


REVIEWS

Marxism and the Oppression of Women: Toward a Unitary Theory, by Lise Vogel.
Chicago, Illinois: Haymarket Books, 2013. Paper, \$28.00. Pp. 215.

Women's liberationists, frustrated with the dug-in-ness of male supremacy and its latest refortifications, are honing their weapons. Lise Vogel's 1983 book *Marxism and the Oppression of Women: Toward a Unitary Theory*, reissued in 2013, is now attracting deserved attention with a new introduction by Susan Ferguson and David McNally, and a new chapter theorizing the relationship of women's unpaid labor to capitalist accumulation.

Vogel demonstrates the utter dependence of the appropriating class on women's reproductive labor and in that need, the source of women's oppression. The new chapter clarifies the connection of "shadowy, unquantifiable . . . domestic labor" to the reproduction of labor power and does so within the precepts of Marxist political economy (192).

Ferguson and McNally's introduction frames Vogel's investigation in current literature and highlights her singular accomplishment: "the establishment of a theoretically indispensable first-level analysis of capital, gender and social reproduction that will make a unitary theory . . . possible" (xxxii).

The book has hit international radical and feminist radar signaling a resurgent desire to understand women's oppression — not simply to deepen our knowledge of it, but to do so in order to sharpen struggles against the capitalist class and male supremacists.

Vogel's theory-as-tool-against-oppression perspective, refreshing among scholars and academics, is evident in her acknowledgements, where she thanks "the women throughout the world whose participation in movements for liberation gives this theoretical project meaning. Without them, it would not exist" (xiii).

The book evaluates socialist-feminists' insights into women's oppression. Vogel praises the socialist feminist project of applying Marxism to women and

their work. At the same time, she criticizes socialist–feminist theory which, as she puts it, “all too quickly abandons the socialist tradition’s revolutionary Marxist core” (8).

Vogel discusses Marx and Engels’ attention to the woman question, beginning with their early work. She then focusses on key concepts in Marx’s *Capital* which she later applies to women’s oppression, despite the fact that Marx himself failed to do so. Especially relevant are his explanations of individual consumption, labor power, and the reproduction of labor power. For example:

The owner of labour-power is mortal. If then his appearance in the market is to be continuous, and the continuous conversion of money into capital assumes this, the seller of labour-power must perpetuate himself . . . by procreation. The labour-power withdrawn from the market by wear and tear and death must be continually replaced by . . . fresh labour-power. (Marx, *Capital*, I, quoted in Vogel, xxvi–xxvii.)

Vogel calls passages such as this “tantalizingly incomplete” (72). True enough; yet her eye-opening review of *Capital* finds more there relevant to the oppression of women than most scholars have found, and this is an invaluable contribution.

Vogel’s most important criticism is reserved for Engels’ *The Origin of the Family, Private Property, and the State*. Its deepest flaw, Vogel notes, is setting up separate systems of oppression: “While Engels underscores the simultaneous emergence of sex and class conflict, he never achieves a clear picture of their connection” (137). She details the continuing problem of the “dual systems” approach in which two autonomous “motors drive the development of history: the class-struggle and the sex-struggle” (135).

Additionally, *Origin* takes a formalistic approach to “property” and fails to situate it dynamically within relations of production. Engels’ errors are compounded by the left’s treatment of *Origin*, as Vogel says, as “the definitive Marxist pronouncement on the family and therefore on the so-called woman question” (79). Reading this was like a tour through a museum of my own mistakes exploring the relationship between capitalism and male supremacy.

The book concludes with Vogel’s attempt at a unitary theory of these systems. She demonstrates that women are the source of the means by which the immense wealth of the exploiting class is accumulated. How? Because women are central to the reproduction of the working people who provide capital’s labor power, and thus surplus value and profit. Vogel makes clear that dominant classes require women’s reproductive labor — so clear that readers will, as I did, begin to wonder who could have ever argued otherwise. It has taken years of study of the relationship between capital and women’s reproductive labor in the women’s liberation think-tank Redstockings to prepare me to appreciate Vogel’s explanation. Still, truth, once understood, often appears self-evident.

The best contribution by the founders of dialectical materialism to feminist theory, as Vogel demonstrates, are the tools to understand capitalism, tools rarely developed or used this way. If only Marxist theoreticians had applied their own tools to questions of women's oppression, but they did not.

