The Utility of Marxian Economics in Explaining the Problems of Modern Capitalism and Its Applicability to Economics Instruction in Social Science Courses

A doctoral project submitted in partial fulfillment of the requirements for the degree of Doctor of Arts in Community College Education at George Mason University

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Dedication

This project is dedicated with love to my wife, Min Xie Shaheen, and to my parents Melva and Ray Shaheen, for their continuous support of my academic pursuits.

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ABSTRACT

THE UTILITY OF MARXIAN ECONOMICS IN EXPLAINING THE PROBLEMS OF MODERN CAPITALISM AND ITS APPLICABILITY TO ECONOMICS INSTRUCTION IN SOCIAL SCIENCE COURSES

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This study tests if Marxian economics helps students understand how capitalism works while studying economics in social science courses at Miami Dade Community College (MDCC). Two introductory chapters present Marxian economic arguments that examine issues affecting market systems, suggesting the relevance of the analysis to understanding modern economic developments. The study tests if students and professors today are capable of separating Marx's explanations of how capitalism works from his writings on communism, and if that analysis stimulates critical thinking among students. The study explores if students learn about capitalism as effectively using the Marxian analysis as by using the classical economics methodology, and if MDCC Hispanic students' attitudes toward Marx affect their learning when using the Marxian analyses. The research propositions were tested in six social science courses (ISS 1120) taught at MDCC. Three classes were taught about economic problems of capitalism using the Marxian critique, while the others learned from the classical perspective. Student groups took identical

tests, allowing for research comparison. Their responses to surveys gauged attitudes and opinions toward learning economics from the competing perspectives. Professors at MDCC and Northern Virginia Community College (NOVA) were surveyed to measure their views about using Marx in the classroom. The findings looked for regional and ethnic differences in their opinions about Marxian economics.

Definite conclusions were not drawn from survey and testing data because of the small research populations. The study suggests the Marxian analysis helps students learn about capitalism, but that the methodology is not more effective than classical economics. Student survey responses suggest that the Marxian analysis stimulates critical thinking, that students can separate Marx's critique of capitalism from ideas on communism, and that MDCC Hispanic students are more hesitant about using the Marxian critique than non-Hispanics at the college. Professors indicate their support for using the Marxian analyses in the classroom.

CHAPTER 1

Introduction

The 20th century was, arguably, the bloodiest century in history. Humans have slaughtered each other over time for a variety of reasons, including racism, nationalism, boundary disputes, and messianic religious fervor. But among the causes of global bloodshed, Marxism is often cited as a major ideological factor (Conquest, 2000). The histories of the Soviet Union and modern China under the regimes of Stalin and Mao go far in support of this point. Famine, economic stagnation, and environmental degradation accompanied the rise of their communist dictatorships and planned economies, which left imprints on their societies from which they have yet to recover. These regimes called themselves Marxist. Thus, Karl Marx is often blamed for the social, economic, and political troubles wrought by communist experiments. But can Marx, who died in 1883, and wrote little about a future after the demise of capitalism, be blamed for these 20th century political upheavals? Should Marx be seen for posterity as associated with Stalinist purges or Maoist Cultural Revolution? Marx was, first and foremost, a critic of 19th century capitalism. He wrote no significant analysis of post-capitalist society (Samuels, 1993). Neglecting the economist in Marx loses the real genius of his work. His real value is, according to David McClellan (1999) of the University of London, "rather in interpreting the world than changing it" (p.966).

Marx did propose some economic theories that most contemporary economists find implausible (Hodgson, 1991). The labor theory of value and the tendency of profit to fall under capitalism are examples of untenable Marxian ideas. The evolution of capitalism since the mid 19th century has determined these Marxian theories to be unsupportable. Nevertheless, Marx wrote convincingly about the general tendencies, structural dilemmas, and direction that a capitalist system would take. He was a pioneer in explaining how free markets tend toward monopoly, how wealth becomes mal distributed under capitalist conditions, and the tendency toward generalized gluts due to overproduction and underconsumption in an economy, leading toward recessions and depressions.

Marx was a voracious reader of the classical economists Adam Smith, David Ricardo, and Thomas Malthus. Marx incorporated elements of their ideas into his own analysis of capitalism. From Smith (1776/1976) and Ricardo (1817/1973), Marx adopted the Labor Theory of Value, which holds that the value of a commodity is based on the labor that goes into its production. Smith's espousal of labor specialization and the division of labor in production was seen by Marx (1867/1967) as the dynamic allowing for the development of large, efficient industrial firms and the rapid accumulation of capital in the 19th century. Smith (1776/1976) introduced Marx to the idea that foreign trade served as an outlet for the overproduction of commodities in home markets, and how the intensity of competition between rival firms would lead to the tendency of their profits to fall in a competitive environment. Malthus (1820/1989) argued that the wealthy could collectively refuse to buy the supply of commodities in the market, creating economic stagnation and gluts due to lack of demand. This idea would figure prominently in Marx's (1905-1910/1971) formulation of a theory of crisis, which attempted to explain why recessions and depressions were structural parts of capitalism.

Marx did borrow much of his economic reasoning from the classical economists, but he was the first economist to synthesize the knowledge of classical economic theory with the understanding of the crisis potentials under capitalism and the tendency of free markets toward concentration. Living in 19th century England during an era of rapid industrialization, Marx witnessed firsthand the economic instability of capitalism, and the inequalities and exploitation that were a consequence of unfettered markets. In Capital (1867/1967), arguably his most enduring work on economics, Marx attempted to explain how free markets work and examined the problems such a system creates for industrial societies. It is here that Marx elucidated what he called the "laws of motion," which meant to develop the scientific process that he thought would propel capitalist development over time.

Economic science maintains that material wealth is the primary motivating force determining the actions of human beings, that we rationally attempt to make choices concerning how to manage our resources based on principles of scarcity, and the rational calculation of supply and demand. In this way, Marxian economic thought is similar to modern neoclassical economics. This is because both schools accept that firms and individuals behave in ways that maximize their own self-interest in the economic realm. In such a context, neoclassical theory assumes that, as rational actors, people choose between alternatives to efficiently maximize their consumption (Goldberg, 2000).

Rationality, in this vein, becomes a choice between preferences in a market. Another economic movement that, similar to Marxian and neoclassical theories, stresses economic determinism is "rational choice." This school understands economic choice as a series of rational decisions in which firms or individuals select the most efficient ways to satisfy their preferences, while their alternative choices can be ranked as less or equally preferred (Heap, Hollis, Lyons, Sugden, & Weale, 1992). Though not specifically concerned with the psychological implications of choice and rationality as human motivators, the Marxian framework of dialectical materialism does explain economic motivation in a similar materialistic context. Outlining his materialistic philosophy in the preface to A Contribution to the Critique of Political Economy (1859/1970), Marx held that human consciousness was shaped by materialism and that this foundation is what shapes human choice and perception. If materialism remains the primary human motivator, as understood from these competing perspectives, and human wants and desires have not changed over time, it can be argued that Marx's critique of capitalism might still be as relevant as rational choice and neoclassical thought to assist students of capitalism in understanding economic issues of the 21st century.

The Marxian critique of capitalism questions the economic outcomes produced by free market systems and the logic promoted by classical and neoclassical economic ideas. Today, it is assumed by classical economists that market oriented systems (even if economic growth is associated with structural unemployment, low wages, etc.) are the superior form of economic organization. The structural problems encountered, such as fluctuations in unemployment levels, income inequality, recession, depression, persistent pockets of poverty, alienation, and fear of economic restructuring are recognized by classical economists as unavoidable parts of economic life. But these economists hold that only economic development can mitigate such problems and that these problems are outweighed by the advantages of capital formation, production incentives, and consumer choice in modern economies (Soros, 1998). The Marxian critique of capitalism, however, offers an alternative explanation of economic problems that might be useful to college students.

Marx's writings on the tendency of capitalism toward monopoly, crisis, maldistribution of wealth, globalization of markets, alliances between business interests and government, as well as issues concerning unemployment, exploitation, and wages, might assist students in exploring alternative methods of understanding how capitalism works. Market capitalism did emerge the victor in its struggle with central planning models, but the persistence of recession, inflation, and unemployment continues in free market models, demonstrating how capitalism remains open to systemic criticism. It is here that Marxian economics may have a place in the classroom to address such problems.

This doctoral project addresses two distinct questions: First, does the Marxian critique of capitalism (which attempts to reveal that system's tendencies and inner laws of motion) assist students in understanding modern capitalism? And second, if the Marxian critiques are relevant in explaining contemporary economic events, can teaching the principles and characteristics of free market systems by incorporating the Marxian analysis be an effective method to showing students how capitalism works?

This study tests if the Marxian critique of capitalism could be used effectively in the economic units of college social science courses to assist students in learning about how free market systems operate, produce, and distribute wealth in contemporary societies. In using the Marxian analysis, professors have an alternative method to show students how capitalism works, in addition to the supply and demand curves, and studies of household income provided by microeccnomic analysis. Teaching the Marxian critique of capitalism could bring balance to economic instruction, allowing for criticism of problems that plague capitalism through the airing of differing explanations as the heart of social science investigation. Questions such as why capitalism tends toward monopoly, what causes increasing income gaps between rich and poor, why free markets have historically been unable to avert economic crises, and how wage inequalities persist under capitalist conditions are important ones addressed by the Marxian critique.

With the fall of the Soviet Union, the destruction of Soviet command economy mechanisms, the entrance of China into the World Trade Organization, and the Cuban government encouraging investors to come to Havana, it can be legitimately maintained that communism has been recognized internationally as a failure and that market capitalism has emerged as the dominant economic system in the world. The association of Marx with the failed communist experiments has made it difficult to view Marx as an economist, instead of as a proponent of revolution. This study attempts to discern if it is possible today for Marx to be primarily viewed as an economist, and treated as such, in the classroom. This study also seeks to determine if it is easier today to discuss Marxian economics, as communism has been discredited. In this light, the study questions students and professors if they think it is easier to discuss Marx today as an economist, because of the decline of communism as a viable ideological threat to capitalism.

The generalized fear in the United States of Marxist inspired Soviet totalitarianism during the late 1950s and early 1960s led to curriculum developments in American education that stressed the threat of totalitarianism to democratic institutions (Miller, 1966). In such an atmosphere, it was difficult to present Marx's economic analysis of capitalism separated from studies on communist developments. The Russian launch of *Sputnik* in the late 1950s, and the Soviets' sending the first man into space, shattered the American public's belief in the superiority of American technology. But the legacy of *Sputnik* for the U.S. was increased federal support for American scientific education. American politicians were eager to provide increased funding for research and instruction to avoid falling further behind the Soviet in the space race. Concomitantly, this educational emphasis on scientific instruction was coupled with the perceived necessity of an educational curriculum to teach students about the negative aspects of communist systems. Former CIA director John Foster Dulles, in a 1960s speech on the dangers of totalitarianism to American democracy, stressed the need for education as an antidote to communism. He discussed the lack of education about communism among young Americans and blamed the nation's schools for it (Freedman, 1961).

With such prodding from the federal government, state governments in the early to mid 1960s created resource units, educational curricula, and guidelines to teach about communism in American public schools. Federal money was allocated for scientific education, but changes in social studies education were also encouraged for secondary schools in order to stress the history of the Soviet Union, its Marxist-Leninist system, and the worldwide expansion of communism (Florida Department of Education, 1962). In this milieu, serious consideration was not given to the utility of the Marxian analysis of capitalism in the new curriculums. Curricula that emphasized the study of communism made it difficult to see Marx as an economist with a valuable contribution to the understanding of capitalism. Scholastic Magazine's What You Should Know About Communism And Why (1966), a book designed to help high school students learn about communism, included one sentence about Marx's preeminent work of economics—Capital (1867/1967).

In studying college curricula that offered teacher education about communism in the early to mid 1960s, Richard Miller (1966) showed how universities, where courses on Marxism were offered, stressed teaching about communism instead of Marx's analysis of capitalism. By researching unit outlines of college courses, Miller showed how the history of communism and the Marxian dialectic were discussed. But in his review of course syllabi, few units on the Marxian analysis of capitalism were available for students.

With the fall of the Soviet Union and the general acceptance of capitalism as the prevailing global economic ideology in the 21st century, it might become increasingly possible today to teach Marx more often as an economist instead of as a revolutionary, as a legitimate analysis of capitalism divorced from 20th century communist experiments. This study tests if this idea is more realistic and attainable today as a part of the economics curriculum in community college social science courses.

With Marx's analysis of capitalism traditionally taught as a methodology antithetical to capitalism, is it possible to use the Marxian critique of capitalism in the social science classroom to understand how capitalism works without being seen as an instructor biased in support of communism? It is crucial that students view a professor as an objective presenter of academic ideas. Consequently, Marxian ideas should be presented alongside classical economic doctrines to allow students to gauge for themselves the utility of each school of thought, and which mode of analysis they think best explains economic events.

Adam Smith is considered by many to be the father of economics, and is the author of An Inquiry Into the Nature and Causes of the Wealth of Nations (1776/1976). His book (hereafter referred to in this study as The Wealth of Nations) analyzed commercial society in the 18^{th} century, developing ideas that led to the paradigm of classical economics. Smith's postulations on the law of supply and demand, and the necessity of the division of labor to enhance manufacturing efficiency, are essential to comprehend capitalist development. He held that freeing markets from state control was the most effective way of enhancing economic growth. Marx read Smith and recognized his importance as an economic analyst. But he criticized some of Smith's conclusions, developing many of his criticisms of classical economic thought from reading The Wealth of Nations (1776/1976) and the works of Smith's contemporaries Thomas Malthus and David Ricardo.

To gauge the relevance of the Marxian analysis of capitalism for community college economics instruction in the social sciences, it was necessary for this author to gather data from students to see if the Marxian critique helped them understand capitalism and its economic problems. To accomplish this, the utility of classical economics, represented best by Smith's analysis, was compared pedagogically with the Marxian critique of capitalism in teaching abcut the economic problems associated with capitalism, to determine which method was more effective in the classroom. The study of economics in today's community college classrooms comes predominantly from the classical perspective. To test if the Marxian critiques could help students understand the economic problems as effectively as the classical model, a Marxian curriculum was developed to instruct students in the economic problems associated with capitalism. This curriculum was tested in the classroom, comparatively, with the standard curriculum that uses classical explanations to delineate the economic problems of free market systems. These experiments utilized control and experimental groups, in which groups of students were taught about the economic problems of capitalism from the different perspectives. Assessments were made as to which group learned most effectively. Three classes were taught about the economic problems of capitalism using classical theories in the economics unit of that course. The remaining three classes were taught about economic problems of capitalism from the Marxian perspective. Pretests were used to measure student knowledge prior to studying the economics unit in each group. After completing the unit, students were retested with the same questions from the pretest to gauge their learning of the economic concepts. Upon completion of those tests, students were given exit surveys to measure their attitudes and opinions toward what they had learned, and their opinions about the curriculum being studied.

These studies were conducted with students taking the interdisciplinary social science course, ISS 1120, at Miami-Dade Community College (MDCC) during the Spring, Summer, and Fall 2000 semesters. The instruction was given in the economics units of those courses. The results of these experiments are analyzed and interpreted in the fourth chapter of this study.

Since the fall of the Soviet Union, collegiate economics curricula have increasingly moved away from instruction on Marxism as an alternative form of economic organization, as educators have assumed that Marx's critiques of capitalism are currently of little value. The resultant absence of recent literature concerning the Marxian critique of capitalism in economics instruction provided the inspiration for this study, which tests if the Marxian analysis of capitalism is still a viable methodology for teaching how free markets work in the 21st century.

The ideas contained in this study are inspired, in part, by those of radical political economists. These economists are critical of the manifestations of capitalism as an economic system, enumerating and studying its deleterious effects on contemporary societies. Radical economists, such as Howard Sherman, Richard Wolff, and Warren Samuels, favor socialism, but have been critical of command economies and totalitarian dictatorships of the former Soviet and Chinese varieties. What separates their thinking from that of Marxists is the radicals' willingness to dispute many of Marx's conclusions, while accepting that Marxian economics provides a vital method for understanding capitalist ideology and free market systems (Feiner, 1992). Within this framework, radicals dissect the Marxian analysis into component issues to understand topics like uneven development and wage inequality under capitalism. They look for empirical, quantifiable evidence to support Marxian assumptions. If they do not find it, such theories are rejected. Tenable Marxian ideas are upheld and fused with sociological analysis of race and gender to provide a picture of how these dynamics affect the modern economic environment.

To show how the Marxian critique of capitalism has developed since the late 19th century, a literature review of authors who have used aspects of the Marxian approach to critique capitalism is a part of this study, and is included in the second chapter of this project, along with a presentation elucidating why the Marxian economic analysis of capitalism may continue to be useful in explaining modern economic developments.

Chapter 3 explains the research design and methodology used to collect data for the experimental and descriptive parts of the study. This project also measured the attitudes and opinions of instructors toward the Marxian critique of capitalism. For this purpose, survey instruments were collected from professors at Northern Virginia Community College (NOVA) and MDCC in the summer of 2000. They were asked questions that gauge their prior knowledge of Marxism, their ability to teach the subject, their views about its use in the classroom, and their opinions about the value of Marxian ideas in understanding modern economic developments. The survey information gathered, along with the experimental data findings, sought evidence as to whether students and professors see the Marxian analysis as fruitful for comprehending modern capitalism, and to measure if educators see it as a viable alternative to classical economics as a pedagogical tool.

Chapter 4 presents the data findings, while the fifth chapter of this study reviews the original research hypotheses and presents conclusions reached on the research issues. Chapter 5 also explores the limitations of the study, and provides suggestions for further research about the relevancy of the Marxian analysis to classroom education in the 21st century. The chapter concludes with a summation of the implications for instructors and researchers involved with similar topics.

The dearth of current literature on the relevance of the Marxian analysis to economics instruction makes this study a contribution to curriculum development for social science and economics disciplines in today's community colleges. The study is meant to illuminate ideas that have recently been under represented in economics instruction.

If students are taught Marxian economics by separating Marx's understandings of capitalism from his fulminations about revolution, such a curriculum might assist students in understanding modern capitalism. The method might stimulate critical thinking in students, help them to read into trends of economic development, and assist them in making astute observations about capitalism—instead of viewing economics passively as social and economic forces out of their control. By studying Marx, students will learn that some of his ideas were incorrect about capitalist development. But as Robert Heilbroner (1992) has pointed out about Marxian economics, "Yet shorn of its overtones of inevitable doom, the Marxist analysis cannot be disregarded. It remains the gravest, most penetrating examination the capitalist system has ever undergone" (p.169).

Definition of Terms

The following are important terms utilized in this study:

Automation. The use of automated, mechanical equipment in the workplace to produce goods or services. Machines (such as robots, powerful computers, or ATM's) spur the increase in production of goods and services, increasing efficiency and reducing costs for businesses. From the Marxian perspective, such machinery increases the potential for unemployment and crises by reducing the need for wage laborers and by lowering disposable income, therefore weakening purchasing power (Black, 1997; Bottomore, 1983).

Capitalism. An economic system characterized by the existence of private property and free enterprise. Productive capacities are privately owned and individual firms compete in each market sector. Capitalist systems today, to degrees that vary by country, allow for some public ownership of enterprises and government regulation (Black, 1997).

Concentration. The extent that a market sector is dominated by a few large firms or corporations. Marx felt that capitalism tended toward concentration of wealth in the forms of monopoly and oligopoly. Such conditions, Marx reasoned, would lead to the demise of capitalism and foster the transition toward socialism (Black, 1997; Rutherford, 1992).

Crisis. Marxian economists assume that capitalist economies move toward recession and depression after periods of economic prosperity. The tendency of capitalism to create such crises is based on certain economic factors. First, economic prosperity raises worker wages, squeezing capital accumulation among businesses that are forced to raise salaries. This can cause falling rates of profit among competing firms while bankrupting smaller ones. Second, the diminished competition that follows this process allows larger enterprises to increase profit accumulation once again. Often, economies cannot endure such contractions and crises follow, when the purchasing power of consumers is diminished by high prices, low wages, or an oversupply of commodities on the market.

Marx held that crises were a permanent part of capitalism. This idea opposed the view of the 18th century Physiocrats, who maintained that all commodities in a market would find buyers. Marx, alternatively, held that crises were caused by the overproduction of commodities in an economy too small to absorb the products, creating the widespread economic dislocation that he called crises (Bottomore, 1983; Rutherford, 1992).

Dependency Theory. A theory of under development, which maintains that small nations are exploited by powerful ones in a global economy. As control of a developing nation's economy and its natural resources often fall into the hands of foreign capitalists, local economies suffer from a drain of their valuable resources, coupled by a repatriation of capital accumulation to the creditor nation. Critics of this theory insist that the advent of the multinational corporation, which destroys national borders and weakens the independence of nation-states, makes dependency theory obsolete. Some Marxian economists hold that dependency continues through the actions of international organizations that perpetuate uneven development between wealthy and poor nations through free trade policies that benefit developed economies, and the imposition of financial regulations on debtor nations by international organizations like the International Monetary Fund (IMF) and the World Trade Organization (WTO) that make it difficult for poor nations to emerge from debt. (Bottomore, 1983; Rutherford, 1992).

Falling Rate of Profit. For Marx, economic crises were caused by declining profits among capitalist firms. The causes of declining profits under capitalism (and why it has not occurred) is the subject of heated debate among Marxian economists. Some point to underconsumption as a cause, while others to under investment and the overproduction of commodities. But all Marxian economists have had to explain why profits have increased under capitalist conditions and why that system continues to thrive in the 21st century (Bottomore, 1983).

Immiseration. For Marxians, immiseration refers to the fall in the relative wage of workers compared to wage gains made by employers, leading to an increase in wage inequality between rich and poor. For Marx, immiseration was a contributing factor in creating social alienation through class differentiation, as industrialization created monotonous, automated jobs where workers had become commodified (Rutherford, 1992).

Laissez-faire. A doctrine asserting that few government regulations or economic interventions should take place in an economy, encouraging producers to invest capital, promote economic sovereignty, and let market mechanisms determine prices. An idea promoted by the classical economists, laissez-faire policy exemplifies capitalism in its purest unimpeded form (Black, 1997).

Reserve Army of Labor. Marxian terminology that describes the segment of the labor force presently unemployed. This group acts as a force to lower wage rates among the employed as a structural part of capitalism. (Bottomore, 1983; Rutherford, 1992).

CHAPTER 2

The Contemporary Relevance of the Marxian Analysis of Capitalism, Its Historical Foundations, and Relevant Educational Materials

This chapter is divided into three sections. The first is designed, in part, to show circumstances where the Marxian critique of capitalism might be relevant to current economic conditions. It attempts to show how Marx's ideas may continue to be important beyond the historical circumstances of 19th century industrialization. The economic issues presented in the section stress the interrelationships between economic events, delineating how the Marxian explanation of how capitalism works links issues into a broad conceptual framework to explain capitalist development. The second section provides the reader with a review of selected authors and intellectual movements that, since Marx's death in 1883, have built upon and preserved his economic analysis of capitalism for posterity. The final section of this chapter reviews recent educational literature that uses the Marxian analysis of capitalism in the classroom and considers the recent directions in education about Marxian economics.

I

Marx's detractors reason that, with capitalism triumphant as an economic ideology and communism in full retreat, the Marxian critique is outdated and unworthy of serious consideration by economists (Cassidy, 1997). As free trade, globalization, and the multinational corporation increasingly dominate the international economy, most classical economists see Marx as an historical anecdote. In fact, Marxian economics had been consistently criticized before the Cold War ended, as central planning systems in the Soviet Union and China experienced economic stagnation in the 1970s and 1980s. But there remain economists and cultural critics who support the utility of the Marxian approach to understanding capitalist development. They hold that as long as capitalism exists, the Marxian critique contributes to understanding that system's general tendencies and direction. Robert Heilbroner (1992) wrote that Marx was the first economist to understand the complexities of modern capitalism. The Marxian critique assumes that the fundamental structure of capitalism has not changed over time, but adapted and evolved to confront new economic circumstances.

In Capital (1867/1967), Marx meant to demonstrate how capitalism's "laws of motion" would impel markets to develop in a dialectical pattern. He spent much of his life trying to reveal the inner nature of that system as a student of capitalism. Though he wrote constantly as a proponent of socialism, Marx was primarily interested in how markets worked and in developing the theoretical reasons why he thought capitalism would fail. As a writer for The New Yorker on economic developments, John Cassidy (1997) has commented that Marx remains essential to modern economic thought because he asked the important questions about capitalism, such as where power lies in capitalist societies. In his view, Marx's writings address the major questions of economic thought:

how societies evolve over time and how changes in economic ideology have an impact upon development.

Marx studied the same issues of political economy that Smith and Ricardo dealt with. But instead of promoting commercial society as the highest stage of human development like Smith (1776/1976) did, Marx was highly critical of capitalism. He maintained that giant corporations squeezed out small capitalist firms and that free markets tended toward monopoly and concentration. He attempted to show how exploitation and wage inequality were inherent parts of the system and that capitalism had a propensity toward crisis. He delineated the need for capitalist firms to accumulate profits, introduce labor saving machinery, and how unemployment and low wages were directly related to automation. Such dynamics demonstrated to Marx that capitalism was consistently under stress with underlying crisis potentials.

Marx predicted badly in some instances. The inevitable demise of capitalism that he projected never materialized. Marx underestimated nationalism as a force in his analysis of historical materialism and ignored the concept of scarcity as a determinant in commodity value (Hodgson, 1991). Though Heilbroner (1989) has shown how some of what Marx wrote has been discredited, Marx remains prescient for contemporary economics because of his writings on globalization, monopoly, and maldistribution of wealth that keep the big picture in focus.

Even though Marx criticized the manifestations of free market capitalism, he did expound on how capitalism provided for the advancement of civilization. Marx argued that capitalism turned human relationships into money relations, but he also demonstrated in The Communist Manifesto (1848/1998) how bourgeois capitalism in "its rule of scarce one hundred years, has created more massive wealth and more colossal productive forces than all preceding generations together" (p.40). The generation of massive wealth that Marx refers to did lead to corporate concentration in the 19th century. It also led to crises of overproduction—an idea that would have seemed unimaginable to the European of two centuries before. But this accumulation of wealth in free market systems brings the advantages of economic development to modern societies. The existence of finance capital allows for investment in entrepreneurial ideas, which promotes the development of new products and spurs consumer demand. This exacerbation of the desire for new commodities and services stimulates production of these goods, creating new avenues of employment in those industries. The new wealth generated in response by innovative firms creates further investment capital available for the financing of even newer ideas—lessening the chances of prolonged economic stagnation (Goldberg, 2000). The classical and neoclassical economic theories predominant today in the field of economics highlight these benefits of capitalism. They also stress the working of markets, consumer choice, and issues of supply and demand in determining economic events. But these ideas tend to neglect the perpetuation of class divisions and alienation as consequences of economic development that Marx saw as an inexorable part of capitalism. Radical political economics, a loosely knit New Left movement that gained strength in the 1970s and 1980s, emphasizes these criticisms of capitalist development. In contrast to neoclassical thought, radicals concentrate on social stratification, income inequality, and exploitation as some effects of capitalism in their analyses. Radicals see the Marx's critique of capitalism as a source of inspiration, being critical of that system because of its supposed effects on society and human behavior (Feiner, 1992).

Joseph Schumpeter remarked that the evidence of Marx's genius was his continued vitality to economic issues in the 20th century (Freedman, 1961). Marx's conception of history was based on an ethic of materialism, that history had been characterized by the continuous struggle between economic classes over time. Out of such struggles, economic and industrial progress led to capitalism emerging as the dominant force shaping social relations in the mid 19th century. As George Orwell's character Gordon Comstock, in Keep the Aspidistra Flying (1936/1956), echoed the sentiment that all things in life revolved around money, Marx saw materialism as determining social reality. Most non-Marxian economists use a similar logic, promoting rational theories that emphasize man's quest for material wealth as his primary motivation. The plethora of financial newspapers, magazines, and television news hours devoted to stock trading analysis support this idea.

The Marxian critique of capitalism might remain a viable method of explaining modern economic events because it stresses the primacy of economic determinism over social and political considerations. An example can be seen in American politics being shaped in the 1980s by the "Reagan Revolution," with its deregulating character. Even the American Democratic Party, often the supporter of direct government intervention in the economy, embraced free trade, welfare reform, and government downsizing agendas during the Clinton Administration. Financier George Soros has been critical of this trend, which gives market considerations primacy over social welfare safeguards in western societies. The economic determinists, who Soros calls "market fundamentalists" in his book The Crisis of Global Capitalism (1998), assume that freeing markets are the solution to most social problems. This anti-regulatory attitude holds that government regulation retards growth. Soros posits that collective action and social cooperation are less possible today as a result of the West's ideological shift away from government activism. He maintains that market fundamentalists are ignoring pressing social problems like maldistribution of wealth and economic exploitation because they reason that economic growth will close the wealth gap in the long term. The Market fundamentalists, from this perspective, think that job insecurity and wage stagnation will be offset by new economic opportunities created by increased trade and lower prices. In this scheme, government steps aside, lowers taxes, and limits regulations that impede global competition (Longworth, 1998).

For Marx, the process of globalization was an inevitable part of capitalist development, where entire cultures would be swept aside in the integration and development of international markets. This process has accelerated in the late 20th and early 21st centuries. Globalization is characterized by the increase in international trade, the interdependence of national markets, and growing consensus among nations on the principles of free trade. The current push toward promoting deregulation and free trade is nothing new. Marx wrote in The Communist Manifesto (1848/1998) how, "The need of a constantly expanding market for its products chases the bourgeoisie over whole surface of the globe" (p.39). Marx maintained that capitalists sought out these new international markets in the 19th century to avoid falling profits. These writings by Marx on globalization demonstrate that Marxian economics might remain useful in understanding trends in international capitalism.

Similarly, democratic governments in Europe increasingly promote the virtues of free trade, while politicians emphasize economic issues in their election campaigns. By doing so, governments are unwittingly following the logic of Marx's materialist conception of history by assuming that as society changes over time, it's the economy that does the most to shape such processes. Currently, the European Union (EU) is rushing towards economic integration. Modern European politics is importing the American language of economic liberalism by embracing free trade and deregulation as methods of promoting economic growth ("What Europe Needs," 2000). At a EU summit at Lisbon, Portugal in April of 2000, European leaders stressed the deregulation of markets, research spending, and elimination of barriers to entrepreneurship ("One True Model?" 2000). With a common currency and central bank similar to the United States' Federal Reserve System due in 2001, the EU has converged with American capitalism and recognized it as its preferred economic model.

