

The Anti-Capitalist Chronicles

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David Harvey

Edited by Jordan T. Camp and Chris Caruso

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Global Unrest

The huge outburst of political struggles around the world in the fall of 2019 – from Santiago to Beirut, Baghdad, Tehran, Paris, Quito, Hong Kong, India, Algeria, Sudan and well beyond – suggests that there is something chronically wrong in the world. In part the problems can be traced to failings in democratic governance and a general alienation from dominant political practices. The other familiar complaint is the failure of the dominant economic model that is supposed to keep us employed at adequate incomes, put affordable food upon our table, shirts on our backs, shoes on our feet, phones in our hands and autos in our garages, while delivering a range of those collective services (healthcare, education, housing, and transportation) to guarantee a reasonably satisfying quality of daily life.

Recent events in Chile appear to be emblematic not only with respect to the nature of the problems but also to the typical means by which they get politically addressed. I have long followed Chile because it was one of the initiators of the neoliberal turn back in 1973 when General Pinochet dislodged Salvador Allende, the democratically elected socialist president, in a military coup, and installed the “Chicago Boys” economists who imposed the neoliberal economic model on the country. In an interview with the *Financial Times* in early October 2019, President Piñera, a conservative business man, depicted Chile as an “oasis” of sound growth, a strong economy, and excellent economic indicators. Chile, he asserted, was in excellent shape, a model for the rest of Latin America. About three weeks after, news flashes reported a serious uprising underway in Chile. The initial problem was an increase in subway fares. High school students took to the streets (much as they had done in 2006)

in protest. Piñera, from the comfort of an upscale restaurant, vowed to curb the lawless rabble of trouble-makers. This was a tacit invitation to the police to go out and violently quell the discontent. The police obliged. Many more people joined the protests against the police. Some subway stations were burned down along with three churches. Supermarkets were attacked. A state of emergency was declared. The military were called upon and soon millions of outraged citizens were peacefully protesting everything, including the presence of the military (who had not been seen on the streets since the years of the dictatorship). Piñera belatedly recognized that he needed to listen and do something. He increased pensions and social security and raised the minimum wage. He called off the state of emergency and asked the security forces to back off. The demand arose that Chile needed a new constitution. The existing neoliberal one was drawn up during the military dictatorship. It mandated the privatization of pensions, health, education, and the like. It was ultimately agreed that the constitution was in need of revision. A plebiscite on how to do it was proposed for April 2020 (most recently postponed because of the coronavirus). An uneasy peace descended on the land.

Events in Chile were not isolated. Something similar had earlier happened in Ecuador. The International Monetary Fund (IMF) had mandated structural adjustment and that meant new taxes and the abolition of fuel subsidies. This provoked mass protests. Indigenous populations had already been in motion, and marched en masse upon Quito, the capital city (with echoes of the 1990s and the protests that had earlier brought the socialist Rafael Correa to power). The protests threatened to be so large that the government decamped to Guayaquil, leaving Quito in the hands of protestors. Eventually President Moreno – whose first name is Lenin – annulled the IMF program and returned to Quito to negotiate.

Chile and Ecuador were in turmoil in the fall of 2019. In a very different direction, Bolivia was also troubled. Evo Morales, the president, was accused by powerful forces on the right wing, backed by organized street demonstrations, of manipulating the election results in his favor. At the “insistence” of the military, he and his govern-

ment officials fled the country to seek asylum elsewhere. Mass movements were on the streets and conflicting groups clashed with each other. Bolivia is in turmoil pending new elections in June (now postponed), though Morales is banned from running (much as Lula was in Brazil prior to Bolsonaro's election).

Across the other side of the world, Lebanon was also in turmoil. Frustrated youth have repeatedly taken to the streets in a mass movement of protest against the government. The same thing has been happening in Baghdad, in Iraq, but in this case two or three hundred people have been killed in mass demonstrations, which were mainly coming out of the low-income, impoverished areas of Baghdad that had been neglected politically for years. Something analogous has also been going on in Tehran. In France, the *Gilets Jaunes* protests have been going on (though with diminishing intensity) for a year or more, most recently intermingling with anti-government protests against pension reforms which closed down Paris and other major cities for a few days.

