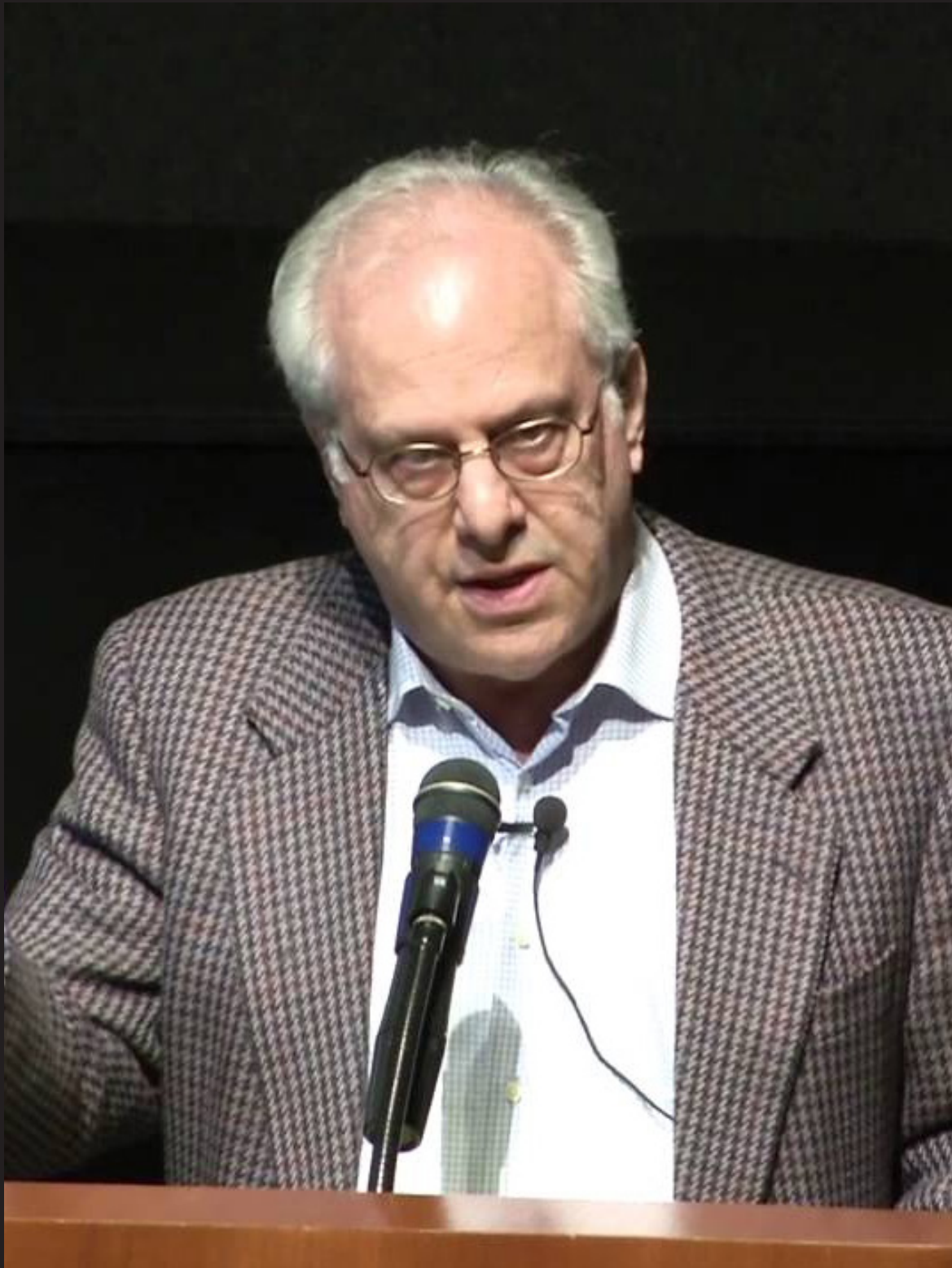


**In conversation with:
Dr. Richard Wolff**



Editor: During the pandemic, across the world, governments have been announcing Keynes-inspired stimulus and relief packages intended to boost demand. However, this type of state intervention historically seems to end up with another crisis every few decades anyway. So, if it were to put on the textbook benevolent planner role, is there anything the state can do in a capitalist system to prevent an economic crisis?