If Marx were alive today, it is likely he would argue that modern corporations shape government policy. Marx was famous for promoting the idea that government is but a tool of the bourgeoisie, that "political power, properly so called, is merely the organized power of one class, for oppressing another" (Marx, 1848/1998, p.61). Marxists use this logic as a rationale for gauging where power lies in capitalist societies. In this vein, capitalism in the United States has been historically assisted by many Federal Government policies, as capitalist ideology is deeply embedded in the American psyche. From its origins in the work ethic of Calvinists concerned about predestination, to Social Darwinists opposing government intervention in the economy as slowing of the natural progress of civilization, the United States consistently embraced capitalist ideology by avoiding price setting and redistribution of wealth in the 19th century economy. In this context, 20th century political reform movements like Progressivism and the New Deal did not mean to destroy capitalism—only to make it work more efficiently. The Progressive Movement intended to face the challenges of urbanization and industrialization in late 19th and early 20th century America by using the administrative and management capabilities of the emerging middle class to solve modern problems. (Wiebe, 1967; Skowronek, 1982). The New Deal programs of the 1930s did accelerate the break with anti-regulatory attitudes in its ethic of Keynesian economic experimentation and direct government intervention in the national economy. But New Dealers did not nationalize banks or facilitate income redistribution. They insisted on "expert" management of the economy to save capitalism, which represented a limited revolution of regulating the worst abuses of the system (Badger, 1989).

The New Deal reformism of the 1930s showed how capitalists worked with government planners, either to resurrect capitalism in the face of economic depression, or to fend off further reforms that might occur without their cooperation. This reality of capitalist cooperation with government regulators seemingly contradicts Marx's views that government and business would never cohabitate. The Federal Government got involved in the American economy through programs of direct relief for the unemployed and business regulation. Consequently, the era of laissez-faire economics had apparently ended. Corporations were seemingly held liable to public power, as historian Arthur Schlesinger Jr. (1958) maintained that capitalism was reformed by the New Deal. But some historians since the 1960s have posited that the New Deal had, in fact, represented the corporate capture of the state. William Leuchtenberg (1963) portrayed the New Deal as a "halfway revolution," doing little for black sharecroppers and the urban poor. New Left writers Ronald Radosh (1972), and later, Colin Gordon (1994), went farther with this theme. Radosh argued that the New Deal consolidated corporate capitalism. Gordon studied the close ties between New Dealers, industrialists, and finance capitalists, demonstrating their shared interest in stabilizing capitalism, rather than bringing it under the control of the electorate. Though Marx was incorrect about government being purely a tool of the capitalists in the modern era, the realities of the New Deal lend support to Marx's analysis of government being steered heavily by business interests. Thus the ideas of Gordon and Radosh (though this might not have been their intent) show through their analyses of the New Deal how the Marxian critique of capitalism might continue to be useful in explaining the warm relationship between government and business interests in shaping national economic policy.

Nowhere is the idea of corporate domination of politics argued more persuasively than in the arena of American political campaign financing, which further supports Marx's ideas of a corporate-government fusion. The Federal Election Commission revealed that to win a U.S. Senate seat in the 1996 elections, candidates spent an average of $3.7 million to claim victory (Froomkin, 1998). Soft money contributions (unregulated gifts by individuals, unions, and corporations to political parties for party building activities) to both parties in 1996 federal campaigns topped $262 million. Further evidence delineating the influence of money on political campaigns was seen when Democrats (ostensibly the party less beholden to corporate interests) met in Los Angeles in August 2000 to nominate Al Gore as their presidential candidate. Corporations and industry lobbies traditionally criticized by Democrats lined up to fete the presumptive nominee. Drug companies, the gun lobby, and oil concerns footed the bill for Democratic festivals and galas that followed the convention proceedings each evening (Marcus & Eilperin, 2000). By day, Democrats screamed at the podium about handgun deaths and the NRA. They were vocally critical of the high cost of prescription drugs. But for post convention parties each evening, Democrats accepted financing from those corporate concerns. Such scenarios helped create the image that the Democratic Convention's agenda was shaped by special interests and that financial contributions were the deciding factor in gaining the ear of potential government officials.

The evidence of large campaign contributions shaping federal elections point out how the Marxian critique of capitalism in contemporary economics might be relevant today because it elucidates the degree to which moneyed interests manipulate democratic politics. The McCain-Feingold congressional legislation, which promises to reform campaign financing, passed a U.S. Senate vote in March 2001 after six years of contentious debate. The bill intends to lessen the influence of soft money on political campaigns (Dewar, 2001). John McCain, a Senate sponsor of the legislation, lamented how American democracy is tainted by a campaign system that the public believes results in greater representation to moneyed interests than to average citizens (O'Rourke, 1999). McCain-Feingold's clearing of the Senate is only one of the hurdles the bill has to overcome to secure final passage. Most Republicans and some Democrats in Congress, including Republican Senator Mitch McConnell of Kentucky, have promised to keep working to defeat the bill. Its critics maintain that not being able to donate large sums of unregulated money to political causes violates a citizen's constitutional right to free speech (Glastris, 1998). These critics of McCain-Feingold, couching their opposition to campaign finance reform in the discourse of free speech, promise a court battle over the issue if the bill becomes law (Lane, 2001).

The equation of those fighting to preserve the right of the wealthy to make large campaign contributions with free speech protection is meant to protect the ability of moneyed interests to maintain their control over the political system. Interestingly, as supporters of McCain-Feingold sought passage of the bill in the Senate to limit soft money contributions, the Senate voted to triple the amount of money individuals could contribute to candidates in each election cycle (Dewar, 2001). Such evidence supports the Marxian idea that the wealthiest individuals in capitalist societies, whatever the outcome of the McCain-Feingold proposals, may continue to dominate the political process.

A similar example of corporate power shaping politics in Washington is seen in how permanent normal trade relations (PNTR) with China was achieved through congressional legislation. Prior to 2000, China was forced to gain most favored nation (MFN) trade status each year by congressional vote, in order to hold preferential trading rights with the United States. American corporations consistently lobbied Congress to grant PNTR for China, as they saw the MFN process as a threat to their extensive Asian investments. Opponents of granting PNTR to China argued that annual congressional debate on MFN status represented the only way in which U. S. human rights groups could pressure the Chinese on human rights issues ("House Approves Normal Trade," 1999; "Facts on U.S-China Trade," 2000). China's jailing of religious and political dissidents was cited by opponents of PNTR as reason to defeat it. Labor Unions argued that exploitative wages and workplace conditions were commonplace in China, and that PNTR would send more U.S. jobs to Chinese factories—widening American trade deficits with that nation. Despite such concerns, PNTR became law in 2000. The White House supported PNTR on the grounds that increased trade would escalate the pace of reform. The Clinton Administration stressed the benefit of opening Chinese markets to American industries ("Clinton to Propose," 2000). The American Farm Bureau welcomed PNTR, as farm exports were expected to rise significantly with increased market access for U. S. Agricultural exports ("Farmers Look Forward," 1999).

The passage of PNTR with China supports the assumption that economic concerns have steadily triumphed over political considerations in recent years. The consumer action group, Public Citizen, estimated that the U. S. lost 600,000 jobs to Chinese industries in calendar year 1996 ("Facts on U.S-China Trade," 2000). Protestant organizations and the U.S. State Department documented the harassment and jailing of "unregistered" Christians in China ("House Approves Normal Trade," 1999). According to the Public Citizen study, the U. S. Department of Commerce determined that the U. S. trade deficit with China in computers rose 100% between 1996 and 1998—evidence that high tech industries were rapidly moving their production bases to Asia. PNTR still passed through Congress in spite of such political opposition and economic considerations that affect U.S. labor markets.

Another area that points to the relevance of the Marxian analysis of capitalism in the current environment can be seen in U.S. demographic trends, which indicate American population growth being greatest in non-union right to work states. Industrial production in northern U.S. states is in decline, and has been for some time as corporations relocate to the South and West. By doing so, businesses are seeking out anti-union climates away from states where labor union membership is significant. Demographic trends in the 1990s pointed toward the consistent movement of Americans out of the Northeast and Midwest regions, to states in the American South and Southwest. Between 1990 and 1997, the official population of Texas increased 23.2%, while Georgia and Virginia saw population increases of 15.6%, and 8.7% respectively. Alternatively, Massachusetts saw a population decline in the same period of 1.6%, while New York's population stagnated at an anemic growth rate of 0.9% (U.S. Department of Commerce, 1998).

There are a number of reasons that explain population shifts from state to state, including foreign emigration and retirees seeking refuge from cold northern winters. But the population growth in southern states has been accelerated to a great extent (especially in the Southwest) by economic growth that has been stimulated by free trade with Mexico and the North American Free Trade Agreement (NAFTA). Multinational firms have also chosen to shift production to these regions—Mercedes and BMW factories in Alabama and South Carolina are important examples. Multinational corporations go to such regions, in part, because of the anti-union sentiment common in southern "right to work" states. These statutes allow workers to join a company without being required to join a union, which hinders efforts at labor organization. Partly as a result of right to work statutes, Alabama had only 10.2% of their workers unionized in 1997, while South Carolinians unionized at the workplace was a mere 3.7%. Conversely, states being depopulated or near zero population growth, have considerable union strength as part of their laboring environment. Twenty-six point three percent of New Yorkers in the labor force were unionized in 1997, 15.1% in Massachusetts—both well above the national average (U.S. Department of Commerce, 1998).

State governments, playing a role in enticing corporate investment in their regions, provide further evidence in support of the Marxian idea of government and business cohabitation. The State of Virginia's Economic Development Partnership, in a 1998 advertisement to attract investment capital, boasted of Virginia being the "northernmost right to work state...where manufacturing wages are well below the national average" (Figure 1, p.32). A state announcing how its citizens are paid low wages and that its government harbors anti-union sentiment lends credence to the Marxian idea that government exists to serve wealthy investor interests. Further evidence delineating the intimate relationship between government policy and the interests of the business community can be seen in the actions of publicly funded research institutions. State supported universities have traditionally been viewed as

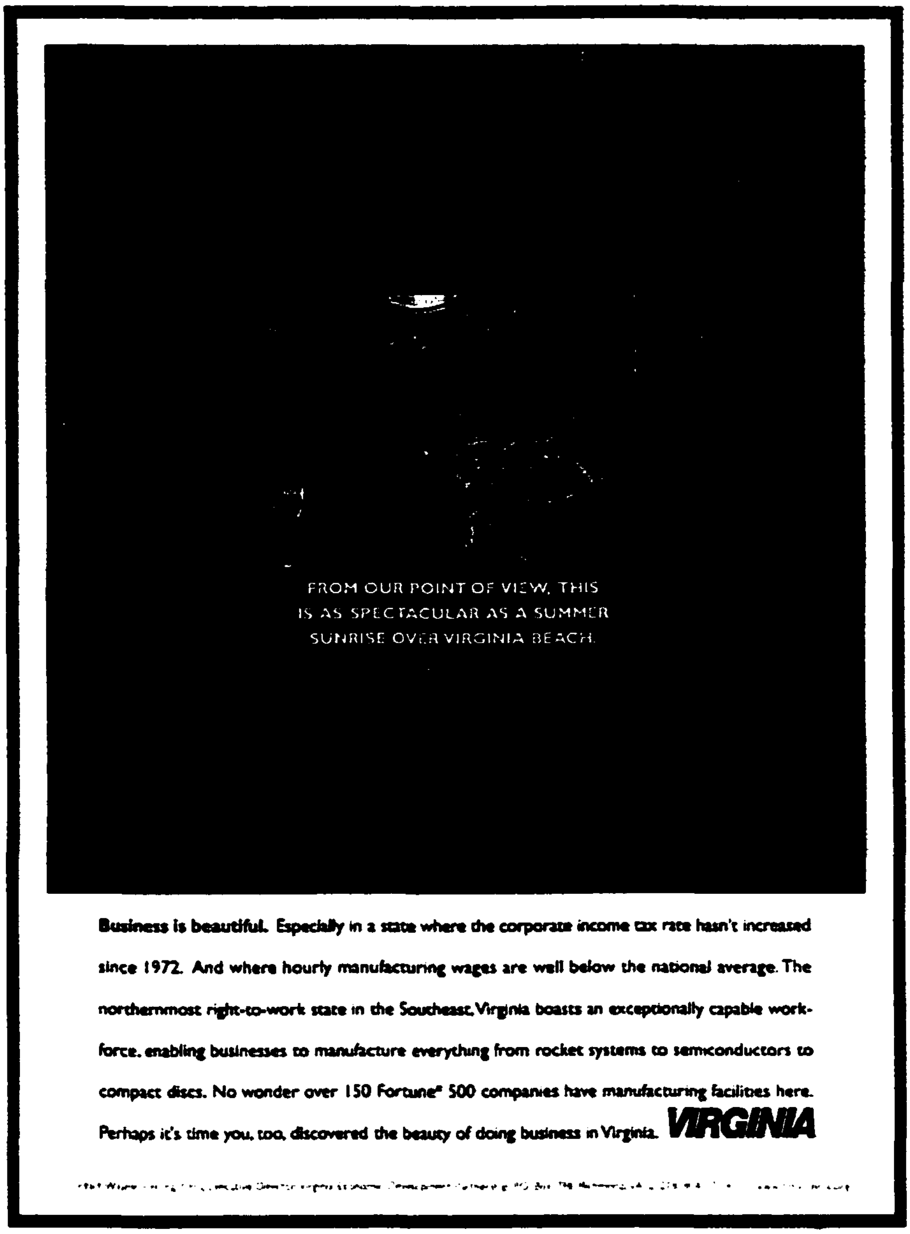

Figure 1. Advertisement in The Economist (1998, April 18) encouraging company relocation to Virginia to take advantage of low wages and anti-union sentiment (reprinted with permission).

outside the scope of corporate influence. But university research agendas are often shaped by corporate sponsorship. The Bayh-Dole Act, passed by the U.S. Congress in 1980, allowed universities for the first time to patent the results of research studies funded by the federal government. It followed that public universities would license their academic inventions to U. S. companies to earn royalties (Press & Washburn, 2000). These agreements contribute to commercial interests shaping the educational mission of today's universities, because their financial leverage influences the research agenda. Inventions, for financial purposes, are often kept secret by companies to maintain an edge over their competitors. But in the academic world, such choices can violate an important mission of the scientific community—that of encouraging the sharing of information to promote collective knowledge in the scientific community.

The policies of some state governments, that allow corporations to influence university research through financing of scientific projects, demonstrate the extent in which corporate investment shapes the objectives of publicly funded state institutions. Such corporate investments in university research can lead to conflicts of interest between scientific objectivity and corporate profits. In 1996, at the Massachusetts Institute of Technology, four researchers studying the effects of calcium channel blockers (a frequently used drug to control blood pressure) found serious side effects occurring with the administration of such medicines. The study's corporate sponsor, Sandoz, instructed student researchers to remove passages highlighting the side effects of the drug, forcing the researchers to air their complaints in the Journal of the American Medical Association (Press & Washburn, 2000). Corporate influence in American universities, the passage of PNTR, the failure of campaign finance reform, and the decline in union strength provide evidence that supposes the Marxian analysis may continue to be of use in explaining how capitalism works today.

In today's economy, mergers and corporate concentration are characteristics of modern capitalism. Marx had described how these processes work in Capital (1867/1967), holding that free market systems lead toward concentration of capital and monopoly formation, and that such developments were intrinsic parts of capitalism's laws of motion. For Marx and the classical economists, capitalism was characterized by competition and the drive for capital accumulation. This competitive ethic destroyed weak firms and concentrated wealth among a handful of businesses after the ravages of economic crises and business cycles. During each crisis, Marx argued that the bankruptcy of small firms would throw the smaller capitalists into the ranks of the proletariat. Capitalism, in this Marxian view, led inexorably toward socialism as the masses of workers would rebel against concentrated capital. History has shown Marx's prediction to be fallacious, as capitalism has flourished rather than failed. But concentration of wealth, in the manner Marx described, is a fixture of modern capitalism. Marx developed the idea in Capital (1867/1967) that, as large capitalist firms compete with one another, commodities are cheapened, often limiting access of small firms into a market and driving them out of business. He wrote how "capital grows in one place to a huge mass in a single hand, because it has in another place been lost by many," and how "the battle of competition is fought by cheapening of commodities. The cheapness of commodities depends . . . on the productiveness of labour, and this again on the scale of production. Therefore, the larger capital beats the smaller" (Freedman, 1961, p.187). These competitive conditions remain a part of modern capitalism and are intrinsic to the system, and they hint at the continued relevance of the Marxian critique to understanding modern economics.

Monopoly development accelerated in the U.S. during the 1880s and 1890s because of the general anti-regulatory attitude of the federal courts during that era. Consumer protection in those years was limited as these courts protected businesses from liability judgments—ostensibly to protect capital investment in industries to allow for continued economic growth (Schwartz, 1993). Government attempts at regulatory reform of corporate giants in this period, like the Sherman Anti-Trust Act of 1890, were actually used against labor unions by the courts, which viewed worker unions as unlawful combinations that restrained trade (Cashman, 1984). State regulation of railroad shipping rates in 1886 was invalidated by the Supreme Court—on the grounds that states could not regulate state to state shipping as interstate commerce. In the *Knight* decision of 1895, the Supreme Court decided the government could not regulate a sugar company that controlled 85% of U.S. sugar production because the courts could only regulate commerce, not production (Schwartz, 1993). As a result of this anti-regulatory climate in the federal courts, concentrated corporate wealth became an entrenched part of the American economic landscape at the turn of the 20th century. Consequently, in the early years of that century, Standard Oil controlled 95% of the oil refining industry in the U.S. (Sherrill, 1999). In a similar fashion, the Fricks, Carnegies, and Morgans would dominate their respective industries during that time.

American economic history does reveal cycles of enhanced government attempts at regulatory reform. The Progressive era of the early 1900s, commonly associated with Theodore Roosevelt's zeal for trust-busting legal suits and the Clayton Anti-Trust Act passed during the Wilson Administration, does show governmental efforts at business regulation prior to the 1930's. But such activism would give way to regulatory apathy in the 1920s until New Dealers pushed for greater regulatory activity at the federal level (Badger, 1989). This federal anti-trust activity continues in the present U.S. economy, witnessed by the Justice Department's case against Microsoft. But the fact that the American government has continued, in different eras, to battle the propensity of capitalism to produce monopolies in most economic sectors implies the persistence of concentrated markets as an economic problem that continues to plague free market systems.

The acceleration of economic liberalism in international trade in the late 20th century has exposed American corporate giants like General Motors and U.S. Steel to foreign competition. But the increase in merger activity continues to concentrate industries on a global scale. Capitalism today in the U. S. is characterized by this trend in corporate concentration. It is true that the Anti-Trust Division of the U.S. Department of Justice rarely tolerates an unregulated economic sector where a pure monopoly exists[1]. But the Justice Department does accept the concentration of power among a limited number of competing capitals. For example, in 1998, there were five large groups of airline alliances that dominated the skies through agreements to sell tickets

[1] There are exceptions. Boeing in 1996 became the only large commercial jet maker in the U. S. after it bought McDonnell Douglas.

through joint marketing ("Mergers in the Mind," 1999). But such global consolidation potentially limits competition, and has led to a rise in business class airfares since alliances began developing ("One World, Few Airlines," 1998).

In tire production, Goodyear, Bridgestone, and Michelin together accounted for approximately 60% of the world market in tires in 1999. As of the spring of that year, Goodyear was poised to buy Pirelli, an Italian tire maker, while Michelin was ready to pounce on Yokohama, a Japanese firm. These mergers could lead to a decrease in price competition and encourage price fixing ("Tread Carefully," 1999).

Microsoft is often seen as a potential monopolist in the modern economy. Its dominant market position in web browsers is seen as preventing companies, such as Netscape, from entering software markets as legitimate competitors, because Microsoft has been accused of forcing computer makers to install Microsoft's software or face product retribution. The Justice Department has maintained that Microsoft may be preventing competitors from entering the market because of the dominant position of its software in that industry. Microsoft's Chairman, Bill Gates, argues that Microsoft is not acting as a monopolist ("Big Friendly Giant," 1999). But in June 2000, a U. S. District Court ruled that Microsoft had acted as one, calling for the division of the company into two parts. The court claimed that Microsoft had used its distribution control over its Windows applications to coerce PC makers and Internet providers to use Microsoft's Internet Explorer as their web browser. Microsoft has argued in court that it was not charging higher prices for its products than it would in a more competitive market, and that in a volatile market like the computer industry an advantage today can be erased rapidly by changing technology and competitor consolidation (Berinato, 1999). But some economists have argued that monopolists sometimes charge lower prices for a product in the short term to drive competitors out of business only to raise prices later, or to deter a potential competitor from entering the market ("Big Friendly Giant," 1999). In the computer industry, Microsoft dominates the web browser and software markets with its Windows applications. Netscape, Microsoft's nearest competitor in the browser market with its Navigator browser, finalized a merger of its operations with the communications giant AOL-Time Warner in March 1999 to stay competitive with Microsoft in this growing sector of the U.S. economy (Streitfeld, 2000). The Netscape-AOL combination demonstrates that, in one of the most cutting edge sectors of the "new economy," mergers are indicative of the continuing trend toward concentration, and that the near monopoly status of Microsoft's Windows software shows how Marx's view of capitalism's tendency toward concentration and monopoly might remain relevant in the 21st century.

Merger activity in the United States during the 1990s is at record levels, worth $957 billion in market capitalization in 1997, up from $138 billion only six years before ("America Bubbles Over," 1998). The oil companies, Exxon and Mobil, coupled in 1998. Citicorp and Travelers, powerful banking and insurance concerns, also merged that year. The Glass-Steagall Act of 1933, which forbade insurance companies from owning banks, was overturned by the U.S. Congress—allowing the Citicorp deal to be made official. The joining of telephone service giants Bell Atlantic and GTE meant that in 1998 these companies controlled the phone lines of one in three international calls

("So the Elephants Danced," 1998). This trend toward corporate concentration is further seen in the acquisition of TWA by American Airlines in 2001. This action, which was approved by the U.S. Justice Department in March of that year, created an airline that will fly one in four U.S. passengers. Such consolidation, coupled with the pending merger of United and US Airways, will create two airline giants that will fly nearly fifty percent of all passenger miles in the United States (Swoboda, 2001).

In the automobile industry, six firms control over 70% of the cars produced worldwide. Between 1997 and 2000, Mercedes swallowed Chrysler, while Renault acquired Nissan. Ford, General Motors, and Volkswagen also digested smaller companies ("Road Rage," 2000). Concentration of wealth in the automobile industry is a result of the pressures of accumulation. The fixed costs of developing and manufacturing cars mean that high volume sales are necessary to turn profits ("Mercedes Goes to Motown," 1998). Such logic is enmeshed with Marx's understanding of consolidation as an inevitable part of capitalist development. Marx wrote in Capital (1867/1967) how "Centralization supplements the work of accumulation, by enabling the industrial capitalists to expand the scale of their operations" (Freedman, 1961, p.189). Under such conditions, for Ford Motor Company to maximize profits, it must sell as many cars at prices that take away market share from competitors.

Though Marx was wrong about concentrated capital creating the atmosphere that would lead to socialist revolution in the 19th century, his point on the tendency of free markets leading to business consolidation might still be germane to modern capitalism.

This is because large corporations dominate each sector of the American economy and rely on mass consumption to forestall crises.

Marx developed theories on how capitalism had the effect of creating and exacerbating wealth inequality between rich and poor. In American economic history, there have been decades like the 1920s when income gaps between the richest and poorest of Americans widened—while decades like the 1930s saw heavy income and inheritance taxes reduce income inequality (Samuelson, 1948). But recent economic history in the United States lends credence to the idea that income inequality is increasing in the modern economic environment. The U.S. economy experienced uninterrupted growth from 1992 through the summer of 2000. Measures of unemployment, inflation, housing starts, and consumer confidence outlined an unprecedented economic prosperity. But throughout the boom, the income level of the American population became increasing ill distributed. In fact, incomes of the richest fifth of American families increased each year between 1980 and 1996, while the share of national income for the bottom fifth of American families plummeted by over 20% during the same period (U.S. Department of Commerce, 1998). Additionally, the middle 60% of American families, over the same time period, witnessed a small decline in aggregate income.

What explains the increasing income disparities? Economists disagree. Some argue that a loss of manufacturing jobs is hurting the income potential of blue-collar workers. Others posit that the weakening of labor unions contributes to wage inequality. Skill deficiencies of low income Americans, in an increasingly automated age, is seen as another cause. Globalization and the movement toward free trade have created further job loss by sending manufacturing plants overseas, exacerbating the downward pressure on wages as a structural part of today's economy.

The Marxian critique of capitalism maintains that maldistributed wealth is an inevitable part of capitalist development. Marx argued in Capital (1867/1967) that the 19th century industrial revolution lowered the standard of living of manufacturing workers, subjecting them to increasing misery and exploitation. On the subject of exploitation and increasing income disparities between rich and poor, the case can be made that Marx was correct. But the history of economic growth has proven Marx wrong about decreasing living standards—if measured in terms of income as the barometer of high living standards. On these issues, Marxist historians disagree about what Marx meant by "misery." Did Marx mean that the workers' power to buy goods and services would decrease as a result of industrial capitalism? Or was Marx pointing out that an industrial worker's actual percentage share of a rising national income would continue to get smaller? The second argument, the one of immiseration as a component of capitalist development, might still be relevant to modern capitalism in view of recent wage and income trends. Written between 1861 and 1863, Marx's Theories of Surplus Value (1905-1910/1971) praised the classical economist David Ricardo for analyzing relative wages. Ricardo discussed how the position of classes in relation to each other is measured by proportion of wages, rather than absolute wages. Such wage differentials can perpetuate class division through social relationships. For example, in 1998 U. S. wages climbed 3.5%, giving each worker making $40,000, an extra $1,400. But the average income hike of a typical CEO increased $79,253.00 as a result (Mokhiber & Weissman, 1999). Thus, all tangibly benefit from economic growth, but those gaining a larger share of the increased wealth can shop at expensive boutiques, occupy larger homes, and have greater access to costly health care services. Those earning more in lower income groups suffer disproportionately from inflation, shop at discount outlets, pay rising rents, and endure rate hikes on insurance premiums that take up a larger proportion of their income than it does for wealthy Americans.

Increasing maldistribution of wealth divides society increasingly into what Edward Luttwak (1999) has called a modern "upstairs downstairs" society reminiscent of the Victorian Age. Marx wrote that "our wants and their satisfaction have their origin in society; we therefore measure them in their relation to society, and not in relation to the objects which satisfy them" (Freedman, 1961, p.71). This is the Marxian doctrine of immiseration that may still have significance in the 21st century—as increasing social stratification in modern capitalism might accelerate as a result of increasing maldistribution of wealth.

In the Marxian analysis, wage levels are directly tied to a firm's level of capital accumulation. Shortages of labor lead to wage increases, which can also create an upward growth in population during prosperous times. But because capitalist competition entails cost cutting and the introduction of labor saving technology, the position of the wage laborer is inexorably weakened in Marx's view. An "industrial reserve army" of surplus labor is created during recessions, driving wages further downward. These economic crises weaken the power of unions, eroding their bargaining positions. (Marx, 1867/1967).

The Marxian critique of capitalism views wage inequality as an unavoidable element of capitalism's laws of motion. The modern evidence of increasing maldistribution of national wealth supports this logic. Russell Mokhiber and Robert Weissman (1999) have analyzed the growth of corporate wealth, indicating that 90% of stock gains went to the wealthiest 10% of American households. The debate over the causes of income maldistribution rage as this cleavage widens each year. Immigration to the U. S. by unskilled workers is often cited as a cause. The new faces on the labor market increase competition for the smaller number of manufacturing jobs that remain in the U. S. (Camarota & Krikorian, 1999). In a study conducted for the U.S. Congress in 1997 by the National Academy of Sciences that gauged how immigration affects the U.S. workplace, the findings revealed that immigrants cut the wages of Americans with high school diplomas as their highest educational attainment by 3% ("Who Gains?" 2000).

The idea of immigrant labor exacerbating wealth inequality under capitalism is not a part of the Marxian critique. Writing in the late 19th century, Marx's analysis didn't address the potential for the massive economic migrations of the 20th century. But the drive to weaken labor unions by capitalists to increase profits was part of the Marxian equation. The causes of recent declines in the percentages of unionized workers may show the Marxian analysis to be fruitful in explaining these trends. By 1997, fewer than 15% of American workers were members of registered labor unions in the U. S. (U.S.

Department of Commerce, 1998). Employees represented by unions in Canada stood at 18% in 1998—down 3% from 1997 (Janigan, Harries, Atherley, Branswell, & Demont, 2000). The decline in labor union membership in the U. S. is due, in part, to the loss of manufacturing jobs domestically. By 1994, only 21% of American laborers worked in manufacturing jobs (Lee, 1996). But even when labor unions do win concessions from employers, as they did with the U. P. S. and Verizon strikes in 1997 and 2000 respectively, the economic gains made by laborers do not match those garnered by employers. Writing about the U.P.S. strike in 1997, Robert Reich (1997) showed how the U. P. S. strikers did receive raises. But the company had doubled its profits between 1993 and 1997, while the starting pay for part-time drivers had not increased in 15 years.

The effectiveness of labor unions as a negotiating instrument has been weakened by the process of globalization. Fear that a company may move its operations to China or Mexico if domestic workers make financial and workplace demands attenuates the power of labor organization. A powerful example of this scenario is demonstrated by the behavior of a Taiwanese company, Chentex, which produces jeans in Nicaragua. Chentex workers make jeans for the U.S. export market—sending the finished products to J. C. Penney, Kohl's, and Wal-Mart. Chentex's unionized workers earned the equivalent of twenty cents per hour for their labor, while the firm made a 29% operating profit in 1999. Chentex had agreed to build an industrial park in the Nicaraguan city of León, but meant to break its labor union as a precondition to doing so (Ross & Kernaghan, 2000). Chentex informed the Nicaraguan Ministry of Labor that it would abandon the industrial park project and pull its factories out of Nicaragua if it could not prosecute its union members for work stoppages, demonstrating the methods used by management to attenuate labor union strength.

