

Why Marx's Capital Still Matters

David Harvey on why Karl Marx's *Capital* is still the defining guide to understanding — and overcoming — the horrors of capitalism.



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It's been more than a century and a half since Karl Marx published the first volume of *Capital*. It's a massive, intimidating tome — one that many readers might be tempted to skip. Radical scholar David Harvey doesn't think you should.

Harvey has taught *Capital* for decades. His popular courses on the book's three volumes are available [for free online](#) and have been watched by millions around the world; they were the basis for his [companion books](#) to volumes one and two. Harvey's latest book, [Marx, Capital, and the Madness of Economic Reason](#) is a shorter companion to all three volumes. In it, he deals with the fundamental irrationality of a capitalist system whose functioning is supposed to be anything but.

Harvey spoke with [Daniel Denvir](#) for Jacobin Radio's podcast *The Dig*, about the book, capital's simultaneous creative and destructive forces, climate change, and why *Capital* is still worth wrestling with. You can subscribe to Jacobin Radio [here](#).

Daniel Denvir

You've been teaching *Capital* for quite a long time. Lay out a brief overview of each of the three volumes.

David Harvey

Marx is very much into detail, and it's sometimes hard to get a sense of exactly what the whole conception of *Capital* is about. But really, it's simple. Capitalists start the day with a certain amount of money, take the money into the marketplace and buy some commodities like means of production and labor power, and put them to work in a labor process that produces a new commodity. That new commodity is sold for money, plus a profit. Then the profit is redistributed in various ways, in the form of rents and interest, and then it circulates back into that money, which starts the production cycle again.

It's a circulation process. And the three volumes of *Capital* deal with different aspects of that process. The first deals with production. The second deals with circulation and what we call "realization" — the way the commodity is converted back into money. And the third deals with distribution — how much goes to the landlord, how much goes to the financier, how much goes to the merchant, before it is all turned around and sent back into the circulation process.

That's what I try to teach, so that people understand the relationships between the three volumes of *Capital* and don't get lost entirely in any one volume or parts of them.

Daniel Denvir

You differ with other Marx scholars in certain ways. One major difference is that you pay a lot of attention to volumes two and three, in addition to volume one, while a lot of Marx scholars mostly find volume one of interest. Why?

David Harvey

They're important because this is what Marx says. In volume one, he says, basically, "in volume one I deal with this, in volume two I deal with that, and in volume three I deal with something else." It's clear that in Marx's mind, he had an idea of the totality of the circulation of capital. His plan was to break it down into these three component parts in the three volumes. So I just follow what Marx says he's doing. Now, the problem of course, is that volumes two and three were never completed, and they aren't as satisfactory as volume one.

The other problem is that volume one is a literary masterpiece, whereas volumes two and three are more technical and harder to follow. So I can understand why, if people want to read Marx with a certain sense of joy and fun, that they would stick with volume one. But I'm saying, "No, if you really want to understand what his conception of capital is, then you can't understand it as just being about production. It's about circulation. It's about getting it to market and selling it, then it's about distributing the profits."

Daniel Denvir

One reason that it's important is that we need it to understand this dynamic of constant expansion that drives capitalism — what you call a "bad infinity," citing Hegel. Explain what this "bad infinity" is.

David Harvey

You get this idea of a "bad infinity" in volume one. The system has to expand because it's always about profit, about creating what Marx called a "surplus value," and the surplus value then gets reinvested in the creation of more surplus value. So capital is about constant expansion.

And what that does is this: if you grow at 3 percent a year, forever, then you get to the point where the amount of expansion required is absolutely huge. In Marx's time, there's plenty of space in the world to expand into, whereas right now we're talking about 3 percent compounding rate of growth on everything that's happening in China and South Asia and Latin America. The problem arises: where are you going to expand into? That's the bad infinity coming into being.

In volume three, Marx says maybe the only way it can expand is by monetary expansion. Because with money there's no limit. If we're talking about using cement or something like that, there's a physical limit to how much you can produce. But with money, you can just add zeroes to the global money supply.

If you look at what we did after the 2008 crisis, we added zeroes to the money supply by something called "[quantitative easing](#)." That money then flowed back into stock markets, and then asset bubbles, especially in property markets. We've now got a strange situation where, in every metropolitan area of the world that I've visited, there's a huge boom in construction and in property asset prices — all of which is being fueled by the fact that money is being created and it doesn't know where to go, except into [speculation and asset values](#).

