Critique of the Critique: Analysis of Hodgson on Marx on Evolution

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ANALYSIS OF HODGSON ON MARX ON EVOLUTION

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How are the views on evolution of Marxism and Institutionalism related? It depends which institutionalists and which Marxists one is consulting. An "older generation" of institutionalists -- such as Wendell Gordon, David Hamilton, Marc Tool, and Walter Neale -- have consistently argued that Institutionalism and Marxism are hostile to each other. A "younger generation" of radical institutionalists -- such as Doug Brown, William Dugger, Ann Jennings, Ron Phillips, Ron Stanfield, and William Waller -- see much in common between Marxism and Institutionalism. (For literature on this division, see Dugger, 1989; O'Hara, 1995; and Shuklian, 1995.)

There is similarly an "older generation" of Marxists -- from Kautsky to Stalin and his many followers -- who, though they differ violently in many respects, agree on an economic or technological reductionism, a technologically based labor theory of value, and an assessment of people such as the older generation of institutionalists as "bourgeois liberals" or, later, "cold war liberals" (always stated with great disdain). Yet there is also a "younger" generation of radicals or Marxists -- such as Sam Bowles, David Gordon, Stephen Resnick, Thomas Weisskopf, and Richard Wolff -- who though they disagree vehemently on many issues, all would reject economic reductionism, reject any simplistic technologically based labor theory of value, and welcome some types of institutional
analysis. Thus there was great hostility among the two older generations, while there is cooperation among the younger generation.

"Younger" and "older" are terms relating to the evolution of the discipline and not necessarily to age. Perhaps, a more appropriate terminology for the Marxian dichotomy would be to say that the old Marxism was the official dogma of the Social Democrats till the First World War and then of the Soviet Union for its whole life; people were executed for not following Stalin's interpretation of Marx. The new Marxism is a critical method of thought, opposed to any dogma and critical of the establishment in all countries, including those calling themselves socialist.

This article cannot cover all of the areas of criticism of Marxism by the older generation of institutionalists, but rather concentrates on the criticism of Marx's evolutionary theory by Geoffrey Hodgson (1993, 1994).

VEBLEN CRITICISMS OF MARXIAN EVOLUTIONARY THEORY

Hodgson follows to some extent the criticisms of Marx by Veblen (1919). At the time Veblen wrote, much of Marx was unpublished and the dominant interpretation was that of the German Social Democrats, full of economic reductionism and Hegelianism, issues discussed below. Veblen often spoke in his essays on Marxism (1919) about "Marx and his followers, " so it was the dominant Socialist interpretation he attacked. The main complaint against Hodgson is that he writes only about the older generation's "official" interpretation of Marx and ignores the contrary interpretation in every instance, even though there has been a very large amount of critique of official dogma by more critical Marxists (see Sherman, 1995, Chapter 1, for a sketch of the literature).
Veblen had the highest praise for the totality of Marx's work (1919, p. 409), but he asserted that Marx's evolutionary theory was Hegelian rather than Darwinian (1919, p. 413). Veblen argued that materialism is an inverted Hegelianism that sees history determined "inevitably" by impersonal economic forces. Veblen correctly reflects the prevailing German Social Democratic version of Marxism -- which is only one interpretation of Marx and not necessarily the correct one. Veblen argues that there is no necessary series of stages, but merely a cumulative causation that leads where it decides to go (see for example, Veblen's two essays analyzing Marx in Veblen, 1919).

Veblen argues against dualism, saying that there is no separate world of ideas that is determined by a separate world of economics, but that the two interact all of the time in one social matrix. In other words, Veblen rejected any reduction of social explanation to economics alone (as in the German Social Democratic view), but he also rejected any reduction of social events to ideas alone (as in Hegel). The important point is that the younger generation of critical Marxists largely agree with Veblen's critique of economic reductionism and reject any notion of a teleological, pre-determined evolution (see, e.g. Shuklian, 1995, pp. 788-790). Both Veblen and the "younger generation" of critical Marxists (described specifically above) consider that history is not pre-determined, but that human beings determine their own history, though under the given circumstances of the present inherited from the past.

