

(Download) The Failure of Capitalist Production: Underlying Causes of the Great Recession

The Failure of Capitalist Production: Underlying Causes of the Great Recession

Andrew Kliman

*ebooks / Download PDF / *ePub / DOC / audiobook*

A N D R E W K L I M A N



The Failure of Capitalist Production

Underlying Causes of the Great Recession

DOWNLOAD



READ ONLINE

#1266472 in eBooks 2011-11-20 2015-07-20 File Name: B012TMK8OY | File size: 38.Mb

Andrew Kliman : The Failure of Capitalist Production: Underlying Causes of the Great Recession before purchasing it in order to gage whether or not it would be worth my time, and all praised The Failure of Capitalist Production: Underlying Causes of the Great Recession:

1 of 2 people found the following review helpful. Excellent book.By King of LightningWith "The Failure of Capitalist

Production", Andrew Kliman debunks the myth that "underconsumption" caused the Great Recession, and shows that the crisis was in fact over thirty years in the making due to the tendency of profits to fall. Definitely recommended for socialists!

10 of 2 people found the following review helpful. Five Stars
By Trust fund squanderer
5 stars
14 of 15 people found the following review helpful. A Study that Demands a Response from the Left
Right
By J. Kane
Kliman's book is, firstly, a work of empiricism, as he makes very clear at the outset. It is not really a book which tells you (the reader) how the rich have been getting richer and you (presumably "not rich") have been getting poorer. During a recession especially, this can be a very persuasive, populist sort of argument, and indeed has a great deal of purveyors on the Left. (What could be more persuasive than an argument which tells you how badly you are being screwed over?) So, since Kliman is presumably not primarily concerned with popularity per se, what is he concerned with? Many of the other reviewers already addressed the specific contents of the book but, in a nutshell, Kliman is concerned with showing how the rate of profit, a key variable/indicator in a capitalist economy, has been trending downward over the past four decades. This happens, essentially, because businesses invest in technology, machines, etc. ("constant capital") rather than workers ("living labor," or "variable capital"). But they are not necessarily doing this to be "mean" or to intimidate their workers--they do this to keep apace with other competitive firms and not lose market share. Thus, simply put, the problem is very much inherent within capitalism and cannot simply be "regulated away," for it is not a matter of political will. In other words, politics cannot overcome this contradiction (the belief that it can is what Kliman cleverly refers to as "political determinism"). This fall in the rate of profit, it must be said, does not CAUSE the crisis, but merely creates an environment in which a crisis can easily emerge. So, where commentators and economists often see "finance" as the source of economic crises, Kliman looks deeper and explains that the world of finance is where the real issue--the fall in the rate of profit--most often manifests itself. The financial sector, in other words, is often like the shakiest leg of a table that is having a greater and greater amount of weight placed upon it. With that argument as the main thread running through the book, Kliman proceeds to do a few things that might surprise readers, both Marxist and non-Marxist alike: 1) He sees the "bailouts" as completely logical and, according to the needs of capital, entirely necessary, and 2) He spends most of the book arguing not against conservatives/free-marketers/etc., but against other Marxists! Because of this latter point, he deserves a response from economists on the Left--both Marxist and non-Marxist. I would probably pay hundreds of dollars to see Kliman have a serious, hours-long debate with leftist and mainstream economists like Fred Moseley, Richard Wolff, Nouriel Roubini (who actually referenced Marx recently, and favorably!), and Paul Krugman. Kliman deserves a serious response from those engaged in publicly diagnosing our current economic woes, especially those who are actually well-equipped to evaluate the merit of economics research on an empirical basis. Finally, the implications of Kliman's book are huge, as other reviewers have alluded to. My only worry is that some readers could infer that Kliman does not believe there has been any "growing inequality," regardless of whether or not it has anything to do with CAUSING the crisis. Making the point that, depending on how we define it, there HAS been increasing inequality (which Kliman has publicly acknowledged), but that this did not CAUSE the crisis, would perhaps allay some readers' discomfort with Kliman's surprising findings. This, admittedly, would be akin to throwing the "Leftist dog" a "political bone" more so than it would bolster his main argument (i.e., the falling rate of profit is the ultimate, original cause of economic crisis and stagnation). But still, it would have been nice to see more clearly spelled out in the text, rather than clarified at conferences/public discussions that not all readers of the book will attend. In reading Kliman's book and speaking with him directly, I'm convinced that he is making arguments based on careful, honest, disinterested research. The only way we will know if Kliman's work is having its intended effect is if academics and popular figures on the Left directly acknowledge his findings and resort to empiricism, not "gut feeling" slogans (e.g., Kliman is being "dogmatic" or "overly orthodox"), to counter them. I am quite certain that Kliman is eagerly looking forward to that battle.

The recent financial crisis and Great Recession have been analysed endlessly in the mainstream and academia, but this is the first book to conclude, on the basis of in-depth analyses of official US data, that Marx's crisis theory can explain these events. Marx believed that the rate of profit has a tendency to fall, leading to economic crises and recessions. Many economists, Marxists among them, have dismissed this theory out of hand, but Andrew Kliman's careful data analysis shows that the rate of profit did indeed decline after the post-World War II boom and that free-market policies failed to reverse the decline. The fall in profitability led to sluggish investment and economic growth, mounting debt problems, desperate attempts of governments to fight these problems by piling up even more debt; and ultimately to the Great Recession. Kliman's conclusion is simple but shocking: short of socialist transformation, the only way to escape the "new normal" of a stagnant, crisis-prone economy is to restore profitability through full-scale destruction of existing wealth, something not seen since the Depression of the 1930s.

One of the very best of the rapidly growing series of works seeking to explain our economic crisis. ... The scholarship is exemplary and the writing is crystal clear. Highly recommended! -- Professor Bertell Ollman, Department of Politics, NYU, author of *Dance of the Dialectic* Clear, rigorous and combative. Kliman demonstrates that the current

economic crisis is a consequence of the fundamental dynamic of capitalism, unlike the vast bulk of superficial contemporary commentary that passes for economic analysis. -- Rick Kuhn, Deutscher Prize winner, Reader in Politics at the Australian National University and long-time activist. Among the myriad publications on the present day crisis, this work stands out as something unusual. Kliman is an excellent theorist, and an equally excellent analyst of empirical data. -- Paresh Chattopadhyay, Universite du Quebec a Montreal The Failure of Capitalist Production is essential reading for all Marxists and lefts interested in what caused the Great Recession. It debunks the fads and fashionable arguments of neoliberalism, underconsumption and inequality with a battery of facts. It restores Marx's law of profitability to the centre of any explanation of capitalist crisis with compelling evidence and searching analysis. It must be read. -- Michael Roberts

About the Author