

LOLA SEATON

## REFLECTIONS ON 'POLITICAL CAPITALISM'

**D**YLAN RILEY AND Robert Brenner's 'Seven Theses on American Politics', published after the US midterms last winter, has outlasted its immediate occasion in striking fashion. The article sparked a thoughtful, expansive, at times technically intricate debate that has ranged beyond the pages of *New Left Review*—drawing responses in *Jacobin* and *Brooklyn Rail*, spawning Substacks and podcasts—and spanned the generations. Riley and Brenner's interlocutors in the journal so far—Matthew Karp, Tim Barker and Aaron Benanav—are part of a cohort of radical intellectuals shaped by the fallout of the 2007–12 crisis; the richness and rigour of today's discussion far surpasses what left analysis could muster a decade ago.<sup>1</sup> The proximate purpose of 'Seven Theses' was two-fold: first, to explain the Democrats' unexpectedly robust performance in the midterms, and, second, to assess the ideological complexion and macro-economic consequences of 'Bidenism'—the Administration's fiscal stimuli and eco-nationalist neo-industrial policies: the Bipartisan Infrastructure Investment and Jobs Act of 2021, and the CHIPS and Science Act and the Inflation Reduction Act, both passed in the summer of 2022. Riley and Brenner's assorted theses—'rough', 'unfinished' and 'proposed in an experimental and provisional spirit'—were 'intended to provoke further discussion'. Before revisiting them in detail, it is worth reflecting: why did they succeed?

Bucking the tendency of American political commentary to neglect the 'economic history structuring shifts in the political system',<sup>2</sup> 'Seven Theses' attempted to apprehend conjunctural developments—election results, government policies—by linking them to a 'deep structural

transformation' within American capitalism, namely the emergence of a 'new regime of accumulation: let us call it political capitalism', under which 'raw political power, rather than productive investment, is the key determinant of the rate of return'. By sketching these structural, longer-term changes in the dynamics of accumulation, Riley and Brenner sought to clarify the conditions and parameters of politics. It is the bracing depth of their analysis that accounts for the intensity and calibre of the engagement it has attracted—as well as, perhaps, for the preponderantly critical character of the responses. An inquiry into the material substratum and 'structures' of American politics, inevitably somewhat schematic and broad-brush, is bound to elide or distort some of the more nuanced aspects of the conjuncture, especially one as complex and fluctuating as the early 2020s.

Whatever the pitfalls of the approach, the perplexing characteristics of the present period, most agree, warrant fresh, ambitious theorizing of the kind on display in 'Seven Theses'. The debate is an attempt to grapple with a succession of unprecedented crises—and the distinctive political reactions they elicited—in the heartlands of the capitalist system: the slow and faltering recovery from the near-meltdown of the financial system in 2008, austerity and foreclosures hitting working people as quantitative easing and near-zero interest rates drove asset prices to dizzy heights; the rise of new tech giants with a private-monopoly hold over digital communications and algorithmic regulation; the political shock of Trump's victory to the two-party system and the liberal establishment; the deterioration of US–China relations, beginning in 2018, and ominously ramped up under Biden; the onslaught of extreme weather events as the world warms faster than predicted; the watershed of the pandemic, with the Federal government pouring cash into workers' and companies' bank accounts, as large sections of the global economy went into lockdown; soaring consumer prices, with food and fuel spikes driven by a ferocious land war in Europe and supply-chain hangovers from Covid-19, alongside a tight labour market—with unemployment in

---

<sup>1</sup> Dylan Riley and Robert Brenner, 'Seven Theses on American Politics', NLR 138, Nov–Dec 2022; Matthew Karp, 'Party and Class in American Politics', NLR 139, Jan–Feb 2023; Tim Barker, 'Some Questions about Political Capitalism', NLR 140/141, Mar–June 2023; Aaron Benanav, 'A Dissipating Glut', NLR 140/141, Mar–June 2023; see also *inter alia* J. W. Mason, 'Yes, Socialists Should Support Industrial Policy and a Green New Deal', *Jacobin*, 6 April 2023 and Jamie Merchant, 'The Economic Consequences of Neo-Keynesianism', *Brooklyn Rail*, July/August 2023.

<sup>2</sup> Perry Anderson, 'Homeland', NLR 81, May–June 2013, p. 31.

the US, as of June, still at 3.6 per cent despite ten successive rate hikes by the Fed since March 2022.<sup>3</sup> Beneath these shocks, the symptoms of a deeper, longer-running malaise linger, stemming from the secular deceleration of the world economy and aggravated by the weak, uneven recovery of the 2010s: stagnating real wages and worsening precarity, depressed rates of accumulation even as profits have revived, a hypertrophied and brittle financial sector increasingly dependent on monetary stimulus and bailouts. Whether or not political capitalism, the flagship concept of ‘Seven Theses’, is an apt way of capturing the novelties, not to say morbidities, of the era, few could question that there is, as Barker put it, ‘something to talk about here’.

Political capitalism played a less prominent but still animating role in earlier analyses by both Riley and Brenner, including ‘Escalating Plunder’, Brenner’s blistering audit of the Fed bailouts authorized by the CARES Act, passed by Trump in March 2020, and Riley’s ‘Faultlines’, published after Biden’s election later that year. But the concept also draws and expands on ideas formulated in older writings. An important antecedent to the present discussion is Brenner’s editorial launching *Catalyst* magazine in 2017, where he adumbrated the lineaments of the new regime. But the key historical account, setting the scene for its emergence, is Brenner’s influential study of the postwar trajectory of world capitalism, first laid out in a special issue of *NLR* in 1998 and later published as *The Economics of Global Turbulence* (2006), various aspects of which have been revisited over the course of the debate.<sup>4</sup> Not only did ‘Seven Theses’ reignite broader, older arguments about the vicissitudes of the capitalist system, but the emphases and parameters of the debate that ensued have shifted as it has progressed, with ‘political capitalism’ deployed to explain quite disparate local phenomena, from pandemic relief to the collapse of Silicon Valley Bank.<sup>5</sup>

It is perhaps little surprise, given its all-encompassing and protean character—and with the real-world referents rapidly evolving—that the

---

<sup>3</sup> ‘Economic News Release: Employment Situation’, Bureau of Labor Statistics, 7 July 2023.

<sup>4</sup> Robert Brenner, ‘Escalating Plunder’, *NLR* 123, May–June 2020; Dylan Riley, ‘Faultlines: Political Logics of the US Party System’, *NLR* 126, Nov–Dec 2020; Robert Brenner, ‘Introducing *Catalyst*’, *Catalyst*, vol. 1, no. 1, spring 2017; Robert Brenner, ‘The Economics of Global Turbulence’, *NLR* 1/229, May–June 1998.

