

# Title: Marx after Marx after Sraffa

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## Abstract

Twenty-five years have elapsed since the publication of Ian Steedman's pathbreaking 'Marx after Sraffa'. It, and the surplus approach whose arguments it summarised, had a profound influence both on the way economics is organized and taught in the world, and in the way that Marx is received within this discipline.

The paper argues that, on the basis of the subsequent twenty-five years of research, the time has now come to move on and to reverse the impact of the surplus approach on the institutions of economics and their treatment of Marx's views, most notably his almost total suppression of Marx on the false grounds of logical inconsistency.

The paper refutes the two arguably best-known claims in the book: "Some Marxist economists will, of course, be reluctant to concede the irrelevance of the 'labour theory of value' but it is now generally recognised that the demonstration of that irrelevance is logically impeccable;" and "The present type of argument has been examined in various forms, by many different writers over the last 80 years. The same conclusions have always been reached and no logical flaw has ever been found in such arguments."

The flaw has been found and the demonstration is therefore no longer logically unacceptable. There exists a determination of the magnitude of value by labour time which is indeed quantitatively different from that given by physical or use-value and which offers a fully consistent – and completely general – solution to the transformation problem. Moreover this same determination exhibits a falling profit rate under conditions of cost-reducing technical change, contrary to the Okishio theorem. These discoveries are the product of an endeavour that began in 1982 only five years after Steedman's book appeared, though it is only in recent years achieving serious recognition (see example Duncan Foley's contributions to the Laibman-Freeman-Kliman-Foley debate in RIPE 2000).

Steedman correctly deduces the inconsistencies and redundancies in the theory which he presents, without evidence, as Marx's. But this theory is not Marx's, as a growing body of hermeneutical evidence clearly demonstrates. The errors and inconsistencies which he reports apply to a particular interpretation of Marx deriving from Bortkiewicz, popularized by Sweezy and generally accepted following the work of Seton, May, Morishima, and others, as constituting either 'Marx's theory of value' or "the labour theory of value." It remains to be proven that this theory is in fact Marx's.

Actually, neither claim is substantiable. As Steedman himself demonstrates – and this represents the book's real achievement – the Bortkiewicz-Sweezy-Morishima interpretation does not determine the magnitude of value by labour-time worked. Of course, if this theory was Marx's, then it would be correct to conclude that Marx himself failed by his own standards. Moreover, as long as the Bortkiewicz-Sweezy-Morishima interpretation of Marx was the only interpretation available, such a conclusion was the best logically-sound deduction.

However, the Temporal Single System interpretation of Marx has provided an alternative within which the magnitude of value is indeed determined by labour time, and within which the logical errors, inconsistencies and redundancies identified by Steedman, do not exist.

It is therefore both empirically and logically incorrect to conclude either that Marx's own work is inconsistent or that a 'labour theory of value' (that is, the determination of the magnitude of value by labour time – Marx himself never used the words 'labour theory of value' – is irrelevant.

The time has therefore come for a new stage of debate based on an amicable parting of the ways, in which the study of Marx, and the study of simultaneous value, are recognised as distinct bodies of theory. On the one hand the consistency and coherence of Marx's own – temporalist – views can be recognised and defended in front of a profession which systematically suppresses them; on the other, the surplus school can continue investigating its own theories and their conclusions as a distinct body of ideas in its own right, freed of the hegemonic imperative to present Marx, Ricardo and Sraffa as mere manifestations of a single branch of orthodoxy.

The precondition for such a new stage of debate is the abandonment of any conception that the surplus school can regulate how Marx should be read or understood, and the introduction of a genuine pluralism into the treatment of Marx's economics, founded on a recognition of the existence of a variety of interpretations and the necessity to determine their validity on the basis of empirical hermeneutic evidence.