

Towards A Global History of Political Economy in Economic Thought

“All of science is comparison.”—David Hume

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In broaching the global history of political economy, we begin with the American experience in the development of what our economists like to call “modern economic thought.” Let me hasten to note, however, that there is no “American model” of social science being recommended here. We begin with the American case because its history provides an especially clear indication of the processes by means of which the formation and ascendancy of “modern economic thought” —the Neoclassical economics—came about, i. e., the economic and social conditions affecting the form, content and social career of “economics.” By the same token, the fate of political economy in America may also be clarified since the conditions favoring the former have had pronounced and generally negative effects upon the latter. These interrelations we seek to disentangle, first, in “the American case,” and, secondly, if only suggestively, on a larger comparative scale.

1. From the Formal to the Real Subsumption

The development of what Marxists have termed “intellectual labor” in America after 1870 parallels in important respects the centuries earlier

conversion of the manual worker from peasant handicrafter into industrial worker. In the analysis of this development, Marx distinction is useful between a primary "formal" phase in the process, and a subsequent "real" phase, the phase of "real subsumption," as he refers to it.¹⁾ Taken consecutively, the two phases help us in tracing the transformation of the laborer from a state of relative independence in handicraft and peasant production into his modern condition of dependency as a commodity, a value in exchange set in relations of social inferiority.

In Marx's account of this transition there came gradually "a takeover by capital of a mode of labor developed before the emergence of capitalist relations."²⁾ Handicraft and peasant producers were "taken over" in that, at first, their labor time was only partly appropriated by buyers. Means of production were not yet fully under the buyers' control; the buyer's conditions of employment were not as yet the only conditions available to the productive worker, nor did money wages constitute the whole of the producer's real wage. The producer retained control of his surplus time, working outside the hirer's establishment as a still independent craftsman, farmer, etc. He was not yet socially subject to capital; his independence would vanish only with his becoming enmeshed in the wage-property relations of modern capitalism, and, finally, with his social subservience to the bourgeoisie.

In the evolution of intellectual labor in America, two analogous phases may be traced. By the middle of the last century the intellectual craftsman stood at the verge of a new subsumption. Following the Civil War, the formal dispersal of the teacher-worker accelerated with the "widening" and "deepening" of the capital investment, not only in industry, but also in education, especially in "the higher learning," as Veblen called it.³⁾ With the 1880's and 90's came an expended investment in the establish-

ment of colleges and universities, schools dedicated to the traditional Liberal arts and classical professions, and, in new addition, to the vocational requirements of an advancing technique, both industrial and administrative. The educational investment extended into industrial technique, and, equally significantly, into schools of business and commerce, into managerial technique and technology as well. This was at the outset an investment in the education and training of intellectual workers to be employed as producer labor, labor educating and training the technical cadres of the “technical elite.”⁴⁾ The formal subsumption of intellectual workers was at first centered in the higher learning, and this was to become the seminal point of reproduction of the workers themselves—a development viewed by many, even at the time, as ominous for the independence of the artist and the scientist.

The formal subsumption of intellectual workers proceeded with extraordinary rapidity and soon brought into view the prospect of a real envelopment. The brevity of this transition stands in sharp contrast to the long time required to effect the transition from manual into industrial labor. For the intellectual, less than a century was involved. The force and speed of his transition was not due to his greater spiritual malleability as against manual labor, however. Clearly, a sizeable and appropriable surplus was a prerequisite to the educational investment. Overall relations of production were already highly developed, before the “relations of administration” peculiar to monopoly capitalism could come to maturity. With this condition satisfied, and lagging somewhat the post-war industrial accumulation, the blow-up of the educational system and, along with it, the entire market-administrative superstructure, entered upon the investment agenda. While capital needed a sharply enlarged production of trained and educated personnel—the “engineers” as Veblen named

them—it also needed politically the assistance of the intellectual for consolidating and extending the system of social relations required for further accumulation. These needs soon culminated in the subsumption of intellectual labor.

The mode of effecting this subsumption was nevertheless complex. It is, of course, true that the social inferiorization of the intellectual was a by-product of changes in class relations occurring as a result of the “centralization” of capitals, or, as the East European Marxist puts it, of “the transition from freely competitive to monopoly capitalism,⁵⁾” or, perhaps better expressed, as a by-product of the transition from Liberal to Imperial capitalism.⁶⁾ More specifically, the subsumption of intellectual labor came about as a direct result of the migration of the petty bourgeois class from its classical to its new function, from its old to a new social location.

