year, and Mexico’s second such national meeting took place late last year. In all three cases mentioned above, the organisations involved are serious rivals in size, and in Brasil in influence, to their mainstream equivalents.

In the US the Eastern Economic Association (EEA) has made itself a home to dissident and hetorodox currents and one of its former presidents, John Adams, took the initiative some years ago of founding ICARE (International Confederation for the Reform of Economics), an umbrella grouping with some 70 affiliates.

The profession is moreover riven by quite serious and animated theoretical disputes, for example the serious re-examination of the history and orientation of econometrics lead by writers such as David Hendry and Mary Morgan (ref), and the dispute around growth theory already alluded to. New critical variant paradigms continue to emerge such as the non-equilibrium Walrasian contributions of Benassy, Brody and others or the Complexity school of Brian Arthur and the Santa Fe Institute, in which Kenneth Arrow is also involved.

However this does not make economics a science; after all, churches have dissidents.

Nor does it provide any prospects for self-reform. Indeed, hostile reaction to critics is one of the hallmarks of the ideological nature of the economics profession. In the US far from opening up to new ideas, the American Social Sciences Association – the main federal organisation grouping the economics profession in that country – has significantly cut back its sessions with the axe falling principally on radical organisations. URPE suffered a 45% cut in the number of its sessions. In the UK as Fred Lee’s (1997) work indicates, the Research Assessment Exercise has led to a general contraction of resources for anything outside the strict mainstream.

There is little evidence of a general shift in the general opinion of the economics profession and, quite the contrary, its line has if anything hardened.

THE CRITIQUE OF PURE LIBERALISM

Most decisively, despite growing dissidence, the profession has not *reacted scientifically* to its empirical failure. It has not set about a fundamental re-examination of its concepts.

Faced with even a few minor problems, where the fundamentals of the science were concerned, other major disciplines have passed through the great convulsions which Thomas Kuhn terms 'paradigm changes' or changes in that which the lesser-known Bachelard terms their 'problematic'; they have revised their underlying structure of *concepts and methods* from the bottom up. Economics shows no sign of such a thorough-going re-organisation.

THE LOUD SILENCE: THE ABSENT VOICE OF MARX

It is at this point that the long-standing issue of Marx's role in economics becomes germane.

The specifically Marxist wing of the general development of heterodoxy has made important strides. As well as many specific gatherings such as the 1994 conference in Bergamo on the anniversary of the publication of Volume III of Capital, my own International Working Group on Value Theory has become a regular presence at the annual meetings of the EEA with 55 papers and 17 sessions at its last conference. The majority of participants come from outside the US, with involvement from at least 10 countries.

But despite some sympathy with Marx's insights, Marx's actual *work* is ignored by all but a tiny minority. As one economist once remarked to me: 'The discussion turns to Marx after the dessert wine has been served.'

(section to be added on the reason for this suppression)

THE REAPPRAISAL

A growing body of patient theoretical work, much involving the recovery of what official economics has suppressed, which has revitalised interest in Marx's own views. It has called into question the hallowed verdict of economics: that Marx himself was wrong. The importance of this reappraisal is not only that it vindicates Marx: also, lays basis for a clear and simple explanation of the very phenomena which economics itself cannot explain.

(Section to be added on New Approaches to Value Theory)

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