

The State, Capital Reproduction, and Class Struggle: The Economic/Political Unit of Capital,
Jaime Osorio, Mexico, Institute for Economic Research-UNAM, 2014.

This book is the product of the Development Theory Seminar held by the Institute for Economic Research to encourage and revisit the contemporary debate surrounding development theories, which need to be reassessed today in light of the conservative assault on economic thought in recent years, which seeks to resolve the structural problems of Latin America with misplaced faith in market criteria.

The first chapter of the book discusses two important hypotheses. The first is that "Marxism is a radical school of thought because it questions the wisdom of capitalist modernity, which allows for an alternative view of reality and, moreover, defines a new reality, as well as renewed subjects of knowledge." The second hypothesis is that "underdevelopment (or dependence) is nothing more than the other side of the development coin. One cannot exist without the other."

One of the major challenges to capitalist modernity is individualism, a school of thought in which the point of departure to understand social actions is not the behavior of individuals, but rather social relations. The author criticizes what he calls methodological individualism, but especially, the reductionist nature of the social sciences nowadays, which, in this challenged modernity, entails a belief that the facts of society can be isolated and explained from a purely economic, sociological, or political perspective, giving rise to outcomes that only add up to the sum of various disciplinary points, but mask an explanation of society as a whole.

The second chapter begins with a definition of capital, understood as the differentiated unit of social relations of exploitation and dominance. These relations are examined to demonstrate how capital has revealed itself in a distorted fashion, prioritizing circulation, particularly, where securitized commodities are released into the market for their reproduction, in this way distancing itself from the set of phases of economic processes to reduce the importance of relations of domination, especially over the labor force, that arise in the cycle of capital reproduction.

Regarding this point, the book highlights that capital cannot conceal enormous social inequalities, but does try to justify them in an interpretation that touches only on the economic side and not the political side. Understanding inequality in this way disguises the true nature of capital reproduction. In this sense, the book is extremely valuable in light of the media attention given to other authors who have asserted that inequality is the predestined and inevitable consequence of capitalism, but fail to analyze the project built around certain capital factions that dominate and organize collective life. These capital factions are identified by the author, not only in the realm of circulation, but also in production and banking. These capital actions determine policy actions and, essentially, what we call democracy, although their electoral process does not endanger the power of whoever controls the State.

The third chapter examines social classes, the class struggle, and revolution. The overview of these concepts is essential to understanding the contradiction entailed by the behavior of workers in the defense of capital, described by a false conception of social class. The author believes that this class struggle can expedite the securitization of capital, because the ruled classes are unable to stop the advance of capital projects, and the ruling classes have the power to push ahead unimpeded, as the result of the competition that capital has instigated between active and inactive workers.

The notions of the State, the State apparatus, and political power are reviewed in the fourth chapter, which presents a rich description and explanation of the State as playing an active role in the creation of communities, and as the only bourgeois institution that has the capacity to spin projects that work to the interests of the few as projects for the greater good of society; therein resides the importance of holding the power of the State.

In Latin America, the State is generally sub-sovereign, which the author understands appropriately as a condition that goes hand in hand with being a peripheral economy.

The overarching function of the State in economic policy-building and the path capital takes to reproduction and securitization (the reproduction pattern) form the basis for the fifth chapter of the book. Osorio underscores the difference between economic policies and reproduction patterns to elucidate the logic of capital in various moments of time, and moreover, to achieve a comprehensive, rather than piecemeal, vision of the various phases of circulation and production and the historical forms these phases have taken. Regarding this point, the author highlights the enormous role that export patterns have played in the history of Latin America, combining the production structures of the region with the requirements of capital, while failing to meet the needs of the local populations. Just like the transfer of profits, the payment of high interest, and loans to the public and private sector, unequal exchange and the operations of speculative capital help readers understand and challenge the renewed expression of dependency in which Latin American economies are entangled.

The book concludes with a chapter encouraging the further study of the entrenchment of dependency in the region. This notion is important because the new export pattern of productive specialization characteristic of Latin American economies exists on the basis of overexploitation, prioritizing the productive specialization of sectors and industries tied to raw materials. But Osorio's analysis goes even deeper. This specialization, which is frequently referred to as extractivism, in the eyes of the author is nothing more than a one-dimensional concept, and rather poor at that, because it fails to question the global process and current reproduction of capital. Moreover, together with the destruction of nature, this process has also generated a situation leaving many workers bereft of decent living conditions.

Capital has created an order that organizes our collective life. Neoliberalism plays an important role in escalating this predation of nature and the workforce. The conclusion the author reaches is that rather than developing, we are become more and more dependent. Jaime Osorio supports this reinterpretation with solid theoretical aspects to stand up in the battle of ideas, in a strong and significant fashion, against the conservative ideology that has deliberately sought to bury the concept of dependency. To do so, books such as this one are extremely valuable in building the theoretical structure to delve into the behavior of capital and its effects on class consciousness and the State apparatus.

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