Until recently, the Great Depression of the 1930s was considered the worst crisis of capitalism. Today, historians, economists and the business media have confirmed that we are now experiencing the worst crisis of contemporary capitalism. The early-twentieth-century Great Depression seems to pale in comparison to the ‘great financial crisis’ that occurred at the beginning of the twenty-first century. Despite the massive bailouts given to banks and finance houses, deepening austerity in the heartlands of capitalism and a tenuous continuity in growth rates in countries like China and India, the end of the crisis is not in sight. This, of course, does not mean capitalism is about to collapse – but it is certainly in a state of deepening crisis and will probably reach a historical terminus, like all social systems before it.

However, this volume does not attempt to make catastrophic predictions, but instead sets out to explain and provide an understanding of the unfolding crisis by bringing into view its underlying dynamics.

With such a deep systemic and conjunctural crisis facing neoliberal capitalism, both in South Africa and beyond, one would intuitively expect the Left to be on the rise and gaining ground. Yet there seems to be an unevenness regarding effective left-wing responses to the crisis. In most instances, trade unions, social movements and left-wing parties seem to be advancing responses that are incapable of bridging the gulf between the current realities and popular expectations of progressive transformation, such as employment creation and less inequality. The weaknesses and advances of the Left in response to the
current context are critically assessed in this volume.

By applying a rigorous Marxist (and neo-Marxist) political-economic analysis of the contemporary capitalist crisis and the Left’s response to it, this volume confronts some of the inherited weaknesses of Marxist theoretical approaches to capitalist crises. The first weakness, according to Lilley (2012: 44), can be referred to as the ‘vanguardist’ dyad of structural determinism, on the one side, and voluntarism on the other.¹ Structural-determinist approaches give primacy to the ‘laws of history’ and the limits of the capitalist system (or the internal weight of its own contradictions). Voluntarist approaches tend to emphasise greater suffering and worsening conditions, and ultimately argue that state repression will reveal the essence of the capitalist crisis. Put differently, neither approach takes account of the connection between capitalist crisis and the challenging task of building democratic, mass-movement-driven politics. The second weakness is how conceptions of capitalist crisis are inserted into struggle. Both of these approaches propagate capitalist crisis to such an extent that theoretical analysis is used as an instrument to affirm that history is on the side of the working class and therefore an automatic awakening of consciousness is meant to follow. Yet nowhere has this panned out in actual history or struggle.

Furthermore, both of these approaches tend to guide practice in particular ways. A structuralist approach tends to abstain from struggle, whereas a voluntarist approach arrogantly proclaims its need to make history now by accelerating collapse or crisis through adventurist intervention.

In this volume the authors seek to confront these weaknesses of orthodox vanguardist Marxist theory and its practical political conclusions. In the process, the book seeks to go beyond twentieth-century communist and social-democratic understandings of the crisis. Instead, the volume raises democratic Marxist perspectives on the crisis, and looks at contemporary left agency and the need for transformative politics, rather than vanguardist revolutionary or reformist left politics. This volume therefore takes forward themes that are referred to but not fully elaborated in Volume 1 in this series, titled Marxisms in the 21st Century. The first volume provided a research agenda and suggested lines of development for democratic Marxism. In this volume, by elaborating on the themes of capitalist crisis and class struggle, the authors affirm the need for open, engaged and living Marxism in relation to contemporary realities of globalising capitalism. At the same time, such perspectives derive from activist scholars, activists engaged in movements and intellectuals from the Left.
None pretend to have all the answers or a monopoly on the truth, but they offer different ways of engaging with the vast historical corpus of Marxism, and provide new analyses of capitalist crisis, situated struggle perspectives and thoughts for strengthening democratic, bottom-up, left agency.

CRISES OF CONTEMPORARY CAPITALISM: SAME AS BEFORE OR UNPRECEDENTED?