Dr. Richard Wolff: The short answer is no, and the reason I say that is because of the 300 years of the history of capitalism. If you follow the general economic history, modern capitalism begins in England around the 17th century, more or less, spreads to Western Europe, North America, Japan and then through the colonial system pretty much everywhere else. So, we have modern capitalism as a global system. If you look at these 3 centuries, wherever capitalism has come to settle, it has demonstrated the same identical instability. It is either called a crisis, or a business cycle, or a boom-bust cycle, or a recession, or a depression. The words are endless in English and every other language because it is a recurring phenomenon. The best research I've ever seen is the case that it happens on average, an economic downturn, every 4 to 7 years. That's an average, so, sometimes it is shorter, sometimes it is longer. But you can see, the system has built into it a structural instability.

Here is another way to look at it. Capitalists have understood for 300 years that this instability is dangerous for their system. Because, when periodically you throw millions of people out of work, as we are doing today, if you show millions of businesses that they must now go bankrupt, that they must cease functioning, which is again happening today; then it does not take a genius to understand that in these periods of downturns, crash, or recession, some people, for example, people like me, are going to become critical of a system that has such built-in instability. The capitalist system understood that its own instability made it vulnerable to criticism, particularly from systemic critics, or in a short term socialists, communists, people who want to go to another system. So they had every incentive to do whatever they could to either soften these cycles, or better yet to get rid of them, to end them, to stop them. They have tried everything for 3 centuries. Very smart people, smart men and women, got together and tried to figure out how to get rid of this instability. In the depths of the greatest depression capitalism has so far experienced, the 1930s, you even had a new kind of economics developed by John Maynard Keynes that we teach as Keynesian economics, about how the government can use monetary and fiscal policy to try to do this. When I give speeches here in the United States, I explain that every president of the United States since Franklin Roosevelt in the 1930s, has promised the people of America, that if they follow his policies, not only will they get out of the recession that they are in—because every president has one—but each president promised that if they do what that he suggests and follow his economic policy, they will save their children from having to go through another economic crash. Every president promised, no president has ever fulfilled that promise. No president could do it, and that's why we are going through the one we have now.

In short, capitalism has tried to get rid of the business cycle, and it has failed over and over again to do so. Again, let me use the United States as an example. We have had 3 crises in this new century. We had what we call the dot-com crisis in the spring of the year 2000, we had the subprime mortgage crisis in the year 2008, and now we have the Covid-19 crisis in the year 2020. Three crises in 20 years, exactly on schedule for the 4 to 7 year average. So, if you don't want the instability, if you don't want to threaten your people with a system that crashes every 4 to 7 years, then your problem isn't the cycle. Your problem is the capitalist system which brings this cycle to you and has brought it everywhere for 300 years.

Editor: With the market of the vaccine continuously developing into a competitive sector, how do you think capitalism will affect its distribution? Additionally, in your opinion, how do you think the economies of developing countries like India will react if and when there is a delay to access?

Dr. Richard Wolff: Well, there is already a delay to access. It is a mistake, a serious mistake, to permit private capitalist enterprises to be in charge, in any sense, of the distribution of the vaccine. Let me explain, a capitalist enterprise is an enterprise organised with a particular prioritised objective and that is profit. To generate a profit, to maximize the difference between the revenues and the costs so that a profit can be achieved, which can be distributed to the owners, which can be used to expand the business. It can be used in whatever way the owners and the leaders of the enterprise, a very small minority of the people, think is the best way to utilise those profits. It makes no sense, it is a fundamentally irrational thing if you give the task of public health to an institution whose priority is something else. This would be the equivalent of saying to your police department that their job is to teach students in school. No, that is somebody else's priority, it is not your priority as a police person, or a fire protector, or any other function. The reason we separate functions and make them priorities is to get a better outcome. Therefore, the question is, what in the world would make you give the task of public health—preserving the health, maintaining the health and protecting the health—to an institution whose priority is somewhere else.