<sup>5</sup> The latter was the subject of Riley’s ‘Drowning in Deposits’, a provocative appendix to ‘Seven Theses’ published in *Sidecar* on 4 April 2023.

debate has at times seemed in danger of becoming at once involuted and diffuse. What follows, then, will seek, first, to narrow the discussion, and second, to open it out: to distinguish a few of the most salient and fundamental questions raised, and to reflect on the political stakes involved in posing them. Along the way, the aim will be, if not to resolve, then at least to acknowledge and define the areas of surface confusion and contradiction, ambiguity and irony, dappling the concept of ‘political capitalism’. The hope is that recasting the discussion in leaner and more reflective terms will facilitate further exchange of a focused, attentive and productive kind.

### *The seven theses*

Given midterms traditionally punish the incumbent party, why did the bruited ‘red wave’ fail to douse Congress despite Biden’s lacklustre approval ratings amid entrenched inflationary pressures?<sup>6</sup> Conventional analysis pointed to immediate, contingent factors—the Supreme Court’s overturning of the constitutional right to abortion in the summer of 2022, the off-putting extremity of the Republican candidates endorsed by Trump (and, in some cases, deliberately boosted by Democrat donors’ funds). For Riley and Brenner, these explanations ‘miss the larger picture’: the sociological recomposition of the two major parties’ bases over the last two decades that has transformed the character of elections. While much of the twentieth century saw ‘significant electoral swings, and big congressional majorities’, the twenty-first has been distinguished by feverish deadlock, with narrow victories scraped by turning out ‘a deeply but closely divided electorate’.

The ‘peculiar intensity’ of recent elections—hyper-partisanship producing a kind of churning stasis: ‘two symmetrical waves, crashing into one another’<sup>7</sup>—is an effect, Riley and Brenner claim, of the rise of a

---

<sup>6</sup> In the month before the midterms, Biden’s approval ratings were at 38 per cent, down from the mid-50s in the months after his inauguration. Clinton was polling at 41 per cent before the 1994 midterms in which the Republicans swept both chambers. Although inflation had crested in June 2022 at 9.1 per cent, in October it remained above 7 per cent, with food prices still rising by nearly 11 per cent. See Amina Dunn, ‘Biden’s Job Rating Is Similar to Trump’s But Lower Than That of Other Recent Presidents’, Pew Research Center, 20 October 2022; inflation rates, broken down by month, are tabulated at US Inflation Calculator, using the Consumer Price Index provided by the Bureau of Labor Statistics.

<sup>7</sup> Riley, ‘Faultlines’, p. 49.

new electoral structure ‘axed on conflicts of material interest *within* the working class’, defined capaciously as the 68–80 per cent of American households ‘who do not own assets and therefore must subsist on wage income’. The new structure is the upshot of a two-way shift widely known by the shorthand ‘class dealignment’, which Matthew Karp summarizes as ‘the movement of poorer and lower-educated voters toward the Republican Party, and the parallel migration of wealthier and higher-educated voters toward the Democrats’.<sup>8</sup> The Democrats’ strong showing in the midterms, Riley and Brenner argue, is a reflection of the Party’s ‘neo-technocratic’ appeal to its core constituency among the ‘credentialed’ fraction of wage-earners. In a highly polarized political landscape, turn-out is a major determinant of success, and the well-educated who now lean Democratic are more likely to be politically engaged, an extra advantage in off-year polls.

How do Riley and Brenner explain this transition to tight, heated elections won by mobilizing some portion of a fractured and ideologically reshuffled working class? The standard ‘class dealignment framework’—the rival account they aim to dislodge—interprets the new social fissures reshaping electoral politics as a symptom of ‘identity’ having displaced class as the determining principle of political affiliation. This ‘idealist’ explanation, Riley and Brenner contend, is ‘misleading, or at least highly partial’, because it neglects the ‘robustly material’ (if ‘obviously non-class’) basis of contemporary American politics. The divergent attitudes and allegiances of the higher- and lower-educated segments of the wage-earning class ‘are understandable pragmatically without having to attribute to [either] group a fanaticism which it does not hold’.<sup>9</sup>

What ‘pragmatic’ explanation do they propose? They link these new electoral dynamics to the new political-capitalist regime, itself a kind of

---

<sup>8</sup> Karp, ‘Party and Class in American Politics’, pp. 133–4.

<sup>9</sup> One senses that Riley and Brenner object to identity-based explanations not only because they are descriptively inadequate, but because they are politically unhelpful, entrenching the very dynamics they purport to account for. ‘Idealist’ explanations, Riley explained in an interview on *Jacobin* radio, foster a ‘politics of moralism’ with each side denouncing the other as irrational or prejudiced—whether the xenophobia of benighted ‘have-nots’ or the hyper-wokeness of supercilious liberal elites. To show that contrasting political loyalties arise not from insuperable differences of culture or values fanatically held but from the ‘material interests’ inhering in each class fraction’s ‘objective situation’ might seem a prerequisite for renewing cross-class solidarity: ‘Dealignment?’ w/ Robert Brenner and Dylan Riley, *Jacobin Radio* with Suzi Weissman, 15 February 2023.

morbid adaptation to the ‘long downturn’: the system-wide, global slow-down that set in in the early 1970s, catalysed by declining profitability in manufacturing as intensifying international competition mired successive national industries in chronic crises of overcapacity and weak aggregate demand from which they are yet to escape. Eroding wages to subsidize profits only exacerbated shortfalls in consumer spending, while state interventions—from Keynesian stimulus to accommodating monetary policy and the massive expansion of public and private debt—stabilized the system but at the cost of entrenching its structural weaknesses, preventing a replenishing shake-out of unproductive capital. As Brenner explained in *Catalyst* in 2017, faced with few outlets for profitable investment, capitalists ‘turned to a far-reaching programme of politically founded upward redistribution’. Profits were sustained by suppressing wage growth and speeding up work, among other traditional cost-cutting measures, and, increasingly, by ‘skipping production altogether’, seeking higher returns in financial speculation and political predation—taking advantage of a repertoire of ‘politically constituted rip-offs’, including such varied items as regressive tax cuts, deregulation, monetary infusions, near-zero interest rates pumping up asset bubbles and the socialization of the losses of an over-leveraged financial sector.<sup>10</sup>

In these straitened, skewed circumstances, redistribution from capital to labour ‘becomes extremely difficult, if not impossible’, producing a vicious ‘politics of zero-sum redistribution, primarily between different groups of workers’, in which ‘parties become fundamentally *fiscal* rather than productivist coalitions’. Instead of pursuing their collective interests as a class, workers attempt to protect the value of their labour power by coalescing into ‘status groups’—‘credentialled’ workers promoting ‘expertise’ and ‘science’; ‘native’ workers opposing immigration—as a way of ‘managing competition’. Education and race thus become forms of ‘social closure’.<sup>11</sup>

The ‘Biden experiment’—the second principal subject of ‘Seven Theses’—is another symptom and casualty of political capitalism, shaped and ultimately undermined by the structural weakness of the US economy as well as its *sui generis*, ‘accidental’ origins. ‘The pursuit of a quasi-New Deal fiscal programme without the requisite capitalist growth has predictably contributed to rising inflation’ (‘what one gets

---

<sup>10</sup> Brenner, ‘Introducing *Catalyst*’.