2. The New Class Migration and its Penetration of Academe

The transition from competitive to monopoly capitalism brought the traditional class of small business entrepreneurs into a critical phase in its development. Already by the third decade of the 19th century, according to Hofstadter, the early merchants were encountering difficulty, were “in the main unable to propogate their social type.⁷⁾” In the post-Civil War, difficulties of propagation became pervasive throughout industry, commerce, finance, agriculture, and in sections of the classical professions as well: the ministry, law, medicine. Thus, with the progress of concentration and centralization, and with the new and frightening incidence of economic crisis and depression (in the 1880's and 90's threatening small

business of every type), came sustained forces giving rise to the sustained migration of the petty class, and pushing them at first into the opening academic arena. This is why, within the swelling strata of the post-war intellectual population, and especially in political economy, such a high proportion came from the old petty and classical professional classes.⁸⁾ But how and why should this migration entail a progressive development in the real subsumption of intellectual labor? How did the “new petty bourgeoisie” (Poulantzas) come to dominate the new quasi-professions, and why did the economic thought developing under its auspices assume the Neoclassical form and content with which we are all so familiar? Some answers to these questions may be clear *a priori*, but I would like to comment briefly on them.

Coming from relatively advantaged economic backgrounds, the new entrepreneurial generation in political economy was readily able to equip itself with advanced degrees from leading German universities of the time. This advantage, in turn, afforded important numbers of them⁹⁾ a decided edge in highly competitive struggles for position and place within the educational hierarchy. It provided them also, as Professor Thal emphasizes, with a special knowledge of work of the German Historical School and of the Marginal Utility School, both of which contributed elements of doctrine to the Neoclassical economics beginning to take shape in the interval that ended with the First World War.¹⁰⁾

The on-going allocation of intellectual workers of every stripe within the extending division of pedagogical and administrative specialties in academe was not determined by meritocratic qualification, but was the outgrowth of strenuous competitions for position and place that were particularly fierce within those sections of the on-coming population coming from new class backgrounds, and between these class representatives

and other intellectual workers. Viewed from within the formal epoch, the emerging hierarchy looked as innocent as 18th century Liberals had conceived it to be: all were specialized cogs, yet all were cogs. However, just as the formal division between entrepreneur and handicraft worker became a class division with the transition to capitalism, so now the formal division between teaching and research, on the one side, and administrative leadership, on the other, was indicative of a social division in process. The simple occupational division was merely the base from which the play proceeded, and in time the intellectual handicraft and entrepreneurial teams related to each other increasingly in the terms of a real subsumption.¹¹⁾

The role of prior economic advantage in conveying position in the social segregation of the intellectual was thus appreciable from the beginning. Yet other economic circumstances strengthened and extended new class advantage. Prospects of economic gain were far from negligible both in terms of salary differentials attending academic rankings and in terms of possibilities for converting academic free time into both monetary gain and social status. (The “visibility” so esteemed in higher education today was early on a lure to the entrepreneurially inclined) While to some extent the intellectual population was sociologically mixed, representatives of the working class were probably relatively numerous only in State and private institutions outside the nationally leading schools of the Eastern “Ivy League.” But in general the social segregation of the intellectual population was and continues to be effected and maintained with the continuing aid of economic incentives that are particularly powerful lures for those preconditioned to them by class background. In the American case, the motive of the conversion of surplus time into cash not only intensified academic competitions for place, but led to remarkable instances of

reckless careerism that are a well known feature of the early epoch.¹²⁾ The opening of broad avenues for conversion of free time into money and status fostered also many personally bitter rivalries that mar the history of the period. In sum, the wedges of social stratification being driven in to the population were splitting it into not merely formal, but into really elevated and subsumed components. It was, and is, the unequal force of economic incentives and differential economic advantage working within the oncoming populations, that even to the present contribute so much to establishing and maintaining a petty bourgeois dominion within the new quasi-professions centered in the American higher learning. (The situation is not appreciably different in other countries of the West, especially in those of Anglo-American tradition.)

3. The New Professionalism and the Managerial Bourgeoisie

In this brief account of the rise of the bourgeois economist and his science, some reference is necessary to the role of professional organization. In the original penetration of the new class into the academy, professionalism played an important role, as it did subsequently for other branches moving into other newly created or renovated disciplines, notably sociology, political science, history, psychology.¹³⁾ The role of professional organization in class relocation was a dual one. First of all, it aided and strengthened the alliance of the new with the classical social classes of professional and mercantile background, thus helping to give force to the advancing phalanx. This nurturing of class roots by the new class continues to the present day. Secondly, it helped to define fundamental

and mutual interests, so encouraging unity in their promotion.

In relation to mutual interests, professionalism has been notably influential in shaping the development of what is called “modern economic thought.” This began early on by providing means of establishing criteria which, by mutual consent, would distinguish the superior from the inferior in the “professional” work of the new academic. These criteria were propagated in the name of science, of course.

Professional organization contained within itself from its very inception a curious dichotomy destined to facilitate the real subsumption of intellectual labor to the new petty bourgeoisie. What is in fact required for distinguishing good from bad science is that the scientific leadership should be the professional leadership. In practice, however, western professionalism tends to reverse this priority. The professional leadership came to determine the scientific leadership, i. e., the latter being determined on grounds of technical and professional visibility, professional tradition, and “old boy” connection (that in practice begins among the young boys first entering upon their academic careers).