Civic protests are going on all over the place. If, from a spaceship way above planet Earth, we could see all places of protest flashing red, then we would almost certainly conclude that the world is in total turmoil. A wave of labor protests has also crested. In the United States, for example, teachers' strikes (many unofficial) have proliferated in recent years in the least likely of places, culminating in Chicago in September 2019. There have been some major strikes occurring in Bangladesh and India and also some major labor movements (though hard to trace or track) in China.

So what are all these protests about, do they have anything in common? In each instance, there are a range of particular concerns. The common thread seems to be the realization that the economy is not delivering on its promises for the masses of people and that the political process is warped in favor of the ultra-rich. It might be working for the top 1 percent, the top 10 percent, but it is not working for the masses and the masses are becoming conscious of this fact and are taking to the streets and protesting and saying this political-economic model is not responding to our basic needs.

In Chile, the top 1 percent controls about one-third of the wealth. The same problem arises almost everywhere. Increasing inequality seems to be at the root of the problems, and therefore it is not only the lower classes, but the middle classes who are suffering a great deal. What is it about the economy that is not working? In two or three of the cases, in fact, in Tehran, in Ecuador, and in Chile, there was a similar trigger for the uprising: an increase in fuel prices and transportation costs. For most people, getting around in the city is critical, and the cost of getting around is critical. If the cost becomes prohibitive, then low-income populations in particular are very hard hit. Hence, the sensitivity to increases in transport and fuel costs.

The interesting thing is how the trigger evolves to become generalized and systemic. Protests may have initially been based on transport and food prices, and in some instances also to lack of access to urban services and to adequate affordable housing. This typically constitutes the initial economic basis. But the protests rarely stay on that point. They proliferate and get generalized very quickly. There are two ways to think about this. The first is to attribute the problems to the particular form of capital accumulation, such as neoliberalism. The problem is not capitalism but its neoliberal form. There are even those in corporate sectors that may agree and contemplate reforms. In recent times, some business groups have recognized that they have focused far too much on efficiency and profitability, and that it is now important to address the social and environmental consequences of their actions. This says that the neoliberal model has brought us this far, but we've had enough of it and that we ought to go to a broader based version of what capital accumulation is all about. We need a more socially responsible and more equitable form of "conscience capitalism" it is said. And one of the general themes in the protests is against the increasing social inequality and that also needs to be addressed, it is conceded. The neoliberal form of capital is the problem.

In Chile, that argument is very explicit, because to the degree that the protests and the violence subsided, it was due to the president and the Congress collectively deciding they would have a referendum

on the question of how they might best design a new constitution to replace the neoliberal one.

While there are some acute problems with the neoliberal form of capitalism that cry out for rectification, I do not agree that neoliberalism is the key problem. To begin with, there are some parts of the world where neoliberal capitalism is not dominant and the economic model is not working for the mass of the people there either. The problem is, in short, capitalism and not its particular neoliberal model. We are, I think, now becoming aware and conscious of the fact that this may well be the underlying problem.

The current wave of protests exhibits very little that is new. Over the last 30 years, we have witnessed multiple protest movements, many of which have focused on the deteriorating qualities of daily life, particularly though not exclusively in urban areas. While there have been labor protests as well, it is clear that most of the truly mass movements have been urban based and that they have evolved according to a different logic and been animated by a different class and social composition compared to the proletarian and working-class struggles that have traditionally anchored anti-capitalist struggles and anti-capitalist theorizing.

For example, in 2013, in Turkey, there was a protest against a proposal to replace Gezi Park in the center of Istanbul with a shopping mall. An all-too frequent sequence of events unfolded. The police, at the behest of President Erdogan, violently attacked the protesters. More people came out to protest the police violence. Before you knew it, there were mass protests not only in Istanbul, but in all of the other major cities in Turkey. A prolonged period of major nationwide protest ensued protesting the lack of public consultation or of democratic governance with effects persisting to the present.

The same thing happened a few weeks later in Brazil. A rise in bus fares sparked street protests by students in São Paulo. The police at the behest of the Governor of that State (rather than the mayor of São Paulo) were unleashed to violently crush the student protest movement, which immediately resulted in a widespread popular defense (some of it organized by the Black Block Anarchists) of the

students. Pretty soon, protests spread like wildfire through about a hundred odd cities in Brazil. In Rio, huge protests continued for days and nights. The protests went far beyond issues of transportation. Public anger at the vast amount of money being spent on building new stadiums and infrastructures for the World Cup and the Olympic Games and the corruptions involved brought out massive numbers of protestors. It's not as if people don't appreciate soccer in Brazil, but what they don't appreciate is the way that so much money was being spent on these infrastructures, when there was no money for hospitals, and schools, and all of the things needed to improve the qualities of daily life.