<sup>11</sup> Riley and Brenner, ‘Seven Theses’.

when one pursues deficit spending in the absence of a dynamic capitalism'). Meanwhile, the zero-sum politics to which stagnation has given rise foreclose meaningful redistribution. Whereas the New Deal and Great Society programmes were premised on a 'booming economy' and working-class militancy, the 'neo-progressive' fiscal largesse of the 2020s is 'largely a fortuitous response to the Covid pandemic', Trump's populist example (and 'perhaps' rivalry with China). What's more, the means of the Democrats' electoral success—their 'strikingly effective' bid to the highly educated—further curtails the Party's legislative ambitions.<sup>12</sup> In immediate terms, this is due to the ideological cast of its wealthy supporters, many of whom, as Karp has observed, 'strenuously oppose' progressive redistributive measures.<sup>13</sup> In the longer run, the Democrats' neo-technocratic brand of 'multicultural neoliberalism' is 'premised upon, and likely to reinforce, the fragmented nature of the US working class', impeding the coalescence of the class-based social forces that have historically propelled pro-labour reforms.

### *Responses*

Vividly juxtaposing the opposing political trajectories of two cities in Minnesota—the tony, exclusive suburb of North Oaks, a GOP fortress that turned Democratic in 2022, and the depressed, blue-collar town of Hibbing, which opted for Trump in 2016 and 2020—Karp's contribution constitutes less a refutation than an elegant refinement of 'Seven Theses'.<sup>14</sup> In particular, Karp proposes a slightly different, and

---

<sup>12</sup> In seeking to dispel a 'misconception: that the Democratic Party has been an electoral failure in recent years', do Riley and Brenner overstate the strength of the Party's non-class strategy of appealing to the 'credentialled'? As a recent report for *Jacobin* points out, 'in four of the five states Biden flipped in 2020'—Michigan, Pennsylvania, Wisconsin and Arizona, crucial for keeping control of the Senate—'the white non-college-educated electorate was larger than the white college-educated, black, and Hispanic electorates combined.' In the House, too, over 86 per cent of 'competitive districts are majority non-college-educated': The Center for Working-Class Politics and YouGov, 'Trump's Kryptonite: How Progressives Can Win Back the Working Class', *Jacobin*, June 2023.

<sup>13</sup> Matthew Karp, 'The Politics of a Second Gilded Age', *Jacobin*, February 2021.

<sup>14</sup> Karp does raise some crucial caveats too, however, noting, for example, the way increasing numbers of non-white workers are also drifting towards the Republicans, which at the very least complicates Riley and Brenner's argument that 'nateness' and whiteness are the GOP's principal means of 'social closure'. Riley and Brenner register this trend in passing but do not adjust their schema in light of it. Some estimates point to a 33-point decline in Democrats' advantage among non-white workers between 2012 and 2022: 'Trump's Kryptonite'.

finer-grained periodization. Whereas Riley and Brenner trace the origins of the new electoral structure to the 1990s ('definitively since 2000'), Karp maintains that the 'truly fateful shift in voting patterns'—the two-way traffic of downscale voters travelling right and upscale voters moving left—'has only occurred in the last decade'.<sup>15</sup> He agrees that the shift had been brewing for decades—the 'electoral order first began to wobble in the 1970s'—as 'stagnation, deindustrialization and the consequent retreat of organized labour' eroded the support of centre-left parties. But, noting that Obama lost North Oaks and won Hibbing in 2008 despite Republican appeals to an exclusionary nationalism, he argues that political loyalties were only decisively reversed 'after 2012', with the election of Trump in 2016 a kind of cartoonish denouement.

Tim Barker and Aaron Benanav, by contrast, primarily take up Riley and Brenner's characterization and critique of 'Bidenomics'—as well as Brenner's account of the long downturn. This has become the basis for 'extraordinarily strong claims about the future of capitalism and the feasibility of various political projects', Barker contends, before raising searching questions, empirical and theoretical, about the significance of the rate of profit in manufacturing.<sup>16</sup> Is 'politically engineered upward redistribution' a sufficiently subtle analytic instrument with which to parse the fiscal and monetary policies of the 2020s, encompassing not only Fed bailouts but relief for workers, not only monetary stimulus but a dramatic tightening of credit to contain inflation? Even if the 'overall tilt of state policy is regressive', Barker insists that the distributional consequences—on both income and power—of, for example, low interest rates, are more ambiguous than Brenner's verdict suggests: 'politicized

---

<sup>15</sup> The different timeline may partly be an effect of Riley and Brenner focusing not on immediate evidence of class dealignment—such as the contrasting political journeys of Hibbing and North Oaks—but on its more indirect impact on the nature of elections: the rotation of rule on the 'narrowest of margins'.

<sup>16</sup> Barker asks 'why manufacturing profits should be especially important given that manufacturing currently accounts for only 11 per cent of value added in the US economy'. Nicholas Crafts, in a symposium about *The Economic Global Turbulence*, raised the same question: 'it is really surprising to me that Brenner places so much emphasis on manufacturing profitability . . . Manufacturing is a small sector in today's advanced economies and its profitability surely does not determine the rate of technological progress in services': Nicholas Crafts, 'Profits of Doom?', NLR 54, Nov–Dec 2008, p. 60. One reason for manufacturing's outsized and ongoing significance is its amenability to rapid productivity growth, which makes it what Benanav has termed a 'major engine of overall growth'—perhaps an irreplaceable one.



plunder' funnelling wealth to the rich by inflating asset prices and stock markets. The instrumental and ideological motivations of fiscal intervention are often complex, too: one ought to ask 'whether the government ever spends money to legitimate itself, or to buy votes from non-rich people, or to invest in the cheapest possible version of social reproduction.'<sup>17</sup>

