RADICAL ECONOMICS?

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"To be radical is to grasp things by the root. But for the man the root is man himself."

RADICAL ECONOMICS (POLITICAL ECONOMY)

1. Method
   1.a. “Appearances” vs. “Essences” (Marx)
   1.b. Change and Evolution (Marx, Veblen, Schumpeter)

   2.a. Ethics and Political Economy
   2.b. Human Nature

3. Critique of Marginalism: (Marx, Sraffa)
   3.a. Values and Prices
   3.b. Distribution Theory (Capital Controversy),
   3.c. Capital Accumulation and Crises
THE METHODOLOGY: HUMAN NATURE AND CHANGE
METHOD: Economics must go “deeper” than the realm of exchange, also than the shallow conception of the human being as “homo oeconomicus”

“Vulgar economy actually does no more than interpret, systematise and defend in doctrinaire fashion the conceptions of the agents of bourgeois production who are entrapped in bourgeois production relations. It should not astonish us, then, that vulgar economy feels particularly at home in the estranged outward appearances of economic relations in which these prima facie absurd and perfect contradictions appear and that these relations seem the more self-evident the more their internal relationships are concealed from it, although they are understandable to the popular mind. But all science would be superfluous if the outward appearance and the essence of things directly coincided.”

## TWO MARXISMS: THE “DIAMAT” AND THE WESTERN MARXISM

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### Capitalism

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Contradictions in The Human Realm:

1. Between individuality and sociality.

“The human being is in the most literal sense a ζώον πολιτιχόν [political animal], not merely a gregarious animal, but an animal which can individuate itself only in the midst of society” (Marx 1973: 84).

2. Between Freedom and Necessity.

Human beings “make their own history”, but not “under circumstances chosen by themselves, but under circumstances directly encountered, given and transmitted from the past” (Marx 1963: 15).
3. **Between Agency and Structure:**

Although human history is being continuously made by intentional actions of individuals, unintended effects of these actions is the reproduction of social structures, independent of individuals’ purposes. Human purposive activity always presuppose preexisting social relations for it is the existence of these relations which makes the coordination and integration of individual acts possible and thereby makes the process a social one. Yet, these very social relations, which are prerequisites of individual action, are themselves the end result of the collective activities of the individuals involved in the process. Therefore, social relations, which both enable and constrain individual intentional actions, are continuously created and recreated by individual actions (Hunt 1979a: 285).
4. **Between Human Essence and Existence (Alienation)**

Marx, like Aristotle, considers human essence as referring to ‘the inherent development potential of every human being when that development proceeded in the natural or proper way’ (Hunt 1986: 97). However, if the conditions within which they exist do not permit them to realize their own potential, their existence is in contradiction with their essence (Hunt 1986: 97).
Four ‘vantage points’ of Alienation (Hunt 1979a: 304):

(1) the relation of man to the product he produces,
(2) the relation of man to his own productive activity,
(3) the relation of a man to his own ‘species-being’, and
(4) the relation of man to other men.

The relation between man and his product, according to Marx, is similar to the relation between man and God: ‘The more man puts into God, the less he retains within himself. The worker places his life in the object; but now it no longer belongs to him, but to the object’ (Marx 1975: 324).
The “Human Condition” in Marx

1. Human beings are social beings, who appropriate nature in a social setting.
2. The terms ‘labor’ and ‘production’ refer to a general activity; what we have here is ‘production of life’ rather than merely material goods production. Above all, this activity, or the ‘labor process’ is a general condition: ‘It is the universal condition characterizing the metabolic interaction between man and nature, the everlasting nature-imposed condition of human existence’ (Marx 1976: 290); therefore it is independent of all specific forms of human existence. Labor is common to all forms of society because it is the process through which human beings realize their own essence; it actually characterizes what is human...
Labor vs. Labor Power

‘Labor’ is a process within which labor power is used;

‘Labor power’ is to be defined as ‘the aggregate of those mental and physical capabilities existing in the physical form, the living personality, of a human being’ (Marx 1976: 270),

Then, labor should be understood as the ‘objectification’ of human essence. Here, the term ‘labor’, as referring to the creative activity of human beings, rests on essential powers of human beings, namely, on the labor power, and the development of human energy becomes ‘an end-in-itself’ which also includes the possibility of creating conditions in which labor becomes ‘life’s prime want’ (Bhaskar 1993: 295).
How Should “Historical Materialism” Be Conceived?