Daniel Denvir

You're trained as a geographer, and for you Marx's account of capitalism is fundamentally about dealing with problems of space and time. Money and credit are ways that these problems are solved. Explain why these two axes of space and time are so critical.

David Harvey

For instance, the interest rate is about discounting into the future. And borrowing is about foreclosing on the future. Debt is a claim on future production. So the future is foreclosed on, because we've got to pay our debts. Ask any student who owes \$200,000: their future is foreclosed, because they've got

to pay off that debt. This foreclosure of the future is a terribly important part of what *Capital* is about. The space stuff comes in because as you start to expand, there's always the possibility that if you can't expand in a given space, you take your capital and go into another space. For instance, Britain was producing a lot of surplus capital in the nineteenth century, so a lot of it was flowing to North America, some through Latin America, some to South Africa. So there's a geographical aspect to this. The expansion of the system is about getting what I call "spatial fixes." You've got a problem: you've got excess capital. What are you going to do with it? Well, you have a spatial fix, which means you go out and build something somewhere else in the world. If you have an "unsettled" continent like North America in the nineteenth century, then there's vast amounts of place you can expand into. But now North America has been pretty much covered.

The spatial reorganization is not simply about expansion. It's also about reconstruction. We get [deindustrialization](#) in the United States and Europe, and then the reconfiguration of an area through urban redevelopment, so that cotton mills in Massachusetts get turned into condominiums.

We're running out of both space and time right now. That's one of the big problems of contemporary capitalism.

Daniel Denvir

You talked about the future being foreclosed upon. That term is very applicable when it comes to debt on homes, obviously.

David Harvey

That's why I think the term "foreclosure" is very interesting. Millions of people [lost their houses](#) in the crash. Their future was foreclosed upon. But at the same time, the debt economy has not gone away. You would've thought that after 2007-8 there would've been a pause in debt creation. But actually, what you see is a huge debt *increase*.

Contemporary capitalism is increasingly loading us down with debt. That should concern all of us. How is it going to be repaid? And by what means? And are we going to end up with more and more money creation, which then has nowhere to go except speculation and asset values?

That's when we start actually building things for people to invest in, not for people to live in. One of the most amazing things about contemporary China, for instance, is that there are whole cities that have been built and not yet lived in. Yet people have bought them, because it's a good investment.

Daniel Denvir

It's precisely that issue of credit that led you to borrow a phrase from Jacques Derrida, "the madness of economic reason." Colloquially, madness and insanity are invoked to [stigmatize](#) or pathologize individuals with mental illness. But what Marx shows us, and what your book shows us, is that the system is actually insane.

David Harvey

The best measure of that is to look at what happens in a crisis. Capital produces crises periodically. One of the characteristics of a crisis is that you have surpluses of labor — people unemployed, not knowing how to make a living — at the same time you have surpluses of capital that don't seem to be able to find a place to go to get an adequate rate of return. You have these two surpluses sitting side by side, in a situation where social need is chronic.

We need to put capital and labor together to actually create things. But you can't do that, because what you want to create is not profitable, and if it's not profitable then capital doesn't do it. It [goes on strike](#). So we end up with surplus capital and surplus labor, side by side. That is the height of irrationality.

We're taught that the capitalist economic system is highly rational. But it's not. It actually produces incredible irrationalities.

Daniel Denvir

You [wrote](#) in *Jacobin* recently that Marx broke with moralist socialists like Proudhon, Fourier, Saint-Simon, and Robert Owen. Who were these socialists, and why and how did Marx part from them?

David Harvey

In the early stages of capitalist development, there were obvious problems of conditions of labor. Reasonable people, including professionals and the bourgeoisie, started to look at this with horror. A sort of moral repugnance against industrialism developed. Many of the early socialists were moralists, in the good sense of that term, and expressed their outrage by saying, we can construct an alternative

society, one based on communal wellbeing and social solidarities, and issues of that kind. Marx looked at the situation and said actually, the problem with capital is not that it's immoral. The problem with capital is that it's almost *amoral*. To try to confront it with moral reason is never going to get very far, because the system is self-generating and self-reproducing. We've got to deal with that self-reproduction of the system.

