

Reviews

Witchcraft and magic among the Marxists

Paul Mattick, *Theory as Critique: Essays on Capital* (Leiden: Brill, 2018; Chicago: Haymarket, 2019). 288pp., £110.00 hb., £19.99 pb., 978 9 00436 656 5 hb., 978 1 64259 013 5 pb.

Paul Mattick, *Social Knowledge: An Essay on the Nature and Limits of Social Science* (Leiden: Brill, 2020). 142pp., £86.00 hb., 978 9 00441 480 8

Paul Mattick Jr.'s compact book on the 2008 economic crisis, *Business as Usual: The Economic Crisis and the Failure of Capitalism* (Reaktion 2011), placed the events of that year in the context of the decades-long dynamic of the advanced capitalist economies since the end of World War Two. Mattick focused on two key questions: the role of business profitability in determining the ups and downs of the business cycle, and the contradictions and dilemmas specific to the post-war 'mixed economy', in which a substantial share of economic activity is state-financed and exists side-by-side with the private business economy. His own account of the crisis is contrasted with the inadequacy of the *post hoc* chronicles of the crisis (speculation, deregulated financial markets, policy missteps) proffered by economists in its aftermath and prevalent in the business press and halls of power.*

In *Business as Usual*, Mattick paid special attention to the blunders of the profession in the run-up to the crisis, throughout which Nobel Prize-winning neo-classical economists touted the self-equilibrating features of the system that were said to assure an optimal distribution of social resources through the elegant simplicity of the price signal. Whisked off-stage momentarily by the fast unfolding of the crisis they failed to anticipate or even conceive of, the door was opened to their apparent guild rivals, the Keynesians, who were thrust forward in the crisis' aftermath. This school ran the profession for the first three decades after the war, claiming to have mastered the business cycle by means of counter-cyclical interventions, using state expenditures to boost effective demand in downturns. Yet, as Mattick recalls, this once-hegemonic

wing was itself routed in the late 1970s by its crisis, the so-called 'stagflation' crisis (economic stagnation combined with a surge in inflation) that it could neither explain analytically, nor help surmount by means of its once-trusted policy prescriptions. Why, then, Mattick asked in *Business as Usual*, does this specific group of intellectuals, academics and governments advisors, whether neo-classical or Keynesian in allegiance, continue to enjoy such prestige and institutional power despite its utterly dismal record of failure during these post-war decades?

Though the ineptitude of the economics profession is writ large in periods of crisis, Mattick has been pondering the discipline's enduring credibility, despite its recurring debacles, for decades now. Its invulnerability is a central concern of Mattick's first book, *Social Knowledge: An Essay on the Nature and Limits of Social Science*, originally published in 1986 and just re-issued by Brill. Written in the aftermath of the crisis of the Keynesian school in the late 1970s, Mattick sets out in *Social Knowledge* to examine why Marx understood his own theoretical labours as a critique of, rather than a contribution to, the discipline of economics. Doing so, however, requires an exploration of what Mattick calls the broader 'epistemological conditions' of Marx's critique of economics. A revised version of a 1981 dissertation advised by Hilary Putnam, *Social Knowledge* grasps this critique through the lens of contemporary debates in the philosophy of science, which had to that point completely neglected Marx's work.

Social Knowledge revisits the disputes raised by E.E. Evans-Pritchard's 1937 study of witchcraft of Azande

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people of central Africa, taken as an exemplary case study for its exploration of the methodological issues specific to the philosophy of the social sciences. Mattick strikingly compares Evans-Pritchard's treatment of witchcraft in Azande culture and Marx's approach to the discipline of economics in his own. From this starting point, Mattick argues, we can conceive of Marx's own undertaking as *anthropological* in nature, a study of his own society as alien and other: a premise that makes his use of the category of 'fetishism' in *Capital* something other than a literary flourish or rhetorical device. The critique of political economy must not only explain the essential relations that regulate and set in motion the process of accumulation, it should also explain how these relations appear to the 'inhabitants' of capitalist society.