Many observers of capitalism, including some on the Left (such as Marxist social democrats, revolutionary socialists or revolutionary nationalists), tend to understand capitalism as a durable social construct – a social system with permanence. In other words, despite cyclical moments of crisis in capitalism – booms and busts that are largely explained by overproduction or underconsumption – in the end, capitalism will adjust by marshalling a set of reforms to get out of the crisis. This view has three pitfalls, however. First, its proponents tend to believe that every crisis is the same. But this is not the case. Some crises of capitalism are cyclical but some are more generalised, which calls into question the accumulation model, state legitimacy and ruling-class strategies of control. Such general or systemic crises of capitalism are driven by their own historical, structural and class-struggle dynamics. In the history of capitalism, there have been three such crises: the first great depression (in the last quarter of the nineteenth century), the Great Depression of the 1930s and the so-called ‘stagflation’ crisis of the 1970s. According to Panitch and Gindin (2010: 4–5), the term ‘crisis’ is commonly used to refer to interruptions in the process of capital accumulation and growth … Of greater significance is that some such interruptions do not simply come and go, but take on a much larger dimension. So we need to ask not just why crises occur, but why some crises are distinct: why they last so long, are marked by persistent economic uncertainty and produce significant political and social change.

Eight years since the collapse of the US housing market and, subsequently, the US stock market, the global economy has not recovered from the financialised crisis. According to the International Monetary Fund (IMF), Europe is in a state of stagnation, with low inflation and weak credit threatening any attempts of
recovery. Greece continues to be the epicentre of the crisis in Europe. Ukraine received a bailout to the sum of 17 billion euros but still requires further assistance. According to IMF Managing Director Christine Lagarde, the Eurozone crisis is far from over and Ukraine could destabilise the world economy (Wearden 2014). In this volume we look at the crisis in the Eurozone in terms of its underlying political-economic dynamics to understand what drives and what is reproducing the crisis. As for the US, modest economic recovery has begun, but the deep-seated inequalities that were foregrounded by the symbolic protest actions of the Occupy movement still haunt American society.

The big hope that economies in the global South would lead recovery in the global economy has also proven to be unfounded. Growth has slowed in the big global-South economies of China, India and Brazil, and in some cases this set in before the 2008 financial crisis. In this volume, the political economies of India and Brazil, and the limits of their versions of globalisation, are analysed. The economies of the global South face challenges from outward flows of finance and from the modest recovery in the US turning that country into a renewed destination for financial flows. In other words, countries in the global South are facing risks from fickle outward movements of finance, and there are strong predictions that financial contagion and turmoil could hit the global South (IMF 2014). Ironically, this is likely to happen despite the coordination and crisis-management role of leading global South economies through the G20.

As well as the long duration of the financial crisis and its widespread global impact, there are two crucial dimensions that accentuate its distinctiveness. First, the economic dimension of the crisis is underpinned by specific dynamics linked to the financialisation of the global economy. For example, the current economic crisis is not the same as the 1987 US stock-market crash as a result of junk bonds or the bursting of the dot.com bubble in 2000/01 because of overinflated values. This crisis, in contrast, has much deeper roots in the financialisation of the global economy. Transnational techno-financialised chaos, grounded in globalised and computer-linked financial markets, is now both endemic and a built-in structural feature of the global economy. Some refer to this as the global casino effect. These dynamics make the current crisis distinctive.

Second, the contemporary financialised crisis is also distinctive because it intersects with and engenders other dimensions of systemic crisis, including climate crisis, peak oil, food-system crisis and the securitisation of democracy.
Contemporary capitalism is experiencing an existential crisis that is historically unprecedented. The total effect of today’s crisis of capitalism on civilisation reveals serious challenges and limits to the reproduction of capitalism, to the extent that a mere reform of the system – in other words, producing more of the same – will perpetuate a system that will destroy all human and non-human life forms. Capitalism may not collapse, but it certainly has become the enemy of planetary existence and it is incapable of resolving these incurable systemic contradictions without bringing about its end.

