

[Real-World Economics Review Blog](#)

Posts are by authors of papers published in the RWER. Anyone may comment.

- [Home](#)
- [RWER](#)
- [The Economics Profession](#)

- [The Economy](#)

- [The Economy and the Planet](#)

- [WEA Books](#)
-



[Home](#) > [Uncategorized](#) > NO WAY OUT: Crime, Punishment and the Limits to Power

NO WAY OUT: Crime, Punishment and the Limits to Power

November 21, 2012 [Editor](#) [Leave a comment](#) [Go to comments](#)

from **Shimshon Bichler** and **Jonathan Nitzan**

Edited transcript of a presentation by Jonathan Nitzan

The 3rd Annual Conference of the Forum on Capital as Power
Capitalizing Power: The Qualities and Quantities of Accumulation
September, 28-30, 2012, York University, Toronto
Conference Page: <http://bnarchives.yorku.ca/341/>
[Creative Commons](#)

Introduction

In May 2011, the U.S. Supreme Court ordered the State of California to release 30,000 to 40,000 of its 140,000 inmates.^[2] California's prisons have become so overcrowded that the Supreme Court declared the situation unconstitutional. The decision was imminent. For nearly two decades, California, along with many other states, was busy getting 'tough on crime'. In the early 1990s, the state enacted the 'Three-Strikes Law', which

mandates life sentences for third-time serious crime offenders, and it pursued the country's 'war on drugs' and other law-enforcement campaigns with increasing zeal. Soon enough, its prisons were overflowing at nearly twice their capacity.

The United States is often portrayed as the archetypical liberal model. It is the world's largest, most prosperous 'free market' and the greatest generator of profit on earth. And yet this very liberal haven is also the largest penal system in the world. There are now more than two million inmates in its prisons and jails and another five million on probation and on parole. If you add these two numbers together, you get a 'correctional population' of over seven million. This correctional population is the largest in the world – both absolutely and relative to the overall population – and it is also the largest the country has ever seen.

To some, this combination of market prosperity and intense punishment may seem puzzling. Many people intuitively expect crime and punishment to correlate with poverty, backwardness and deprivation; to be a feature of the Third World, not the First.

Knowingly or not, this expectation is grounded in the conventional separation of production from state and capital from power. According to the liberal version of this separation, accumulation breeds economic prosperity, and prosperity in the economic sphere reduces crime and calls for less punishment in the socio-political sphere. However, if we discard this separation and instead think of capital as power, and of capitalism as a mode of power, the puzzle disappears. The greater the capitalization of power, the greater the resistance to that capitalization and the larger the force needed to prevent this resistance from exploding. As profits increase to make distribution more unequal, the result is mounting resistance from below, and this resistance in turn leads to retaliation from above. The rising crime and intensifying punishment that we now see in the United States are key manifestations of this dialectic of capitalized resistance and retaliation.

The Questions

The purpose of this presentation is to examine the issue of crime and punishment within the larger context of capitalized power, and specifically in relation to the limits of such power.

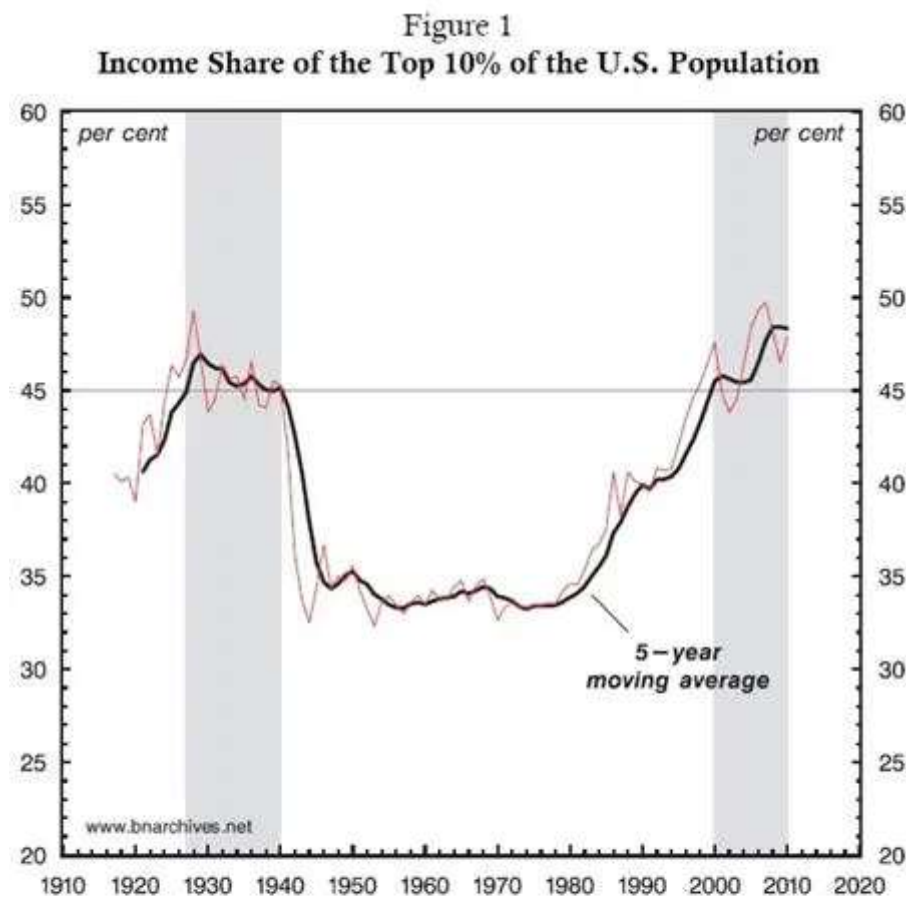
This exploration continues the line of argument we developed in two previous Forums held here at York. In the [2010 Forum](#), we introduced the concepts of systemic crisis and systemic fear. We claimed that the current crisis – which started not in 2008 but in 2000 – is systemic, and that capitalists are now concerned not so much about employment, production or even profit, but the very survival of their system.^[3]

Then, in the [2011 Forum](#), we examined the 'Asymptotes of Power'. Capitalists in general and dominant capitalists in particular, we argued, have objective reasons to fear for their system. We showed that the present distribution of income-read-power – ranging from the most aggregate indicators of the national accounts down to the differential earnings of dominant capital – is pushing against its class limits. And we suggested that, if the pushing continues, it could trigger systemic collapse.^[4]

The goal of today's presentation is to examine the darker side of this struggle. In the past, resistance to capital was associated with production, workers, left political parties, strikes and mass demonstrations. But as the world changed, new forms of resistance and retaliation have emerged, and the ones we will look at today are crime and punishment. We will start with the two charts that ended last year's presentation – charts in which we related the distribution of income and capital on the one hand with the extent of state punishment on the other.

[Figure 1](#) shows the income share of the top 10 per cent of the U.S. population. This share offers a proxy, however imperfect, for the power of the ruling class and the thick power belt that supports it. The shaded areas in the figure denote two historical extremes – periods during which the income share of the top 10 per cent of the population exceeded 45 per cent. During the 1930s, this share approached 47 per cent of total income. And in retrospect, that level proved to be the asymptote of capitalist power. Pushing against it triggered a systemic crisis, followed by the complete *creordering* of the U.S. political economy and a sharp decline in capitalist power, proxied here by a large drop in income inequality. The situation now is remarkably similar, both quantitatively and qualitatively. During the 2000s, the income share controlled by the top 10 per cent of the

population approached 48 per cent, a level whose attainment and sustainment required the ruling class to subject the underlying population to increasing doses of violence, pain and sabotage.



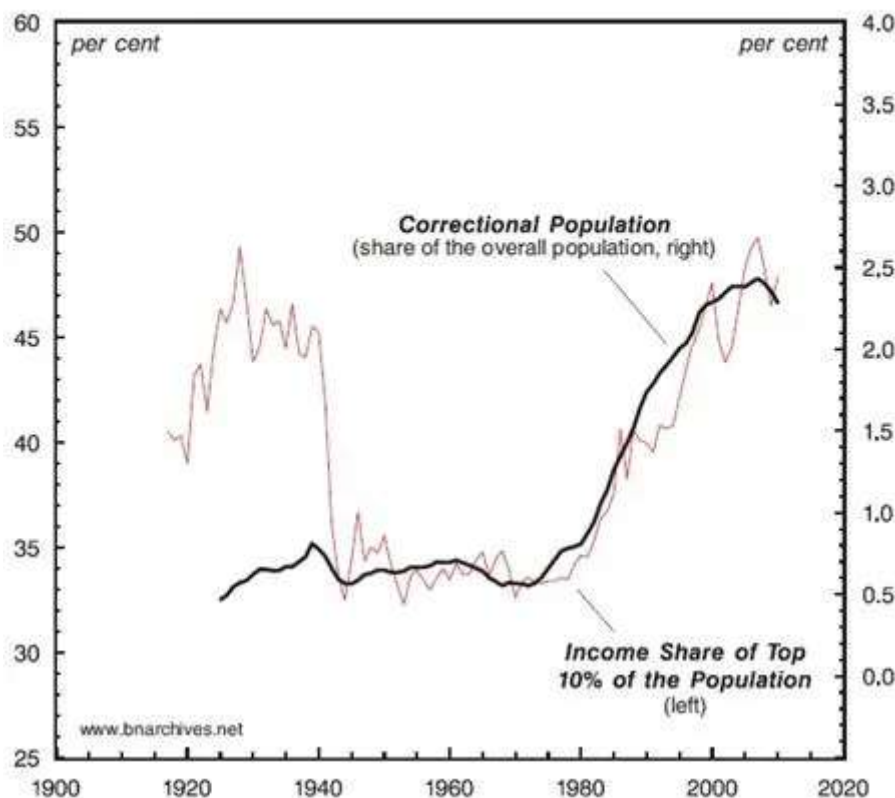
NOTE: Income is defined as 'market income', including capital gains; it excludes government transfers. Grey areas indicate periods during which the 5-year moving average of the data series exceeded 45%. The last data point is for 2010.