Marx took a much more scientific view of capital and said, now we actually need to replace the whole system. It's not just a matter of cleaning up the factories — we've got to deal with capital.

Daniel Denvir

Have you seen *The Young Karl Marx*?

David Harvey

I've seen the [film](#) and the [play](#). Marx is a character of his time, and I think it's interesting to look at him from that perspective.

But the thing that I want to do is say, look — we're still in a society driven by capital accumulation. Marx abstracted from the particularities of his time and talked about the dynamics of capital accumulation and pointed to its contradictory character — how, in its driving force, it's imprisoning all of us in debt. Marx said we need to go beyond moral protest. This is about describing a systematic process we need to grapple with and understand the dynamics of. Because otherwise people try to create some sort of moral reform, and the moral reform then gets coopted by capital.

It's really fantastic that we have the [internet](#), which everyone thought of initially as a great liberatory technology that would allow for a great deal of human freedom. But now look what's happened to it. It's dominated by a few monopolies that collect our data and give it to all kinds of seedy characters who use it for political purposes.

Something that started out as a real liberatory technology suddenly turns into a vehicle of repression and oppression. If you ask the question, "how did that happen?", you either say it's because of some evil people out there who did it, or, with Marx, that it's the systematic character of capital always to do that.

There's no such thing as a good, moral idea that capital can't co-opt and turn into something horrendous. Almost every utopian schema that's come across the horizon over the last hundred years has been turned into a dystopia by the capitalist dynamic. That's what Marx is pointing to. He's saying, "You've got grapple with that process. If you don't, you're not going to create an alternative world that can deliver human freedom to everybody."

Daniel Denvir

Let's talk about the contradictions of that process. Marx was a fierce critic of capitalism, but he was also an admirer of its powers of creative destruction. He thought, for example, that capitalism was a great improvement upon feudalism.

How should we think of these destructive powers today? So much of what capitalism destroys is quite obvious. On the other hand, we need to take account of rising incomes in places like China and India, and this massive process of infrastructure construction that's going on in countries like those. How do you approach these contradictory processes?

David Harvey

You're right to mention this, because Marx is not simply a critic of capitalism, he's also a fan of some of the things that capitalism builds. That's the biggest contradiction of all for Marx.

Capital has built the capacity, technologically and organizationally, to create a far better world. But it does so through social relations of [domination](#) rather than emancipation. That is the central contradiction. And Marx keeps saying, "Why don't we use all of this technological and organizational capacity to create a world which is liberatory, rather than one which is about domination?"

Daniel Denvir

A related contradiction is how Marxists should think about the current debate over globalization, which has gotten more muddled and confusing than ever. How do you think the Left should look at the [debate over Trump's protectionism](#), in a way that differs from the mainstream economist finger-wagging?

David Harvey

Marx actually approved of globalization. In the *Communist Manifesto*, there's a wonderful passage that talks about it. He sees it as potentially emancipatory. But again, the question is why these

emancipatory possibilities are not taken up. Why are they used as means of domination of one class by another? Yes, it's true that some people in the world have improved their incomes, but eight men [have as much wealth](#) as about 50 percent of the world's population.

Marx is saying we have to do something about that. But, in doing so, we don't get nostalgic and say, "we want to go back to feudalism" or "we want to go live off the land." We've got to think about a progressive future, using all the technologies we have, but using them for a social purpose rather than increasing wealth and power in fewer and fewer hands.

Daniel Denvir

Which is the same reason that Marx broke with his romantic socialist contemporaries. In terms of what liberal economic theories and mainstream economists miss about all of this, you cite a [passage](#) from Marx: "Every reason which they" — the economists — "put forward against crisis is an exorcised contradiction, and, therefore, a real contradiction, which can cause crises. The desire to convince oneself of the non-existence of contradictions, is at the same time the expression of a pious wish that the contradictions, which are really present, *should not exist*."

What is it that mainstream economics sets out to do? And what do they elide or hide in the process?

David Harvey

They hate contradictions. It doesn't fit with their worldview. The economists love to confront what they call problems, and problems have solutions. Contradictions don't. They exist with you all the time, and therefore you have to manage them.