In terms of reforming capitalism, the second pitfall is that this imbues the capitalist class with ingenuity while at the same time reducing capitalism to a naturalised social system. This largely derives from a veneration of scientific progress, technological fixes and instrumental rationality. The allure of capitalist modernity looms large in this approach. A simplistic and deterministic Marxist view converges with such a perspective, and argues that capitalism is never on its last legs as long as there is room for further accumulation, profits and technological innovation – in other words, as long as the march of the forces of production can take place, then capitalism will survive. However, given the deep systemic and unprecedented character of the contemporary crises of capitalism, it is necessary to ask, can capital solve every crisis of capitalism so that it ensures the system survives? Whose interests are realised with these capital-led solutions?

It is revealing that the lessons that capitalism learnt from the Great Depression are still applied to fashion managerial strategies for the current crisis. According to the 40th-anniversary edition of Charles P Kindleberger’s book *The World in Depression 1929–1939* ([1973] 2013), it is claimed that Lawrence Summers, a White House advisor, turned to the writing of Kindleberger and his peers for guidance in the dark hours of the 2008 crisis. For DeLong and Eichengreen (2013), who wrote the foreword to the 2013 edition of Kindleberger’s classic, the lessons from the book are informative: “Three lessons stand out, the first having to do with panic in financial markets, the second with the power of contagion, and the third with the importance of hegemony.”

However, even with this advice and the hegemonic stability role prescribed for the US, the crisis has not abated. This has mainly to do with an intersection of the unprecedented dimensions of a crisis that is systemic, and not just economic. Even if capital ostensibly asserts solutions, which currently really means stabilising global capitalism, workers and the ‘precariat’ are squeezed and they pay the price in the end. This has become patently clear during the
current crisis.

A third pitfall associated with the reform-of-capitalism perspective is its denial of class struggle to confront capitalism when it is in crisis and vulnerable. This is not just about fear of the unknown, a lack of political consciousness or the weaknesses of the vanguard. More importantly, it is about the failure to connect with and build in a democratic manner a mass-based transformative politics to champion alternatives. This failure is a reflection of the weaknesses of the reformist and vanguardist Left. At the same time, while the civilisational crises of capitalism deepen, mass consciousness veers towards catastrophism or denialism, and, ultimately, abstention from social transformation while capital merely reproduces the status quo of crisis-ridden neoliberal capitalism. With the unfolding of the 2008 crisis, capital has resorted to various strategies of crisis management to ensure it maintains the strategic initiative while rolling back counter-hegemonic agency.

In this regard, the role of passive revolution, a form of class rule that co-opts and incorporates the leadership of progressive social forces (state and non-state, working class and non-working class) is a crucial challenge for the Left (Gramsci [1971] 1998). This prompts the following questions: how do we break out of the trap of this interregnum, in which the old is dying but the new is not yet born? How do we shift the relations of force onto the side of the working class, the poor and landless to advance transformative politics? How should the Left strategically seize the opportunities of what is both an unprecedented but extremely dangerous systemic crisis? Or has the global passive revolution, albeit uneven, succeeded? This volume addresses these questions, rather than the question of how capitalism should be reformed.

CLASS STRUGGLE AND AGENCY OF THE LEFT

A cursory glance at the world today suggests that the Left is in a state of stasis. There is a deepening and intractable number of capitalist crises; the weaknesses of capital are visible; neoliberalism has failed; and there is an urgent need for alternatives. But where is the left agency to bring about transformative change? More importantly, where is the working class and the class struggle? A pessimistic answer to this question would suggest that the working class has been defeated and is exhausted. Ultimately, the Right has won – both the neoliberal and conservative-nationalist Right. This is a world order of only one
paradigm, one solution, namely neoliberal capitalism, and there is no alternative. The workers, and the subaltern class more generally, exist in a post-revolutionary age and should succumb to the power of capital. For post-Marxists, this confirms a theoretical and philosophic postulate, namely that the revolutionary subject of history, the working class, is a spent force. Hence there is a need to find a new revolutionary subjectivity in the ‘multitude’ or in a post-class ‘hegemonic construct’.