1. “Historical materialism” should be taken, not as a “historico-philosophic theory of the marché générale imposed by fate upon every people” (Marx; quoted in Manicas 1987: 115), but as a crude first approximation to the human life activity as embracing the material and mental, emotional and aesthetic aspects of human existence (Hunt 1979a: 291-92).

2. Historical materialism is actually a “fusion” between (material) causality and teleology; that is, teleology in the sense of purposive human action is encompassed in the causal framework (Colletti 1973: 212; Hunt 1979b: 115). Human volition and freedom is always restricted by the “realm of necessity” (Marx 1981: 958-59).
3. Although human history is being continuously made by intentional actions of individuals, unintended effects of these actions is the reproduction of social structures, independent of individuals’ purposes. History, in short, can be comprehended as a whole series of the unintended consequences of intentional human action.
4. Although the object that labor produces should be considered as the “objectification” of labor, under specific social relations this process also becomes a form of alienation, in the sense that “the object of that labour produces, its product, stands opposed to it as something alien, as a power independent of the producer” (Marx 1975: 324), which is a chief cause for the loss of freedom.

The whole of human history, independent of some specific social and economic forms, can be seen as a constant interplay or a contradiction between the objectification and the alienation processes, or between freedom and the loss of freedom. As long as human beings’ own products, as the specific forms of objectification of their essences, are appropriated by other individuals because of private property, this antinomy arises.
A DETOUR? THESES OF THE “POSTMARXISM”:

1. “Overdetermination:” “Events strikingly analogous but taking place in different historic surroundings led to totally different results” (M &E, Selected Correspondences);

2. “History As a Non-Teleological Process” No “historico-philosophic theory of the marche générale imposed by fate upon every people” (Marx and Engels), human intentionality matters.


4. “No Subject Of History/The Subject is Constituted” “Man’s individual and species-life are not two distinct things, however much ... the mode of existence of individual life is a more particular or a more general mode of the species-life, or species-life a more particular or more general individual life” (Marx 1975: 350).
PHILOSOPHICAL PROBLEMS OF “POST MARXISM”

1. **Post-modern Confusion**: "Anti-reductionism" etc. → “reflection that denies itself” (rejection of “foundationalism”) (Habermas 1987: 126-27; Callinicos 1999)

2. **Confinement within the Empirical**: “Everything depends on how you see, and tell it” Truth is nothing but a narrative about an empirical reality (no necessity to go “deeper”).

3. **No “false consciousness”**: An ideology is a form of narrative; nothing more. No such thing as “truth.”

4. **Deficient Understanding of Power**: i) Foucauldian notion of “power” in which power “is not wielded by a subject” (Taylor 1985b: 152); ii) Hobbesian “power” (Neoclassical/ analytical/ Rational Choice Marxism?) vs. Constitution through dialogue with society (Taylor 1985): “The subject is present in its own making.”

5. **Rejection of Praxis**: Human free activity not as an “expression” of human essence: institutions are “embodiments of human meaning and purpose” (Polanyi 1944: 254).
METHODOLOGICAL LINKS BETWEEN MARX AND VEBLEN

Both Marx and Veblen are “Social Economists” (E. K. Hunt 2005):

1. Social economics must rest on a conception of human nature that refers to human developmental potential, not as a metaphysically or genetically given and unchanging one. However, social economics must also recognize concrete, actual economies and institutions, and therefore the interaction between human nature and actual social institutions.

2. Social economics must be normative and therefore deal with universal human needs among which moral needs occupy the first place. That is, there is an irreducible ethical dimension of social economics because human beings are essentially moral beings who are concerned with “good life.”

3. Social economics must address four sets of questions: historical genesis of social institutions; the role of institutions in realization of human potential; the future development of the society; and the possibilities for social change.
BRIDGES OVER TROUBLED WATERS?

[The Importance of Veblen for Marxism (Hunt 1979)]

1. Antinomies/cantradictions are important in the human realm: freedom-necessity; individuality-sociality etc. (Anti reductionism, though not anti-essentialism):

2. Production as a Social Process;

3. Capitalist accumulation is a dynamic and contradictory process full of turbulences and crisis;

4. State as functionary to the capitalist system;

5. Class struggle as the expression of human essence (objectification-alienation; predatory vs. workmanship “instinct,” etc.) does matter.