Access to global markets has increased the profit margins of many multinational corporations and export industries, but large numbers of Americans remain apprehensive about the impact of free trade on the American economy. A December 1998 Wall Street Journal/NBC News poll found 58% of Americans suggesting that the North American Free Trade Agreement (NAFTA) with Canada and Mexico had been bad for the U. S (Wallach & Sforza, 1999). This general climate of fear exists in part because wage inequality and job losses are attributed to the process of globalization. Americans watched as venerable companies like Levi Strauss closed eleven factories in the U. S and laid off 5,900 employees in 1999, moving parts of their production to Mexico to cut labor costs (Sheets, 1999). This drive for efficiency, to keep pace with competitors, and avoid falling rates of profit, was the process Marx delineated as part of capitalism's laws of motion.

Factory relocations do not only hurt those losing jobs. They decrease the power of unions to negotiate pay increases for remaining laborers. Companies can threaten to move to non-union areas if union demands are deemed excessive (Walton, 1983). Public Citizen reported in 1999 that government statistics showed a net loss of over 214,000 jobs as a result of NAFTA (Wallach & Sforza, 1999). Such downward pressure on wages contributes to the decline in union membership among American workers, which dropped from 20.1% in 1983 to 14.1% in 1997 (U.S. Department of Commerce, 1998). Unions have traditionally reduced income inequality by standardizing pay rates in an industry. The threat of unionization often forces non-union firms to maintain or increase wage rates to prevent union organizing among their own workers (Branchflower & Slaughter, 1999). In this vein, recent studies on labor organization in Canada have shown that unionized workers presently earn two and a half times more in salary than non-unionized workers (Janigan et al., 2000). As globalization proceeds, such barriers against domestic wage loss and increasing maldistribution of wealth are disappearing in the 21st century.

There are economists who maintain that it is not free trade that is causing wage inequality, but instead that deregulation, an anti-union climate, immigrant labor, and women's employment are having a greater effect on wage decline (Lee, 1996). For Reich (1991), an unskilled workforce that has not adapted to the changing economy heightens maldistributed wealth in modern economies. Other economists see outsourcing and technological change as the primary reasons for worker displacement (Feenstra & Hanson, 1996). While neoclassical economists stress exogenous causes for maldistribution of wealth, the Marxian analysis conversely points toward the interconnectedness of economic events and endogenous causes for economic problems (Wolff & Resnick, 1987). Globalization, de-unionization, and technological innovation are all seen as linked, from the Marxian perspective, in causing wage decline.

Declining faith in regulated competition in America is also posited as a contributing factor toward wage inequality. Keynesian economists see government intervention in the economy as necessary to establish ground rules for corporate behavior and to ensure consumer protection (Kuttner, 1996). But conventional wisdom today holds that the U. S. economy is over regulated—hindering economic growth. In this climate, governments are wary of raising corporate taxes or proposing new regulations on behalf of consumers, fearing corporate threats to relocate manufacturing plants to foreign centers of production (Lee, 1996).

In his book, The Work of Nations (1991), Robert Reich, a Secretary of Labor in the Clinton Administration, maintains that the new economy will be dominated by "symbolic analysts," his term for people who provide society with innovation and ideas. The rest of the American workforce, he posits, will be stuck working low paid service and manufacturing jobs. Here we have the development of what Reich (1997) has dubbed the "skyworkers-groundworkers" society, in which the rich isolate themselves in penthouse office towers and stadium sky boxes while the rest of society works on the ground. The high-tech divide that Reich describes perpetuates wage inequality, as the scarcity of skilled workers in fields like computer programming bid up programmer's salaries while the undereducated slip farther behind in the hierarchy of the new economy (Krueger, 1993). Marx discussed in a similar scenario in Capital (1867/1967), where a scarcity of skilled workers could drive up wages for that segment of the working population, squeezing the profits of capitalists. In the modern technology industry, employers have retaliated against this kind of labor environment by getting Congress to increase the number of entry visas for foreign workers seeking U.S. high technology jobs from 65,000 to 115,000 in 1998, (Katayama & Kinney, 1998). Private firms demanded these changes, maintaining that there were not enough Americans with the necessary skills to fill the skilled positions. Workers from India have reported that as holders of such visas, they are paid less than employees previously hired—lending support to the idea that high tech immigrant labor is serving to depress wages for American skilled laborers (Puzzanghera, 2000).

As women today make up a large part of the workforce (a trend statistically accelerating since the 1960s), male wages have declined (Fishlow & Parker 1999). Marx commented on this trend, associating it with discussions on child labor practices in England, which further drove down the workman's salary. As women and children worked, capitalists were freed to pay a family of four workers the subsistence wage previously reserved for the male breadwinner (Marx, 1867/1967). Essentially, women and children became a labor reserve army, driving down wages.

Labor saving machinery, from the Marxian perspective, is introduced into production and service applications to create greater efficiency and increase accumulation for capitalist firms. Marx would have viewed devices such as automated answering services that replace telephone operators and ATM terminals that reduce the need for bank tellers, as ways to reduce the payroll. This displacement of workers by technology (which is called "downsizing" in today's parlance) can increase the size of the labor reserve army. As labor saving machinery is introduced, the Marxian critique maintains that workers keeping their jobs will be paid less, because of the downward pressure on wage levels due to enhanced labor competition. Capitalists can force workers to increase their efficiency, work overtime, or risk being thrown out of work. This was the one of the motivating issues in a recent strike by Verizon wireless, a mega-merger combination of GTE and Bell Atlantic in the telecommunications industry.

Customer service representatives had regularly worked eight-hour days, but their schedules were often extended to twelve-hour days with compulsory overtime. The agreement that ended the strike provided for limits on mandatory overtime ("On the Line at Verizon," 2000).

The overpopulation of educated laborers allows colleges to hire part-time adjunct faculty at pay rates lower than those received by full time faculty for teaching identical classes. These adjuncts rarely obtain benefits packages, and sell their labor on a short-term semester contract basis. The colleges, in a position of negotiating strength due to their awareness of an extensive underemployed labor pool of academics, offer adjuncts minimal pay for their services. These realities on campus point toward the increasing use of adjunct faculty in the classroom in lieu of full time instructors at colleges and universities, leading Garry Trudeau to create a series of *Doonesbury* comic strips (Figure 2, p.50) criticizing this direction in academia. Adjunct hiring at colleges and universities is increasing. A 1995 study by the National Center for Education Statistics indicated that, at public two-year colleges, 55% of all instructional staff were adjunct professors (Maitland, 1995). This reserve army of educators, acting as a downward pressure on wages for full-time faculty, lends credence to the perception that the Marxian conception of the labor reserve army can help explain how capitalism works today. Marxian analysis, would lead to the concentration of wealth among a few producers, a process that would lead to societal wealth becoming further maldistributed (Heilbroner, 1980). But if Marx thought capitalism was characterized by crises and inevitably doomed, why does modern capitalism continue to prosper over time—even as

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Figure 2. *Doonesbury* cartoons (1996, September 9-13) satirizing adjunct faculty hiring and its downward pressure on wages.

wage inequalities increase each year? The answer, in part, lies in the access of Americans to credit. Credit card debt nearly doubled between 1990 and 1997, to $560 billion, while outstanding mortgage debt was at an all time high in 1997 (U.S. Department of Commerce, 1998). Credit access allows consumers to spend while stimulating demand with their purchases, fueling economic growth. But in paying back principal, interest, and fees on charge cards and fixed rate mortgages, consumers are contributing to the expansion of wealth inequities as bankers get back their loans with compounded interest. Marx wrote in Capital (1894/1967) about how the credit system exacerbated concentration of wealth and furthered income inequality:

> . . .the credit system sneaks in as a modest helper of accumulation and draws by invisible threads the money resources scattered all over the surface of society into the hands of individual and associated capitalists. But soon it becomes a new and formidable weapon in the competitive struggle, and finally it transforms itself into an immense social mechanism for the centralisaton of capitals. (Freedman, 1961, p.188).

The credit system allowed for increased accumulation as a reprieve from crisis and recession, while increasing inequalities in capitalist societies. This Marxian logic might help students of capitalism understand the role credit plays in free market systems.

Marx wrote about numerous causes for crises, explaining how each would contribute to the inexorable destruction of capitalism. Though Marx was mistaken in his assumption concerning capitalism's demise, economic crises did persist as a structural part of free market systems as capitalism concentrated wealth in the mid to late 19th century. In both Capital (1867/1967) and Theories of Surplus Value (1905-1910/1971), he wrote about the causes of crisis, which included overproduction, underconsumption, disproportions in production, and falling rates of profit as being causes for economic downturns. Marxist scholars have debated about the reasons for economic recessions for more than a century, attempting to pin down which cause Marx favored most. What is consensual is that Marx felt increased concentration of wealth was due to the intense competition that lessened capitalist profits. The Marxian framework outlined how periodic crises destroyed small firms that did not have the savings to stay in business and absorb losses. As contributing factors, labor saving machinery lessened the number of employees who could be squeezed through wage reductions and efficiency efforts to increase profits. Small firms, driven out of business, threw residual workers into the proletariat, creating a profit realization problem, as unemployed people could not buy consumer products. As Marx pointed in the third volume of Capital (1894/1967), society could not consume what it had produced.

Crises in capitalism failed to destroy the system, but periodic crises have shown themselves to be endemic to free markets. How have capitalists emerged from recessions and maintained healthy rates of profit? The answer, in part, lies in capitalism allowing for the creative energies of the individual to flourish. Marx erred in thinking that capitalism would run out of profit-making opportunities, and that incomes of firms would stagnate due to automation and overproduction of commodities. Capitalism encourages innovation and spurs demand by creating new commodities—from steel and plastics to compact discs and laptop computers. Using this logic, Robert Heilbroner (1989) posited that capitalism running out of opportunities was implausible. New ideas brought to the market spark economic growth, but the Marxian analysis of capitalism asks if societies have the consumption power to continually absorb the commodities. Marx answered in the negative, holding that periodic crises were an inevitable part of capitalism. Gérard Duménil and Dominique Lévy (1998) showed how U.S. companies averted falling profits since 1865, avoiding the permanent crisis development Marx had outlined. They posit that managerial capitalism, which increased the efficiency of firms, allowed them to maintain profit levels. This form of capitalism is characterized by a more effective use of labor under a new class of managers who included accountants and clerical personnel. These new efficiency workers developed into an administrative class. Duménil and Lévy maintained, by studying trends in profit decline in the U.S. since 1865, that the move toward efficiency was a direct response to the falling rate of profit under capitalism, and concluded that managerialism averted crises to save capitalism from demise.

Increased efficiency gains by capitalist firms between 1992 and 2000 helped the U.S. economy forestall crises, allowing for unprecedented economic growth during those years. From 1996 to 1999, the Federal Reserve found that labor productivity in the U.S. increased 2% each year. These numbers doubled the increases of roughly 1% seen each year between 1933 and 1995 (Cassidy, 1999). Productivity helps businesses to offset wage increases as their unit costs are lessened, allowing them to maintain profits while paying workers more. These factors stimulate demand while increased production assists in keeping inflation in check—factors that helped the U.S. economy avert recession in the 1990s.

Marx was also concerned with the productivity idea as vital to free market dynamism. He maintained that employers would squeeze productivity gains out of the remaining laborers not displaced by automation. Marx (1867/1967) called this process the "intensification of labour." Forcing Verizon employees to work overtime to maximizing their productivity in the 21st century is similar to the prolongation of the working day for factory workers in the 19th century.

Though Marx thought capitalism would eventually fail, he pointed to ways other than increasing efficiency in which capitalism could survive. Marx thought that capitalists could avert falling profit rates by depressing wages to subsistence levels, because increasing automation and the labor reserve army made it possible. But Marx wrote in Capital (1894/1967) how crises could be averted by an increase in foreign trade. Foreign markets provide an outlet for a firm's surplus production. This not only increased accumulation, but also spurred consumption at home as laborers maintained their purchasing power. This theme was pushed further by J.A. Hobson (1902) in his critique of European imperialism after Marx's death. Hobson demonstrated how European governments promoted imperialistic policies of controlling foreign nations through military domination, colonial administration, and the capture of their markets to alleviate the domestic problems of overproduction and under-consumption in European home markets. Hobson had, in effect, followed Marx's view that capitalists avoided falling rates of profit by engaging in foreign trade.

In today's environment, the need of capitalists to have a constantly expanding market for their products to avert crises is nowhere more prescient than in today's environment of global economic interdependence. Increasing international trade has stimulated economic growth in Asia, but it has also led to increasing exploitation of the Third World by industrialized nations, and perpetuated the economic imbalance between wealthy and underdeveloped regions. Richard Longworth, in Global Squeeze: The Coming Crisis of First World Nations (1998), defined the process of globalization as one in which economies of individual nations become tied to world markets, while these markets become increasingly deregulated and open to international trade. Marx had already described this process in The Communist Manifesto (1848/1998): "In the place of old local, and national seclusion and self sufficiency, we have intercourse in every direction, universal interdependence of nations" (p.39). Today's liberal promoters of globalization, as Adam Smith did in The Wealth of Nations (1776/1976), stress the benefits accrued to societies by increased economic growth. Marx would have stressed the exploitation of underdeveloped nations that accompanied the process. The perceived process of exploitation of Third World nations gave rise to Dependency Theory as a Marxian inspired critique of global development. This theory maintains that in the international system, Third World nations are relegated to being raw material producers for industrialized nations. More recently, developing nations have provided cheap rent and labor for the factories of multinational corporations. Though the decolonization process occurred in the 20th century, dependency theory maintains that a type of neocolonialism remains, based on economic dominance of the developing world, in lieu of direct political and military control being exercised by formal colonial powers (Walleri, 1978). Such theories of unequal exchange, presented by economists like A. Emmanuel (1972) and Samir Amin (1976), argue that international trade continues to mire poor nations in poverty while perpetuating the economic superiority of rich countries. Modern multinational corporations, from this viewpoint, are interested in economic growth for dependent countries only if they see a market for their own products there (Peet, 1999).

Dependency theorists are critical of the International Monetary Fund (IMF) because they see the organization acting as a perpetuator of global inequality. The IMF acts as the major conduit of the international credit system. Its critics often argue that the organization promotes international exploitation through its loan procedures for developing nations. For nations to qualify for IMF loans, they must tighten their monetary policies by increasing interest rates, reduce government spending to increase debt repayment, sell state assets to private enterprises, and remove tariffs and regulatory restrictions on foreign banks and businesses (Hahnel, 1999). Only when governments agree to implement these structural adjustments will the IMF provide loans to service existing debts, restructure debt owed to private lenders, or pledge new loans. If applicants refuse these terms, they are not given access to credit. In 1985, the President of Peru refused to dedicate 10% of the value of Peruvian exports toward debt repayment, as his government wished to use those funds for domestic development. As a consequence, Peru was denied international loans to finance their export industries, and the World Bank shut down development projects in that nation.

When developing nations do secure loans to finance domestic development, they often remain stuck in debt repayment plans. This process compounds interest payments on existing debt. Payments they do make filter their way back to wealthy financial groups in the developed world. A sampling of world debt service ratios (which measure debt service payments as a percentage of exports) show that Argentina, Ethiopia, and Pakistan in 1996 owed 44%, 42%, and 27% of their export values as debt service payments respectively (U.S. Department of Commerce, 1999). Nations that do escape from debt payment cycles are predominantly in Asia, where large amounts of private capital have been invested. But most under-developed regions remain stuck in financial chaos perpetuated in part by loan practices encouraged by banks in developed nations and international lending institutions. Dependency theorists, following the Marxian critique, argue that sustained under development preserves exploitative conditions in the developing world to maintain healthy rates of capital accumulation for wealthy nations.

The continued relevance of the Marxist critique of capitalism is illuminated by the mechanisms of dependency and underdevelopment that arguably remain intrinsic parts of the neo-liberal international system. Studies by Richard Peet (1991) and those of Anne Colamosca and William Wolman (1997) seek to prove this point by demonstrating that most U. S. international aid goes to semi-developed states (primarily in Asia) rather than regions in the most dire need like sub-Saharan Africa. An estimated two million people per year die of AIDS related illnesses in Africa (Sachs, 2000). Malaria and tuberculosis, diseases in which there are known cures, killed 6.1 million people in 1998. Such health perils primarily ravage undeveloped nations. Only 1% of new medicines brought to the market by multinational pharmaceutical companies between 1975 and 1997 were designed to treat tropical diseases, while U. S. companies spend lavishly to research lifestyle drugs that cure toenail fungus, remedy baldness, and prevent impotence in aging men (Silverstein, 1999). Merck's research and development budget in 1999 was $2.1

billion, as the World Bank granted a mere $10 million to tropical health research (Sachs, 2000).

Concomitantly, Albert Fishlow and Karen Parker (1999) warn that unequal wage distribution creates risks of a backlash against globalization and its ethic of free trade. They point out that globalization is perceived by the general public as a reason for falling wages and job insecurity. In this vein, globalization might contribute to the growth of nationalism, as economic instability created by free markets could manifest itself in nationalist movements that favor protectionist policies. Groups marginalized today, such as German neo-Nazis, Mexican Zapatistas, Russian Communists, and the anti-Arab National Front in France might gain increased social support as a backlash against globalization if the world economy falters. George Soros (1998) has written that more indigenous political movements will develop in response to the economic dislocation created by global capitalism. Such movements, Soros surmises, will seek to destroy liberalism and expropriate multinational corporations.

Hostility to modern capitalism is not limited to the unemployed and poor. Workers well placed in the new economy can develop intellectual hostility to a system, feeling they have become merely cogs in a machine, that their labor power is under appreciated—bought and sold as a form of commodity. This sense of workplace alienation is intrinsic to Marx's analysis of how capitalism works. In The Communist Manifesto (1848/1998), Marx wrote how bourgeois capitalism "has left remaining no other nexus between man and man than naked self-interest, than callous 'cash payment' " (p.37). Marx (1867/1967) saw capitalism as characterized by commodity fetishism, that social relations were dominated by the exchange of commodities between buyer and seller. These "invisible social relationships" create a market for everything—including labor power. The massive increase in productive capacity brought on by industrial capitalism developed a broader and more impersonal labor market, replacing the traditional one characterized by the man-apprentice relationship (Heilbroner, 1980).

Adam Smith had written about the repercussions of alienation in the workplace before Marx delved into the subject. Smith argued in The Wealth of Nations (1776/1976) that improving productivity through the division of labor would improve the material well being of society by increasing the supply of consumer goods. But the idea of a man making pins all day long troubled the classical economist. He feared the dejection of the human spirit among workers due to boredom, as efficient methods of production replaced the traditional apprentice-trade relationship between workers and their labor.

To combat these social changes, Smith called for governments to support educational programs to assist workers in combating the tediousness of repetitive task work that stemmed from the division of labor. He also stressed the importance of education to encourage upward mobility. Marx broadened Smith's conception of alienation, maintaining that workers traded the dependency of apprentice relationships for impersonal reliance on market conditions, monotonous employment, and the structural dangers of economic crisis and job insecurity that characterized rapidly changing markets. Capitalism, from this Marxian perspective, had created workers alienated from their labor.

It cannot be denied that Smith's ideas on the division of labor did create an environment that fostered the generation of wealth, allowed for industrialization, and helped expand the middle classes. But the increase in leisure time for workers that paralleled the evolution of the middle class in the past century led to the formation of a social group with the opportunities, education, and restlessness to question the moral basis of free market systems. The economist Joseph Schumpeter has posited that these social changes created groups of people willing to turn against their own creation. He pointed out in Capitalism, Socialism and Democracy (1947/1976) how "secular improvement taken for granted and coupled with individual insecurity that is acutely resented is of course the best recipe for breeding social unrest" (p.145). If capitalism, in Schumpeter's logic, laid the groundwork for its own destruction by fostering intellectualism, the existence of a small but vociferous anarchist movement in an America experiencing unparalleled economic growth in the 1990s supports his idea. Smashing bank windows and attacking outlet malls to protest globalization, anarchists see violence as justified to draw attention to a capitalism they see as exploiting the Third World, glorifying consumerism, and allowing environmental devastation (Murphy, 1999).

The Marxian critique of capitalism might continue to be important today to explain the reasons for maldistribution of wealth, economic instability, the tendency of capitalism toward monopoly, and industrial concentration. But Marx's understanding of capitalism was far from infallible. Showing a limited knowledge of microeconomic theory, Marx followed the labor theory of value supported by Smith and Ricardo. This theory holds that the value of a commodity is based on the amount of human labor required to produce it (Black, 1997). It discounts many factors that shape the value of labor power and commodities. For example, the Austrian economist Friedrich Hayek maintained that this labor theory ignores the principle of scarcity as a factor shaping value. This is because changes in supplies can affect the price of goods and the demand for employment (Hishiyama & Leube, 1984). Furthermore this labor theory of the classical economists freely adopted by Marx ignores technical expertise, managerial ability, and the impact of demand as effects on a product's value (Freedman, 1961; Hodgson, 1991; Heilbroner, 1992). Marx did not anticipate the ideas of Marginalist thought in his analysis. The Marginalists, which include the English economists W.S. Jevons (1879/1965) and Alfred Marshall (1890/1961), promoted the theory of marginal utility, which holds that as more of a product is had, its utility goes down for the consumer. These decreasing returns are a major determinant of price and wage in market economies—not just the labor that goes into the production of a particular good.

Marx (1867/1967) witnessed urban poverty as a major problem in the industrialized world of 19th century England. This led him to write about what he thought was the increasing misery of the proletariat, postulating that the quality of life for workingmen would continue to get worse as a result of capitalism. But history has shown that living standards of workers increased during the 19th and early 20th centuries. After the Great Depression, living standards would increase rapidly in most of the industrialized world. Wages increased, consumption rose, food prices dropped, disposable income increased, and personal incomes multiplied ten times in England since the Industrial Revolution (Samuelson, 1948; Smith, 1999).

Marx's gravedigger theory of capitalism presented in The Communist Manifesto (1848/1998) briefly outlined his view of capitalism's laws of motion and the inherent contradictions that would bring about its collapse. But capitalism has yet to collapse 150 years later, showing how Marx never appreciated the principle of uncertainty in economics (Hodgson, 1991). Marx held tenaciously to the idea of the scientific inevitability of capitalism's demise as a dialectical stage of history. But his prediction has not come to fruition in part because social welfare spending by governments during recession and depression, coupled by government regulation of the worst abuses of capitalism, may have staved off revolution (Buchholz, 1999).

Marx was correct that market saturation would periodically mire capitalism in crises of underconsumption. But he can be faulted for failing to see that new ideas and inventions created outlets for economic growth—consistently saving capitalism from stagnation (Heilbroner, 1989). The process that Schumpeter (1947/1976) called "creative destruction," where innovatory ideas and new technologies would eliminate old industries but spur new economic development, is a force that drives capitalist growth. Methods of increasing efficiency, such as Taylorism and the managerial revolution, averted economic crises of falling profit (Duménil & Lévy, 1998). Alfred Marshall (1890/1961) described the process in which these productivity enhancements lower the unit costs and exchange values of commodities, allowing for reduced consumer prices and increased capital accumulation. These processes of mechanization and the ensuing increase in the volume of manufactured goods lead to falling prices, stimulated demand, and mass consumption as industrial goods become more affordable—factors that limit the danger of capitalist crisis prophesized by Marx.

Marx viewed the behavior of capitalists as entirely rigid. He did not accept that they would compromise by accepting government regulations, cohabit with socialist parties in the political arena, or give recognition to unions by accepting the principle of collective bargaining. Marx saw government as a purely reactionary force that would always side with bourgeois industrialists against the interests of laborers. Twentieth century events proved him wrong. In the 1930s, when crises of demand and overproduction hit the major industrial economies, the English economist John Maynard Keynes (1936/1964) saw government fiscal policy as the key to stimulate overall demand in stagnant economies. Government spending, Keynes felt, could save capitalism until private investment and consumer purchasing power once again reached equilibrium. Marx (1848/1998) held that governments would always act as class instruments of the bourgeoisie in alliance with capitalists against the interests of the worker. But Socialists gained power in France in the 1930s, instituting the forty-hour workweek, introducing paid vacations for employees, and nationalizing the Bank of France. They introduced collective bargaining and compulsory arbitration of labor disputes—all without a revolutionary seizure of power or a dictatorship of the proletariat (Wright, 1995). Capitalists did often make important concessions, instead of dogmatically opposing labor reform as Marx thought they would.

Marx failed to appreciate the force of nationalism as a factor that would attenuate the class divisions he thought were based primarily on economic factors. Marx insisted in The Communist Manifesto (1848/1998) how "working men have no country . . . national differences, and antagonisms between peoples, are daily more and more vanishing..." (p.58). On those points, Marx has also been shown incorrect by modern history. Nationalism drove nations to embrace wholesale slaughter in the First World War, as citizens succumbed to feelings of patriotism that proved to be stronger than internationalist cooperation in 1914 (Joll, 1994). The dissolution of the Soviet Union in 1991 was caused, in part, by national movements desiring independence. When *Glastnost* allowed for more freedom of expression in the Gorbachev era, national feeling in Soviet republics like Georgia, Lithuania, and the Ukraine exploded as nationalist movements in these and other republics sought self-determination. Nationalism provided separatists in the republics with a worldview that promised freedom from Russian dominance of the confederation—which overcame Marxian notions of international labor fraternity (Suny, 1998). Similar feelings of nationalism may serve as a reactionary force to modern globalization and its ethic of economic interdependence, free trade, and the breakdown of national boundaries (Yaghmaian, 1998).

In his economic analysis of capitalism, Marx borrowed theories from the classical economists Smith, Ricardo, and Malthus, incorporating their insights into his explanations about how free markets work. Marx argued intelligently that their conceptions of free competition would lead toward concentrated wealth. But Marx ignored what may have been the cardinal contribution of their work to economic science—that of the merits of competition in enhancing economic development (Hayek, 1948/1980). At the root of classical economics is the idea that competitive markets create efficiency by providing information about demand for commodities—as firms have incentive to get products to the market quickly that consumers want before their competition does (Lavoie, 1985). This stimulus, which creates efficient markets, is not considered by Marx as a social benefit. This is because he concentrates on inequality, exploitation, and dialectical patterns of capitalist development in his analysis.

The evidence presented above demonstrates that the Marxian analysis of capitalism includes some unsupportable economic positions and ignores other important ideas that demonstrate the advantages of market systems. It is the responsibility of the college professor to address these points with students when discussing Marxian economics. But major aspects of the Marxian analysis of capitalism might still provide a workable framework to study how free markets operate—from a perspective that is more critical of the negative manifestations of the system than the classical model is. Even though he is an economist highly critical of Marxian theories, Samuelson (1967) did not rebuke Marx for errors of judgment: "Who can blame someone for not having predicted in 1867 the successful development of the mixed economy, in view of the fact that so astute a philosopher as Joseph Schumpeter managed to miss foreseeing it as late as 1947?" (p.623).

Radical political economists have taken Samuelson to heart. Being critical of untenable positions like the labor theory of value and the falling rate of profit under capitalism, they continue to use Marxian ideas that they feel are crucial to understanding modern capitalism (Feiner, 1992). Radicals see Marxian economics as a methodology that illuminates the issues of exploitation, inequality, and poverty as structural problems of capitalism, but without treating Marxism as revealed truth (Sherman, 1995). Such an approach is crucial to gauging the potential usefulness of Marx's ideas in understanding modern economics.

II

This section of chapter 2 introduces the reader to some authors and movements since Marx's death in 1883 that have kept the Marxian analysis of capitalism relevant as a method of explaining contemporary economic events. These writers have assisted in keeping Marxism intellectually alive for the 20th century. Some of these writers, including Rudolf Hilferding and Paul Sweezy, developed penetrating ideas about finance and monopoly capitalism that used Marxian logic as a foundation for their analyses. Further currents in intellectual thought that have enriched the Marxian economic critique of capitalism for the late 19th and 20th centuries include Revisionism, Leninism, and Fordism. These movements are presented, along with the ideas of a select group of contemporary Marxian economists who have recently studied issues such as wage inequality, exploitation, and the persistence of economic crises in free market systems to posit the continuing importance of the Marxist critique.

Frederick Engels, Marx's colleague and co-author to some of his works, is largely responsible for keeping Marx's ideas alive after his death in 1883. The son of a wealthy textile manufacturer, Engels co-authored The Communist Manifesto (1848/1998) with

Marx. He was a prolific writer in his own right, penning The Condition of the Working Classes in England in 1844 (1845/1993), which served as an indictment of working conditions in Manchester by detailing the social abuses attributed to industrialization. Engels also wrote Socialism: Utopian and Scientific (1878/1935), which defended Marx's ideas on economic determinism, historical materialism, and how capitalism would create the conditions for an eventual transition to socialism. Still, Engels never hesitated to acknowledge Marx as his intellectual mentor. His importance to posterity is as editor and publisher of Marx's papers and manuscripts—and that as his benefactor and primary source of economic support, Engels allowed Marx to continue writing (Fried & Sanders, 1992). Engels edited and published Marx's unfinished manuscripts, while making public his writings and correspondences not available during the author's lifetime. Engels published and edited Volumes Two and Three of Capital in 1885 and 1894 respectively—bringing out the first English edition of Volume One in 1887.

After Marx's death, there were socialist authors who adopted Marx's ideas of historical materialism and critique of capitalism, but eliminated what they considered the weaknesses of his arguments concerning capitalist development. Arguably the most prominent of this group was Eduard Bernstein. A pioneer of Marxist Revisionism, Bernstein maintained that the famed Marxian "laws of motion" were not concrete laws—that capitalism had been characterized in the 19th century by the persistence of small businesses despite increasing concentration of wealth.

In Evolutionary Socialism (1899/1961), Bernstein denied that capitalism was crisis ridden. The free market system he saw was characterized by small business growth, and society had not become polarized by class conflict. Furthermore, misery had not increased and more people were becoming middle class property owners in the late 19th century (Eatwell, Milgate, & Newman, 1990).