There has been a long history now of similar mass mobilizations. These mass mobilizations generally don't last that long. Most of the mobilizations occur without warning, then they quiet down, and people forget about them, and then they erupt again. Over the last 30 years the number of mass mobilizations occurring again and again has escalated. Maybe it started back in the anti-globalization movement, when the World Trade Organization (WTO) meetings in Seattle were disrupted. Suddenly and unexpectedly, as far as the authorities were concerned, all kinds of people descended upon Seattle and protested. The delegates of the WTO conference couldn't get to the meetings. Then after that there was a whole period when every G20, or G8, or IMF, or World Bank meeting was picketed by large numbers of protestors. And then came Occupy Wall Street, and all manner of copy-cat movements around the world in 2011. We've seen again and again mass movements of these various kinds and in most instances they have sparked contagion effects. Protests in one part of the world animate protests in a completely different part of the world.

But none of these protests have persisted even as they periodically return. They have also often been very fragmented. Different groups participate in these mass mobilizations but rarely coordinate together even though they all belong on the same street. But this is maybe now changing. In Lebanon, for example, there has been a long and bitter history of conflict and civil war, which was largely waged by religious factions and religious groups against each other. But now

(2019), for the first time in many, many years, all of the religious factions came together (particularly the young people who lacked any economic prospects) and started to protest against the kleptocratic, autocratic, oligarchic form of governance that was existing there and the total lack of economic opportunities particularly for the young people. In other words, everybody agreed, no matter what their religious faction, that the political-economic model was not working and there needed to be something radically different, and that something different had to be worked out between the different religious factions. For the first time ever, different oppositional factions got together and engaged in some mutual dialogue to protest the political-economic model and to demand the creation of some alternative (though what exactly remained obscure).

I experienced something of this sort first hand in Brazil, after Bolsonaro was elected. He is heading up a very right-wing, authoritarian and evangelical Christian government albeit committed to neoliberalization. There are in Brazil several left parties in opposition. There is the Workers' Party which is the big one and which formerly held power. But there are several fragmented left parties which have some political representation. Each political party has its own state-funded think tank. If you have representation in parliament, you get some money to set up a think tank to do policy research. There are six political parties of the left and they have not been in good communication with each other in the past. In fact, they have often been violently opposed to each other. But when I visited there in the spring of 2019, all six parties had collectively got together to stage a week-long reflection on the political situation. At the end of the week, there was a joint mass rally in which all the political leaders came together. All of them gave talks together, hugged each other on the stage, and suddenly the vision is of a left that might all work together in a way which had not been seen before. It is the same, I gather, in Chile. Different left factions have actually got together and started to talk together about the prospect of creating a new constitution.

So maybe the right-wing lurch in politics around the world is inspiring a more collaborative ethos on the left. Maybe something is

different this time. Perhaps the recent mobilizations can be institutionalized and organized to have staying power. There is a huge difference between mobilization and organization. Over the last 30 years we have witnessed an astonishing capacity to mobilize almost instantaneously thanks in part, of course, to social media. Even in the United States we have seen massive women's marches, immigrant rights protests, Black Lives Matter, "Me-Too," and so on. The mobilization has been spectacular. But long-term organization seems to be lacking. What we now see is perhaps the beginnings of the coming together of all those who feel that there is something wrong with the basic economic model; which needs to be radically changed in such a way as to provide health, and well-being, and good education, and good pension rights, and all the rest of it, to the mass of the population, rather than delivering strong economic growth, and strong economic benefits for the top 1 percent or the top 10 percent.

I have been trying to think through what this might mean: is there a central contradiction in the way in which capital is working these days which really needs to be addressed, and if so, what would that central contradiction be? An obvious serious problem is the level of social inequality. Almost every country in the world has experienced an increase of social inequality over the last 30 years. A lot of people feel it has gone too far, and therefore there has to be some sort of movement to try to recapture a much greater level of equality in society, that better public goods and services have to be delivered to the masses of the population. That is one question.