SOURCE: The World Top Incomes Database
<http://g-mond.parisschoolofeconomics.eu/topincomes/> (retrieved on September 19, 2012).

[Figure 2](#) illustrates one key manifestation of this process – and the difficulty of sustaining it. The chart reproduces the distributional measure from [Figure 1](#) and contrasts this measure with the adult 'correctional population', expressed as a share of the overall population. The correctional population comprises adults in prison, in jail, on probation and on parole. And as the chart shows, the 'correctional' share of the population is tightly and positively correlated with the distributional power of the ruling class: the greater the power, the larger the dose of violence inflicted on the underlying population. Presently, almost 2.5 per cent of the U.S. population is under some sort of institutional punishment – which, as indicated, is the largest proportion in the world and highest in the country's history. Although there are no hard and fast rules here, it is doubtful that this massive punishment can be increased much further without highly destabilizing consequences. The 2011 Supreme Court order to release 30,000 to 40,000 prisoners is perhaps a sign that the ruling class is apprehensive of such a destabilization; and the apparent peak in both income inequality and the correctional population suggests that capitalist power may be approaching its asymptotes and that a systemic reversal could be in the offing.

Figure 2

U.S. Income Distribution and the Correctional Population

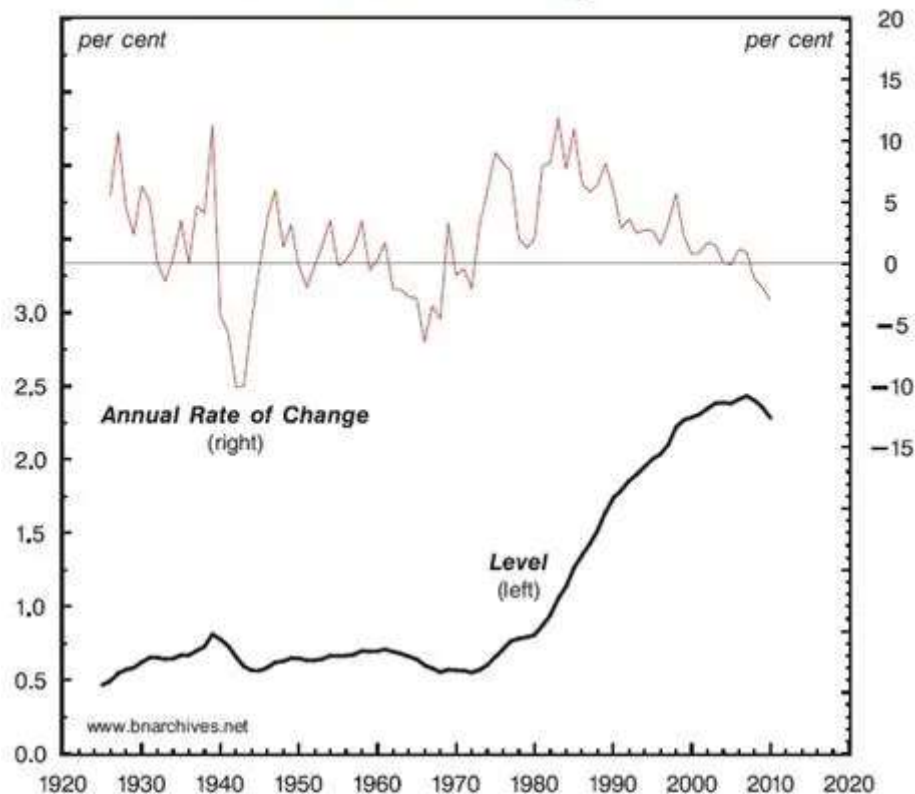


NOTE: The correctional population consists of adults in prison, in jail, on probation and on parole. For years prior to 1980, systematic data are available only for adults in prison and jail. For those earlier years, the total correctional population is estimated in two steps: first, by computing the average ratio between the total correctional population and the number of adults in prison and jail during the period 1980-1989 (=5.98); and second, by multiplying for each year the number of adults in prison and jail by this average ratio. The last data points are for 2010.

SOURCE: The income share of the top 10% of the population is from The World Top Incomes Database <http://g-mond.parisschoolofeconomics.eu/topincomes/> (retrieved on September 19, 2012). Data on the correctional population are from Sourcebook of Criminal Justice Statistics Online (till 1979; Table 6.28.2009 (<http://www.albany.edu/sourcebook/csv/t6282009.csv>); from 1980 onward: Table 6.1.2010 (<http://www.albany.edu/sourcebook/csv/t612010.csv>). Population data till 1929 are from the *Historical Statistics of the United States: Earliest Times to the Present, Millennial Edition* (online) (series code: Aa7); from 1930 onward, the data are from the U.S. Bureau of the Census through Global Insight (series code: N@US).

Now, let us focus on the correctional population. In [Figure 3](#), the black series at the bottom denotes the correctional population as a share of the overall population (which we take from [Figure 2](#)). The top red series shows the annual rate of change of the bottom series. Historically, this rate of change has fluctuated between -10 and $+10$ per cent, and the question we need to ask is what drives these changes: Why did the correctional population remain fairly stable till the late 1970s? Why did it soar during much of the neoliberal 1980s and 1990s? And why did it level off in the 2000s?

Figure 3
**U.S. Correctional Population as
 a Share of the Overall Population**



NOTE: The correctional population consists of adults in prison, in jail, on probation and on parole. For years prior to 1980, systematic data are available only for adults in prison and jail. For those earlier years, the total correctional population is estimated in two steps: first, by computing the average ratio between the total correctional population and the number of adults in prison and jail during the period 1980-1989 (=5.98); and second, by multiplying for each year the number of adults in prison and jail by this average ratio. The last data points are for 2010.

SOURCE: Data on the correctional population are from Sourcebook of Criminal Justice Statistics Online (till 1979: Table 6.28.2009 (<http://www.albany.edu/sourcebook/csv/t6282009.csv>); from 1980 onward: Table 6.1.2010 (<http://www.albany.edu/sourcebook/csv/t612010.csv>). Population data till 1929 are from the *Historical Statistics of the United States: Earliest Times to the Present, Millennial Edition* (online) (series code: Aa7); from 1930 onward, the data are from the U.S. Bureau of the Census through Global Insight (series code: N@US).

Georg Rusche

Until the 1930s, these types of questions were never asked, let alone answered. The subject of crime and punishment was studied mostly by novelists, legal experts, doctors, psychologists, philosophers and moralists. It was rarely if ever dealt with by political economists, and it was certainly never studied scientifically.

The first to undertake this type of study was the German political economist Georg Rusche.^[5] Rusche was born in 1900 and received his PhD in economics in the mid 1920s. He was interested in labour economics, and he

also became involved in prison work. This background led him to contemplate the connection between punishment and the labour market. In the early 1930s, he was commissioned by the Frankfurt School to write a book on the subject, and in 1933 he produced a short article, titled ‘Labor Market and Penal Sanction’, where he spelled out his thesis. Six years later, in 1939, he published, together with Otto Kirchheimer, the full manuscript, titled *Punishment and Social Structure*.^[6]

According to Rusche, crime and punishment were too important to be left out of political economy. They needed to be anchored in economic theory, he said, and they had to be embedded in the evolution of class relations and class conflict. What were the basic propositions the researcher should start from? Rusche offered four.

- The first proposition – which today may sound like a liberal triviality – concerned the goal of the penal system. Crime consists of acts forbidden by society, and one of the purposes of the penal system, Rusche posited, is to limit and reduce those acts.
- The second proposition – which nowadays may ring like a mainstream cliché, but back in the 1930s sat well with the materialist emphasis of Marxist analysis – had to do with Bentham’s ‘calculus of pleasure and pain’. In order to deter crime, the penal system needs to convince people that ‘crime doesn’t pay’; in modern economic parlance, we would say that it needs to make the expected pain from punishment greater than the expected gains from crime.
- The third proposition identifies what we may call the ‘asymptotes of penalty’. Most people disposed to crime come from the lower strata of society, where the conditions of life are the hardest. This fact means that in order to deter crime, the penal sanction must be worse than the living conditions of these lower strata. ‘If the prison doesn’t underbid the slum in human misery’, Rusche quotes Bernard Shaw, ‘the slum will empty and the prison will fill’.^[7] In other words, the lowest living conditions in society set the upper limit of the penal system.
- The fourth and final proposition concerned the rate of unemployment. Many factors affect the living conditions of the lower strata, says Rusche. But the most important by far is the labour market, and particularly the ‘excess supply/demand’ for labour, or the rate of unemployment. When there is ‘excess supply’, unemployment rises and wages decline, causing crime to increase and punishment to intensify. And when there is ‘excess demand’ and unemployment decreases, the opposite process is set in motion.

These observations, which Rusche says hold in *every* society, set the general boundaries of penalty:

- When labour is abundant, deprivation is close to its limits, so the unemployed can be deterred from crime only by the ultimate punishment: death. Rusche gives the example of China, where a huge reserve army of unemployed makes human life worth close to nothing. Under those conditions, he observes, it is common for captured criminals to be executed without much fuss.
- By contrast, when labour is scarce and there are not enough workers to fill all the jobs, the penal system shifts toward reform and exploitation. The goal now is not to prevent the hungry from criminal acts, but to convince unwilling labourers and criminals that they need to be working. This situation, says Rusche, existed for example during the European Enlightenment of the seventeenth century, when ‘excess demand’ for labour ushered in by the Mercantilist Era brought prison reforms. Moreover, since ‘excess demand’ for workers drives wages up, it became profitable to lock up criminals and use them as forced labour, and that too was a feature of European Mercantilism. All in all, a tight labour market causes the system to move from execution to exploitation.

Now these are the two logical extremes: death on the one hand, penal reform and forced labour on the other. A political economy of crime and punishment, says Rusche, needs to start from this analytical skeleton and then flesh out the real historical process that Disraeli referred to as the ‘two nations’ and Marx called the ‘class struggle’. The first person to offer such analysis was Rusche.