Let me drive it home to you with an example, again I apologise, I can give you examples easiest from the United States cause I am for better or worse, and these days it's worse, an American, so that's what I have to do. Here in the United States, we have a highly privatised medical system, one of the most privatised in the world compared even to most countries—your country, European countries, and so on. We, therefore, left it in the hands of the private sector to be prepared for the arrival of the coronavirus. We all knew that viruses are a part of nature. The last time we had a bad virus in the United States was in 1918, roughly a hundred years ago. It killed 700,000 people. We know very well what viruses can do, plus we are very aware of the SARS virus, the MERS virus, the Ebola virus. Everyone knows that viruses are a problem, and that if

viruses come we need to have tests, we need to have masks, we need to have hospital beds, we need to have ventilators, we need those things. Here in the United States, we have the manufacturing capability to produce all those things. But when the Covid virus hit the United States in March of 2020, last year, we didn't have adequate supplies of masks, or tests, or ventilators, or anything else. Why not? It wasn't privately profitable to do that. The companies that could have made tests, we had them. We had the raw materials, we had the labour, we had the technology. We had everything we needed to produce and to stockpile around the country supplies of tests, masks and everything else. But we didn't, and we didn't for a simple reason—it's not profitable, It's too risky for a private capitalist.

The explanation is simple. If I'm a capitalist and I produce masks or tests, I have to spend money. I have to buy the materials, I have to have the machinery, I have to pay the workers; and then what do I have—a lot of tests, masks and ventilators. Now I have to store them in a warehouse around the country, I have to secure them in the warehouse, I have to make sure that they stay clean, replace those that deteriorate, repair those that are broken, I have a lot of expenses. When will I be able to sell the masks and the tests? I don't know, the next virus may come in 6 months, it may come in 50 years. There is too much much risk, too much expense. So what the capitalists did, which is what they are supposed to do, they invested somewhere else. They made a different product, they made a different system, and they didn't make the masks and they didn't make the tests. So capitalists, and there's no nice way to say this unless you're an apologist for capitalism which you can probably tell I am not. So here's the nice way to say this, capitalism is a very bad way to organise public health. By the way, we have just gone over 350,000 deaths in the United States, over 350,000 dead Americans from this virus. So, this is a fatal failure of capitalism to make us unprepared. And you really can't fault the capitalists, because the capitalists who made these decisions were doing what they were told to do when they all got their Master of Business Administration certificate from their university.

Now, of course, the government could have stepped in. We all know how we fix the failures of capitalism—we bring the government in to do what the capitalists fail to do. The government could have come in, the government could have said to the capitalists, "Okay, you produce the mask. We, the government, using public money—taxpayer money—will buy the mask from you as fast as you produce it, and the ventilator, and the hospital bed, and the test equipment; and then at government public expense, we will store it in warehouses around the country, and we will clean it and we will keep it secure. All the risk is taken away, and we will pay you a price that makes you a big fat profit." Because that's the ransom that capitalism demands from the people, so long as people are willing to pay the ransom that capitalists charge us.

So the interesting question is, why doesn't the government do that? And an even more interesting question is, the government already does it somewhere else, why isn't it doing it in public health? To make sure you understand where the government already does it, because this is very like in India too, it turns out that the private capitalists have the same problem producing military equipment. If the private producer of the gun,

or the airplane, or the tank, or the missile, if that private producer had to make that and then store it in a warehouse and have to wait until the next war comes, it would be too risky and not profitable. No defence equipment would be produced. You should enjoy the irony that capitalism is as poor a choice for public health as it is for the military. But in the case of the military we solved it, didn't we? The government comes in, buys the missile as fast as it comes off the assembly line, buys the guns, buys the ships, buys the airplanes. Then at public expense stores it, maintains it, secures it, fixes it, updates it, at an enormous expense. Meanwhile, it pays the military producer capitalists a good price, a very profitable price, and takes away all risk. So the governments do what I am describing for the military, but they don't do it for public health. If we had more time I would stop now and I would play you the national anthem of the United States, just so you could appreciate the charming quality that capitalism brings wherever it pollutes the environment.

Well, you might be interested to know why the government didn't for public health what it does for the military. The answer is that the private health system of the United States is a monopoly of four industries that work together—doctors, hospitals, drug and device makers, and medical insurance companies. They have control of the private health sector. Every effort to produce a public health program that would give universal support to people, the way you have in every European country and in many countries beyond Europe as well, they have been fighting that successfully for a century. They don't want the government anywhere near the medical profession, because of the risk that the American people will begin to demand a public health system, and then their private monopoly will be gone. That's their problem, that's why we have a disaster on our hands. Capitalism is a very poor way to organise a health system, and it is equally horrible as a way of handling the vaccine system.