HODGSON'S VIEW THAT MARX WAS NOT DARWINIAN

Hodgson (1993) makes extensive use of the metaphor of biological evolution. He criticizes Marx (and even Veblen) for not making enough use of the detailed approach of
biologists. Metaphors are helpful in aiding social science research. The neoclassical economists have always used the metaphors of physics, while institutionalists and Marxists have often used the metaphors of biological evolution. But a metaphor is only a metaphor; while economics is not biology or physics. Therefore, anyone who urges the exact use of either physics or biology as a template for economics is leading people astray. In fact, Hodgson (1994, p. 28) notes that the view that economics is different from biology or physics was held not only by Marx, but also by Schumpeter.

Hodgson says that, if Marx and Engels' "theory of socioeconomic change is evolutionary, it is not so in a Darwinian sense." (1993, p. 73). Marx's relation to Darwin is incidental to this paper, but its complex nature is worth noting. When Darwin's work first appeared, Marx welcomed it as a confirmation of the materialist view of an evolving world (see letter to Lassalle, January, 16, 1862, quoted in Mclellan, 1977, p. 525). But the emphasis of many Darwinists shifted toward the doctrine (later called Social Darwinism) which says that biological evolution, through competitive struggle of all human beings against each other (stated earlier by Hobbes and by Malthus), promotes the fittest human beings to the top of the economic pyramid. In so far as this doctrine was considered the correct extrapolation from Darwin's work, Marx had nothing but scorn for this type of "Darwinism" (see, e.g. Marx, letter to Engels' June 18, 1862, quoted in McClellan, 1977, p. 536). Marx's materialist conception of history and his view of social evolution always related to collectives and structures, never to individuals. Now let us examine the details of Hodgson's critique, which claims to build on Veblen's critique of Marxism.
Hodgson goes much further than Veblen, demanding that a correct theory of social evolution should follow very closely along the lines of biological evolution. For example, the fact that Marx talks in terms of class struggle for survival rather than individual struggle for survival makes Marx a bad evolutionist -- practically not an evolutionist at all. Hodgson argues: "The idea of change resulting from the process of natural selection among a population of individual entities exhibiting great diversity and variety is markedly different from the conception of history as the clash of collectives engaged in class struggle." (Hodgson, 1993, p. 76). Hodgson is arguing explicitly here, as he does throughout his recent writings, that an approach focusing on collectives and structures is significantly different from an approach using an individualist methodology. One may accept the fact that an individualist methodology is different from a collective (or holist or structural or relational) methodology without accepting Hodgson's assumption that an individualist methodology is better.

HODGSON AND INDIVIDUALISM

Hodgson has supported the individualist methodology found in the Rational Choice Marxists, such as John Roemer (1989), and in all neoclassical economists (see e.g., discussion of individualism in neoclassical economics in Howard and King, 1989). All of the younger generation of the institutionalists -- and some of the older generation -- argue that an individualist methodology is incorrect. A similar argument against individualism has been made by many Marxists -- though the individualist approach is accepted by some "rational choice" Marxists.
What is the critique of individualist methodology? One main criticism is that it assumes the individual is an isolated atom making decisions independent of society. A crucial point is that individuals are shaped by society, including by social institutions and class relations. Thus the individual's decisions cannot be taken as a given because they are endogenously determined as part of an entire system. Since most of the Institutionalist tradition is holist and opposed to individualist methodology (see Dugger, 1989), it seems strange to have an alleged Institutionalist like Hodgson criticize Marx from an individualist viewpoint.

HODGSON AND BIOLOGICAL EVOLUTION

Hodgson's extreme emphasis on the metaphor of biological evolution -- and his reduction of much social explanation to an exact restatement of biological evolution -- is also puzzling. Hodgson explains at great length that many of the weaknesses and distortions of neoclassical economics come from its slavish reduction of all social methodology to a pale ghost of the methods of physics. He explains clearly that economics is not physics, so it should not be reduced to a physics-type model. By the same reasoning, one should not try to reduce social science to an exact replica of biology. At times, Hodgson seems clear that society does not consist merely of random individuals, but of human groups organized into certain relations called institutions. Yet at other times, he castigates Marx for deviating from the struggle of individuals for survival. In this respect, Hodgson's overemphasis on biological evolution appears to hold back our understanding of social evolution.
Hodgson claims that, since Marx and Engels do not have "a sufficient explanation of the theory [of Darwinian biology] in their writings, we can only surmise whether or not Marx and Engels had the barest understanding of the essentials of Darwinian biology." (1993, p. 74). In addition to the insulting tone, the real point seems to be that Marx and Engels should have spent their lives studying biology rather than social science -- a peculiar and extreme view. Similarly, Hodgson quotes author after author who believes that Marx's view of evolution was not the same as Darwin's. Since one was discussing biology and the other was discussing society, the fact that they were different does not prove that one was right and one was wrong.