Using critical tools of Marxism, Vogel begins to fill in this blank. There are at least four reasons to read this book. First, Vogel provides a living example of an effective application of key Marxist concepts to the oppression of women. Second, her critique of Engels, unsurpassed in Marxist literature, establishes a new starting place for analyzing female subordination. Third, she confirms the need for a unitary theory that causally connects Marxism and feminism. Fourth, her careful review of the Marxist literature locates approaches to a theory of women's oppression in the historical development of the movements that produced them.

Vogel's explanation of why and how capitalism oppresses women is clear. But why it must be accompanied by a system of male supremacy in order to do so is not as well developed. Vogel argues: "It is the provision by men of the means of subsistence that forms the material basis for women's subordination in class society" (153). In most societies, the family is the site for the generational replacement of the working class and of women's dependence on men during childbearing. Thus, according to Vogel, the family is "ordinarily legitimated by male domination backed up by institutionalized structures of female oppression" (190). Does Vogel mean that male supremacy is simply a rationale for capitalism's need to replace its surplus value producers?

In another formulation she observes: "The ruling class, in order to stabilize the reproduction of labor-power . . . encourages male supremacy within the exploited class" (153). But why is male supremacy required to stabilize female reproduction? Simply put, Vogel makes an excellent case for the benefits that accrue to capitalism from the oppression of women. Her case for the need for male supremacy to accomplish this is weak.

Vogel says her book "constitutes an argument for the power of Marxism to analyze the issues that face women today in their struggle for liberation" (2). Marxism doesn't need rethinking, as some say. It needs more careful application to the woman question. As Vogel successfully demonstrates, the tools of dialectical materialism are there for us. Marxists applied them inadequately to the oppression of women. So, comrades, let's apprentice ourselves and put these tools to use.

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Workers Unite! The International 150 Years Later, edited by Marcello Musto. New York/London: Bloomsbury Academic, 2014. Paper, \$24.95. Pp. 312.

The International Workingmen's Association, or First International, was the jewel in the crown of Marx's practice, declared Engels at his partner's funeral in 1883. He planned to write an account about Marx's role in the IWA but didn't live long enough to do so. With Marx's input, a history of the organization was published in 1868, but only about half way into its existence: Wilhelm Eichoff's *The International Working Men's Association: Its Establishment, Organisation, Political and Social Activity, and Growth*. Not until the second half of the next century would comprehensive histories of the IWA be written. Henry Collins and Chimen Abramsky's *Karl Marx and the British Labour Movement: Years of the First International*, published in 1965, remains, at least in English, the most authoritative. Marcello Musto's *Workers Unite! The International 150 Years Later* is the most recent contribution to that conversation.

Why the need now for another history of the IWA? "The world of labor," Musto says in the Preface,

has suffered an epochal defeat. The barbarism against which it [the IWA] fought and won important victories has returned to become the reality of our times. . . . The task today, then, is to build again on the ruins, and direct familiarity with the original theorizations of the workers' movement may help significantly to reverse the trend.

Musto, therefore, is no disengaged chronicler of the past. The latest hand that capital has dealt to workers in Greece, for example, gives him added rationale and urgency for such a project.

Following his 68-page "Introduction," an overview of the IWA, Musto has appended 230 pages of "Resolutions, Interventions, Documents" that informed the organization's work, many of which are usefully referred to in the Introduction. The topics are: "Inaugural Address," "Political Program," "Labor," "Trade Union and Strike," "Cooperative Movement and Credit," "On Inheritance," "Collective Ownership and the State," "Education," "The Commune of Paris," "Internationalism and Opposition to War," "The Irish Question," "the United States," and "Political Organization." Because Marx was so influential in the International his contributions (sometimes in collaboration with Engels) constitute the bulk of these materials and, therefore, can be found in the *Marx-Engels Collected Works*. What makes Musto's volume unique in recounting the history of the IWA is the inclusion of writings of lesser-known figures who participated to varying degrees in the International, such as Mikhail Bakunin, César De Paepe, Eugene Dupont, Johann Georg Eccarius, and others. Marx and Engels authored just less than half of the 80 documents included. And among the non-Marx/Engels contributions are to

be found a number of precious gems, such as two in the “Labor” section on women’s equality. In total, they constitute a valuable addendum to the *MECW*.