In order to make vaccines profitable, they are going to be distributed to those who can pay the most. Don't be fooled, there'll be lots of words and lots of politicians mumbling junk. Don't waste your time, this is a capitalist system. The vaccine is being distributed here in the United States in a very controlled way. If you follow the value of shares trading hands on the New York Stock Exchange, you will see the remarkable increase in the value of shares of pharmaceutical companies; because everybody knows they are making a killing, and boy do I mean that literally, by the way that they are handling vaccines. So the poorest are going to get it last, if they get it at all. And when there are a few exceptions, as there always are, for example, exceptions of people who work in hospitals or people who work in other kinds of dangerous areas, there will be very big television stories about the wonderful nurse who got a vaccine, or the wonderful orderly in the hospital. It's all window dressing, don't be fooled. The basic vaccines at this point are available if you have the money. I live in New York City, I am speaking to you from Downtown New York City. I am a professor, my wife is a psychotherapist, we have a very nice and comfortable income, we are in the upper 20% of income in this country. I called my doctor who is on Park Avenue. If you ever come to New York, Park Avenue is a very elegant avenue in New York City. My doctor is on Park Avenue, I called him last week. I said to him, "When can I get the vaccine," and he said to me, "Well I would guess maybe in March or April, call me back then." I said

to him, "What do I have to do to get it sooner?" He said, "I can give you the name of another doctor that you can call, but it will cost you a pretty penny." That was his phrase, "a pretty penny." I don't know what that means, but I think you get the idea.

Editor: A couple of months back you had an interview with a YouTuber named Mexie, and you were being optimistic in saying how you think capitalism in the US, UK, and Japan has almost reached its end or its tipping point. However, developing countries like India, Brazil and China have not reached the tipping point yet because they were "late to the party." Can you explain more about that, and is the general strike that is going on in India right now in a direction towards that tipping point or do we still have a long way to go?

Dr. Richard Wolff: Well you know, I am not good at making predictions. I always thought that if you want to make a prediction, you should go to the county fair and give that person a few dollars. He or she will tell you who you are going to be sleeping with next week, and you will giggle and laugh because you understand it's entertainment. If you actually got nervous because you don't want to sleep with that person next week, then you've misunderstood what the point of all of this is. It's entertainment, it's not serious. Nobody is able to tell you what is going to happen next week or next month. What I was trying to suggest, and I say this because you don't know me personally, but I am not an alarmist, I haven't been saying for a long time that capitalism in the United States is declining. This is something I have come to slowly and recently. The accumulation of evidence here in the United States, which is arguably the most powerful centre for capitalism, the evidence here of disintegration is overwhelming. I assume you have seen the pictures from earlier this week of the disintegration in our nation's Capitol, and you'll be hearing more about that. It is falling apart. We have a president who is somewhere between an idiot and a clown, and he is being replaced by someone who is already three-quarters dead. I mean, we have a serious difficulty, we are producing leaders that are bad jokes. They don't have any policy to solve anything, and they are not solving anything. Inequality in this country is at a level that we make comparisons with ancient Egypt and the Pharaoh. Jeffrey Bezos, the guy who owns Amazon, has a personal fortune of \$200 billion. He has become \$60 billion richer over the last 10 months, while 60 million Americans had to file for unemployment compensation because they have no job. This is not a system that is working well, this is a system that is falling apart. Trump is a symptom, the assault on the Capitol is a symptom, the fact that I have a huge audience for what I do around the United States, that is also a symptom. It is a system that is falling apart.

One of the major reasons is the profit motive driving American corporations, and indeed corporations from other parts of the world, Europe, Japan and so on. They are leaving the United States, they've been leaving it for 30 years. They are moving production out of the United States, because wages are too high, or to say the same thing, wages are much lower in places like, my apologies, India, Bangladesh, Malaysia, or Indonesia. You

know better than I do about what is going on. And that hasn't stopped. There's a lot of publicity, "Oh we're going to bring manufacturing back." No, we're not. Obama promised to do that, he failed. Trump promised to do that, he failed. Biden will promise to do it, and I guarantee you, he will fail.