The second question is the problem of climate change and environmental degradation more generally. We know that climate change has reached a point where there has to be some sort of collective response. This is becoming clearer to more and more people around the world. The graph of carbon dioxide levels in the atmosphere over the last 800,000 years provided by the National Oceanic and Atmospheric Administration in the United States has been widely distributed and its political implications much discussed. There are serious and seemingly intractable problems of social inequality and environmental degradation. But there are also other

reasons for considering capital as not only increasingly unreasonable and unfair in its evolutionary trajectory, but barbaric and even suicidal. If this is so, then plainly capital needs to be replaced by another economic order. In exactly the same way that Marx was outraged by the factory conditions that then prevailed in Britain (as revealed by Engels and the factory inspectors' reports), considering them as inhumane and totally unacceptable, so we can look at the current factory conditions in Bangladesh, or in China, and conclude "this is no way in which a civilized world should organize its production." But why does capital continue to organize production in this way when the technology exists to do otherwise?

And then there is an additional factor right now, one which Marx did not deal with but which has now become critical. Capital is always about growth: it has to be because it's animated by the pursuit of profit. A healthy capitalist economy is one where everybody has positive profits, which means that there is more value at the end of the day than there was at the beginning. The surplus value at the end of the day is then used, under the force of the "coercive laws" of competition, to create more value. Capitalist growth is compound growth. Compound growth is now the problem. The size of the global economy doubles about every 25 years.

In Marx's time, the doubling of the size of the economy in 25 years didn't really pose a problem. But that is not the case anymore. The \$4 trillion economy that existed in 1950 grew to a \$40 trillion economy as of 2000, and to an \$80 trillion economy now (in constant 1990 dollars). If this continues, as the laws of motion of capital suggest it must, then we have to face a \$160 trillion economy by 2050, \$320 trillion by 2075, and \$640 trillion at the end of the century. This is what compound growth does. It challenges all barriers and limits even as it seems in itself to postulate an impossibility of achieving its endless spiral of growth.

Marx cited Richard Price who, back in 1772, wrote a tract about compound interest. Price calculated that if you invested one penny on the date of the birth of Jesus Christ, at 5 percent compound interest, by the time you get to 1772, you would need 150 spheres the size of planet Earth, all solid gold, to match the value of the

investment. If the penny was invested at simple interest, then by 1772 it would be worth only seven shillings and small change. Marx was emphatic about the impossibility of long-run compound interest. But the abstract laws of motion of capital entail the endless accumulation of capital without limit. The potentiality for this compounding growth to hit insurmountable limits was not a visible problem when Marx was writing. He possibly thought it unimaginable that capital would survive this long anyway. The exponential growth of the global money supply and of global credit moneys since 1970 testify to the underlying compounding growth trajectory and the critical problems posed for production, distribution, consumption and the realization of value within global markets under the rule of capital. Capital is having real difficulties finding profitable investment opportunities for the \$80 trillion now available (much of it locked up in investment funds). And when it does, it has to subject as much labor as possible to the highest possible levels of exploitation in order to validate the wholesale creation of exchange value in created money forms. Where and how money capital can be profitably invested is a critical problem, particularly since there is only one kind of capital that can accumulate without limit, and that is money capital. The prospect of using the huge mass of investment moneys to address the two key questions of environmental degradation and social inequality without the interventions of a world government or at least strong coordination amongst the world's disparate governments is close to zero.

When world money was constrained by gold, it couldn't accumulate infinitely. There is a finite amount of gold to be had and much of it is already above-ground. But the gold standard was abandoned in 1971 and the money supply of the world was liberated from its gold base. Thereafter, we get this tremendous growth in the money supply. It becomes whatever the central banks of the world decide it is going to be, with the US Federal Reserve in the lead because the US dollar is the global reserve currency and most international transactions occur in dollar-denominated contracts. When we get into economic difficulties, the Federal Reserve simply prints more money, which adds to the compounding of the quantity of money in

circulation. But then the question is what is that money going to do, and how is it going to be profitably invested? We've seen all sorts of adjustments in the global economy to deal with that problem. There is, for example, what Marx called a realization problem: how on earth can all of this money be reinvested in such a way that it finds a market to generate more profit? Where is that profit going to come from? And how will this address social and environmental problems? While the failure of the dominant political-economic model is clearly visible and political protests are proliferating, there is at this time little consideration given to how the underlying problems might be addressed within or outside of the existing frameworks of economic management of the global capitalist economy. The monstrous imbalances emerging in the global economy cry out for major readjustments. But the other side of the coin is this: capital is too big, too monstrous, too huge to survive. It cannot survive in its current form on its current growth trajectory. On the one hand, we can't do without it, on the other hand, it is on a suicidal path. This is the central dilemma.