6. Emergence of Institutions through “socialization” (emulation) process.
## MODELS OF CAPITALISM

Schumpeter (1954: 565)

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<th>“HITCHLESS”</th>
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<td>Fusion of Causal Explanation and Hermeneutics</td>
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<td>• Alienation</td>
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<td>• Double Movement</td>
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**Contra-scientism:** Human Beings are, above all, moral (i.e., social/political) beings. What reduces them into “economic beings” is capitalism itself. Then, a proper analysis of capitalism must take into account also the “dehumanizing” effects: Thus ethics (also hermeneutics) matters.

**Contra-reductionism:** Capitalism is characterized by a process of alienation/fetishism/reification in every sphere of the society: Thus, “commodification of life itself” matters.

**Contra-mechanism:** The double tendency created by capitalism to make human beings both free and unfree is a result of the institutional structure of capitalism (separation between “economic” vs. “political” spheres): institutional strains matter.

**Contra-fatalism:** Conflicts between economic and political spheres does not always create desirable outcomes (“The road to Hell is paved with Good Intentions”): Thus, conscious human activity matters.
THESES FOR CAPITALISM:

1. **Historicity**: Human history can be understood as displaying two antinomical tendencies at once: human self expression through creative action vs. the loss of freedom due to increasing rationalization, alienation, and domination;

2. **Iron Cage**: Capitalism should be seen as a big leap towards more rationalization and therefore the loss of freedom, even if it creates the preconditions of the self-realization of the “species-being”;

3. **Self-Destruction**: The very success of capitalism is the basic cause of its failure. ("Rationalization towards the irrational").
CRITIQUE OF
THE NEOCLASSICAL ECONOMICS
# CLASSICAL – MARXIAN AND NEOCLASSICAL ECONOMICS

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<td>Profit as a cost item; Marginal productivity theory</td>
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Sraffa’s Contributions:

1. “The Returns to Scale under Competitive Conditions,” 1926:
   
   Basic Argument: Marshallian (Marginalist - Neoclassical ) price and distribution theory has two “dark spots”: Diminishing and Constant Returns to Scale (led to the development of the Imperfect Competition approach) and the Partial Equilibrium Method (led to a general equilibrium perspective of Sraffa’s own)

2. Production of Commodities by Means of Commodities, 1961:

   Basic Arguments:
   
   a. Value and Price Theory must proceed along the Classical Lines (based on the idea of surplus; prices depend on fixed technological coefficients, and distribution),
   
   b. Ricardo’s Fundamental Theorem of Distribution: there is an inverse relationship between profit rate and the wage rate. Distribution is determined outside the economic system: either by “class struggle” or by the monetary interest rate (thus, Central Bank can play a role)
   
   c. The “Reswitching” and the Capital Controversy.
Reswitching means that there is no simple (monotonic) relationship between the nature of the techniques of production used and the rate of profit. For example, we may see a situation in which a technique of production is cost-minimizing at low and high rates of profits, but another technique is cost-minimizing at intermediate rates.

Reswitching implies the possibility of capital reversing, an association between high interest rates (or rates of profit) and more capital-intensive techniques. Thus, reswitching implies the rejection of a simple (monotonic) non-increasing relationship between capital intensity and either the rate of profit, sometimes confusingly referred to as the rate of interest. As rates fall, for example, profit-seeking businesses can switch from using one set of techniques (A) to another (B) and then back to A. This problem arises for either a macroeconomic or a microeconomic production process and so goes beyond the aggregation problems discussed above. (Wikipedia)
In a 1966 article, the famous Paul A. Samuelson summarizes the reswitching debate:

"The phenomenon of switching back at a very low interest rate to a set of techniques that had seemed viable only at a very high interest rate involves more than esoteric difficulties. It shows that the simple tale told by Jevons, Böhm-Bawerk, Wikcsell and other neoclassical writers — alleging that, as the interest rate falls in consequence of abstention from present consumption in favor of future, technology must become in some sense more 'roundabout,' more 'mechanized' and 'more productive' — cannot be universally valid." ("A Summing Up," *Quarterly Journal of Economics* vol. 80, 1966, p. 568.)

