

NEOLIBERALISM: THE HIGHEST STAGE?

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Today, the severity of the crisis is obvious. The term “crisis” is a little overused, and it is necessary to distinguish between three sorts of crises that threaten capitalism: periodic crises, regulation crises, and systemic crises. The current crisis is clearly more than periodic. It appears to be a regulation crisis: a crisis of the neoliberal form of capitalism. However, it goes deep enough to have the elements of a systemic crisis.

THE LONG PERIOD OF CAPITAL

To speak of a regulation crisis does not imply allegiance to the theory of regulation.¹ It is therefore better to speak of a crisis of the neoliberal “productive order,” to use Dockès’ and Rosier’s term.² The basic concept is that capitalism periodically redefines a specific operating method, which must answer a certain number of contradictions that permanently challenge it, but which it “manages” in different ways. Thus, capitalism has a history: its basic mechanisms remain unchanged, but the way in which it operates differs between periods and countries.

This is not a new observation: Kondratieff identified the historical periods in question, which he referred to using the misleading term “long cycles”, wrongly suggesting an automaticity similar to that on which the dynamic of short cycles is based. In spite of his criticisms of Kondratieff, Trotsky made the same observation. In an article published in 1923, he wrote:

“We observe in history that homogeneous cycles are grouped in a series. Entire epochs of capitalist development exist when a number of cycles is characterized by sharply delineated booms and weak, short-lived crises. As a result we have a sharply rising movement of the basic curve of capitalist development. There are epochs of stagnation when this curve, while passing through partial cyclical oscillations, remains on approximately the same level for decades.”³

1. See Michel Husson, “L’École de la régulation, de Marx à la Fondation Saint-Simon: un aller sans retour ?,” in *Dictionnaire Marx contemporain*, eds. J. Bidet and E. Kouvelakis (Paris: Presses universitaires de France, 2001) 171–182.

2. Pierre Dockès and Bernard Rosier, *Rythmes économiques: Crises et changement social, une perspective historique* (Paris: La Découverte/Maspéro, 1983).

3. Leon Trotsky, *The Curve of Capitalist Development* (1923), <http://www.marxists.org/archive/trotsky/1923/04/capdevel.htm>.

The study of these historical periods has yielded much research,⁴ including Ernest Mandel’s theory of long waves.⁵ He distinguished between expansive and recessive phases throughout the long history of capitalism. However, these were not cycles, because of a basic symmetry: the transition from a recessive to an expansive phase requires a profound remodeling of capitalism, which is not part of its normal operation, and depends on “exogenous” factors. However, the exhaustion of expansion sources results from capitalism’s internal, or “endogenous”, contradictions. These contradictions eventually break down the arrangements that, for a certain time, succeeded in stemming their effects. This brief interpretive framework allows us to identify two periods in postwar capitalism. The first goes from the end of the Second World War to the beginning of the 1980s. Whether we call it the postwar boom, Fordism, or the “Golden Age”, it is important to understand that during this period, capitalism had a coherence very different to that which would characterize it in the following period, the period of neoliberal capitalism. This article does not seek to idealize the postwar boom, but to understand the particularities of capitalism in each of these periods.

Clearly, the term “coherence” is debatable. It is used simply to mean that capitalism, in order to work, must answer a set of questions that are permanently asked of it. Its responses can vary, but they must always be coherent with one another, forming a system. Together, these measures create a “model” of capitalism, insofar as they cannot be changed from one day to the next. When they go wrong, the situation can be described as a regulation crisis.

Each phase of capitalism can therefore be defined according to four dimensions: the accumulation regime, the technological paradigm, social regulation, and the international division of labor. These can be briefly described as follows. The accumulation regime is the way in which production and outlets combine. On the production side, the intensity of growth, and therefore accumulation, can be higher or lower, according to whether or not they are based on high productivity gains. On the outlet side, there are two opposite possibilities: mass consumption encouraged by increasing wages, or unequal distribution of income. The notion of an accumulation regime also incorporates the rules of play between capitalists, particularly in terms of competition and relationships between bank capital and industrial capital, and between shareholders and managers.

4. For a synthetic overview, see Francisco Louçã, “Ernest Mandel et la pulsation de l’histoire,” (2003), <http://gesd.free.fr/chico3.pdf>.