Because Musto’s “Introduction” is likely to be exactly that for a new generation of those interested in the Marx–Engels project, a couple of cautions are in order. He correctly acknowledges Marx’s indispensable role in what the IWA was able to accomplish. Marx, as Eccarius later noted, was “the right man in the right place.” But that poses a question. Why could a relatively unknown German émigré living in London come so soon to lead the international organization birthed in that city in September, 1864? Missing in Musto’s otherwise comprehensive essay — which provides, among other valuable facts, useful data on IWA membership and activities — is the relevant background to answer that question. Yes, Marx’s “political talents” were determinant but not sufficient. A page or at least a few paragraphs about his prior praxis — in collaboration with Engels — is sorely needed. Decisive in Marx’s quick ascent in becoming the *de facto* leader of the IWA was the combination of both prior theoretical *and* practical work. The “Marx party,” as it had come to be known by friend and foe alike — despite having been in semi-hibernation following the defeat of the European Revolutions of 1848–1849, its baptismal fire — was in a unique position to do what no other political tendency could do. The London meeting that initiated the IWA registered, Marx argued, the revival of the international worker’s movement after a decade-long lull. And, most decisive, he had an informal organization/network in place that made it possible for him to act on that vision.

Also missing in Musto’s “Introduction” is the thread that ran from Marx’s *Inaugural Address* in 1864 to the main achievement of the Hague Congress in 1872 (effectively, the last IWA plenary meeting): the fight for independent working-class political action. For Marx and Engels the central lesson of Europe’s Spring of 1848–1849 was that only the working class could free itself from capital, and to do so required having its own political party with its own program. To Musto’s credit, he includes the relevant documents and interventions for that campaign, especially those that contested the abstentionist political course of the followers of Pierre-Joseph Proudhon and Mikhail Bakunin. But for readers new to Marx and Engels’ politics a distillation of that fight would be of considerable help in digesting the documents. Part of the problem is Musto’s mistaken claim about Marx’s employment of the word “party.” He “used the term,” we are told, “in a vague manner” that “corresponds to the concept of class.” More accurately, “party” had different meanings for Marx and Engels prior to the establishment of the IWA (another reason why some treatment of their prior activities is needed). But by the time the IWA came to be there is no doubt, as Musto seems to recognize, about what they meant by working-class political parties. The German workers’ movement provided the prototype in 1869. Had Musto devoted some space

listing not just the subsequent Internationals after the demise of the IWA but also the many working-class political parties that appeared in the next two decades, the reader could see that the seeds Marx and Engels planted at The Hague eventually took root and bore fruit. (How those parties later comported themselves is another story.)

Despite the limitations of Musto's "Introduction," his collection of IWA documents is most valuable and has currency for today's fighters (his failure to make the connections notwithstanding). The excerpts, for example, from the debate that Marx had with George Weston, a leading advocate of cooperativism and a member of the General Council of the IWA, on how wages and prices are determined — what would later be published as *Value, Price and Profit* — provides essential ammunition for those defending a minimum wage against critics who argue that it will inevitably lead to inflation. Or, Marx's advice on trade unions, specifically, "their future" — "They must now learn to act deliberately as organizing centers of the working class in the broad interest of its complete emancipation. They must aid every social and political movement tending in that direction" — a recommendation that rings all so true today. Lastly, the documents that speak to independent working-class political action are just what workers not only in Greece but elsewhere desperately need if they are to cease being the sacrificial lambs on the altars of capital's ever insistent austerity drive.

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The Death and Life of American Labor: Toward a New Worker Movement, by Stanley Aronowitz. London: Verso, 2014. \$26.95; paper, \$19.95. Pp. 192.

I like books that are plausibly optimistic about the future of the American labor movement, and this book certainly is. The author describes the book as "a sustained argument that the era of labor-management cooperation that was initiated by the New Deal and supported by succeeding legislation and that saw general cooperation from the unions has come to an end" (12).

Stanley Aronowitz is extremely well qualified to write a book about the American labor movement. He is a distinguished sociologist specializing in culture, politics, and class and has written or edited numerous books on

labor and related subjects. Not a politically detached academic, Aronowitz has been a steadfast and energetic participant in labor, antiwar, and environmental movements.