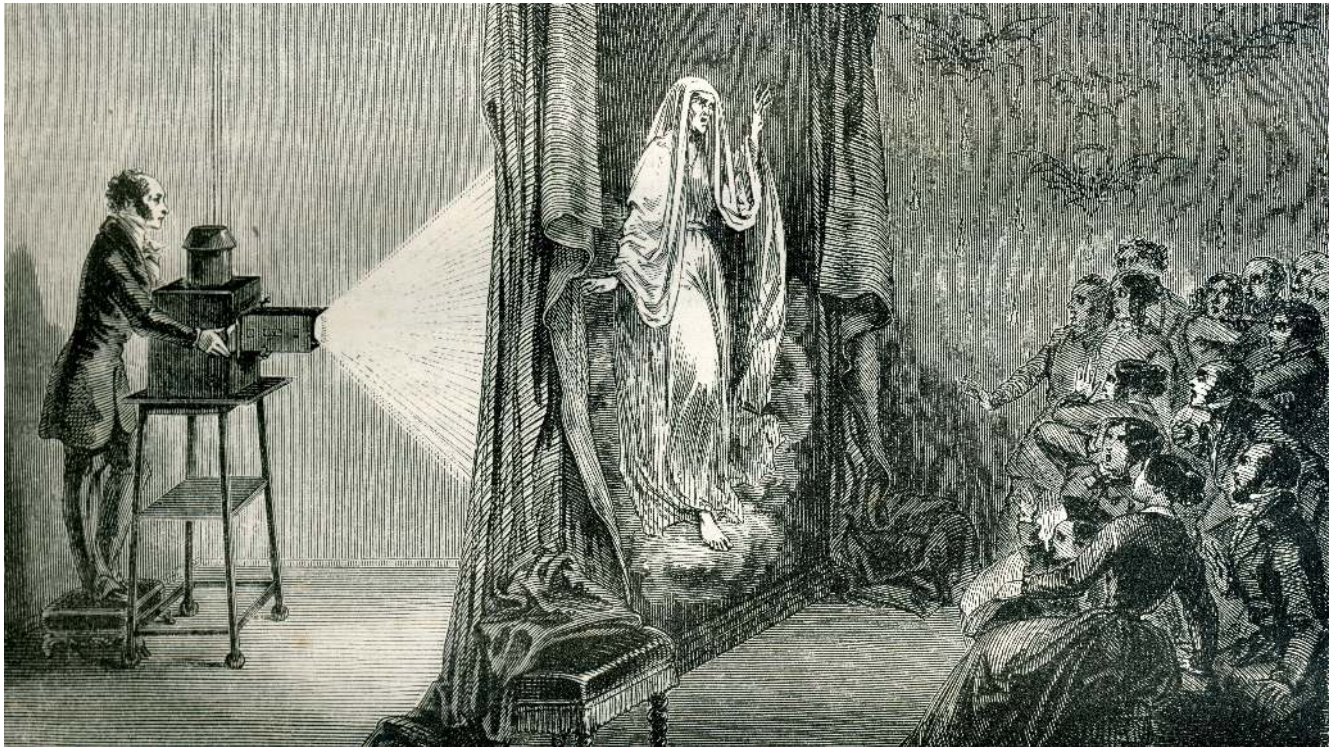
In *Witchcraft, Oracles and Magic Among the Azande*, Evans-Pritchard sets out to explain why the beliefs and behaviours constituting the practice of witchcraft remain central to this society's functioning, despite the logical incoherence that surfaces the moment these beliefs and behaviours are scrutinised; in the same way, Mattick argues, Marx offers an 'explanation of a conceptual scheme that is functionally indispensable to the life of a culture despite its inconsistencies and absurdities.' In Evans-Pritchard's study, witchcraft's theoretical incoherence in no way affects the Azande's assessment of its place in their society; in capitalist societies, the role of economists remains invulnerable despite the discipline's confusion over and inattention to the fundamental axioms of its discourse as well as a track record of analytical and policy failures few other 'sciences' could survive or surmount. In *Theory as Critique*, Mattick cites Jerome Radetz on mainstream economics as largely a 'folk science' in this vein, that is, 'a body of accepted knowledge whose function is not to provide the basis for further advance but to offer comfort and reassurance to some body of believers.'