5. Ernest Mandel, “Partially Independent Variables and Internal Logic in Classical Marxist Economic Analysis,” *Social Sciences Information* 14, 3 (1985), <http://gesd.free.fr/mandel85.pdf>; Ernest Mandel, *Long Waves of Capitalist Development. A Marxist Interpretation* (London: Verso, 1995).

For all of these aspects, many combinations can be imagined, but not all are possible: again, they must form a coherent whole.

The technological paradigm describes the relationships between production methods and available techniques. Each major period of capitalism corresponds to a set of innovations affecting the whole economy. However, technological innovations are not enough. Social regulation involves the determination of wages, the organization of work, the labour laws and the norms of the social action of the State as it concerns social security, public services and other parts of the indirect wage. For capitalism, this means ensuring employee subordination, while simultaneously giving forms of legitimacy to the social and economic order.

The international division of labor is the organization of the world economy. It indicates how each country fits into the global market and relates to other countries. This concept covers several questions: who provides the primary resources? Who produces the most sophisticated industrial goods? What currency or currencies are universally accepted as payment methods or reserve assets? How are investments and international financial flows directed? The answers to these questions define the power hierarchy, according to criteria that are not purely economic: the capitalist world has always been structured according to political and military power relationships.

If this analytical framework is applied to contemporary capitalism, a basic contrast appears between the “Fordism” of the postwar boom, and the three neoliberal decades (table 1).

Table 1
Fordism and Neoliberalism

	Fordist capitalism 1945–1975	Neoliberal capitalism 1980–2010
Accumulation regime	Fordism	Financialization
Technological paradigm	Taylorism	Information technology
Social regulation	Social compromise	Flexibility
International division of labor	Internationalization	Globalization

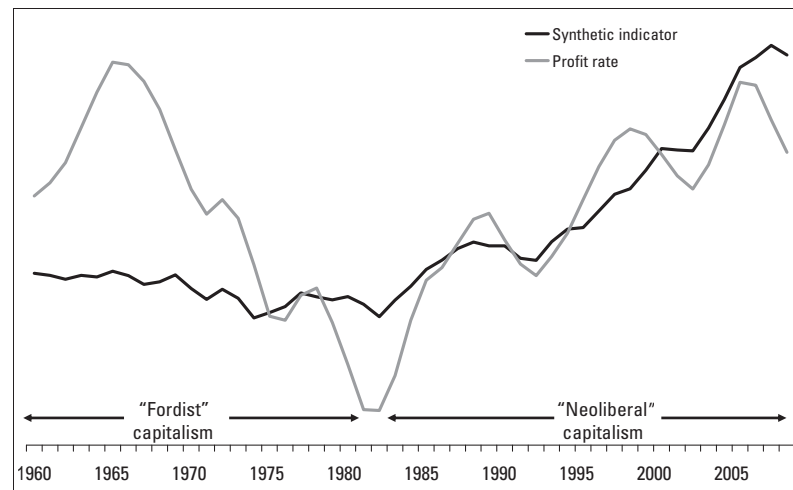
THE CURVES OF CONTEMPORARY CAPITALISM

In the following analysis, we propose to use what could be called a “spectrographic” method. It relies on characterizing the major periods using a series of indicators,⁶ to obtain a synthetic indicator (their

6. The precise definitions and the sources are given in the appendix. All of the series have been standardized, which explains the absence of units in the graphs. The variables are “normalized,” meaning that each series value is taken in terms of variation from the average, and divided by the standard deviation.

mathematical average). We can first observe that this indicator is in line with the profit rate (graph 1).

Graph 1
Synthetic Indicator and Profit Rates



Standardized variables. For the statistical sources, see appendix.

Until the mid-1980s (Fordist capitalism), the synthetic indicator is almost flat, showing the relatively regulated nature of capitalism during this period. In contrast, the profit rate⁷ goes down by intervals: from 1967 in the United States, then in all large capitalist countries with the generalized recessions of 1974-1975 and 1980-1982. There was then a “major turning point” leading to neoliberal capitalism. This new period was characterized by the recovery of profit rates, despite great fluctuations during recessions (particularly those of 1991-1993 and 2000-2002).