Although Aronowitz is well aware of objective historical realities unfavorable to the labor movement such as technological change, globalization, and the Cold War, he locates the main responsibility for the movement's distressing decline on policies pursued by its leadership, policies which he chastises as an "eclipse of the radical imagination." During the most recent phase of U. S. labor history, beginning in 1935, all major unions used collective bargaining as the favored means to resolve labor conflict, sought exclusive representation rights within their respective domains, and tried to negotiate legally enforceable contracts.

The basic mistakes made by unions happened shortly after World War II, while the labor movement was still strong, but the most debilitating consequences surfaced only decades later when strike activity virtually ceased and union membership collapsed. The truly ruinous errors were abandonment of anti-capitalist ideology, renunciation of class warfare, and the concurrent embrace of both economic determinism and liberal politics. The heart of modern liberalism, according to Aronowitz, is the notion that capitalism is permanent and unchangeable. Acceptance of liberal ideology and capitalist social relations caused most labor unions to adopt the strategy of "business unionism."

A host of tactical consequences flowed from this basic strategy. Cold War politics were adopted. Communists and left-wing unions were expelled. Practical emphasis shifted from organizing workers and direct action to negotiating contracts. These contracts forbid strikes during their duration and compel unions to police workers on behalf of the bosses. The strike weapon was gradually sidelined and then largely abandoned in favor of electoral politics. Labor leaders became advocates of strict legality, acquiring what Aronowitz calls "awe of the law" (23). The alliance with the Democratic Party became obligatory and, as union power declined, morphed into organized labor's comprehensive submission to Democratic officials. This isolated the American labor movement from the emerging New Left and also from anti-imperialist foreign labor movements.

The consequences of business unionism for economic control, organizing initiatives, and social concerns were even more devastating. Issues of technology, investment, price, and location all become management prerogatives entirely exempt from union authority. Organized labor thus found it difficult to influence technological changes that eliminated jobs and generated mass unemployment. Similarly, the doctrine of management prerogatives and the insistence on legality handicapped efforts to combat relocation of industries to the non-union American south or to foreign countries with much lower

wages. Faced with such setbacks, labor unions redefined themselves from instruments of working-class power to corporate-friendly service organizations that help a steadily contracting membership.

The business unionism strategy also limited the scope of organizing activity. Since unions were mainly concerned with relations between workers and management within large establishments, organizing efforts focused almost exclusively on full-time industrial or craft workers. Mainstream unions disregarded the unemployed. They usually ignored temporary, part-time, and contingent workers. Professional workers, with the exception of teachers and nurses, were also outside the organizing domain. By the year 2000 these exclusions meant that labor unions were irrelevant to at least 70% of the U. S. labor force. Moreover, most labor organizations overlooked social issues such as housing, education, food prices, and student debt. The current labor union bureaucracy thus fails to represent the broad interests of the American working class.

The heart of Aronowitz's approach involves rekindling the radical imagination and building working-class power. He emphasizes that "power is the root of the matter" (141), but the really difficult question is how to build working-class power. The Occupy Wall Street movement gives him hope that working-class empowerment is not impossible.

Aronowitz has numerous suggestions about causes that a revitalized labor movement should support. Active involvement in these causes would broaden the movement's appeal and connect it with other social movements. They include guaranteed basic income, reduction in working hours, control over technological change, workplace democracy, single-payer health care, race and gender equality, and producer and consumer cooperatives. Aronowitz emphasizes the importance of joining the fight to save the environment, which could simultaneously save jobs, restructure the economy, and enhance the quality of working-class life.

The general political strategy advocated by Aronowitz has three major components: a) building institutions that organize working people into a class; b) making public goods that serve the collective needs of the working class (rather than wages) the central focus of class struggle; and c) constructing a global labor movement. Aronowitz maintains that radicalized, imaginative, expanded, and energized labor unions could make the working class an effective force for socialism.

Whereas this general strategy has undeniable merit, the specific tactics suggested by Aronowitz are less compelling as means of building working-class power. He suggests that radicals form a militant minority within the labor movement and proposes extensive use of innovative direct action. He advocates educational programs that make workers into "organic intellectuals," plus alternative programs such as free breakfast and street festivals. Collective bargaining should avoid formal agreements whenever possible and should,

at all costs, avoid a no-strike provision. Under favorable circumstances these tactics might be effective. But they seem more likely to exhaust the scarce energies of the militant minority and to isolate it even further from what remains of the labor movement.