Benanav's contribution, in part a defence of Brenner's account of overcapacity, was a response to a subsidiary strand of the debate, launched by Riley's short article in *Sidocar* which glossed the collapse of Silicon Valley Bank earlier this year as a 'beautiful, almost paradigmatic demonstration of the fundamental structural problem of contemporary capitalism'—namely the secular decline of profitability and the ensuing recourse to 'directly political mechanisms' to generate returns. Biden's green-nationalist industrialization drive, inevitably greeted by retaliatory 'onshoring' projects elsewhere, will only aggravate 'the problems of overcapacity on a world scale', necessitating 'increasing state support', either 'monetary juicing' or 'direct profitability guarantees', both of which in turn would 'exacerbate the phenomenon of political capitalism'.<sup>18</sup> A rebuttal by J. W. Mason appeared in *Jacobin*, where he defended the prospects for New Deal-style stimuli and industrial strategy by taking issue with Brenner's account of overcapacity. Mason argued that the notion that increasing public investment in one country will 'diminish opportunities for profitable accumulation elsewhere' misconceives demand as finite—an 'absolute or externally given' constraint—as opposed to a flexible variable, in part determined by the changes in supply effected by the collective investment decisions of producers.<sup>19</sup>

---

<sup>17</sup> The huge fiscal transfers during the pandemic, for example, not only further enriched the richest but also helped the poorest workers to cope with surging prices, as Cédric Durand has pointed out: 'in spite of declining real wages, this facilitated a change in the dynamic of employment in favour of low-wage workers': Cédric Durand, 'The End of Financial Hegemony?', *NLR* 138, Nov–Dec 2022. Except for claiming that Bidenomics, by fuelling inflation, has led to the Administration's 'deep unpopularity', Riley and Brenner also do not consider the effects policies can have on the field of politics itself, however uncertain their macro-economic consequences—building or consolidating electoral alignments, altering the balance of class forces. Adam Tooze, for example, has described the IRA, in its attempt 'to build a new coalition of green capital, progressive environmentalism and organized labour', as 'real socio-political-economic engineering': Adam Tooze, 'The IRA (& the Fed) Debate—Bringing Hegemony Back In', *Chartbook*, 121, 17 June 2023.

<sup>18</sup> Riley, 'Drowning in Deposits'.

<sup>19</sup> Mason, 'Yes, Socialists Should Support Industrial Policy'.

In response, Benanav argued that Brenner's theory of overcapacity is in fact dynamic rather than static. The 'zero-sum game' doesn't imply a 'fixed amount of demand', but a fiercely competitive world system in which the ongoing slowdown in average rates of economic growth pits capitalist firms and states against each other, such that the rise or recovery of manufacturing in one country, often achieved through currency revaluation, can only be achieved 'at the expense' of other countries' industries. In order to explain why overcapacity has become so entrenched, dragging down growth, Benanav augments Brenner's theory with a sketch of what he terms the 'goods-to-services demand shift'. Since productivity growth is harder to come by in services—less amenable to mechanization than manufacturing—they become more expensive over the course of economic development, eating up proportionally more of people's income, less of which is spent on manufactured goods. Thus the demand shift undermines 'the self-reinforcing dynamic in which industrial supply created its own demand', issuing in a surfeit of productive capacity.

Meanwhile, writing in *Sidecar*, Grey Anderson highlighted the near-total neglect of 'the relational logic between expanded domestic spending and an increasingly aggressive Pacific policy'—not only in the 'Seven Theses' discussion, but in broader left assessments of Washington's industrial pivot:

Viewed from the halls of power, the anti-China orientation of us industrial policy is not an unfortunate by-product of the green 'transition', but its motivating purpose. For its conceptors, the logic governing the new era of infrastructure spending is fundamentally geopolitical; its precedent is to be sought not in the New Deal but in the military Keynesianism of the Cold War.<sup>20</sup>

A trenchant critique of the 'worldwide comeback' of industrial strategy—and of the myopia of the left's warm reception—also appeared in *Brooklyn Rail*, where Jamie Merchant similarly emphasized the anti-China objectives galvanizing Biden's neo-mercantilist policies, though stressing economic relationships rather than national-security logics. Insofar as 'politically engineered upward redistribution' within the US

---

<sup>20</sup> Grey Anderson, 'Strategies of Denial', *Sidecar*, 15 June 2023.

polity scants these broader geopolitical dynamics, ‘political capitalism’ could appear a parochial framework. As we saw, the crucial backdrop to the emergence of the new regime is the fading dynamism of global capitalism since the 1970s; yet ‘Seven Theses’ only examines the effects of this worldwide slowdown on American politics—as though national political systems, while shaped by global economic forces, operate in an insular vacuum. International competition was the pivotal factor in Brenner’s original account of overcapacity, but has faded from view, Merchant observes. Bidenomics is a product of the long downturn in a more thoroughgoing sense—not only indirectly, as shaped by the zero-sum political dynamics to which secular stagnation has given rise, but as the American iteration of ‘a strategy that capitalist countries are forced to adopt to defeat one another on the shifting stage of global competition’, which entails the ‘constantly expanding footprint of national states in both domestic and international corporate economies’:

The different national forms this takes—Bidenomics in the US, Germany’s Industrial Strategy 2030, China’s Made in China 2025, India’s MII (Make in India) initiative, and so on—are all particular instances of a single, structural transformation of the world economy into a fragmented state-capitalist hellscape.<sup>21</sup>

### *Ambiguities, contradictions, ironies*

Is ‘political capitalism’, in the broad sense of the dependence of capitalist profits on political power, really new? Aren’t capitalist economies always ‘politically constituted’, with profit-making perennially reliant on the complicity if not active intervention of the state, which establishes and enforces the institutional conditions that permit the sustainable extraction of surplus value—enshrining strong private property rights, tinkering with the value of currencies, regulating trade union activity? Are the political mechanisms of upward wealth transfer Riley and Brenner identify—such as tax breaks and privatization—so very ‘novel’, and do they really compose a distinct ‘regime of accumulation’? Riley and Brenner do not define the term—which derives from Michel Aglietta’s *Régulation et crises du capitalisme* (1976)—but such a regime presumably fosters capital accumulation, in the sense of returns on productive

---

<sup>21</sup> Merchant, ‘The Economic Consequences of Neo-Keynesianism’.

investment, yet one of the defining features of the contemporary period, especially glaring since 2008, is the persistently depressed rates of accumulation even though profits as such have rallied.<sup>22</sup>

Political capitalism has not only attracted this sort of lively critical engagement, but also generated a certain amount of confusion. Its relationship to neoliberalism, in particular, remains somewhat unclear; at times, the two seem virtually synonymous.<sup>23</sup> The politicization of the rate of return appears to have begun with neoliberalism, as Riley explains in ‘Faultlines’: ‘with the onset of the long downturn, a profound mutation in the material basis of US party politics took place from around 1980. Political power, rather than investment and accumulation, began to play an increasingly direct role in securing rates of return for capital . . . this could perhaps be termed “political capitalism”: Is political capitalism a wholly new regime or neoliberalism in more brazen form?’<sup>24</sup>