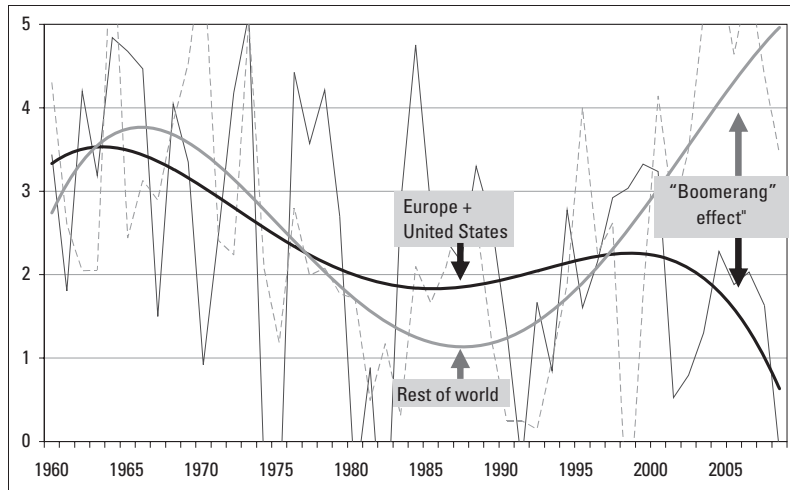
This profit rate recovery was accompanied by a major change in the evolution of the synthetic indicator: previously almost constant, it entered a near-exponential increase. Our analysis is that this increase corresponds to the changes in capitalism required for profit rate recovery. The key implication of this theory is that the neoliberal capitalist method of operation cannot be changed without causing profit rates to decline.

Before detailing the components of the synthetic indicator, it is important to examine the evolution of global productivity, because this is

7. The profit rate is calculated based on the four main capitalist countries: Germany, the United States, France, and the United Kingdom (see appendix).

the essential element of capitalist dynamism.⁸ Firstly, it can be observed that productivity decreased during the Fordist period. The trajectory resembles that of the profit rate (graph 2). This correlation illustrates a key trait of capitalism: in a way, labor productivity is the “pillar” upon which a positive profit rate dynamic can be built. The exhaustion of productivity gains is one of the major factors that caused Fordist capitalism to go into a crisis.

Graph 2
GDP Growth Rates per Inhabitant, 1960–2008



In %. Thick lines show trends. Thin lines show year-to-year changes.
Sources: Ameco, Maddison 2008.

Secondly, it can be observed that the profit rate recovered during the neoliberal period, despite productivity gains remaining relatively low compared to the Fordist phase. Nevertheless, this level is in line with the very long-term average. This means that capitalism found resources for supporting profit, other than the exceptional productivity gains of the Fordist period (which from this perspective appears as a digression).

However, a third observation alters the overall perspective. For a good decade, we have been witnessing the “boomerang effect” of globalization. Productivity gains have been collapsing in the old capitalist countries, Europe, and the United States, but have increased dramatically in the rest of the world. This major turnaround shows that the sources of capitalist dynamism are now to be found in the “emerging” countries. This

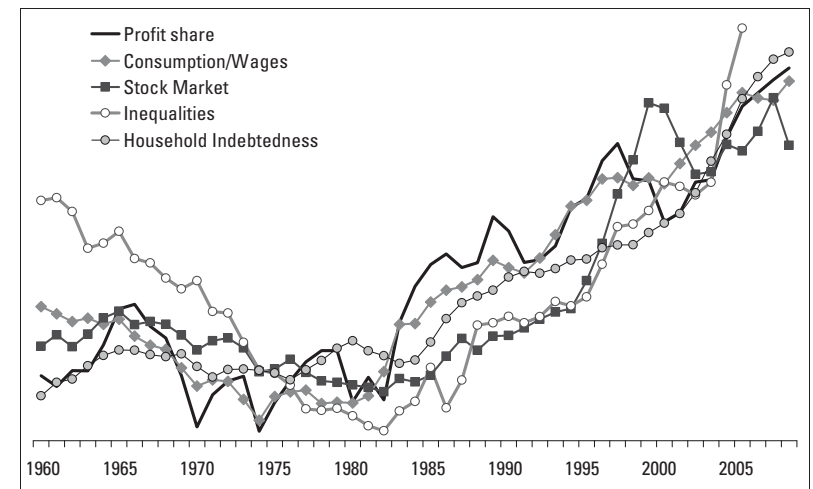
characteristic (about which we will not go into detail) is burdensome in postcrisis conditions, and should lead to new theorizations of the world economy.