They get heightened into what Marx called "absolute contradictions." How do economists deal with the fact that in the crisis of the 1930s or the 1970s or more recently, surplus capital and surplus labor sit side by side, and nobody seems to have a clue as to how to put them back together so that they can work for socially productive purposes?

[Keynes](#) tried to do something about this. But by and large, economists have no idea how to deal with these contradictions. Whereas Marx is saying that this contradiction is in the nature of capital accumulation. And this contradiction then produces these crises periodically, which claim lives and create misery.

Those sorts of phenomena have to be addressed. And economics doesn't have a very good way of thinking about them.

Daniel Denvir

In terms of that contradiction, you describe [in your book](#) "surplus capital and surplus labor existing side by side with seemingly no way to put them back together." After the recent crisis, how were those two things — surplus capital and surplus labor — reacquainted, and has the way that they've been rejoined resulted in a new form of capitalism, distinct from that which prevailed before the crisis? Are we still living under neoliberalism, or has something new taken root?

David Harvey

The response to the 2007-2008 crisis was to, in most of the world — except China — double down into a neoliberal austerity politics. Which made things worse. Since then, we've had more cuts. It hasn't worked very well. Slowly, unemployment has come down in the United States, but of course it's gone shooting up in places like Brazil and Argentina.

Daniel Denvir

And wage growth is pretty slow.

David Harvey

Yeah, wages haven't gone anywhere. Then there's what the Trump administration has been doing. First off, it's followed some very neoliberal policies. The budget that they passed last December is a pure neoliberal document. It basically benefits the bondholders and the capital-owners, and everybody else is pushed to one side. And the other thing that's happened is [deregulation](#), which neoliberals like. The Trump administration has doubled down on deregulation — of the environment, labor laws, and everything else. So there's actually been a doubling down on the neoliberal solutions.

The [neoliberal argument](#) had a lot of legitimacy in the 1980s and 1990s as being liberatory in some way. But nobody believes that anymore. Everybody realizes it's a con job in which the rich get richer and the poor get poorer.

But we're beginning to see the possible emergence of an ethno-nationalist protectionism-autarky, which is a different model. That doesn't sit very well with neoliberal ideals. We could be headed into

something which is much less pleasant than neoliberalism, the division of the world into warring and protectionist factions who are fighting each other over trade and everything else.

The argument of somebody like [Steve Bannon](#) is that we need to protect the working people of America from competition in the job market by limiting immigration. Instead of blaming capital, [you blame the immigrants](#). The second thing is to say, we can also get support from that population by [putting up tariffs](#) and blaming Chinese competition.

In effect, you've got a right-wing politics which is gathering a great deal of support by being anti-immigrant and anti-offshoring. But the fact is, the biggest problem of jobs is not offshoring, it's technological change. About 60 or 70 percent of the unemployment which occurred from the 1980s onwards was due to technological change. Maybe 20 or 30 percent of it was due to offshoring. But the right wing now has a politics. That politics is not only going on in the United States, it's going in [Hungary](#), [India](#), to some degree, in Russia. Ethno-nationalist, authoritarian politics is beginning to break the capitalist world up into warring factions. We know what happened with that sort of thing in the 1930s, so we should all be very concerned. It is no answer to the capital dilemma. To the degree that ethno-nationalism will conquer neoliberalism, we'll be in for an even uglier world than we've already been in.

Daniel Denvir

These contradictions are powerful within the governing conservative coalition in the US, but I think it's a mistake when people see them as brand new. They've been latent for a long time.

David Harvey

Oh yeah. For instance, in Britain, back in the late 1960s, there was this speech by Enoch Powell that talked about "[rivers of blood](#)" if we continued with this immigration policy. Anti-immigrant fervor has been around for a long time.

But it managed, during the 1980s and 1990s, to be kept under wraps, because there was enough dynamism in the global capitalist economy for people to say, "this open trade and free trade regime and reasonably benign immigration policies is all working for us." Since then, it's gone very much in the other direction.

Daniel Denvir

You mentioned the huge power of automation. What does Marx say about automation, and what do you make of it? Is the end of work really near?

David Harvey

I came to the United States in 1969, and I went to Baltimore. There was a huge iron and steel works there that employed around thirty-seven thousand people. By 1990, the steel works was still producing the same amount of steel, but employing about five thousand people. Now steel work is pretty much gone. The point is that in manufacturing, automation drove out jobs wholesale, all over the place, very fast. The Left spent a lot of time trying to defend those jobs and fought a rearguard action against automation.