Rusche’s own work was largely historical and comparative. He went through a series of epochs, examining in each case (1) the conditions of the labour market; (2) the nature of crime; and (3) the intensity of punishment. And what he found was largely consistent with his hypothesis.

- During the early Middle Ages, land was abundant and the population sparse. Most crime was about passion rather than property, and punishment usually took the form of revenge, penance or monetary fines.
- In the late Middle Ages, land grew scarcer and the population more abundant. There were peasant wars and social unrest, and armies of beggars became commonplace. Property crime and robbery were on the rise, but criminals were often unable to pay, so punishment grew crueler and execution more common.
- During the Mercantilist period, roughly the seventeenth century, wars, hunger and plagues reduced the population, while trade raised the demand for workers. Labour became scarcer and wages increased. It was in this context that the Enlightenment movement made punishment more humane and that imprisonment emerged as a new venue to exploit forced labour.
- In the Industrial Revolution, roughly the eighteenth century, mechanization made workers abundant, wages fell and the reserve army of the unemployed swelled. Forced labour was no longer necessary, and prison conditions became punitive and grew harsher.
- In America till the late nineteenth century, rapid industrial development, abundant land and a relatively small population made labour scarce and wages high. The crime scene accorded with Rusche's hypothesis: criminal offences were low; prison reform was in full swing; conditional sentences, parole and probation were increasingly used; and scientists began to study the causes of crime and how welfare policies can abate them.
- Rusche also provided an interesting comparison between the United States and Germany during the 1930s. In America, he said, massive unemployment and weak unions drove wages down, causing the penal system to become more overcrowded, brutal and repressive. In Germany, in contrast, the presence of strong labour unions mitigated the decline of wages and helped moderate penal sanctions.
- Finally, Rusche was also prescient in predicting the use of concentration camps to solve the labour shortages created by the rearmament drives of totalitarian regimes.

The Puzzle

Rusche himself received little recognition in his lifetime and committed suicide in 1950. Although he offered a very impressive starting point for what was then a totally new approach, for a long time his work remained largely unknown and did not make it to the mainstream of either criminology or sociology, let alone political economy.

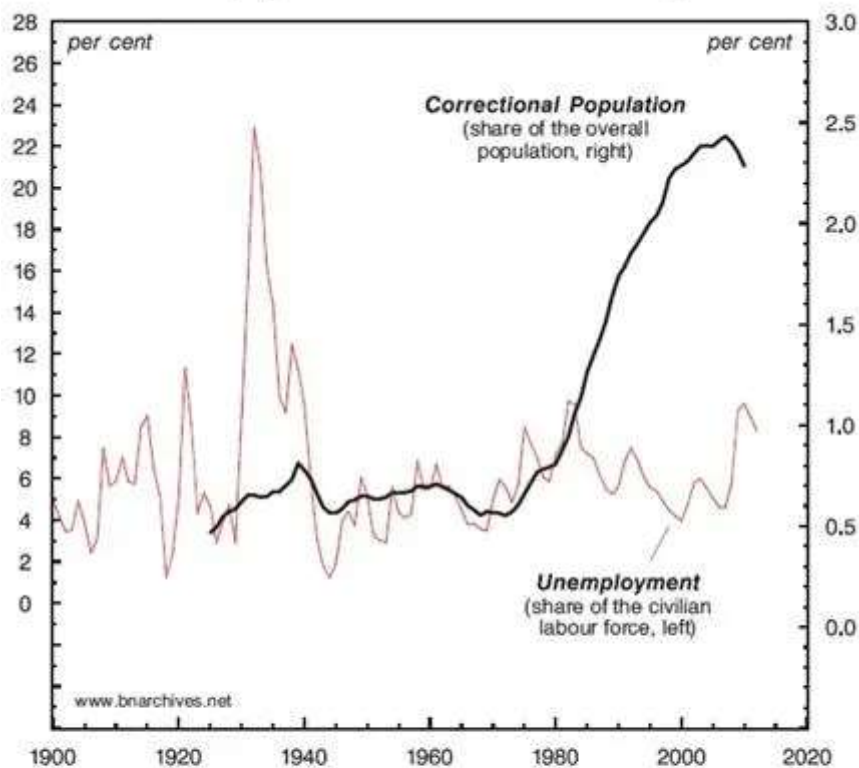
It was only in the 1980s, with soaring U.S. crime and the massive increase in incarceration, that his approach finally gained some traction, particularly in the critical literature. Also, there were now more systematic data to study, and with computing becoming cheaper, critical sociologists and radical criminologists started to subject Rusche's hypotheses to various empirical investigations.

But then there arose a puzzle. Whereas Rusche's long-term historical hypotheses seemed to shed light on various epochs and lead to derivative theses and theories, the conclusions from shorter-term analyses, particularly of contemporary Western societies, were more ambiguous.

The breakdown happened around the 1980s. The central axis of Rusche's argument is that penalty should be positively correlated with 'excess supply' in the labour market. Most researchers take the rate of unemployment as the key proxy for 'excess supply' of labour and the share of the overall population under 'correction' as the proxy for penalty. These two proxies are plotted in [Figure 4](#) – unemployment on the left scale and the correctional population on the right. Now, the chart shows that until the early 1980s the two proxies were correlated positively (though by no means tightly). However, from the early 1980s onward, this correlation breaks down completely. With Ronald Reagan in office and neoliberalism in full swing, unemployment declined – yet the correctional population went vertical. On the face of it, then, it would seem that the Rusche thesis was loosely valid until the beginning of neoliberalism, but not afterwards.

Figure 4

U.S. Unemployment and the Correctional Population



NOTE: The correctional population consists of adults in prison, in jail, on probation and on parole. Prior to 1980, systematic data are available only for adults in prison and jail. For those earlier years, the total correctional population is estimated in two steps: first, by computing the average ratio between the total correctional population and the number of adults in prison and jail during the period 1980-1989 (=5.91); and second, by multiplying for each year the number of adults in prison and jail by this average ratio. The last data points are 2010 for the correctional population and 2012 for unemployment.

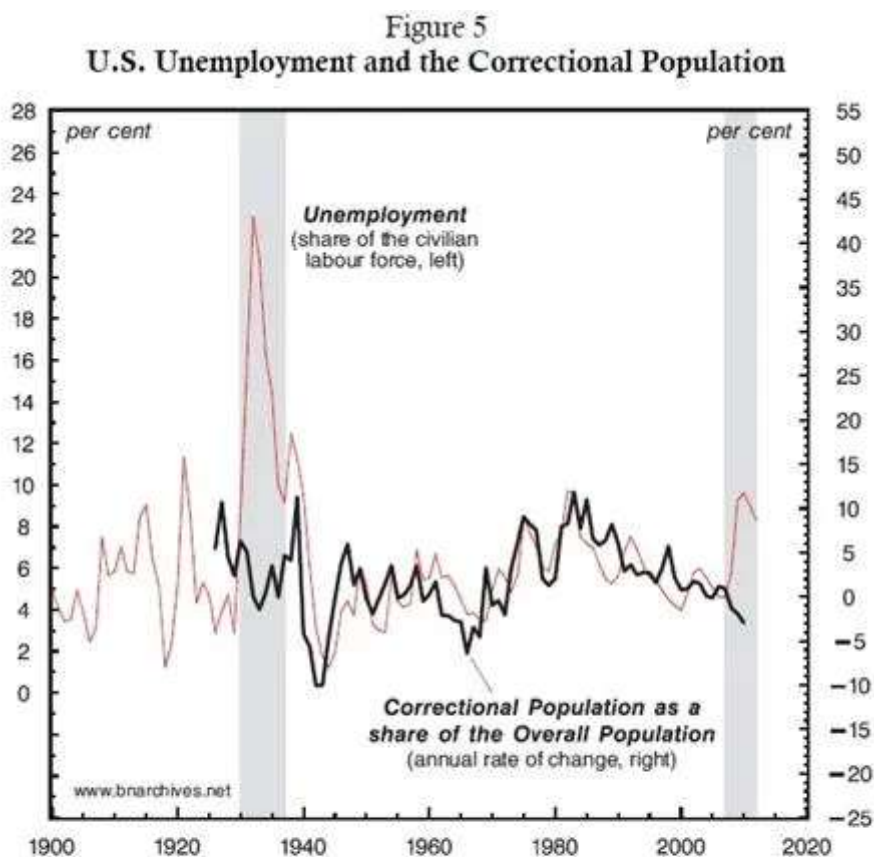
SOURCE: Data on the correctional population are from Sourcebook of Criminal Justice Statistics Online (till 1979: Table 6.28.2009 (<http://www.albany.edu/sourcebook/csv/t6282009.csv>); from 1980 onward: Table 6.1.2010 (<http://www.albany.edu/sourcebook/csv/t612010.csv>). Population data till 1929 are from the *Historical Statistics of the United States: Earliest Times to the Present, Millennial Edition* (online) (series code: Aa7); from 1930 onward, the data are from the U.S. Bureau of the Census through Global Insight (series code: N@US). Unemployment till 1947 is from *Historical Statistics of the United States: Earliest Times to the Present, Millennial Edition* (online) (series code: Ba457); from 1948, data are from the U.S. Bureau of Labor Statistics through Global Insight (series code: RUC@US).

Re-search

In our view, though, this would be a hasty conclusion to draw. It seems to us that, at any point in time, penalty should be proxied not by the overall level of the correctional population, but by their current rate of change. The reason is simple. The overall level of the correctional population is determined by two factors: (1) the cumulative results of past crime and punishment; and (2) current crime and punishment that cause this

cumulative result to increase or decrease. The current rate of unemployment affects only the second of these factors; it influences not the past levels of crime and punishment, but its rate of change.

[Figure 5](#) reflects this shift in emphasis, and the effect is dramatic. The figure shows the same rate of unemployment as in [Figure 4](#). But penalty now is proxied not by the level of the correctional population relative to the overall population, but the annual rate of change of this ratio. There are two important things to note in this chart.