So it has come about in practice—though not without opposition—that the specification of correct doctrines and methods in economics came to be determined in the main by new class leaders serving also as “role models” for the rank and file. In time the post-Civil War scientific *avant garde* has become a self-perpetuating professional *avant garde*, the definition of *avant* being provided by the professional themselves.

By the end of the First World War, the forces described, pushing and pulling the new petty movement, had brought its leading echelons into academically decisive positions within the higher learning. Furthermore, the general utility of the class to the upper bourgeoisie was beginning to be recognized, partly as a result of services rendered during the First War

with the general rush to Washington of academic advisors, consultants, researchers and administrators.¹⁴⁾ Yet other evidences of the value of the migratory class to the business class were forthcoming. The migration was already entering a second interpenetrating phase, one that goes far to explain the character of the economic mind in contemporary American civilization.

Well before the First War in fact the flow of the new "technical elite" emerging from colleges and universities educated and trained under the influence of the new leaders had swollen enormously. From its vantage point in the higher learning, the class sent its emissaries to occupy pedagogical and managerial positions throughout the administrative superstructure. Of particular importance so far as the propagation of class viewpoint was concerned were primary and secondary education and what are known today as "the information industries": journalism and advertising, radio, and their latter day extensions by way of television and the computer.

In primary and secondary education the sociological and social psychological effects of the second phase of the migration are of special interest. In conformity with the meritocratic ideology to which the new class has always been for reasons of its own social aspirations the newly produced personnel from the higher learning into primary and secondary education provided mounting pressure for institutions of a "tracking" program at the lower levels of the educational order. This mechanism separates those to be immersed in a liberal "college preparatory" curriculum from those destined for working class assignments, whether "white" or "blue collar," upon graduation from high school. Thus, from top to bottom, the social structure assumed prospectively its modern "military" mode, the occupational division presaging the social division of labor both in

industrial and administrative, or as Veblen expressed it, in “pecuniary” employments.

The emergence of the “soft” sciences in America, and especially of economics, was thus intimately connected with the sociological and ideological expression of new class needs and interests in its early migratory phase. The forces shaping the form and content of economic thought and of social scientific thinking more generally tended to be ever more decisive as new location gave the new class a more assured exercise of power and authority. Then, in the decades following the First World War came an infiltration — perhaps we should say “absorption” — of the class into the bourgeoisie so that today a very close examination of the intermingled business classes is necessary in order to distinguish the historical origins of its components. Historically, however, even before the formation of the American Economics Association (1885), the prototypical quasi-professional organization, the objective of administrative power had inspired the migrants and promoted dissolution of their internal differences in realization of this common cause.¹⁵⁾ Subsequently, the advance of administrative technique and technology, and the ever more persistent demands of capital for managerial expertise—these combined to render the new location of the class of great strategic advantage for the realization of its own long-standing ambitions, ambitions that have contributed so much to the maturation of the managerial bourgeoisie. However, in order to place the American (and Anglo-American) experience in better perspective, and to avoid the suggestion that this Western experience is unique—which may or may not be the case—we must look beyond these narrow geo-political confines to the global scene.

For we assume that the different ideologies, including the social scientific systems, of peoples, countries, and regions are outgrowths of their

differential historical experience. As science, then, the history of economic thought demands that we distinguish from among the manifold forms of political economy those whose objective potential suffices to distinguish them from apologetics, on the one side, and from the purely formal, pseudo-scientific or metaphysical analytics — “self-imposed in elemental space”¹⁶⁾—on the other. The social class carriers of ideologies are by no means innocent in promoting biases in thought that effectively destroy its usefulness for objective, comparative analysis of the process of evolution of science and society. We propose, therefore, a three-fold division of the period since 1870, three phases perhaps useful for study of modern social science. Within this framework we pose what are, hopefully, not too naive questions relating to the comparative development.

4. The Problem of the Social Carriers of Economic Thought

As we have seen there arises in the West a dramatically revitalized and reconstituted petty class emerging out of its traditional business and professional habitat, pushing onward and upward in its struggle for economic and social status. This class migration was attended by the construction of economic theory and ideology of scientific interest. The Neo-classical economics assumed its modern form.

Materially, that economics consisted of what might be termed a secondary, more abstract economic language, deriving from the primary language of the bourgeois ideology, but better suited than the classical economics to both academic-scientific and managerial-administrative purposes. As Thal describes its birth:

“...bourgeois political economy, in order to serve its function of producing dominant opinion, could no longer restrict itself to justification of the existing state of affairs, but had also to deliver practical insights into the functioning of the economy ... improving the grasp of functional interdependencies among economic reproduction processes as well as devising directly manageable concepts for ‘scientific management’ of the exploitative profit maximizing of the firm. Thus bourgeois economy had to ... deliver instrumental and organizational solutions to the increasingly complicated management problems emerging from within and between monopoly enterprises.”¹⁷⁾

With the rapid spread of the class from academic into administrative echelons in educational, informational (the “information industries”), and private and public corporations generally, it brought with it the “economics” that today permeates the managerial mind.