Karp and Barker both mischaracterize political capitalism in passing as chiefly referring to the large-scale state interventions of the Covid era. The mischaracterization is partly down to the capacious application of the concept, flexibly adapted to contextualize both midterm elections and fiscal stimuli, but the term itself could also be seen as misleading: ‘political capitalism’ conjures a highly proactive state, directly administering productive enterprises, rather than a servile, hamstrung one,

---

<sup>22</sup> In his analysis of the aftermath of the 2008 crisis, David Kotz defines a regime of accumulation as a set of institutions and ‘dominant ideas’ which promote capital accumulation by facilitating ‘a high rate of profit, growing total demand and long-run productive investments.’ Political capitalism, from this point of view, resembles more a protracted intensification of the ‘structural crisis’ of neoliberalism Kotz diagnoses than a new regime that has transcended it (‘the contradictions of each regime eventually bring about a structural crisis and a period of struggle over the restructuring of the political economy, leading to a new social structure of accumulation’): David Kotz, ‘End of the Neoliberal Era? Crisis and Restructuring in American Capitalism’, NLR 113, Sept–Oct 2018.

<sup>23</sup> In Brenner’s *Catalyst* editorial, for example, the idea of ‘politically founded upward redistribution’, if not the term ‘political capitalism’ itself, crops up in a section headed ‘What is neoliberalism?’, and later Brenner writes that ‘In retrospect, the shift to neoliberalism has had two fundamental aspects—austerity on the one hand and politically driven direct upward redistribution on the other’: Brenner, ‘Introducing *Catalyst*’.

<sup>24</sup> There is even some vacillation in ‘Seven Theses’—perhaps more verbal than substantive—about whether political capitalism constitutes a ‘new regime of accumulation’, or ‘a deep structural transformation in the regime of accumulation’, which might imply a mutation within the existing neoliberal one.

enriching capitalists in ways that ever more flagrantly contradict the needs of the ordinary people it purports to represent.<sup>25</sup> Recall that in ‘Escalating Plunder’, Brenner criticized the emergency funding extended by the Fed to corporations—‘placing money in their hands without conditions on how they should spend it’ (such as to retain employees and refrain from stock buybacks)—as ‘a *hands-off* approach to the economy’s leading producers and financiers on the part of the bipartisan political-economic establishment’.<sup>26</sup>

In fact, these sorts of Keynesian expansionary policies were explicitly contrasted with and excluded from political capitalism in the 2017 *Catalyst* editorial, where Brenner described the turn to ‘politically founded upward redistribution’ as precisely a response to the diminishing effectiveness of stimuli in the 1970s. And among the repertoire of classically neoliberal policies Brenner included in his list of political ‘rip-offs’—tax cuts, privatization, financialization—fiscal spending was conspicuously absent. In ‘Escalating Plunder’, he lamented the absence of a ‘new wave of statist intervention in the interests of greater productivity and competitiveness’. But by the time of ‘Seven Theses’, as Barker points out, Biden’s raft of subsidies designed to boost domestic manufacturing joins the list of rip-offs, and is blamed for stoking inflation.

Described as ‘massive state spending aimed directly at private industry, with trickledown effects for the broader population’, does Biden’s array of tax credits, loans and grants hew to the logic of ‘political capitalism’? There is little disputing their broadly upward-distributive character, which Thomas Meaney has aptly described as the ‘public subsidization of private capital’s returns’, inducing companies to invest in environmentally and geopolitically strategic industries by socializing the risks of such investment.<sup>27</sup> Even the *Economist* concedes the sum of Biden’s spending is ‘remarkable in that it is going mainly to private enterprises’.<sup>28</sup> The subsidies certainly disburse public monies to capital,

---

<sup>25</sup> The mixed epistemological parentage of ‘political capitalism’ does not help. Branko Milanović uses it in *Capitalism, Alone* (2019) to refer to the Chinese economy under CCP command, while, as Barker notes, Gabriel Kolko defined it as *belle époque* ‘business control over politics’ in *The Triumph of Conservatism* (1963). Weber’s original coinage, describing corruption in Ancient Rome, muddies the water further.

<sup>26</sup> Brenner, ‘Escalating Plunder’; emphasis added.

<sup>27</sup> Thomas Meaney, ‘Fortunes of the Green New Deal’, *NLR* 138, Nov–Dec 2022.

<sup>28</sup> ‘America’s Government Is Spending Lavishly to Revive Manufacturing’, *Economist*, 2 Feb 2023.

whose profits can in that sense be regarded as politically assisted, if not politically decreed. Yet doesn't subsuming all such policies under the rubric of 'politically engineered upward redistribution' 'conflate wildly different sorts of policy', as Barker puts it—income tax breaks with 'Made in America' initiatives? Is the contrast between the political and the productive implied in Riley and Brenner's definition—which juxtaposes productive investment with 'investments *in politics*'—sustainable when considering the CHIPS Act and IRA, which are certainly politically driven and upwardly redistributive but also, crucially, designed to draw capital into the productive sector?

Whether or not the investment they spur will prove 'productive' or not is another matter: the 'reshoring' of, for example, chip-making, to a 'high-cost destination' like the US, in combination with the disruption to international supply chains caused by export controls, is likely to be, in the *Economist's* judgement, 'distressingly inefficient', as well as threatening a global glut. The effects on employment of this influx of capital to domestic industry may also be underwhelming; job growth in manufacturing has slowed this year, and the Bureau of Labor Statistics expects employment in the sector to shrink between 2021 and 2031, despite the 'boom' supposedly ignited by Biden's initiatives.<sup>29</sup> Nevertheless, it is surely beyond question that these bills are designed to increase American productive capacity and that the battery-makers and EV manufacturers taking advantage of the handouts will be using them to purchase factors of production—building factories, hiring workers—and that such investments will be a 'key determinant' of their eventual returns.

