

# NOBEL PRIZE IN ECONOMICS AWARDED TO KARL MARX; ACADEMIC ECONOMISTS SHOCKED, 'DISMAYED.'

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[Stockholm - August 21] The Nobel Prize in economics has been awarded posthumously to Karl Marx (1818-1883) for his book *Das Kapital*, a decision that has shocked and “dismayed” the economic establishment.

Lars Enquist, spokesperson for the committee, said that awarding Marx represented “an attempt to rectify shameful past errors on the part of the bank’s award committee.” He then read a remarkable statement to the media and the public explaining this year’s award:

“We have, ever since the Sveriges Riksbank’s Prize in Economic Sciences in Memory of Alfred Nobel was created in 1968, presented this award to a series of economists whose work was neither scientific nor humanitarian. The recipients, whether neoclassical economists, Keynesians, or more recently neoliberals, have not been able either to contribute to our understanding of economic life nor have they improved the lives of the earth’s peoples nor of our planet. In fact, their theories have more often contributed to economic policies that have been detrimental to the economic and social life of the world’s peoples and have contributed to the continuing degradation of the environment.

“We deeply regret the Swedish State Bank’s past awards. A profound crisis of conscience led our committee to make this year’s award to Karl Marx, an economist whose theory provided an actual account of the working of the capitalist system and who saw both the tremendous damage done by that system as well as the need to abolish it. We are also urging the bank to do away with the Nobel economics prize, feeling that economics is not a science, nor one of the humanities, nor one of the arts, but is rather an ideological construct created to obscure the actual exploitative function of our contemporary political economy and to protect those who profit from it.”

The Nobel Prize in Economics is not in fact one of the original Nobel Prizes in the arts and sciences established by Alfred Nobel between 1895 and 1901 and it is not awarded by the Nobel Foundation. The Sveriges Riksbank, the Swedish State Bank, only began to award the economics prize in 1968 on the occasion of its 300th anniversary. Some leftist economists have suggested that the bank, shaken by the first symptoms of a worldwide trend toward a falling rate of profit noted just a year before, began to award the prize in order to shore up the largely discredited field of academic economics.

This is the first time that the award has ever been made posthumously. Following the awarding of the prize this year, in an unprecedented demonstration, Enquist and other tuxedo-clad members of the committee tendered their resignations to the chairman of the bank, saying that they no longer

wished to be associated with the prize, and marched out together in protest.

### **Reactions from Right and Left**

A spokesperson from the conservative Cato Institute said that the Swedish State Bank's prize committee's decision was "astounding" and "dismaying." The Heritage Foundation issued a statement saying that, "clearly a rogue committee has made an award that will destroy the reputation of the Nobel Prize." William Nordhaus, president of the American Economics Association, told the media, "At first I thought it was some kind of joke....It's really flabbergasting." He asked, "Who they give it to next Lenin? Trotsky?"

David Harvey, Distinguished Professor of Anthropology and Geography at the Graduate Center of the City University of New York (CUNY), said, "I am amazed by the committee's decision. It is truly remarkable. Marx certainly deserves recognition for his contribution both to economic science and to humanity." But, said Harvey, "I doubt he would accept a prize from Nobel who made his money in arms and whose bequest has been used to reward economists who justify and rationalize the capitalist system." Harvey alluded to French socialist Jean-Paul Sartre's refusal of the Nobel Prize in 1964.

### **Prize Recipients Usually Upholders of the Status Quo**

The prize has usually been awarded over the years to mainstream economists, whether their branch of the stream was flowing toward the left, the right, or the center. Several have been on the far right. Samuel Brittan of the *Financial Times*, wrote that two former Swedish Ministers of Finance, Kjell-Olof Feldt and Gunnar Myrdal, had suggested the prize abolished. "Myrdal...wanted the prize abolished because it had been given to such reactionaries as [Friedrich] Hayek," wrote Brittan.

Hayek, who was awarded the prize in 1974, was an opponent of both labor unions and social welfare programs. He is not the only far right-winger to receive the prize. The bank awarded the prize to Milton Friedman in 1976.

Friedman's receipt of the prize in 1976 sparked world-wide protests because of his role and that of his colleagues from the University of Chicago—often referred to as the "Chicago Boys"—in advising the dictator Augusto Pinochet who had overthrown the elected government of Salvador Allende in Chile only three years before.

Four Nobel Prize laureates—George Wald, Linus Pauling, David Baltimore and Salvador Luria—wrote letters to the *New York Times* in October 1976 to protest the awarding of the prize to Friedman.

### **Prize Winner Karl Marx**

Karl Marx, the winner of this year's prize, was born in 1818 in the state of Westphalia to Jewish parents who had converted to Protestantism. He studied philosophy, became one of the Young Hegelian rebels against Germany's leading philosopher G.W.F. Hegel, and took part in the 1848 revolutions that swept Europe. It was at that time that Marx wrote his most famous and widely read work, the *Communist Manifesto*, a pamphlet that called for the working class to lead a socialist revolution.

In the post-revolutionary period, with the financial support of his friend and colleague Friedrich Engels, Marx settled in London where—working in the British Museum library—he dedicated himself to the study of the capitalist economic system. Criticizing and rejecting the theories of Adam Smith,

author of the *Wealth of Nations* (1776), and other scholars of the era, Marx produced his masterwork *Das Kapital, Kritik der politischen Ökonomie* (*Capital: A Critique of Political Economy*) in 1867.

Following Marx's death in 1883, Engels undertook the publication of Volumes II in 1885 and Volume III in 1894. Following Engels' death, German socialist Karl Kautsky, edited notes for three other volumes by Marx that were later published as *Theorien über den Mehrwert* (*Theories of Surplus Value*). All six volumes are sometimes referred to as *Capital*, though Marx only oversaw the editing of Volume I.

In *Capital*, Marx argued that the capitalist system, based on capital's exploitation of labor, would eventually collapse because of its own internal contradictions, just as other earlier systems such as slavery and feudalism had collapsed. In *Capital* and other writings, Marx argued that the working class, forced to struggle for its rights and to improve its conditions, would overthrow capitalism and establish a democratic socialist society.

### **Marx's Influence**

Marx's influence has been enormous. Both the Western European Social Democratic and the Soviet Union and Eastern Bloc nations, as well as China, Vietnam, North Korea, and Cuba all claimed to derive their economic theories from Marx. Many socialists have argued for the years, however, that those bureaucratic states had nothing to do with Marx's notion of socialism. In any case, even with the Communist system collapsed and the Social Democratic establishment now managing capitalism, Marx's ideas continue to inspire labor movements and leftist parties around the world.

Since the Great Recession of 2008, Marx's writing and ideas have become enormously popular with young people around the globe, new social movements such as Occupy Wall Street, and with the political activists in Bernie Sanders' primary campaign in the United States, Jeremy Corbyn's fight for the leadership of the British Labour Party, and with new leftist parties such as Podemos in Spain. Given Marx's popularity in these quarters, perhaps it is not so strange that the Swedish State Bank would posthumously award him the Nobel Prize for Economics.

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Yes, this is a spoof, written by Dan La Botz. There is no Lars Enquits. None of the remarks here, attributed to Cato, Heritage, Nordhaus or Harvey are true, though the account of the history of the prize and its winners is veridical, as is the brief story of Marx and his writings. Isn't it a nice thought though?