NOTE: The correctional population consists of adults in prison, in jail, on probation and on parole. For years prior to 1980, systematic data are available only for adults in prison and jail. For those earlier years, the total correctional population is estimated in two steps: first, by computing the average ratio between the total correctional population and the number of adults in prison and jail during the period 1980-1989 (=5.91); and second, by multiplying for each year the number of adults in prison and jail by this average ratio. The last data points are 2010 for the correctional population and 2012 for unemployment.

SOURCE: Data on the correctional population are from Sourcebook of Criminal Justice Statistics Online (till 1979: Table 6.28.2009 (<http://www.albany.edu/sourcebook/csv/t6282009.csv>); from 1980 onward: Table 6.1.2010 (<http://www.albany.edu/sourcebook/csv/t612010.csv>). Population data till 1929 are from the *Historical Statistics of the United States: Earliest Times to the Present, Millennial Edition* (online) (series code: Aa7); from 1930 onward, the data are from the U.S. Bureau of the Census through Global Insight (series code: N@US). Unemployment till 1947 is from *Historical Statistics of the United States: Earliest Times to the Present, Millennial Edition* (online) (series code: Ba457); from 1948, data are from the U.S. Bureau of Labor Statistics through Global Insight (series code: RUC@US).

- We can see that, for much of the past century, changes in the U.S. correctional population were almost perfectly ‘explained’, at least statistically, by changes in the rate of unemployment. Rusche was right – indeed more right than he could have anticipated. According to the figure, there is no need for complicated models, multiple variables and assorted excuses (when the models fail). The two forms of sabotage – unemployment and penalty – mirror each other almost perfectly.
- But there are two important exceptions to the rule – the first occurred during the Great Depression of 1930s, the second in the present crisis. During both of these systemic crises, which the chart shades in grey, the two series are not positively, but negative correlated. In both, unemployment rises sharply – but penalty, instead of soaring in tandem, decelerates sharply or actually falls.

So we have an enigma. If our interpretation of Rusche is correct, then what explains the decoupling of unemployment and penalty during systemic crises? Is this a mere coincidence, or do systemic crises alter the underlying relationship of the two processes? We return to this enigma at the end of the presentation.

Decompose

Let us try to make sense of these two observations. The first step is to decompose the rate of change of the correctional population. Consider [Equation \(1\)](#), where the dots on top of the variables indicate temporal rates of change. In this equation, the rate of change of the share of the correctional population in the overall population is approximately equal to the rate of change of the correctional population less the rate of change of the overall population.

$$1. \left(\frac{\dot{\text{correctional population}}}{\dot{\text{overall population}}} \right) \approx \dot{\text{correctional population}} - \dot{\text{overall population}}$$

Now, if the rate of change of the overall population is fairly stable, variations in the share of the correctional population in the overall population (the left-hand side of the equation) will be dominated by the rate of change of the correctional population (first element on the right).

So let’s decompose the rate of change of the correctional population. Mathematically, this rate of change comprises three components: (1) the intensity of punishment, proxied by the change in the correctional population relative to crime; (2) the crime rate, measured by the ratio of crime to the overall population; and (3) the correctional population as a share of the overall population. The decomposition is given by [Equation \(2\)](#):

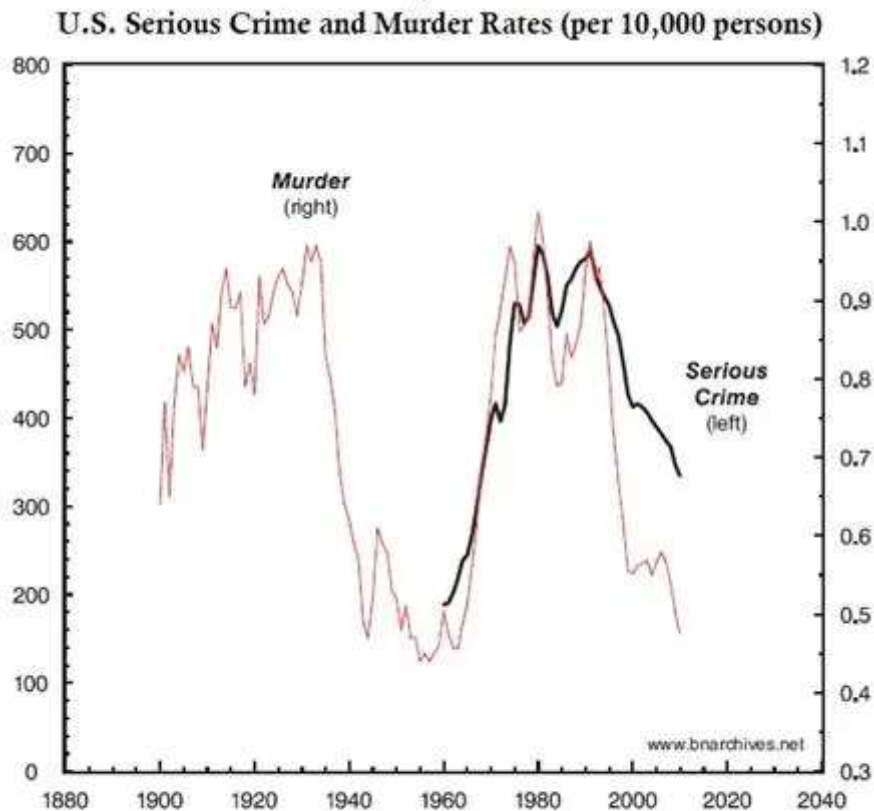
$$\begin{aligned}
 2. \dot{\text{correctional population}} &= \frac{\Delta \text{correctional population}}{\text{correctional population}} \\
 &= \frac{\Delta \text{correctional population}}{\text{crime}} \times \frac{\text{crime}}{\text{overall population}} \times \frac{\text{overall population}}{\text{correctional population}} \\
 &= \frac{\text{intensity of punishment} \times \text{crime rate}}{\text{correctional population as a share of the overall population}}
 \end{aligned}$$

Crime and Punishment

Let us look more closely at the numerator of the third line of [Equation \(2\)](#), beginning with the crime rate. [Figure 6](#) shows the historical evolution of what the FBI calls the ‘serious crime rate’. Serious crimes include criminal homicide, forcible rape, robbery, aggravated assault, burglary, larceny-theft and motor-vehicle theft. [\[8\]](#) The FBI

collects these statistics from various sources, standardizes them and expresses them as a ratio to the overall population. For example, in 2010, the serious crime rate was 334 for every 10,000 people, or 3.3 per cent. Note the cyclicity of the serious crime rate. It rose from its nadir of 2 per cent in 1960 to a peak of 6 per cent in 1980. At that point, criminologists, social commentators and politicians thought that all hell was breaking loose, that the crime rate was likely to shoot through the roof, and that the social fabric of the U.S. was about to disintegrate.^[9] None of these predictions have materialized. Instead of rising, the crime rate started a long-term decline, and by 2010 it was half as high as it was in 1980.

Figure 6



NOTE: The serious crime rate consists of Part I Index Crimes of the FBI Unified Crime Reporting (UCR) expressed in relation to the overall population. Part I Index Crimes include criminal homicide, forcible rape, robbery, aggravated assault, burglary, larceny-theft and motor-vehicle theft. The last data points are for 2010.

SOURCE: The number of murders is from *Historical Statistics of the United States: Earliest Times to the Present, Millennial Edition* (online) (series code: Ec191 for 1900-1932 and Ec22 for 1933-1959); and from UCR Online (<http://www.ucrdatatool.gov/Search/Crime/State/StateCrime.cfm> for 1960-2005; <http://www.fbi.gov/about-us/cjis/ucr/crime-in-the-u.s/2010/crime-in-the-u.s.-2010/tables/10tbl01.xls> for 2006-2010). Population data till 1929 are from the *Historical Statistics of the United States: Earliest Times to the Present, Millennial Edition* (online) (series code: Aa7); from 1930 onward, the data are from the U.S. Bureau of the Census through Global Insight (series code: N@US). The serious crime rate (Part I Index Crimes relative to the population) is from UCR Online as above.

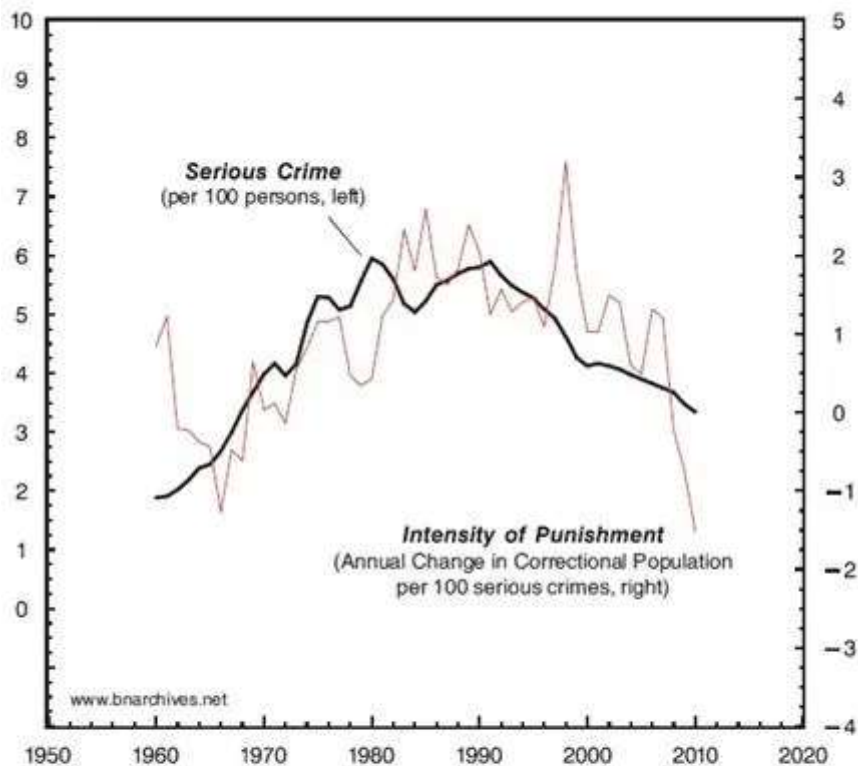
Unfortunately, we do not have unified serious crime statistics for years prior to 1960. But we do have data for the murder rate, depicted here in red. The number of murders of course is much smaller than the overall number of serious crimes. In 1980, for instance, for every 10,000 people there were 600 serious crimes but only one

murder. The key for our purposes, though, is that the two series are highly correlated. And if this correlation also held prior to 1960, it implies that the U.S. crime rate has followed a fairly stylized long-term cycle.