There are many contradictions in the capitalist system, and some are more salient than others. The incredible class and social inequalities and collapsing environmental conditions are obvious priorities. But then comes the "too big to fail, too monstrous to survive" contradiction. Neither the social inequality nor environmental degradation issues can be addressed without taking on this underlying contradiction. A socialist and anti-capitalist program will have to negotiate a knife-edge path between preserving that which services the world's population and which appears too big and foundational to fail while confronting the fact that it is becoming too monstrous to survive without sparking geopolitical conflicts that will likely turn the innumerable small wars and internal struggles already raging across the planet into a global conflagration.

This is the core of the problem. In Marx's time, if there was a sudden collapse of capitalism, most people in the world would still have been able to feed themselves and reproduce. They were reasonably self-sufficient in their local area procuring the kinds of things they needed to live and reproduce. People could put some sort of

breakfast on their table irrespective of what was going on in the global economy and in global markets. Right now, that's no longer the case in many parts of the world. Most people in the United States, in much of Europe, in Japan, and now increasingly in China, India, Indonesia, and in Latin America are depending more and more on the delivery of food through the circulation of capital. In Marx's time, perhaps 10 percent of the global population was vulnerable to disruptions in the circulation of capital, as opposed to many more who were subject to famines, droughts, epidemics, and other environmental disruptions. The crisis of European capitalism in 1848 was part a product of harvest failures and part produced by a speculative crash focused on railroad finance. Since then, capital operating in the world market has largely eliminated the prospect of starvation due to supposedly natural causes. If there is famine the underlying causes (as opposed to the immediate triggers) can invariably be traced to failures in the social and political system of capitalist governance and distribution. Much of the world's population is now dependent upon the circulation of capital to procure and ensure its food supply, access the fuels and the energy required to support daily life, and to maintain the elaborate structures and equipment of communication that facilitate the coordination of basic production requirements.

Capital, right now, may be too deeply implicated in the reproduction of daily life to fail. The economic consequences and social impacts and costs of a massive and prolonged failure in the continuity of capital circulation will be catastrophic and potentially lethal for a significant portion of the world's population. To be sure, indigenous and peasant populations in the Andean highlands may survive quite well, but if the flow of capital shuts down for any prolonged period, then maybe two-thirds of the world's population would within a few weeks be threatened with starvation, deprived of fuel and light, while being rendered immobile and deprived of almost all capacity to reproduce their conditions of existence effectively. We cannot now afford any kind of sustained and prolonged attack upon or disruption of capital circulation even if the more egregious forms of accumulation are strictly curbed. The kind of fantasy that revolu-

tionaries might once have had – which was that capitalism could be destroyed and burned down overnight and that something different could immediately be built upon the ashes – is impossible today even supposing there ever was a time when such a revolutionary overthrow might have happened. Some form of the circulation of commodities and therefore of money capital has to be kept in motion for some considerable time lest most of us starve. It is in this sense that we might say that capital appears to be now too big to fail. We may aspire to make our own history, Marx observed, but this can never be done under conditions of our own choosing. These conditions dictate a politics that is about sustaining many existing commodity chains and flows while socializing and perhaps gradually modifying them to accommodate to human needs. As Marx noted in his commentary on the Paris Commune,

in order to work out their own emancipation, and along with it the higher form to which present society is irresistibly tending by its own economical agencies, they [the working classes] will have to pass through long struggles, through a series of historic processes, transforming circumstances and men. They have no ideals to realize, but to set free the elements of the new society with which old collapsing bourgeois society is pregnant.

The task is to identify that which lays latent in our existing society to find a peaceful transition to a more socialist alternative. Revolution is a long process not an event.