

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.

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.

The treatment in V&G emphasizes the philosophical background but skips many details, some supplement can be found in Lecture Note 8. To understand values and prices one needs some minimal degree of formalism as presented in the note.

Although Marx has had enormous influence on thinking and politics, there are rather few economists who followed up on the Marx's work. V&G mentions some, and to these may be added Oscar Lange and Michal 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: V&G, chapter 9.

References:

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