Therefore: Neoclassical Distribution Theory is Inconsistent.
The Sraffian “Research Programme”


(a) Theory of Distribution & Production Prices

(b) Alternative Closures I — Accumulation

(c) Alternative Closures II — Interest

(d) Production Prices, Effective Demand & Long-Period Analysis

(e) Critique of Marginalism (p. 186)
Production of Commodities by Means of Commodities:

\[ p = Ap, \quad \text{or}, \quad (I - A)p = 0 \]

If we add the "surplus" to this system in the form of a profit margin determined by the profit rate \( r \),

\[ p = (1+r) Ap \]

If we add a homogenous labor input into this system,

Marxian System: \[ p = (1+r) (Ap + lw) \] (Surplus is the difference between the value of the commodity and the capital plus labor cost)

(Sraffian System): \[ p = (1+r) Ap + wl \] (Surplus is the difference between the value of the commodity and the capital cost)

The solutions to both are the same:

\[ p = [(1/(1+r))I - A]^{-1}/w \]
When the commodity A is produced by using itself as the input whose amount is a \( a < 1 \), and labor \( l \), the labor value embodied in the commodity will be:

\[
\gamma_a = l + a l + a^2 l + a^3 l + ... = \frac{l}{1-a}
\]

or,

\[
\gamma_a = a \gamma_a + l
\]

or, the direct and indirect labor embodied within the commodity:

\[
\gamma_a = \frac{l}{1-a}
\]

In the matrix notation, for \( n \) commodity,

\[
\mathbf{y} = \mathbf{A}\mathbf{y} + \mathbf{l}
\]

and,

\[
\mathbf{y} = (\mathbf{I} - \mathbf{A})^{-1}\mathbf{l}
\]
The relationship between values and Prices
(by using \( p = \left[ \frac{1}{1+r} \right] I - A \)^{-1} \gamma w)

\[
p = \left[ \frac{1}{1+r} I - A \right]^{-1} (I - A) \gamma w
\]

Thus, Production Prices depend on:
1. Labor values \( \gamma \),
2. Technology, matrix \( A \)
3. Distribution Shares, \( r \) and \( w \)
Analytical Problems with Marxian Values:

1. *Transformation Problem*: Values are proportional to prices, only if: either rate of profit is zero; or the organic composition of capital is the same in every industry. (led to: The “New Solution” –Laibman, Foley, and the TSSI Marxism (Kliman, Carchedi, Freeman)

2. “*Peanut Theory of Value*”: Every commodity, including steel or peanut, can be shown to be the basis of values (Analytical Marxism - Romer)

3. *Sraffian Critique*: Negative values may lead to positive prices: (Steedman)

4. *Okishio Theorem*: improving technology leads to increase in the profit rate, rather than a decrease.
The Temporal Single-system Interpretation (TSSI) of Karl Marx's value theory emerged in the early 1980s in response to renewed allegations that his theory was "riven with internal inconsistencies," and that it must therefore be rejected or corrected.

Proponents of the TSSI (Andrew Kliman, Guglielmo Carchedi, Alan Freeman) claim that the supposed inconsistencies are actually the result of misinterpretation; they argue that when Marx's theory is understood as "temporal" and "single-system," the alleged internal inconsistencies disappear. In a recent survey of the debate, a proponent of the TSSI concludes that "the proofs of inconsistency are no longer defended; the entire case against Marx has been reduced to the interpretive issue." (Wikipedia)

The problem with the above equation of prices of production is that both input prices, and the output prices are the same:

\[ p = Ap \]

However, since production takes time, the two vectors are actually different,

\[ p_{t+1} = A p_t \]

And also, output prices are expected to be higher than the input prices (\( p_{t+1} > p_t \))
Okishio's theorem is a mathematical theorem formulated by Japanese economist Nobuo Okishio that says that if one capitalist raises his profits by introducing a new technique that cuts his costs, the collective or general rate of profit in society - for all capitalists - goes up.

According to Okishio, the theorem contradicts Marx's law of the tendency of the rate of profit to fall. Marx had claimed that the new general rate of profit, after a new technique has spread throughout the branch where it has been introduced, would be lower than before. In modern words, the capitalists would be caught in a rationality trap or prisoner's dilemma: that which is rational from the point of view of a single capitalist, turns out to be irrational for the system as a whole, for the collective of all capitalists. Thus, Marx's proof of this fundamental result was inconsistent.