Aronowitz underestimates the social forces that induced the American labor movement to abandon anti-capitalist ideology, renounce class warfare, and embrace liberal politics. Although I wish it were otherwise, it is not evident that these conservatizing social forces are spent. Aronowitz draws inspiration from the Occupy Wall Street movement; but is this movement a harbinger of future triumphs or a collective expression of precariat political futility? “By demanding the impossible,” he says, “we make it possible” (26). Sometimes this does happen. More often, by demanding the impossible we make ourselves irrelevant.

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Greek Capitalism in Crisis: Marxist Analyses, edited by Stavros Mavroudeas.
 London: Routledge, 2015. \$130.00. Pp. 260.

The current depression triggered fresh interest in Marxist economics. At the same time, seven years following the default of Bear Sterns, Greece remains the terrain where the crisis finds its most severe and profound manifestation. In this regard the volume under review attracts special interest, since it faces important theoretical and policy issues testing the relevance of Marxist crisis theory in the Greek case and the analysis of the first depression of the new century in general. *Greek Capitalism in Crisis* is a peer-reviewed volume of papers by Greek economists written in English and originally published by Routledge in 2015.

The first five chapters are devoted to a critique of mainstream and heterodox explanations of the Greek crisis. In the first chapter Stavros Mavroudeas and Dimitris Paitarides offer a review of the main non-Marxist explanations of the crisis, both mainstream and heterodox. Neoliberal explanations focus on implementation of reckless fiscal policies during the last three decades, which triggered “twin deficits” and high debt/GDP ratios, leading to the crisis. Alternative, mainly post-Keynesian, theories base their explanation on

a “national [economic] disease” aggravated by EMU structural deficiencies. A thorough critique placing the Greek crisis in the context of the global crisis while revealing the structural deficiencies of the Greek economy is offered throughout the chapter.

Since fiscal crisis lies at the heart of mainstream explanations, the sources of the Greek fiscal deficits and debts become a matter of great analytical importance. In the second chapter Thanasis Maniatis offers a comprehensive explanation of this aspect. He argues that causality runs from low profitability of capital, in our case Greek capital, to fueling fiscal deficits and debts, rather than the opposite. This approach reveals the class dimension of the Greek crisis and the superficiality of neoliberal arguments blaming high wages, the “welfare state” and “politicians.”

A “profit squeeze” explanation for crises is present in both mainstream and heterodox theory, especially since the great stagflation of the 1970s. However, the current depression was preceded by a rising productivity/wage gap resulting from the dominance of neoliberal policies. In chapter 3 Thanasis Maniatis and Costas Passas show that this is more than true for the Greek economy. Moreover, they make interesting points on the evolution of the relation between productive and unproductive labor, as well as on the movement of wages in countries with a competitive disadvantage such as Greece.

Mainstream crisis explanations justified the implementation of fiscal austerity packages for the Greek economy, otherwise known as the “Memoranda.” Demophanis Papadatos evaluates these policies in comparison to standard IMF adjustment packages in chapter 4. He concludes that the Memoranda were more front-loaded as compared to the standard pro-cyclical, IMF austerity packages. This intensified the crisis and its devastating consequences on output, employment and well-being.

The final chapter of the first section evaluates the explanatory power of the heterodox concept of financialization in the Greek case. Mavroudeas concludes that Greece is not a financialized economy. In this regard he argues that the financialization literature does not establish a clear mechanism, for example household indebtedness, to explain the crisis.

The next three chapters offer Marxist explanations of the Greek crisis. It comes as no surprise that the first paper in this section investigates the tendency of the rate of profit in the Greek economy. Maniatis and Passas (chapter 6) conclude that the overall trend of the profit rate in Greece is negative, following dynamics similar to those in the world economy.

The question of profitability and its relation to the Greek crisis is the theme of chapter 7 as well. However, the authors take a different perspective, focusing on the structural deficiency of the Greek economy, which undermines the ability of austerity policies to restore profitability. In other words, recovery from the crisis requires measures boosting demand, since austerity tends to reduce profitability even further.

