

W8 – Marxist Political Economy

Summer Academy for Pluralist Economics

August 10-16, 2020 as an international online format

A joint project of Network for Pluralist Economics and Protestant Academy of Thuringia

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Last updated: 26/07/2020 21:02

Workshop Description

This workshop will give an introduction to the political economy of capitalism and socialism from a Marxist perspective. We will study the Marxist critique of capitalism, covering key aspects of the first volume of Capital. This covers the production of surplus value and the exploitation of workers, as well as the tendency of capitalism towards crisis. We will also consider what Marx and Engels had to say about socialism and communism and cover later responses to Marx which led to the socialist calculation debate. In the socialist calculation debate, economists of the Austrian school argued that rational planning of production would be impossible in a socialist economy. We will consider possible responses to this objection and contemplate what an alternative form of economic organisation to capitalism could look like.

Input Sessions

The input sessions will each consist of a lecture, followed by an open discussion. For each session, it is recommended that you do the essential reading before the lecture. The further reading is optional and allows you to dive deeper into specific topics that might interest you. The further reading can also be done after the input session or even after the summer academy has ended.

Workshop Session 2: Surplus value and Exploitation

This session will give an overview of some of the key concepts of Marxist Political Economy.

- The Three Kinds of Value – Use Value, Exchange Value and (Labour) Value
- The Labour Theory of Value
- Circulation of Capital
- Production of Surplus Value
- Exploitation
- Marx on Justice
- Organic Composition of Capital
- The Transformation Problem

Essential Reading:

Marx, K. *Value Price and Profit*

<https://www.marxists.org/archive/marx/works/1865/value-price-profit/>

Further Reading:

Marx on Justice

Geras, N. *The Controversy About Marx and Justice*

<https://www.marxists.org/reference/subject/philosophy/works/us/geras.htm>

Transformation Problem

Harvey, D. (2006) *Limits to Capital*. Verso books. Chapter 2, Section III "The distribution of surplus value and the transformation from values into prices of production", pp. 61-68
(PDF version is available in the file for this workshop on Summercloud)

Workshop Session 5: Accumulation and Crisis

This session will explore some more advanced concepts of Marxist Political Economy that are necessary to understand the Marxist theory of capitalist crisis.

- The Underconsumption Theory
- Simple Reproduction
- Accumulation and Expanded Reproduction
- The Critique of Say's Law
- The Falling Rate of Profit

Essential Reading:

Harvey, D. (2006) *Limits to Capital*. Verso Books. Chapter 3, Section III "The problem of effective demand ...", pp. 89-97
(PDF version is available in the file for this workshop on Summercloud)

Further Reading:

Critique of Say's Law

Harvey, D. (2006) *Limits to Capital*. Verso Books. Chapter 3, Section I

Falling Rate of Profit

Harvey, D. (2006) *Limits to Capital*. Verso Books. Chapter 6, Section III

Workshop Session 8: Socialism and the Socialist Calculation Debate

This session will give an introduction to Marx and Engels' concept of communism or socialism and the so-called Socialist Calculation Debate between socialists and representatives of the Austrian school of economics.

- Marx and Engels on Communism
- Mises' calculation argument
- Hayek's information argument
- Market socialism

Essential Reading:

Mises, L *Economic Calculation in the Socialist Commonwealth*.
<https://mises.org/library/economic-calculation-socialist-commonwealth>

Further Reading:

Marx on Communism

Marx, K. *Critique of the Gotha Programme*, part I
<https://www.marxists.org/archive/marx/works/1875/gotha/ch01.htm>

Hayek's Information Argument

Hayek, F.A. *The Use of Knowledge in Society*.

<https://www.econlib.org/library/Essays/hykKnw.html>

The Socialist Calculation Debate and Ecological Economics

O'Neill, J. and Uebel, T. *Analytical Philosophy and Ecological Economics*.

<https://www.escholar.manchester.ac.uk/uk-ac-man-scw:292035>

Workshop Session 11: Computer Communism

In this session I will present my own model of computer communism, based on an earlier model by Paul Cockshott and Allin Cottrell in their book *Towards a New Socialism*.

Essential Reading:

Cockshott, P. *Calculation in-Natura, from Neurath to Kantorovich*.

<https://pdfs.semanticscholar.org/Oe3a/443d6fb314eb8b160576faa9928aa151d6fb.pdf>

Further Reading:

Dapprich, J.P. *Rationality and Distribution in the Socialist Economy*, Chapter 7

(PDF version is available in the file for this workshop on Summercloud)

Collaborative Sessions

For the collaborative sessions the workshop participants will be divided into groups. Each group has the task to devise an alternative economic system. Ideally your system would be influenced by some of the issues discussed in the workshop, but there is no limit to what you may propose.

We will try to divide the groups such that people who might have similar original ideas can work together. So, you might already start thinking about what your ideal society looks like. Will it be based on central planning, or do you have a more decentralised approach in mind? Will markets still play a role in your system? Will everyone get the same or should there still be room for some economic inequality? Or perhaps you want to emphasise a certain issue, like technology, environmentalism or feminism?

At the end of the process you should have some kind of output that can be presented to other participants of the academy or even published. There are no particular limits to what this could be for this workshop, other than the general *Guidelines for Output* which can be found in the *Everyone* folder on the Summercloud. Not everyone in the group has to agree on everything and the output can reflect that. If you find that you have very different ideas, why not record a discussion as a podcast? Other possible formats include a video, a presentation, a poster, a text,

Exam

An exam is offered for this workshop, but unless this is required by your education institution you don't have to sit the exam. More details on the exam will follow.