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EDITORIAL PERSPECTIVES

ECONOMIC CRISIS, LOGORRHEIA, AND THE ENDURING MARXIST VISION

Can *anything* new be said about this crisis? What did Eliza Doolittle say? “Words, words, words, I’m so sick of words!”

When you start to feel that way, stop for a minute and think. Words are the encasement of thoughts, and thoughts are inherent in action. Marx may have had it wrong in the 11th Thesis: you can’t, after all, change the world *without* interpreting it. John Reed once wrote, on the eve of October 1917: “Russia has become a nation of orators.” Today, he might have said: “The capitalist world is becoming an orb of bloggers.” Despite the appearance of logorrhea, we have only just begun to talk: about the increasingly profound economic and social dislocations of our time — their nature and source, their specificity, their generality and relation to deeper realities. The different voices of this talk — present, past, doctrinal history, data, theory, institutions — are like the voice parts of a chorus, complementing and blending.

Guest Editors Justin Holt and Julio Huato have brought together a remarkable set of contributions, whose very variety attests to the enduring power of Marxism as a “search engine” for the hard-to-grasp reality of capitalism and its ever-deepening crisis. Further contributions to this Symposium are planned, and readers are invited to join in this *special* stream of talk — one that, one hopes, will join other currents to form a widening river of transformative consciousness.

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SYMPOSIUM

Capitalism and Crisis in the 21st Century

INTRODUCTION

Marx thought of a crisis as a sudden snap, by which the fundamental unity of a social process reasserted itself violently when its component parts got too out of line with one another. In his view, below its dazzling variety and complexity, the reproduction of a society ruled by capital was a fundamentally *unitary* process. Overall, to exist and grow, total capital had to follow a trajectory that Marx stylized with the formula $M—C—M'$: money begets commodities, which beget more money.

The purpose of Marx's formulation was dual. First, to emphasize that the perpetuation of $M—C—M'$ required a precise match, both qualitative and quantitative, among all its different elements. Deep down, capital was the form of existence of one and the same social substance in continuous motion, *value* — ultimately, cooperative *labor*, the real foundation of any conceivable society. Under capital, possessed by the demons of private ownership and accumulation, it could only expand itself by alternatively acquiring and shedding a series of necessary guises: money, "liquid" financial instruments, buildings, machinery, raw materials, inventories of all kinds, and — of course — labor power itself.

And second, to highlight the inherent heterogeneity of these forms, the fact that all of them had inherent centrifugal urges to pull and split the unity apart. Capital was rooted in the dispossession of the immediate producers; yet it required their diligent submission. Capital existed, atomized, in the form of many individual capitals fiercely clashing with one another, yet it needed them to spontaneously reconcile at the global social level in accordance with precise relations and proportions. It was only inevitable that each component part would stretch things in its respective direction to the point at which the fundamental unity of $M—C—M'$ would be in jeopardy. At that point, only a violent and disruptive snap, a crisis, would be able to restore the fundamental unity, the continuity of $M—C—M'$. But then, hopefully, the fiasco would exhibit the intolerable irrationality of capital as a social order, prompting people to free their cooperative labor

from its capitalist shackles and consciously deploy it to build better social arrangements.

After a series of well-known historical adversities, socialism and Marx were put on the defensive. This notion of capitalism as *congenitally* prone to turbulence, disruption, and conflict was an object of derision. With the implosion of the Soviet Union and Eastern European socialism in the late 1980s, and the concomitant global expansion of capitalism under the banner of U. S.-led neoliberalism, decades of relatively placid fluctuations in production and employment in the richest capitalist nations lulled economists to believe that policy (and luck) had ushered in a “Great Moderation,” a capitalism characterized by mild and short “business cycles.”

The financial panic of August 2007 and the ensuing — still ongoing — global economic malaise ought to have shaken some of the complacency. Like the proverbial “End of History,” the “Great Moderation” proved to be yet another illusion. In retrospect, even a fleeting look at the larger picture of international capitalism, beyond the borders of the richest capitalist countries, shows that crises and disruptions were far from exceptional, but rather — to quote Nobel economics laureate Joseph Stiglitz — “regular events.”¹ Another Nobel economist, Paul Krugman, went so far as to describe the economic history of global capitalism in the last few decades as “a history of violence” (emphasis added), adding that “drastic events — sudden speculative attacks that emerge out of a seemingly clear blue sky, abrupt economic implosions that slash real GDP by 5, 10, even 15 percent — are regular occurrences on the international scene.”²