The Chinese economy is now the ascending global capitalist power. The United States is declining, India is somewhere in between, Brazil is somewhere in between. I don't know how this will work, but I do know that every American corporation that I speak to, and I should explain to you that's partly because I am a product of the elite universities of the United States. Even though I'm a poor parent, and my parents were poor—they were immigrants, my father was French, my mother was German, English is my third language, etc.—but I was born in the United States, I'm an American, I went to Harvard and Yale, and all of that. As a result, I know all these things personally. They are done with the United States. If they are the heads of a corporation, as many of them are, they want to go where the wages are lower and the market is bigger. And there is a place on Earth where the wages are lower and the market is much bigger, and it's called the People's Republic of China. That's what capitalists respond to, because they have to. That's a competitive objective they have, their competitors are already doing it, if they don't do it too they are finished. When it comes to the end of my company and my reputation as an executive versus my patriotism, that's an easy choice—patriotism out the window. This isn't going to stop. It's not a question now of whether the United States declines, it is really only a question of what the steps are, what the pace is, what form it will take.

But now to answer your question, what is going to happen to a place like India, is very similar to what is going to happen to a place like Brazil. But here's the problem—with all due respect, please don't misunderstand me, I'm not evaluating—you're not in the situation of China. You don't have the world market that the Chinese have built over the last 40 years. There are many reasons for that, but that is the reality. You are going through rapid growth. Capitalism when it has had rapid growth has often overshot the mark. That happened in Europe, that happened in the United States. We have had general strikes here, we have had a very rough and bitter struggle between capital and labour throughout the history of American and European capitalism. You're having that in India, I'm not surprised. That's what happens when you have capitalist developments. You can soften the blow if you are very successful. The history of the United States is precisely that.

The United States was able to get huge profits after the Civil War that century, from roughly 1870 to 1970. Because the United States was in a very special position then, a little bit like the Chinese now, they got enough profits that for the entire period they could raise wages too. They never raised the wages as much as the profits, inequality was very bad, but they were able to. And this is a very important fact, from 1870 to 1970, every decade the real wages of American workers went up. It gave Americans the idea that they live in a charmed place. It gave rise to notions like the American dream or American exceptionalism. It gave the

idea that every generation will live at a higher standard of living than their parents, because for a century it was true. In 1970 it stopped, and the United States has been in a cultural and political crisis ever since. It had no way to anticipate this, it had no way to think about it, its leadership denied it. It survived only because, since 1970, when wages have not gone up, the real wage in the United States is the same now as it was 40 years ago. How has the standard of living risen? The answer, debts. Americans are pioneers in the amount of debt per person. Debt to buy your home, debt to buy your car, debt with your credit card to buy everything; and in the last 20 years, the new one, debt to send your child to college. The level of debt of the American working class is, literally, killing them.

You have a very fragile system, and in India you are facing a capitalism growing quickly, but not rich enough, not in the position that the United States was or the Chinese are. You may get to that, I don't know, I don't think anyone knows. And if you do get to it, your capitalists may be smart enough to keep the system going by sharing some of the profit in the form of real wage. The Chinese have done that, real wages have risen in China over the last 30 years. If you have never looked at those numbers, look at them, they are very impressive. It explains why the Chinese Government is in a much more secure position with its people than the American Government has been, and will be for their foreseeable future. So I think the question is, you're going to have capital and labour struggles. But because your capitalism is always in the shadow of the declining but still strong capitalism of the West, and the rising power of the capitalism to your East, that's going to create a very special set of problems for Indian capitalism.

Editor: In your 2011 paper 'Teaching economics differently by comparing contesting theories' you talk about the lessons learnt from teaching economics over the years, and you pointed out that textbooks and courses lack in offering alternative theories. In the decade that has passed, have there been changes in the pluralism of economic theories in the curriculum, and/or do they encourage them against each other?

Dr. Richard Wolff: I wish I could give you better news than I have to give you in answer to this perfectly good question. Economics is a backward discipline, and it has been all my life. As I said, I went to Harvard as an undergraduate, then I went to Stanford in California where I got a Master's Degree, and then I finished my education at Yale. By American standards, I am a product of the elite of the elite universities in this country, and my PhD is in economics. If you count the full time from my beginning at Harvard till my PhD at Yale, I spent 10 years of my life in the Ivy League schools of the United States studying economics. Our universities have a two-semester system, so if you're in there for 10 years it's 20 semesters, and I took no breaks so I did my 20 semesters in a row. Only in one of the 20 semesters was I introduced to works that were in any sense critical of capitalism, that was at Stanford. I had a teacher – if you get a chance, do read his work, he is long dead but his name is Paul Baran. By the way one of his specialties was the economics of economic