### *Stagnationary impasse?*

The equivocation about Keynesian stimulus is a symptom, it would seem, of a larger uncertainty about the prospects for reviving growth, and the

---

<sup>29</sup> 'News Release: Employment Projections—2021–2031', Bureau of Labor Statistics, 8 September 2022. See also Derek Brower, James Politi and Amanda Chu, 'The New Era of Big Government: Biden Rewrites the Rules of Economic Policy', *Financial Times*, 12 July 2023. On the job-creation potential of the original THRIVE agenda, a more ambitious precursor to the Build Back Better programme that included major investments in the care economy, aimed at supporting low-waged women and people of colour, see Robert Pollin, Shouvik Chakraborty and Jeanette Wicks-Lim, 'Employment Impacts of Proposed US Economic Stimulus Programmes: Job Creation, Job Quality and Demographic Distribution Measures', PERI, UMass-Amherst, 4 March 2021.

capacity of states to reshape economies in ways that overcome the structural weaknesses stemming from overcapacity and falling real wages. The longer-term outlook for a return to rapid growth rates in advanced economies looks bleak. The productivity revolutions that transformed agriculture and industry, bringing new phases of accumulation, are, as Gopal Balakrishnan observed back in 2009—foreseeing a ‘long-term drift’ towards a ‘stationary state’—unlikely to be repeated for service-dominated economies catering to ageing, shrinking populations.<sup>30</sup> Riley and Brenner appear similarly sceptical about the prospects of revitalizing American capitalism. Bidenomics, as we saw, is a ‘quasi-New Deal fiscal programme without the requisite capitalist growth’. Several questions present themselves: couldn’t the original New Deal—in its initial stages, an emergency response to prolonged depression—equally be described as a ‘fiscal programme without the requisite capitalist growth’? Even if war preparations were what ultimately lifted the US economy out of its rut, wasn’t growth the goal rather than a prerequisite? And can Bidenomics be described as ‘deficit spending without growth’ or does its strategic attempt to bolster productive capacity more closely resemble ‘a programme of restructuring’? Biden’s subsidies fall far short of the spending proposed in the foiled Build Back Better plan, let alone Sanders’s \$16tn Green New Deal—and come to a mere 0.5 per cent of GDP, compared to the approximately 6 per cent of GDP a year invested in infrastructure in the mid-20th century.<sup>31</sup> Would these more extravagant investment programmes propel the economy where Bidenism can only overheat it? And if not, what sort of policies *could* revive profitability and overall growth rates?

The persistence of ‘a low- or no-growth environment’ can, in Riley and Brenner’s rendering, seem all but guaranteed. But their scepticism about the likelihood of rekindling growth is not only anchored in the secular trends afflicting advanced economies the world over. It is also rooted in a deeper pessimism about the *political* possibility, in the US, of transcending stagnation given the electoral dynamics—zero-sum conflict among a fractured working class, the preclusion of ‘hegemonic growth coalitions’—it has set in motion. ‘The politics of the present period’, they contend, ‘does not hold out even the *hope* of growth’; Clinton’s 2016 campaign, for example, ‘propos[ed] virtually nothing by way of

---

<sup>30</sup> Gopal Balakrishnan, ‘Speculations on the Stationary State’, *NLR* 59, Sept–Oct 2009, p. 6.

<sup>31</sup> ‘America’s Government Is Spending Lavishly to Revive Manufacturing’, *Economist*.

economic growth'. But whether or not this is an accurate description of American politics, especially rhetorically,<sup>32</sup> we might ask whether Riley and Brenner's assertion is a rebuke of an ideological lapse—a failure of political imagination—or a neutral observation of a structural fact, the logical political upshot of an intractable economic situation. As a result of stagnation, 'parties *can no longer operate* on the basis of programmes for growth'. This somewhat counter-intuitive argument—one would think that parties would be keen to develop 'programmes for growth' during protracted downturns—springs from a view of electoral politics as fundamentally constrained by the deterioration of the system which it can do little to remedy: instead of proposing implausible or inflationary productivist rebounds, parties reactively assemble fiscal coalitions.

The deeper import of Riley and Brenner's critique of the 'Biden experiment', then, is that the scope of electoral politics is circumscribed by the macro-economic environment, and by the social relations and political dynamics to which this gives rise. If this is a general insight, its specific application to the contemporary period—conveyed with polemical clarity in Riley's *Sidocar* piece—is that the era of political capitalism precludes reformist agendas of a 'classically social-democratic kind'. Demonstrating that a redux of the New Deal—'premised on the social relations of a highly profitable manufacturing capitalism'<sup>33</sup>—is 'both unrealistic and insufficient', as Riley explained in an interview with *Jacobin* radio, seems among the central motivations of 'Seven Theses'. 'In a period like this', Brenner added in the same conversation, 'there are

---

<sup>32</sup> Reviving American manufacturing competitiveness as the basis for a sturdier and more equitable kind of growth has been a key motif of Biden's speeches. In September 2022, Biden told Detroit auto-makers that 'we're rebuilding an economy—a clean energy economy, and we're doing it from the bottom up and the middle out. I'm so tired of trickle-down; I can't stand it'. 'My economic agenda has ignited a historic manufacturing boom here in America . . . American manufacturing is back.' In December, at the site of the Taiwanese chip-maker TSMC's planned plant in Arizona, Biden similarly spoke of 'the broad story about the economy we're building that works for everyone . . . one that grows from the bottom up and middle out, that positions Americans to win the economic competition of the 21st century': 'Remarks by President Biden on the Electric Vehicle Manufacturing Boom in America', 14 September 2022 and 'Remarks by President Biden on American Manufacturing and Creating Good-Paying Jobs', 6 December 2022, both available at [whitehouse.gov](https://www.whitehouse.gov).

<sup>33</sup> Riley, 'Faultlines'.



just going to be strict political limits to what can be done in redistributive terms'.<sup>34</sup>

If these are the political limits of low-growth economies, what of the prospects for stretching or transcending them? The twist of the knife implied by Riley and Brenner's portrait of the era is that the new regime—pitting fiscal status-groups against one another to defend their share of a fixed or shrinking pie—atomizes and demobilizes the working class. Given that, as Brenner argued in 1985, '*All else being equal*, declines in profitability and the general outlook for business actually tend, *in themselves*, to increase the power of capital vis à vis labour', the renewal of class-based movements with the social clout to mount an effective opposition to the system seems at once more essential and more remote than ever.<sup>35</sup> It's as though Riley and Brenner are implying that 'political capitalism' produces a political system constitutionally incapable of alleviating the structural crisis of chronic stagnation—its parties unable 'to construct hegemonic growth coalitions', reduced to forming governments with slender, fragile majorities—and a class structure, segmented by education level among other forms of identitarian 'closure', that is ill-equipped to arrest or reverse stagnation's regressive social consequences.

Secular stagnation, in other words, is presented as something that reconfigures politics, but which politics, so reconfigured—at both elite and mass levels—appears all but powerless to alter. In this regard, Karp's alternative, more precise timeline of class dealignment is an expression of a telling difference, of emphasis if not of perspective. If the long downturn and the pivot to politicized plunder prepared the ground, what expedited the movement of the 'have-nots' away from the Democrats was the substantive transformation of the Party itself—into a 'fundamentally technocratic', ardently neoliberal party with 'predominance atop America's social, cultural and economic hierarchies'—which Karp argues toppled the rickety alignments on which it had formerly relied. Though Riley and Brenner note the way successive Democratic Administrations have been 'strongly committed to neoliberalism', the

---

<sup>34</sup> 'Dealignment?' w/ Robert Brenner and Dylan Riley', *Jacobin Radio with Suzi Weissman*.