While the tepid Keynesianism deployed by governments and central banks in reaction to the crisis, which the right wing keeps comically branding as “Marxism” and “socialism,” has nothing in common with the real thing, their fear-mongering is in fact onto something: the terminal threat to capital can only come from the associated producers, and Marxism — with its relentless critique of existing conditions — remains the workers’ most formidable intellectual weapon. Sluggishly, the media is also registering the shift. A haughty-yet-nonchalant voice of liberal, metropolitan capitalism, *The New Yorker*, admitted recently that, in the face of the current crisis, Marx’s ruthlessly revolutionary view of capitalism retained its validity.³ High time! Yet lip-service vindication guarantees nothing. The resolution of the crisis

1 Joseph Stiglitz, “Dealing with Debt: How to Reform the Global Financial System,” *Harvard International Review*, Vol. 25, 2003.

2 Paul Krugman, “Nobel Lecture Notes,” American Economics Association Meeting, Atlanta, Georgia, 2010. <http://www.princeton.edu/~pkrugman/CRISES.pdf>

3 John Cassidy, “The Next Thinker: The Return of Karl Marx,” *The New Yorker*, October 20, 1997, 248.

will be the outcome of fierce class struggles. The tasks of Marxists and socialists, both theoretical and practical, remain daunting.

The nine outstanding papers included in this Symposium — although differing in approach and analysis — all seek the context, causes, and mechanisms of the crisis, its probable paths of resolution, and the shape of the struggles that working people must wage to emerge out of the crisis with the upper hand. None of the papers can serve as a unifying framework for the others; some are more empirical, others more theoretical, still others more historical and institutional. We fear the reader will have to decide for her/himself how best to use the insights generated in them, going forward. We look forward to continued debate and discussion.

Minqi Li's "The End of the 'End of History': The Structural Crisis of Capitalism and the Fate of Humanity" offers a review of sweeping historical trends that situate the current crisis, as perceived in its U. S. epicenter, in the broader context of international economic restructuring, demographic shifts, and society's metabolic crisis with the rest of nature. William K. Tabb's "Marxism, Crisis Theory and the Crisis of the Early 21st Century" reviews in detail the Marxist crisis theory toolbox in relation to the current crisis, and asks how diverse approaches might be synthesized. Erdogan Bakir and Al Campbell's essay, "Neoliberalism, the Rate of Profit and the Rate of Accumulation," examines the conditions ushering in the crisis, particularly the expansion of unproductive financial activities, which, they argue, caused both a decline in the profit and capital accumulation rates during the last three decades of neoliberalism.

Paul Cockshott and Dave Zachariah's "Credit Crunch: Origins and Orientation" further calls attention to the connection between the ongoing crisis and the disproportions induced by the expansion of finance, and examines the political arena within which the crisis is being fought out, advocating specific policies to favor the workers' interest. David Kotz's "The Final Conflict: What Can Cause a System-Threatening Crisis of Capitalism?" classifies the current crisis as a "severe structural" one arising from a specific institutional configuration of capitalism, the neoliberal "social structure of accumulation." His characterization leads him to conclude that, by its length and intensity, the current crisis falls in the same category as the Great Depression. David Laibman's "Capitalism, Crisis, Renewal: Some Conceptual Excavations" challenges the view that the ultimate source of crises is neoliberalism; he conducts a "thought experiment" that removes, counter-factually, the neoliberal effect on income distribution, arguing that a different, perhaps even more lethal form of crisis would have afflicted capital had the workers maintained the relative strength they held in pre-neoliberal times.

Surveying recent actions of transnational auto makers and the U. S. government's bailout of these companies, Jerry Harris, in "The World Eco-

conomic Crisis and Transnational Corporations," looks at the geopolitical dimension of the crisis. He argues that the crisis has not only not lead to any effective reversal of transnationalization; it may actually wind up intensifying it. Ann Davis' "Marx and the Mixed Economy: Money, Accumulation, and the Role of the State" expands on Marx's M—C—M' formulation by adding explicit representations of the roles of finance and the state. And Edward N. Wolff's "Rising Profitability and the Middle Class Squeeze" is a detailed empirical description of the rise in social inequality — *sine qua non* condition and consequence of the rule of capital — during the runup to the crisis.

It is our hope that these papers — in their diversity and unity, in their merits and flaws — will help reveal the vitality of the Marxist critique of capitalism in our times, eliciting further thinking and controversy and reinvigorating our fight for a better world.

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