This ideological and scientific development within this Western sphere traces both to the paucity of working class representation in the early expansion of the higher learning, and to the subsequent mode of recruitment of intellectual labor proper—after all, intellectual labor is everywhere a fact of modern life. The gradual emergence of this labor has been a consequence of prolonged and continuing competitions for position within the petty class itself, the inferiorization of intellectual labor coming about through precipitation from within the class itself of those whose traditions of work, or other lack of “proper” qualification, have made them vulnerable to subjugation by the “academic entrepreneurs,” whether their fellow teachers and researchers or administrators risen above them. This infra-class competition, in turn, prevents the *declassé* from effective dissent from the Neoclassical science and from the ideology from which it derives. In sum, three factors are involved in the intellectual repression of intellectual labor. First, is the scale of the continuing new class migration. Second, is the lack of working class representation in the higher learning tracing to the formative period of the new “economics.” Third, is the recruit-

ment of academic labor by declassification of the petty intellectual. In combination, these explain the Neoclassical bases of Anglo-American "dissent," and the lack of an effective and influential political economy within the western setting.

Hence the emergence also of the seemingly perennial liberal-conservative dichotomy won its differing political economic interpretations coming out of the same basic body of theoretical-empirical science, the Neoclassical. The dichotomy reflects the division within the petty class between its determinedly upwardly mobile fraction, on the one side, and the inferiorized craft-intellectual workers—teachers and researchers—left behind, or refusing to "climb," on the other side. The early liberals were social democrats whose commitment to social reform is apparent in their adherence to an administrative economics useful for reformist objectives. The conservatives were ideological radicals, "pure" capitalists under a strong social Darwinist influence, the precursors of today's Neoliberal economists and other new class varieties.

The special character of the Anglo-American development is evident in contrast to the Russian before the First War. In the former, the rising class pushed vigorously for the development of institutions of research inside and outside academe. In Russia prior to the revolution the scientific underdevelopment of economics and political economy, including the Marxian, correlates with economic retardation and educational obsolescence. In contrast to the Anglo-American, the Russian petty bourgeois stood in locations largely outside the higher learning. With no comparable prospect of advance within an expanding educational system the class was compelled to assume a leading revolutionary role in 1917. In the American case, on the other hand, the conservatism of the "economist" was fostered from the very start, and since sustained, by an easy accessibility to

economic and social status within a hitherto expanding educational order.

In Germany and Austria where, despite rapid economic progress, this accessibility to the new location was lacking for reason of a momentary bureaucratic blockage¹⁸⁾ the development of what Bukharin called “leisure class” economics assumed a radically conservative aspect that came into full flower (or full wilt) when the petty class threw its support to the fascist movement of the 1930’s.

In Japan, the political and scientific contributions the small class appears more problematical. The Meiji restoration after 1868 was attended by the development of an imperial–meritocratic ideology, and with this came an apparently weak development of a Neoclassical economics formed in some degree with reference to Western models.¹⁹⁾ However, it might be well to recall Professor Tokai’s comment on the creation of capitalism in Japan: “... the ancient pseudo–feudalism ... did create favorable conditions for development of capitalism ‘in a Prussian way’.”²⁰⁾ It may also have been more in the “Prussian” than in the Western manner of new class penetration that the bourgeois ascent (if that is what it was), requiring only minimal ideological and political support from the small class, gave minor impetus to a relatively weak Neoclassicism. On the obverse side, the very lack of a sizeable middle class in Japan provided more fertile ground for acceptance and furtherance of a Marxian political economy relatively untroubled by ideological and political repression, therefore, until a somewhat later interval in the process of capitalist development. This meant, in turn, the establishment of relatively secure scientific traditions in Marxism, and would help to explain the extent and sophistication of its scientific research in more recent times. Is it the case, then, that new class power did not really play a role in the early phases of Japanese accumulation, so that the Western–style small business impact, ideologically,

scientifically and politically, was delayed until after the Second World War? Is it the case, that new class power in Japan did not really assert itself, until after the Second World War? We return to the question shortly.

5. Between the Wars: The Ambiguous Role of the New Class

In the West after the First World War came a notable consolidation and strengthening of new class positions. With the expanded reproduction of the class from out of the higher learning came its movement into public and private administration as middle and upper middle management, and, importantly, into analagous positions in the media. Also of special significance was the flow of personnel into primary and secondary education.