<sup>35</sup> Robert Brenner, 'The Paradox of Social Democracy: The American Case', in Mike Davis, Fred Pfeil and Mike Sprinker, eds, *The Year Left: An American Socialist Yearbook*, vol. 1, London 1985, p. 42.

ideological makeover appears more adaptive than causal.<sup>36</sup> Whereas in their account, parties appear as opportunistic shape-shifters who ‘operate in’ and ‘accommodate’ and ‘adapt’ to the economic conditions, ideological mood and balance of class forces, Karp lays greater emphasis—and blame—on political decision-making, granting the political field as a whole more autonomy. Faced with certain ‘social and economic currents’, Karp wrote in *Jacobin* in 2021, centre-left parties chose to navigate them in a fateful way: ‘prioritizing global markets, cosmopolitan values and professional-class voters rather than unions, wages and blue-collar workers’. ‘The death of class politics is not an outcome these party leaders feared; it is a goal they have zealously pursued’: ‘Class dealignment is both a historical process *and* a political choice’.<sup>37</sup> If Riley and Brenner wished to dislodge idealist explanations of class dealignment, Karp would perhaps argue that their materialist alternative, for all its clarity and depth, is at risk of over-correcting: not only eliminating voters’ worldviews from US politics, but understating the autonomy of political actors, carrying the comfortless implication that the moribund economy has mechanically transformed America’s political landscape in ways that preclude its rejuvenation.

### *Zero-sum socialism?*

In diagnosing this stagnationary impasse, ‘Seven Theses’ raises several difficult political questions that it does not itself answer: what, as Riley asks in ‘Faultlines’, is a ‘socialism appropriate to the emerging regime of political capitalism’? How might transformative redistribution be achieved in an age of economic malaise and political predation? If rapid growth rates are a thing of the past—absent a cathartic liquidation of inefficient capital or the discovery of a new self-sustaining ‘growth engine’

---

<sup>36</sup> In ‘Structure vs Conjunction’, for example, Brenner argues that ‘the underlying reason for the Democrats’ precipitous retreat from a reform agenda’ after the collapse of profitability in the 1970s, ‘was that, with the economy gone sour, the corporations on a rampage, and the unions wilting under fire, they found themselves operating in a transformed socio-political environment’, later adding: ‘Just as the corporations and the Republicans had been obliged to adapt to a context defined by the liberalism of the Democrats’ New Deal–Great Society project and the residual power of the labour movement during the postwar boom era, so from the mid-70s the Democrats, in a period defined by economic stagnation and the ever-increasing power of business, would accommodate to the Republican-driven push to the right’: Robert Brenner, ‘Structure vs Conjunction: The 2006 Elections and the Rightward Shift’, *NLR* 43, Jan–Feb 2007, pp. 43, 49.

<sup>37</sup> Karp, ‘The Politics of a Second Gilded Age’.

of the kind manufacturing provided several decades ago—what does a realistic, humane and egalitarian politics look like in a permanently subdued or stationary economy? How might class-based solidarity be renewed and social power amassed in an environment of zero-sum fiscal conflict that tends to divide and demobilize workers?

These complex questions cannot be answered here, nor perhaps anywhere in abstraction. But theoretically speaking, it's possible to speculate on a few possible cracks in the political-capitalist edifice which the left might exploit. One potential opening inheres in perhaps the most important feature of the current period: the divergence of the rate of return from the rate of accumulation. These are usually linked, as David Kotz has explained, since high profits both provide a stimulus to invest, and increase the resources available for doing so. But since the 2008 crisis, accumulation rates have remained weak even as profits have staged a recovery. This is the other side of the political-capitalist equation: just as profits are no longer driving accumulation, productive investment is no longer the 'key determinant' of the rate of return. This implies a brewing crisis of legitimacy, since the correlation between profits and accumulation was the cornerstone of the notion that 'what's good for General Motors is good for America', as Brenner explained in 2017. In that hegemonic view:

It is in everyone's interest, including the working class, to see first to the profits of the employers, because only if the latter can make a profit will they be willing to accumulate capital and, so long as capitalist property relations prevail, only if they accumulate capital (increase investment and employment) can working people increase their living standards.<sup>38</sup>

But the delinking of 'money making' from 'profitable production', as Brenner put it in 'Escalating Plunder', not only delegitimizes the capitalist class, by attenuating the structural connection between their self-enrichment and general welfare, profit and use value. Might it not also disempower capitalist elites, as profits—siphoned off politically rather than earned competitively—become less socially salient? And isn't the very dependence of capitalist profits on government measures

---

<sup>38</sup> In 2017, Brenner suggested this crisis of legitimacy 'made for an enormous political opening'—'Capitalism can no longer secure the positive adherence of working people to the system because it does not provide for their needs, and everyone knows that'—though he also foresaw capitalist states' ramping up repression in the face of popular resistance, increasingly swapping hegemony for domination: Brenner, 'Introducing *Catalyst*'.

a sign of structural weakness as well as temporary dominance? Cédric Durand wondered recently whether the reliance of finance on central bank stabilization might be weakening its hegemony.<sup>39</sup> Might not the dependence of profits on politics have a similar effect, recalibrating the balance of power between capital and the state?

In 1993, Brenner argued that as long as capitalist property relations endure, ‘the state cannot be autonomous’, not because it is ‘always directly controlled by capitalists’ but ‘because whoever controls the state is brutally limited in what they can do by the needs of capitalist profitability’—the precondition for high employment and state services yet ‘difficult to reconcile with reforms in the interest of working people’ over ‘any extended period’.<sup>40</sup> After the onset of the long downturn, Brenner continued, the state ‘unleashed powerful austerity drives designed to raise the rate of profit by cutting the welfare state and reducing the power of the unions’ and so ‘could not but reveal itself as supinely dependent upon capital’. The drift of Federal policy under political capitalism—escalating tax breaks, massive handouts to private enterprise and so on, not to mention ‘vertiginous levels of campaign expenditure and open corruption on a vast scale’—implies the US state is ever more subservient to, if not largely captured by, elite interests. But if the needs of capitalist profitability and the interests of working people have become glaringly untethered, isn’t it possible that, in principle at least, this could enlarge rather than further erode the state’s autonomy? The state’s ‘supine dependence’ upon capital proceeded from the fact that sustaining accumulation seemed necessary to raise living standards. Insofar as political capitalism implies a system in which capitalists have increasingly already played the capital strike card—abstaining

---

<sup>39</sup> ‘While states used to be terrified that market liquidity would dry up—a typical feature of crises from the 1990s on—the configuration is now reversed: the financial community is on a permanent public lifeline to ensure liquidity, smooth market clearing and provision of assets. This socialization of fictitious capital as the new normal is beginning to alter the balance of power between state and markets’: Cédric Durand, ‘The End of Financial Hegemony?’.

