

Reviews

I. I. Rubin

Essays
on
Marx's
Theory
of Value

A HISTORY OF ECONOMIC THOUGHT,

I I Rubin

Ink Links, London 1979 440pp £5.95

ESSAYS ON MARX'S THEORY OF VALUE,

I I Rubin

Black Rose Books, Montreal 1975

In the general translation of 20th century Marxist 'classics' into English over the last couple of decades the main Russian component has dated (unsurprisingly) from the 1920s. Amongst these texts most prominent have been the works of economists — Preobrazhensky, Kondratiev, Fel'dman and the economic writings of Bukharin. Both the books reviewed here derive from this period, before the 'long night' of Soviet Marxism. Isaac Ilyich Rubin was a professor of Marxist economics and from 1926 a research associate at the Marx-Engels Institute until he was arrested in 1930. His main 'crime' seems to have been a close association with David Riazanov for whom Stalin appears to have had a particular loathing (see Medvedev's *Let History Judge*, pp. 132-6)

Most of the translated Russian economics of this period concerns itself, albeit often at a high level of theoretical abstraction, with the contemporary industrialisation debates. Rubin's work was very different. Neither of these two books nor his untranslated work was even tenuously linked to these debates. There are the much broader questions concerning on the one hand central components of Marx's economics (*Essays* . . .) and on the other Marxist conceptions of pre-Marxist economics (*A History* . . .).

The first of these is a serious and systematic attempt to both present and defend Marx's theory of value. Rubin stresses that the object of Marx's theory of value is not to establish labour as the 'substance' which both makes possible and explains exchanges of commodities.

Rather Marx's central objective is to explain 'why labour is represented in the value of its product and labour-time by the magnitude of that value' (*Capital*, Vol I, p 80). For the analysis of these forms, the notion of the fetishism of commodities is crucial; commodity fetishism is based on the objective necessities of the existence of commodity/capitalist social relations. These forms are therefore not some kind of mirage or illusion, but the inevitable product of the existence of certain kinds of social relations, and correspond to the real properties of those relations.

The crucial role played by commodity fetishism in Rubin's analysis of value is returned to below. But it by no means exhausts his analysis. Also central to the Marxist theory of value is the concept of equilibrium. Equilibrium for Rubin is a theoretical state, defined as when the distribution of labour of society is such as to produce exactly the right quantities and the right range of goods. So the proportions in which commodities are exchanged (their values) are tied to a particular composition of social needs. In order to stop value becoming dependent on demand, Rubin attempts to explain these proportions by relative productivity in the different branches of production. But this attempt must be judged unsuccessful — if the notion of equilibrium is not to be tautological it must be tied to a 'norm' in the distribution of labour which can only be explained by the structure of demand. Why else can a particular composition of production be deemed 'necessary'?

The History of Economic Thought is a review of economic theory from the merchantilists to John Stuart Mill. The book as far as this reviewer knows has no parallel in English, as a systematic Marxist textbook of the history of economic thought. Much of the argument will be familiar to those who know Marx's work, especially *Theories of Surplus Value*. However this would not be true of the first part, on the mercantilists, which is much more a 'pioneering' analysis. The book is constructed around a counterpoint between 'the historical conditions out of which the different economic doctrines arose and developed, and their theoretical meaning ie, of the internal logical relationship of ideas' (p. 10). Thus each section consists of a brief analysis of the theory of each economist considered.

What differentiates this history of economic thought from the many 'orthodox' versions in existence is broadly two elements. First, of course, that the culmination point, the position to which all previous economics aided or obstructed the movements towards, is Marx, rather than for example the 'neo-

classical synthesis'. Obviously this kind of construction involves reading the history of economic thought selectively, ie, selects those elements in past economics which accord with the areas of interest to Marxism. The process at the work is exactly similar to those operating in neo-classical accounts — a well known case being Blaug's *Economic Theory in Retrospect*. Such an account can easily distort the work discussed, in the sense of not according the same status to problems that those works themselves construct. An obvious case is Smith, who for Marxists is seen as predominantly a theorist of value, for neo-classicists a theorist of market exchange. Against both readings it could be argued that Smith's central concern was elsewhere — economic policy. Rubin to some extent escapes this problem, because although Smith is evaluated as above all a theorist of value, other parts of his work are discussed extensively eg, chapter twenty-one on the division of labour.

Secondly a Marxist history of economic thought is different from orthodox accounts not in 'mentioning' the historical background to the production of particular economic theories, but in using this background as a central explanation of the contents of an economic theory. This is done systematically by Rubin. Hume's theory of money for example (p.83) was 'a theoretical generalisation from the phenomenon of unusual price rises that Europe experienced during the "price revolution" of the 16th and 17th centuries.' Similarly (p. 162) 'The technical features of industrial capitalism characteristic of the manufactory period find their theoretical reflection in Smith's doctrine as the doctrine of labour . . .'

Rubin's discussion of the history of economic thought is then similar in one crucial regard to his discussion of theories of value. Both depend on the notion that theories can be explained by reference to the 'appearance' of the economy. The history of economic thought is a history of changed appearances of the 'real' economy; the fettered appearance of capitalism generates the limitations on classical theories of value, which only Marx is able to go beyond by his ability to penetrate these appearances and go to the essence.

This approach to the analysis of economic thought raises a number of problems. First it can lead to a curious history of the 'real', as when Petty's stress on the role of manufacturing in his writings is seen as a reflection of the lack of penetration by capitalism into English agriculture (p.55). A curious belief about 17th century England.

Secondly this approach readily generates inconsistency — thus Quesnay is said to have

'transcended his own age' (p. 147). But as we are not told the mechanism which made this transcendence possible for Quesnay but impossible for others the process remains merely an anomaly, a mystery.

This 'mystery' leads into the crucial weakness of Rubin's and similar accounts of economic theory. Taken seriously they imply that the real itself generates knowledge which is then appropriated by economic thinkers. But this is an impossible procedure. The real exists independently of knowledge but can only be known through knowledge. So to measure economic thought against the 'real world' is really to measure that thought against *another* form of knowledge of the real. Thus for example when Rubin (p.64) says that mercantilism became more theoretical because of the 'new, increasingly complex demands of economic development' he is *theorising* that process of development and contrasting it with mercantilist *theories*. Rubin's conception of the 17th century may be more adequate than the mercantilists but is just as much a conception.

The implication of this line of criticism is not that economists are some kind of pure, disembodied spirits who live on a plane separated from the world. The 'real' provides certain conditions of production of theories, but cannot be used to explain the concepts employed in theories. To argue the opposite always involves a sleight of hand — the postulating of a world which is 'known' independently of knowledge.

These points are in no way intended to be dismissive of Rubin's work, especially not the *Essays* which is a major work by any standards. But a crucial part is played in both texts by certain notions of the production of economic knowledge which appears unsustainable. This is not an esoteric point. In modern economic controversies Marxists commonly employ a notion which depends on this appearance/essence couple, that of 'vulgar economy'. (A notion used briefly by Rubin, *History*, pp. 301-3 and 326-7). This is used to castigate non-Marxists and to attempt to dismiss their work. Though amenable, such a position is fraught with difficulties, not least the need to chase the chimera of arguing how the economy 'appears'. Politically also the notion of 'vulgar economy' is dangerous. On one hand it gives Marxism a privileged access to knowledge, the mechanisms of which are rarely analysed. On the other it homogenises non-Marxist economic theory and reduces it all to the effects of one error. It is a useless weapon with which to confront the complexity and diversity of economic theory, Marxist or non-Marxist.

Jim Tomlinson