development. You might find it interesting. I certainly did. He was a wonderful teacher. In one semester I had that. The other 19 semesters were as follows: they had two purposes. Number (1) to teach me how to explain and express what was going on in economics in such a way that the vast majority of the people I would be talking to had no idea of what I was saying. In other words, I learnt to be mathematical, technical and abstract in a way that made economics a mystery and turned most people away from pursuing it because it was either archaic or technical. Number (2) I discovered that they weren't interested in teaching how the economy works. What they were teaching me was how to be a cheerleader for capitalism. How to think about capitalism in a way - and I am assuming you know some of this language - that capitalism was a system that went to a stable, unique equilibrium that was pareto optimal - if you know what that crazy language is. Look at the words "equilibrium" there is no such thing. "Unique" there is no such word either. "Optimal" that's an arrogance that you shouldn't take seriously. But it's very important to know that the words are designed to get you to understand, you are a celebrant. It's like being introduced to some religious institution as the minister or the priest or whatever.

It's so grotesque in the US that long ago the businesses said to the universities that look, we are very happy that you are making people think that capitalism is the greatest thing ever invented by the human mind but you are not helping us by not having young people come to us understanding how a business works which is what we need. So, the solution in the US was to create a second economics department parallel to the first one. The first one which I am a product of is the celebrator - the one who says here is the ways capitalism is fantastic - if you know the famous Robert Browning poem: "capitalism is fantastic and let me count the way" and your education is counting the ways. This other parallel economics department is called a business school. What do you do in a business school? Well, you study business. And what do you think business is? It's economics, you idiot. Why do you think we have 2 departments in economics? We don't have 2 departments of history or English or biology. One, you go to study how the economy works. But how does a business actually work? What is accounting, marketing? What is investment theory and policy? I have taught in business schools. But that was not where my primary activity was. It was in the economics department; you are there as a high priest. Your job is to tell people to love capitalism and to believe it's the best and everything else is inferior, less efficient. All kinds of - and pardon me now, I assume you want my honesty - it is junk. This is what marx called vulgar economics.

Let me give you an example. We are required to teach you the concept of efficiency. The concept of efficiency is a ridiculous enterprise. Let me explain. Every act in economics that happens generates a whole long series of consequences- some of them happen immediately, some happen next year, some happen 10 years down the road. How do you know that whatever decision you made was efficient? Answer: you look at the consequences. And you measure the consequences that were positive and the consequences that were negative. And if the ones that were the positive were greater in sum than those that were negative, you say

it was an efficient act. Okay. Sometimes this is called cost-benefit analysis. This is charming. Just no human being can do that. No human being ever has done that. That's like you telling me you have spent a number of years studying how to leap over tall buildings. I am here to tell you you can practice till you are blue in your face, you cannot jump over a tall building. And you cannot measure costs and benefits as it's equally unavailable. Why? Two reasons. One: many of the consequences of an act happen in the future and you don't know the future. So, don't tell me you can measure the cost and benefits from the consequences. That's childish. Two: any consequence you point to or an act that you are studying is never the consequences of only the act you are studying. For e.g., if interest rates go up and 6 months later the exports go up- you cannot infer that the exports went up because the interest rates went up. You learnt correlation is not causation. Well, the logic is that the rise in exports has 50 other causes alongside whatever you are studying. Measuring costs and benefits is something no one can ever do. It's make-believe. To use a technical term, it's bullshit. That's a very important word in American English. Bullshit is a wonderful word because it covers this sort of thing. And yet I was required to sit through several semesters of instruction by a very smart set of teachers who taught me how to conduct cost benefit analysis. And if I were a greedier person than I am today, I could make more money today doing cost benefit analysis for the people who will pay me than to be a professor but this is exactly the same as standing as a truth than going out in the middle of the woods, taking off all your clothes looking up at the sky and saying the following 10 words very quickly and that will change your life. If you believe what I just said then you should study cost benefit analysis.

Capitalism isn't efficient. Not because it is inefficient but because it is a make-believe concept. It has no content logically or analytically. It is a religious way of suggesting that something about capitalism is superior and that is the job of economics. And it was very hard to do. And so, they invented the make-believe of efficiency in order to substantiate the idea of capitalism is somehow efficient.