Orthodox Marxists attacked Bernstein's revisionism as heretical deviations from Marx's conception of capitalist development (Fried and Sanders, 1992). This stemmed from the fact that Evolutionary Socialism (1899/1961) posited that developing socialism in Europe could be achieved by working within established political systems. Bernstein's book was largely concerned with socialist politics, how to achieve power democratically, and why capitalism had not succumbed as Marx said it would. It did not develop a novel framework to explain how capitalism works—only that is was still working in *fin de siècle* Europe. Bernstein did appreciate the Marxian critique of capitalism, but realistically jettisoned Marx's predictions that did not come to pass. As such, Bernstein can still be viewed as a Marxist in his critical method and desire for socialism.

The Russian Marxist V.I. Lenin, in addition to his integral role in fostering revolution in Russia, attempted to explain why socialists hadn't come to power in any European nation nearly 70 years after the publication of The Communist Manifesto (1848/1998). Lenin supported Hobson's (1902) idea that economic stagnation in capitalist nations was caused by the limited purchasing power of workers, which resulted in the need for firms to find foreign markets. Lenin also postulated that socialism was avoided by finding new markets, but he went farther with this point. In the pamphlet, Imperialism: The Highest Stage of Capitalism (1916/1989), Lenin demonstrated how capitalists engaged in exploitation of the underdeveloped world, extracting valuable natural resources and finding profitable export markets in their colonial economies. This, Lenin held, allowed capitalist firms to maintain profit levels and domestic employment to avoid the types of economic crises Marx had predicted. But as world regions left to conquer in the late 19^{th} and early 20^{th} centuries were scarce, Lenin argued that national states, working in the interests of their capitalist firms, would go to war with other states to procure these markets. He thought the origins of the First World War were rooted in this imperialistic environment.

The German Socialist Rudolf Hilferding also developed explanations for the persistence of capitalism. In Finance Capital (1910/1981), he argued, as Marx did, that free markets led to increasing concentration of wealth among a small number of firms. As a part of this process, Hilferding insisted that smaller firms merged into large conglomerates to survive against competitive cartels. As the wealth of these industrial giants became increasingly tied with that of banking interests, new power blocs were created that were well placed to influence state policy. These "finance capitals" needed a strong state to promote expansionism, acquire colonies, and create opportunities for growth. As banks became a primary reservoir of capital accumulation that fostered international finance, Hilferding argued that their investments in colonial development helped forestall falling rates of profit for capitalist firms. He asserted that this brand of business expansion, or finance capitalism, represented a new stage of capitalism, adding a new twist to Marx's concept of historical materialism. This new dynamic, to Hilferding, allowed for the avoidance of the crises Marx thought would make capitalism falter and lead to socialism.

After the Second World War, Paul Sweezy and Paul Baran developed new ideas about how economies shaped by corporate concentration continued to prosper. In their book, Monopoly Capitalism (1966), the authors held that concentrated wealth among a limited number of firms in the United States led to economic stagnation and falling rates of profit under capitalist conditions. But marketing, advertising, and distribution improvements by these firms assisted in delaying economic crises. John Kenneth Galbraith (1967) held a similar view, believing that consumers were not shaping what was produced, but were persuaded by corporations with large advertising budgets to consume what they wanted to produce. Sweezy claimed that falling rates of profit under capitalist conditions, and ensuing economic stagnation, were also put off by the large increases in government spending (in association with the military industrial complex) that developed the U.S. war machine during the Cold War. In this milieu, the American corporation became the national champion—being associated with the virtues of economic growth and prosperity.

Sweezy's direction of the journal Monthly Review had a powerful influence on the intellectual thought of the radical Left in the 1960s. But Marxist inspired writings on economics in the 20th century were, taken as a whole, defensive in nature. Marxian economists were forced to explain why capitalism had not failed. They were compelled to write about issues such as how capitalist crises and economic stagnation were averted, and how imperialism was a form of state capitalism in order to maintain the vitality of the Marxian economic analysis. But little that they wrote further developed the Marxian critique of capitalism. The writings of Lenin, Hilferding, and Sweezy were rear-guard actions that developed little that was innovative in economics beyond defending the relevance of the Marxian analysis and why capitalism had persisted.

Definite exceptions to this rule were the writings of the Italian Marxist Antonio Gramsci (1947/1971). A Socialist jailed by the Fascists in the 1920s, Gramsci developed in his prison writings the concept of hegemony as a socio-cultural critique that explained how capitalism endured in bourgeois societies. Where Marx had seen state authority as the enforcing mechanism of capitalist domination, Gramsci posited instead that a system of "manufactured consent" had developed, where the social, economic, and cultural arbiters in free market societies indoctrinated citizens into passivity and acceptance of status quo arrangements. The media and education system became prominent sites in which consent was created, producing a docile citizenry (McClellan, 1999; Peet, 1999). From this perspective, capitalists used non-economic means to create ideological conformity and attenuate criticism of capitalism. Gramsci developed these ideas into a framework called Fordism. Intrigued by the American drive for efficiency and mass production techniques, Gramsci wrote about how hegemony operated in American society. As companies mechanized and increased the output of manufactured goods, prices of commodities fell, allowing production workers to afford the consumer goods they produced. In exchange for access to this improved material life created by rapid industrialization, increased efficiency and falling prices, workers were expected to accept the prevailing economic system where the social environment was fashioned by advertising and popular culture.

Increased efficiency at the turn of the 20th century through improved production techniques, symbolized by the Ford assembly line, were paralleled by the development of managerial capitalism. Duménil and Lévy (1998) argue that capitalist accumulation faltered during some periods between 1865 and the 1970s. But managerial capitalism, with its ethic of increasing efficiency coupled with growing demand spurred on by a growing consumer middle class, kept capitalism afloat. This middle class, populated by bookkeepers, accountants, and production managers, were expert in squeezing profit margins, increasing worker productivity, and reducing operating costs for firms at the beginning of the 20th century. Systemically, Duménil and Lévy argue that such changes helped capitalism avoid crises and maintain profit levels.

Some writers who adopted parts of the Gramscian framework into their studies, and elaborated on its implications for contemporary society, have been collectively grouped into the Regulation school. These authors, prominent among them being M. Aglietta (1979) and A. Lipietz (1986), divide the history of capitalism into regimes to gauge its evolutionary development. They focus on long term transformations that have shaped capitalist economies, fusing the Gramscian critique with the ideas of Marx and the *Longue Durée* approach to historical development (Eatwell, Milgate, & Newman, 1990). From the Marxian standpoint, this school views accumulation as the driving force of capitalism but delineates how such forces create uneven development. Elaborating on Fordism, they show how the world Gramsci described was characterized by a concentration of domestic markets that maximized the productive power in national industries. But these authors show that a crisis of Fordism developed due to decreases in productivity and economic stagnation in the 1960s and '70s, forcing capitalists to search in the 1980s and 1990s for new methods of maximizing accumulation. Increasing world trade, an offensive against labor unionization, and attacks on government regulations as barriers to economic growth served to accelerate capital accumulation once again in those latter years (Yaghmaian, 1998). These changes helped capitalist firms increase accumulation after the oil shocks and stagflation that plagued developed nations in the 1970s. Regulation theorists call these modern trends of accumulation "Post Fordism." Bob Jessop, in "Post Fordism and the State" (1995), postulated that such changes represented a shift away from the traditional Keynesian welfare state, where large social welfare budgets and powerful labor unions were component parts of the national state. A post-Fordist society, in Jessop's view, is hostile to the Keynesian regime, because it presents structural barriers to accumulation. Consequently, a post Fordist state is based on limiting government regulation of corporations in order to promote international competitiveness, and attenuating welfare expenditures and social programs that act as a drain on private capital investment.

Regulation theory is inspired by the fusion of Marxian and Gramscian thought. It sheds light on how capitalism persisted throughout the 20th century. But Marxian economists in the 1990s have written on other issues that develop the relevance of the Marxian critique of capitalism for the 21st century. These authors have recently published works on economic crisis, uneven development, wage inequality, value theory, and the role of the state in international markets, highlighting major debates that have raged among Marxian economists in recent years.

Richard Peet, in Global Capitalism: Theories of Social Development (1991), measured world development from the Marxian perspective. As part of the radical geography movement that looks to Marxian theory for inspiration, Peet gauges the exploitation of Third World nations and their chances for sustained economic growth. He feels the Marxian approach is the best way to explore potential developmental equity for international regions. Peet uses Dependency Theory to show how underdevelopment is perpetuated as an inherent part of the international liberal system. Peet's recent work, Theories of Development (1999), synthesizes these ideas by surveying the various schools of thought that analyze trends in world development—including Dependency, Fordism, and Regulation.

An article that examines similar issues is Behzad Yaghmaian's "Globalization and the State" (1998). Yaghmaian sees neoliberalism as the economic system preferred by capitalists to increase accumulation—which encourages the development of supranational regimes devoted to this purpose. Arguing through the eyes of the Regulation School, Yaghmaian sees neoliberalism as inherently unstable. This instability in Yaghmaian's view, is exacerbated by the policies of the WTO and NAFTA, which produce conflict among nation-states in the area of trade and whose policies create widening wealth inequalities between rich and poor nations. Nationalism, the author posits, will continue to flourish in this liberal environment because poverty, exploitation, and cyclical crises might cause people to reconsider the dismantling of national boundaries.

Some Marxian economists still support the idea of a falling rate of profit under capitalism as germane to modern economics. Recent economic history has proven these conclusions untenable, as American corporate wealth increased dramatically in the 1990s (U.S. Department of Commerce, 1999). Yet, a cottage industry exists among Marxian academics devoted to studying this theory of the tendency toward falling rates of profit in capitalism (TFRP). Stephen Cullenberg (1994) has synthesized these arguments that elaborate on the various theories presented over time that support and dispute Marx's analysis of the TFRP. Prominent among theories disputing Marx's idea of the TFRP is the Okishio Theorem (1961). This theory, named after the Japanese economist who developed it, holds that profit rates for firms in free market conditions will not fall for businesses that increasingly use machines and automated techniques. This is because capitalists increase the rate of exploitation to offset declines in profit rates. This theory challenged Marx's TFRP, because he held that as capitalism developed, its growth over time would cause the rates of profit to fall among producers—unless firms found exogenous means of increasing accumulation. But for over 150 years, capitalism generally avoided the prolonged stagnation that was prophesied by Marx and refined by Baran and Sweezy in Monopoly Capitalism (1966). The death knell of capitalism that they forecast never materialized. Megnad Desai (1998), a Marxian economist at the London School of Economics, has indirectly supported the Okishio Theorem by calling the Marxian theory of TFRP statistically untenable.

Should Marx be completely shelved as an economist who is irrelevant, or should economists only discard the Marxian theories that have proven themselves baseless? Radical economists only support the Marx's economic ideas that they think have utility today. Radicals also incorporate neoclassical and Keynesian ideas into their analyses—

though they remain highly critical of capitalism. Radicals continue to reject the classical idea of a value free social science (Feiner, 1992). They are often, like John Roemer (1996), willing to use neoclassical equilibrium theories to break economic issues down into component parts to address problems such as exploitation, unequal wages, crisis potentials, and maldistribution of wealth.

Still, radical theory looks to Marx for inspiration by stressing the interconnectedness of economic events, the relationship between economics and sociological inquiry, and historical trends that explain the negative impact capitalism has had on societies over time. In studying the cozy relationships between government and business interests, and the links between colonialism and dependency, radicals like Herbert Gintis, Stephen Wolff, and Howard Sherman demonstrate the importance of the Marxian critique for the 21st century. Radicals are inspired by leftist political ideology, but they criticize Soviet totalitarianism as a perversion of socialism, and openly point out the parts of Marx's analysis that are not supported by modern economic evidence. For example, radicals discard Marxian value theory and the idea of TFRP is seen as flawed. But their most prescient criticism is based on how capitalism creates inequality through maldistributed wealth and inequality of opportunity (Sherman, 1984; Gintis, 1982).

Radicals often publish articles in the Review of Radical Political Economics. In that publication, they show agreement on little other than being critical of capitalism. This is evidenced by an article on the mellowing of radical thought by Michael Reich (1995). Reich points out how the radical paradigm has shifted from promoting revolutionary action against capitalism in the 1960s, to a modern view of reforming the worst abuses that free market systems have created. Radicals, Reich maintains, are presently more interested in pushing remedies for wage exploitation, instead of sending students to the barricades. Even so, radical economics remains a Marxian inspired agent for reform, but more in the spirit of revisionism than in promoting violent revolt.

An application of the Marxist critique adaptable to present circumstances is Geoffrey Hodgson's After Marx and Straffa: Essays in Political Economy (1991). Hodgson explains that Marx was an indispensable contributor to economics. But like the radicals, Hodgson thinks Marx's Labor Theory of Value and the TFRP are empirically untenable in modern economics. Hodgson is critical of Marx for not studying uncertainties in capitalism, which ignores consumer demand as a determinant of commodity value. But Hodgson sees Marx's laws of motion and rejection of Say's Law on market equilibrium as major contributions to economic thought.

Howard Sherman, in Reinventing Marxism (1995), also criticizes the Labor Theory of Value and the TFRP. He disassociates Marx's critique of capitalism from Soviet totalitarianism, while presenting Marxian economics as a useful methodology to analyze social problems. In Sherman's view, the value of Marxism is not as a dialectical processes of revealed truth, but as a holistic approach to economics that is integrationist rather than discrete. In short, Sherman feels that the Marxian critique is important today, but its elements not pertinent to contemporary economics should be discarded.

Classical economists maintain that wage differentials between workers in the same occupations tend to occur only when competition in labor markets become restricted. Marxian economists dispute this claim, positing that wage inequality will continue under capitalist conditions—even with labor mobility. As economists inherently interested in issues of wage inequalities and exploitation, Marxists dispute the classical assumptions on wage levels. Howard Botwinick, in Persistent Inequalities: Wage Disparity under Capitalist Competition (1993), argues that wage differences are a normal part of competitive capitalism. He sees wage inequality as caused by increased automation, weakened labor unions that fail to organize their workers effectively, and the lessening of state intervention in the market economy. For Botwinick, technological changes proceed at different speeds among separate companies, creating varied cost structures that cause uneven development within sectors. Additionally, Botwinick feels wage increases are generally governed by accumulation—which also determine employment levels.

Botwinick maintains that competition minimizes wage increases because it limits the rate of accumulation among firms. In this view, capitalists raise wages when the costs of resisting union demands for wage increases become more costly than granting the increases. When cost-benefit analyses tell management that fighting unions costs more than what is gained for employers, this is the point in which companies succumb to union demands. As a result of these uncertainties, Botwinick holds that increased labor organization and enhanced state intervention are the best methods to combat wage inequality. Using the Marxian laws of motion to show how wage inequality is an inherent part of capitalism, Botwinick demonstrates how the Marxian critique is important to promote an understanding of this issue.

Marxian economists view economic cycles as endemic to capitalism, estimating that boom times will inevitably become reversed as a normative part of capitalist development. Two recent arguments that synthesize the ideas of Marxian crisis theory are David Laibman's "Capitalism as History: A Taxonomy of Crisis Potentials" (1999-2000), and Simon Clarke's Marx's Theory of Crisis (1994). Following Marx, socialists have expounded on theories that point out the weaknesses of capitalism that would cause its imminent fall, including underconsumption, overproduction, disproportional production, and the TFRP. Laibman discredits the TFRP as a cause of crisis, instead maintaining that long-term theories of crisis are underdeveloped in Marxian economics. Laibman refers positively to the Kondratieff Long Cycle, which determines that crises will accrue when profits fall, but only after a 50-year upward period of a growth cycle. Laibman seeks a synthesis of the causes of crises to look at interrelationships as determining factors in the process. This approach, in Laibman's view, shows how a combination of crisis points could lead to unstable markets.

Clarke calls for more compelling explanations among Marxian economists to explain why crises occur in capitalism. In his book, Clarke shows how Marx never determined a conclusive cause of crises, and develops the ideas of Rosa Luxemburg (1913/1968), Rudolf Hilferding (1910/1981), and others on the issue while positing that crises were endogenous events in market capitalism. Clarke's synthesis of crisis theories shows that there is no definitive theory among Marxian economists that explains why capitalism becomes mired in crises. Clarke shows that Marxians only agree that crises will continue to occur as long as that system continues to exist.

Marxian economists continue to develop explanations as to why capitalism has persisted since the 19th century, in spite of Marx's predictions of its demise. Nelson Prado Alves Pinto (1998) updates Hilferding's explanations (1910/1981) of how capitalism survived by entering a new stage of finance capitalism. Pinto argues that corporate shareholders in a modern economy shaped by stock trading, drive capitalistic development as much as the heads of major firms. The implication here is that shareholders can sink or elevate corporations and economies (witnessed by the 1997 Asian financial crisis) as much as the powerful bank financiers Hilferding described. Pinto's argument exemplifies how capitalism has mutated over time, allowing the system to continue flourishing in the 21st century.

III

Since the fall of the Soviet Union and the end of the Cold War, the educational impetus to teach the core theories of Marxian economics has waned. Command economy experiments in the Soviet Union, China, and Cuba in the late 20th century were examples of state planning models that were unable to sustain the economic growth and development to match the dynamism of capitalist systems. As a result, teaching the main tenets of the Marxian critique of capitalism is often seen as an outdated mode of instruction for economic courses in the undergraduate curriculum. In its place, the literature on economic education reveals that information relating to the Marxian critique consists largely of topics that delineate the transition process from command to market systems that continues to take place in Eastern Europe and Asia. Pedagogically, these changes represent a shift away from using Marxian economics to teach students about capitalism, whereas before the end of the Cold War, Marxian economics had a prominent place in economics instruction as an important critique of market systems. This has been the case at MDCC in interdisciplinary social science courses. Addressing these issues, the remainder of this chapter explores the educational literature that describes this shift away from teaching the Marxian critique of capitalism, and some authors who continue to fit elements of the Marxian critique into economics instruction.

Though much of today's economic literature praises the potential of liberalism and globalization in promoting international economic growth, lessening poverty, and linking markets, Marxists and radical economists, who promote the Marxian critique of capitalism, have increasingly found their way into American classrooms in the past 20 years. Felicity Barringer (1989) has shown how Marxian historians and economists have become academic insiders in many U.S. colleges, introducing class analyses into their curricula. Expressing disillusionment with Soviet totalitarianism, Marxists, like Bertell Ollman of New York University, have used their base in collegiate education to promote nonviolent criticism of American capitalism (Richardson, 1982). Ollman holds that economic inequality arises not from different skills and ambitions, as neoclassical theory holds, but from wealth inequalities that perpetuate the lack of access to economic opportunities among the poor. Randy Albelda of the University of Massachussetts at Boston uses Marxian economics in the classroom because she feels it is the best method of explaining why inequality exists under capitalist conditions (Bennett, 1994).

In spite of the ebullience of these professors, Marxism is seen by most college economics departments as a subject to be taught on the margins of classical and neoclassical economic theories. A study of textbook treatments of the process of capitalist historical development, by Suzanne Helburn in Two Traditions in Economics (1988), showed that the Marxian viewpoint was rarely used in history courses to explain economic events. As a writer highly critical of capitalist development, Helburn delineates how the classical views of market exchange relations were consistently applied to show how industrialization developed and depressions occurred, and how booms and panics were exogenous shocks to the system. She holds that Marxist economic interpretations were purposefully ignored, in order to promote theories that justify market capitalism. Classical methods that focus on exchange relations, the author posits, ignore income inequality and the need for government intervention to remedy market imperfections like uneven development and the concentration of capital. Essentially, Helburn feels that the Marxian critique is more useful than the classical models in explaining the inherent tendencies of capitalism.

Using similar logic, Manoucher Parvin (1992), a Professor of Economics at the University of Akron, questions whether the teaching of neoclassical economics is moral. Using Focauldian Theory, Parvin holds that neoclassical economics is value biased. In this view, people are socialized into accepting neoclassical thought, with its emphasis on market relationships and rational self-interest as exchange motivators, as the best way of examining how capitalism works. For Parvin, state laws, the media, church doctrine, and parental upbringing, are cultural instruments that foster the dominant ideology. Market mechanisms become seen as value free in neoclassical doctrine, which moves students toward accepting an ethic of rational individualism and away from communitarian ideas.

Parvin believes that university economics departments' emphases on neoclassical thought, at the expense of the Marxian analysis, prevent students from engaging alternative points of view. He shows how neoclassical theories are routinely implemented in the university economics curriculum as the prevailing wisdom. But Parvin thinks that the neoclassical analysis ignores how human behavior is shaped by upbringing and culture, which serve as contributing factors in an individual's economic decisions.

From the Marxian perspective, the national state promotes its ideological tenets as a part of the superstructure. Educating students, by using alternative methods that question the superiority of capitalism, is effectively hampered by the superstructure. Ollman (1979) has pointed out that teaching Marxian economics is difficult under such circumstances "because of the bourgeois ideology of students and the absence of a socialist movement" (p.124). But Richard Wolff and Stephen Resnick, in Economics: Marxian versus Neoclassical (1987), have provided a framework for a more equitable comparison of Marxian economics and classical thought. The authors' book, designed for college undergraduate economics courses, devotes a chapter to each competing theory, with a conclusion that sums up the importance of the theoretical differences between each system.

To promote fair treatment of the competing theories, Wolff and Resnick (both radical economists who teach at the University of Massachussetts, Amherst) invited Donald Katzner, a proponent of neoclassical theories, to consult on the sections of the book that cover those ideas. The importance of this book for Marxian economic education is its reasoned approach toward studying economics. Marxism has been criticized as being infused with polemic that is more concerned with politics than hard economic analysis. Wolff and Resnick have worked to alleviate that concern by developing a text that examines the pros and cons of the Marxian critique weighed against neoclassical ideas.

Wolff and Resnick present Marxian theories from what they call an "overdeterminist" perspective, which maintains that decisions made by individuals are shaped by political and cultural aspects of a society—as well as rational economic thought. As their study concentrates on economic theory, the authors refrain from analyzing the communist experiments of the 20^{th} century. This is because they point out how "Marx did not spend time or effort analyzing communism; he seems to have frowned on speculation about the future" (p.129). Thus Wolff and Resnick present Marx in his area of importance to contemporary society—as economist instead of revolutionary.

In the 1970s and '80s, it was not uncommon to see the Marxian analysis as part of the economics courses in secondary and collegiate education. But one is hard pressed today to find a study like Diane Keenan's (1985), which comparatively studied the ideas of Adam Smith and Karl Marx in a dialogue driven format. Economics education has evolved since the end of the Cold War from a discipline that studied command systems and the Marxian critique of capitalism, to a curriculum emphasizing global transitions toward market economies. Three recent studies that develop new economics curricula delineate this point. A group study by Shug, Morton, and Lopus (1997) entitled From

Plan to Market: Teaching Ideas for Social Studies, Economics, and Business Classes, posits that the demise of communism and central planning mechanisms in Eastern Europe has led to the need for instructors to find new ways to teach about this transition. Examining contemporary economic developments, the authors demonstrate how the loss of subsidies from the former Soviet Union led Eastern European nations to fend for themselves economically. Their teaching guide aims to help teachers show how the process of privatization has proceeded. It also demonstrates how important it is that citizens of former communist nations, who have had little direct experience with capitalism, learn the basic concepts of market economics to allow for sustained economic reform to be accepted and sustained in those nations.

The emphasis on transitional economies in the educational literature is clearly seen in the curricular shift away from comparative economics courses, which had included Marxian economics as part of the curriculum. The demise of the command model has led many academics to think that Marxian economics will not be part of the 21st century economic environment. A survey by Clark Ross (1995) on the future of the comparative economics course reveals that of 32 colleges where comparative economics courses were taught in the 1980s, nine had dropped them from their course offerings by 1995. Of the colleges that kept comparative systems courses, many admitted to omitting command economy materials from the curriculum. Ross concluded in his study that comparative economics courses appear headed toward extinction.

At MDCC, the comparative social science course, "The Social Environment," includes a study of different economic systems as part of its economics curriculum. A textbook written by Manuel Mendoza and Vince Napoli, entitled Systems of Society (1995), has been used in the course for more than 20 years. This text includes in its economics unit a detailed study of the differences between command and market systems. A full chapter is devoted to Marxian economics, measuring the strengths and weaknesses of those ideas. Another chapter covers social stratification and the development of inequality from a cultural perspective. Furthermore, the text includes a study of the historical background of each system—along with sections that introduce students to the economic theories of Adam Smith, Karl Marx, and John Maynard Keynes. But since 1998, the college has used different textbooks in the social science course that do not include material on comparative economics or discussions of the Marxian critique of capitalism. The newest of these texts, The Social Environment (Munoz, George, Hernandez, Sandoval, Baker, & Lenaghan, 1999), has replaced Systems of Society (1995) as the social science textbook used at MDCC's Homestead Campus. The text does not explore the tenets of Marxian economics. In fact, Marx is only mentioned in two sentences—in a short section about communism as a political system.

These curricular trends add credence to the idea that Marxian economics is seen as an anachronism in contemporary economics instruction. As globalization proceeds, economics' education is striving to catch up with the pace of recent developments. A good example is seen in a proposal by Steven Miller (1993-94) to make the economics curriculum devote more time to teaching about emerging markets. Miller surveyed the global economic environment after the fall of the Soviet Union and the transition from state planning experiments to market-oriented systems that have taken place in many former communist countries. Miller called for updated instructional materials to reflect the economic shifts, proposing a new course that would have units dealing with international trade, economic development, environmental issues, and the growing importance of international issues. A unit on economic systems (an area in which comparative systems courses traditionally introduced the Marxian analysis) only studies international capitalism. Discussions of the Marxian critique of capitalism and the related topic of Dependency are not mentioned as methods of analysis that explain international development. To address such deficiencies, James Cumming (1994) introduced a series of games to give students a more critical perspective on global economic development and its impact on social change. In the "growth game," Cumming delineates the impact of inequality on the developing world by using the Marxian critique of colonialism. Participating students are placed into groups and allocated resources according to whether they represent wealthy and developing nations. As the game progresses, it becomes apparent that inequality can be perpetuated by international capitalism, through connecting international trade relationships with Dependency theories. These constructs, in Cumming's view, elucidate the structural dynamics that underline economic relationships between rich and poor nations.

The educational literature concerning Marxian economics dwindled in the 1990s after the worldwide retreat from central planning mechanisms. In spite of this trend, some authors maintain that Marxian economics remains relevant as a prescient critique of capitalism, and that Marx should be seen as an economist whose ideas continue to present an effective method in which to study the weaknesses of that system. Other writers feel that the Marxian critique has little utility in helping students understand economics in the 21st century, and have moved away from using Marxian economics in comparative courses—instead favoring curricula that delineate the transition to international market economies.

CHAPTER 3

Research Design and Methodology

Rationale for Study

The research data presented in chapter 4 addresses the issue of applicability of the Marxian critique of capitalism to economics instruction in the social sciences at MDCC. The data collection procedures outlined here, and the findings reported in chapter 4, tested and measured the effectiveness of the Marxian critique in the classroom as a way to help students understand economic problems associated with free market systems. The data are meant to determine if Marxian economics is useful to help students understand how 21st century capitalism works, and if teaching Marxian economics is an effective way of getting students to learn how to comprehend its associated problems.

Research Questions

1. **When attempting to help students understand the economic problems of free market systems, the Marxian critique of capitalism might be as effective as using the classical model's explanations of why those problems exist.**

The experimental design used control and experimental student groups (their characteristics described later in this chapter) who learned about economic problems from the competing perspectives in the economics units of ISS 1120 courses at MDCC.

Student success in pre and post tests, coupled with survey responses, assist in creating conclusions that measure the efficacy of the Marxian critique of capitalism as a classroom methodology to help students understand modern economic problems.

2. **Professors in the community colleges can potentially teach the Marxian critique of capitalism more objectively today than during the Cold War.**

Evidence was gleaned from survey responses among professors who completed and returned questionnaires. Student survey responses also assisted in determining whether they felt the professor taught the experimental Marxian economic unit objectively.

3. **The Marxian critique of capitalism may stimulate critical thinking among community college students about the economic problems of free market systems.**

Each student group in the ISS 1120 experimental course sections was asked if the curriculum used in their economics unit motivated them to think critically about economic problems in exit surveys. Findings were compared with students who were asked the same question in control groups using Adam Smith's explanation of economic problems under free market systems.

4. **Professors and students may be able to divorce Marx's critique of capitalism as an economic system from Marx's political writings and aspirations for communism.**

This proposition is tenuous because Marxism is a methodology that stresses the interconnectedness of events and is opposed to the idea of isolated economic processes favored by classical thought (Sherman, 1984; Wolff & Resnick, 1987). Marx linked his writings on the demise of capitalism with his hopes for socialism. But this study looks to determine if it is possible to separate Marx's economic analyses of capitalism from his writings on revolution. To test the possibilities of such a dichotomy, students and professors were both asked in exit surveys if they thought this way of thinking was possible (Appendices A-C). This idea was not discussed in the economic units taught to experimental subjects in ISS 1120 courses to avoid promoting impressions of instructor bias among students participating as subjects in the study.

5. **The Marxian critique of capitalism may be an effective method of helping students learn how free markets work because many students in community colleges today are too young to have been affected by Cold War attitudes and biases. Because of their youth, students under 28 years of age today may be able to learn more objectively using the Marxian critique of capitalism to understand economic problems than students above that age who grew up in the Cold War environment.**

Students who completed the exit surveys following their economics units that indicated they were over 28 years of age (Appendices B & C) were asked about their objectivity toward Marxian economics. Their responses were compared with students answering the same survey questions who identified themselves as less than 28 years of age. Students over 28 years of age were old enough to understand the dimensions and importance of the Cold War. Those under 28 were too young to be a direct part of it in adulthood. As a result, their survey responses might assist in revealing attitudes and opinions about the potential of Marxian economics to be academically viable in the post Cold War environment.

6. **Hispanics might be less likely to favor learning economics from the Marxian perspective than other ethnic groups.**

The small number of Hispanic professors (all six were from MDCC) responding to questionnaires may limit the possibilities of gleaning representative data of statistical relevance on Hispanic professor attitudes at MDCC toward using the Marxian analysis of capitalism in the classroom. But the number of Hispanics still represents 24% of MDCC professors surveyed.

MDCC Hispanic student attitudes toward Marxian economics are measured through their completion of surveys following their economics unit instruction, where they used the Marxian methodology to understand the economic problems of free market systems. These data are compared with non-Hispanic students at MDCC in the experimental groups who completed the same surveys. Additionally, the responses of Smith group Hispanic respondents at the college are used to measure whether Marx group Hispanic respondents indicated greater hostility to using Marx in the classroom.