In the latter fields, the new class put its "meritocratic" formulations to the task of promoting the institution of a "tracking" mechanism segregating those bound for the higher learning (and what lay beyond) from those sections of the working class to be trained in vocational curricula. The complexities of this apparatus of social segregation have been critically examined of late²¹⁾ and one may conclude that its contributions to the erection of today's social division of labor in America were most certainly large. Along with this hierarchical structure has come a progressive dilution of the quality of formal education that may also be counted among its consequences.

In America, the Great Depression gave momentary vitality to the social democratic and "left liberal" intellectuals, wavering between their loyalty

to reformist ideals on the one hand, and, on the other hand, their growing social dependency as intellectual workers. Failing to grasp their real subsumption and encouraged by a wave of popular democratic sentiment aiding their cause, they were unable to contemplate, much less to analyze, a strengthening of the small and big business alliance capable of repressing their reformist aspirations and undermining the social welfare institutions that they sought to put into place.

At the level of theoretical science, therefore, the left liberals had no reason to advance beyond pragmatic intuition in support of their reform programs and in any case their own petty traditions militated against a serious consideration of Marxian political economy. These preconceptions left them vulnerable to the on-coming Keynesian economics, an economics founded upon the same underlying assumptions as Neoclassicism in regard to the determinants of output, employment, and prices, and centering upon the same "control" instruments (differently interpreted) of monetary and fiscal policy. It is not surprising, then, that the later "Neoclassical synthesis" so-called should admit of both liberal and conservative interpretation, and is thus admirably suited to politically variable needs of the bourgeoisie. Only as long as political winds were relatively favorable could the social democrat's faith in reformist economics remain intact, and in the last decade, we see now, this faith enters the phase of its final shattering.

In Russia, on the other hand, both the small business class and an undeveloped intellectual labor played leading roles in the revolution and its aftermath. The rise of "centrist" bureaucracy in the Stalin epoch showed itself in ideological rigidity and, within the developing educational system, in doctrinaire and opportunistic political economy of relatively little scientific value. In this phase neither the socialist nor other scienti-

fic potential of Marxism appear to have been realized within the structure of formal education.²²⁾ There was a repression of the left wing of the petty and worker intelligentsia, often poorly aimed and destructive of the scientist as well (Bukharin, Preobrezhensky, etc.), a repression echoed in the recent rather feeble but well publicized revival of petty "dissidents."

The political versatility of Neoclassicism is seen at least equally dramatically in the aid provided by the petty bourgeoisie to both the German and Italian fascist movements. Here "the problem of intellectual labor" as it was then referred to, like the problem of the recalcitrant intellectuals and peasantry in Italy, was "solved" with ruthless repression. Marxism was driven from the universities, and it wasn't until after the Second World War that a social scientific revival could begin. In West Germany, the academic revival of Marxian political economy, when finally it began after the Second War took place outside of departments of economics where the liberal economics came into dominance, and was centered mainly in sociology and social psychology (Frankfurt school). As a result, economic analysis involving the labor theory was slow to develop within the universities. In Italy, the fascist repression left its mark on the post-war political economy. The return of political economy to the academies could take place only in modified liberal forms, as new-Marxism and neo-Ricardianism, and as the Sraffian strain. The labor theory of value of the classical economics is to this day notable for its absence from Italian departments of economics in the higher learning.

In Japan, the interval between the Wars was marked by a remarkable introduction of Marxian political economy in the 20's, to be followed by an equally remarkable repression in the 30's.²³⁾ Just as Americans educated in Germany before the First War brought back the then *avant garde* Historical and Utility school economics, so after the War the Japanese

studying abroad brought home the *avant garde* Marxian economics. In both cases the seeds fell upon relatively fertile ground. The rapid and sophisticated development of Marxian political economy soon met, however, with repression. Even so, both the success of the 20's and the recovery after the Second World War suggest a comparatively strong representation of working class support for intellectual labor ensconced within colleges and universities.

There remain, nevertheless, some problems in our comprehension of the social carriers development of economic thought in Japan. Is it correct to suppose that the attack upon Marxism in the 30's took place before the petty class had realized an appreciable influence in political and scientific affairs? Was the new class role progressive or regressive as compared with Russia, on the one side, and with Germany and Italy on the other? Alternatively, was the fascist episode a kind of "rear guard" expression of "the Prussian way"? Did that "way" of repression reflect, therefore, the social structure of "pseudo-feudalism" rather than that of the emerging capitalism? What then was the role of the petty bourgeoisie in the development of ideology and science? And what is it now?

6. Political Economy and Economics: Towards A Global Perspective

In the immediate wake of the Second World War came the well known proliferation of Neoclassical economics at peripheries to the Anglo-American centers, while the centers themselves have witnessed an intensification of its academic grip. While the spread of economics has been

attributed to the influence of "the American model", it is evident that more than psychological or even administrative authority underly, not only the Neoclassical penetrations, but also the antithetical revival of scientific political economy within both the bourgeois and socialist spheres. Again it appears that interesting developments in economic thought are closely related to changing class structures and relations.