In this volume, however, there is no obituary or fashionable farewell to the working class or the class struggle. Instead, the authors seek to look closely at the actual pattern and historical manifestation of struggle in the contemporary world to come to terms with the character of the class struggle and left agency. In the twentieth century, three crucial class projects arose to challenge capitalism: Soviet socialism, revolutionary nationalism and social democracy (Amin 1995). Since the 1980s all three of these have been defeated by internal limits, the advance of transnational capital and the onslaught of the imperial neoliberal class project. The defeat of these class projects brought to an end an important cycle of global class struggle and shifted the balance of power to the side of capital. With over three and a half decades of neoliberalisation, a new countermovement of struggle has come to the fore to confront the social engineering of neoliberalism as a class project. This countermovement has entailed a cycle of global struggle against capitalism but it is very different from what has been before.

So, what is this cycle of struggle and what is different about it? The current cycle of resistance is marked by crucial anti-neoliberal struggles that began in Venezuela, with the Caracazo in 1989, a wave of mass protests against increases in the price of transportation and gasoline caused by neoliberalisation. Protests in and around Caracas, Venezuela’s capital, lasted for about a week, and hundreds of protestors were killed by the police and military. This was a defining moment for Hugo Chávez, the democratic socialist who rose to become president of Venezuela. The cycle continued with the rise of the Zapatistas and the opposition to the North American Free Trade Agreement in 1994, the opposition to the World Trade Organization in 1999 in Seattle, and various other protests punctuating this cycle against organisations such as the IMF and the World Bank.

At the same time, this cycle of struggle is supported by four other crucial developments. First, transnational activism was strengthened with the formation of the World Social Forum in 2001. The forum has successfully brought
together transnational and local civil-society forces that are resisting neoliberalism and attempting to develop post-neoliberal alternatives. It has evoked a democratic left imagination to make another world possible now.

Second, there has been a rise of the anti-neoliberal institutional left in Latin America. This was evident with the elections of Chávez in 1999, Lula in Brazil in 2002 and Evo Morales in Bolivia in 2006. These presidents gave momentum to a leftward shift in Latin America and the emergence of various centre-left and left governments across Latin America (for example, in Uruguay, Ecuador and Argentina). There are advances, contradictions and limits arising from this shift to the Left. Some commentators suggest that these political experiences and left projects are already exhausted, but nonetheless it is important to study and appreciate them as the first attempts at navigating or, in some cases, breaking away from neoliberal capitalism. Interestingly, many of the social movements that drove these institutional political shifts to the Left have not been displaced or disabled.

Third, the emergence of the so-called Arab Spring and the political revolutions in the Arab world have confronted authoritarian and neoliberal class forces. The politics of Egypt’s Tahir Square movement gave confidence to a new kind of direct democracy and street politics among unemployed people’s movements in Europe and various social forces in the US. For example, the events in Egypt in 2011 provided the international spark for the US Occupy movement and the more recent Hong Kong protests. The historical effect and the ferment of the Arab Spring is far from over, even in the Middle East.

Finally, the emergence of the Climate Justice Movement since 2004 has been crucial in the way it has influenced global awareness about the climate crisis. The movement has spawned key alternatives, such as the rights of nature, socially owned renewables and climate jobs, to the marketised solutions emerging in the UN climate negotiations. This movement is poised to grow as the climate crisis worsens, as indicated by the September 2014 New York climate march, in which over 400,000 people participated.

However, it is important to note that this cycle of global struggle and resistance is different from the twentieth-century cycle of struggle in four crucial respects. In the first instance, the working class is still present in the current cycle of global resistance but has been weakened dramatically in the context of neoliberal restructuring and the shift to globalised accumulation. In Europe the working class has been fighting defensive battles to retain the gains of social democracy. In the US the working class has not succeeded in
confronting stagnating wages and deep income inequalities. Across the global South, workers have been squeezed by liberalisation and the push downwards in labour standards as a result of China’s low-wage manufacturing economy. Essentially, the Fordist social contract has ended, as greater precariatisation has taken root in labour markets across the world and the institutional power of unions has been weakened. However, the rebuilding of unionism, solidarity and the capacity for struggle among workers’ organisations is a major challenge in the current cycle of global resistance. This volume brings this imperative to the fore from various experiences of class and left struggle.