Research Design, Populations, and Instrumentation

The research findings reported in chapter 5 of this study used descriptive and experimental research methodologies to gauge the relevance of the Marxian critique of capitalism to economics instruction in social science courses at MDCC. Data were gathered by using survey instruments issued to professors that measured their use of the Marxian critiques in their courses. These surveys were sent by regular mail to professors and to department chairs representing social science disciplines at NOVA and MDCC in the Summer Term of 2000. Of the 77 surveys sent to professors and administrators at the two colleges, 43 responses were mailed back to the researcher in the return envelopes provided. These surveys (Appendix A) attempted to obtain information from professors about whether they thought Marxian economics was still a valid way to teach about capitalism, if the subject was taught objectively during the Cold War, if it can be taught more objectively today, and if the Marxian economic analysis of capitalism can be separated from ideas about communism. The surveys also asked professors if they felt Marxian economics remains an effective way to understand modern capitalism. In issues relating to the classroom, professors were asked if they teach Marx in their classes more or less since the end of the Cold War, and in what format the instruction is delivered. The survey instruments were issued to professors in two separate states, to help determine if regional variation existed between professorial attitudes and opinions in a mid-Atlantic community college setting and one located in the predominantly Hispanic metropolitan area of Miami-Dade County.

Experimental Design

As a part of this research study, the economics units of six Social Environment (ISS 1120) courses, an interdisciplinary social science course offered by MDCC, were utilized to measure student learning by using Marxian economics to understand economic problems of capitalism. The experiments also attempted to comprehend student attitudes toward using Marxian economics in the classroom. The author of this study taught three of these units, representing the control groups in the experiments, between summer and fall of 2000 at MDCC by using the classical methodology to explain the economic problems associated with capitalism. Thirty-nine students were a part of the control group study. The author taught the additional three units, which represented the experimental groups for this study, in the same semesters by using the Marxian critique of capitalism to explain the economic problems associated with free market systems. Fifty-one students participated in the experimental group study.

The primary objective of these experiments was to determine the most effective method in which students learned the economic problems associated with free market capitalism. To achieve this goal, the efficacy of the Marxian critique of capitalism was measured by comparing it directly with the classical methodology. Students in each group were required to learn the same economic objectives, which revolved around the structural problems of market economies, such as inflation, unemployment, and over production. Student learning of these objectives, in control and experimental groups, was determined by the use of pre and post tests (Appendix D). The assessment of these tests helped the researcher measure the economic knowledge possessed by students prior to entering the economics unit, and the level of student attainment upon completion of that unit. This allowed for pedagogical comparison of student learning in control and experimental groups. For comparative purposes, both Marxian and classical groups used identical testing materials and pursued the same learning objectives (the problems associated with free market systems) to understand the economic problems of capitalism.

Upon completion of the economics unit, each student in control and experimental groups took the exit surveys (Appendices B & C) to measure his or her attitudes and opinions toward what he or she learned using the particular method of instruction. As with the survey instruments sent to professors, the student questionnaires used Likert scale questions to measure student attitudes toward Marxian and classical economics instruction. The multiple choice questions used in the surveys requested demographic data from respondents to aid in data stratification.

Survey questions asked students if they felt that the Marxian critique remains relevant to contemporary economics, if the methodology can be taught more objectively today than prior to the end of the Cold War, and if the unit encouraged critical thinking. Students were also asked if they thought that Marxian economics could be separated from Marx's espousals of communism, and if their previous knowledge of Marx portrayed him in a negative light. Students receiving economics instruction using the classical analysis were asked identically phrased questions that were posed to students in the Marxian classes—only their questions were meant to determine if Adam Smith's analysis helped them to learn about the problems of capitalism.

The control and experimental group data results attempt to learn if students see Marxian economics as promoting critical thinking—or if the views of Adam Smith do this more effectively. Exit survey findings allowed for a comparison of student attitudes as to whether Marxian or classical economics is seen as more relevant to understanding contemporary economic problems, and whether they see classical or Marxian economics as more relevant to the college classroom.

Curriculum Design

To test the utility of the Marxian critique of capitalism in the classroom, a curriculum that compared the Marxian and classical analyses and their applicability to helping students understand free market systems was developed. Students in the six ISS 1120 courses were taught the same macro economic objectives, but from the differing perspectives. The following topics were taught as the economics unit of ISS 1120 to both Marxian (experimental) and classical (control) groups to assist them in learning about economic problems:

1. Maldistribution of wealth
2. Unemployment
3. Overproduction
4. Economic cycles
5. Inflation
6. Monopoly and concentration
7. Recession and depression

Additionally, the curriculum of the economics unit of ISS 1120 stressed the history of capitalist development, including that system's ability to increase the living standards of workers since the 19^{th} century and to sustain economic growth over time. Students in the Marx groups learned about capitalism's increasing of living standards for workers through the concept of immiseration. They learned about economic growth in discussion of reasons for the failure of Marx's prediction on capitalism's demise.

The curriculum also developed the need of capitalist firms to find new markets for their products through international trade, to promote the entrepreneurial function, and to continue innovation to avoid market stagnation. These topics were covered in both Marxian and Smith groups of the ISS 1120 economics units, as both methodologies delineate how capitalism generates wealth and seeks out new markets as fundamental aspects of capitalist development. Marx and Smith both wrote on the historical foundations of capitalist development, making the discussions of how free markets work a possibility from each perspective.

Though both Marx and Smith explained how they thought capitalism worked, both men approached economics from radically different perspectives. As such, it was necessary to develop separate, standardized curricula from each methodology that taught about the economic problems of capitalism. Marx and Smith both wrote extensively about the economic problems associated with capitalism—the latter stressed its dynamism, the former its contradictions. The theories of both economists provided the models for the ISS 1120 economic curricula used in this study. The three control groups who used classical economics' theory to understand economic problems were taught about economic problems from the topics listed below, which are based on Smith's ideas in The Wealth of Nations (1776/1976). The rationale for using Smith in this curriculum is because classical, and neoclassical economic analyses spawned by classical thought, are the most prominent methods of teaching about economic problems in college economics courses (Parvin, 1992; Wolff and Resnick, 1987).

Classical Economics

Adam Smith and The Wealth of Nations (1776/1976)

Liberalism and laissez-faire

Competition, self-interest, and commercial society

The division of labor

Equilibrium prices and the invisible hand

Say's Law and general gluts

Economic cycles and overproduction/underconsumption

Monopoly, competition, and accumulation

Wealth distribution

Global trade

Stagnant demand and John Maynard Keynes

The three experimental groups who used the Marxian critique of capitalism to understand economic problems in the ISS 1120 courses followed the topics listed below as a framework. Classroom discussion in these groups was based on the ideas Marx developed in his writings on capitalist development.

The Marxian Analysis of Capitalism

Materialism and history

Economic determinism

The laws of motion, accumulation, and subsistence wages

Automation, falling profit, and the labor reserve army

Overproduction, underconsumption, and generalized gluts

Concentration and monopoly

Economic cycles and capitalist crises

Immiseration and maldistributed wealth

Government's relationship with business interests

Foreign markets and avoidance of domestic crises

Marxian errors

In teaching the classical perspective, it was necessary to illuminate the vitality of Adam Smith's contribution to the study of economics as a social science. Critiquing the economic system of mercantilism, and its promotion of government sponsored monopolies, tariffs, and state subsidies, Smith promoted free markets and the ethic of competition as the best way to promote economic development. Assuming that governments hindered economic development by interfering in the market, Smith favored laissez-faire policies to promote increased capital accumulation, which he felt raised the living standards of all. Limiting government interference in the economy would break up state monopolies and allow competitive markets to flourish, which Smith thought would increase national wealth.

The classical analysis of capitalism did recognize some weaknesses of free market systems. In The Wealth of Nations (1776/1976), Smith considered economic cycles, causes of market stagnation, inequities of wealth, and unemployment in a manner vastly different than Marx—essentially viewing these problems as ones that capitalism could readily overcome.

Smith viewed commercial society as the highest stage of economic development. In the 19th and 20th centuries, neoclassical economists like John Maynard Keynes (1936/1964) developed mathematical models that buttressed the classical model as a method of analyzing free market economies. But as neoclassical theories are based on 18th century classical ideas, students in ISS 1120 used Smith's analysis as the best introductory method in which to learn economics at the freshman level. This is because classical economics requires less knowledge of complex mathematical models that would mandate student expertise in that field—knowledge that is not common among beginning students at the community college.

The Marxian analysis of capitalism addresses the problems endemic to free market systems within Marx's framework of capitalist development. Marx saw capitalism as characterized by certain "laws of motion," in which contradictions inherent in the system would bring about its collapse. Those structural weaknesses are what we today commonly call economic problems. But Marx had different names for these problems. Unemployed people were members of labor reserve armies and economic depressions were called crises. From this vantage point students are introduced in the ISS 1120 experimental groups to Marx's analysis of how capitalism works.

Research Issues and Problems

This study of the utility of Marxian economics, and its applicability to economics instruction, is limited by the small population size used (six ISS 1120 courses) in the experimental design, and in the small number of surveys (43) received from faculty. Testing factors of ethnicity in survey responses were limited because only six professors who returned survey questionnaires listed themselves as of Hispanic origin—with all of them being from MDCC. The modest number of students surveyed (51), who learned economics from the Marxian perspective, also limited the descriptive nature of the data findings. These facts limit the statistical significance of conclusions that can be made concerning the research findings. The data do provide a model for expanded research on the classroom relevance of the Marxian critique of capitalism as a method of elucidating the economic problems of free market systems.

The survey questionnaires used to measure professor and administrator attitudes and opinions toward Marxian economics used the Likert scale format. Some questions used a multiple-choice method to gather demographic information from the respondents. A concern of this researcher about the data results centers on whether the survey and testing questions used in this study accurately assess student learning and consistently measure opinions and attitudes of respondents toward Marxian and classical economics. For example, question 8 of the professor survey asked if professors could competently teach Marx's ideas about how capitalism works (Appendix A). This question potentially was offensive, and may have influenced responses of professors holding doctorate and masters' degrees—many of whom had taught for over 20 years in their fields of expertise.

A study that relies on the memory of aging professors to recall the academic environment of the distant past, which asked about the degree of censorship Marx's ideas received in those time periods, may have encountered the problem of selective memory. Asking academics about events that occurred 30-40 years ago could have led to inaccurate responses.

Survey repetitiveness could have lessened professor and student responses, as some professor surveys were returned with incomplete data following question 11. This is because survey questions 2 and 11, similarly ask respondents whether Marxian economics should be taught in the social science classroom. Such repetition potentially limited the number of survey responses returned, as 34 professors did not return the questionnaires—despite duplicate mailings sent to them. Respondents might have tired of survey questions that they did not want to answer anyway.

Question 12 of the Marx group student surveys asked students in experimental groups to reveal where they had learned previously about Marx. But a poorly constructed question asked them to check only one response, when students could have learned about Smith and Marx from various sources. The same question was asked of control group respondents using Adam Smith's theories to learn about the economic problems of capitalism as question 6. It was clear in retrospect that students could have learned from parents, school, independent reading, or a separate college course—not just from a single source. But the survey instruments did not take this into account.

An additional concern that potentially limits the utility of the research findings revolves around issues of question reliability. It is open to interpretation whether the survey questions obtained the desired information from students and professors. Students may have become confused with Marx's views on communism, command economies, and central planning. Furthermore, students and professors may have viewed the survey and examination questions as value biased, seeing the question writer as sympathetic to Marxian economics over the classical model. But the ability to compare Smith and Marx student survey results for identical questions allows for the data results to remain of interest. This is because Smith group students potentially detected similar biases in the presentation of their instructional units.

It is questionable if student learning using both classical and Marxian curriculums to understand the economic problems resulting from free markets can be standardized while being taught from differing perspectives. Can learning be judged to be of the same quality when using alternate curricula in different classes and then testing on identical learning objectives? In response to this concern, it should be noted that the learning objectives presented earlier in this chapter are intended to be the same for students in both control and experimental groups. The study proposes that students may be able to learn concepts of monopoly whether using Marx's crisis theory, or Smith's criticisms of mercantilism—and that students can understand what causes economic stagnation by studying the classical laws of supply and demand, or by learning about labor reserve armies as part of the Marxian equation.

The general limitations encountered in this study are summarized in chapter 5, within a section that proposes ideas for future research on the utility of Marxian economics in the classroom to help students understand the economic problems of free market systems.

CHAPTER 4

Results

Purpose of Chapter

This chapter describes the data findings from professor and student surveys, and presents the results of student testing completed in the control (Smith) and experimental (Marx) groups who were a part of the classroom study. In addition to describing the findings, the chapter draws conclusions that are concerned with the relevance or irrelevance of the research hypotheses. All testing and survey results used in this project, whether aggregated or stratified, are presented in table form, and can be found in the appendices of this study.

Findings

Research Question 1

The question seeks to determine if Marxian economics is as effective a method of helping students understand the economic problems of capitalism as the classical economics methodology that is predominantly used today. To test this question, both control (Smith) and experimental groups (Marx) were given identical pre and post tests to assess student learning. Students were asked to grasp the same educational objectives as the focus of this study (the economic problems of capitalism)—but from the differing economic perspectives. Student testing results were averaged by percentage for both pre and post tests. The differences in scores between these tests were measured upon completion of the economic units. The total scores of each class were averaged to develop a group average—with Marx groups as experimental sections and the Smith classes as the control groups. The finalized testing data (Appendix F) show how classes who used a Marxian curriculum to understand the economic problems of capitalism garnered a 22% improvement between tests. Classes who utilized the classical curriculum to understand the economic problems of capitalism also saw a 22% increase in student learning between tests.

In the student surveys issued to the six ISS 1120 Marx and Smith groups, all students groups were asked in question 1, if they felt Karl Marx's or Adam Smith's explanations about how capitalism works helped them to understand modern economic problems. The data collected and interpreted from the survey responses to this question demonstrate that students in Marx groups felt the Marxian critique was useful in helping them understand modern economic problems. Seventy-three percent of students who completed the survey either agreed or strongly agreed with this idea. But 79% of Smith students agreed or strongly agreed that Smith's explanations helped them understand modern economic problems, compared to the 73% of Marxian group students. These data point toward students favoring the classical analysis more than the Marxian methodology to explain about economic problems by a small percentage (6%) of respondents. Though students did slightly favor the classical perspective to understand the problems of capitalism, nearly three out of four appreciated the relevance of the Marxian analysis.

Conclusions. The 22% increase in student learning in both control and experimental groups evidence the relevancy of Marxian economics as a method of helping students understand how capitalism works. Students in the Marxian groups did learn, quantifiably, as much about the economic problems as the Smith groups did according to the testing results.

The data show that students, using the classical approach to understanding capitalism and Adam Smith's theories, learned at the same rate (22%), and supported the idea that classical economics remains a viable method of teaching about capitalism. The survey data showing that students, by a small percentage, favored the classical analysis to understand modern economic problems also support this point. Those survey responses weaken the force of the idea that the Marxian critique of capitalism has utility in the classroom—when compared to the classical analysis. But this does not belittle the finding that Marxian economics is shown by the testing results to be an effective way to help students learn how capitalism works and understand its associated problems.

Research Question 2

An important testing consideration in this study was to find out if professors today may be able to teach the Marxian critique of capitalism more objectively than during the Cold War. This question was meant to test if the ebbing of Cold War hostilities would allow for more impartial discussion of Marxian economics—with communism no longer seen as an ideological threat to capitalism.

To test this idea, professors were asked in question 1 of the professor surveys if they thought they could teach Marx's explanations about how capitalism works more objectively than during the Cold War. To gauge student perception about this idea, students in the experimental groups who used Marx to learn about capitalism were asked in survey question 8 if they thought Marxism could be taught more fairly today than during the Cold War.

In response to these queries, 62% of MDCC and NOVA professors either disagreed or strongly disagreed in question 5 that they could teach Marxian economics better today (Appendix BB). These results imply that professors felt they were able to teach Marxian economics as objectively before 1991 as they could today. These findings negate the idea of a lack of professor objectivity toward Marxian economics during the Cold War. But interestingly, when professors were asked in question 6 (Appendix CC) if they thought Marxian ideas about capitalism were taught objectively during the Cold War, 45% disagreed or strongly disagreed—while only 24% agreed or disagreed with this idea. It could be extrapolated from these responses that a majority of current professors, who made a response other than undecided, thought their teachers during the Cold War were less objective than they themselves are today. The idea that professors affirm how Marxian economics was not taught objectively during the Cold War, but then respond that they themselves taught the subject objectively during that era, raises questions about the utility of the survey responses in providing substantial conclusions on the issue. At minimum, the data from question 6 do support the idea that objectivity was a concern during the Cold War, and that today's professors feel they are more objective when discussing such issues. But care must be taken in arriving at conclusions when factoring out undecided responses, as it is difficult to ascertain the true meaning of such responses.

A related finding on professorial recollections of censorship during the Cold War, demonstrates that MDCC professors felt censorship was a greater problem during that era than NOVA professors remembered it to be (Appendix DD). Twenty-nine percent of MDCC professors in responses to survey question 7 disagreed or strongly disagreed that there was not much censorship during the Cold War, while only 18% of NOVA professors responded the same way. These data, coupled with the fact that 95% of MDCC professors in question 11, indicated that (Appendices EE & FF) they felt Marx should be used in the classroom while only 73% of NOVA professors agreed, show that MDCC professors support a greater role for the Marxian analysis of capitalism in the curriculum than their fellow professors at NOVA.

Student responses from the Marxian experimental group surveys, in question 8, show that 69% of students thought that Marx could be taught more objectively today than during the Cold War. But the relevance of these numbers is limited, because only 16% of students in the Marx groups who completed surveys were over 28 years of age. This age was used as a barometer for measuring student exposure to the Cold War, because students below that age in the year 2000 would have been too young to directly experience it—just reaching adulthood when the Soviet Union fell. As 84% of students were too young to have much recollection of that environment, their survey results for question 8 must be viewed with skepticism. Furthermore, the 84% of students not directly exposed to the Cold War would have had to get their knowledge of Marx and communism from alternate sources outside of the ISS 1120 course under consideration, as neither the Cold War nor its ramifications upon teaching Marxian economics was discussed prior to or during the economics units in control or experimental groups.

Conclusions. The survey evidence gathered in this study is not sufficient to determine if professors can teach Marxian economics objectively today in the absence of Cold War tensions. These findings have implications for the teaching of Marxian economics, because more professors reported a lack of objectivity in the teaching of Marxian economics during the Cold War than there were professors that thought this was not an issue. Professors also agreed with the need to use Marx as a part of the social science curriculum to understand contemporary economics. The fact that professors thought there was censorship about Marxian economics during the Cold War (and in their responses may have shown their difficulty in recollecting past events) is an important finding. This is because it implies that economics education today may have the potential to be more objectively balanced, when discussing the Marxian economics, than it has been in the past.

Student survey data results relating to the Cold War in question 8 are insupportable because students were not taught about history of the Cold War and its effect on Marxian economics in the ISS 1120 economics unit. Furthermore, The overwhelming majority of students in control and experimental groups were not even in high school when the Cold War ended.

Research Question 3

A further idea tested in this study was if the Marxian critique of capitalism could stimulate critical thinking in community college students about the economic problems that exist in capitalist systems. To test this idea, students in the Marx groups were asked in student survey question 4 (Appendix GG) if they felt the economics unit on Marx inspired them to think critically. Alternatively, students who learned about capitalism from the classical perspective were asked the same question concerning the ability of Adam Smith's ideas to stimulate critical thought about economic problems. The fear that this question's structure implied a desire for a positive response by the survey taker was mitigated by the fact that both Marx and Smith groups answered identically worded questions—with the findings being statistically compared against each other to seek conclusions on the topic.

The survey results for question 4 reported that 69% of students in the Marx groups either agreed or strongly agreed that Marxian economic analysis stimulated critical thinking. With the Smith groups, 77% of student respondents either agreed or strongly agreed to the question about whether Smith inspired critical thinking.

The survey results presented above demonstrate that the Marxian critique of capitalism does stimulate critical thinking among nearly seven out of 10 students learning about capitalism from that perspective. Only 6% of student respondents disagreed or strongly disagreed that Marx stimulated critical thinking. These findings support the importance of Marxian economics as germane to economics instruction. Yet the 77% of students learning economics from the classical perspective reported that Smith's analysis encouraged critical thinking—numbers that represent a score 8% higher than the numbers supporting Marx. This information suggests that the classical analysis may be more successful in stimulating critical thinking about economic problems than the Marxian critique. But this finding can be balanced by the fact that while 6% of students in Marx groups felt Marx did not stimulate critical thought, 13% of the Smith students thought his ideas did not stimulate critical thinking.

Conclusions. The data show that most students in the experimental groups felt the Marxian critique of capitalism stimulates critical thinking. But the data do not support the idea that the Marxian critique is more pertinent than the classical analysis in stimulating critical thinking, as an even greater number of students reasoned that Smith's analysis of free market systems stimulated critical thinking. But Smith's respondents did have more negative results than the Marx groups in their answers to question 4. The evidence supports the idea that both classical and Marxian theories stimulate critical thinking about capitalism and its associated economic problems.

Research Question 4

The survey questions presented to students (question 9) and faculty (question 4) asked if they felt it was possible to separate Marx's explanations about how capitalism works from Marx's desire for revolution and communism. Sixty-three percent of professor respondents either agreed or strongly agreed that Marx's explanations about how capitalism works could be separated from his ideas about communism. This finding supports the idea that professors feel they can separate the Marxian economic analysis from his political writings in support of communist revolution. But question 4 of the professor survey could be construed as misleading, because the question asks if, "I can separate Marx's ideas about how capitalism works from his ideas on communism." The question could have been thought to be asking if the responding professor was capable of such teaching, rather than if a theoretical separation were possible. That understanding potentially led professors to understand the question as a judgment of their teaching abilities, and a defensive response of "agree" could have been elicited to demonstrate their personal qualifications. Yet, in defense of the question's construction, if professors maintained that they personally could separate Marx's economic analysis from discussions of communism, the question could gauge the general ability as academics to make the separation.

When students were asked if Marx's ideas about how capitalism works could be separated from teachings about communism and revolution in survey question 9 (Appendix HH), only 45% agreed that it could be done, with 43% of student respondents marked undecided. But of the students who made a choice other than undecided, the 45% who agreed or strongly agreed are compared against the only 12% who disagreed or strongly disagreed—leading to the assumption that most of the students who made a clear decision supported the idea that a theoretical separation was possible.

<u>Conclusions.</u> The professor responses indicate that a separation between teaching Marxian economics and communism is possible. A less than 50% positive response among students who feel Marxian economics could be separated from teaching about communism and revolution represents a denial that this pedagogical separation is

possible. But if it can be assumed that students were not cognizant enough about Marx to make an informed response because they did not learn about communism or revolution in ISS 1120, then the idea of a possible separation cannot be refuted—but the reliability of the question becomes doubtful. But this does not rule out the validity of using the survey question in this study. This is because, after learning economics from the Marxian perspective, students saw that the economic problems of capitalism could be learned by using the Marxian methodology independent of knowledge of communism and its revolutionary associations. Nor can it be assumed that students entering this study had much knowledge of Marx or Marxism prior to taking ISS 1120.

The student data do not provide conclusive evidence to support the research assumption. Variables, such as the degree of student knowledge of communism and its revolutionary legacy prior to entering the economics unit of ISS 1120 were unknown. Furthermore, students did not receive education on these topics prior to the economics unit under consideration. If it is assumed that students had little knowledge of Marx before entering ISS 1120, this could explain the high number of students marking undecided as a survey response

Research Question 5

This question posits that the Marxian critique of capitalism may be more effective today to help students learn about the economic problems associated with free market systems than it was during the Cold War. Students under 28 years of age in the year 2000 were too young to understand the social, political, and economic environment of the Cold

War. Consequently, these students were thought to be able to learn more impartially about the Marxian critique of capitalism than students raised in an era when Marxian economics was often associated with Soviet communism. These assumptions were tested by age stratified survey data in both Marx and Smith groups. But the dichotomies could not be tested adequately, because the data samples of students in the six ISS 1120 courses were too small to have statistical relevance. Only six students in the Smith group and eight in the Marx classes reported being over 28 years of age in an overall survey study of 90 students—making conclusions based on the scant findings stratified by age group unreliable. A discussion of the need for such a study that includes larger numbers of older students in the data is discussed in the recommendations for further research section of chapter 6.

Research Question 6

This question tested if Hispanic students at MDCC would be less likely than students from other ethnic groups at the college to embrace learning economics using the Marxian perspective. The data accumulated from the ISS 1120 Marx and Smith groups do support this idea.

Student surveys distributed after the completion of the economics unit measured ethnicity as a factor in shaping student attitudes toward Marxism. But ethnic data of students were not collected for pre and post tests because those results would not have measured student opinion toward the Marxian critiques—or their attitudes toward using Marx in the curriculum. It can be argued that student success in testing is more related to test preparation and proper instructor presentation of the material to be tested, rather than to agreement or disagreement with the issues. Thus, a student might not agree with the Marxian critique, but might be able to put personal opinions aside and learn from it.

Survey responses were stratified by ethnicity and provided some relevant conclusions. In question 6, students in the Marx groups were asked if they felt Marxian ideas about capitalism could be taught objectively today (Appendix II). The results show that Hispanic students at MDCC were less confident than non-Hispanic students that Marx could be taught objectively (Appendix JJ). Only 59% of Hispanic respondents at the college thought Marxian economics could be taught objectively, while 83% of non-Hispanics there felt so. These numbers indicate a greater hesitancy among Hispanics concerning the use of Marx in the curriculum than other ethnic groups.

Question 6 presupposes some student knowledge about communism, the Cold War, and Marx. Otherwise, the validity of the question is uncertain. It may be assumed that students were aware of Marx because only 35% of students chose undecided to question 10 (Appendix KK), which asked students if their previous education about Marx portrayed him negatively. If 65% felt confident enough to make a decided response, it can be extrapolated that a majority of students were cognizant of Marx from exposure to his ideas prior to enrollment in ISS 1120.

MDCC Hispanic students in Marx groups, responding to questions 1 and 2, were also more skeptical of the utility of the Marxian critique. Whereas 70% of these students felt the Marxian explanation about how capitalism works could help them understand modern economic problems, 74% of non-Hispanics at the college felt the same. In question 2, where students were asked if Marxian critiques should be taught in the social science classroom, 67% of MDCC Hispanic students thought so, while 74% of non-Hispanics concurred.

The statistical differences in questions 1 and 2 between MDCC Hispanic and non-Hispanic responses are small by percentage. But the numbers, when coupled with the results from questions 5 and 6, indicate a trend that reinforces the idea that Hispanic students at MDCC are more cautious about using Marx in the classroom to learn economics.

Question 5 asked both Marx and Smith group students at MDCC if they found the presentation of Marx's theories unbiased. In the overall study, students using Marx to learn about the economic problems of capitalism found more bias in the curriculum presentation than Smith group students did in their presentation of the classical curriculum (Appendix LL). Interestingly, the data for Marx group respondents to the bias question showed that 26% of MDCC Hispanics found the Marxian presentation biased—as opposed to only 9% of the non-Hispanic respondents at the college (Appendix MM). This also supports the idea that MDCC Hispanics are less likely to favor learning economics from the Marxian perspective.

Though these findings support the idea that it's more difficult for MDCC Hispanics to accept the use of Marxian ideas in the classroom, 41% of these Hispanics did agree or strongly agree in responses to question 5 that the presentation of Marxian economics was unbiased, while only 39% of non-Hispanics at the college answered the same way.

The data findings from survey questions 1, 2, 5, and 6 show more skepticism among MDCC Hispanics than non-Hispanics toward using Marx's explanations of how capitalism works to understand the problems of free market systems. But other data findings qualify those results. When asked in question 9 if they thought Marxian ideas about capitalism could be separated from teaching on communism and revolution, 56% of MDCC Hispanic respondents either agreed or strongly agreed that this was possible, while only 35% of non-Hispanics students at the college agreed with this statement (Appendix NN). This indicates that Hispanics may support a place for Marx in the classroom, but only if his economic analysis can be separated from teaching about communism.

Conclusions. Hispanic students at MDCC demonstrated a greater aversion to Marxian economics than non-Hispanic students in the Marx group data findings, though the student responses to question 9 posit that Hispanics in the MDCC study support the Marxian critique of capitalism divorced from its association with communism and revolution.

The inability to ascertain the nationality of MDCC Hispanic students and professors limited the ability of this researcher to test the degree in which exposure to communism and Marxian economic theories had on Hispanic students in the study. As Hispanics respondents at MDCC were classified broadly as "Hispanics" and compared with other ethnic groups, it was impossible to determine whether students were from, for example, Cuba or Costa Rica. Such differences in nationalities potentially influenced attitudes toward Marx and may have shaped survey responses. These categorical limitations, or lack of sub-categories that ascertain Hispanic national identity, is discussed further in the limitations section of chapter five.

Unanticipated Results

The data collected from professors and students through testing and survey instruments revealed some unexpected outcomes. Of note were the differences in perception among students in Smith and Marx groups toward instructor bias, as measured in the student survey instruments. Question 5 of both the Marx and Smith group surveys asked students if they felt the presentation of economic theories in their respective course units was perceived as unbiased. The findings report that bias was detected among students learning about economic problems from the Marxian perspective (Appendix LL). Twenty percent of students in the Marxian group indicated that the presentation of the Marxian critique of capitalism was biased, with the implication that the instructor was seen as unduly favoring the approach over competing perspectives. In the Smith groups, only 3% of the respondents indicated that the instructor discussed the economic problems of capitalism from the classical perspective in a biased manner.

Though these findings indicate that students found the Marxian instruction to be more biased in favoring the Marxian critique of capitalism than students in the classical curriculum had noted bias in their presentation, it is important to note that students, that chose a response other than undecided, still chose by nearly two to one (39% versus 20%) that the Marxian ideas were presented in an unbiased fashion.