Mattick's decision to write a dissertation in philosophy in the late 1970s was not unusual for someone with his personal and political background. As the social movements of the 1970s decomposed, and the labour movement faced a ferocious counter-attack in a context of unrelenting economic crisis, Mattick, like many others, migrated into other, more traditional fields: law, NGOs, Democratic party politics, social work and academic study. Active in the student and anti-war move-

ments, in 1969 Mattick formed a small collective with Jeremy Brecher, Stanley Aronowitz, and others, Root & Branch, which developed analyses of contemporary workplace struggles, while drawing lessons from historical episodes. Unlike other currents on the New Left, dominated as they were by party-building sectarianism, Root & Branch was committed to revisiting the lessons of the workers' council movement of the inter-war period, in view of promoting struggles for direct worker control over production and society. After completing his graduate work, Mattick pursued studies in the philosophy of language; later, he would publish two books on aesthetics, all while publishing occasional pieces on art and politics for periodicals like *Art in America*, *The Nation* and *The Brooklyn Rail*.

Having exhumed the epistemological conditions for Marx's critique of economics as well as its anthropological nature in *Social Knowledge*, Mattick set out in the mid-1980s to examine more closely Marx's method of theory construction in *Capital*. The result of these studies became Mattick's *Theory as Critique: Essays on Capital*. Written over three decades, these essays, like *Business as Usual*, analyse recent economic events – an entire chapter on the 2008 crisis, several pages on the Asian crisis of 1997–98 – in the context of broader discussions of Marx's crisis theory, with a special attention to the relation between his method of abstraction and empirical economic events. But the bulk of the essays deal in great detail with the (often false) problems of interpreting Marx's text raised by Marxists and critics of Marx alike. No attempt, according to Mattick, has been made to present these essays' findings in a systematic manner, so as to offer an all-encompassing exposition of Marx's theory. Yet a scan of the book's contents reveals that *Theory as Critique* is devoted to many of the key *topoi* in Marxist debates: questions of method, intricate reconstructions of Marx's value theory, reconsiderations of the so-called 'transformation problem', the reproduction schemas of Volume Two, Marx's truncated theory of class, and of course the crisis theory presented in *Capital, Volume Three*, rooted in what Marx calls the 'tendency' of the rate of profit to fall.

As with his earlier works, *Theory as Critique* scrutinises the shortcomings of the economics profession. What sets Mattick's more recent book apart, however, is not simply its textual probing of Marx's critique of



political economy, but the way it takes aim at a peculiar tendency within contemporary economics: what Mattick calls 'Marxist economics'. The emphasis is on the impossible conjunction of these two terms (Marxism and economics): the critique of political economy is not an alternative version of it. Yet this bastard formation has a by-now protracted history, dating at least as far back as Rudolf Hilferding's 'modernisation' of Marxist theory in *Finance Capital* (1910), in whose preface it is claimed that the propositions of Marxist theory have the same impartial status as those emitted by the bourgeois positivist sciences. This marginal current has more proximate roots, especially in its prevailing academic form, in the efforts of Paul Sweezy in the 1940s, who helped legitimate para-Marxist styles of analysis by warping its concepts and methods in conformity with those predominant in the profession. It would come into its own, however, only in the 1970s, as ex-activists of social movements poured into the academy to study history, sociology and economics at the very moment the post-war Keynesian consensus crumbled in the face of the stagflation crisis.

What is Marxist economics? In some variants of this trend, according to Mattick, Marx is fancied a prize pupil of the Ricardo School, adopting with minor tweaks the latter's theory of value, while for others it is possible to be a Marxist while abandoning the theory of value alto-