Bearing this cyclicity in mind, we can move to [Figure 7](#). The thick black line in the figure measures the serious crime rate per 100 people. The chart also shows the intensity of punishment, proxied by the thin red line. If you look at [Equation \(2\)](#), you can see that this intensity is measured in two steps. The first step is to compute net change in the correctional population. For example, in 2010 the correctional population fell by 157,000. This figure represents, for that year, the number of people who were caught, tried and sentenced, less the number of those released. For 2010 the net figure was negative – there were more people leaving the correctional system than entering it. The second step is to divide this net change by the number of serious crimes reported that year and multiply the result by 100. This computation gives us the net change in the correctional population *per 100 crimes*. In 2010, this ratio was -1.5 , which means that for every 100 serious crimes, there were 1.5 people deleted from the correctional population. By contrast, in 1998 the number was $+3.2$, which means that for every 100 serious crimes, there were 3.2 people added to the correctional population. Note that this is a ‘composite measure’ that reflects four different processes: (1) the efforts and the effectiveness of the police; (2) changes in the legal code; (3) the harshness of the courts; and (4) the release rate of those previously sentenced.

Figure 7

U.S. Serious Crime and the Intensity of Punishment



NOTE: The serious crime rate consists of Part I Index Crimes of the FBI Unified Crime Reporting (UCR) expressed in relation to the overall population. Part I Index Crimes include criminal homicide, forcible rape, robbery, aggravated assault, burglary, larceny-theft and motor-vehicle theft. The correctional population consists of adults in prison, in jail, on probation and on parole. For years prior to 1980, systematic data are available only for adults in prison and jail. For those earlier years, the total correctional population is estimated in two steps: first, by computing the average ratio between the total correctional population and the number of adults in prison and jail during the period 1980-1989 (=5.91); and second, by multiplying for each year the number of adults in prison and jail by this average ratio. The last data points are for 2010.

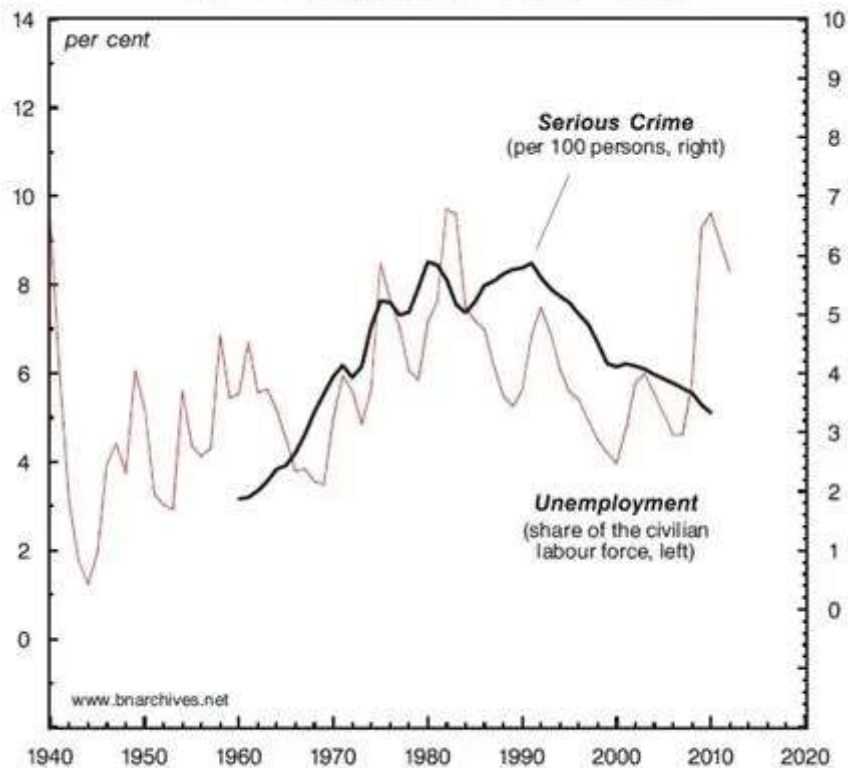
SOURCE: The serious crime rate (Part I Index Crimes relative to the population) is from UCR Online (<http://www.ucrdatatool.gov/Search/Crime/State/StateCrime.cfm> for 1960-2005; <http://www.fbi.gov/about-us/cjis/ucr/crime-in-the-u.s/2010/crime-in-the-u.s.-2010/tables/10tbl01.xls> for 2006-2010). The correctional population is from Sourcebook of Criminal Justice Statistics Online (till 1979: Table 6.28.2009 (<http://www.albany.edu/sourcebook/csv/t6282009.csv>); from 1980 onward: Table 6.1.2010 (<http://www.albany.edu/sourcebook/csv/t612010.csv>).

The chart shows that the two measures – crime and the intensity of punishment – are tightly correlated. Now, recall that, according to Rusche, crime and punishment are *both* driven by conditions in the labour market – particularly unemployment – so the correlation between them suggests we should examine their separate relationships to unemployment.

[Figure 8](#) shows the relationship between the serious crime rate and the unemployment rate since the 1960s. In general, the data seem consistent with Rusche's hypothesis, at least until recently. They show the two processes

to be moving in tandem, rising until the 1980s and receding afterwards. But by the late 2000s, the relationship between unemployment and crime seems to have broken down: while unemployment has risen sharply, the crime rate, instead of increasing, has continued to drop.

Figure 8
U.S. Unemployment and Serious Crime

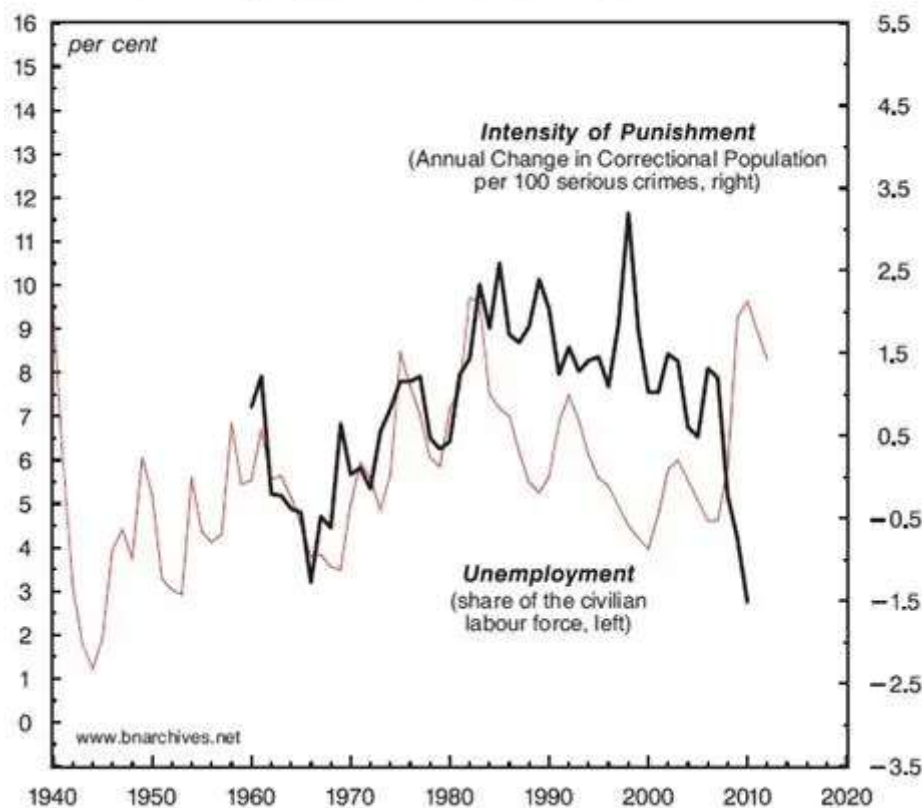


NOTE: The serious crime rate consists of Part I Index Crimes of the FBI Unified Crime Reporting (UCR) expressed in relation to the overall population. Part I Index Crimes include criminal homicide, forcible rape, robbery, aggravated assault, burglary, larceny-theft and motor-vehicle theft. The last data points are 2010 for serious crime and 2012 for unemployment.

SOURCE: The serious crime rate (Part I Index Crimes relative to the population) is from UCR Online (<http://www.ucrdatatool.gov/Search/Crime/State/StateCrime.cfm> for 1960-2005; <http://www.fbi.gov/about-us/cjis/ucr/crime-in-the-u.s/2010/crime-in-the-u.s.-2010/tables/10tbl01.xls> for 2006-2010). Unemployment till 1947 is from *Historical Statistics of the United States: Earliest Times to the Present, Millennial Edition* (online) (series code: Ba457); from 1948, data are from the U.S. Bureau of Labor Statistics through Global Insight (series code: RUC@US).

[Figure 9](#) shows the relationship between the intensity of punishment and unemployment. And the patterns here are similar to those in [Figure 7](#). There is a positive relationship between unemployment and the intensity of punishment, with both rising till the 1980s and falling afterwards. And here, too, the relationship inverts in the late 2000s: while unemployment rises dramatically, the intensity of punishment drops sharply and indeed becomes negative. Note that the short-term correlation since the 1980s is looser than before; but even in this looser correlation, the divergence between the series in the late 2000s stands out clearly.

Figure 9
U.S. Unemployment and the Intensity of Punishment



Taking Stock

What do these relationships mean for capital as power and for the limits on that power? To contextualize our conclusions, let us reiterate our earlier findings. In the [2010 Forum](#), we noted that this is not a regular crisis but a systemic crisis, and that it is not a crisis of production or finance, or of a mismatch between them, but a crisis of power. The ruling class, we said, is struck by systemic fear – that is, fear for the survival of capitalism. The reverberations of crime and punishment – including the recent Supreme Court order to release a quarter of California’s prisoners – may be signs of that fear.