It is difficult to determine if students felt there was instructor bias in the presentation of Marxian economics, or if a student's previous biases against Marxism were developed at home, from outside reading, or if learning from other classes led to the student's perception that the presentation of Marxian economics was slanted. Furthermore, in survey question 8 presented to the Marx groups, students were asked if they thought Marxian economics could be taught more fairly today than it was during the Cold War. Even though an overwhelming majority of student respondents were under 28 years of age in 2000, their responses indicate that 73% answered the question decisively, while only 27% marked undecided—leading to the possibility that most students understood the Cold War and its ramifications on Marxian scholarship before entering the ISS 1120 class by selecting a definitive answer. Sixty-nine percent of students in that question agreed or strongly agreed that Marxism could be taught more fairly today than before the Cold War. This data supports the use of Marxian economics in the classroom—if taught in an unbiased manner.

Student perception of the Cold War, because of its associations with communism, the Soviet Union, and Cuba, may have affected student responses. The negative associations concerning Marx might have influenced students to respond that teaching could be done more objectively in an era free of a Cold War mentality, skewing the survey results in favor of teaching today being presented more objectively—even though students today likely have little understanding of the Cold War environment because of their youth.

Women found the Marxian economic analysis of capitalism presented in a more biased manner than women in the Smith groups thought the classical methodology was presented that way. Women in Marx groups also felt less supportive than men that Marxian economics could be separated from teaching about communism and revolution. Survey results from question 9 (Appendix OO) show that only 36% of women thought such a separation was possible, while 61% of the men studying Marx thought it possible.

Further differences in student responses, when stratified by gender, can be seen in answers to survey question 5. The question measures if students felt their professor was unbiased in the presentation of the economics unit. Twenty-four percent of women in Marx groups disagreed or strongly disagreed with the statement (Appendix PP) that the professor's presentation of Marxian economics was unbiased. Only 12% of men in the Marx groups agreed with the women, reinforcing the idea that women were more critical than men toward the Marxian critique.

The findings presented above show how women saw the separation between teaching of Marxian economics and communism as less possible than men. When coupled with the fact that women reported more classroom bias in the Marxian presentation than men did, it shows that women appear more skeptical than men of the utility of using Marxian economics in the curriculum.

When professor survey results are compared by campus, the data from questions 7 (Appendix DD) and 11 demonstrate that professors at MDCC favored using the Marxian critique of capitalism in the classroom more than NOVA professors did. These findings are of interest, because this study meant to test if Hispanic professors at MDCC were more hostile to teaching Marxian economics than non-Hispanic professors in a predominantly white mid-Atlantic community college of Northern Virginia. But even though 24% of MDCC professors listed themselves as Hispanic in professor surveys (as opposed to 0% at NOVA), the findings indicate that combined MDCC professors support using Marx in the classroom more than their NOVA counterparts. Perhaps Hispanic professors at MDCC see Marx as relevant because they feel that understanding his philosophies is central to helping Hispanic students at the college (53% of Marx group students at MDCC listed themselves as Hispanic in student surveys) understand the history of communist experiments in Latin America and the Caribbean. Yet, care needs to be taken in interpreting these findings, as the numbers of professors who completed surveys at MDCC and NOVA were small (43), limiting the statistical relevance of the data and pointing to the need for future research on the topic.

The further analysis of differences between NOVA and MDCC responses show that 76% of MDCC professors, in their answers to survey question 4 (Appendix QQ), felt they could separate Marx's communist ideas from his capitalist analysis. Only 50% of NOVA professors felt this could be done. This again demonstrates how MDCC professors felt more comfortable with the idea of separating economics from Marx's politics, showing that MDCC professors are keener on using Marx in the classroom than their NOVA counterparts. The greater degree of support given to the Marxian analysis at MDCC is also seen in the responses to survey question 11 (Appendices EE & FF), where 95% of MDCC professors indicated that Marx's ideas should be used in the social studies/social science classroom. Only 73% of their NOVA counterparts agreed.

Professor responses from both colleges to questions 1 and 2 show further differences between NOVA and MDCC on these issues. When asked in question 1 (Appendix RR) if they thought Marx's explanation about how capitalism works helped them understand modern economic problems, 67% of MDCC professors either agreed of strongly agreed. Only 37% of NOVA professors felt the same way. In question 2, professors were queried if they thought Marxian economics should be used in the classroom today. Here the difference between college responses was small, but 72% of MDCC professors agreed or strongly agreed, while 68% of NOVA professors did. This evidence of support among MDCC professors for Marxian economics in the classroom, the stronger feeling among MDCC professors than their NOVA counterparts that Marxian economics is important in understanding modern economics, and the greater MDCC support for the idea that Marx's analysis could be separated from communism, provide evidence that teaching economics using Marx is supported to a greater extent at MDCC than at NOVA.

The degree of student selection of "undecided" as a response to survey questions may have significance in this study. This is because while students who chose to mark undecided for questions 1, 2, 4, and 5 in the Smith groups averaged an undecided rate of 22%, students in the Marx groups averaged a rate of 28% for the same questions (Appendices N & O). On the surface, these data demonstrate that students learning economics from the Marxian perspective were somewhat more uncertain about that methodology than students were in the Smith groups who studied economics from the classical viewpoint. This finding suggests that students may have a slightly increased comfort level with classical economics. But conversely, the number of undecided responses may allude to students giving more serious thought to the questions. The undecided numbers are not supportive of this idea, but it remains possible that student undecided responses indicate that their recent learning made them question previous beliefs about Marx and Smith's ideas, and how they have become uncertain about their previously held ideas.

CHAPTER 5

Summary, Limitations, Recommendations, and Conclusions

Restatement of the Rationale for the Study

This study was designed to test if the Marxian analysis of capitalism assists students in understanding how capitalism works, and if that method helped them learn about its associated economic problems. These ideas are meant to probe if it might be easier today to teach the Marxian economic analysis since the Cold War has ended. As communism is in retreat around the globe, it might be possible to view Marx as an economist with valuable contributions to the economic analysis of how capitalism works—instead of his being associated predominantly with communist rhetoric.

Marxian economics is not taught often today in economics classrooms because it is seen as less relevant since the fall of the USSR and the ascendancy of capitalism as the world's dominant economic ideology. In survey responses of professors teaching the social sciences at MDCC and NOVA, 19% admitted to teaching Marx less since the Cold War ended. Because this post Cold War environment is shaped less by ideological confrontation, this study tested if students could separate Marx's explanation of how capitalism works from communism and its revolutionary legacies. If this were possible, students were thought to be able to use the Marxian critiques as a way to understand how capitalism works from a perspective that is critical of its outcomes—rather than assuming free markets are always the most rational, moral, and efficient methods of managing resources. In short, this study is meant to ascertain if it is possible in economics education to reintroduce the Marxian economic analysis, in the absence of acute ideological conflict, as an alternative method that promotes the understanding of how free market systems operate.

To demonstrate the need for such a study, it is suggested in chapter 2—through surveying economic problems that continue to affect capitalism—that Marxian economics might still be relevant as a way to comprehend modern market economies. If Marxian economics is useful to understanding modern capitalism, the implication is that the Marxian analyses may still have utility for economics instruction. To investigate this connection, it was necessary to assess students who used the Marxian analysis to learn about the economic problems of capitalism with testing instruments to measure the extent of their learning. It was also necessary to use surveys to gauge student attitudes and opinions toward using Marx to learn about how capitalism works. In those surveys, students were asked if the Marxian economic unit inspired critical thought, helped them to understand the modern economy, and related questions that gleaned information about their views on the relevance of the Marxian critique to learning about capitalism. For purposes of comparison, disparate student groups were taught economics from the classical perspective. This allowed for testing to determine if the Marxian analysis is as effective an instructional methodology as the classical economics curriculum that is commonly used in economics' instruction today to determine how free markets work.

Because 52% of students at MDCC who completed surveys after being taught the economics unit in Marx and Smith groups listed themselves as Hispanics, ethnicity was tested as a factor that may have shaped survey responses. The study tested if Hispanics were more hostile to using Marxian economic analyses in the classroom than non-Hispanics. This is because the Hispanic population of Miami-Dade County is heavily concentrated with Cuban, and to a lesser extent Nicaraguan, immigrants who have had direct life experiences with communism. The experiments of those countries with communism might have affected their viewpoint toward using Marx's ideas to learn about economics.

Because classroom professors are responsible for presenting material in an economics unit, measuring their attitudes toward the Marxian analyses was necessary through surveys to find out if professors could teach Marxian economics effectively, and whether such topics could be presented objectively. Accumulated survey data was meant to gauge the future potential for instruction on Marxian economics, and the extent to which the Marxian critique of capitalism is used in economics classrooms today.

Summary of Findings

Main Hypotheses

Student learning in this classroom study, measured by numerical improvement from pre to post test in Marx and Smith groups, shows that Marx groups improved their test results by the same 22% as Smith groups did. The data contribute to the idea that the Marxian critique of capitalism is relevant to understanding how capitalism works and its economic problems. But the finding does not posit that the Marxian critique of capitalism is more effective than the classical analysis in helping students understand those economic problems. This reality points to the continued relevance of the classical curriculum for educational purposes.

Professor survey results determined that Marxian economics assists in the understanding of modern economics. A majority of professor respondents agreed or strongly agreed in surveys that Marxian economics helped them understand modern economic problems, and how Marxian explanations of how capitalism works should be taught in social science classrooms. Students also reinforced the research hypotheses in their responses to survey questions, where large majorities agreed or strongly agreed that Marxian economics helped them understand the modern economy—and that Marx's ideas should be used in the classroom. Essentially, professors and students who agree that the Marxian analyses should be used in the classroom see Marxian economics as relevant to the contemporary economic environment—lending support to the research hypothesis.

Research Questions

The research data show that, in attempting to help students understand the economic problems of free market systems, using the Marxian critique of capitalism is as effective as using the classical model's explanations of why those problems exist. The idea was affirmed by data gathered from pre and post test results, which show that students improved in both Marx and Smith groups by 22% between tests. Student testing results indicate that using the Marxian critique of capitalism is as effective a manner of explaining how capitalism works as the classical model commonly used in economic instruction today.

The study findings on research question 2 do not demonstrate that professors in the community colleges can teach the Marxian critique of capitalism more objectively today than during the Cold War. This is because professors answered in survey responses that they taught about Marxian economics objectively during that era. Such a response means that no substantial conclusions can be drawn from the survey results on this issue. Yet when asked if they thought Marxian economics was taught objectively during the Cold War, 45% of professors either disagreed or strongly disagreed, while only 24% of professor respondents agreed or strongly agreed that Marxian economics was taught objectively during that era. This determination mitigates the force in which the professor responses about objectivity denied the research question, but it does not provide enough evidence to support the conclusion that the professors today can teach Marxian economics more objectively than they did during the Cold War.

The findings relating to research question 3 suggest that the Marxian critique of capitalism stimulates critical thinking among community college students about the economic problems of free market systems. A majority of Marx group students thought that the Marxian explanation of how capitalism works stimulated critical thinking, supporting the idea that the Marxian analysis of capitalism has utility in this manner. But alternately, most Smith group student survey responses were in agreement that the classical perspective on explaining economic problems inspired critical thinking. The results show that students do support the Marxian perspective on this issue, but are keener on using the classical methodology as a way to encourage critical thinking.

In regard to research question 4, survey responses from professors and students provided no definite conclusions. Their responses demonstrated that they could divorce Marx's critique of capitalism as an economic system from Marx's political writings and aspirations for communism, but with qualifications. Most professors supported the idea that Marx's economic critiques of capitalism could be separated from Marx's ideas on communist revolution, which positively affirms the research hypothesis. But only a minority of students (45%) in the Marx groups survey responses felt the same way, which is evidence to negate the hypothesis. But if the 43% of students who marked undecided on that issue in survey replies are not considered, a majority of students who made definitive responses thought such a separation was possible. Removing undecided respondents from the results suggests that most students could separate Marxian economics from his ideas on communism and politics. But not knowing definitively the reasons students chose to mark "undecided" as a survey response makes such a conclusion unsupportable.

It can not be determined if age is a factor in gauging the effectiveness of the Marxian critique of capitalism as a method of helping students learn how free markets work. This is because many students in community colleges today were too young to have been affected by Cold War attitudes and biases. It was thought, as the basis for research question 5, that students under 28 years of age might be able to learn more objectively using the Marxian critique of capitalism to understand economic problems than students above that age who grew up in a Cold War environment. But as only 16% of students in the Marx groups, and 15% in the Smith groups, were over 28 years old when the classroom experiments were conducted, this research proposition could not be adequately tested.

In regard to research question 6, survey data suggests that Hispanic students at MDCC were less likely to favor learning economics from the Marxian perspective than other ethnic groups at the college. When student feedback was stratified by ethnicity between MDCC Hispanic and non-Hispanic students, Hispanics were shown to have found more bias in the classroom presentation of the Marxian critique of capitalism than non-Hispanics in the MDCC study. Hispanics students were also less enthusiastic in their survey responses than non-Hispanics about whether Marxian economics could explain how capitalism works today, and if the Marxian critiques should be used in the classroom. Furthermore, in survey replies a smaller percentage of MDCC Hispanic students thought Marx could be taught objectively today than their non-Hispanic classmates. These combined data results affirm that Hispanic students at MDCC are more hesitant than non-Hispanic students about using Marxian economics in the classroom. But importantly as a study conclusion, the overall data gathered from survey responses still reveal that a majority of Marx group Hispanics support using Marx to learn economics—albeit less than non-Hispanic respondents at the college answering the same questions.

Study Limitations and Suggestions for Future Research

The findings from classroom studies did suggest that Marx's economic explanations about how capitalism works is germane to economics instruction in social science courses, but the findings are only suggestive of its utility because of small data populations. Ninety students completed surveys, while 88 took both pre and post tests to evaluate their learning in the ISS 1120 economics units. Concurrently, the survey data gleaned from professors represented 43 responses from two community college systems. The limited number of subjects allows the research findings to be presented only as suggestive of trends. For a classroom study on economics curriculums to be conclusive and predictive, it is necessary to have more data to give the findings the statistical power. For example, the dearth of students over 28 years of age in the research data limited conclusions that could be made about the effect the Cold War had on older students' attitudes and opinions toward using the Marxian critique of capitalism in the classroom.

This classroom study took place in Miami, Florida, where 57% of the population in the 2000 U.S. Census identified themselves as being of Hispanic origin (Viglucci, Driscoll, & Henderson, 2001). Doing the study in such a region had its advantages. The large number of MDCC Hispanic students in ISS 1120 courses made it possible to test if they were less inclined to favor using Marx to learn about capitalism (See research question 6 in chapter 4). The research findings show that MDCC Hispanics are more hesitant toward using Marxian economic analyses. But a study that means to test the overall applicability of the Marxian critique to education needs to be conducted as well in areas where Hispanics do not represent the majority population. This is important to see if the present study can be considered representative of the national population, and not aberrant data only indicative of the educational environment of Miami-Dade County, Florida. This is because the study was limited to two campuses of a community college

(MDCC) that has high levels of Hispanic enrollment. Classroom studies on the relevance of Marxian economics that take place, for example, in Shreveport, Louisiana, or Bangor, Maine, may yield significantly different results than the MDCC study. This point shows the need for further testing in colleges with different ethnic compositions in order to develop more definitive conclusions on the applicability of the Marxian economic critique in the classroom.

As discussed in chapter 3, it is difficult to evaluate the reliability of survey questions, to measure if they are communicating the ideas they mean to present. Approximately one in four student respondents, in both Marx and Smith groups, selected "undecided" as an answer to Likert scale questions. This suggests that some questions may have confused respondents, pointing toward the need for better question construction in future survey instruments.

Survey questions posed to students and professors asked about a respondent's ethnicity, but did not ask about his or her country of origin. Consequently, it was known which surveys were answered by MDCC Hispanic students and professors, but not which country those Hispanics were from. It can be assumed that students and professors from Cuba and Nicaragua had greater exposure to Marx's ideas (though probably more about communism instead of Marx's analysis of capitalism) than students, for example, of Argentinean or Mexican descent. The inability to determine what country Hispanics were from questions the practical importance of research question 6 to this study. This is because that research question was based on the idea that Hispanics at MDCC might be more hostile to learning about capitalism from the Marxian perspective, due to their life experiences and previous exposure to Marxism. If it could be determined that Hispanics at the college were from a country that traditionally has had minimal exposure to Marxist ideology or insurgency, like Costa Rica, the usability and significance of the research findings would be in question.

This study measured ethnicity as a factor in student and professor responses at MDCC because Cubans are the majority population group among Hispanics in Miami-Dade County. But in future studies on ethnicity as a factor in survey response, it is strongly urged that the researcher differentiate between sub groups—as this study would have benefited from knowing which respondents were Cuban and which were, for example, Honduran. Such stratification would allow for data specificity to reach more definitive conclusions concerning the effect of ethnicity on student and professor attitudes toward Marxian economics.

As was the case with survey instruments for students and professors, student testing in Marx and Smith groups was done anonymously. Student tests were coded to allow for matching between pre and post test, but no other identifying information was requested of students. This regime, which was set up to preserve the anonymity of students to assure their comfort in participating in the study, had its drawbacks. Student tests did not ask them to reveal their age or ethnicity because these factors would have destroyed anonymity. Thus, it was not possible to learn if students taking tests at MDCC were Hispanic, or to determine student age and gender. These circumstances limited the ability of the researcher to determine if ethnicity was a factor in student success. Researchers who delve into curriculum studies should consider if it is possible that knowing the ethnicity and age of student test takers could assist in yielding answers about the research propositions.

It can be argued that testing does not measure student receptivity toward the subjects they are learning. Students who hope to succeed study hard with the goal of passing an exam, whether or not they like a subject matter. As a result, Likert scale questions that measure the attitudes and opinions of respondents were seen as sufficient indicators in this study to evaluate what students and professors thought about using Marx in the classroom.

The number of undecided responses in surveys returned by students may have been related to the length of the questionnaires. Professor surveys, and those prepared for students in Marxian groups, contained 22 and 16 questions respectively. The large number of questions contained in these surveys may have led to significant rates of undecided and non-response, as statistical research has shown that shorter instruments garner significantly higher response rates (Suskie, 1996). As such, it is recommended that future researchers evaluating the utility of Marxian economics in the classroom limit the number of questions presented in a survey instrument.

Interviewing professors and students might have been used to good effect in this study. But the researcher decided against it, as ideas attached to Marx inexorably become controversial because of their associations with 20th century communist experiments. It was thought that the contentious nature of Marxist theory might create hesitancy among interviewees to answer all questions truthfully due to political considerations. This concern made the researcher use survey instruments to gather information on the contemporary relevance of the Marxian analysis. Surveys were considered the most appropriate instruments to use with such topics because they provided anonymity to the respondent.

The fear of selective memory and memory loss among professors also made the researcher hesitant to use the interview process. Seventy two percent of respondents in professor questionnaires listed themselves as over 50 years of age. Getting such professors to remember events clearly from 30 years prior is a daunting task. This context, coupled with being unable to statistically test or quantify the factors of selective memory or memory loss, made the researcher decide against utilizing the interview process in this study.

The study conclusions that report on the utility of Marxian economics in the classroom can only be considered suggestive because the study was limited to one instructor teaching the six economics units under consideration. It is likely that differences in learning styles among students, disparate methods of instructional delivery, and student perception of instructor bias affected student testing results and survey responses. In the ISS 1120 courses evaluated, students who learned about how capitalism works from the Marxian perspective reported that they detected more professor bias than students learning economics using the classical explanations. Most students studying economics from the Marxian curriculum did not report instructor bias in survey responses. But the finding calls into question the issue of professor objectivity in presenting academic material. To avoid this problem in the future, it might be advisable to have different professors teach the curriculum under consideration as part of a larger study. The use of multiple instructors might be more effective in controlling for student perceptions of instructor bias, because a study intended to measure student learning based on a specific curriculum should not turn into a referendum on the merits of an instructor's teaching style or student perception of instructor bias.

Main Study Conclusions and their Implications for Instructors

This study supports the notion that the Marxian explanation about how capitalism works is relevant to economics instruction in social science classes at MDCC. This is because the methodology helps students learn about the economic problems of free market systems, which include maldistribution of wealth, a tendency of capitalism toward crises, and generalized gluts caused by overproduction and underconsumption. The study is suggestive of the idea that such a curriculum can be used at other community colleges to help students learn about the same issues. The 22% increase in testing scores for students in Marx groups between pre and posttest, and their responses to survey questions indicating that they had a positive view of Marxian economics in the classroom, are the key barometers that suggest the Marxian analysis still has utility for economics instruction. But an important development to emerge from this study was how receptive students are to classical economics. Those students, learning about capitalism from that perspective, also garnered a 22% increase in their pre and post test scores. Additionally, they responded favorably in surveys to the ideas of Adam Smith, demonstrating that classical economics provides as much learning about free market systems as the Marxian analysis. The results indicate how the classical methodology cannot be ignored in the economics curriculum, as the project findings in no way show the Marxian critique of capitalism to be a superior approach in which to teach students about economic processes.

The project research showed that Marxian economics stimulated critical thinking. This is probably because Marxian economics provides an alternative mode of analysis that questions the way capitalist societies are organized economically. Students in Marx groups saw the value of the Marxian critique in spurring their thinking about economic developments, but comparatively, students who learned about capitalism using the ideas of Adam Smith reported that his ideas stimulated critical thought to a greater extent. These conclusions also point to the continued relevance of Adam Smith's theories for economics instruction.

Survey responses from students and professors indicate that the majority of each group could separate Marx's economic analysis of how capitalism works from his writings on communism. If such distinctions are possible, the Marxian analysis about how capitalism works and explanations concerning how that system has evolved over time will continue to be important in understanding modern economic events.

Hispanics in this MDCC study were more hesitant about using Marxian ideas to learn economics than non-Hispanics at the college. This is likely because many MDCC Hispanic students might have had direct experiences with communism, or had relatives who did and therefore associate Marx with Latin brands of communism. Additionally, classical economics is not saddled by the ideological baggage that consistently accompanies things associated with Marx.

This project delineated how students learning about capitalism from the Marxian viewpoint reported more instructor bias than students in the Smith groups did. This finding shows that classical economics instruction is seen as a less threatening form of instructional methodology for students and may provide an increased level of comfort for students when studying about how capitalism works—an important assumption that also lends credence to the idea that classical economics remains an effective way to teach students how capitalism works.

Student perception of instructor bias also points to the importance of professor impartiality when presenting the Marxian analysis of capitalism. This may be especially important for Hispanic students at MDCC, who reported more instructor bias than non-Hispanics in the same classroom study. This is because students who feel their professor is advocating the Marxian analysis and obscuring conflicting economic interpretations about how capitalism works might become disillusioned with the learning process. If students view instruction as prejudiced, they might lose interest in a subject that is seen as preordained and contrived. Partisan instruction, from any perspective, defeats the objective of pursuing higher knowledge—which is to come to conclusions on issues through the airing of alternative explanations as the heart of social science investigation. With a subject matter as sensitive as the Marxian critique of capitalism, it is crucial that instructors weigh the merits and inadequacies of that methodology to give students a dispassionate exposition on the subject.

Marx remains relevant for posterity as an economist because he delineated, in a broad conceptual framework, the fundamental bases for how free markets work. He was the first economist to synthesize arguments that were critical of how capitalism tended toward concentration and maldistributed wealth, and that it had a propensity toward the crises that we commonly call economic cycles. He meant to show how capitalism evolved over time as a stage of historical development. His analysis outlined that system's tendencies that would play out over time, including its tendency toward monopoly as an inherent weakness of the system. But there are aspects of Marx's economic theories that are not supported by historical evidence—including the idea of the likelihood of profit for capitalists firms to fall over time and the Labor Theory of Value. In spite of Marx's pleadings, communism as an economic system has been an abysmal failure. Central planning systems failed to successfully address the importance of private incentive as the driving force in economic behavior. Conversely, classical economics addresses issues of self-interest and the benefits of competition—concepts belittled by communist ideology and the Marxian analysis. These and other important classical contributions to economic thought that have proven to be prescient in explaining economic events and should be addressed by instructors who use the Marxian analysis to teach how capitalism works, following a syncretic method of analysis used by radical political economists in the classroom today (Sherman, 1995; Wolff & Resnick, 1987). For the Marxian critique of capitalism to remain relevant to classroom instruction, students and professors must, in a similar fashion, be able to separate what is useful in Marxian economics from Marx's errors of judgment—if the analysis is expected to endure in the 21st century.

Drawing conclusions about the teaching of Marxian economics during the Cold War was not possible in this classroom study. A majority of professors in survey responses maintained that they taught Marxian economics objectively during the Cold War. They implied as much by holding that they could not teach Marxian economics any more objectively today than they did during that era. But a majority of those same professors reported in their survey responses that their education during the Cold War was not taught objectively. Essentially, professor respondents were maintaining that they were objective in their teaching during the Cold War, but that their professors were not. These conflicting survey responses alternately posit that the Marxian economic analysis of capitalism was taught objectively during the Cold War, then follow with a refutation of that idea, making the data unconvincing on questions of professor objectivity, leaving the researcher with inconclusive data.

The project research has shown that the Marxian analysis has utility in the classroom, and is a worthy method of studying modern economic developments. But the classical economic perspective, in comparative studies, has been shown to be of equal value to the Marxian analysis in stimulating classroom learning about capitalism. Students appreciated Adam Smith's liberal critique of Mercantilism and delineations of the laws of supply and demand as elements that accelerated the development of modern capitalism—apparently as much as they understood the Marxian concept of the labor reserve army as a factor that drove down wages.

In comparative survey responses, students by a small percentage preferred using Smith's analysis instead of Marx's to learn about economic problems. These findings do not refute the utility of Marxian economics in the classroom or the relevance of the Marxian critiques in explaining modern economic events. But they show the importance for professors to not ignore the classical curriculum in favor of Marxian ideas to teach students about capitalism. Master teachers incorporate contrasting points of view into their presentations by examining alternative perspectives and weaving the disparate ideas into a workable curriculum that fosters in students the love of learning and the stimulation of critical thinking. This can, and should be done by instructors who have the energy and erudition to merge the astute economic analyses of Marx and Smith into a unit that explains how free markets work and generates in students an understanding of that system's resultant economic problems.

In this light, the Marxian economic critique should not be relegated to the study of history within the context of 19th century industrialization. Marx's analysis of capitalism, as a method that helps students learn about the problems of free market systems, remains a viable way to teach economics. This is because it continues to stimulate critical thinking in the classroom, can be separated from communism as a method of analysis for the purposes of teaching economics, and helps to explain the causes of modern economic problems.

The economic issues addressed in this study detail how the Marxian critique of capitalism can continue to assist the student of economics in understanding the problems of free market systems. Economic history has shown that Marx's laws of motion cannot be labeled as absolutely predictive science. Too many of Marx's economic ideas, such as the inevitable collapse of capitalism and the Law of Falling Profit, are not instructive in providing an understanding of how free markets work. What does remain useful in Marxian economics is Marx's framework that portrays his analysis as a "critique of economics." It is true that Marx's positions on issues, such as capitalism tending toward monopoly, maldistribution of wealth, and crisis, remain relevant to comprehending modern capitalism. But the essence of Marxian economics remains that, from a critical perspective, it shows how capitalism evolves over time, and how its general tendencies can be discerned through economic analysis.

Marx (1848/1998) meant for his analysis of capitalism to be viewed as scientifically oriented, scoffing at the idea that his materialistic conception of history was a moralistic argument directed against the abuses of 19th century capitalism. In this context, some historians have portrayed Marxism as a romantic reaction to the excesses of industrialization (Muller, 1993). But it can be maintained that Marx remains more a child of Enlightenment thought. His revisions of Hegelian philosophy into a materialist conception of dialectical change, which manifests itself in a conception of human history that went beyond commercial society as a terminus of human development (socialism), places Marx squarely within the framework of the Enlightenment's faith in human progress. Marx did not view capitalism as being a crudely destructive process, but rather as a progressive inevitability that propelled European civilization out of feudalism and laid the path to socialism. For Marx, socialism implied bringing the commodities and intrinsic benefits of industrialization to all classes in society—making class distinctions an archaic concept that would disappear over time. These are not purely moralistic arguments. Instead they are analyses that promote economic science as a way to explain human behavior from a materialist perspective.

By delineating the weaknesses of capitalism, why he thought it would fail, and explaining the fundamental workings of the system through the laws of motion, Marx (1867/1967) set the agenda for debate on the merits, and more acutely, the shortcomings of capitalism as an economic system—inspiring thinkers in the past two centuries to confront similar issues.

Marx was right about capitalism more often than he was wrong. When his analysis of how free markets work is shed of its inconsistencies, and his writings on aspirations for a communist future are set aside, Marx's critique of capitalism remains a cogent framework from which to explain the causes of economic developments—and to illuminate how human societies have evolved over time.

Appendix A

Professor Survey

Please indicate your opinion about your experiences teaching Karl Marx's economic theories:

	(1) Strongly Agree	*(2) Agree*	*(3) Undecided*	*(4) Disagree*	*(5) Strongly Disagree*	
Karl Marx's explanations about how capitalism works helps me understand modern economic problems	____	____	____	____	____	(1)
Marx's ideas about how capitalism works should be taught in the social science/social studies classroom	____	____	____	____	____	(2)
I can teach Marxian ideas about how capitalism works objectively	____	____	____	____	____	(3)
I can separate Marx's ideas about how capitalism works from his ideas on communism	____	____	____	____	____	(4)
I can teach Marx's ideas about how capitalism works more objectively today than during the Cold War	____	____	____	____	____	(5)
Marxian ideas about capitalism were taught objectively during the Cold War	____	____	____	____	____	(6)
There was not much censorship of teaching Marx's ideas about how capitalism works during the Cold War	____	____	____	____	____	(7)
I can competently teach Marx's ideas about how capitalism works	____	____	____	____	____	(8)
As an administrator, I would not hire an educator with a favorable view of Marx	____	____	____	____	____	(9)
I would have an unfavorable opinion of a colleague that used Marx's ideas about how capitalism works in the classroom	____	____	____	____	____	(10)

Please respond to the following questions by placing only one check for each of the following questions:

Marx's ideas about how capitalism works should be used in the social science/studies classroom: (11)
_____yes (1)
_____no (2) (if answer is "no," please skip to question #17)

In which courses should Marx's ideas about how capitalism works be taught? (12)
_____history (1)
_____economics (2)
_____civics/government (3)
_____all of the above (4)
_____none of the above (5)

In which format should Marx's ideas about how capitalism works be taught? (13)
_____unit (1)
_____enrichment to a related topic (2)
_____separate course (3)
_____unsure (4)

Do you teach about Marx today? (14)
_____yes (1)
_____no (2)

More or less since the end of the Cold War? (15)
_____more (1)
_____less (2)
_____about the same (3)

The following questions will assist me in stratifying the data to make the results more meaningful. Your anonymous cooperation is appreciated.