gether; in still others, a version of the factor theory of production, the subject of Marx's relentless and mocking criticism, prevails. Many mistakenly construe Marx's value theory as an attempt to explain the formation of individual prices, rather than the historical emergence of an entire social form. All converge in their shared use of economic data collected using the profession's methods and concepts (e.g. national income accounting) to prove or confirm this or that feature of Marx's theory. The notorious Cambridge 'controversy' of the fifties and sixties, then the neo-Ricardian criticisms of Marx in the early seventies – debates Mattick strategically revisits in *Theory as Critique* – played an outsized role in shaping the preoccupations of Marxist economists. The economic crisis of 2008 revived interest also in Marx's crisis theory. Yet, here too, the adulterations of Marx's theory put forward by self-identified Marxist economists were typically compromised by the grafting of Keynesian concepts (e.g. insufficient effective demand) onto it, or devolved into explanations rooted in non-Marxist frameworks (sectoral imbalances, 'financialisation', etc.). Among those who claim to follow Marx's crisis theory more narrowly, there is almost universal consensus that data collected by government statisticians and economists can be used or adapted to measure with precision the rate of profit at any given point in time. A recent

survey of these analyses by Deepankar Basu and Ramaa Vasudevan showed, however, widespread disagreement regarding the trajectory of the profit rate itself in the run up to the crisis, with as many claiming – on the basis of the same data used by other economists – the profit rate was rising as those who insisted it fell. Such disarray in the field of Marxist economists, Mattick argues, mirrors the debacle within its parent discipline.

The reason why ‘Marxist’ economists cannot agree on the most basic interpretative or analytical matters is that they have paid scant attention to the method of Marx’s critique of their discipline, and in particular to ‘Marx’s use of abstraction and idealisation in theory construction’. The perennial debates within Marxist theory, Mattick argues, have generally arisen on the basis of a fundamental misunderstanding of the structure and the object of Marx’s theory. Commentators of all stripes, for example, assume that the construction of Marx’s analytic over three volumes gives rise to a ‘problem’ between the value theory presented in the first two volumes and the theory of production prices in the third. Critics of Marx see an intractable contradiction between these moments of his system, while Marxists vie with one another to construe its most plausible solution. What they share is a blindness to the method by which Marx constructs his theory, in which the idealised model of capitalism’s invariant ‘laws of motion’ presented in the first two volumes is, in the final volume, made more concrete in order to account for specific historic features of the system as it evolves (a process Henryk Grossman, an important touchstone for Mattick, calls ‘approximation’).

When, in the first two volumes of *Capital*, Marx, by analogy with the founding principles of modern physics, opposes the ‘laws of motion’ of the capitalist mode of production to what he calls its visible or ‘real process’ (or ‘actual movement’), he supposes that commodities exchange at their values. He makes this assumption not, as even many Marxist economists contend, so that he can explain the formation of particular prices, but because he wants to describe as rigorously as possible a number of ‘long-term trends’ in the development of capitalism. Such trends run through the history of this social form, even as its specific component parts vary or mutate. These structural features are outlined primarily in the first volume: increasing mechanisation of production, concentration and centralisation of production, the po-

larisation of class relations, the nature of the business cycle and the recurrence of crisis. It is only with the third volume that Marx sets out to describe the actual movements visible on the surface of society, assuming now that commodities exchange not at their values but at their market prices, that individual capitalists compete with one another for maximum shares of surplus value, that profit rates tends to equalise across sectors, and so on. This process of approximation or de-idealisation is what makes Marx’s theory useful not only for understanding the structural trends organising and driving forward the development of the system as a whole, but for particular, variable features of that system, be it the transition from gold as commodity money to fiat money and the credit system, the historical emergence of so-called ‘monopoly capital’, changing class configurations, and so on.

What bourgeois critics of Marx – those who claimed he did not supply ‘proof of the concept of value’ (Böhm-Bawerk), those who found his ‘whole construction of prices useless’ (Bortkiewicz), and so on – share with defenders of an imagined Marxist orthodoxy, then, is an incomprehension in the face of Marx’s methodological approach, which he explicitly modeled on the practice of the natural sciences. This method deploys not only, as Marx himself famously observes, ‘the power of abstraction’, but what Mattick calls, following the Polish philosopher Leszek Nowak, the method of *idealisation* as well. Abstraction merely entails the exclusion of many features of empirical reality while remaining a literally true description. Idealisation, on the other hand, not only methodically suppresses features of reality, it fictionalises (or deliberately falsifies) them as well, in order to better clarify a given structure and its laws of motion. In modern physics, examples of such idealisations are frictionless planes and perfectly rigid bodies; in Marx’s theory, the assumption, in the first two volumes of *Capital*, that commodities exchange at their values rather than at market prices. The philosophy of science calls such an idealised representation of a system a ‘model’. In Mattick’s reconstruction, Marx’s theory is said to be composed of two models, a more idealised model in the first two volumes of *Capital*, a more concrete (but still idealised) one which accounts for features of the system like competition, the equalisation of profit rates, and so on, in the third.

