

# **Review: *Marx, Capital and the Madness of Economic Reason.***

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After the 2008 global financial crisis, many have gone back to Karl Marx's works in search for answers or remedies. Very few have done this, though, with the insight of David Harvey. The difference lies with the latter's astonishing experience on the subject: for over five decades, Harvey has been studying and teaching Marx's writings, inspiring generations of students and academics not only in his home fields of (critical) geography and anthropology but also in multiple others across the humanities and the social sciences (see Times Higher Education 2009). His interpretation of the German philosopher, political economist, and revolutionary is rigorous, creative, and accessible.

In *Marx, Capital and the Madness of Economic Reason* (2017), Harvey brings together all three volumes of Marx's magnum opus *Das Kapital*. Unlike his earlier publications on the same topic (Harvey 2010, 2013), this one is not based on a close reading of the original texts but is rather an attempt to summarize them while also showcasing their relevance for today. In doing so, Harvey employs a rather illuminating analogy from the natural sciences: *the hydrological cycle*. Production, circulation, and consumption of raw materials, commodities, and money are, thus, depicted as moments in such a circular and extremely fluid process. Capital, as 'value in motion' (Harvey 2017, 4), changes forms, hands, and places like water. From that point on, and after he has also presented us with the fundamentals of Marxist theory, Harvey embarks on a long journey covering topics related to contemporary and historical socioeconomic crises, globalization, wealth and opportunity inequality, new commodity forms, anti-capitalist struggle, and more.

Although Harvey uses the metaphor of water, he warns us not to take this too literally. The circulation of capital, he says, unlike water, is not a 'genuine cycle'; in fact, it mostly resembles a 'spiral in constant expansion' (Harvey 2017, 4). This better accommodates both capital's hunger for perpetual economic growth and its proneness to crises formation—its 'spiraling out of control' (Harvey 2017, xiii). Harvey puts together, according to the water analogy, a monumental graph showing all the stages economic value goes through within the capitalist system (2017, 6). These incorporate the stages of valorization, realization, and distribution, corresponding, respectively, to the three volumes of Marx's *Das Kapital*

(Harvey 2017, 21). After setting the fundamentals of Marx's theory, this is then put to immediate practice. Right off the bat, some common misunderstandings regarding the contemporary relevance of Marxist theory are demystified, like the one which sees worker's potential low standards of living as a necessary condition for the case of their exploitation (Harvey 2017, 13).

The discussion eventually transforms into a comparison between the concepts of value and price—a highly debated subject among (political) economists. Can a theory of value based on labor, the Marxist one, tell us anything about our contemporary highly financialized economy and subjectivist understanding of prices? Harvey's response is emphatically positive. Not only Marx's theory of value can offer insights to phenomena, like the Greek debt crisis (Harvey 2017, 83, 162, 183, 201) or the US housing bubble (Harvey 2017, 86, 180-8), which often slip through the cracks of mainstream neoclassical economics, but also provide the proletariat (however defined) with an important strategic tool. The latter comes in the form of *anti-value* (Harvey 2017, 72-94), both as an inherent aspect of the system itself, a 'technical glitch' or 'holdup', as well as a conscious act of 'political resistance to commodification and privatization' (Harvey 2017, 76).

Quite interestingly, Harvey testifies against some contemporary theorists, usually associated with the Italian Autonomist Marxist tradition, who call for the incorporation of 'knowledge and science, unpaid household work and the "free gifts" of nature into the value calculus' as a means of bringing to the fore the undeniable issues of those groups (2017, 91). He suggests that, exactly because these practices happen on the margins of the capitalist economy, they need to be preserved and emphasized. These heterotopias, although thoroughly exploited at the moment by the capitalist system, constitute our very hope for a more self-fulfilling society beyond capitalism (Harvey 2017, 89). Practices of anti-value are shown to be not simply hiccups or accidents of the system but rather essential characteristics of it as well as possibilities for its surpassing.

For Harvey, Marx's theory is, above all, a theory of transitions and fluidity (another reason why the water analogy is justified), a reading that resists the tendency to depict Marx solely as a deterministic thinker. Although at times Marx does indeed have such lapses, Harvey argues convincingly that the overarching core of Marx's philosophy lies elsewhere (Harvey 2017, 112). For instance, the so-called 'material base' of any society (see: Marx [1859] 1987, 263, [1867] 1975, 375–76) is, for Harvey, a far more versatile concept than its many critiques take it to be. It actually encompasses a range of divergent aspects such as: 'technologies, the relation to nature, social relations, mode of material production, daily life, mental conceptions and institutional frameworks' (Harvey 2017, 113). These elements emerge from a close examination of the entirety of Marx's work, as conducted by Harvey himself, rather than bits and pieces of it which might, thanks to Marx's often absolute formulations, point towards a much narrower argument. To the best of my knowledge, this is indeed one of the broadest interpretations of what Marx meant by 'forces' and 'relations of production'.

During the second half of *Marx, Capital and the Madness of Economic Reason*, Harvey proceeds with a higher level of theoretical abstraction in his analysis of the connection between ‘The Space and Time of Value’ (2017, 128-153). There, he assigns his own spatiotemporal categories to summarize and organize concepts from Marx’s theory of value: *absolute space and time*, *relative* and *relational space-time*. ‘Absolute space and time are the space and time of concrete labor, of the working day, the factory, and of absolute surplus value through struggles over the length of the working day’ (Harvey 2017, 141). Relative space-time, on the other hand, corresponds to the ‘relative surplus value, or variable productivity’ (Harvey 2017, 141); to developments in technology or management, for instance, which affect labor from within—they rearrange it. Absolute space and time is quantitative, while relative space-time is qualitative. Finally, relational space-time is based on complex speculative schemes: how does the expected value of my house affect not only my own economic credibility but also that of my neighbors or my entire country (Harvey 2017, 140)? Although these terms might seem, at first glance, too technical to the uninitiated, they do emerge naturally from Harvey’s analysis and writing.

The book closes with some general remarks regarding the internal contradictions of the capitalist system and their psychological and moral implications. See, for example, the numerous empty houses the US housing bubble left behind vis-à-vis the levels of homelessness in the same country (Harvey 2017, 189). Such is, for Harvey, the ‘madness of economic reason’ and capitalism.

To my eyes, some lesser points of critique of this work might arise mainly from the (otherwise noble) attempt of Harvey’s to make his text welcoming to as many as possible. When such complicated matters are examined, balancing accessibility and proper analysis is always hard. From that perspective, the hydrological cycle, although an intuitively powerful analogy, can also be misleading. Could it be that capital is as natural and essential as water? Probably not. Yet, Harvey spends relatively little time clarifying the exact role of his so appealing metaphor. Similarly, more detailed accounts of the empirical data Harvey sometimes alludes to in passing would be a welcome addition. The same goes for authors or academic discourses which Harvey mentions but does not go into any considerable detail about. Offering more in that direction would arguably make the book more compelling to the Marxism-sceptic.

Furthermore, it might also be the case that someone who has already been following the author for some time will interpret this new publication more like a variation on existing themes by Harvey rather than a real breakthrough of any sort. To the latter, I myself can partly attest. Still though, I would suggest that the power of this book lies not so much on any individual argument taken in isolation but rather on its ability to summarize such a vast body of work in a relatively brief and comprehensive way. On top of that, Harvey’s acute and insightful remarks on the cases in question do not give themselves over easily to either internal- or external-to-Marxism critiques.

All in all, this is a lucid and thought-provoking book for readers of any background interested in learning more about what Marx would probably have to say about our contemporary world, a difficult task that only someone with the experience of David Harvey could achieve so elegantly.

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