Chapter 8 is an attempt to combine the arguments of chapters 6 and 7. Mavroudeas and Dimitris Paitarides argue that the Greek crisis is both a typical Marxist depression and a structural crisis of Greek capitalism, which is heavily dependent on foreign capital. In 2007 Greek capitalism had its problems hidden under fictitious capital operations, although unequal exchange with the Eurozone was ongoing. The outburst of the global crisis undermined this accumulation pattern and aggravated the deep structural problems of the Greek economy.

The final section includes three chapters and is devoted to the consequences of the crisis. Chapter 9 discusses the impact of the crisis on poverty and social deprivation. Christos Papatheodorou argues that the crisis strengthened the attack on the vast majority of the population, justified by neoliberal arguments. This trend is expected to persist, with negative effects not only on incomes but also on demand and growth.

In chapter 10, Alexis Ioannides compares conditions in the labor market before and after the crisis. He suggests that Greek unemployment rates are understated. For example, in 2013 unemployment was almost eight percentage points higher than the official rate. The rising reserve army of labor results in suppressed wages and deregulated labor markets.

The final chapter by Stelios Gialis points out that declines in Greek urban employment were accompanied by severe decline in wages. The latter, contrary to mainstream postulations, indicates that Greek metropolitan regions were fully integrated into the EU as far as employment is concerned. This argument is substantiated further by exploring atypical employment across regions before and after the crisis.

The volume overall places the Greek crisis in the context of the first depression of the 21st century, using the analytical tools of Marxist political economy. It contests mainstream arguments and neoliberal propaganda, which present the tragedy of the Greek people as independent of capitalist production relations. Moreover, it explores the structural problems of the Greek economy and the impact of austerity policies in order to explain the severity of the crisis. I fully recommend this volume for productive reading and as a reference for formulation of alternative policy recommendations.

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The Rise and Fall of Neoliberal Capitalism, by David M. Kotz. Cambridge, Massachusetts: Harvard University Press, 2015. \$39.95. Pp. 270.

For David M. Kotz, the overarching fact in U. S. economic history is the rise of large corporations in the late 19th century. Since that time, the United States has shifted back and forth between free-market forms of capitalism and regulated forms, depending on whether the large corporations align themselves with small business owners against labor, or with labor against small business owners.

The difference between free-market and regulated forms of capitalism can be represented by dividing national income (Y) into wages (W) plus profits (Π):

$$Y = W + \Pi$$

Or, dividing through by Y :

$$1 = W/Y + \Pi/Y \tag{1}$$

where W/Y is the wage share of national income and Π/Y is the profit share of national income. If W/Y increases, Π/Y decreases proportionately, and vice versa.

Kotz argues that large corporations aligned themselves with small business owners — during the Gilded Age in the late 19th century, the Roaring Twenties in the last century, and the Neoliberal Era (1982–2008) — in order to increase Π/Y . And they aligned themselves with labor — during the Progressive Era (1900–1914), the New Deal (1933–1937), and the Golden Age (1948–1973) — in order to increase W/Y .

In other words, Kotz defines free-market forms of capitalism in terms of policies and institutions that cause the profit share (Π/Y) to increase at the expense of the wage share (W/Y), and regulated forms of capitalism in terms of policies and institutions that cause the wage share (W/Y) to increase at the expense of the profit share (Π/Y).

That large corporations would form alliances to increase Π/Y is obvious. The bulk of Kotz's book is thus devoted to explaining why they may also form alliances to increase W/Y . His answer lies in the fact that the average rate of profit (r), which he calculates by dividing profits by the value of the aggregate means of production at the end of each year (K), has the following two components:

$$r = \Pi/K$$

Or, by multiplying the right-hand side by Y/Y and rearranging terms:

$$r = (\Pi/Y) (Y/K) \tag{2}$$

where Y/K is the output–capital ratio, or the value of aggregate output produced each year per value-unit of the aggregate means of production.

Equation 2 shows that, by aligning themselves with small business owners to increase Π/Y in free-market forms of capitalism, large corporations increase r only if Y/K does not decline more than proportionately. And Kotz argues that Y/K invariably declines more than Π/Y increases in free-market capitalism. This is because workers save little of their incomes, so that increasing W/Y increases aggregate demand, and thus causes a more technologically efficient utilization of the means of production, which shows up as an increasing Y/K . In contrast, most of Π/Y is saved, and the portion of Π/Y that is saved does not constitute demand for aggregate output. Therefore, increasing Π/Y shows up as unused productive capacity, or a decreasing Y/K .