Let me close with this example. When I was younger, I was tempted because I am married, I had two children and you know you don't make enough money as a professor in this country to really take care of your kids particularly because college education for both of my kids was very expensive. So, I would occasionally do a cost benefit analysis for some company. And I remember the first time I did it- large corporation and I won't mention the name because you know it. The first time I went in, the VP who hired me and two other economists and an accountant and a lawyer to make a report - we had to find out whether it was efficient to invest in such and such a business. And we met with him and in the course of the hour that we met to discuss the project, it became very clear to us what he wanted the report to say. He is a businessman. He is not interested in objective science. He found the idea funny. We were naïve academics; we took that crap seriously. So, he explained to us the study he actually wanted us to do and the conclusion he actually wanted us to reach. After the thing was over and we wanted to know him a little bit; it was an occasion when we all were in a hotel and we went to the bar and had drinks and we probably had a bit too many. And so, I asked

him, you know, it was very strange for you to tell us that we were to do an examination and find out this result. So he looked at me and said, let me explain. He was much older than us. I will explain to you, young man, what's going on here. I am an executive. I have to make a decision. Will our company invest a billion dollars to set up a branch factory in Hyderabad for example or not? I have to make that decision and I am very worried. If I say yes and it doesn't work, I am not going to get promoted in this business. I am going to be blamed for having made a bad decision. And likewise, if I say don't invest and if our competitor does the same and does well with it, I will be in trouble. So, I have to make a decision, which I have already made but I need a report so that if the investment doesn't work out very well and they call me in and tell me why didn't it work, I should be able to say that it's not just me, I had these Harvard and Yale specialists and they wrote a report and that way the chances that he will be fired will be lower. In other words he was saying to us Harvard Yale fellows we are window dressing and this whole exercise was bullshit. He needs it to cover his rear end in case things don't go well for him. Research- don't be silly. Truth- who cares. And you shouldn't have any illusion but I warn you that your teachers live in that illusion.

Economics in the US is as lopsided today as it was when I went to school despite the crisis against capitalism that I am talking about, despite the movements against capitalism that are stronger today than at any time in my life in the US. It is now possible to talk openly about socialism. For most of my life that was impossible. If you start talking about socialism, people stop listening to you- they are scared, they don't want to go there. In economics it's still like that. In the US today, the overwhelming majority of departments of economics in colleges teach neo-classical theory exclusively and nothing else. In many of these departments you cannot get a job if you are a Keynesian economist. In those places where you can. They fight with each other- the neo-classicals and the Keynesians. And one of the very few things the neoclassical and the Keynesians can agree on is the need to exclude the Marxists- and those are even rare. You would never have heard of me if I didn't go to Yale and Harvard. I am able to function in the US despite my being interested in Marx, not because of it and the reason I have an audience is much more that Americans are intimidated by the prestige of the Ivy League. They don't know what to do with me- I am one of them and then something went wrong. Maybe when I was a very small child, my mother dropped me on the floor and something went wrong with my head.

To give you an example -in my class at Yale- my classmates were overwhelmingly male but there were 2 women out of about 40 men. One of the 2 women was named Janet Yellen. She is about to become the Secretary of Treasury and she used to be the head of the Federal Reserve. During my time as a graduate student at Yale, we formed a left-wing economic association. We were so disgusted by the American Economic Association (AEA) that we formed something known as the Union of Radical, Political Economists (URPE), it still exists and produces its journals. I participated in helping to form it as did a whole group of economists. Janet Yellen was in no way involved. She kept away from our effort as if we were a bunch of lepers and getting anywhere near us, she would risk getting infected. She has never done anything remotely

critical of capitalism in her life. She is married to another economist who has the same politics. These are exactly what Joseph Biden would choose because they are like Joseph Biden except they are not male. She is a product of this kind of education. She cannot think of an alternative to capitalism because no one ever entered her life in any way as a teacher, as a fellow colleague, as a professor who was systematically able to say that look- I think there is another way of organizing the economy, it looks like this. What about this? Maybe the problems of capitalism can't be solved within capitalism and need a change. You know like the problems of slavery can't be solved by having a nicer master. You have to get rid of slavery. Or you can't solve the problems of feudalism by urging the lord to be nicer to his serves. You are not going to solve the problems of capitalism by asking the employers to pay the workers better. That's not the way it works. You solve the problems of the system by at least being open to the idea that maybe the system needs to be changed.

