

Lecture 8: Marx

In this lecture – and possibly in some of the next one – we deal with Marx, which in many respects differ from the other authors that we have treated and will discuss later. Marx could not easily be placed among the classical economists, even though he used their writings and thoughts extensively, and neither is he a precursor of the marginalist or the neoclassical school. Marx is definitely his own.

The treatment in E&H uses rather more pages on the philosophical background than on the economic writing. These pages are certainly well written and readable, but for us it still remains background for the contributions to economics. Here H&E have the relevant points but skip some details, some supplement can be found in Lecture Note 8.

A very recommendable introduction the main work of Marx is Foley (1986).

Our treatment of Marx' *Capital* will in broad outlines follow its division into chapters and volumes:

1. Commodities, labour, value and money.
2. Capital and surplus value
3. Capitalist production, reproduction of capital
4. Equalization of profit rates (the transformation problem)
5. Division of surplus value
6. The falling rates of profit
7. Capitalist crises.

Although Marx has had enormous influence on thinking and politics, there are rather few economists who followed up on the Marx's work. At a later point we encounter Oscar Lange and Michał Kalecki in the mid-20th century. In the 1980s there appeared a particular version called Analytical Marxist Economics, initiated by John Roemer. Here the methodological foundation is neoclassical economics in the Walrasian tradition, and the basic problem is seen as unequal or unjust distribution.

We read: H&E, chapter 12.

References:

Foley, D.K. (1986), *Understanding Capital, Marx's economic theory*, Harvard University Press.