It is now necessary to detail the variables that make up our synthetic indicator. To begin, it is important to appreciate that the different “curves” do not rise together by chance: this generalized movement shows the internal relationships behind the unstable coherence of neoliberal capitalism. The general interpretive framework can therefore be that the curves cannot all rise indefinitely, so neoliberal capitalism could not sustainably reproduce itself. Nevertheless, its general logic made this endless increase necessary. The fact that the “curves” of neoliberal capitalism hit a sort of ceiling, triggering the crisis, therefore shows a profound crisis of this configuration of capitalism.

DISTRIBUTION OF VALUE ADDED AND REALISATION

The departure point for studying the curves is the wage/profit split. Insofar as productivity gains do not return to the Fordist period level, the main way of restoring the profit rate is a decrease in the wage share—in other words, an increase in exploitation rates, and therefore a rise in the profit share within the value added. This is exactly what happened from the mid-1980s (see the *profit share* indicator in graph 3).

Graph 3
Wages/Profit Split and Realisation



Standardized variables. For the statistical sources, see appendix.

8. For statistics availability reasons, productivity (GDP per employed person) will be approximated according to the GDP per inhabitant. This approximation is not entirely satisfactory, but it is sufficient to reveal the general trends.

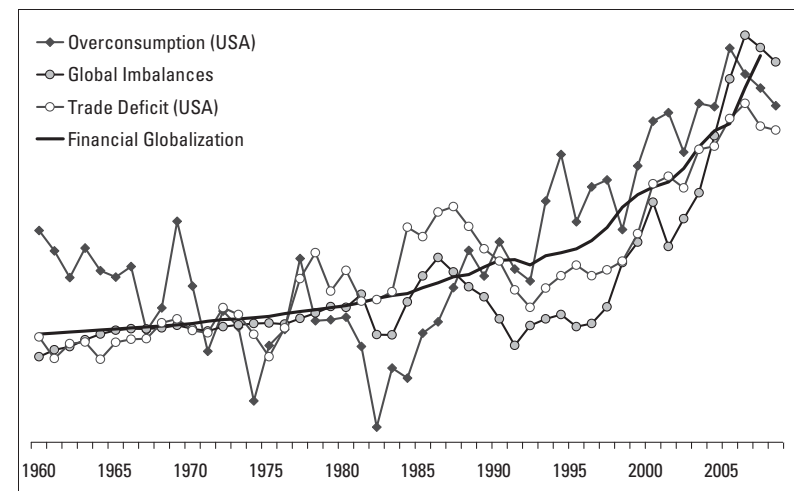
However, this way of ensuring profit rate recovery immediately entails a problem of realisation: who shall buy the goods if demand is compressed through the relative decrease of wages? In passing, it should be emphasized that this problem is not in any way Keynesian. The realisation constraint is one of the basic contradictions of capitalism. Neoliberal capitalism has been able to offer solutions which differ from those of Fordist capitalism. In fact, consumption has increased faster than wages, compensating fairly exactly for the displacement of the wages/profit split, as shown by the *consumption/wages* indicator.

This result was made possible by consumption on the part of the rich, by households becoming overly indebted (*household debt* indicator). The extreme increase in financial incomes (see the *stock market* indicator) has led to increasing inequality in income distribution (see the *inequalities* indicator). All of the corresponding curves are in line with one another, because they reflect a configuration that offers a coherent response to the implementation constraint. An important implication of this is that the rise in inequalities is perfectly functional. Consequently, it would be pointless to try and reduce inequalities while maintaining a distribution of value added which is unfavorable to employees, and from which everything else is deducted.

THE CONFIGURATION OF THE WORLD ECONOMY

The second pillar of the neoliberal model is the growth of credit and debt of a certain number of countries, particularly the United States. From 1980 to 2002, the GDP of the United States accounted for slightly more than 21% of global GDP. It had decreased to 19% by 2007, mostly to the benefit of emerging countries. The American growth model is based on domestic overconsumption, leading to a rising external deficit, which is covered by capital inflows. There was a steady decrease in household saving rate from 1980, and it reached almost zero just before the crisis. This movement can be seen in the steady increase in the overconsumption indicator (graph 4). The parallel with the deficit curve is astonishing. The United States' increasing need for funds is the main driving force for the aggravated global unbalances. The indicator used measures the surpluses and deficits of the main countries: it also rises, more quickly so from the mid-1990s. Finally, the financial globalization indicator, measured by the relationship of total foreign assets to the global GDP, also shows a rising trend.

