

Book Review: Marx, Capital and the Madness of Economic Reason by David Harvey

In *Marx, Capital and the Madness of Economic Reason*, David Harvey provides a new systematisation of Karl Marx's work in order to uncover, explore and explain the 'madness of economic reason' in the twenty-first century. This is an impressively wide-ranging work that draws upon Marx as a toolbox for contending with the crises of capital today, but [Joshua Smeltzer](#) is left questioning whether this is the appropriate conceptual apparatus to achieve this.

If you are interested in this book review, you may also like to [listen to/watch David Harvey's LSE lecture](#), 'Marx, Capital and the Madness of Economic Reason', recorded 18 September 2017.

***Marx, Capital and the Madness of Economic Reason*. David Harvey. Profile Books. 2017.**

Find this book: 

David Harvey, the author of [The Companion to Marx's Capital series](#) and numerous other books on Marx and Marxism, has returned once more to the German philosopher and political economist, this time in order to provide a systematisation of Marx's work that could explain and unearth the symptoms of a pervasive 'madness of economic reason' in the twenty-first century.

Part of Harvey's drive to present an updated version of Marx relevant to the twenty-first century is directed against two intellectual sparring partners: on the one hand, recent biographies of Marx by [Jonathan Sperber](#) and [Gareth Stedman Jones](#) that, while 'invaluable', 'both [...] forget that the object of Marx's study in *Capital* was capital and not nineteenth-century life' (xiii); and on the other, 'a supposedly scientific, highly mathematized and data driven field' of orthodox economics (xiv). While Harvey's engagement with the latter runs through the text, he largely avoids engaging with a historical reading of Marx's work, preferring instead to present Marx as providing the answers to contemporary economic crises.

As a result, Harvey uses Marx's work as a toolbox from which he updates and applies diverse concepts to illuminate the contemporary contradictions of capital. Harvey's analysis is impressively wide-ranging, covering topics as varied as global natural resource consumption and Chinese economic policy (178-84), the Greek debt crisis (83, 205) and proposals for new trade agreements such as TPP and TTIP (160-64). As Harvey is at pains to illustrate, across the world 'daily life is held hostage to the madness of money' (172), generating a state of seemingly perpetual crisis. Against this, he suggests that Marx's work is an 'open door through which we could progress to ever higher understandings of the underlying problems that inform our current reality' (209). Indeed, Harvey's new book invites the reader to enter into the conceptual world of Marxism and encourages a critical distance from the language of economic necessity.

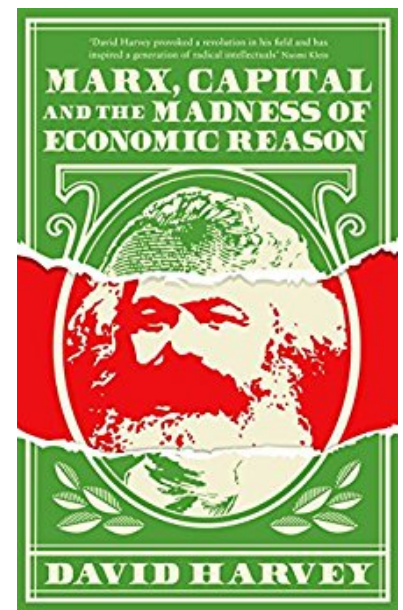




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Meant as a 'guide,' Harvey places particular emphasis in this book on the clarity of language and accessibility for a general reader. Particularly in the first chapter, Harvey seeks to explain key concepts in the vocabulary of contemporary Marxism through basic examples, such as the exchange of shirts and shoes in the market (4). Indeed, Harvey wants to show Marx as a thinker deeply relevant for the present, demonstrating, for instance, why the 15 dollar minimum wage proposals of both [Bernie Sanders](#) and [Black Lives Matter](#) would 'amount to naught if hedge funds buy up foreclosed houses and pharmaceutical patents and raise prices [...] to line their own pockets out of the increased effective demand exercised by the population' (47). To safeguard against this, Harvey argues that we need 'strict regulatory intervention to control these living expenses, to limit the vast amount of wealth appropriation occurring at the point of realisation' (47). Perhaps following Marx's famous dictum, Harvey provides both an explanation for contemporary crises as well as a means of changing them.

And yet, at crucial moments, Harvey seems to forget the general audience for whom the book is intended. For example, Figures Two and Three on 'Visualizing Capital as Value in Motion' (6) and 'The Three Circuits of Capital' (151) attempt to make Marx 'no more difficult to understand than the standard visualization of the hydrological cycle' (7) – certainly a worthy endeavour. However, the text provides no key for the dizzying array of colour-coded arrows, leaving the reader to guess the significance of using a dotted black line to connect 'reproduction of Labour power' to 'Labour power' versus using a solid black line to connect 'commodities' to 'Labour power'. Likewise, 'Money Capital' is the only term to be highlighted in black and surrounded by a grey box, but the significance of this formatting is left without explanation. For someone who hasn't spent half a century interpreting Marx, an interpretative key would have been welcome.

Likewise, Harvey states in the opening chapter that 'the only way to be true to my mission is to tell the story of capital in Marx's own language' (4). And yet the rest of the chapter is surprisingly light on citations of Marx's work – there are only three, and all are to *Grundrisse* – let alone Marx's language. For example, Harvey tells us that 'at worst, Marx tends to concede [...] that the rate of profit will tend over time to equalise between industrial capital and the other distributive forms' (20), but this statement is not followed by any direct reference to Marx's work. Moreover, Harvey readily jettisons the idea of using Marx's language when, on the subject of environmental protection and renewable energy, he notes that 'Marx did not consider questions of this sort, but the visualisation here constructed, based on his thinking, is easily adapted to take such questions into account' (22).

It seems then that we are confronted not with Marx's language or even Marx's thought, but rather Harvey's revision and systematisation of it. This is particularly noticeable in Harvey's discussion of *Capital Vol. 2*, in which he faults Marx for not conforming to his own expectations, noting that Marx 'ignores the facts of distribution', which Harvey finds 'particularly annoying', or that 'oddest of all [...] is the assumption that all commodities trade at their value' (29).

Harvey ends his book with an apocalyptic warning:

to pretend [capital] has nothing to do with our current ailments and that we do not need a cogent, as opposed to fetishistic and apologetic representation of how it works, how it circulates and accumulates among us, is an offence against humanity that human history, if it manages to survive that long, will judge severely (210).

Finding a solution to the manifold crises of capital is certainly an imperative, but it remains a question if Harvey's conjuring of the Ghost of Marxism Past will ultimately provide the appropriate conceptual apparatus to do so.

This review originally appeared at the [LSE Review of Books](#).

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