HODGSON ON MARX ON ECONOMIC DEVELOPMENT

Hodgson acknowledges that Marx had a great deal to say about economic development, but claims that Marx was too vague because he lacked a detailed knowledge of biological evolution.

"Although Marx's extensive discussion of machinery and technological change remains unparalleled among economists, the mechanisms leading to the expansion and development of the productive forces are not sufficiently clear. There is an incomplete picture of the way individual inspiration and purpose interact with social and cultural conditioning. Thus a prominent and celebrated feature of Marx's analysis is the idea of the forces of production straining against and eventually breaking the 'relations of production' in some revolutionary convulsion. ... how productive forces themselves evolve is left vague."
A far more comprehensive survey of Marx's writings by Shuklian (1995, pp. 785-786), finds Marx particularly clear on these issues.

Leaving aside the discussion of exactly what Marx and Engels knew and said, Hodgson does not acknowledge the existence of generations of Marxian social scientists and historians who have toiled over the details of social evolution (see discussion of this literature in Sherman, 1995, Chapters 3 and 4). These writers have engaged in many debates over the detailed meanings of forces and relations of production and have further clarified the concepts.

HODGSON ON MARX ON INTERNAL CONFLICT

According to Hodgson, Marx inherited from Hegel the idea of “internal contradiction and conflict leading to disruptive change." (Hodgson, 1996, p. 76). It would be boring to repeat at length that Marx is not an Hegelian, but it is ironic to note how the language of internal conflict is echoed by the famous Institutionalist, Clarence Ayres, who said: "Two forces seem to be present in all human behavior all ages: one progressive, dynamic, productive of cumulative change; the other counter-progressive, static, inhibitory of change" (1978, p. xv). Ayres says that these two forces are "technology" and "ceremonialism," including vested interests. Ayres certainly has internal contradiction and conflict leading to change. Ayres differs from Marxism in that the change he discusses is more often incremental than revolutionary change.

HODGSON ON MARX AND THE END OF EVOLUTION
According to Hodgson. "Marx and Engels regard history as a series of developmental stages.... What is clear is that for Marx and Engels it was possible to rank these stages and that the final stage was the 'inevitable' outcome of socioeconomic forces being played out through history" (Hodgson, 1993, p. 76, 77). None of the younger generation of Marxist scholars (defined above) would agree with this summary, either for Marx or for contemporary Marxism. The clearest feature of the younger generation of critical Marxists is the denial of such an inevitable, unilinear march of impersonal forces of history.

Nor would any of the younger generation of Marxists agree that stages may be ranked from lowest to highest. That concept was a nineteenth century notion of progress. The work of the younger generation of critical Marxists does not rest on "inevitability" through the action of supra-human historical forces, but rather the idea that people make their own history under certain given circumstances. For better or worse, there are no impersonal historical forces leading inevitably to some final stage of history -- nor is there a final stage of history.

According to Hodgson, "...communism refers to a unified social order in a state of harmony.... in such a system, there is no fuel for further change." (Hodgson, 1993, p.77). Thus, Hodgson attacks Marx and Engels for thinking that society is "perfectible" and for believing in the end of evolution at the stage of communism. Again, critical Marxists have always stated, as a scientific prediction based on the available evidence, that it is probable that capitalism would some day be overthrown due to its weaknesses. It is probable that it will be replaced by some form of socialism -- though I would not want to state the probability range. If socialism is ever replaced by communism (and no probability at all
can be attached to that happening), the concept of communism is a society without class conflicts, but nothing in Marxian scholarship says that all conflicts would be ended, much less all variety. Remember that Marx himself refused to speculate on the details of a communist society on the grounds that it would be a utopian error to do so -- that is the whole point of Marx's *Critique of the Gotha Program*. We may hope to move toward a communist utopia, but evolution never ends, according to the younger generation of Marxists.