Graph 4
The Configuration of the World Economy



Standardized variables. For the statistical sources, see appendix.

THE ROLE OF FINANCE AND THE UNSTABLE COHERENCE OF THE NEOLIBERAL MODEL

Finance played a central role in this model's capacity to reproduce itself in time and last over three decades. It was, in fact, financialization that allowed transfers of income and capital, giving the neoliberal model a certain overall coherence. Since all the curves could not rise indefinitely, one of them had to reach its limit. As was thought, this break could have occurred on the side of the financing of the US deficit. However, the initial blow came from the narrow *subprime* market, then spread to the whole financial and banking system. From a theoretical point of view, this could be called an explosion of "fictional capital"—financial securities, the face value of which continually increased, lay behind the virtual drawing rights on surplus-value. The crisis only broke out when some of these drawing rights lost their substance, because their total amount was not commensurate with the surplus-value actually created. However, this is not a financial crisis, but a crisis of the whole neoliberal model, which has come up against the impossibility of extracting enough gains to meet the demands of financial capital.

This crisis, which is not yet nearing its end, can basically be summarized as follows: neoliberal capitalism has developed by accumulating a considerable amount of debts. The way in which the public authorities rescued the banks has led to a transfer of private debt to public debt without any conditions being imposed on the banks (despite this being

an excellent opportunity to tightly regulate the financial system). Today, in the United States, as well as in Europe, the financial market imposes austerity policies that will eventually lead to citizens taking on the potential losses. Basically, austerity is a violence in the name of validating drawing rights on surplus-value, which capital refuses to give up.

Currently, the system is blocked, because its “unstable coherence” has been profoundly shaken. The project of those in control, which consists in returning to the former, business-as-usual approach, now faces four contradictions. These were already identifiable two years ago.⁹ It is possible to summarize them quickly, while providing updates on their development.

Distribution: the margin rate (the profit share in the added value) has almost returned to its precrisis level in the United States. In Europe, recovery has also begun, but at a less sustained pace. This is the result of a combination of high productivity gains and the freezing or lowering of wages, in a context of mass unemployment. In the United States, the recovery, which is flagging, has created few jobs; the unemployment rate remains high. This jobless recovery is a new phenomenon, compared to past recessions.¹⁰ The brutal reestablishment of profit leads to a block on growth, which could become a new recession and make profits fall again. This is the first dilemma facing capitalism today. It is less spectacular than the debt crisis, but it is the foundation on which it develops.

Globalization creates a new dilemma that can be summarized as follows: global imbalances can only be remedied at the cost of a slowdown in growth in the United States and, by extension, in all of the old capitalist countries. From this perspective, it is striking that a recent UN report states that “the global recovery has been dragged down by the developed economies” and emphasizes the risk of an “uncoordinated rebalancing of the world economy.”¹¹ In the United States, the household savings rate has stopped falling and has even gained four points since the beginning of the crisis. Trade balance has experienced an immediate and similar effect. On the surface, this appears to be a good thing, because it means that the United States economy is less reliant on foreign capital. However, here is a new contradiction: because the falling saving rate was one of the forces driving growth in the United States, its increase will have the opposite effect.

Fiscal policy introduces a third and very simple dilemma. Reducing deficits implies decreased public spending which, not to mention the social implications, can only aggravate recessionary trends. According to

the UN report cited above, “Fiscal austerity would risk further deceleration of the recovery.” This contradiction is exacerbated by the sovereign debt crisis, and confronts the ruling classes with what could be called the European dilemma. The triple refusal to mutualize public debts, obtain real contributions from the banks, and control the financial market, does not mean that the euro zone will not break up, following a string of defaults.

These four “dilemmas” are tightly intertwined. They create a “chaotic regulation” of capitalism, with a long-term inability to find a way out of the crisis that is compatible with deeply conflicting interests. In the end, everything points to the following observations. Firstly, essential elements of the neoliberal model have been challenged, meaning that it cannot regain its coherence. It is, in particular, no longer possible to base growth on private or country debt (through external deficit). On the contrary (and this is the second observation), this accumulation of debts hinders any possibility of recovery. An appropriate metaphor here is that of the thermal inertia of a substance: a measure of the time required for it to return to its initial temperature. Capitalism is an inert material, in that it refuses to cancel this mountain of debts. Consequently, it would take as long to eliminate these debts as it did to accumulate them, which means a good decade of austerity.