My age is between: (16)
_____21-30 (1)
_____31-40 (2)
_____41-50 (3)
_____50 or above (4)

Sex: (17)
_____male (1)
_____female (2)

Ethnicity: (18)
_____Asian (1)
_____African American (2)
_____Hispanic (3)
_____White (4)
_____other (5)

My highest attained academic degree is: (19)
_____Bachelor's Degree (1)
_____Master's Degree (2)
_____Doctor's Degree (3)

My undergraduate major was: (20)
Please specify: ____ (99)

I have been teaching for: (21)
_____0-10 years (1)
_____10-20 years (2)
_____over 20 years (3)

I primarily teach: (22)
Please specify: ____ (99)

THANK YOU FOR YOUR RESPONSES!

Appendix B

Marx Group Student Survey Instrument

Please indicate your opinion concerning your experience using Karl Marx's theories to learn economics:

	(1) Strongly Agree	*(2) Agree*	*(3) Undecided*	*(4) Disagree*	*(5) Strongly Disagree*	
Karl Marx's explanation about how capitalism works helped me understand modern economic problems	_____	_____	_____	_____	_____	(1)
Marx's ideas about how capitalism works should be taught in the social science classroom	_____	_____	_____	_____	_____	(2)
I would take an economics course as a result of what I learned in this class	_____	_____	_____	_____	_____	(3)
The unit on Marx encourages me to think critically	_____	_____	_____	_____	_____	(4)
The presentation of Marx's theories was unbiased	_____	_____	_____	_____	_____	(5)
Marxian ideas about capitalism can be taught objectively today	_____	_____	_____	_____	_____	(6)
My ideas about Karl Marx did not change as a result of this course	_____	_____	_____	_____	_____	(7)
Marxism can be taught more fairly today than during the Cold War (before 1991)	_____	_____	_____	_____	_____	(8)
Marx's ideas about how capitalism works can be separated from teaching about communism and revolution	_____	_____	_____	_____	_____	(9)
My previous education about Karl Marx portrayed him negatively	_____	_____	_____	_____	_____	(10)
My views on Karl Marx changed as a result of this course	_____	_____	_____	_____	_____	(11)

Please check only one answer for each of the following questions:

Where did you learn about Karl Marx before taking this course? (12)
_____from parents (1)
_____from high school reading (2)
_____from independent reading (3)
_____from other college course (4)
_____was not aware of him (5)
_____from other sources (6)

Your age: (13)
_____17-22 (1)
_____23-27 (2)
_____28-32 (3)
_____over 32 (4)

Sex: (14)
_____male (1)
_____female (2)

College major: (15)
Please specify:__________________ (99)
(If undecided, please indicate in the above space.)

Ethnic background: (16)
_____Asian (1)
_____African-American (2)
_____Hispanic (3)
_____White (4)
_____other (5)

Thank you for your responses!

Appendix C

Smith Group Student Survey Instrument

Please indicate your opinion concerning your experiences using Adam Smith's theories to learn economics:

	(1) *Strongly Agree*	(2) *Agree*	(3) *Undecided*	(4) *Disagree*	(5) *Strongly Disagree*	
Adam Smith's explanations about how capitalism works helped me understand modern economic problems	____	____	____	____	____	(1)
Smith's ideas about how capitalism works should be taught in the social science classroom	____	____	____	____	____	(2)
I would take an economics course as a result of what I learned in this class	____	____	____	____	____	(3)
The unit on Adam Smith encourages me to think critically about capitalism	____	____	____	____	____	(4)
The presentation of Adam Smith's theories was unbiased	____	____	____	____	____	(5)

Please check only one answer for each of the following questions:

Where did you learn about Adam Smith before taking this course? (6)
_______from parents (1)
_______from high school reading (2)
_______from independent reading (3)
_______from other college course (4)
_______was not aware of him (5)
_______from other sources (6)

Your age: (7)
_______17-22 (1)
_______23-27 (2)
_______28-32 (3)
_______over 32 (4)

Sex: (8)
_______male (1)
_______female (2)

Your college major: (9)
Please specify:_______________________________________ (99)

Ethnic background: (10)
_______Asian (1)
_______African-American (2)
_______Hispanic (3)
_______white (4)
_______other (5)

Thank you for your responses!

Appendix D

Student Pre and Post Testing Instrument

MIAMI DADE COMMUNITY COLLEGE

PRETEST ON ECONOMIC PROBLEMS

Please circle the correct response to the following questions:

1. All of the following prevent an economy from emerging from a depression except:
a) Stagnant demand;
b) Low income;
c) Low production;
d) Government spending.

2. Mal distribution of wealth refers to:
a) The government spending more than the private sector;
b) The wealth inequities between income groups;
c) The decline in profits for small businesses.
d) None of the above.

3. What are some potential causes of unemployment?
a) Lack of demand for goods and services;
b) Lack of investment by private industry;
c) Minimal government spending.
d) All of the above.

4. What happens in an economy when more products are produced than people want to buy?
a) A glut of unsold inventories results;
b) Inflation occurs in those market sectors;
c) Companies hire more employees;
d) Businesses increase employee wages.

5. American companies make products outside of the US for all of the following reasons except:
a) To find cheap labor;
b) To find nations with few labor laws and regulations;.
c) To raise the living standards of American factory workers;
d) To sell products more cheaply in the US.

6. Economic cycles are characterized by:
a) the existence of recessions, depressions, and recoveries;
b) continuous stagnant demand for consumer goods;
c) the Federal Reserve consistently lowering interest rates;
d) inflationary pressures creating economic depressions.

7. Inflation is not caused by:
a) decreasing consumer demand for goods and services;
b) increasing consumer demand for goods and services;
c) the scarcity of a product in demand;
d) a large rise in a nation's money supply.

8. Capitalism, as an economic system, has:
a) consistently lowered the standard of living of wage workers;
b) seen profit rates of corporations consistently decline;
c) been able to avoid economic cycles;
d) none of the above.

9. Business monopolies:
a) are characterized by competition in industrial sectors;
b) are always interested in promoting free trade;
c) dominate markets due to limited or nonexistent competition;
d) none of the above.

10. Which of the following are not economic problems of free market systems?
a) mal distribution of wealth;
b) economic cycles;
c) a tendency toward business monopolies;
d) capital accumulation.

Appendix E

Table E1

Student Test Scores in Three ISS 1120 Smith Group Classes at Miami Dade Community College, Summer-Fall 2000

Class	Pre Test %	Post Test %
ISS 1120 Summer Homestead-Student 1	70	40
ISS 1120 Summer Homestead-Student 2	50	90
ISS 1120 Summer Homestead-Student 3	50	70
ISS 1120 Summer Homestead-Student 4	60	60
ISS 1120 Summer Homestead-Student 5	70	100
ISS 1120 Summer Homestead-Student 6	80	60
ISS 1120 Summer Homestead-Student 7	70	80
ISS 1120 Summer Homestead-Student 8	50	80
ISS 1120 Summer Homestead-Student 9	40	80
Class Average	**60%**	**73%**
ISS 1120 Summer 2000 Kendall-Student 1	60	80
ISS 1120 Summer 2000 Kendall-Student 2	70	80
ISS 1120 Summer 2000 Kendall-Student 3	60	80
ISS 1120 Summer 2000 Kendall-Student 4	50	60
ISS 1120 Summer 2000 Kendall-Student 5	40	70
ISS 1120 Summer 2000 Kendall-Student 6	40	80
ISS 1120 Summer 2000 Kendall-Student 7	80	80
ISS 1120 Summer 2000 Kendall-Student 8	70	90
ISS 1120 Summer 2000 Kendall-Student 9	80	80

Class	Pre Test %	Post Test %
ISS 1120 Summer 2000 Kendall-Student 10	40	90
ISS 1120 Summer 2000 Kendall-Student 11	40	100
ISS 1120 Summer 2000 Kendall-Student 12	50	80
ISS 1120 Summer 2000 Kendall-Student 13	30	50
ISS 1120 Summer 2000 Kendall-Student 14	40	70
Class Average	**54%**	**78%**
ISS 1120 Fall 2000 Homestead-Student 1	20	60
ISS 1120 Fall 2000 Homestead-Student 2	50	50
ISS 1120 Fall 2000 Homestead-Student 3	50	70
ISS 1120 Fall 2000 Homestead-Student 4	50	50
ISS 1120 Fall 2000 Homestead-Student 5	80	100
ISS 1120 Fall 2000 Homestead-Student 6	60	80
ISS 1120 Fall 2000 Homestead-Student 7	20	70
ISS 1120 Fall 2000 Homestead-Student 8	40	80
ISS 1120 Fall 2000 Homestead-Student 9	40	80
ISS 1120 Fall 2000 Homestead-Student 10	30	40
ISS 1120 Fall 2000 Homestead-Student 11	40	80
ISS 1120 Fall 2000 Homestead-Student 12	50	80
	44%	**70%**

	Pre Test Average-Smith Students	Post Test Average-Smith Students
	52%	**74%**

Appendix F

Table F2

Student Test Scores in Three ISS 1120 Marx Group Classes at Miami Dade Community College, Spring-Summer 2000

Class	Pre Test %	Post Test %
ISS 1120 Spring 2000 Homestead-Student 1	80	80
ISS 1120 Spring 2000 Homestead-Student 2	100	100
ISS 1120 Spring 2000 Homestead-Student 3	80	100
ISS 1120 Spring 2000 Homestead-Student 4	20	50
ISS 1120 Spring 2000 Homestead-Student 5	50	60
ISS 1120 Spring 2000 Homestead-Student 6	80	80
ISS 1120 Spring 2000 Homestead-Student 7	90	80
ISS 1120 Spring 2000 Homestead-Student 8	90	90
ISS 1120 Spring 2000 Homestead-Student 9	40	50
ISS 1120 Spring 2000 Homestead-Student 10	80	50
Class Average	**71%**	**74%**
ISS 1120 Summer 2000 Kendall-Student 1	40	70
ISS 1120 Summer 2000 Kendall-Student 2	80	100
ISS 1120 Summer 2000 Kendall-Student 3	50	90
ISS 1120 Summer 2000 Kendall-Student 4	80	90
ISS 1120 Summer 2000 Kendall-Student 5	70	70
ISS 1120 Summer 2000 Kendall-Student 6	60	80
ISS 1120 Summer 2000 Kendall-Student 7	90	90

Class	Pre Test %	Post Test %
ISS 1120 Summer 2000 Kendall-Student 8	70	90
ISS 1120 Summer 2000 Kendall-Student 9	50	80
ISS 1120 Summer 2000 Kendall-Student 10	50	100
ISS 1120 Summer 2000 Kendall-Student 11	20	60
ISS 1120 Summer 2000 Kendall-Student 12	70	100
ISS 1120 Summer 2000 Kendall-Student 13	50	90
ISS 1120 Summer 2000 Kendall-Student 14	60	80
ISS 1120 Summer 2000 Kendall-Student 15	80	80
ISS 1120 Summer 2000 Kendall-Student 16	60	70
ISS 1120 Summer 2000 Kendall-Student 17	50	90
ISS 1120 Summer 2000 Kendall-Student 18	50	90
ISS 1120 Summer 2000 Kendall-Student 19	90	80
ISS 1120 Summer 2000 Kendall-Student 20	40	70
ISS 1120 Summer 2000 Kendall-Student 21	30	80
ISS 1120 Summer 2000 Kendall-Student 22	70	50
ISS 1120 Summer 2000 Kendall-Student 23	30	50
ISS 1120 Summer 2000 Kendall-Student 24	50	100
ISS 1120 Summer 2000 Kendall-Student 25	40	80
ISS 1120 Summer 2000 Kendall-Student 26	10	80
Class Average	**55%**	**81%**
ISS 1120 Fall 2000 Homestead-Student 1	30	70

Class	**Pre Test %**	**Post Test %**
ISS 1120 Fall 2000 Homestead-Student 2	30	70
ISS 1120 Fall 2000 Homestead-Student 3	60	90
ISS 1120 Fall 2000 Homestead-Student 4	60	80
ISS 1120 Fall 2000 Homestead-Student 5	50	100
ISS 1120 Fall 2000 Homestead-Student 6	30	10
ISS 1120 Fall 2000 Homestead-Student 7	30	100
ISS 1120 Fall 2000 Homestead-Student 8	70	90
ISS 1120 Fall 2000 Homestead-Student 9	40	80
ISS 1120 Fall 2000 Homestead-Student 10	50	80
ISS 1120 Fall 2000 Homestead-Student 11	40	70
ISS 1120 Fall 2000 Homestead-Student 12	80	80
ISS 1120 Fall 2000 Homestead-Student 13	50	70
ISS 1120 Fall 2000 Homestead-Student 14	70	80
ISS 1120 Fall 2000 Homestead-Student 15	50	90
ISS 1120 Fall 2000 Homestead-Student 16	90	100
ISS 1120 Fall 2000 Homestead-Student 17	40	70
Class Average	**51%**	**78%**

Pre Test Average-Marx Students	**Post Test Average-Marx Students**
57%	**79%**

Appendix G

Key to Abbreviations for Appendices G-RR

SA	Strongly Agree
A	Agree
UND	Undecided
D	Disagree
SD	Strongly Disagree
NR	No Response
AFR-AM	African-American
HISPAN	Hispanic
BCHLR	Bachelors Degree
MSTR	Masters Degree
DR	Doctorate

Author Note. Because of space considerations, the tabular information contained in Appendices G-AA is limited to the data findings on questions relevant to the study conclusions. Percentages in each table are rounded to the nearest whole number. Further data sets are available to the reader upon request.

Table G3

Professor Survey Results for Northern Virginia Community College (NOVA) and MDCC Respondents