That was a wrong strategy for a couple of reasons. The automation was coming anyway, and you were going to lose. Secondly, I don't see why the Left should be absolutely opposed to automation.

Marx's position, insofar as he had one, would be that we should we make use of this artificial intelligence and automation, but we should do it in a way that would lighten the load of labor.

The Left should be working on a politics in which we say, "we welcome artificial intelligence and automation, but they should give us much more free time." One of the big things Marx does suggest is that free time is one of the most emancipatory things we can have. He has a [nice phrase](#): the realm of freedom begins when the realm of necessity is left behind. Imagine a world in which necessities could be taken care of. One or two days a week working, and the rest of the time is free time.

Now, we've got all of these labor-saving innovations in the labor process, and also in the household. But if you ask people, do you have more free time than you once had? The answer is, "no, I have less free time." We've got to organize all of this so that we actually have as much free time as possible, so that if it's Wednesday at five o'clock, you can go do whatever you want. This is the kind of imagination of a society that Marx has in mind. And it's an obvious idea.

What's stopping us is all of this stuff being used to prop up the profits of Google and Amazon. Until we deal with the social relations and the class relations behind all of this, we're not going to be able to use these fantastic devices and opportunities in ways which benefit everybody.

Daniel Denvir

What do you think of universal basic income schemes?

David Harvey

In Silicon Valley, they want a universal basic income so people will have enough money to pay for Netflix, and that's it. What kind of world is that? Talk about a dystopia. Universal basic income is one thing, the problem is Silicon Valley and those people who are monopolizing the means of communication and entertainment.

Universal basic income at some point might be on the agenda, but I don't put it at the top of my political priorities. In fact, there are aspects of it that have highly negative possibilities, as the Silicon Valley model suggests.

Daniel Denvir

Do you think that [climate change](#) highlights clear limits to the permanent expansion required by capitalism, or will capitalism be able to weather the climate crisis intact, to everyone else's detriment?

David Harvey

Capital could weather the climate change crisis. In fact, if you look at climate disasters, capital can turn this into what Naomi Klein calls "disaster capitalism." You get a disaster, well, you have to rebuild. That gives lots of opportunities for capital to recuperate profitably from climate disasters. From the standpoint of humanity, I think that we will not come out of this well at all. But capital is different. Capital can come out of these things and as long as it's profitable, they'll do it.

Daniel Denvir

Let's talk about resistance. You [write](#) that production and consumption are both core facets of capitalism, and that "social and political struggles against the power of capital, within the totality of capital circulation, take different forms and call for different kinds of strategic alliances, if they are to succeed."

How should we think about the relationship between labor struggles on the one hand, and struggles against the state – against mass incarceration, against landlord evictions or predatory lending – on the other?

David Harvey

One of the virtues of looking at capital as a totality and thinking of all aspects of capital circulation is that you identify different arenas of struggle. For example, the environmental question. Marx talks about the metabolic relation to nature. Therefore, struggles over the relation to nature become politically significant. Right now, a lot of people who are concerned about the environmental issue will say, "we can deal with this without confronting capital accumulation."

I object to that. At a certain point we're going to have to [deal with capital accumulation](#), which is about 3 percent growth forever, as a clear environmental issue. There's not going to be a solution to the environmental issue without confronting capital accumulation.

There are other aspects, too. Capital has long been about the production of new wants, needs, and desires. It's been about the production of consumerism. I've just come back from China, and I noticed in just the three or four years I've been going to China the immense increase in consumerism. This is what the World Bank and the IMF were advising the Chinese to do twenty years ago, saying, "you're saving too much and not consuming enough." So now the Chinese have obliged by starting a real consumer society, but that means that people's wants, needs, and desires are being transformed. Twenty years ago in China, what you wanted, needed, and desired was a bicycle, and now you need an automobile.

There are various ways in which that is done. The "mad men" of advertising have their role to play, but even more important is the invention of whole new lifestyles. For instance, one of the ways in which capital got out of its dilemma in 1945 in the United States was through suburbanization, which is the creation of a whole new lifestyle. In fact, what we find is that lifestyle creation is not a choice. We all have cell phones. This is the creation of a lifestyle, and that lifestyle is not something I can individually choose to be in or out of — I have to have a cell phone, even though I don't know how the damn thing works.