The second difference is that the class structures of most twentieth-century societies were conditioned by Fordist import substitution industrialisation and its attendant international trade relations. However, over the past few decades, neoliberal restructuring has changed the class structure of societies. Class as a social and ideological/political process is being remade from above and below. Traditional forms of monopoly capital are restructuring and deconcentrating in light of global competition, while new fractions of capital linked to financialisation and globalisation are being constituted. Hence, the class forces championing crisis-ridden neoliberalised capitalism and marketised solutions are becoming transnational. Their political positioning and alignments in the context of the crises of capitalism need to be clearly unpacked. Are their interests served by national capitalism or transnational capitalism? Left projects that have tried to win over national capital are showing serious limits in the context of transnationalising capitalism. This is demonstrated in the chapters on Brazil and India in this volume. Class is also being remade from below. Fractions of the working class are coming to the fore, some more precariously than others, and some outside the labour market as a permanent reserve army of labour of the unemployed and the landless. The youth character of the working class is also accentuated in particular national contexts. In some societies the process of ‘de-peasantisation’ is proceeding through violence and dispossession. This volume brings into view these various class-formation dynamics.

The third difference is that, in the twentieth century, vanguards proliferated: Soviet, social-democratic or revolutionary-nationalist vanguards. Class politics then was about aggregating interests of workers or peasants, or multi-class alliances within such political forms. At the same time, a political line and imagination was diffused from the centres of these ideological projects. In some instances, international movements transmitted mechanistic politics, while in others capital cities loomed large, such as Havana, Moscow and Beijing. In the
end, vanguardism capitulated to neoliberalism and workers were betrayed. In contrast to this history of vanguards, today the political forms coming to the fore to champion alternatives to capitalism are diverse and include transnational think tanks, workers’ parties, anti-systemic movements, parties of the unemployed, unions and other political entities. No single political group has the monopoly on how the class struggle should be fought and how the Left should advance. This diversity of left agency has also thrown up a challenge for how political instruments are constituted to aggregate different types of social power. Hence we have entered the era of building democratic political forms, such as fronts, alliances, networks, mass party movements and mass movements – all with a transnational dimension and a diversity in their institutional and social forces. This is largely what characterises the new form of political instruments emerging to challenge state power and advance alternatives. This volume brings this phenomenon to the fore in a number of chapters.

Finally, twentieth-century resistance was bedevilled by model thinking, with a strong tendency to copy dominant models, such as centralised planning and the one-party state. In the current cycle of resistance, however, there is a more open way of approaching alternatives to capitalism. This is partly a function of the multifaceted nature of the crises of capitalism. Transnational movements that challenge neoliberalism, whether on food, climate, cyber freedom or the labour front, are all articulating alternatives. Some are more transformative than others, but it nonetheless affirms that the power for change lies with a plurality of left forces. Moreover, every society and context has its own challenges, despite the common reach and presence of the crises of global capitalism. Each context therefore demands different responses from the Left in terms of regionalisation, national development strategies, macro-economic policy and transformation from below. In Latin America, for example, the countries that have moved to the Left are not uniform. Some have tried to add a social dimension to neoliberalism and some have tried to break with it completely. All of these experiences create important strategic lessons. At the same time, such contextual differences caution one against crudely attempting to transplant a ‘Lula moment’ into, for example, South Africa. This volume underlines this new aspect to left agency in the world today: alternatives for the Left are advanced in their context and translated in a manner that is informed by local realities, political traditions and dynamics of class formation. Of course, this approach does not diminish the importance of learning critically from other experiences and advancing international solidarity.
Part 1 of this volume focuses on contemporary understandings of capitalism’s crises.