**CUMULATIVE CAUSATION**

Hodgson argues that the notion of inevitable progression found in Marx is completely opposed to the notion of cumulative causation found in Darwin and Veblen. It was shown above that there is no inevitable progression in critical Marxism. Most critical Marxists would criticize inevitable progress as an Hegelian misunderstanding of history and as a utopian fancy in its socialist version (see, e.g., Sherman, 1995, and Shuklian, 1995). Many Marxists (such as Shuklian or Sherman) believe in a concept akin to cumulative causation and have welcomed the idea as a familiar one.

Within Institutionalism, cumulative causation means that one change simply leads to another change; there is no reason to believe that a change will be compensated until society returns to equilibrium; and there is no reason to believe that society is making inevitable progress in some particular direction. So events are influenced by previous events, but not by external forces, such as God or History or Fate. By denying the concept that society must return to equilibrium, and denying that there is any force above
humanity, institutionalists agree with critical Marxists (or vice versa) in a profound sense - regardless of terminology.

For example, the institutionalist, Gunnar Myrdal (e.g., 1969) showed how the march of events was causing a greater and greater gap between rich and poor countries, with no counter-forces in sight and no expectation of equal rates of growth in some imaginary equilibrium. The institutionalist, Wesley Mitchell (e.g., 1951) showed how one event led to another so that economic depressions flowed from internal causes within the capitalist system, a system which did not ordinarily lead to equilibrium at full employment. Similarly, Marx (1967 [1867] ) spoke of the process causing a cumulative increase in the gap between rich and poor people. There have been eras when Marx's general prediction was falsified, but it is worth noting that the gap has grown because of a falling income for the poor and a rising income for the rich in the last 25 years in the United States -- a very ominous example of cumulative causation.

The entire model of the younger generation of Marxists emphasizes cumulative causation. Thus, some Marxist historians have traced the incremental, quantitative changes in some society, such as the increasing participation of women in the paid labor force in the last 50 years. There are times, however, when these cumulative chains of causation may lead to such a set of tensions in society that they cause a revolutionary change (such as the French Revolution) -- but these revolutionary changes are decided by people acting together, not by external super-human or super-natural forces.

INSPIRATION FROM BIOLOGICAL EVOLUTION
There is an important, positive contribution in Hodgson's emphasis on exactly how the metaphors of biological evolution may be used to stimulate social science research. Hodgson stresses three aspects of biological evolution. He says an evolutionary process must involve: (1) some way of reproducing the units, (2) some variation among the units, and (3) a process of natural selection or competitive struggle for survival among the units. While these sound more biological than social, they are provocative. Hodgson would claim that his concepts could not be used in a Marxian framework, but his three concepts can be used in a Marxian framework if they are changed from individualist to social-institutional questions. The three questions would be: (1) how do social institutions reproduce themselves? (2) how does new variety come into social institutions? and (3) how do the fittest social institutions survive? (Notice that these concepts are not stated as ceremonial dogmas, but as open-ended approaches within a Deweyian instrumentalist perspective.) A full discussion of each of these three would require an article for each one, but the basic approach can be seen in a brief outline of each (while discussion and references to the extensive Marxian literature on each of them may be found in Sherman, 1995).

REPRODUCTION

How society reproduces itself has been one of the focal points of Marxian literature. In fact, Marxists have discussed this issue at four levels: (1) ideology, (2) political institutions, (3) class relations (economic institutions), and (4) technology.

At the ideological level, it is obvious that the dominant ideology remains dominant from year to year – except in rare revolutionary situations. That ideology is always one that favors the status quo. The reason for its continuing dominance is the power of the
dominant class. A dominant class will always control the media, organized religion, political propaganda, the educational system, and the ambience of the economic world. In the feudal era, most of the spread of knowledge was controlled by the Catholic church, which did preserve knowledge but also conveyed its own world view. The Church was not only the exclusive conveyor and shaper of opinion, but was also the largest landowner in its own right, so its control naturally favored the status quo.

Political institutions are also continuously controlled by the dominant class. Obviously, money controls the political process in the modern United States. In the South before the Civil War, the slave masters controlled the government – and it would have been absurd to ask how much political control was held by the slaves. As long as the dominant class reproduced itself. It also reproduced its political power.

The dominant power of the ruling class is ensured from year to year by all of the basic social institutions. Feudalism used Church propaganda, armed force, and tradition to continue its power for centuries. Modern capitalists take their profits and reinvest part of it to expand their wealth year by year; whereas workers need all of their income from labor to maintain the average standard of living – and about a third of the working population goes into debt each year with the convenient use of the ubiquitous credit card. Thus class relations are normally reproduced and any attempt to change them meets intense resistance.