In the West, the latest phase has seen social relations proceeding steadily in direction of what our Thorstein Veblen described as a "dual" or "bicameral" social structure, or, in Marxian terms, towards a "pure" capitalism. This has been the result of a powerful tendency to dissolution of the economic "middle classes" of society, a tendency resulting in the upper house from a progressive integration of the petty bourgeoisie into administrative posts within the big business matrix, and, in the lower house, from the real subsumption of intellectual labor. This latter tends to a "proletarianization" of this labor and generates an element of class consciousness.

Intellectual or "educating" labor grew with particular repidity in the post-war. Within the higher learning where the issue of a progressive scientific development arises in acute form, this labor was at first supplemented with personnel arisen from the industrial ranks (in America, the GI bill; in England, the "red brick" colleges and universities) in the course of time and with economic stagnation playing an influential role, the larger portion has come to consist of the *declassé* precipitated out of the ascending petty class. (This continuing fall-out, by the way, helps to account for the political quiescence and willing acceptance by the professoriate of Neoclassicism, even of Neo-liberalism, as scientifically authentic "economics.") In general, this labor remains psychologically and politically undeveloped, its real experience in subsumption being insufficiently long to drum up a full awareness

of the actual social situation in which it finds itself. Viewed tendentially, then, the old tri-partite structure of social class (grand and petty bourgeoisie, the industrial working class) moves towards a binary division, the “middle class” dissolving into the managerial bourgeoisie, on the upper side, and, on the lower, into the technically advanced, if still socially repressed and retarded contingents of an enlarged working class comprising intellectual, clerical, and industrial labor.

The emerging binary trend is reflected ideologically for reasons given, in an attenuated development of “scientific” conservatism within the school economics. The tendency is to a mathematically and “empirically” i. e., statistically, refined standardization of doctrine and variants on the theme. This is reinforced administratively within the schools as courses and curricula are funnelled into Neoclassical bottles from which successive generations of students are required to drink. Under the leadership of best-selling authors and with the aid of oligopolistic publishers, codification of texts, workbooks, test banks, computer, programs, etc., moves the semi-professional disciplines towards a metaphysics that promotes cultism and departmentalization within the social sciences while politically neutering what is left of the more forthright and catholic scientist. In sum, the modern economics has become a truly managerial economics, a handmaiden of the restricted administrative needs of business and of the purely private needs of the managerial bourgeoisie.²⁵⁾

In regard to Russia and the other socialist countries of eastern Europe, an objective determination of the social carriers of scientific development, especially their political economy, has been impeded by Cold War pressures. At a very minimum, nevertheless, it appears that a relatively growing body of “professional and technical labor” has contributed much to the organization and administration of economic growth, and scientifi-

cally, to the emergence of a more liberal and catholic research and theoretical formulation.²⁶⁾ Unfortunately, the fact that the labors of professionals and technicians has been so influential in itself tells us nothing about the social composition of this mass: whether it is a “new class” comparable to the Western variety, or whether it is something “newer than new” (one might say).

In searching for the social conveyor one must bear in mind at the onset, that “... elites in state socialism have ... been recruited, for the most part, from individuals drawn from a broad spectrum of social backgrounds ... closely unified by the general influence of Soviet Marxist ideology.”²⁷⁾ It is doubtful, however, that the “general influence” even of the Marxist ideology can unify widely disparate social elements with sufficient effect to generate the growth and intellectual accomplishments of recent decades. What holds together what is left of conflicting “classes” is more likely the democratization of education, especially within the higher learning, and the similarly democratizing vocational experience of the educated, both of which tend in time to mediate pre-existing class backgrounds of members of the administrative classes. It is for the reasons of such extended conditioning that the administrative “classes” tend to coalesce into a relatively unified ensemble within which the authoritarian dictator has become superfluous. The “soviet of technicians” of which Veblen spoke may as yet lack the pure concern of the socially informed and concerned “engineer.”²⁸⁾ But, on the other hand, the liberal tendency from time to time asserts itself.

This should not be surprising. As the level of development of the productive forces advances, the need becomes proportionally more pressing for a more adaptive penetrating and detailed analysis of social goals and of the means to their realization. Within the context of developing capita-

lism, as in the United States, England, and now Japan, the history of economic thought exhibits clear signs of the force of this need although, to be sure, it need not, and does not, work itself out in the metaphysical abstractions of Neoclassical and related schools of economics. In the Soviet case, to the contrary, the felt need for theorizing of this type forces to the surface of political economy—including traces of “economics” of the Western variety—unresolved conflicts of interest contained within the complex of class “fractions” comprising the administrative coalitions involved in the system of state socialism.²⁹⁾ Where a consolidation of old and new classes constitutes the over-all gubernatorial membership, the scientific expressions of these class interests are bound to assume more or less variegated forms. Thus the line of scientific development, broken temporarily after Lenin, Bukharin, Preobrezhensky and Trotsky, reappears now as a broadening and deepening stream. It is swollen, too, by tributaries from throughout the so-called Eastern bloc, reflecting also the several social carriers peculiar to their national histories.

