

A Biographical Dictionary of Dissenting Economists

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Maurice Herbert DOBB (1900–1976)

BY B.J. McFarlane and B.H. Pollitt

Maurice H. Dobb was the foremost scholar of his day in Marxian political economy. Books such as *Political Economy and Capitalism* (1937), *Studies in the Development of Capitalism* (1946) and *Soviet Economic Development since 1917* (1948) were published in many editions and languages. Through these works and through subsequent writings on the theory and practice of planning and growth, as well as the economics of welfare, Dobb exercised an international influence over generations of readers. The versatility of Dobb's contributions to the arena of political economy and economic history was matched by the constancy of his interest in the historical foundation and evolution of economic and social ideas. This was the subject of his final major work, *Theories of Value and Distribution since Adam Smith* (1973).

Dobb was born on 24 July 1900 in London. He was educated at the Charterhouse School and at Pembroke College, Cambridge. His lively undergraduate career there was followed by research for his Ph.D. at the London School of Economics. He returned to Cambridge as a Lecturer in economics in 1924 and was a Fellow of Trinity College from 1948. He retired from his university post as Reader in economics in 1967.

Dobb's first book, *Capitalist Enterprise and Social Progress*, (1925), grew out of his doctoral research on 'The Entrepreneur'. While it laid a formal base for his academic career in the 1920s, as well as for a number of lecture courses, he later described this work as 'an unsuccessful and jejune attempt to combine the notion of surplus-value and exploitation with the theory of Marshall' (1978, p. 117).

Of far greater interest to him at that time was the fate of socialist development in Soviet Russia, and in the summer of 1925 he availed himself of an unusual opportunity to study Soviet political economy at first hand by living and working in Moscow. A substantial account of *Russian Economic Development since the Revolution* appeared under that title in 1928. Professional studies of the Soviet economy were then virtually unknown and the informative value of the book was widely appreciated, notably by economists such as J.M. Keynes and D.H. Robertson who had themselves made brief visits to Moscow at that time.

Throughout the 1920s and 1930s, Dobb made original contributions to institutional economics (such as his Cambridge economic handbook on *Wages*)

and to Marxist discussions of theories of value, crisis and imperialism. Of these works, the best-known was *Political Economy and Capitalism* (1937). In retrospect, Dobb regarded this book as having been too hastily written (1978, p. 119); he felt its polemics did not adequately assimilate the challenge to orthodox economic theory then being mounted by Keynes and his followers. For several generations of Dobb's readers, however, it was the most trenchant critique of its day of the foundations of modern Western economic theory.

In the 1940s, Dobb's interest in economic history found expression in his seminal contribution to what were to become internationally influential debates on the transition from feudalism to capitalism. His ideas on this were initially shaped in the discussions of a group of British Marxist historians that included Dona Torr, Christopher Hill and Rodney Hilton. His own historical writing was distinguished by his deployment of the Marxist theory of surplus expropriation under different institutional and societal conditions, culminating with the publication of his *Studies in the Development of Capitalism* (1946). He was fond of quoting the historian Marc Bloch's assessment of the feudal system as one in which the medieval lord 'lived off the labour of other men'. For Dobb, such a description wrote on feudalism's face what its essential character really was. Capitalism, by contrast, was a commodity-producing, contractual society ruled by competition. The fact of exploitation was less obvious and had to be explained. In Dobb's view, Karl Marx had successfully reconciled the existence of surplus-value (as the new form of exploitation in capitalist society) with the rule of the market, the 'law of value' and the exchange relationships of universal 'commodity relations'.

By 1948, Dobb's work on the theme of value and price, including the transformation problem, had focused his attention upon Ricardo's notion of natural price and his 'exceptions' to the pure theory of value. In that same year he was invited to assist Piero Sraffa in the preparation of the Royal Economic Society's edition of Ricardo's *Works*. He came superbly equipped for what was to become a major task of intellectual midwifery: he was not only a longstanding personal friend of Sraffa's but was also one of the few individuals who could share with him a deep knowledge of and sympathy with the approach to economics of both Ricardo and Marx (Pollitt, 1988).

His interest in Ricardo's theory of economic growth (and in the fetters on that growth that could lead to a 'stationary state') was apparent during a lecture tour in India in 1950–51, most notably in lectures delivered to the Delhi School of Economics (1951). These discussed three major dynamic factors influencing economic growth: the division of labour, the accumulation of capital, and technical progress – these last two being regarded in reality as inseparable. He argued that new investment would generally

stimulate qualitative improvements in the coefficients of production as well as quantitative increases in the stock of capital. A newly-developing economy must be assisted by policies that tapped investment-led productivity of both the 'widening' and the 'deepening' variety. To do this it must ward off those underlying trends towards a stationary state that had been pointed to by D. Ricardo and J.S. Mill; that is, a low growth of productivity in agriculture, financial bottlenecks and a low rate of profit in industry. In these lectures, Dobb drew out the strong similarities to be found in the approaches of Marx and Ricardo, and he corrected a number of misconceptions about Ricardo's analysis of growth and distribution. In all this the imprint of his recent joint labours with Sraffa was very evident.