More precisely, the theorem says that the general rate of profit in the economy as a whole will be higher if a new technique of production is introduced in which, at the prices prevailing at the time that the change is introduced, the unit cost of output in one industry is less than the pre-change unit cost. (Wikipedia)
Criticisms to the Sraffian Interpretation of Marx:

(Fred Moseley, The “New Solution” To The Transformation Problem: A Sympathetic Critique
http://www.mtholyoke.edu/~fmoseley/CRITIQUE.pdf):

1. Marx’s determination of prices of production is logically inconsistent (transformation problem)
2. Bortkiewitz’s solution to the transformation problem is flawed because it implies that Marx’s two aggregate equalities (aggregate price  = aggregate value, and aggregate profit  = aggregate surplus value) cannot both be true simultaneously.
3. It also implies that the rate of profit changes in the determination of prices so that the price rate of profits is in general not equal to the value rate of profit.
4. The value analysis in the entire volume I of Capital is “redundant” because the same prices of production and rate of profit that are derived by transforming values into prices of production could also be derived directly from the given physical quantities.
The “New Solution” [Duncan Foley (1982 and 1986), and Gerard Duménil (1980 and 1983-84)]

The main novelty of the new solution is that it assumes that variable capital is not derived from a given real wage, but is instead taken as given directly, as the money-wage paid by capitalists to workers. The new solution also reinterprets Marx’s aggregate price-value equality in net terms, rather than gross terms. From these assumption and definitions, it follows that the redefined aggregate net price-value equality is satisfied simultaneously with the aggregate profit-surplus value equality. However, in the new solution constant capital is still derived from the given technical conditions, first as the value of the means of production and then as the price of production of the means of production, as in the Sraffian interpretation. As a consequence, constant capital and hence the rate of profit change from Volume I to Volume III and the gross price-value equality is in general not satisfied, again as in the Sraffian interpretation. (Moseley)
Crises and Economic Fluctuations:

Marxian Crisis Theories:

1. Underconsumption
2. Disproportionality
3. Falling rate of profits.
Disproportionality:

Section I: production goods (fixed capital)
Section II: consumption goods (variable capital)

Production of respective sections (in with no surplus):

\[ X_1 = C_1 + V_1 + S_1 \]
\[ X_2 = C_2 + V_2 + S_2 \]

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<td>X_1 = C_1 + C_2</td>
<td>X_2 = V_1 + S_1 + V_2 + S_2</td>
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<td>C_1 + V_1 + S_1 = C_1 + C_2</td>
<td>C_2 + V_2 + S_2 = V_1 + S_1 + V_2 + S_2</td>
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<tr>
<td>Equilibrium Conditions</td>
<td>V_1 + S_1 = C_2</td>
<td>C_2 = V_1 + S_1</td>
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With Surplus:

\[ X_1 > C_1 + C_2 \]

and

\[ X_1 > C_1 + C_2 \]

Because \( X_2 < V_1 + S_1 + V_2 + S_2 \).

In other words, even if capitalists want to consume the entire surplus, they cannot find enough consumption goods.
Falling Rate of Profits:

The profit rate,

\[ r = \frac{S}{C + V} \]

Depends on:

The organic composition of capital: \( \mu = \frac{C}{C+V} \) and

Rate of surplus value (or “exploitation”): \( \delta = \frac{S}{V} \)

Thus,

\[ \pi = \delta (1 - \mu) \]

Therefore, when the organic composition rises, rate of profit falls (or at least the rate of increase in the organic composition will be higher than the rate of increase in the rate of exploitation (Marx 1981: 339-48).
# MARX & SCHUMPETER ON ACCUMULATION AND COMPETITION

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<td>Creative Destruction &amp; Bureaucratization of creative destruction</td>
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<td>SCHUMPETERIAN VISION OF CAPITALISM: EVOLUTION</td>
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<td>---------------------------------------------</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th><strong>STATIC/ COMPARATIVE STATIC</strong></th>
<th><strong>DYNAMIC / EVOLUTIONARY</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CHANGE</strong></td>
<td>“Causal,” quantitative:</td>
<td>“Development,” novelty</td>
</tr>
<tr>
<td></td>
<td>Functional, Linear, Reversible: (Many-to-one-mapping)</td>
<td>Adaptive, Non-linear, Irreversible (One-to-many-mapping/Bifurcations)</td>
</tr>
<tr>
<td><strong>EQUILIBRIUM</strong></td>
<td>Newtonian: Balance of forces</td>
<td>Thermodynamic: Absence of structural change</td>
</tr>
<tr>
<td></td>
<td><em>(Dis)equilibrium</em></td>
<td><em>(Nonequilibrium)</em></td>
</tr>
<tr>
<td><strong>ORDER</strong></td>
<td>Spontaneous Stable</td>
<td>Self-Organized Unstable/Dissipative</td>
</tr>
<tr>
<td></td>
<td><em>(Optimization)</em></td>
<td><em>(Routines: “Business as usual”)</em></td>
</tr>
<tr>
<td><strong>EVOLUTIONARY PROCESS</strong></td>
<td>Natural Selection (uncovering “tacit knowledge”)</td>
<td>Random Mutation (Innovation)</td>
</tr>
<tr>
<td></td>
<td><em>(Definite, determined, and efficient outcomes)</em></td>
<td><em>(Emergent, indeterminate, and unknown outcomes)</em></td>
</tr>
<tr>
<td></td>
<td>“Invisible Hand”</td>
<td>“Evolutionary Hand”</td>
</tr>
</tbody>
</table>
## FORMS OF EVOLUTION