The high degree of idealisation entailed in what Mattick calls Marx's 'Model I', required for the exposition of the labour theory of value and the capital system's 'laws of motion', introduces an unbridgeable gap between the inapparent agency of these laws and the price patterns empirically observable on the surface of society. Both classical political economy and Marxist economics, in Mattick's assessment, consistently conflate or confuse the value relations formalised in abstract models with the economic phenomena reported in business statistics. Indeed, Marx's criticism of political economy, and in particular the exemplary form it assumed in Ricardo's theory, often centres on the way these writers prematurely flatten distinct structural levels, or are forced into explanatory errors when confronted with value-price deviations or with the apparent conflict between the theory of value and the tendency for profit rates among competing capitals to equalise. Mattick applies a similar analysis to the self-identified Marxist economists he addresses in *Theory as Critique*, particularly in the book's concluding chapter ('Value Theory and Economic Events'). Whether they are attempting, once again, to solve the so-called 'transformation' problem which bourgeois economists in the early twentieth century claimed to have identified in Marx, or are amalgamating the more concrete but still idealised model of capitalism presented in *Capital, Volume Three* with the actual workings of the (global) economy, the impulse is to 'jump across the explanatory chasm between the value analysis and empirical data' that Marx's theory rigorously maintains. When these Marxists resort to the uncritical use of statistical data to confirm or test the validity of the system's laws of motion first formulated by Marx, they not only end up with embarrassingly divergent results, they fundamentally misconstrue the nature of these laws altogether. Unlike Newton's laws of motion – here the analogy ends – the developmental laws of the capitalist system are not subject to empirical and quantitative verification. Their combination forms instead what Mattick calls a *qualitative* theory, one that cannot be 'tested in any exact-quantitative way'. This theory is confirmed, not proven, in the increasing recurrence of economic crises, just as it is corroborated in the broad tendency toward the centralisation and concentration of capital, in the tendency to replace labour with machines and the concomitant accumulation, over time, of a reserve army of the unemployed. Marx's value

theory allows us to describe these long-term patterns with incredible accuracy, but it can neither verify them, quantitatively, at any single point in time, nor can it predict the timing of their occurrence or the tempo of their unfolding.

When, in the earlier *Social Knowledge*, Mattick characterised Marx's critical approach to capitalist society and its specific form of 'witchcraft' as anthropological in nature, this claim forces upon us the inevitable question: how can Marx assume a position outside of his own culture or society, a situation assumed as given for the anthropologist? What made Marx's act of self-alienation viable, he speculates, were the deep divisions already running through capitalist societies, its splintering into opposed interest groups, classes and 'subcultures'. One nineteenth-century subculture stands out: the socialist movement, to which Marx belonged for most of his adult life. Not all class societies are capitalist; but the class divisions in capitalist society are such that one class, defined by its exploitation at the hands of the dominant class, can be said to represent or embody the negation and overcoming of that society. This class anticipates the founding of a new society, organised on the basis of the abolition of wage labour and the free association of producers. Insofar as the socialist movement 'expressed', as Mattick puts it, these distinguishing traits of the working class, it created a vantage point from which Marx could analyse his own culture from the perspective of another society, one 'yet to be created'.

Mattick's explanation for why Marx's study of economics as a field is anthropological in nature – as a member of the socialist movement, Marx could assume a perspective 'outside' of the society he critically analyses – is elliptical and somewhat tentative, yet fascinating in its implications. It calls for two related observations.