With the main volumes of Ricardo's *Works* completed, Dobb turned to a detailed study of the planned economies of the USSR and Eastern Europe. This built on the expanded and updated treatment of the Soviet economy that he had published in 1948 as *Soviet Economic Development since 1917*. Two features of this work proved to be of special interest. Firstly, it demonstrated the close similarity between military strategy and the processes of centralized economic planning when the objective pursued was a rapid emergence from industrial backwardness. Secondly, it provided an authoritative account of the 'Great Debate' in Soviet economics between the so-called 'teleological' and 'genetic' schools of planning. Dobb showed that the 'teleologists' adopted what was essentially an engineering approach, concentrating almost exclusively on the physical-technical properties of the economic system – an outlook that was attractive to the Party leadership of the day. The 'geneticists', by contrast, stressed the constraints upon growth imposed by structural bottlenecks and emphasized the need for inter-sectoral balance in the growth process. In the course of his exposition, Dobb introduced to his Western readership many of the great names of Soviet economic literature such as Strumilin, Sokolnikov, Feldman, Shanin and Kovalevsky, while his outline of the debates of the 1920s manifestly influenced the approach later of writers such as Alexander Erlich and Evsey Domar.

From the 1950s, Dobb's writings on planning in the socialist economies were concerned with pricing, investment planning, investment fluctuations and the advantages and disadvantages of central planning. In his *An Essay on Economic Growth and Planning*, Dobb gave quantitative precision to propositions concerning the rate of investment, the distribution of investment between sectors, the choice of technique as well as methods of selecting investment projects in a centrally planned economy. He attacked the neoclassical prescription that an underdeveloped or socialist economy should choose a rate of investment according to some principle of time-discount. (At this time, the more extreme 'anti-planners' in the academic world and in the research secretariats of the UN were advocating that private markets should be the sole

determinants of investment rates in society and in economic plans.) He was also concerned to combat an influential corollary, derived from doctrines of comparative cost and marginal productivity, according to which an underdeveloped country with surplus labour must always choose techniques of production which economize on capital. Dobb argued against the primacy of time-discount as a criterion of the rate of growth to be pursued, stressing the significance of other determinants of investment that were derived from the conditions of production. The key investment determinants developed in his own model were, firstly, the productive capacity of the capital goods sector and, secondly, the surplus of production of consumer goods over the self-consumption of the producers in the consumer goods sector. A number of academic economists not usually sympathetic to Dobb's outlook reviewed his *Essay* quite favourably and, unusually, (since the Soviet Academy had generally neglected Dobb's theoretical work), he was invited to outline his book to Gosplan in Moscow in 1962. But his advocacy of a choice of techniques that maximized economic surplus and growth rather than employment – a position reflecting his sympathy for prevailing socialist strategies of development – was a controversial one and it brought him into conflict with, among others, Michal Kalecki and Joan Robinson.

Dobb's interest in growth theory prompted him to revive, in 1955, the pioneering growth model first published in the Soviet Union by G.A. Feldman – a model more broadly publicized among Western economists by Evsey Domar (1957). During his frequent visits to Eastern Europe in the 1950s and 1960s, he was known to stress the richness of the Soviet literature of the 1920s on growth theory and to complain of its comparative neglect. In the West, American economists such as Erlich and Spulber had publicized much of this early work but had failed to evaluate it fittingly. Dobb did so, however, in some penetrating articles on the early Soviet discussions on economic growth (1967). In the process, he made a notable contribution of his own to the theory of growth of socialist economies, anticipating some of what later appeared in Michal Kalecki's classic work on this subject (1972).

After his formal retirement from Cambridge University in 1967, Dobb concerned himself primarily with three areas of teaching and research. The first was the revived interest in the British Classical school of political economy, most notably in the methods of Adam Smith, David Ricardo and Karl Marx. The second was a (related) preoccupation with the implications of Piero Sraffa's work (1960) for capital theory and for both Marxian and so-called 'neoclassical' economic theory. Finally, he maintained a continuing interest in the reform movement in Eastern Europe and the USSR.