<sup>40</sup> Robert Brenner, ‘The Problem of Reformism’, *Against the Current*, no. 43, March/April 1993. Wolfgang Streeck made a similar point in 2011, pointing to ‘an apparently irrepressible conflict between the two contradictory principles of allocation under democratic capitalism: social rights on the one hand and marginal productivity, as evaluated by the market, on the other’; ‘a lasting reconciliation between social and economic stability in capitalist democracies is a utopian project’: Wolfgang Streeck, ‘The Crises of Democratic Capitalism’, NLR 71, Sept–Oct 2011, p. 24.

from investment and pouring capital into a hypertrophied financial sector or into politics itself to obtain returns—doesn't this diminish their political pertinence?

Political capitalism implies a cronyist fusion between capital and the state—in *Catalyst* in particular, Brenner barely distinguishes between economic and political elites, alluding to 'capitalist classes and their governments', and somewhat imprecisely conflating 'the world's economic and political rulers (the top 1 per cent by income or above)'.<sup>41</sup> Any loosening of the capitalist grip on the state would presumably depend on the balance of class forces and social power outside it. What are the prospects for a rebalancing in favour of labour? It is virtually an axiom of Riley and Brenner's account that sluggish or crisis-ridden economies disadvantage workers. Yet if rapid growth defused class conflict—not so much facilitating redistribution as obviating the need for it—might there not be political potential in the heightened antagonisms a zero-sum environment implies? In a critical discussion of Benanav's work on automation and the future of employment, Balakrishnan suggests as much: far from blocking the route to a 'freer future', 'isn't a zero-sum class struggle the most radical of all, posing the question of who rules?' Under these conditions, Balakrishnan conjectures, might class be reconceived in a more 'abstract' form, with the salient social fissures drawn along new axes that 'cut across cultural divides', freeing 'anti-capitalist struggles from the self-destructive dynamics of identitarian ideology'?<sup>42</sup>

Toward the end of his *Sidecar* article admonishing the left for its 'self-defeating' nostalgia for the New Deal, Riley briskly outlines his alternative: 'What the planet and humanity need is massive investment

---

<sup>41</sup> Brenner 'Introducing *Catalyst*'.

<sup>42</sup> Balakrishnan sees cause for 'some optimism' in a new 'Pikettyan' conception of class as 'a straightforwardly political category, even a fiscal one . . . with numerical designations of the rich—the top 1 or 10 per cent—and corresponding statistical conceptions of the working class or people.' Among the advantages of this 'more abstract' conception of class struggle as being waged between the rich and the poor, Balakrishnan argues, is that it 'does not depend upon strong footholds in the system of production' or 'older forms of industrial working-class organization and agency'. This might be particularly important in the era of political capitalism in which profits are increasingly acquired through political means rather than 'profitable production'—a change which, one would assume, considerably weakens workers' structural power, rooted in their ability to disrupt production and with it profits: Gopal Balakrishnan, 'Swan Song of the Ultraleft', *Sublation*, 30 May 2022.

in low-return, low-productivity activities: care, education and environmental restoration.<sup>43</sup> But this vision—which has affinities with ‘degrowth’ platforms that emphasize investment in labour-intensive and ecologically innocuous economic activities like care work—surely implies an epochal redistribution of power and something approaching democratic planning, which would depend on the renewal of class-based opposition suppressed by the forces of political capitalism. Rising labour productivity fuelled the growth that facilitated the simultaneous expansion of profits, wages and welfare states. Its decline will mean profits can only be sustained by eroding workers’ incomes, weakening demand and investment, and so aggravating stagnationary dynamics. Political capitalism, in other words, is precisely a regime that has emerged from weakened productivity growth; what would it take to create a *systematically* low-productivity economy that is more equal and rational, not to mention less ecologically destructive?

Riley’s alternative to industrial policy and Green New Deals thus encounters similarly vexing questions of power over the allocation of resources. One of the ironies of the definition of political capitalism is that ‘political’—fortified by intensifiers like ‘raw’, ‘openly and obviously’—accrues the negative associations that might have been reserved for ‘upward’: it risks implying that political interference in economic activity of any kind is regressive (or futile), rather than the specific telos and character of this interference under political capitalism. ‘Political engineering’, after all, is perhaps one way of describing economic planning, and ‘politically engineered redistribution’, of an egalitarian and deliberative variety, is one description of a socialist, or proto-socialist, demand. Riley’s vision of ‘massive investment in low-return, low-productivity activities’, meanwhile, implies the use of political power to determine the rate of return—only in this case not to artificially sustain it, but to forcibly suppress it, i.e., to overcome the systemic compulsion to maximize profit in order to reroute capital into socially necessary but less lucrative lines of production—building solar panels faster than price signals dictate or justify, for example.

The transformative aim of ‘class politics’, as Riley and Brenner define it, is to exert political control over how the social surplus produced by workers is invested—‘a thoroughgoing democratization of the investment

---

<sup>43</sup> Riley, ‘Drowning in Deposits’.

process and its function', in Benanav's phrase; in other words, not the removal of political power from the process of accumulation and profit-making, but the greater dispersal of this power so that decisions about how to allocate capital and distribute income are made by political forces that are responsive to popular-democratic pressures, and oriented to fulfilling social needs without overtaxing the biosphere, or, for that matter, impinging on other countries' ability to do the same. In this sense, the situation may resemble the one Wolfgang Streeck outlined over a decade ago:

More than ever, economic power seems today to have become political power, while citizens appear to be almost entirely stripped of their democratic defences and their capacity to impress upon the political economy interests and demands that are incommensurable with those of capital owners. In fact, looking back at the democratic-capitalist crisis sequence since the 1970s, there seems a real possibility of a new, if temporary, settlement of social conflict in advanced capitalism, this time entirely in favour of the propertied classes now firmly entrenched in their politically unassailable stronghold, the international financial industry.<sup>44</sup>

The pressing question posed by 'Seven Theses' is thus the one Kenta Tsuda voiced in an appraisal of degrowth as a solution to ecological deterioration, though it could equally apply to the alarming resurgence of inter-imperial rivalries: 'How will humanity change who wields political power, displacing the forces that veer towards civilizational destruction?'<sup>45</sup> If at issue is not the politicization of the economy *per se*, but the fusion of economic and political dominance, the answer to the problem of 'political capitalism' may be political, first of all.

---

<sup>44</sup> Streeck, 'Crises of Democratic Capitalism', p. 29.

<sup>45</sup> Kenta Tsuda, 'Naïve Questions on Degrowth', *NLR* 128, Mar–Apr 2021, p. 130.