It's not as if, back in time, somebody was desiring, wanting, or needing a cell phone. It came into being for a particular reason, and capital found a way of [organizing a lifestyle around it](#). Now we're locked into that lifestyle, and that's it. Refer back to the suburbanization process. What do you need in

the suburbs? You need a lawnmower. If you were smart in 1945, you would've gotten into the production of lawnmowers because everybody had to have lawnmower to cut their grass. Now, there are revolts against certain things that are happening. People are beginning to say, "look, we want to do something different." I find little communities all around the place in urban areas, and in rural areas, too, where people are trying to set up a different lifestyle. The ones that interest me most are those which use new technologies, like cell phones and the internet, to create an alternative lifestyle with different forms of social relations than those characteristic of corporations, with [hierarchical structures of power](#), that we encounter in our daily lives.

To struggle over a lifestyle is rather different than struggling over wages or conditions of labor in a factory. There is, however, from the standpoint of the totality, a relationship between these different struggles. I'm interested in getting people to see how struggles over the environment, over the production of new wants, needs, and desires, and consumerism are related to the forms of production. Put all of these things together and you get a picture of the totality of what a capitalist society is about, and the different kinds of dissatisfactions and alienations that exist in different components of the circulation of capital, which Marx identifies.

Daniel Denvir

How do you see the relationship between struggles against racism and these struggles against production and consumption?

David Harvey

Depending upon where you are in the world, these questions are fundamental. Here in the United States, this is a very big issue. You don't hit the same problem if you look at what's happening in China. But here, social relations are always cut across by questions of gender, race, religion, ethnicity, and the like.

Therefore, you cannot deal with the question of the production of lifestyles or the production of wants, needs, and desires without encompassing the question of what happens in [racialized housing markets](#) and how the race question then gets utilized in various ways. For instance, when I first moved to Baltimore, one of the things that was going on was blockbusting — the use, by the real estate industry, of racial disparities to force white flight and capitalize on high turnover in the housing market as a way of gaining economic advantage.

The gender questions which arise around questions of social reproduction are also paramount in a capitalist society, no matter where you are. These issues are embedded in capital accumulation. When I'm talking about this, I often get into trouble because it seems as if capital accumulation is more important than these other aspects. The answer is that no, that's not the case. But antiracists have to deal with the way in which capital accumulation interferes with antiracist politics. And the relationship between this accumulation process and the perpetuation of racial distinctions.

Here in the United States, we have a whole set of these kinds of questions, which are paramount. But, again, can they be handled without at some point dealing with the way in which capital accumulation is fostering and perpetuating some of these distinctions? The answer to that, for me, is no. I don't think that's possible. At a certain point, anti-racists have to also be anticapitalists if they're going to get to the real root of a lot of the problems.

Daniel Denvir

You're well-known for your scholarly work, but you're perhaps known better as a teacher of Marx. Why do you think it's important for leftists outside of the academy to engage with Marx's work?

David Harvey

When you're involved in political action and activism, you've usually got some very specific target. Let's say, lead paint poisoning in the inner city. You're organizing around what to do about the fact that 20 percent of the kids in inner-city Baltimore suffer from lead paint poisoning. You're involved in a legal battle, and in fighting with landlord lobbies and with all kinds of opponents. Most people I know who are involved in activist forms of that kind are so consumed with the details of what they're doing that they often forget where they are in the overall picture — of the struggles in a city, let alone in the world.

Often you find that people need assistance from outside. That lead paint thing is much easier to handle if you've got all of the people who are involved in the educational system, who see kids in schools with problems with lead paint poisoning. You start to build alliances. And the more alliances you can

build, the more powerful your movement could be.

I try not to lecture people about what they should think, but try to create a framework of thinking, so that people can see where they are in the totality of complicated relationships that make up contemporary society. Then people can form alliances around the issues they're concerned with, and, at the same time, mobilize their own powers to help other people in their alliances.

I'm into building alliances. In order to build alliances, you have to have a picture of the totality of a capitalist society. To the degree that you can get some of that from studying Marx, I think that it's helpful.