In more specific terms, the advancing level of technical and educational development renders irrelevant and finally obsolete an anti-theoretical and pragmatic economic planning buttressed by a rigid doctrinal ideology. The scientific need expresses itself as a progressively more sophisticated economics and political economy. If the whole is not yet unified in a theory founded upon a general theory of value, that is because a degree of social fragmentation still stands in the path of that development.

Finally, mainly by virtue of the diligence and dedication of Japanese scholars, we in the West begin to glimpse a very large body of research, still expanding in volume and quality and establishing new high standards for the world's craftsmen of intellectual labor.³⁰⁾ And following the Japanese is the prospect of economic development throughout Asia with China

coming rapidly to the fore. Again, it seems certain that economic development will in all likelihood be the harbinger of further scientific development, insuring a continuation of progress in political economy.

7. The Global Advance of Scientific Political Economy

In fact, only when we take such a global view of the history of political economy does the full extent of its accomplishments, and the full scope of its social foundations, come into a balanced perspective in relation to the bourgeois "economics." Where nationalism limits one's vision, the scope of "modern economic thought" coincides at best with a more or less enlightened conception of the national interest, both for the analysis and hoped for control of inflation, unemployment, the "business cycle," and so on. In relation to the general history of economic thought, of economics together with political economy, the latter seems to fade away to the vanishing point.

But when, on the contrary, we pause to inventory globally the quantity and quality of modern scientific accomplishments in political economy, the balance of power between these "continents" shifts radically. We see how much has been accomplished in this century: in the analysis of capitalist development; in the analysis of transitions; in the refinement of the labor theory of value; in the analysis of science and ideology; in clarifying relations between prices and values; in accounting theory and practice; in industrial and social organization; in anthropological and economic-geographical inquiry; in historical materialism's "general economic history"; in social psychology; in inquiry into relations between art

and science; into social relations at large.

We have presented “the American case” in an effort to underscore the *modus operandi* of social class in the reproduction of theory and ideology, especially in its relations to economics and political economy. Seen in the global context, the American is certainly not the sole route by which the rise of social science has been promoted. It is clear that the disciples of the great social analysts — Marx, Lenin, Veblen, Labriola, Hobson — and how many others?—have also succeeded in extending their theories and methods into the work of successive generations, and the social conveyors of their work require our careful study. Thus the “crisis of economics,” as Professor Schumpeter once described it to a Japanese audience,³¹⁾ has very little to do with its mathematization. It has do with the development of a political economy whose history is in the process of being written by intellectual labor the world over.

FOOTNOTES

- 1) Karl Marx, *Capital I* (Fowkes trans.), London, 1979, pp.1019-38.
- 2) *Ibid.*, p.1021.
- 3) Thorstein Veblen, *The Higher Learning in America*, Stanford, 1954.
- 4) Thorstein Veblen, *The Engineers and the Price System*, New York, 1921.
- 5) Peter Thal, “The Founding of ‘Economics’ or ‘The General Economic Theory’ of the Anglo-American Bourgeois Political Economy, *Geschichte der Politischen Ökonomie*, Dietz Verlag, Berlin, 1985.
- 6) Professor Uno’s phase theory. See Thomas Sekine, “Uno-Riron: A Japanese Contribution to Marxian Political Economy,” *Journal of Economic Literature*, Sept., 1975, III, “The Image of Pure Capitalism.” Kozo Uno, *Principles of Political Economy*, Harvester Press, 1980. Note that in my own discussion following there is asserted a tendency in the American case to emergence of a binary or “pure” capitalist class structure.
- 7) Richard Hofstadter, *Anti-intellectualism in American Life*, New York, 1963, p. 249.

- 8) Taking 1870 as base year, the number of workers in “educational service” had doubled by 1920. See *Employment and Training Report of the President*, Reports by U. S. Departments of Labor and Health, Education and Welfare, Table BB-7, Washington, 1976. Closer to an indication of the growth of the quasi-professions, the number classified by the census as artists, art teachers, sculptors and photographers grew four times in the period 1870 to 1890. Arthur Lipow in his *Authoritarian Socialism in America* (Berkeley, 1985) offers the table following (computed from Alba Edwards, *Comparative Statistics for the United States, 1870 to 1940*, Table 8, pp. 104-112):

Intercensal Rates of Growth Independent Professions and Salaried Professions and Technical Employees, 1870-1910.

