*From Marx to Markets: An Intellectual Odyssey.*
By Geoffrey M. Hodgson.
Edward Elgar Publishing, 2025, 392 pages, £25 (eBook).

This inspiring book offers a candid account of Hodgson's intellectual journey from Marxism to social liberalism, focusing on his evolving understanding of political economy. Rather than a traditional autobiography, the narrative explores key turning points and critiques of major economic thinkers, highlighting Hodgson's commitment to theoretical and methodological pluralism. Hodgson argues for a syncretic approach to theory—drawing from multiple perspectives—and insists that theories need to explain reality, not vice versa. This aligns with the pluralism advocated by Sheila Dow, and Hodgson further posits that theoretical evolution should be carefully selected, communally explored and rigorous, rather than arbitrarily chosen.

Hodgson's pluralism is also combined with a touch of the bounded liberalism of J.S. Mill, with checks, balances, and accountability, and is fully applied to his scholarly reviews. The book critiques of prominent economists for instance—such as Sraffa, Veblen, Marx, or Polanyi—are given comprehensive treatment, with their contributions and limitations equally recognised. Hodgson's liberal arts education, including philosophy and mathematics, has helped in this regard, and his propositions are tested through dialogue and debate. Despite abandoning his youthful political activism, Hodgson's critical stance remains evident throughout the book, offering constructive engagement with the comprehensive work of others.

The opening chapter charts Hodgson's post-WW2 formative years, including his time with the International Socialists, who opposed Bolshevik and Chinese totalitarianism, and supported worker control over central planning. Four key flaws in Marxism prompted his departure: first, the rigid bureaucratic control of economic activity, where he began to recognise the social and allocative benefits of markets, advocating for a mixed economy. He later praised the Chinese reforms under Deng Xiaoping, for instance, as an exemplar of successful institutional change.

Second, Hodgson critiques the Marxist idea of widespread common ownership, arguing that central planning leads to the suppression of dissent and undermines democracy. He aligns more with Trotsky and Luxemburg, who were both sceptical of bureaucratic planning and favoured democratic worker control. Third, Hodgson challenges Marx's monetary theory, suggesting that Marx underestimated the role of finance capital—though the critique can be acknowledged as debatable, given the sophistication in Marx's later works (albeit unfinished in his lifetime).

The fourth issue is determinism in Marxist thought. Hodgson contends that organised human agency, rather than economic laws, drives history, and he critiques class determinism. While Marx acknowledged unpredictability in social outcomes, Hodgson's emphasis on agency marks a clear departure from strict historical materialism. This concern with determinism led Hodgson to abandon economic prediction, in favour of explanations based on uncertainty, expectations, and exogenous shocks, aligning him more closely with post-Keynesian thought.

This latter issue certainly resonates with political economists from a variety of persuasions but when Hodgson questions Marx's use of the 'law of value' and falling profit rate in the book, referencing Sweezy's Bortkiewicz-based reinterpretation of the so-called 'transformation problem', his argument is more problematic. He critiques Mandel's and other defences of Marx, such as Kliman's claim that Marx was theoretically consistent using the TSSI (Temporal Single System Interpretation) and likens them to a religious cult. Hodgson also suggests that Marx did not recognise the possibility of strong counter tendencies to his profit rate decline. It's true Marx was pleased to discover falling rate factors but a stretch of the imagination to say that he did not conceive of counter factors prevailing. A more balanced approach would suggest that Marx was more circumspect on this. Hodgson's position is perhaps understandable given his relations with Steedman, and the love of mathematics that would likely attract him to Sraffa's solution, but a fairer evaluation of the TSSI work appears to have been ignored.

Kliman argues the 'transformation problem' is not a problem if we accept Marx's temporal method, and his two distinctions between value and price (one distinction uses the two terms to measure labour value in two ways, and the other illustrates value produced and value received by a firm or industry). Kliman states that some who claimed Marx was inconsistent had conflated the two distinctions. He further notes that Marx's awareness of differing values produced and realized is key to his profit equalization, with varying organic compositions of capital, because price and value quantities differ across firms and sectors. Kliman defends the TSSI by illustrating that, in contrast to simultaneous solution, all three of Marx's so-called equalities hold true. Based on Stigler's principle of scientific exegesis—a 'criterion of coherence', where credible interpretation of an analytical work must demonstrate the author's main conclusions are deduced from their definitions and premises, Marx's theory is consistent.

Next, Hodgson outlines his evolutionary economics and starts with exploring conceptual slackness, especially regarding ontological terms and what he perceives to be the lack of clarity in heterodox traditions. He critiques figures such as Popper, Bhaskar, Lee, and Lawson for vagueness, for example, albeit with a clear ambition to improve the scholarly debate and epistemology. Drawing on theoretical biologists, Darwin, Veblen, Simon, and Nelson/Winter, Hodgson recommends a 'generalised Darwinism' that applies principles of variation, selection, and replication to social and economic contexts. He also stresses the importance of appropriate building blocks such as bounded rationality and complex systems, with human agency and institutions at the centre of change. Hodgson sees Darwin's insights as vital for evolving economics beyond the constraints of neoclassical orthodoxy— to evolutionary institutionalism.

This is the subject where Hodgson has an established reputation, and his new book dutifully provides a commentary on the significance of rules, laws, norms, property rights, and firms shaped by changing social relations and institutional practice. His illustration of how state involvement was crucial in the formation of markets in ancient China, for instance, highlights the inadequacy of both mainstream and heterodox accounts that often ignore the complexities of real-world social interactions. In summary, Hodgson's approach offers a compelling read and promotes understanding of economic change, pluralism, institutions, and historical context.

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