THE CRISIS OF BOURGEOIS GOVERNANCE IN EUROPE

The crisis brutally exposed the particular incoherencies of the European neoliberal model. Day-to-day temporary fixes aside, Europe is at a crossroads: either it takes a first step forward towards a federalism allowing debts to be mutualized, or the Eurozone breaks up. Since the European bourgeoisies are not inclined to accept either of these outcomes, an ongoing crisis is inevitable. This is even truer given that there is no real united European bourgeoisie, because there is no European capital or European state.

To simplify matters, four “key players” can be identified: large transnational groups, banks, financial markets, and governmental representatives of the ruling classes. Clearly, there is underlying agreement on a whole series of issues, concerning basic class interests. Currently, the consensus is to change the situation, while using the crisis to administer shock therapy. The crisis is a chance to take social regression further, with decreased public spending, frozen wages, counterreforms on retirement, and so on.

However, shared interests can still be subject to internal conflicts, aggravated by the crisis. These conflicts can be analyzed according to two lines, opposing the states and capitals on the one hand, and finance

9. See Michel Husson, “Capitalisme: vers une régulation chaotique” (September 2009), <http://hussonet.free.fr/impa9web.pdf>.

10. See “Les Limites (comptables) du modèle US,” Hussonet, note 36 (July 2011), <http://hussonet.free.fr/uslimits.pdf>.

11. UN, *World Economic Situation and Prospects* (New York: UN, 2011), http://unctad.org/en/Docs/wesp2011_en.pdf.

to other fractions of capital on the other. From the point of view of the dominant classes, the current situation is characterized by an increasing inability to manage these contradictions.

The sovereign debt crisis reveals the first contradiction. Capital in general is less and less concerned about the situation of a given country, because its major preoccupation is its profitability and market shares. However, neither outlets nor chains of production attach transnational groups to a particular territory, even if they turn to their reference state in times of difficulty. In global capitalism, the role of the state decreases further and further towards that of a guarantor of the general conditions for profitability. Thus, Carlos Ghosn, CEO of Renault, stated in the *Financial Times* on June 2, 2010 that, “Renault is not anymore a French carmaker.” He nevertheless quickly nuanced his statement on radio station *Europe 1* on June 13, 2010, saying that “Renault is French, Renault has its base in France.”¹² In fact, it is the French state that advanced the funds required by these carmakers when they were in difficulty. Therefore, we are no longer looking at the world capitalism described by Bukharin¹³ almost a century ago, when it was possible to superimpose the map of states and that of capitals.

The great novelty here is that transnational groups work globally, and do not limit themselves to national boundaries, or even European boundaries. At the time, Bukharin spoke of a “higher protectionism,” which for him was “the state formula of the economic policy of cartels.” Since then, things have changed, and we cannot blame Bukharin for not anticipating the changes in capitalism. The same cannot be said for the advocates of “deglobalization,” who promote commercial protectionism, as if there were no such thing as productive globalization. This new situation creates a profound asymmetry: states are enslaved to “their” capital, but this capital no longer need a dynamic domestic market. Meanwhile, states must keep managing class relationships within each country. Today, it is particularly the states that find themselves with the responsibility of making their citizens pay for the crisis.

The second contradiction is between finance, the banks, and the states. It is particularly manifest in a period when financial markets speculate against sovereign debts, consequently taking the risk of driving banks (the holders of many of these debts) to bankruptcy. The relationships between these three stakeholders (banks, financial markets, and states) are unclear and above all extremely opaque. However, it is these conflicts of interest which create an extremely unstable situation. The

debates that took place within the European bourgeoisies demonstrate this severe crisis of bourgeois “governance”, which arises from fear (or even panic) in the face of the possible repercussions of Greece defaulting on its debt. Nevertheless, it was inevitable and foreseeable, and nothing indicates that the October 2011 agreement will last longer than its predecessors. European governments will thus continue to steer by sight between two contradictory objectives: making their citizens pay for the crisis, and avoiding falling back into recession.