In short, Kotz explains the alternating series of free-market and regulated forms of capitalism since the late 19th century in terms of efforts by large corporations to find the right balance between trying to increase r by increasing Π/Y but at the expense of a falling Y/K ; or trying to increase r by increasing Y/K but at the expense of a falling Π/Y .

The problem is that, according to Kotz, neither form of capitalism is stable. So long as the contradiction persists between the ever-increasing social character of production and the private appropriation of surplus value, there is no distribution of national income between wage and profit shares that is a golden mean which will ensure steady economic growth. That is to say, in both the regulated and the free-market forms of capitalism the same forces that initially increase the rate of profit eventually cause it to decline. For example, Kotz attributes the rise of neoliberal capitalism to the alleged fact that, after 18 years of policies and institutions (from 1948 to 1966) designed to increase W/Y , labor became too strong and started demanding increases in W/Y that reduced Π/Y by more than Y/K was increasing. Under these circumstances, the ensuing fall in r , from 1966 to 1982, could only be reversed by large corporations abandoning their alliance with labor, embracing small business owners, and dismantling the policies and institutions that made the Golden Age possible.

Kotz then attributes the fall of neoliberal capitalism into the Great Recession of 2008–2009 to a falling r due to Y/K decreasing more rapidly than Π/Y was increasing. But if the principal source of aggregate demand is a rising W/Y , why did neoliberalism appear to work for so long, with sustained economic growth from 1982 to 2008, punctuated by only two relatively mild recessions, in 1990–1991 and 2001?

Kotz' answer is twofold. First, there was an increase in household debt relative to household incomes, as workers borrowed to sustain their standard of living despite a falling W/Y . Second, the savings out of the increasing Π/Y generated an enormous demand for assets, especially stocks in the late 1990s

and real estate in the early 2000s, and the asset-price bubbles had wealth effects (Kotz estimates that every \$100 increase in asset prices caused a \$5 increase in aggregate demand).

In sum, Kotz argues that Y/K was kept from decreasing more rapidly than Π/Y was increasing during the Neoliberal Era because of a rising household debt ratio and wealth effects. He postulates that the structural crisis of the neoliberal form of capitalism, in the form of the financial crisis of 2007–2008 and the Great Recession of 2008–2009, only came when workers reached the limits of their capacity to borrow. Once the household debt ratio stopped rising, excess productive capacity emerged, causing Y/K to fall more rapidly Π/Y was increasing. And once r thus began to fall, there was no longer a justification for the asset-price bubbles, dissipating the wealth effects.

Kotz concludes that there are four possible responses to this structural crisis. Large corporations may remain aligned with small business owners in support of free-market policies and institutions, so that the prospects for economic growth depend on resumption of a rising household debt ratio and asset-price bubbles. Or large corporations could abandon their alliance with small business owners and align themselves with labor instead. If large corporations dominate the alliance, as they did in the Progressive Era, then Kotz expects a return to the form of regulated capitalism that prevailed in the early 20th century. If labor is co-equal with large corporations, as they were during the Golden Age, then Kotz expects a return to the social-democratic policies and institutions that prevailed during the 1948–1973 period. And if labor dominates the alliance with the large corporations, he expects a turn to democratic participatory planned socialism.

Kotz' theory can be criticized from two perspectives. First, it attributes to a particular faction of capital (large corporations) a freedom to form alliances that may ignore structural constraints on its behavior. For example, the profit-rate dynamics of the regulated forms of capitalism may be caused by successful organizing drives by workers that compel capitalists to undertake technological innovations — substituting machines for labor in the production process — in order to increase relative surplus value. And the profit-rate dynamics of the free-market forms of capitalism may be caused by successful offensives of capitalists against labor that permit them to increase absolute surplus value (increasing the length and intensity of the working day).

Second, even if one accepts the relative autonomy of factions of capital from structural imperatives, Kotz may mis-specify the dominant faction of capital at work. For example, perhaps the rise to dominance of finance capital, not large corporations, is the key.

Kotz considers these alternative perspectives, but dismisses them on empirical grounds. Whether or not the reader ultimately agrees with his focus on large corporations, or with the data he musters to support the hypothesis

that large corporations sometimes freely choose alliances with labor, Kotz's book will reward careful study by everyone interested in the question of stages in the history of capitalism.

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