In Chapter 1, Vishwas Satgar confronts the limitations of classical Marxist theory for understanding the contemporary capitalist crisis. He offers a reading of Marx to understand how Marx thought about the crisis tendencies of capitalism and examines the different conceptions of crisis present in Marx’s work. In some of his work before *Capital*, Marx tended to exaggerate the prospects for breakdown or collapse. However, Satgar argues that Marx did not have a single or even a systematic theory of crisis, even at the level of abstract and pure capitalism.

The chapter sets out the limits of Marx’s understanding of the tendencies for capitalist crisis. The aim is not to reject Marx, but to find new openings and ways forward for thinking about contemporary capitalist crises. Although Marx abstracted his categories about the workings of the capitalist mode of production, he was grappling with the historical dynamics of a competitive mid-Victorian industrial capitalism, which is different from contemporary transnationalising techno-financial accumulation. Moreover, given that we are dealing with crises in the plural, at a systemic level and on a world scale, which capitalist historical form is in crisis? This poses a challenge for how we think about periodising historical capitalism. This chapter argues for the periodisation of ‘capitalist civilisation’ not only as the basis to understand its main characteristics, but also to understand the scale at which the systemic crises of capitalism are manifest.

The chapter also looks at how capitalism’s tendencies for systemic crisis are rooted structurally, institutionally and ideologically in US imperial power and transnational class-based practices. The chapter concludes with the challenges confronting left agency today by responding to the question: catastrophism or transformative moment? In answering this question, there is an attempt to identify challenges and requirements for a new type of transformative left agency to sustain life.

In Chapter 2, William K Carroll investigates activist understandings of the crises of capitalism through neo-Gramscian political economy. He asks the following questions: how do movement intellectuals and activist researchers associated with the production and mobilisation of counter-hegemonic...
knowledge view the crisis? And what can we learn from their reflections? This chapter addresses these questions on the basis of interviews with 91 activist intellectuals in 16 transnational alternative policy groups.

Carroll unpacks Gramsci’s notion of organic crisis in his engagements with movement intellectuals. Many of the reflections shared by them add substance to a dialectical conception of crisis as objective and subjective, as disintegration and re-formation, as passive revolution and anti-passive revolution. There is a translation of Gramsci at work that recognises that contemporary structural contradictions are ‘incurable’, thus shifting relations of force away from neoliberal hegemony towards a new conjuncture while rendering the course of history open. Many movement intellectuals show an acute awareness of radical contingency, of various aspects of organic crisis, and of the fierce challenges they face in building a counter-hegemonic bloc in a non-vanguardist manner. This also means organising in ways that reach beyond problematic currents in contemporary activism.

Part 2 of the volume focuses on capitalist crises in the global North and the Left’s responses to them.

Three years into the crisis that began in 2008, the world’s imagination was suddenly captured by the emergence of Occupy Wall Street (OWS) and the slogan ‘99 per cent versus 1 per cent’. This represented a rupturing in the neoliberal domination of public discourse and asserted the rage of good common sense. In Chapter 3, Leah Hunt-Hendrix and Isham Christie examine the Left’s response to the financial crisis of 2008 in the US, focusing in particular on the emergence of Occupy Wall Street. As participants in the movement, the authors relate their angle on the context and the constraints that shaped the mobilisation. Although not representative of the Left as a whole, Occupy offers insight into some of the dynamics that characterise the Left in the US today, including its antagonism towards the history of dogmatic Marxism, the weakness of current models of organising, and widespread scepticism of the state. By embracing participatory democracy and anti-organisational suspicion, Occupy represents a point in a dialectical movement of left ideology – an orientation that created its own set of conflicts and limitations. In this chapter the authors critically analyse the experience that they were part of, and propose a set of lessons for the Left in the US and more broadly.

