

In 2008 the world economy entered into its most severe crisis since the Great Depression of the 1930s. Conventional attempts to explain the crisis have involved blaming Wall Street elites, neoliberal ideology and (however absurdly) low-income working people who defaulted on their mortgages. Murray Smith argues that all such explanations are superficial and serve to absolve the capitalist system itself of fundamental responsibility.

Offering a Marxist analysis of the origins, implications and scope of the global capitalist crisis, based on a theoretical defence and empirical consideration of Karl Marx's law of the falling rate of profit, Smith makes a compelling case that capitalism has reached its historical limits. The current crisis needs to be understood as the inevitable outcome of capitalism's long-term dynamics, rather than as an aberration. The capitalist profit system has been living, quite literally, on borrowed time. For three decades, only the explosive growth of fictitious capital, the emergence of a debt culture in the capitalist West and the increasing immiseration of working people throughout the world have kept at bay the spectre of a deep global depression. Arguing that there is no progressive way forward within capitalism, Smith concludes by suggesting how a Marxist analysis should inform the programmatic and strategic perspectives of the socialist left and the international labour movement in the struggle to fundamentally change the world.

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Karl Marx & the Decay
of the Profit System

MURRAY E. G. SMITH