

In Acceptance of the 2021 Marxian Economics Award of the
World Association for Political Economy (WAPE)

GUGLIELMO CARCHEDI

I thank the WAPE organizing committee for this Award, which I accept with gratification and gratitude. As I approach the end of my academic career, this Award is a timely occasion to look back and try to assess my work through the decades.

When I started writing and researching more than half a century ago, I would have never thought that half a century on I would receive an award in recognition of my work. My work has ranged from: the economic identification of the new middle class; to the temporalist solution of the so-called transformation problem; to the theory of crisis based on the tendential fall of the profit rate; to the development of a Marxist dialectics; and to a materialist theory of knowledge fitting the new stage of development of capitalism, namely the revolution of production as a consequence of the application of robots and computers, and to the internet and new ways to communicate.

The latter are momentous changes, but I argue that they do not alter the essence of the capitalist mode of production; namely, the production of value and surplus-value. Essentially, the capitalist system is inherently contradictory and its fundamental contradictions become manifest in a number of ways, including the destruction of our natural habitat. Marxism is the theory best suited to inquire into these contradictions, as well as other areas of capitalist reality - and hopefully to indicate ways to remedy its faults.

The ten minutes available to me are of course insufficient for a proper appraisal of my past and present efforts. I will confine myself to two of my areas of research because this is where Marxist economic theory is underdeveloped.

The first is dialectics as a method of social research. Marx's theory is eminently dialectical. It can be understood and thus correctly applied only on condition that it is embedded in his notion of dialectics. And Hegel does not help!

In my *Behind the Crisis* of 2011, I sketch a notion of dialectics that has been extracted from Marx' work. There, I submit that social phenomena, and thus economic phenomena, "are the unity-in-determination of social relations and social processes and that relations become visible as processes. Social phenomena are always both potential and realised, both determinant and determined, and are subject to constant movement and change". Therefore, social phenomena must be seen in their *temporal* succession rather than as moments of an economy tending towards equilibrium and thus *static*.

It follows that the capitalist economy is powered by two opposite rationalities representing opposite class interests: for one, Marxian, capitalism tends towards its own supersession through a succession of crises and recoveries. Crises are recurrent and each time more severe and destructive. For the other, mainstream, capitalism is in, or tends towards, equilibrium. The former reveals the dynamics of capitalism. The latter is the mainstay of neoclassical economics and of almost all other economic theories, which are highly ideological and scientifically worthless. They exclude time and apply this timeless dimension to their view of reality. But reality is dynamic and time is its essential feature. The so-called transformation

problem arises because this essential feature is denied. If one accepts theories of equilibrium, then the whole of Marx's theory crumbles. But there is nothing wrong with Marx's transformation procedure if time is reinstated in the analysis. It is as simple as that.

The second area of research, one that is practically ignored by contemporary Marxist economics, is the theory of knowledge. With the increasingly generalized use of the computer and digitalized production and their colonization of all spheres of technologically developed societies, the need for a modern epistemology has stepped out of speculative philosophy and has taken centre stage in the social sciences. Concepts such as the information society, cognitive capitalism and digital capitalism attempt to make sense of this changing reality. They highlight some significant aspects, but they displace from their central role or ignore altogether the three basic pillars on which the Marxist theory of knowledge should rest: class, value and dialectics.

Contrary to the received wisdom and also to the Marxist 'reflection theory' and in line with neurological research, knowledge is material because thinking is an expenditure of human energy that causes a change in the nervous system, i.e. in synapses, the functional connections between neurons in the brain. All that exists is material. The basic divide is not between material reality and knowledge, but between objective reality (that which exists independently of our perception of it) and knowledge. Both are *material* even if knowledge is *intangible*. This is of fundamental importance because if knowledge is immaterial, or just a reflection of materiality, mental production cannot be production of value and surplus value, which are material. But mental labour as substratum of the production of value is an increasingly relevant aspect of modern economies, which cannot be ignored any longer.

My work on knowledge production moves along specific lines. First, I probe into the generation of knowledge by modelling it on Marx's analysis of objective production as in Capital Volume One. So objective labour processes and mental labour processes are discussed as the unity in determination of their constitutive elements: objective and mental transformations. Second, I deal with knowledge and machines (computers). I argue that machines cannot think as humans because their 'thinking' lacks the dialectical dimension. Formal, quantum and dialectical logic are elucidated and compared. Third, this general theory is applied to the generation of individual and social knowledge in their mutual interrelation. This rests on the distinction between concrete individuals and abstract individuals. The latter are carriers of the social relation. Subsequently, the class content of knowledge is introduced and opposed to the concept of the class neutrality of knowledge. This is a necessary step for the critique of mainstream economic theory, which is based on a supposed class neutrality. Further, I consider why and how, in spite of its class determination, knowledge can be used by different classes and different societies. Finally, all the points above are brought to bear in the analysis of the internet as a battlefield for the generation of new competing forms of knowledge with contradictory class rationalities, as well as a site for the production of new forms of value and exploitation.

Since the time I first ventured into my research, much water has passed under the bridge. The 1960s and 1970s were years of a strong labour and social movements. They were hopeful times. Those who were fortunate enough to live through those years have had a chance to catch a glimpse of an alternative society, based on altruism, co-operation and self-management. But since the 1980s the tide has turned. An economic and financial crisis of major proportions is knocking at the door, the destruction of our natural habitat proceeds unchecked; the divide between the poor of the world and the extremely rich has never been so

great; the dark clouds of a new world war are gathering on the horizon; right-wing ideologies resurge and even fascism is raising its ugly face again. The difficulty of the task ahead for the new generations is immense. My hope, indeed, my dream, is that my work will be of some help in their struggle.

Thank you.