Araz-Takay and Özel (2008)

<table>
<thead>
<tr>
<th>Evolutionary Economics</th>
<th>The Notion Of Evolution</th>
<th>Social or Cultural Evolution (Literally or metaphorically)</th>
<th>Unit Of Selection</th>
<th>Process of Evolution</th>
<th>Pioneer Economists</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional Evolutionary Economics</td>
<td>Causal Mechanism</td>
<td>Either Darwinian or Lamarckian</td>
<td>Society/social Institutions</td>
<td>Gradual (incremental change)</td>
<td>Veblen</td>
</tr>
<tr>
<td>Neo-Schumpeterian Evolutionary economics</td>
<td>Metaphor</td>
<td>Lamarckian</td>
<td>Technology</td>
<td>Either Gradual (incremental change) or Radical change (natural’s leap)</td>
<td>S.Metcalfe, R.Nelson, S.Winter, J. Mokyr, G.Dosi, Freeman, Soete</td>
</tr>
<tr>
<td>New Evolutionary economics</td>
<td>Metaphor</td>
<td>Neither Darwinian Nor Lamarckian</td>
<td>Economy/knowledge</td>
<td>Radical change (natural’s leap)/ Punctuated Equilibrium</td>
<td>K. Dopher, U.Witt, J.Foster,</td>
</tr>
</tbody>
</table>
Three Versions of *Unintended Consequences* as a Mechanism of Order:

1. “Invisible Hand” (*Harmonious order*): A way of social harmony – social contract theories: emphasizing the optimal order; basically “individualist” social theory. “Social Atomism” (Hayek, among others, as a representative)

2. “Invisible Backhand” (*Non-efficient Order*): Suboptimal reproduction; “frictions”, inefficiencies etc. External elements creating “hitches”. (e.g., Keynesian Economics)

3. “Evolutionary Hand” (*Disorder; Dissipative Structures*): Emphasizing creation and reproduction of the system/society etc. Allows imperfections and suboptimalities. Against Social Atomism (Polanyi, Marx and Schumpeter as representatives).
Conclusion: Normative Theses about Radical Economics

1. Radical economics should deal with the “essences” rather than “appearances”, thus value, production, accumulation and distribution should have analytical priority over prices and exchange and resource allocation.

2. Radical economics should take into account change and evolution that rests on the idea of “development” (or the “punctuated equilibrium”) that Schumpeter emphasizes. In this process, history should be seen as a non-teleological process characterized by complexities and path dependencies etc.
3. Radical economics should rest on a conception of human nature that refers to human developmental potential, not as a metaphysically or genetically given and unchanging one. It should also recognize concrete, actual economies and institutions, and therefore the interaction between human nature and actual social institutions.

4. Radical economics should be normative in the sense that it should rest on the view that human beings are essentially moral beings who are concerned with “good life”. That is to say, there is an irreducible ethical dimension of economics.

5. Antinomies/contradictions are important in the human realm: freedom-necessity; individuality-sociality etc. (Anti reductionism, though not anti-essentialism):
6. Production is a Social Process; therefore, economics must be a “social” science. In this regard, the emergence of institutions through “socialization” (emulation) process should also be considered.

7. Radical economics should consider the fact that capitalist accumulation is a dynamic and contradictory process, full of turbulences and crisis, also the idea that the very success of capitalism is the basic cause of its failure (self-destruction).

8. Social processes and class struggle can be seen as the expression of human essence (objectification-alienation; predatory vs. workmanship “instinct,” etc.).