Europe is currently haunted by widespread austerity and restructuring. These have been justified in academic and public debates with discussions of ‘peripheral’ European states having not adequately adjusted to the institutional
requirements of the Eurozone's single currency, thereby creating an unsustainable growth of debt and deficits. Chapter 4, by Andreas Bieler and Jamie Jordan, goes beyond the accounts of neo-institutionalism, specifically the Varieties of Capitalism approach, which has various deficiencies, including a reliance on methodological nationalism. Instead, this chapter seeks to explain the onset of the Eurozone debt crisis by analysing the underlying dynamics of uneven and combined capitalist accumulation. Focusing on how the development of production structures and trade and investment patterns created particular political economic hierarchies, the authors provide a more adequate explanation of why a division between core and peripheral European states developed, thereby creating asymmetrical capabilities to deal with the onset of the debt crisis. This also explains the direction Europe is taking in terms of renewing processes of neoliberal restructuring, supported by austerity across public sectors.

In the final section, the chapter looks at the role of labour in the build-up and response to the crisis. The authors reveal that it is not simply Europe's 'peripheral' workers who are under pressure to support particular accumulation strategies, but also those in Europe's 'core'. The chapter focuses on the relationship between capital and labour to better explain developments across Europe's political economy.

Chapter 5, by Hilary Wainwright, explores the question of left agency, in particular the political form, in the context of crisis-ridden Europe. Wainwright argues that the rise of a new Left in the 1960s and 1970s in Europe engendered a transformative approach to power – in other words, a transformative capacity to enable and constitute alternatives from below. This trend has resurfaced with the exhaustion of social-democratic and communist parties in Western Europe, both of which embodied a politics of power as domination, which required state power to assert power over society and citizens. While not rejecting power as domination, Wainwright attempts to find an articulation between both these modes of power and political forms in Western Europe in a way that power as domination is driven by power as transformative capacity.

Wainwright traces moments of experimentation with transformative politics and government in Western Europe. In the context of the current crisis, she highlights the emergence of Syriza in Greece and Podemos in Spain as continuing an experiment with political forms that embraces both logics of power. By reflecting on these experiences, Wainwright poses crucial questions for how a non-formulaic approach to the political instrument can be elaborated
Capitalism’s Crises

by the Left on the terrain of a capitalist crisis. It might just be that transforma-
tive politics requires a new way of thinking about the political form, based on
topolitical tasks and a political division of labour that is not reducible to a single
topolitical instrument or party, but rather a movement or network of organisationalforms. At the same time, the author seeks to situate the place of populism in
left politics today. She engages critically with a form of left populism that
strengthens mass transformative capacities from below to deepen democracy.

Part 3 of the volume looks at manifestations of the crisis in the global South
and the Left’s responses to it, particularly in Brazil, India and South Africa.

Chapter 6, by Alfredo Saad-Filho, examines the context and implications
of two shifts in Brazil: the political transition from a military regime (1964–
1985) to democracy (1985 to the present), and the economic transition from
import substitution industrialisation (1930–1980) to neoliberalism (1990 to
the present). These transitions have shaped the contemporary Brazilian polit-
ical economy and the policy choices available to recent federal administrations.
The chapter also reviews how neoliberal economic policies were implemented
under various democratic administrations. Saad-Filho looks at the role and
implications of the ‘neoliberal policy tripod’, namely inflation targeting, large
fiscal surpluses and the managed fluctuations of Brazil’s currency, the real. At
the same time, important policy shifts were introduced during the second Lula
administration through heterodox reforms expressing a neo-development-
alism and inaugurating what became known as the ‘Lula moment’. However,
despite positive distributional effects, the ‘Lula moment’ has proven to be an
inadequate response to a globalised Brazilian economy caught in the tides of
the global crisis. Saad-Filho examines the economic and social policies under-
pinning the ‘Lula moment’, and the limitations of such policies in the context of
the 2008 crisis, the mass street mobilisations in 2013 and the social polarisation
exhibited in the 2014 elections. He concludes with a reflection on the chal-
 lenges facing the Left in Brazil.

