



Free from the restraints from the managerial class, capitalists were able to repress workers' wages and reduce their corporate tax burdens, thereby increasing the surplus value (profits) that corporations had at their disposal. They could then distribute increasing shares of the surplus value to shareholders in the form of dividends, and pay their CEOs huge compensation packages. They could also distribute more surplus value in the form of lobbying and campaign contributions, to elect and influence politicians (or the managerial class) and its governing state and non-state institutions. These institutions then dutifully implemented the policies of neoliberalism, policies that served the interests of U.S. global capitalism.

In short, a more meticulous class analysis can lift the veil of explanations based on "neoliberalism" and "the imperial state" to reveal what underlies them: the workings of the capitalist system. From this perspective, it is not enough to return to a managerial-popular class alliance that merely keeps capitalists' interests in check, but to replace the system. Capitalism is full of contradictions, riddled with crises that erupt with greater frequency. In contrast with Panitch and Gindin's view that crisis has merely made U.S. empire stronger, it is also possible that, like other systems of exploitation (whether slave or feudal), the U.S. capitalist system may eventually crumble after reaching one crisis too many.

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Contemporary Capitalism and Its Crises: Social Structure of Accumulation Theory for the 21st Century. Terrence McDonough, Michael Reich, David M. Kotz (Eds.), Cambridge University Press, 2010, 374 pp.

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This joint work of several economists and other social scientists reconceptualizes and updates social structure of accumulation theory (SSA), according to relevant recent economic developments. The book is subdivided into four parts comprising thirteen chapters, whose topics are theoretical conceptions about SSA theory, globalization and SSAs, current SSAs in the United States, and finally implications of SSA theory for peripheral capitalist countries.

SSA theory was developed by David Gordon, Richard Edwards, and Michael Reich as an alternative approach to understanding long-term cycles of capitalism, one that links them to

capitalism's institutional framework. Capitalist countries are characterized by lengthy periods of relatively robust growth, often extending for several decades, alternating with long periods of stagnation or sluggish growth. SSA theory suggests that the periods of strong growth reflect the establishment of a set of political, economic, and cultural institutions that mitigate class conflicts and stabilize the long-run expectations of investors, leading to relatively vigorous capital accumulation. The expansionary process, however, eventually undermines investment and growth by "intensifying class conflict, increasing competition in product and resource markets... or any of a number of other causes, some of which are general tendencies of capitalism, while others are specific to individual SSAs" (3). During the periods of stagnation, struggles among social classes and other contending forces eventually – although not always – manage to stabilize the contending forces sufficiently to establish a new set of institutions (a new SSA), and a new expansionary phase of capitalism starts. The book traces the roots of the contemporary crisis to contradictions emerging within the institutions which were created between 1980 and the financial crisis; the editors call this set of institutions "global neoliberalism."

Global neoliberalism consists of several substantial elements which include neoliberalism, the weakening power of labor, spatialization, financialization, the collapse of the welfare state, and the change from mass production to flexible production technologies. Part II examines these components of the new SSA. In chapter 4 Kotz and McDonough provide a brief historical context and a concise examination of the international and domestic institutions of the neoliberal SSA. The other chapters in that section of the book also deal with the aforementioned components.

In chapter 5, Wallace and Brady illustrate the transformation of the system of labor control in the neoliberal SSA. According to the authors, the defining feature of an SSA is the transformation of the labor process, whose previous stages they refer to as initial proletarianization, homogenization, and segmentation. The new (neoliberal) SSA is characterized by "spatialization" which involves "a spatial division of labor and the threat of spatial relocation to defuse potential workers' resistance and fragment their interests along regional and national lines" (132).

De-industrialization, de-unionization, and striking changes in information technology, since the 1970s, were conducive to a geographical diffusion of production processes and an integrated division of labor. This development was achieved through technocratic control, "which involves the use of computers, information technology, and technological expertise to organize and direct the labor process across spatially distant networks of organizations" (133). Spatialization, associated with technocratic control, resulted in the demise of the common spirit of comradeship among workers due to dislocation threads and intensified control by capitalists. According to SSA theory, each SSA contains the potential for an accumulation crisis. The authors point to four factors that may lead to a new accumulation crisis: globalization might create new opportunities for workers in worldwide collectivization; synchronization of the accumulation process can diminish the authority of technocrats and capitalists; the re-intensification of working conditions and changing role of workers as consumers and workers can bring labor rights into question; and a legitimacy crisis of capitalism might be created by the inverse relation between the technological capacity to produce required level production in order to support global population and growing inequality as a result of global neoliberalism.

The aforementioned facts about spatialization are quite consistent with the concept of SSA which is sharpened in part I and chapter 3. Wolfson and Kotz undertake a revision in the concept of SSA theory in chapter 3. Chapter 3 constitutes a comprehensive reply to criticisms of SSA theory. The authors redefine the concept of SSA by focusing on the stabilization of class contradictions. Initially SSA theory focused on high capital accumulation and growth rates, and many of those working in the area maintain this focus. Low growth rates during the neoliberal era, however, provoked criticisms of this aspect of SSA theory. In response to these criticisms, Wolfson and Kotz redefine SSAs on the basis of class conflicts distinguishing between "liberal"

and “regulated” SSAs, depending on the relative power of capital and labor. The former is based on powerful capitalists, while the latter is based on strong labor power.

“Liberal” and “regulated” SSAs differ from each other in five aspects: “(1) the manner in which the capital-labor contradiction is temporarily stabilized; (2) the state’s role in the economy; (3) the contradictions within capital; (4) the contradictions within labor; and (5) the character of the dominant ideology” (81).