Technology in capitalism is reproduced each year as new investment takes part of the surplus and turns it into new plant and equipment. This new investment may merely replace depreciated capital or it may make a net addition to the stock of capital. It may
repeat the same technology as the previous capital or it may embody new technology.

Marx spelled out the reproduction of capital in his famous reproductive schema in Volume 2 of *Capital*.

**VARIETY**

Marx examined at great length — followed many decades later by Schumpeter — the process by which new technology spawns variety. By definition, new technology means changes – from minor to revolutionary – in the productive process, the Industrial Revolution being the most famous such change. But the industrial revolution also led to a revolution in class relationships and class power. In England, for example, it meant the end of the domination of the landlord class, with economic power moving to the ever stronger industrial capitalist class.

But economic power gave the British capitalist class the means -- by the extensive use of money in the political process — to dominate and change the political process. The suffrage was broadened to all of the property-holding classes. It became more and more difficult for a single landowner to have the exclusive power to determine who was elected in his borough. And the capitalist class slowly consolidated its power in parliament.

Moreover, the capitalist dominance of economic and political power was reflected and aided by their sweep of the ideological scene. The words of Adam Smith were used to prove the rationality and optimality of market capitalism. The capitalists bought up the newspapers. And pro-capitalist ideology ruled the media as well as the political parties.

**SELECTION OF THE FITTEST**
Perhaps Marx’s most famous contribution was his theory of social revolution. It has two main components. First, Marx discusses how in many mature societies, the class structure becomes frozen. Slave and master, lord and serf, capitalist and worker, each have seemed fixed for all eternity in the normal process of reproduction. But variety comes about through economic and technological change. The old institutions (class relationships) hold back further progress and the potential economic growth may be strangled. Slavery prevented technological innovation and caused centuries of stagnation in the Roman empire. The old feudal system held back the expansion of capitalism by all sorts of restrictive laws in late medieval France and England. U.S. production went backward instead of forward in the Great Depression and in many lesser recessions from the early 19th century to the recession of 1990.

Marx’s second point is that selection of the fittest does not take place smoothly or automatically. The ruling class resists any slightest attack on its privileges and power. The result is class conflict between the old ruling class and rising classes that wish change. This class conflict is reflected not only in direct economic friction, but also in politics and in ideology. The class conflicts in England led to changing ideology (much of it religious in disguise), to changes in political power (when the king lost his head in 1648), and eventually to the end of all the residue of the old feudal economic relations. The class conflicts in France led to ideological attacks on the old regime (Voltaire and Rousseau), political clashes ending with the revolution of 1789, and the end of the vestiges of the feudal economic relations. In the United States, the clash between the need to expand by the Southern slave masters and the equal need to expand by the Northern industrialists led to
the Civil War and the end of slavery. Thus, Marx depicts the process of social evolution through normal reproduction, increasing variety of economic relationships, and revolutionary selection of the fittest institutions.

CONCLUSION

If one accepts the definitions of institutionalism and Marxism given by the older generation of institutionalists and Marxists in the 1950s, then Hodgson is correct in finding total difference and utter hostility. If one accepts the definitions of institutionalism and Marxism found in the younger generation of institutionalists (radical institutionalists) and the younger generation of Marxists (critical Marxists), then Hodgson is wrong and one finds cooperation and convergence.

Economists should not follow the biological metaphor slavishly any more than one should follow slavishly the metaphor of physics. Yet the example of biological evolution does offer certain insights as physics offered in an earlier era. Social evolution is different from biology or physics. One can, however, speak of Hodgson's concepts of reproduction, variation and selection in the social context if one is careful to give it a social-institutional meaning, not an individualist or biological meaning.

The younger generation of Marxists would argue that, In the social context, one must consider class relations and institutions, including class resistance to change (vested interests) and class actions to bring about change (grass roots movements). The role of technology in change must be understood as a part of a process of interaction with class relations, economic institutions, non-economic institutions, and ideology. Evolution takes place through a process of cumulative causation to which there is no end.
ENDNOTES

1. I am extremely grateful to two anonymous reviewers, both of whom made clear my mistakes in an earlier draft. One of them not only gave me the necessary citations, but also let me see an unpublished paper on Darwin and Marx -- and I have utilized those contributions to the fullest extent.

REFERENCES