In Chapter 7, Sumangala Damodaran debunks the idea of India’s resilience
since the onset of the 2008 crisis. She critically engages the ‘decoupling’ hypoth-
esis, which suggests that India’s high growth rates, like China’s, had an economic
capacity to withstand the global turbulence or even provide immunity to it.
Moreover, it was generally argued that India and China are likely to be the
engine rooms to pull the global economy out of the crisis. Situating her analysis
in the historical specificity of this crisis, she shows that the immunity argu-
ment fails to appreciate the extent to which India’s neoliberal structural reforms
since the early 1990s engendered a set of structural features that were implicated in the deceleration of the Indian economy long before the 2008 crisis. At the same time, the impacts of the crisis did not shift the neoliberal consensus but, instead, dominant class and social forces have maintained India’s externalised and financialised trajectory even under the right-wing Hindu fundamentalist government. Damodaran concludes with a reflection on alternatives for genuine decoupling of growth from the international economy both at the macro-level and through participatory and decentralised fiscal planning, as is the case in Kerala, India.

In Chapter 8, Niall Reddy foregrounds the crisis of labour in the context of a crisis-ridden neoliberalised South African economy. The position of workers in post-apartheid South Africa remains hotly contested. Powerful, militant unions and strict regulation are said to buttress a ‘labour aristocracy’, which is blamed for trapping large parts of the population in unemployment and underemployment by driving the price of labour above levels that its productivity justifies. This narrative makes the labour rebellion, which began after the Marikana massacre in 2012, stretching from the peripheries to the heartlands of the economy, very difficult to explain.

Reddy questions the narrative about high wages and the ‘labour aristocracy’ by tackling its core assumptions. He examines decomposed wage data from a cross-section of South Africa’s Labour Force Surveys. The structural roots of the low-wage system in South Africa, grounded in the minerals–energy-complex economy, suggest that a broad political struggle is needed by the working class, in addition to new and more militant forms of shop-floor organisation. Reddy highlights the strategic political defeat of labour, including increasing precariousness in the labour market, as necessary conditions for such a struggle. Realignments among workers in the mining industry, as well as the unravelling of the Tripartite Alliance (led by the African National Congress – ANC) as a result of the metalworkers’ union breakaway from the trade-union federation, Cosatu, seem to portend the direction things are likely to take for the working class.

Finally, in Chapter 9, Mark Heywood provides a reading of the South African constitution that challenges simplistic caricatures of the constitution as an obstacle to struggles for social justice. Premised on a recognition that social crises are deepening in South Africa, including through wanton state violence, Heywood places the constitution centre stage in how we should think about unifying struggles for social justice. With experience in the Treatment
Action Campaign, both as an activist and leader, Heywood demonstrates how combining mass mobilisation with human-rights advocacy has been able to secure social justice. He challenges overlapping visions for social change prevalent among various social forces, such as the Economic Freedom Fighters and the newly formed social-movement-driven United Front of the National Union of Metalworkers of South Africa (Numsa). He also highlights four significant constitutional-based strategies that can strengthen democracy and advance transformative politics from below. He emphasises the applicability of the constitution in terms of challenging private power, the importance of socio-economic rights for social justice, the role of South Africa’s Chapter 9 constitutional institutions in empowering citizenship, and the constitutional injunctions that commit the state to be responsive and practise ‘good governance’. In his argument, he clarifies the real meaning of the property clause in the constitution to help put an end to any confusion arising from the clause and the dogmatic railing against it.

NOTES
1 Anarchism also shares these weaknesses, as Lilley (2012) points out.
2 This claim is made on the back cover of the new release of Kindleberger’s (2013) classic book.
3 James DeLong and Barry Eichengreen are based at the University of California, Berkeley. Kindleberger’s notion of hegemonic stability has essentially been about a powerful capitalist state having power over others, and serving as a stabilising force by being the consumer and lender of last resort. Eichengreen, influenced by Kindleberger, has built on the idea of ‘hegemonic stability’.

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