Entry Point: Comment on W. Brown

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Brown’s comment (2000) on Garnett (1999) and Cullenberg (1999) is brilliant. I will comment only on the issue of entry points (see the in-depth discussion of this term in Resnick and Wolff, 1987). There is a consensus among heterodox economists that society consists of interconnecting relations and processes in a very complex network (an approach called holism or relationalism or overdeterminism by various folks).

Garnett says that the best place to begin – the entry point -- in analyzing anything in this complex network is the theory of value. Brown disagrees and so do I. The theory of value, so beloved of all micro-economists, is only one small part of the system and not the place to begin. Even in economics both Wesley Mitchell and John Maynard Keynes have done a vast amount of both empirical and theoretical work in macro-economics with hardly any mention of the theory of value.

Both fanatical neoclassicals and fanatical Marxists believe that the theory of value explains everything. But Mitchell and Keynes -- and Marx -- explained much more than the the narrow value theorists. I have even overheard a neoclassical colleague saying to another neoclassical that, “of course, Keynes is not a theorist” – and that is true on their narrow definition of a theory. The real
issue is not to have a theory or no theory, but what kind of theory is appropriate to a given analysis. For example, in the world of macro-economics, reality frequently includes heavy unemployment. Yet neither the dogmatic, orthodox Marxist labor theory of value nor the dogmatic textbook neoclassical theory of price can cope with a world of large-scale unemployment. Similarly, a large part of economics requires theories other than the micro theory of value. In the rest of the social sciences, only the most fanatic value theorists think that one can explain all of the family or all of government behavior merely by the use of the theory of value. (Of course, when I speak here of a theory of value, I am speaking here only of economic values, not ethical values, which are a very different question.)

So what should be the entry point to analysis in the social sciences? First, it is necessary to distinguish between the question the researcher is asking and the entry point to the analysis of that question. Following John Dewey, it must be emphasized that the questions asked should be based on an actual problem, not mere speculation. Once the problem under consideration makes it clear to the researcher what the main question is, then one can proceed to analysis. The discussion here is about the entry point to that analysis – after one has decided what question is being asked, based on the problem under consideration.

The institutionalist answer, beginning with Veblen and Commons and continuing ever since, is that the place to begin an analysis is the basic social-economic institutions of society. This is one way to state the heart of
institutionalism. For example, if one wishes to explain unemployment, do not begin with the psychology of unemployed individuals, but with the operation and evolution of the basic social-economic institutions – while not neglecting individual views in the investigation.

Brown asks whether the entry point will affect policy conclusions. Suppose one compares the policy conclusions from an individualist approach based on the psychology of individuals with the institutionalist approach based on social-economic institutions. The policy conclusions of these two approaches are totally different. If poverty or unemployment or drug addiction is based on individual preferences, then the problem may be ignored by society. If the problem is caused by the basic institutions of society, then it is a problem that society must solve by taking the necessary measures.

In neo-Marxist terminology, the entry point for political economic analysis is class relations. The class relations of society are the place to begin in explaining drug addiction, unemployment or poverty. The orthodox labor theory of value is one of many secondary tools of analysis. It may or may not be true, but it is certainly not the entry point of analysis. Class relations mean the relationships among groups – including the exploitation of one group by another – within the economic process. Beyond the basic economic process, class relations are an important environmental factor in the political process and within the ideological process.
It sounds as if modern institutionalism and modern Marxism have different entry points to analysis. But that is not true in my opinion. Institutions, such as corporations, are the arenas within which groups of individuals relate to one another. Thus the basic social-economic institutions are by definition nothing more no less than the embodiment of class relations in any class-divided society. Thus, the entry point of modern Marxists and institutionalist alike is the set of basic social-economic institutions of a society and the class relations that are the content of those institutional processes.

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REFERENCES