FROM REGULATION CRISIS TO SYSTEMIC CRISIS

Initially, at least, the crisis gave new life to social-democratic themes: Keynesianism, regulation of the financial markets, the banks, and capitalism in general, a return to state intervention, the role of the social state in softening the impacts of the recession, fairer income distribution, fairer taxes, etc. The crisis seemed to open a way for social democracy; it is important to know why its political space has not widened, and has in some cases become narrower.

European social democracy also underwent stress tests, and it did not stand up well. The prototype was Papandreou (the Greek socialist prime minister), whose response to the crisis was lamentable. He could have triggered debate by saying: “Greece cannot pay, so we need to negotiate.” This was what Argentina did, by suspending its debt in 2001, and succeeding in getting it renegotiated. In contrast, Papandreou did not put up a fight, and accepted all of the demands of the Troika (the ECB, the IMF, and the EU) without question. In France, the two main contenders for the socialist candidacy agreed on austerity. François Hollande was very clear about this: “We need to restore balance in our public accounts by 2013 [...]. I am not saying this to give in to whatever pressure from the markets or from rating agencies, but because it is what our country needs to believe in itself again.” Martine Aubry followed suit, also committing to “3% in 2013, because that is the rule today.”¹⁴ This terrible formula (“Because that is the rule today”) says a great deal about, and provides the key to, the dead end in which social democracy finds itself. It can be summarized as follows: any authentically social-democratic program implies a high degree of confrontation with the bourgeoisie, which social democracy is not ready to assume. The current reality is that any progressive way out of the crisis would require a direct confrontation with the capitalist logic, and therefore a very high level of conflict. The example cited above basically shows that below a minimum level of radicalism (which they refuse to reach), social-democratic programs are only

12. Translation of citation by Claude Jacquin in his remarkable article: “Crise industrielle: de quoi parle-t-on?”, *Les Temps Nouveaux* 3 (2011), <http://gesd.free.fr/lt3cj.pdf>.

13. Nikolai Bukharin, *Imperialism and World Economy*, <http://tinyurl.com/bukimp>.

14. Laurent Mauduit, “Adieu Keynes! Vive Raymond Barre!” *Mediapart* (July 19, 2011), <http://gesd.free.fr/krb11.pdf>.

very slightly distinct from the neoliberal logic. They have not fully taken stock of the crisis.

The above analytical framework allows us to understand why the regulation crisis of neoliberal capitalism is in the process of becoming a systemic crisis: what is now at stake is the capitalist method for satisfying social needs. We have already seen that capitalism can take two opposite forms, according to the way in which it uses productivity gains. If it redistributes them to employees, it is a regulated capitalism based on the prototype of the postwar boom period. If, however, it keeps them as rents, it is an unregulated capitalism, with the perfect example being neoliberal capitalism. With the current crisis, capitalism is entering a sort of dead end.

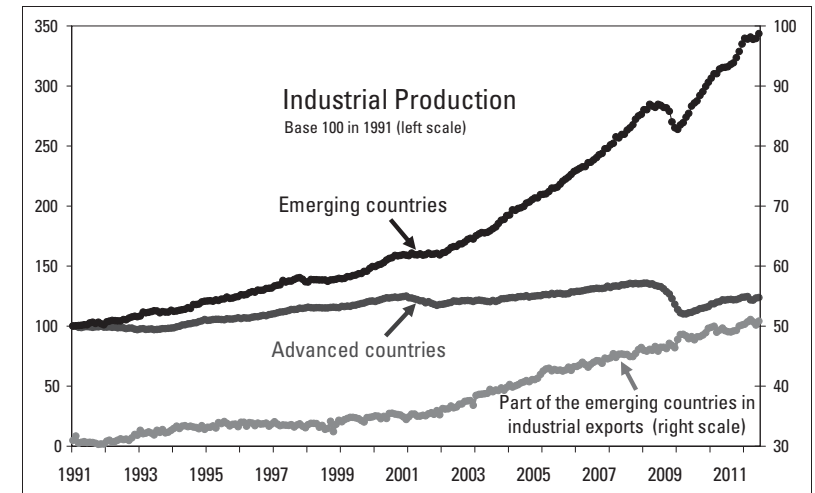
On the one hand, the neoliberal model cannot be relaunched, because the essential foundations of its coherence are broken. On the other hand (and this is a decisive point), in the current situation, it is impossible to return to Fordist capitalism, because the necessary power relationships do not exist, and because globalization creates a dual obstacle: it makes it impossible not only to establish “compromises” at the national level, but also to create the necessary coordination at the international level. After all, Fordist capitalism only became established after the massive impact of a world war and under pressure from power relationships favoring workers.