Each SSA has a unique accumulation crisis. A regulated SSA is inclined to lead to a crisis by squeezing profits, while a liberal SSA is likely to lead to inadequate aggregate demand, and financial and overcapacity crises. According to these authors, the contemporary crisis is the result of the new liberal SSA, established after 1980, “global neoliberalism.”

Financialization is another substantial element of “global neoliberalism.” In chapter 6 William Tabb emphasizes the role of financialization in the global neoliberal SSA. He argues that neoliberal structures have generated unsustainable risks and increased the financial activities of manufacturing companies. According to Tabb, contemporary crises will lead to the decline of the current SSA. In lieu of a conclusion, Tabb criticizes the class structure mentioned in chapter 3 arguing that profits from financial capital and productive capital must be differentiated. The emergence of a new SSA, in his view, is concerned with the increasing role of financial capitalists in the economy. Tabb touches upon the role of the state in the neoliberal SSA; he objects to the Kautskian superstate vision of global capitalism defended in chapter 4, highlighting the importance of the competition between national capitalist classes and sovereign nation states. Finally, Tabb points out the decreasing role of the state and claims that state spending is not limited but transformed from social programs to military expenditures.

In chapter 7, Emlyn Nardone and Terrence McDonough address the governance of the global neoliberal SSA, arguing against the idea of a diminishing role for the nation state in the global arena; they emphasize the importance of the transformation transnational of structures such as the WTO and World Bank in the emergence of global neoliberalism.

Although some authors view SSAs in global terms, other see nation-based SSAs as the appropriate unit of study. Part III includes the works of several SSA theorists regarding alternative SSAs in the United States after the 1980s. The transformation of the labor process and the increasing role and remuneration of CEO management as a result of current finance which led to accumulation regimes, and co-evolutionary roles of the criminal justice system with different accumulation regimes or SSAs are examined from a SSA perspective. Finally, part IV concludes the volume by examining transformations in peripheral capitalist countries. Chapters 11 and 12 deal with SSA issues in South Africa and Mexico, while chapter 13 presents a unique regional SSA for Middle Eastern countries.

This book offers a comprehensive review of the evolution of SSA theory since the 1980s. The theoretical reconceptualization in part I is one of its outstanding features. The low capital-accumulation rates and the low growth rates experienced in the neoliberal SSA, despite the degree of institutional coherence implied by its longevity, raised a fundamental criticism of SSA theory. Some of the authors in part I reconceptualize SSA theory by focusing on institutions that mitigate the class struggle and hence generate stability in long-term expectations, rather than traditional conceptualization of SSAs that focuses on rapid capital accumulation and economic growth. Others have maintained the traditional approach, pointing out that relative periods preceding and following the neoliberal SSA growth – the stagflation of the 1970s and the financial crisis periods from 2008 – during the neoliberal era were indeed more robust, even if they did not match the growth achieved during the postwar SSA.

The book’s major contribution is its presentation of the current debate between SSA scholars on the nature and longevity of various SSAs. The application of SSA theory to peripheral countries and the analysis of transnational SSAs contribute additional support to SSA theory against another of its major criticisms: since its inception at the beginning of the 1980s with the work

of David Gordon and his collaborators, SSA analysis has remained almost exclusively U.S.-centered. This book allows for substantial discussions about the nature of SSAs and includes comparative analyses among capitalist countries. The book reinforces SSA theory and presents fruitful applications that show the soundness of the theory.

Last, since publication of the book, ongoing theoretical and political debates about the contemporary international financial crisis affecting major capitalist countries shows the interpretive strength of SSA theory. According to SSA theory, the longevity of the contemporary stagnation reflects in part the running battle between the beneficiaries of the old SSA and reformers, and that between adherents of neoliberal ideology and those aware of its shortcomings. Consolidation of a new SSA and hence the ending of stagnation is contingent upon the resolution of the conflicts within central capitalist countries and the creation of new sets of institutions. The creation of new institutions has begun in the United States, Europe, and Japan, but the process is far from complete and the ongoing ideological battles and conflicts of interest suggest that many years of sluggish growth are likely to persist.

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The Socialist Alternative: Real Human Development.

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Michael Lebowitz sets out a “triangular” vision of socialism that is the “inversion” of capitalism. (1) As against capitalism with its private ownership of capital by a small class, socialism consists of social ownership of capital, including human capital. (2) As against the despotism of the capitalist workplace, which exploits and alienates workers, socialism mandates worker self-management, breakdown of job fragmentation, solidarity, and the development of capabilities, “a condition for the production of rich human beings.” (3) In contrast to capitalist production, driven by maximizing exchange-value through markets and motivated by self-interest, production in socialism is geared toward use-values and ultimately the elimination of commodities and their replacement by public goods so that “productive activity is oriented to the needs of others, [thus building] both solidarity among people and [producing] socialist human beings.”

(1)-(3) are triangular in the sense they connect organically, that is, they are “mutually dependent and support one another.” This “partial charter for human development” is based on a paper Lebowitz wrote for Hugo Chavez in December 2006 when he directed (2006-2011) the Program in Transformative Practice and Human Development, Caracas, Venezuela. The charter pops up throughout the book, mantra-like, so that there can be no doubt about the heavy *motif* that guides the thesis of the book.

In (1), Lebowitz favors the term “social ownership” which opposes both private and “group ownership,” the latter referring to workers’ cooperatives. Workers’ co-ops reproduce many of the defects of capitalism because they do not go beyond profit-seeking and competition with other co-ops. So what does social ownership mean? Lebowitz is fuzzy here. “Social ownership . . . is an assertion that all living human beings have the right to the full development of their potential - to