In the [2011 Forum](#), we outlined the objective ‘asymptotes of capitalist power’. The ruling class, we said, is fearful for a reason. The logic of capital as power is deterministic. It forces dominant capitalists to accumulate differentially and augment their power. They have no choice in this matter. They have to push toward the asymptotes of their power, relentlessly. And as they get closer to those asymptotes, their push elicits counter forces, making systemic collapse increasingly likely.

Today we looked at the dark side this process – the side of resistance. In the past, most analyses of resistance were anchored in the productive process. The focus was on industrial strikes, workers, mass movements and political parties. This ‘materialist’ focus was subsequently challenged by the ethno-cultural revolution. Instead of the old myths of the enlightenment and socialism, there arose a new emphasis on power and postism. Subjective deconstruction substituted for history’s ‘laws of motion’. Determinism was discredited, but so was meaning and significance.

Our own work breaks with this postist fashion. Autonomous resistance – such as the May 1968 uprising in France or the first Palestinian Intifada of 1987/8 – does not abide by the logic of capital and therefore cannot be analyzed from within that logic. But most resistance to capital as power is not autonomous, but heteronomous: it does not initiate – it *responds*; it is less an action and more a *reaction*; it is not external but *integral* to the conflictual logic of capital as power. In short, it is part and parcel of the capitalist mode of power, and that embeddedness makes it amenable to objective, deterministic inquiry.[\[10\]](#)

In order to engage in such inquiry, though, we need to transcend the conventional frame of reference. Most critical researchers continue to separate the capitalist reality into ‘production’ and ‘power’. In this framework, the labour market is part of the economy and accumulation, while the penal system is part of the state and the socio-political system more broadly. Rusche sought to challenge this view: he tried to analyze penalty in relation to both production and discipline, and unemployment in relation to both criminality and the economy. But working within the Marxist frame of reference, he continued to think of capitalism as a mode of production. So his attempt, however ingenious, remained focused on material conditions and therefore was incomplete.

From the viewpoint of capital as power, penalty and unemployment are not distinct aspects of politics and economics, respectively. Instead, they are different forms of capitalized resistance and sabotage. Human creativity is a positive form of resistance to capitalist power, and the threat of unemployment is the means by which the ruling class tries to strategically sabotage and subjugate this creativity to capitalist ends. Similarly with crime and punishment. Illegality is a negative form of resistance to capitalist power, and penalty is the major institution that keeps this resistance from undermining the capitalist *creorder*.

These forms of resistance and sabotage fit into the breadth and depth regimes of capital as power.^[11] In the past, we argued that during a depth phase, the sabotage of stagflation (stagnation and inflation) assists the process of ‘accumulation through crisis’.^[12] Now, since crime and punishment are tightly correlated with unemployment, we can see how this additional form of sabotage kicks in. During the depth phase of the 1970s and 1980s, unemployment and inflation increased, as did crime and punishment. Conversely, during the breadth phase of the 1990s, they all decreased.

And here we come to the enigma of [Figure 5](#). During the systemic crises of the 1930s and 2000s, the tight correlation between penalty and unemployment seems to have broken down: in both periods, the sabotage of unemployment rose sharply; yet crime and punishment, instead of rising in tandem, actually receded.

What could explain this enigma? One possibility is that some of the *data* we use are incorrect or inaccurate. A second possibility is that our top-down *presentation* of the data is too crude, and that a more refined set of proxies for unemployment, crime and punishment will eliminate the anomaly. But there is also a third, substantive, possibility, and that is that systemic crises *alter the rules of the game*. These crises not only dent the resolve of the ruling class; they also change the class disposition of criminals. Under the system of ‘business as usual’ (including its cyclical crises), the poor feel that there is ‘no way out’. Without jobs, without dignity and with little prospect for change, the only alternative is crime. But during a deep, systemic crisis, there emerges another, transformational, alternative. This alternative is based not on individual alienation and protestation, but on class solidarity; not on defying the system but on altering its very structure. Perhaps it is the emergence of this democratic opening during a systemic crisis that causes crime to drop despite soaring unemployment.^[13]

Endnotes

^[1] Shimshon Bichler teaches political economy at colleges and universities in Israel. Jonathan Nitzan teaches political economy at York University in Toronto. All of their publications are available from [The Bichler & Nitzan Archives \(bnarchives.net\)](#).

^[2] Supreme Court of the United States. [Edmund G. Brown, Jr., Governor of California, et al., Appellants v. Marciano Plata et al. 563 U. S. \(2011\)](#). On Appeal from the United States District Courts for the Eastern District and the Northern District of California, May 23, 2012; Adam Liptak, ‘[Justices, 5-4, Tell California to Cut Prisoner Population](#)’, *The New York Times*, May 23, 2012.

^[3] Shimshon Bichler and Jonathan Nitzan, ‘[Systemic Fear, Modern Finance and the Future of Capitalism](#)’, Monograph, Jerusalem and Montreal, July 2010, pp. 1-42; Andrew Kliman, Shimshon Bichler and Jonathan Nitzan ‘[Systemic Crisis, Systemic Fear: An Exchange](#)’, Special Issue on ‘Crisis’, *Journal of Critical Globalization Studies*, No. 4, April, 2011, pp. 61-118.

^[4] Shimshon Bichler and Jonathan Nitzan, ‘[The Asymptotes of Power](#)’, *Real-World Economics Review*, No. 60, June, 2012, pp. 18-53.

[5] Rusche's biographical sketch in this paragraph draws on Dario Melossi, 'A New Edition of *Punishment and Social Structure* Thirty-Five Years Later: A Timely Event', *Social Justice*, Vol. 30, No. 1, Spring, 2003, pp. 248-263.

[6] Georg Rusche, 'Labor Market and Penal Sanction: Thoughts on the Sociology of Criminal Justice', Translated by Gerda Dinwiddie, *Crime and Social Justice*, No. 10, Fall-Winter, 1978 (originally published in 1933); Georg Rusche and Otto Kirchheimer, *Punishment and Social Structure*, with a new introduction by Dario Melossi, New Brunswick, NJ: Transaction Publishers, 2003 (originally published in 1939).

[7] Rusche, 1933, p. 4.

[8] U.S. Department of Justice, Federal Bureau of Investigation, Uniform Crime Reporting Statistics, [UCR Offense Definitions](#).

[9] See for example, Steven D. Levitt, '[Understanding Why Crime Fell in the 1990s: Four Factors that Explain the Decline and Six that Do Not](#)', *Journal of Economic Perspectives*, Vol. 18, No. 1 (Winter), 2004, pp. 163-190.

[10] On the difference between the heteronomy of capital and the autonomy of resistance, see Jonathan Nitzan and Shimshon Bichler, [Capital as Power: A Study of Order and Creorder](#), RIPE Series in Global Political Economy, New York and London: Routledge, 2009, pp. 19-21.

[11] Jonathan Nitzan, '[Regimes of Differential Accumulation: Mergers, Stagflation and the Logic of Globalization](#)', *Review of International Political Economy*, Vol. 8, No. 2, 2001, pp. 226-274.

[12] Jonathan Nitzan and Shimshon Bichler, [The Global Political Economy of Israel](#). London: Pluto Press, 2002.

[13] The third possibility was suggested to us by the Israeli criminologist, Professor Jacob Reuven.

Share this:

- [Email](#)
- [Twitter](#)
- [Facebook](#)
- [Print](#)
-

[Comments \(12\)](#) [Leave a comment](#)

1. Nell

November 21, 2012 at 11:28 pm

[Reply](#)

Really enjoyed reading this article (and your others). I am particularly intrigued by the conundrum of Fig 5 and have been in discussion with friends on what might explain the decoupling between unemployment and penalty. I would like the explanation to be a manifestation of class solidarity, but I am not sure there is evidence to support a shift in political awareness amongst those who might normally be involved in penalty. I would like to offer an alternative explanation – risk aversion. The current behaviour of householders and businesses, such as paying down debt, reducing spending/investment is described as a shift into risk averse behaviour in the face of uncertainty. Is it possible that this decoupling between unemployment and penalty is a reflection of risk aversion even in those who have so little to lose?

- [JonathanNitzan](#)

November 23, 2012 at 12:14 pm

[Reply](#)

Perhaps. But then we would need to explain why risk aversion to crime seems to fall during a regular crisis (as suggested by the positive correlation between crime and unemployment) but rise during a systemic crisis (implied by the negative correlation).

- Nell
November 25, 2012 at 6:42 pm

The rise and fall during run of the mill recessions is explained by Rusche's analysis. The negative correlation is only seen in 'extraordinary' circumstances when the very fabric of society might be perceived to be at risk. In this context, all sections of society, including those who might ordinarily turn to crime in a downturn, are affected by fear of imminent collapse and thus become risk adverse. Perhaps one could categorize crimes on the basis of risk and see whether there is a pattern where the more risky crimes show a decline during this period relative to regular recessions and the less risky crimes stay the same. Not sure how you define risk in the context of crime.

- Nell
November 25, 2012 at 7:04 pm

Sorry, I didn't really explain why I thought risk aversion to crime might be affected by systemic versus regular crises. Perhaps I could turn the question around. If a systemic crisis increases risk adverse behaviour across many sectors of society why would you exclude those who might normally turn to crime. Are they somehow immune to the social zeitgeist? When Martin and I discussed this, he came up with a scenario. In a regular recession, a young person has trouble finding work, they make the decision to steal someone's property. They take the risk that the owner might catch them at it. The owner might or might not resort to physical violence. However, in a systemic crisis, when everyone is anxious and stressed and people's tempers are short the risk of physical violence in response to theft increases (or is perceived to be more likely by the thief). In addition, the victim might not have the ability to easily replace the stolen items – and might be more willing to fight hard to keep them. I don't know – perhaps a criminologist would have some ideas on the subject?