Question 1

SA	A	UND	D	SD	NR
7	15	10	7	3	1
16%	35%	23%	16%	7%	2%

Question 2

SA	A	UND	D	SD	NR
13	17	8	3	1	1
30%	40%	19%	7%	2%	2%

Question 3

SA	A	UND	D	SD	NR
16	19	4	2	1	1
38%	44%	9%	5%	2%	2%

Question 4

SA	A	UND	D	SD	NR
10	17	7	4	3	2
23%	40%	16%	9%	7%	5%

Question 5

SA	A	UND	D	SD	NR
0	6	9	23	4	1
0%	14%	21%	53%	9%	2%

Question 6

SA	A	UND	D	SD	NR
2	8	13	14	5	1
5%	19%	30%	33%	12%	2%

Question 7

SA	A	UND	D	SD	NR
7	12	12	9	1	2
16%	28%	28%	21%	2%	5%

Question 11

NO	YES	NR
3	36	4
7%	84%	9%

Question 15

MORE	LESS	SAME	NR
0	8	28	7
0%	19%	65%	16%

Question 16

21-30	31-40	41-50	50+	NR
0	1	10	31	1
0%	2%	23%	72%	2%

Question 17

MALE	FEMALE	NR
28	14	1
65%	33%	2%

Question 18

ASIAN	AFR-AM	HISPAN	WHITE	OTHER	NR
1	2	5	32	2	1
2%	5%	12%	74%	5%	2%

Question 19

BACHLR	MSTR	DR
0	21	22
0%	49%	51%

Appendix H

Table H4

Professor Survey Responses from NOVA

Question 1

SA	A	UND	D	SD	NR
3	5	7	4	2	1
14%	23%	32%	18%	9%	5%

Question 2

SA	A	UND	D	SD	NR
4	11	4	1	1	1
18%	50%	18%	5%	5%	5%

Question 3

SA	A	UND	D	SD	NR
6	10	4	1	0	1
27%	45%	18%	5%	0%	5%

Question 4

SA	A	UND	D	SD	NR
5	6	5	2	2	2
23%	27%	23%	9%	9%	9%

Question 5

SA	A	UND	D	SD	NR
0	3	4	12	2	1
0%	14%	18%	55%	9%	5%

Question 6

SA	A	UND	D	SD	NR
1	3	6	9	1	2
5%	14%	27%	41%	5%	9%

Question 7

SA	A	UND	D	SD	NR
2	8	6	4	0	2
9%	36%	27%	18%	0%	9%

Question 11

NO	YES	NR
2	16	4
9%	73%	18%

Question 15

MORE	LESS	SAME	NR
0	4	12	6
0%	18%	55%	27%

Question 16

21-30	31-40	41-50	50+
0	1	5	16
0%	5%	23%	73%

Question 17

MALE	FEMALE
14	8
64%	36%

Question 18

ASIAN	AFR-AM	HISPAN	WHITE	OTHER	NR
1	0	0	19	1	1
5%	0%	0%	86%	5%	5%

Question 19

BACHLR	MSTR	DR
0	11	11
0%	50%	50%

Appendix I

Table I5

Professor Survey Responses from MDCC

Question 1

SA	A	UND	D	SD
4	10	3	3	1
19%	48%	14%	14%	5%

Question 2

SA	A	UND	D	SD
9	6	4	2	0
48%	29%	19%	10%	0%

Question 3

SA	A	UND	D	SD
10	9	0	1	1
48%	43%	0%	5%	5%

Question 4

SA	A	UND	D	SD	NR
5	11	1	2	1	1
24%	52%	5%	10%	5%	5%

Question 5

SA	A	UND	D	SD
0	3	5	11	2
0%	14%	24%	52%	10%

Question 6

SA	A	UND	D	SD
1	5	6	5	4
5%	24%	29%	24%	19%

Question 7

SA	A	UND	D	SD
5	4	6	5	1
24%	19%	29%	24%	5%

Question 11

NO	YES
1	20
5%	95%

Question 15

MORE	LESS	SAME	NR
0	4	16	1
0%	19%	76%	5%

Question 16

21-30	31-40	41-50	50+	NR
0	0	5	15	1
0%	0%	24%	71%	5%

Question 17

MALE	FEMALE	NR
14	6	1
67%	29%	5%

Question 18

ASIAN	AFR-AM	HISPAN	WHITE	OTHER
0	2	5	13	1
0%	10%	24%	62%	5%

Question 19

BACHLR	MSTR	DR
0	10	11
0%	48%	52%

Appendix J

Table J6

Responses from Professors Listing a Masters Degree as Their Highest Degree

Question 1

SA	A	UND	D	SD	NR
5	6	3	5	1	1
24%	29%	14%	24%	5%	5%

Question 2

SA	A	UND	D	SD	NR
6	8	5	1	0	1
29%	38%	24%	5%	0%	5%

Question 3

SA	A	UND	D	SD	NR
8	9	1	2	0	1
38%	43%	5%	10%	0%	5%

Question 4

SA	A	UND	D	SD	NR
6	5	4	3	1	2
29%	24%	19%	14%	5%	10%

Question 5

SA	A	UND	D	SD	NR
0	1	5	12	2	1
0%	5%	24%	57%	10%	5%

Question 6

SA	A	UND	D	SD	NR
1	5	6	5	3	1
5%	24%	29%	24%	14%	5%

Question 7

SA	A	UND	D	SD	NR
2	5	7	5	1	1
10%	24%	33%	24%	5%	5%

Question 11

NO	YES	NR
2	17	2
10%	81%	10%

Question 15

MORE	LESS	SAME	NR
0	3	15	3
0%	14%	71%	14%

Question 16

21-30	31-40	41-50	50+	NR
0	1	7	12	1
0%	5%	33%	57%	5%

Question 17

MALE	FEMALE
11	10
52%	48%

Question 18

ASIAN	AFR-AM	HISPAN	WHITE	OTHER
1	1	3	15	1
5%	5%	14%	71%	5%

Appendix K

Table K7

Responses from Professors Listing a Doctorate as Their Highest Degree

Question 1

SA	A	UND	D	SD
2	9	7	2	2
9%	41%	32%	9%	9%

Question 2

SA	A	UND	D	SD
7	9	3	2	1
32%	41%	14%	9%	5%

Question 3

SA	A	UND	D	SD
8	10	3	0	1
36%	45%	14%	0%	5%

Question 4

SA	A	UND	D	SD	NR
4	12	2	1	2	1
18%	55%	9%	5%	9%	5%

Question 5

SA	A	UND	D	SD
0	5	4	11	2
0%	23%	18%	50%	9%

Question 6

SA	A	UND	D	SD	NR
1	3	6	9	2	1
5%	14%	27%	41%	9%	5%

Question 7

SA	A	UND	D	SD	NR
5	7	5	4	0	1
23%	32%	23%	18%	0%	5%

Question 11

NO	YES	NR
1	19	2
5%	86%	9%

Question 15

MORE	LESS	SAME	NR
0	5	13	4
0%	23%	59%	18%

Question 16

21-30	31-40	41-50	50+
0	0	3	19
0%	0%	14%	86%

Question 17

MALE	FEMALE	NR
17	4	1
77%	18%	5%

Question 18

ASIAN	AFR-AM	HISPAN	WHITE	OTHER	NR
0	1	2	17	1	1
0%	5%	9%	77%	5%	5%

Appendix L

Table L8

Male Professor Survey Responses from NOVA and MDCC

Question 1

SA	A	UND	D	SD
4	11	6	6	1
14%	39%	21%	21%	4%

Question 2

SA	A	UND	D	SD
9	10	6	3	0
32%	36%	21%	11%	0%

Question 3

SA	A	UND	D	SD
11	10	4	2	1
39%	36%	14%	7%	4%

Question 4

SA	A	UND	D	SD	NR
7	11	5	2	2	1
25%	39%	18%	7%	7%	4%

Question 5

SA	A	UND	D	SD
0	5	7	14	2
0%	18%	25%	50%	7%

Question 6

SA	A	UND	D	SD
2	5	6	12	3
7%	18%	21%	43%	11%

Question 7

SA	A	UND	D	SD
7	6	8	7	0
25%	21%	29%	25%	0%

Question 11

NO	YES	NR
2	24	2
7%	86%	7%

Question 15

MORE	LESS	SAME	NR
0	6	18	4
0%	21%	64%	14%

Question 16

21-30	31-40	41-50	50+	NR
0	0	4	23	1
0%	0%	14%	82%	4%

Question 18

ASIAN	AFR-AM	HISPAN	WHITE	OTHER
1	2	2	22	1
4%	7%	7%	79%	4%

Question 19

BACHLR	MSTR	DR
0	11	17
0%	39%	61%

Appendix M

Table M9

Female Professor Survey Responses from NOVA and MDCC

Question 1

SA	A	UND	D	SD	NR
3	4	3	1	2	1
21%	29%	21%	7%	14%	7%

Question 2

SA	A	UND	D	SD	NR
4	6	2	0	1	1
29%	43%	14%	0%	7%	7%

Question 3

SA	A	UND	D	SD	NR
5	8	0	0	0	1
36%	57%	0%	0%	0%	7%

Question 4

SA	A	UND	D	SD	NR
3	5	1	2	1	2
21%	36%	7%	14%	7%	14%

Question 5

SA	A	UND	D	SD	NR
0	1	2	8	2	1
0%	7%	14%	57%	14%	7%

Question 6

SA	A	UND	D	SD	NR
0	3	5	2	2	2
0%	21%	36%	14%	14%	14%

Question 7

SA	A	UND	D	SD	NR
0	5	4	2	1	2
0%	36%	29%	14%	7%	14%

Question 11

NO	YES	NR
1	11	2
7%	79%	14%

Question 15

MORE	LESS	SAME	NR
0	2	9	3
0%	14%	64%	21%

Question 16

21-30	31-40	41-50	50+
0	1	6	7
0%	7%	43%	50%

Question 18

ASIAN	AFR-AM	HISPAN	WHITE	OTHER	NR
0	0	2	10	1	1
0%	0%	14%	71%	7%	7%

Question 19

BACHLR	MSTR	DR
0	10	4
0%	71%	29%

Appendix N

Table N10

Student Surveys from Smith ISS 1120 Groups

Question 1

SA	A	UND	D	SD
10	23	4	2	0
26%	59%	10%	5%	0%

Question 2

SA	A	UND	D	SD
13	20	5	1	0
33%	51%	13%	3%	0%

Question 4

SA	A	UND	D	SD
5	25	4	4	1
13%	64%	10%	10%	3%

Question 5

SA	A	UND	D	SD
4	14	20	1	0
10%	36%	51%	3%	0%

Question 7

UNDER 28	28 AND OVER
33	6
85%	15%

Question 8

MALE	FEMALE
21	18
54%	46%

Question 10

ASIAN	AFR-AM	HISPAN	WHITE	OTHER
0	11	20	4	4
0%	28%	51%	10%	10%

Appendix O

Table O11

Student Surveys from Marx ISS 1120 Groups

Question 1

SA	A	UND	D	SD
5	32	11	3	0
10%	63%	22%	6%	0%

Question 2

SA	A	UND	D	SD
4	32	12	0	3
8%	63%	24%	0%	6%

Question 4

SA	A	UND	D	SD
8	27	13	1	2
16%	53%	25%	2%	4%

Question 5

SA	A	UND	D	SD
4	16	21	9	1
8%	31%	41%	18%	2%

Question 6

SA	A	UND	D	SD	NR
6	29	11	4	0	1
12%	57%	22%	8%	0%	2%

Question 8

SA	A	UND	D	SD
8	27	14	2	0
16%	53%	27%	4%	0%

Question 9

SA	A	UND	D	SD
7	16	22	5	1
14%	31%	43%	10%	2%

Question 10

SA	A	UND	D	SD
5	9	18	15	4
10%	18%	35%	29%	8%

Question 13

UNDER 28	28 AND OVER
43	8
84%	16%

Question 14

MALE	FEMALE
17	33
33%	65%

Question 16

ASIAN	AFR-AM	HISPAN	WHITE	OTHER	NR
1	10	27	9	3	1
2%	20%	53%	18%	6%	2%

Appendix P

Table P12

Hispanic Survey Responses in Marx Groups

Question 1

SA	A	UND	D	SD
3	16	6	2	0
11%	59%	22%	7%	0%

Question 2

SA	A	UND	D	SD
1	17	7	0	2
4%	63%	26%	0%	7%

Question 4

SA	A	UND	D	SD
4	14	8	1	0
15%	52%	30%	4%	0%

Question 5

SA	A	UND	D	SD
3	8	9	6	1
11%	30%	33%	22%	4%

Question 6

SA	A	UND	D	SD	NR
4	12	8	2	0	1
15%	44%	30%	7%	0%	4%

Question 8

SA	A	UND	D	SD
5	13	8	1	0
19%	48%	30%	4%	0%

Question 9

SA	A	UND	D	SD
5	10	9	2	1
19%	37%	33%	7%	4%

Question 10

SA	A	UND	D	SD
4	4	9	7	3
15%	15%	33%	26%	11%

Question 13

UNDER 28	28 AND OVER
24	3
89%	11%

Question 14

MALE	FEMALE	NR
10	16	1
37%	59%	4%

Appendix Q

Table Q13

Non-Hispanic Survey Responses in Marx Groups

Question 1

SA	A	UND	D	SD
2	15	5	1	0
9%	65%	22%	4%	0%

Question 2

SA	A	UND	D	SD
3	14	5	0	1
13%	61%	22%	0%	4%

Question 4

SA	A	UND	D	SD
4	13	5	0	1
17%	57%	22%	0%	4%

Question 5

SA	A	UND	D	SD
1	8	12	2	0
4%	35%	52%	9%	0%

Question 6

SA	A	UND	D	SD
2	17	3	1	0
9%	74%	13%	4%	0%

Question 8

SA	A	UND	D	SD
3	13	6	1	0
13%	57%	26%	4%	0%

Question 9

SA	A	UND	D	SD
2	6	12	3	0
9%	26%	52%	13%	0%

Question 10

SA	A	UND	D	SD
1	5	8	8	1
4%	22%	35%	35%	4%

Question 13

UNDER 28	28 AND OVER
18	5
78%	22%

Question 14

MALE	FEMALE
7	16
30%	70%

Appendix R

Table R14

Responses of Students Under 28 Years of Age in Marx Groups

Question 1

SA	A	UND	D	SD
4	26	10	3	0
9%	60%	23%	7%	0%

Question 2

SA	A	UND	D	SD
3	26	11	0	3
7%	60%	26%	0%	7%

Question 4

SA	A	UND	D	SD
5	24	12	0	2
12%	56%	28%	0%	5%

Question 5

SA	A	UND	D	SD
3	12	19	8	1
7%	28%	44%	19%	2%

Question 6

SA	A	UND	D	SD
4	25	10	4	0
9%	58%	23%	9%	0%

Question 8

SA	A	UND	D	SD
6	23	12	2	0
14%	53%	28%	5%	0%

Question 9

SA	A	UND	D	SD
5	12	22	3	1
12%	28%	51%	7%	2%

Question 10

SA	A	UND	D	SD
3	7	16	13	4
7%	16%	37%	30%	9%

Question 14

MALE	FEMALE
16	27
37%	63%

Question 16

ASIAN	AFR-AM	HISPAN	WHITE	OTHER	NR
1	7	24	7	3	1
2%	16%	56%	16%	7%	2%

Appendix S

Table S15

Responses of Students 28 Years Old or Over in Marx Groups

Question 1

SA	A	UND	D	SD
1	6	1	0	0
13%	75%	13%	0%	0%

Question 2

SA	A	UND	D	SD
1	6	1	0	0
13%	75%	13%	0%	0%

Question 4

SA	A	UND	D	SD
3	3	1	1	0
38%	38%	13%	13%	0%

Question 5

SA	A	UND	D	SD
1	4	2	1	0
13%	50%	25%	13%	0%

Question 6

SA	A	UND	D	SD	NR
2	4	1	0	0	1
25%	50%	13%	0%	0%	13%

Question 8

SA	A	UND	D	SD
2	4	2	0	0
25%	50%	25%	0%	0%

Question 9

SA	A	UND	D	SD
2	4	0	2	0
25%	50%	0%	25%	0%

Question 10

SA	A	UND	D	SD
2	2	2	2	0
25%	25%	25%	25%	0%

Question 14

MALE	FEMALE	NR
1	6	1
13%	75%	13%

Question 16

ASIAN	AFR-AM	HISPAN	WHITE	OTHER
0	3	3	2	0
0%	38%	38%	25%	0%

Appendix T

Table T16

Survey Responses of Males in Marx Groups

Question 1

SA	A	UND	D	SD
2	10	5	1	0
11%	56%	28%	6%	0%

Question 2

SA	A	UND	D	SD
2	9	5	0	2
11%	50%	28%	0%	11%

Question 4

SA	A	UND	D	SD
4	7	4	1	2
22%	39%	22%	6%	11%

Question 5

SA	A	UND	D	SD
2	5	9	1	1
11%	28%	50%	6%	6%

Question 6

SA	A	UND	D	SD	NR
3	10	3	1	0	1
17%	56%	17%	6%	0%	6%

Question 8

SA	A	UND	D	SD
5	8	4	1	0
28%	44%	22%	6%	0%

Question 9

SA	A	UND	D	SD
5	6	6	1	0
28%	33%	33%	6%	0%

Question 10

SA	A	UND	D	SD
1	4	4	7	2
6%	22%	22%	39%	11%

Question 13

UNDER 28	28 AND OVER
16	2
89%	11%

Question 16

ASIAN	AFR-AM	HISPAN	WHITE	OTHER
0	3	11	3	1
0%	17%	61%	17%	6%

Appendix U

Table U17

Survey Responses of Females in Marx Groups

Question 1

SA	A	UND	D	SD
3	22	6	2	0
9%	67%	18%	6%	0%

Question 2

SA	A	UND	D	SD
2	23	7	0	1
6%	70%	21%	0%	3%

Question 4

SA	A	UND	D	SD
4	20	9	0	0
12%	61%	27%	0%	0%

Question 5

SA	A	UND	D	SD
2	11	12	8	0
6%	33%	36%	24%	0%

Question 6

SA	A	UND	D	SD
3	19	8	3	0
9%	58%	24%	9%	0%

Question 8

SA	A	UND	D	SD
3	19	10	1	0
9%	58%	30%	3%	0%

Question 9

SA	A	UND	D	SD
2	10	16	4	1
6%	30%	48%	12%	3%

Question 10

SA	A	UND	D	SD
4	5	14	8	2
12%	15%	42%	24%	6%

Question 13

UNDER 28	28 AND OVER
27	6
82%	18%

Question 16

ASIAN	AFR-AM	HISPAN	WHITE	OTHER	NR
1	7	16	6	2	1
3%	21%	48%	18%	6%	3%

Appendix V

Table V18

Hispanic Student Survey Responses in Smith Groups

Question 1

SA	A	UND	D	SD
5	13	2	1	0
24%	62%	10%	5%	0%

Question 2

SA	A	UND	D	SD
8	10	3	0	0
38%	48%	14%	0%	0%

Question 4

SA	A	UND	D	SD
4	13	3	0	1
19%	62%	14%	0%	5%

Question 5

SA	A	UND	D	SD	NR
2	7	10	1	0	1
10%	33%	48%	5%	0%	5%

Question 7

UNDER 28	28 AND OVER
19	2
90%	10%

Question 8

MALE	FEMALE
12	9
57%	43%

Appendix W

Table W19

Non-Hispanic Survey Responses in Smith Groups

Question 1

SA	A	UND	D	SD
5	10	2	1	0
28%	56%	11%	6%	0%

Question 2

SA	A	UND	D	SD
5	10	2	1	0
28%	56%	11%	6%	0%

Question 4

SA	A	UND	D	SD
1	12	1	4	0
6%	67%	6%	22%	0%

Question 5

SA	A	UND	D	SD
2	7	9	0	0
11%	39%	50%	0%	0%

Question 7

UNDER 28	28 AND OVER
14	4
78%	22%

Question 8

MALE	FEMALE
9	9
50%	50%

Appendix X

Table X20

Survey Responses of Students Under 28 Years Old in Smith Groups

Question 1

SA	A	UND	D	SD
7	20	4	2	0
21%	61%	12%	6%	0%

Question 2

SA	A	UND	D	SD
11	16	5	1	0
33%	48%	15%	3%	0%

Question 4

SA	A	UND	D	SD
4	20	4	4	1
12%	61%	12%	12%	3%

Question 5

SA	A	UND	D	SD	NR
2	10	19	1	0	1
6%	30%	58%	3%	0%	3%

Question 8

MALE	FEMALE
17	16
52%	48%

Question 10

ASIAN	AFR-AM	HISPAN	WHITE	OTHER
0	7	18	4	4
0%	21%	55%	12%	12%

Appendix Y

Table Y21

Survey Responses of Students 28 Years Old and Over in Smith Groups

Question 1

SA	A	UND	D	SD
3	3	0	0	0
50%	50%	0%	0%	0%

Question 2

SA	A	UND	D	SD
2	4	0	0	0
33%	67%	0%	0%	0%

Question 4

SA	A	UND	D	SD
1	5	0	0	0
17%	83%	0%	0%	0%

Question 5

SA	A	UND	D	SD
2	4	0	0	0
33%	67%	0%	0%	0%

Question 8

MALE	FEMALE
4	2
67%	33%

Question 10

ASIAN	AFR-AM	HISPAN	WHITE	OTHER
0	4	2	0	0
0%	67%	33%	0%	0%

Appendix Z

Table Z22

Survey Responses of Males in Smith Groups

Question 1

SA	A	UND	D	SD
8	11	1	1	0
38%	52%	5%	5%	0%

Question 2

SA	A	UND	D	SD
10	8	3	0	0
48%	38%	14%	0%	0%

Question 4

SA	A	UND	D	SD
4	12	2	2	1
19%	57%	10%	10%	5%

Question 5

SA	A	UND	D	SD	NR
3	8	8	1	0	1
14%	38%	38%	5%	0%	5%

Question 10

ASIAN	AFR-AM	HISPAN	WHITE	OTHER
0	5	11	3	2
0%	24%	52%	14%	10%

Appendix AA

Table 23AA

Survey Responses of Females in Smith Groups

Question 1

SA	A	UND	D	SD
2	12	3	1	0
11%	67%	17%	6%	0%

Question 2

SA	A	UND	D	SD
3	12	2	1	0
17%	67%	11%	6%	0%

Question 4

SA	A	UND	D	SD
1	13	2	2	0
6%	72%	11%	11%	0%

Question 5

SA	A	UND	D	SD
1	6	11	0	0
6%	33%	61%	0%	0%

Question 10

SA	A	UND	D	SD
1	6	11	0	0
6%	33%	61%	0%	0%

Appendix BB

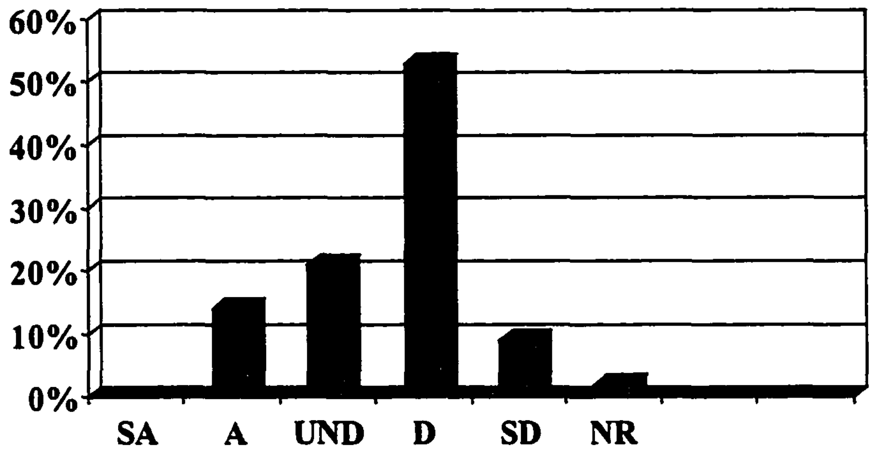

Figure BB1. MDCC and NOVA professor responses to survey question 5. This question asked professors if they could teach Marx's ideas about how capitalism works more objectively today than during the Cold War.

Appendix CC

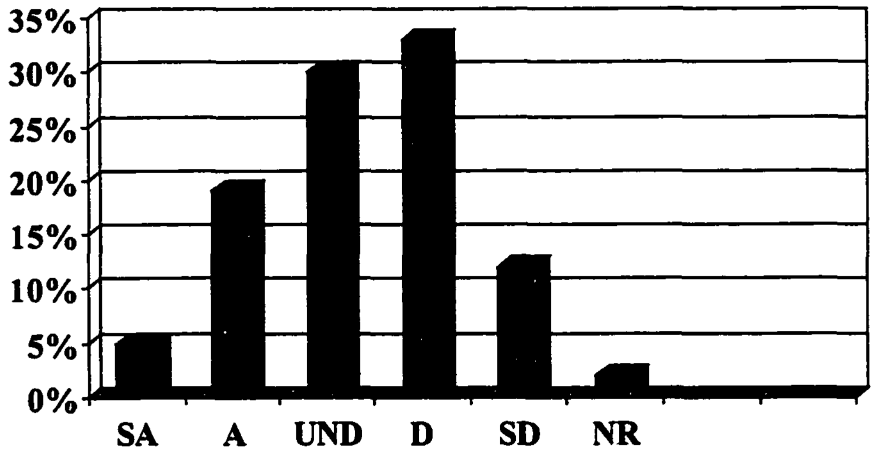

Figure CC2. MDCC and NOVA professor responses to survey question 6. This question asked professors if they thought Marxian ideas about capitalism were taught objectively during the Cold War.

Appendix DD

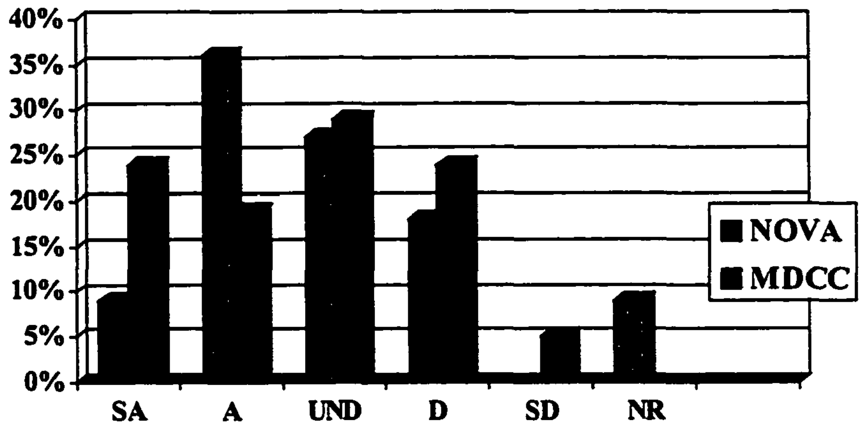

Figure DD3. MDCC and NOVA professor responses to survey question 7.

This question asked professors if they felt there was not much censorship of teaching Marx's ideas about how capitalism works during the Cold War.

Appendix EE

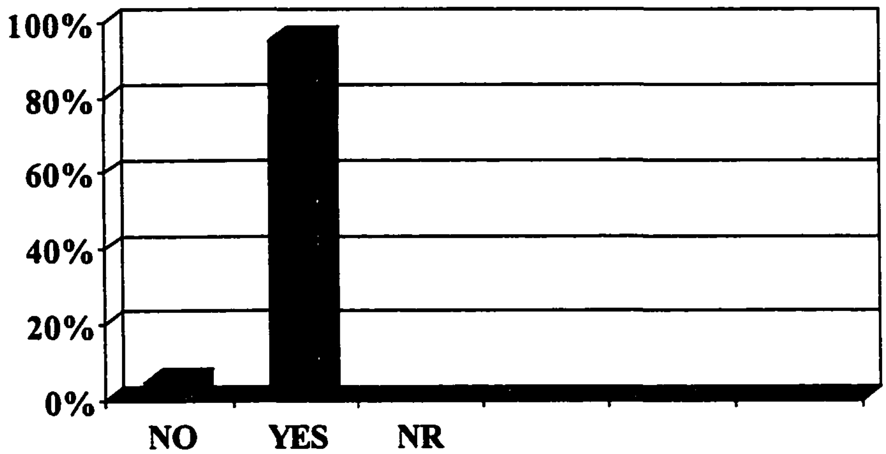

Figure EE4. Question 11 survey responses from MDCC professors concerning whether they think Marx should be used in the classroom today.

Appendix FF

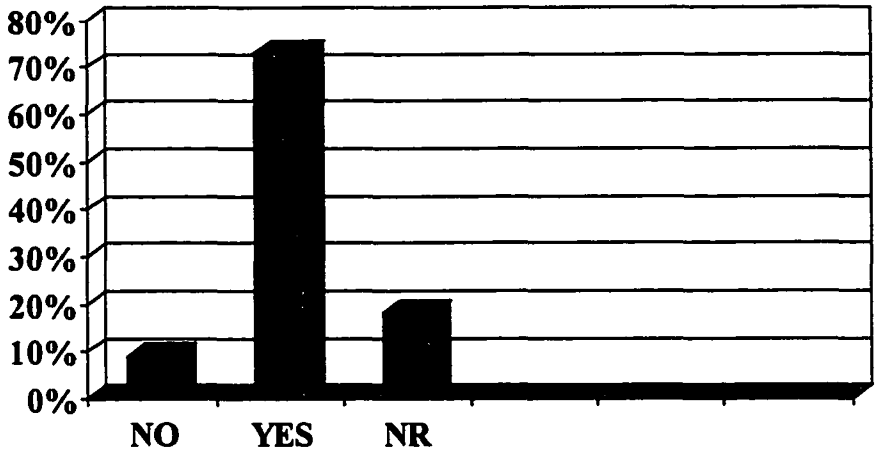

Figure FF5. Question 11 survey responses from NOVA professors concerning whether they think Marx should be used in the classroom.

Appendix GG

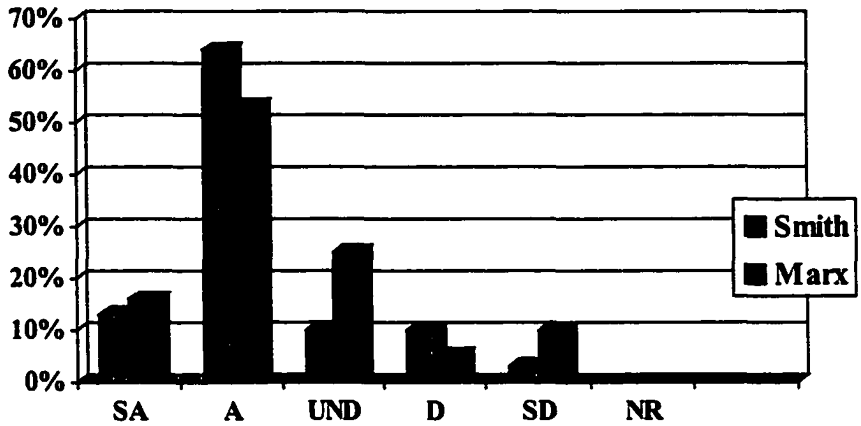

Figure GG6. Student survey responses from Marx and Smith groups to survey question 4. The question asked students if they thought the economics unit on Marx encouraged them to think critically.

Appendix HH

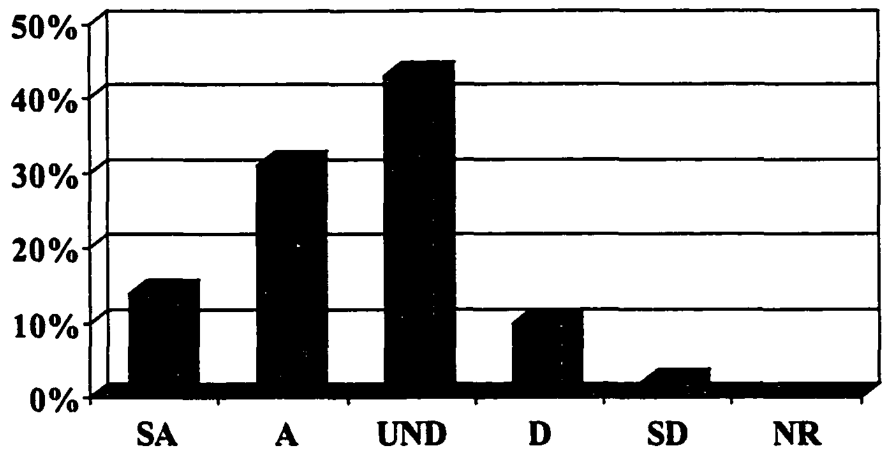

Figure HH7. Marx group survey responses to question 9, which report whether students felt Marxian ideas about capitalism could be separated from communism.

Appendix II

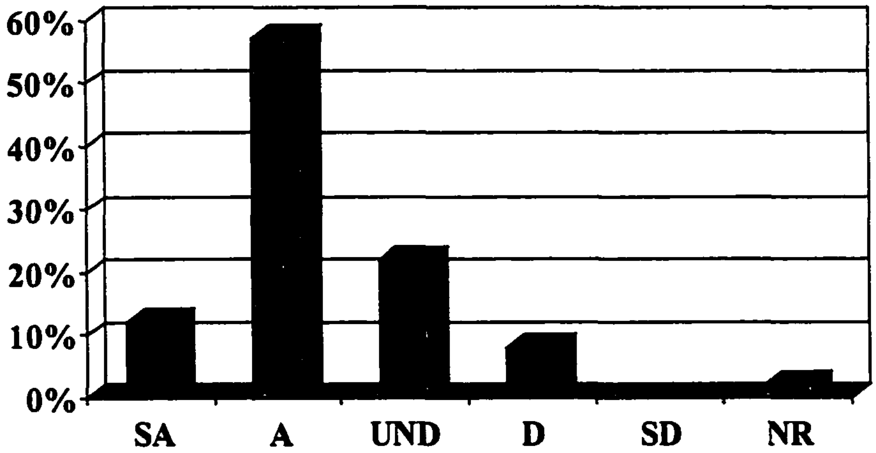

Figure II8. Marx group survey responses to question 6, which asked students if Marxian ideas about capitalism can be taught objectively today.

Appendix JJ

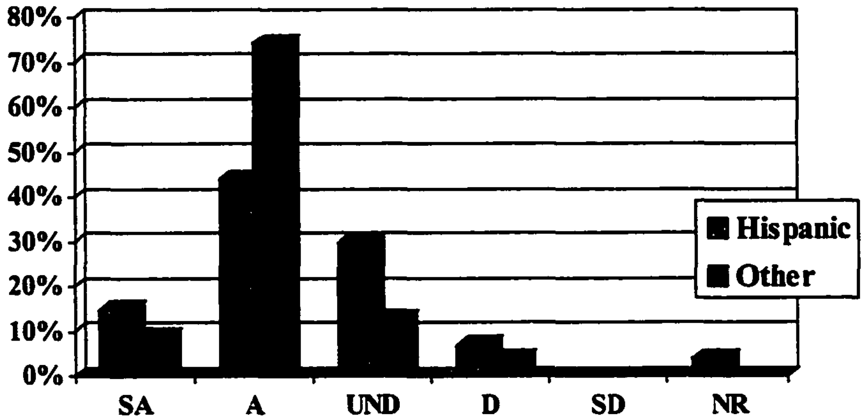

Figure JJ9. Marx group Hispanic and non-Hispanic (Other) responses to survey question 6. This question asked students if they thought Marxian ideas about capitalism could be taught objectively today.

Appendix KK

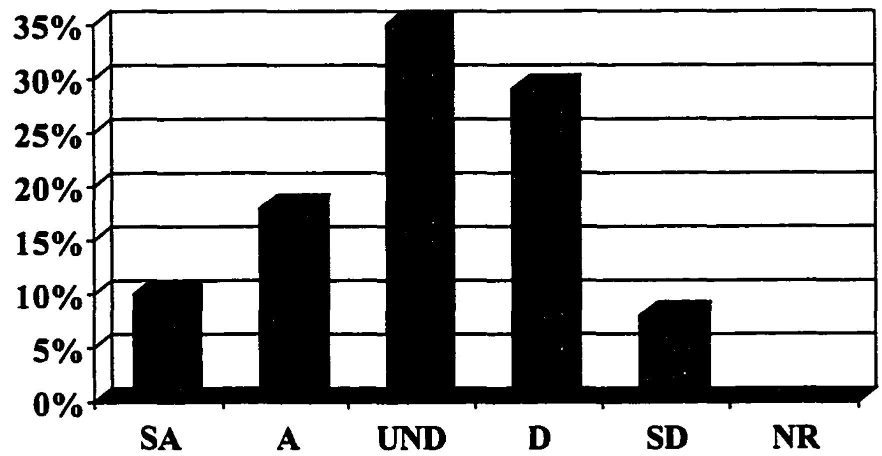

Figure KK10. Marx group survey responses to question 10, that feel their previous education portrayed Marx negatively.

Appendix LL

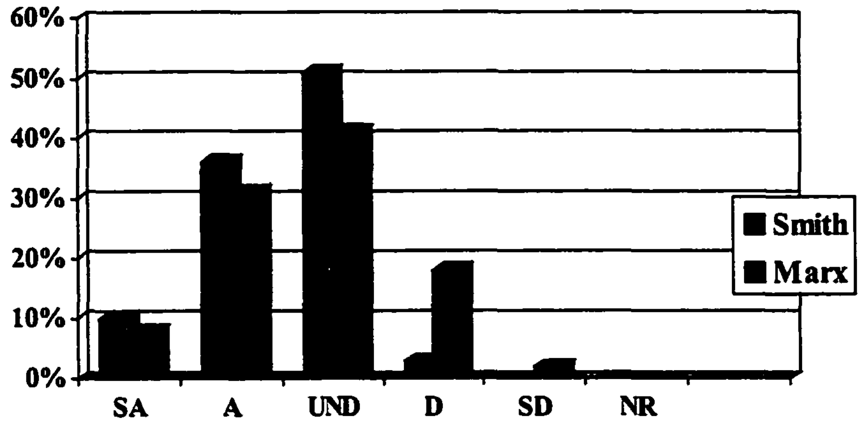

Figure LL11. Marx and Smith group survey responses to question 5. This question asked if students thought the presentation of Marx's theories was unbiased.

Appendix MM

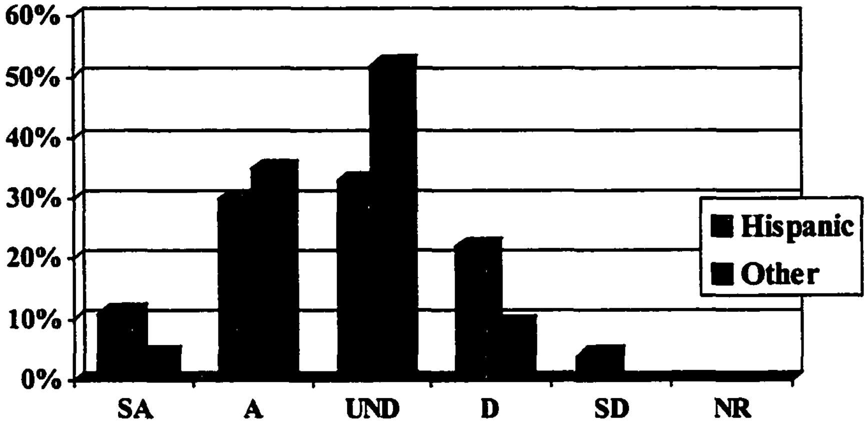

Figure MM14. Marx group Hispanic and non-Hispanic (Other) survey responses to question 5. The question asked if students thought the presentation of Marx's theories was unbiased.

Appendix NN

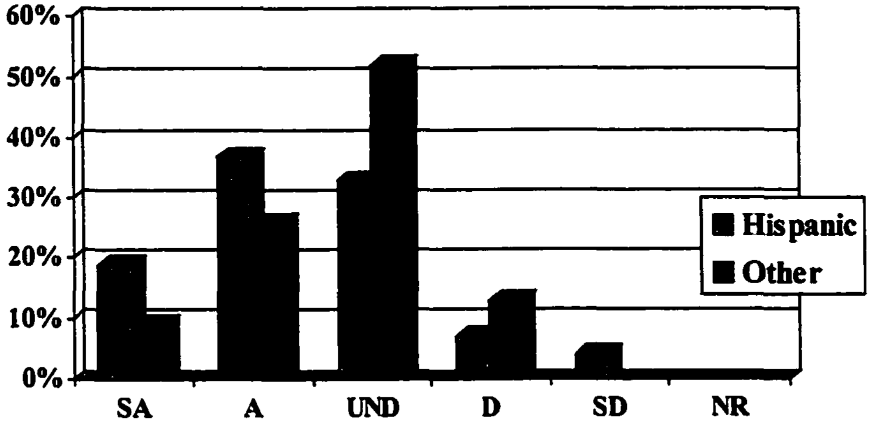

Figure NN13. Marx group Hispanic and non-Hispanic (Other) survey responses to question 9. This question asked students if Marx's ideas about how capitalism works could be separated from teaching about communism and revolution.

Appendix OO

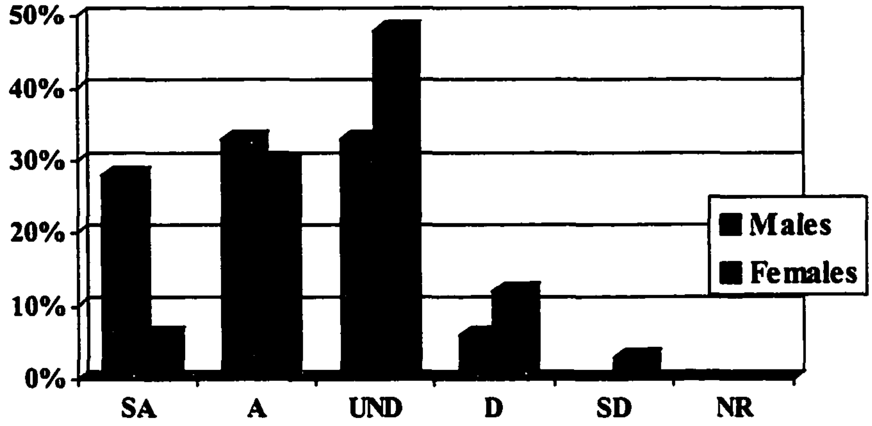

Figure OO14. Marx group survey responses to question 9 stratified by gender. This question asked students if Marx's ideas about how capitalism works could be separated from teaching about communism and revolution.

Appendix PP

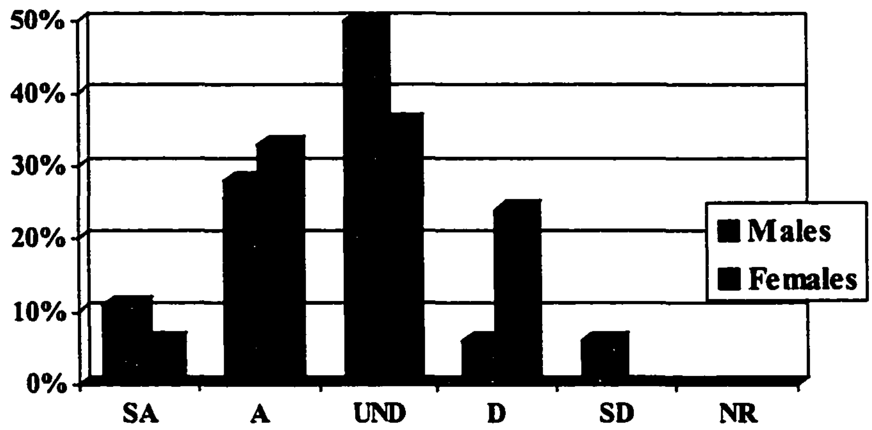

Figure PP15. Marx group survey responses to question 5 stratified by gender. This question asked students if they thought the presentation of Marx's theories was unbiased.

Appendix QQ

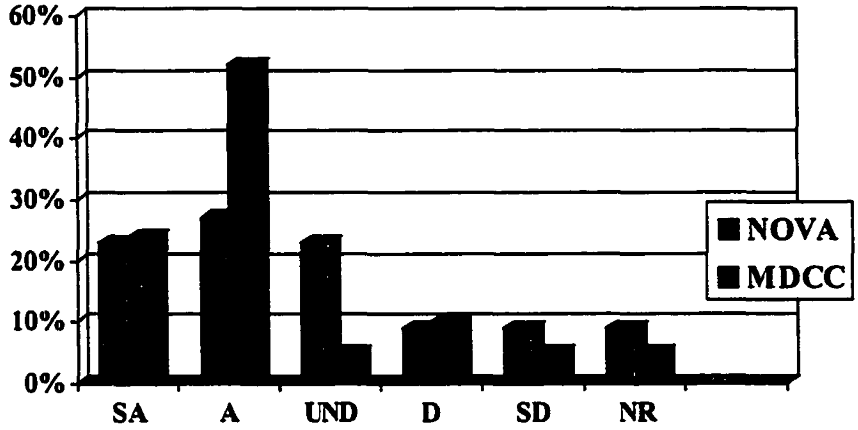

Figure QQ16. MDCC and NOVA professor responses to survey question 4. This question asked if professors could separate Marx's ideas about how capitalism works from his ideas on communism.

Appendix RR

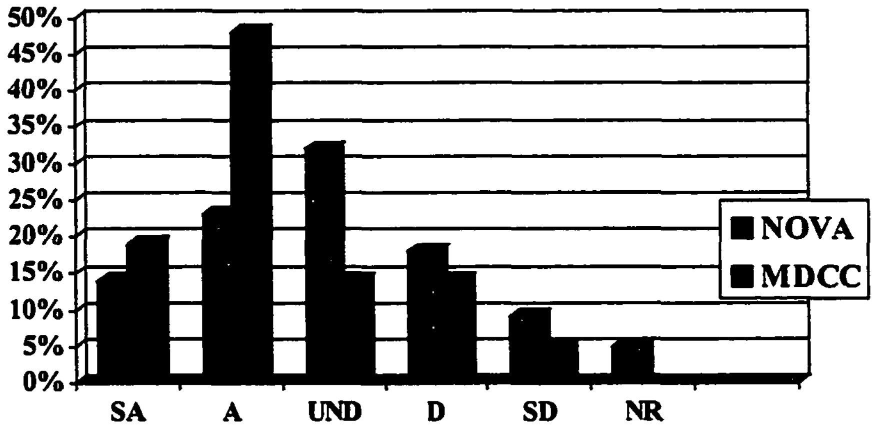

Figure RR17. MDCC and NOVA professor responses to survey question 1. This question asked if professors thought Karl Marx's explanations about how capitalism works helped them to understand modern economic problems.

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