Dobb's interest in classical economics, already evidenced in his earlier work on Ricardo, was given fresh impetus in the late 1960s and the 1970s. In 'Some Notes on Ricardo and his Thought', published in a *Festschrift* for

Jurgen Kuczynski in 1969, he drew attention to the close affinity of Ricardo and Marx on such issues as the significance of surplus, the uniform rate of profit, and the distinction between market and 'natural' prices. Dobb underlined the high respect in which Ricardo was held by Marx for his scientific honesty – his 'errors of genius'. This restated a message made more explicitly in Dobb's 1961 review of Sraffa's *Production of Commodities by Means of Commodities* to the effect that there was a distinctive 'line of thought' which stretched from Quesnay to Ricardo to Marx. In all their approaches, the common key question posed was: what is the origin of economic surplus? To this were added the complementary questions as to how the surplus was accumulated and which social classes shared in it.

Dobb's ideas on this 'line of development' in the history of economic thought featured prominently in the prestigious Marshall Lectures which he delivered at Cambridge in 1973. His view contrasted with the more generally received wisdom concerning a developing intellectual inheritance that had been handed down from Smith to J.S. Mill, and from Mill to Marshall and Jevons.

Equally prominent in these lectures was the role ascribed to ideology in the shaping of economic theory. The kernel of the argument was expressed to W. Brus in a letter of 25 July 1973: while it 'manages... to have some positive insights, and hence scientific elements (including of course purely technical aids)', economics, 'since it is a study of historically-developing society is essentially ideological, in the sense of an artifact of a particular social philosophy and outlook on society...'. This view was not held with the same force by other Marxist economists such as R.L. Meek, W. Brus and O. Lange, but Dobb's analysis of the writings and activities of figures like Senior and Jevons had given him a different perspective on the vexed issue of 'economics and ideology' – a perspective expounded more fully in his *Theories of Value and Distribution since Adam Smith* (1973).

The critique of so-called 'neoclassical' theory, notably stimulated by Sraffa's work of 1960, was a second, related, area of interest for Dobb in the final years of his life. In a paper delivered to a seminar at Manchester in 1969, and rewritten and published in 1970, Dobb made a vigorous entry into the so-called 'Cambridge Controversies' on capital theory. He argued that neoclassical theory was inadequate as a macroeconomic theory of production and distribution, and stressed that the connection between this theory and the classical school of economic thought was a spurious one. Dobb was later to warn against an 'ultra-left' approach to Ricardo that he thought to be too negative (see, for instance, 1976), and he urged younger Marxists to build on Sraffa's 'critique from within'.

Dobb did not live to see the collapse of the ruling regimes of the centrally-planned economies of Eastern Europe at the end of the 1980s, but

from the early 1960s he had himself educated his Western readers in some of their structural economic defects. In *Socialist Planning: Some Problems*, for example, he stressed the significance of a shift from the 'extensive' phase of development, where growth is generated primarily by a larger workforce and forced savings, to an 'intensive' phase in which growth depended upon a modernization of the capital stock and an improved real product per man-hour. He drew most of his examples from Soviet and East European experience which pointed to the need for urgent reforms in the planning system. On the demand side, he showed that the growing complexity of the socialist economies required more serious attention to be paid to the structure of personal and social needs. This in turn pointed to the desirability of expanding the role for decentralized forms of management and decision-making. The case he advanced for decentralization and for an extension of democracy at the level of the factory floor was strengthened by his argument that many of the problems in socialist planning grew out of a conflict between pressures for operational speed, originating in 'planning from above', and the realities of shop-floor conditions.

In Dobb's view, the key obstacle to reform in the planned economies was an entrenched, conservative State bureaucracy. He suggested that such a bureaucracy had blocked reform in the Soviet economy from at least 1965; and had thwarted the efforts of economists such as Brus and Sik (both of whom Dobb supported) to advance reforms in the economies of Eastern Europe more generally.

Dobb's opinions on matters such as these did not square with the appraisals of some writers who portrayed him as an uncritical, lifelong apologist of the Soviet system (see Blaug and Storges, 1983). It was apparently not sufficiently well-known that, although a member of the British Communist party from 1922 until his death, his early writings, as epitomized by his booklet *On Marxism Today* (1932), had been vilified by Communist party spokesmen for their 'non-Marxist' character. Later, in 1956, he witnessed and was profoundly shocked by the suppression of a workers' demonstration in Poznan, Poland; he also publicly condemned his party's uncritical support for armed Soviet intervention in Hungary in the same year. In his support for the reform movement in Eastern Europe, he tended to be associated with a minority wing in his party from 1956; this changed only in 1968 when the British Communist party, with others in Western Europe, condemned the crushing by Soviet tanks of Dubcek's 'Prague spring' and 'Socialism with a human face'.

Dobb's dissidence, then, consisted primarily of a lifelong endeavour to combat Marshallian orthodoxy in economics. This was complemented by a quieter struggle, conducted from 1956, against Stalinism in the political economy of socialism. In his vision of the scope and method of political