However, there is perhaps an even more fundamental reason why it is impossible to reregulate capitalism: the fall in productivity gains. Neoliberal capitalism has the particularity of having succeeded in reestablishing profit rates, despite a relative exhaustion of productivity gains. It has little left to redistribute, and can therefore only resort to continually increasing exploitation rates. Consequently, it is in the process of losing all legitimacy, because it refuses to meet an increasing proportion of social needs, on the grounds that these do not bring compensatory productivity gains. Today, capitalism only benefits a fraction of the population. For the rest (the 99% of *Occupy Wall Street*), it offers only the prospect of endless social regression. This is why the only alternative is a radical one, which challenges the very foundations of capitalism.

However, this panorama is incomplete: in emerging countries, capitalism is impressively dynamic. Undeniably, it is an aggressive, or even barbaric, capitalism, reminiscent of that of 19th century England. Yet its weight the world economy is growing (graph 5). Over the last twenty years (1991-2011), industrial production has increased by only 24% in advanced countries. In the same period, it has multiplied by 3.4 in emerging countries, which today represent 51% of global industrial exports. This turnaround, symbolized by the European Union’s call to

Chinese funds, is unprecedented in the history of capitalism. It is the start of a new and uncertain period. This is why some of the above analyses only apply to “advanced” countries. It is possible, for example, that global capitalism will become recentered on emerging countries, or that it will become fragmented. However, in both scenarios, its continuation in the old capitalist countries can only be based on social regression and dislocation. ■

Graph 5
The Growing Weight of Emerging Countries



CPB, Centraal Planbureau, *World Trade Monitor*, <http://www.cpb.nl/en/data>.

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APPENDIX

Statistical Sources

Ameco, European Commission database, <http://tinyurl.com/AMECO11>.

Angus Maddison, statistics on World population, GDP and per Capita GDP (2008), <http://gesd.free.fr/amaddi.xls>.

Consumption/wages: private consumption/wages ratio, United States + European Union at 15. Source: Ameco, European Commission database, <http://tinyurl.com/AMECO11>.

Financial globalization: relationship of total external assets to global GDP. Source: Shimshon Bichler and Jonathan Nitzan, "Imperialism and Financialism. A Story of a Nexus" (September 2010), <http://bnarchives.yorku.ca/294/>.

G4 profit share: share of profits in the value added (4 countries). Source: Ameco, European Commission database, <http://tinyurl.com/AMECO11>.

Inequalities: share of the 1% of rich countries (8 countries). Source: Anthony B. Atkinson, Thomas Piketty, and Emmanuel Saez, *Top Incomes in The Long Run of History*, NBER Working paper 15 408 (October 2009), <http://gesd.free.fr/aps2009.xls>.

Profit rate: average of 4 countries (the United States, Germany, France, and the United Kingdom). Source: Michel Husson, "Le Débat sur le taux de profit," *Inprecor* 562–563 (2010), <http://hussonet.free.fr/debaprof.pdf>.

Stock market: Dow Jones index deflated by the price of the United States GDP, <http://www.djaverages.com/>.

Synthetic indicator: mathematical average of indicators.

US debt: US household debt rate. Source: Federal Reserve, flow of funds, <http://tinyurl.com/FlowFund>.

US deficit: current account deficit as a % of GDP. Source: Bureau of Economic Analysis.

US overconsumption: household propensity to consume. Source: Bureau of Economic Analysis.

ABSTRACT

The deepening of the crisis is obvious. This article demonstrates the systemic nature of the crisis, using a long-term perspective. The substitution of neoliberal capitalism for "Fordist" capitalism can be seen as a reaction to the previous crisis which crystallised in the mid-1970s. With each of these periods can be associated specific modes of functioning, based on relatively coherent configurations. But neither one was really "sustainable." The fall of the profit rate blew the earlier configuration to smithereens. The second configuration required the continuation of tendencies that eventually met their limits. The article describes these two configurations by way of a "synthetic indicator" of the main variables accounting for the basic parameters of capitalist dynamics. The main conclusion is that the potential inherent in these dynamics has now been exhausted, at least within the "old" capitalist countries. The article raises the issue of a potential continuation of such dynamics within "emerging" countries.