2. [davetaylor1](#)
November 22, 2012 at 9:37 am
[Reply](#)

Yes, a most interesting and thought-provoking article. The thoughts it provoked in me is that those who can print their own money are not risk-averse and their "austerity" programme an extension of penalty to weak classes in weak nations rather than a diminution of individualised penalty. I hope it leads to national (rather than class) solidarity, but I would like the response to be some form of legal jujitsu on the banks, financiers and corporate CEOs who are so wilfully tearing the heart out of civilised life in pursuit of imaginary gain.

3. MArtin
November 22, 2012 at 11:04 am
[Reply](#)

Another possibility may be derived by looking at the results through a slightly wider historical lens and think about what this article might say about the collapse of complex societies. Capitalism is just one of a series of systems imposed by ruling hegemonies on materially and technologically complex societies. That these systems tend to collapse is historically well evidenced. The reasons for the collapse are various and include environmental degradation, war, etc etc. But a consistent feature may be increasing unpredictability towards the end of the system's 'life' as the rulers attempt to correct their unsustainable system and maintain control. Colloquially its a process of unintended consequences.

It is where I depart from determinism, because while the system is more or less functioning 'well', even

minor fluctuations (minor in the sense of not terminally destabilizing the system, not in the sense of the terrible effects these fluctuations have on those ruled) can be analysed and explained within the ‘logic’ of the system and ‘recovery’ can be predicted. But when a system is in collapse, this predictability – the deterministic element – is lost. The system becomes unpredictable.

One of the things I like about this particular piece of work (and it is only one as I too find the author’s work fascinating on a number of levels) is that the type of analysis might lead to a way of identifying this trend. By that I mean that if similar analysis could be run across societies that have collapsed, or have apparently averted collapse, would we see the rise of unpredictability towards the end of a system’s life? I am no expert in this but when you look at what was happening in Japan before the Meiji ‘restoration’, there was significant unpredictability across that society towards the end of the Edo period – famines, civil war, dysfunctional economic system. It could be said that Meiji Japan represents a society that avoided collapse (although not to the benefit of the workers). Tainter wrote about decreasing marginal returns in the Mayan collapse.

While it is true that each collapse probably had different causes and probably multiple causes, is it possible that by measuring a number of relationships and correlations within each society, patterns might emerge? Difficult to get data I know and exact comparison probably not possible, but would there be (or is there existing) a reliable statistical measure of the ‘stability’ of a society.

- o [Jonathan Nitzan](#)

November 26, 2012 at 4:06 pm

[Reply](#)

Martin –

We have written on the prospect of systemic collapse, with some historical contextualization, in our 2010 paper “Systemic Fear, Modern Finance and the Future of Capitalism” (<http://bnarchives.yorku.ca/289/>). The follow-up debate with Kliman that I’ve mentioned in my response to Nell may also be useful – “Systemic Crisis, Systemic Fear: An Exchange” (<http://bnarchives.yorku.ca/314/>).

4. Pete

November 25, 2012 at 8:57 am

[Reply](#)

Thoughtful and thought-provoking article. I am a bit wary of correlation across long periods as evidence, and would suggest you test this with historians – both for the meaning behind the numbers and the additional evidence (documents, diaries, conversations) that would tell us what the power-holders actually thought.

5. [Jonathan Nitzan](#)

November 25, 2012 at 11:39 pm

[Reply](#)

To Nell:

Since Bernoulli, the analysis of “risk” has been hostage to the liberal assumption that human beings are autonomous, rational and utilitarian. We prefer to stay away from this cosmology. For our critique of standard risk analysis, see our book “Capital as Power”, pp. 198-203 (<http://bnarchives.yorku.ca/259/>). On the danger of applying micro-orthodoxy to radical class analysis, see our debate with Andrew Kliman, pp. 108-111 (<http://bnarchives.yorku.ca/314/>).

- o Nell

November 26, 2012 at 12:37 pm

[Reply](#)

Cool – thanks for the links. We have also been dipping into your archive of papers. I have been posting links to your papers on other websites (independent and guardian forums as well as personal blogs). I think your perspective on capital as power is very illuminating.

I also understand your distaste for the narrow individualistic view of human behaviour as sold to us via mainstream economics. The difficulty is that I am a cognitive neuroscientist and my training in social psychology as an undergrad hasn't provided me with the tools to analyze social behaviour at the societal level. Hence, I am struggling to articulate what I mean.

If I was asked to describe how I feel about society in the UK right now, it would be paralysis, frustration and fear. I feel like I am in a room full of open mouthed people, the majority of whom are staring at pretty pictures on the wall, while the rest of us are staring at a crazed gunman waiting to see what will happen next. Will the the 'pretty picture' people notice the crazed gunman? Will we act collectively and bring the gunman down? Will someone outside the room ride to our rescue? Or will the gunman open fire and mow us all down?

With that, I shall leave you to get on with your excellent work.

6. ezra abrams

November 26, 2012 at 8:08 pm

[Reply](#)

very nice post , thanks.

In ref to Fig 3 – I would assert that almost all people who are not trained econ or fin types would be totally unable to predict the black curve from the red curve

this leads to the idea that any time series graph which shows annual rate of change over a long period is seriously misleading if a line showing hte cumulative change is not included.

sadly, I find your main conclusion, based on figure 4, not entirely convincing; perhaps some more analysis around this point (my main problem is that year over year changes go in a narrow band – ie if you did a random sampling of the data, the curves would look somewhat similiar

7. [Jonathan Nitzan](#)

December 8, 2012 at 3:48 pm

[Reply](#)

A video of a lecture on the subject: <http://bnarchives.yorku.ca/348/>

1. No trackbacks yet.

Leave a Reply

Enter your comment here...

This site uses Akismet to reduce spam. [Learn how your comment data is processed.](#)

[Robert Lucas and his non-definition of non-money](#) [Robert Lucas gobsmaeking stupidities on debt](#)
[RSS feed](#)

Email subscription to this blog

Join 16,989 other followers

RWER 26,369 subscribers

- [Current and back issues](#)
- [Subscribe](#)

Regular Contributors

- [Asad Zaman](#)
- [David Ruccio](#)
- [Editor](#)
- [Merijn Knibbe](#)
- [Lars Syll](#)
- [Norbert Häring](#)
- [Maria Alejandra Madi](#)
- [Mark Weisbrot](#)
- [Dean Baker](#)
- [Peter Radford](#)

follow this blog on Twitter

- [RealWorldEcon](#)

Top Posts- last 48 hours

- [Bayesianism — a patently absurd approach to science](#)
- [US median household income in the 21st century](#)
- [How to re-establish trust in economics as a science](#)
- [The public economy in crisis](#)
- [Summary of the Great Transformation by Polanyi](#)
- [Nine years with euro crisis – time to think anew](#)
- [Econometrics: The Keynes-Tinbergen controversy](#)
- [A comment on corporations](#)
- [Modern Money Theory \(MMT\) vs. Structural Keynesianism](#)
- [The Indian Economy: 70 years after Independence](#)

Real World Economics Review

The RWER is a free open-access journal, but with access to the current issue restricted to its 25,952 subscribers (07/12/16). Subscriptions are free. Over one million full-text copies of RWER papers are downloaded per year.

Comments on recent RWER issues

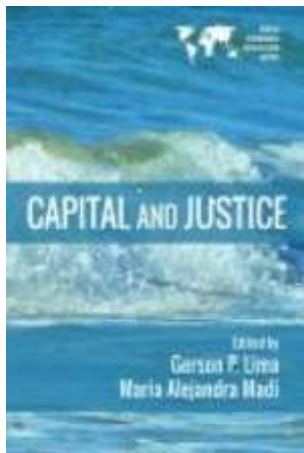
- [Comments on RWER issue no 78](#)
- [Comments on RWER issue no 79](#)
- [Comments on RWER issue no 80](#)
- [Comments on RWER issue no 81](#)
- [Comments on RWER issue no 82](#)

————— **WEA Paperbacks** ————— available at low prices —————
————— **on most Amazons** —————

————— **Ugarteche, Puyana and Madi** —————



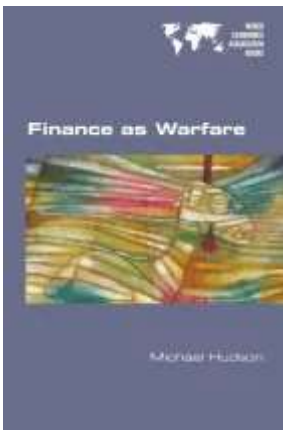
Gerson Lima / Maria Alejandra Madi



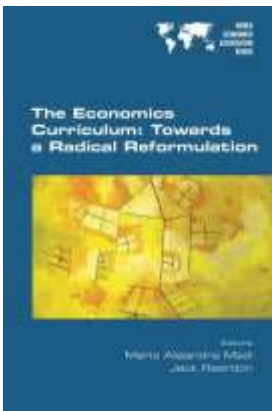
Edward Fullbrook and Jamie Morgan



————— **Michael Hudson** —————



Maria Alejandra Madi / Jack Reardon



————— **Edward Fullbrook** —————



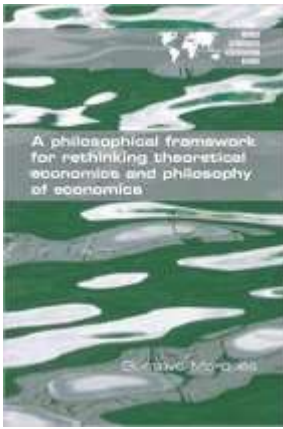
————— **Steve Keen** —————



————— **Richard Smith** —————



————— **Gustavo Marques** —————



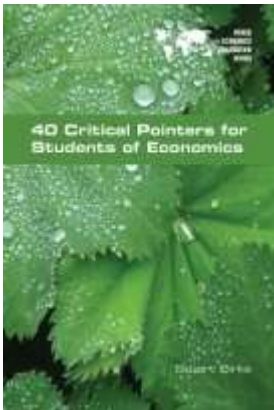
— Victor Beker and Beniamino Moro —



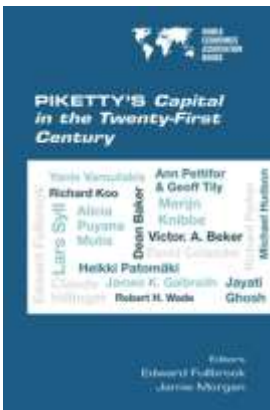
———— Lars Pålsson Syll —————



———— Stuart Birks —————



Edward Fullbrook and Jamie Morgan



Search for:

Search

WEA Periodicals

- [Economic Thought](#)
- [Real-World Economics Review](#)
- [WEA Commentaries](#)
- [World Economic Review: Contemporary Policy Issues](#)

----- World Economics Association ----- founded 2011 – today 13,800 members

- [join](#)
- [WEA Pedagogy Bog](#)
- [WEA Young Economists Network](#)

Recent Comments

- lobdillj on [Nine years with euro crisis – time to think anew](#)
- Craig on [How to re-establish trust in economics as a science](#)
- Craig on [How to re-establish trust in economics as a science](#)
- Craig on [How to re-establish trust in economics as a science](#)
- davetaylor1 on [How to re-establish trust in economics as a science](#)
- Mike Ryan on [Bayesianism — a patently absurd approach to science](#)
- Robert Locke on [How to re-establish trust in economics as a science](#)
- peterblogdanovich on [Bayesianism — a patently absurd approach to science](#)
- peterblogdanovich on [Bayesianism — a patently absurd approach to science](#)
- davetaylor1 on [How to re-establish trust in economics as a science](#)

- patrick newman on [US median household income in the 21st century](#).
- Frank Salter on [How to re-establish trust in economics as a science](#)
- [Ken Zimmerman](#) on [How to re-establish trust in economics as a science](#)
- [Ken Zimmerman](#) on [How to re-establish trust in economics as a science](#)
- Craig on [The public economy in crisis](#)

Comments on issue 74 - repaired

- [post and read comments on issue 74](#)

Comments on RWER issues

- [Comments on issue 66](#)
- [Comments on issue 67](#)
- [Comments on issue 68](#)
- [Comments on issue 69](#)
- [Comments on issue 70](#)
- [Comments on issue 71](#)
- [Comments on RWER issue no 78](#)
- [Comments on RWER issue no 79](#)
- [Comments on RWER issue no 80](#)

WEA Online Conferences

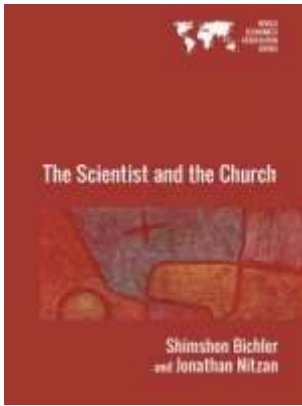
- [Economics in Society: The Ethical Dimension](#)
- [Rethinking Financial Markets](#)
- [Sustainability – Missing Points in the Development Dialogue](#)
- [The economics curriculum: towards a radical reformation](#)
- [The political economy of economic metrics](#)

— Forthcoming WEA Paperbacks —

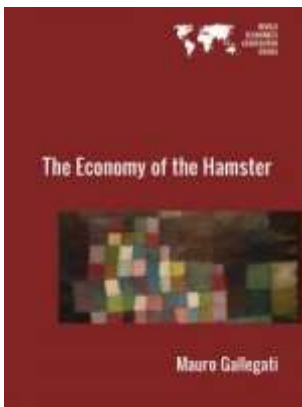
———— Armando Ochangco —————



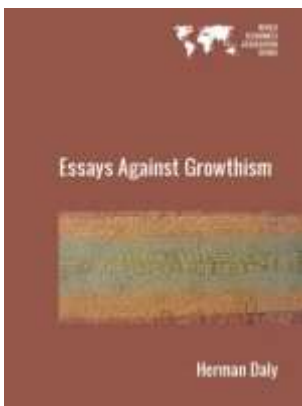
Shimshon Bichler / Jonathan Nitzan



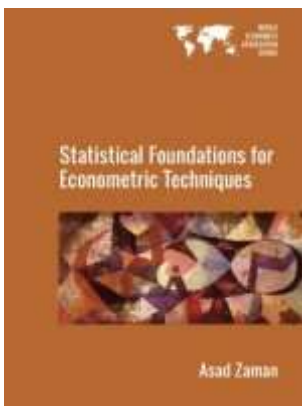
————— **Mauro Gallegati** —————



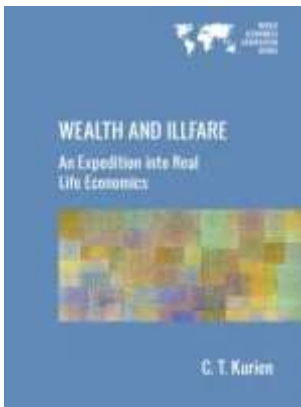
————— **Herman Daly** —————



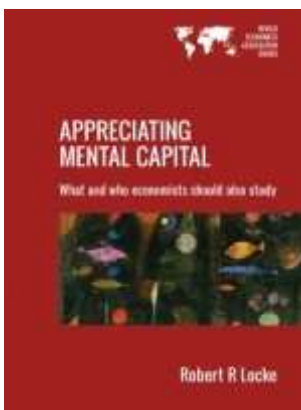
————— **Asad Zaman** —————



C. T. Kurien



Robert Locke



Guidelines for Comments

- This blog is renowned for its high level of comment discussion. These guidelines exist to further that reputation.
- Engage with the arguments of the post and of your fellow discussants.
- Try not to flood discussion threads with only your comments.
- Do not post slight variations of the same comment under multiple posts.
- Show your fellow discussants the same courtesy you would if you were sitting around a table with them.

Most downloaded RWER papers

- [Green capitalism: the god that failed \(Richard Smith\)](#)
- [New thinking on poverty \(Paul Shaffer\)](#)
- [What Is Neoclassical Economics? \(Christian Arnsperger and Yanis Varoufakis\)](#)
- [Global finance in crisis \(Jacques Sapir\)](#)
- [Trade and inequality: The role of economists \(Dean Baker\)](#)
- [The housing bubble and the financial crisis \(Dean Baker\)](#)
- [The state of China's economy 2009 \(James Angresano\)](#)
- [Debunking the theory of the firm—a chronology \(Steve Keen and Russell Standish\)](#)
- [Why some countries are poor and some rich: a non-Eurocentric view \(Deniz Kellecioglu\)](#)

Family Links

- [C. P. Chandrasekhar's Blog](#)

- [David Ruccio's Blog](#)
- [Dean Baker – Beat the Press](#)
- [Jayati Ghosh's Blog](#)
- [Lars Syll's Blog](#)
- [Mark Weisbrot](#)
- [Norbert Haering' Blog](#)
- [real-world economics review](#)
- [Steve Keen's Debtwatch](#)
- [The Progressive Economics Forum](#)
- [The Radford Free Press](#)
- [Thomas Palley](#)
- [WEA Pedagogy Bog](#)
- [WEA Young Economists Network](#)

Contact

pae_news@btinternet.com

follow this blog on Twitter

- [RealWorldEcon](#)

RWER Board of Editors

Nicola Acocella (Italy, University of Rome) Robert Costanza (USA, Portland State University) Wolfgang Drechsler (Estonia, Tallinn University of Technology) Kevin Gallagher (USA, Boston University) Jo Marie Griesgraber (USA, New Rules for Global Finance Coalition) Bernard Guerrien (France, Université Paris 1 Panthéon-Sorbonne) Michael Hudson (USA, University of Missouri at Kansas City) Frederic S. Lee (USA, University of Missouri at Kansas City) Anne Mayhew (USA, University of Tennessee) Gustavo Marqués (Argentina, Universidad de Buenos Aires) Julie A. Nelson (USA, University of Massachusetts, Boston) Paul Ormerod (UK, Volterra Consulting) Richard Parker (USA, Harvard University) Ann Pettifor (UK, Policy Research in Macroeconomics) Alicia Puyana (Mexico, Latin American School of Social Sciences) Jacques Sapir (France, École des hautes études en sciences sociales) Peter Söderbaum (Sweden, School of Sustainable Development of Society and Technology) Peter Radford (USA, The Radford Free Press) David Ruccio (USA, Notre Dame University) Immanuel Wallerstein (USA, Yale University)

Revere Award in Economics

- [Keen, Roubini and Baker](#)

Dynamite Prize for Economics

- [Greenspan, Friedman and Summers](#)

Blog Authors

- [anmayhew](#)
- [Asad Zaman](#)
- [Lewis L. Smith](#)
- [bruceedmonds](#)
- [Kevin P. Gallagher](#)
- [deanbaker1](#)

- [Steve Keen](#)
- [Deniz Kellecioglu](#)
- [David F. Ruccio](#)
- [donaldgillies](#)
- [Peter Dorman](#)
- [Editor](#)
- [frankackerman](#)
- [frankrotering](#)
- [Edward Fullbrook](#)
- [iettogg](#)
- [jamieamorgan](#)
- [Jim Stanford](#)
- [julieanelson](#)
- [Lars Syll](#)
- [Maria Alejandra Madi](#)
- [Mark Weisbrot](#)
- [merijntknibbe](#)
- [njhaering](#)
- [paul davidson](#)
- [Juan Pablo Pardo-Guerra](#)
- [Peter Earl](#)
- [pesod](#)
- [peterradford](#)
- [paul ormerod](#)
- [Peter Earl](#)
- [staveren](#)

Regular Contributors

- [Asad Zaman](#)
- [David Ruccio](#)
- [Dean Baker](#)
- [Editor](#)
- [Lars Syll](#)
- [Maria Alejandra Madi](#)
- [Mark Weisbrot](#)
- [Merijn Knibbe](#)
- [Norbert Häring](#)
- [Peter Radford](#)

[Top](#)
[Blog at WordPress.com.](#)