The first is that Mattick's polemical account of the shortcomings of Marxist economics closely resembles an earlier account of the degeneration of Marxist theory first proposed by Karl Korsch in 1923. In *Social Knowledge*, Mattick speculates on the conditions that gave rise to Marx's scientific breakthrough, his involvement in the vibrant socialist movement of the nineteenth century; in *Theory as Critique*, he reconstructs the trend he names Marxist economics backwards from its recent resurgence through Sweezy to the 'modernisations' carried out by the leading theoretical lights of German Social

Democracy. What he leaves still implicit in this latter account, however, is why the revisionist current in Marxist theory gained the upper hand in the early twentieth century, at the very moment the socialist movement secured political legitimacy, on the very eve of its successful integration into the inner workings of capitalist society.

In 'Marx and Philosophy' (1923), Korsch traced what he called the historical 'degeneration of Marxist theory into vulgar Marxism'. He is referring specifically to the consecrated 'Marxism' of the Second International in the period roughly from the death of Engels, in 1894, to the outbreak of the First World War, two decades later. For Korsch, this tendency's exemplary figure is Hilferding. His use of the epithet 'vulgar' to characterise a sophisticated modernisation of Marxist theory is modeled on Marx's own distinction between classical political economy and its 'scientific impartiality and love of truth' – this is how Marx speaks of Ricardo – and the decomposition of Ricardo's school into a vulgar discipline concerned primarily with justifying the current order of things, on the basis of that order's own self-understanding. For Mattick, this same Hilferding represents a key inflection point, after which Marxism will be construed as a contribution to economics, rather than its critique; it will soon be understood not as a science of the eventual destruction or overcoming of its object, but as an alternative method of managing 'the economy'.

Mattick depicts the consolidation of 'Marxist economics' in the aftermath of the unwinding of the social movements of the 1970s. It originates, however, with what Korsch deemed vulgar Marxism. A properly dialectical materialist conception of this development, in Korsch's estimation, will attribute the emergence and hegemony of the vulgar Marxism of the Second International neither to the theoretical weakness nor to the historical perfidy of individual authors or currents, but rather to mutations within the 'general class history of the proletariat'. The degeneration of Marxist theory, in Korsch's analysis, is 'for dialectical materialism a necessary expression of parallel changes in the social practice of the proletarian struggle.' Vulgar Marxism, in all its variations from Bernstein to Hilferding, therefore 'appears as an attempt to express in the form of a coherent theory the reformist character acquired by the economic

struggles of trade unions and the political struggles of the working class parties.' Unlike bourgeois economics, Marxism in Korsch's conception – and, I would argue, in Mattick's as well – must be the theory of its own practice, by which he means, the critique of political economy must be able to theorise not only its own genesis, as a rupture with the classical political economy of Ricardo in particular, but also *its own subsequent decomposition* into apologetics. The devolution of Marxist theory as a critique of economics into a leftist folk science can take myriad political forms, be they social democratic demand management or Bolshevik planning manuals.

The fact that Marx's participation in the socialist movement (or 'subculture') afforded him sufficient distance from his 'own' society to carry out a scientific analysis of it should be tempered, this is my second observation, with the consideration that his relations with that movement were often embattled and antagonistic. He was a forceful and relentless critic of its dominant tendencies, be they Proudhon and his followers in France or, at the end of his life, the confusions and compromises of Lassalle and his devotees in Germany. It is Marx's relentless criticism of and alienation from the main currents of thought within the socialist movement, as much as his participation in it, that lays the groundwork for his scientific 'breakthrough' in the late 1850s and beyond. And yet, his contentious relation to this movement is perhaps a less significant condition for the breakthrough than the historical action of the working class itself in the years preceding his scientific study: the worker insurrections of 1848 and just after. These events project forward, if fleetingly, the possibility of a rupture with capitalist society. Fleetingly, indeed. It was only with the eventual routing of these insurrections that Marx undertook his long study of capitalism and political economy, in an atmosphere of defeat and withdrawal. The construction of his theory depended as much on the sudden breaches opened in the walls of capitalist society by the worker legions, thrown unexpectedly into battle, as on Marx's sustained, critical assault on the prevailing errors within the socialist movement. If science is made in the painful intervals between these uprisings, its possibility is caught sight of when the working class dominates, for a time, the workshops and the avenues.

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