	1870 - 1880	1880 - 1890	1890 - 1900	1900 - 1910
Independent professions	45%	44%	29%	20%
Salaried professions and technical employees	71	64	38	55

- 9) The transatlantic migration is discussed in Jurgen Herbst, *The German Historical School in American Scholarship*, Ithaca, New York, 1965. Between 9,000 and 10,000 is the estimated number between 1820-1920, but the bulk of these fell in the period 1870-1920. President Frederick A. P. Barnard of Columbia College in 1886 lamented the “...impression almost universally prevailing among young men... that a residence of one or more years at a German university was indispensable to anything like signal success.” Cited in Herbst, p. 2.
- 10) The pivotal role of Alfred Marshall in the definition of Neoclassical “economics” traces in part to his successful synthesis of the German Historical and Marginal Utility schools. See Professor Thal’s excellent analysis in *Geschichte der Politischen Ökonomie*, Berlin, 1985, Ch.15, “The Founding of ‘Economics’ or ‘The General Economic Theory of the Anglo-American Bourgeois Political Economy,” pp. 347-372 (in German).
- 11) We conceive of the “making” of intellectual labor in America as a process analogous to that described by E. P. Thompson in *The Making of the English Working Class*, Vintage, New York, 1963. But whether this fraction of the working class is recruited from the industrial working class, or by precipitation from the lower strata of the petty class, makes a very great

difference in the nature of the intellectual's class consciousness and, in social science, in the character of science itself.

- 12) For the devastating effects of monetary incentives consult the (unpublished) dissertation by Michael Grossman, *Professors and the Public Service, 1885–1925: A Chapter in the Professionalization of the Social Sciences*, St. Louis, 1974.
- 13) The American Social Science Association (1869), American Historical Association (1884), American Economic Association (1885), American Anthropological Association (1902), American Political Science Association (1903), American Sociological Society (1905), and, after an interesting lag, the American Accounting Association (1916).
- 14) See Grossman, *op. cit.*
- 15) In early debates, the need for administrative authority of the quasi-professional was often discussed. Cf. Arthur T. Hadley, "Regulation of Contracts," *Science* (Supplement), March 5, 1886.
- 16) The phrase is from Thorstein Veblen's famous characterization of the "economic man" assumption underlying the Neoclassical economics; "The hedonistic conception of man is that of a lightning calculator of pleasures and pains, who oscillates like a homogeneous globule of desire of happiness under the impulse of stimuli that shift him about the area, but leave him intact . . . Self-imposed in elemental space, he spins symmetrically about his own spiritual axis until the parallelogram of forces bears down upon him, whereupon he follows the line of the resultant. When the force of the impact is spent, he comes to rest, a self-contained globule of desire, as before." "Economics and Evolution" in *The Place of Science in Modern Civilization*, New York, 1932, pp. 73, 74.
- 17) Thal, *op. cit.*, p. 348.
- 18) Ludwig von Mises, *The Historical Setting of the Austrian School of Economics*, New York, 1969.
- 19) Makoto Itoh, "Marxian Economics in Japan" in *Value and Crisis*, Monthly Review Press, New York, 1980, Pts. I and III A.
- 20) Ferenc Tokai, *On the Asiatic Mode of Production*, Budapest.
- 21) Samuel Bowles and Herbert Gintis, *Schooling in Capitalist America*, Basic Books, New York, 1976.
- 22) Charles Bettelheim, *Class Struggles in the USSR Second Period: 1923–1930*, Pt. 4, No. 3, The Bolshevik ideological formation and its transformations,

- #4 The alliance between workers and intellectuals and the “rallying” of the old intelligentsia (Monthly Review Press, New York, 1978).
- 23) Itoh, *op. cit.*, pp.25, 26.
- 24) James F. Becker, *Marxian Political Economy*, New York, 1977.
- 25) The on-going bureaucratization of this economics — what Max Weber might have called its “rationalization”— has aided the bourgeois economics in containing and repressing its contenders. See Thal, *op. cit.*; Becker, “The Rise of the Managerial Economics,” *Marxist Perspectives*, Summer, 1979, pp.34-54.
- 26) It is not possible to summarize here the specifics of this development. But see Bela Csikos-Nagy, *Socialist Economic Policy*, Longman, London, 1973, and survey the 1987-1988 Catalog, Imported Publications, Chicago, “Social Science.”
- 27) Anthony Giddens, “Class Structure of State Socialism,” *Class Structure of the Advanced Societies*, Barnes and Noble, New York, 1973.
- 28) Thorstein Veblen, *The Engineers and the Price System*, New York, 1921.
- 29) Compare Giddens and Bettelheim, *op. cit.*
- 30) Although working within a Marxist framework, the revival of social science in China, and especially in political economy, is being influenced by contact with Western theorizing and research. Michael B. Yahuda, *New Directions in the Social Sciences and Humanities in China*, St. Martin's Press, New York, 1987, especially Andrew Watson, “Social Science Research and Economic Policy Formulation: the Academic Side of Economic Reform.”
- 31) Joseph Schumpeter, “The ‘Crisis’ in Economics—Fifty Years Ago,” *Journal of Economic Literature*, Sept. 1982, pp.1049-59. Lecture at the Tokyo University of Commerce (Hitotsubashi University).