Nobody that Mr. Biden has with him - and I know at least half of the individuals in his economic team - has a clue. And they are very smart people but they have no exposure to this. They never had it as students or colleagues and not in their minds. They have not read the material or debated about it. They come in innocence. They are going to make capitalism better. That's who they are. And they were trying to do that for Obama. Half of the people that Biden has chosen are academics that Biden has chosen are from the same environment that I live in. I know what they know and they know and they don't have any clue other than to make capitalism better. The other half of the people are held on from the Obama administration. Obama put Yellen as the head of the Federal Reserve. It's the same people. They were making capitalism better too and the success they had is what enabled Donald Trump to become the president. So if you expect something different from Mr. Biden it requires that you have no idea of what's reality here. The only hope for economics is the new generation of young people that's coming to the profession now. Those people have been shaped by the crisis of 2008 and the crisis we are in now. They are dissatisfied with the absurdities of neo-classical and Keynesian economics. And they are fighting lonely battles that you will never hear about in the classrooms or anywhere in this country with the help from a few older people like me and that's going to change the profession but that's going to take time.

Editor: For a lot of young people, communism has come on to take a meaning of equality of opportunity rather than any theories of Marx or Lenin. Do you, as a Marxist economist, see this as reflecting the essence of these theories or as a view that ignores the intricacies of these theories?

Dr. Richard Wolff: Well, you know, good question. Complicated kind of answer. Marxism as you know, if you go back to the basic literature of Marx, at that point socialism was a critique of capitalism. I assume you all know that Marx never wrote about communism ever. He didn't write much about socialism. And what he did write was really a critique of capitalism as capital itself the book is. It was only with the Paris commune- one little moment in Marx's life- that people like him, socialists, were able to take power in society. And in this case the society of a city- the city of Paris in France. And it only lasted for a few months. By the way, a very very important event- the 1870 Paris commune- if you have never read about it- read about it. Marx was absolutely fascinated. He and his people were active in the Paris commune. It was the only moment in his life where you might have had a chance to- I would use the word loosely- apply his thinking to the question of reorganizing the society. Marx devoted huge amounts of time and energy to analyze what had happened. What the communards in Paris had achieved and what terrible mistakes they had made. And if you read the pamphlets he wrote on civil wars in France, you will see that he was as interested in what they achieved to build on as he was in understanding the terrible mistakes, he saw them having made and should not be repeated.

One of the people who studied Marx's writings on the Paris commune the most was Lenin. And Lenin's pamphlets about the conditions in Russia refer to which of the lessons Marx got from the Paris commune applied to the new situation in Russia when the revolution enabled them to become the second experiment in how to apply Marxian theories. So, I looked at the Soviet Union from the 1917 revolution to 1989 collapse as a major experiment in applying Marxist thinking. And that experiment showed very great achievements we should build on but it also like the Paris commune, showed terrible mistakes that we need to learn not to repeat. If things would have happened in a rational way, that's what would have happened and we would have a rich literature that you and I could use of Marxists looking at the pros and the cons in order to learn better lessons for what we could then do in places like Vietnam, Cuba, China or North Korea etc. However, the Cold War intervened. Under the conditions of the cold war, the failures and mistakes of Soviet Union became the dominant narrative in the US. And the success and achievements denied.

Let me give you an example. If you look at the growth of the GDP- this number that economists take so seriously- a rough measure of the total quantity of the goods and services produced each year in the economy. If you take a look at the GDP as a reasonable index of whether the economy is growing or not then the fastest growth of GDP in the 20th century was achieved by the Soviet Union. And the fastest growth of GDP in the 21st century was achieved by the People's Republic of China. All UN documents show that- I am

not making something up. But when I say to my American audiences what I just said, it takes me an hour to persuade them because their brains can't do that. And it's not their fault- I am not criticizing them. This is the way they were brought up. This is the way this country functions. Look I mentioned to you before, there are a handful of Marxists teaching in the US. Where are you going to learn any of this? The rest of the people are not neutral. They are people who grew up in the Cold War. They either know nothing about the Soviet Union and China or they live in a world of hostility and denunciation and they are not interested. So, I have to put in a lot of work.

Let me give you another example that is not so stark. My family is French. My mother was born in Berlin. I speak German and French. So, I follow events in France and Germany. I explain to my students that in France and Germany- I generally take France because Americans somehow feel closer to France than Germany. I say that in France, the law requires that as soon as you graduate high school and get a job, the employer must give you, by law, five weeks of paid vacation. Here in the US, you don't get 5 weeks of paid vacation after 20 years of service. There is no law in this country mandating paid vacation. I need an hour to persuade these students that I didn't just make this up. I have to bring in UN documents. And then when they finally get it, you should see their faces. They are so sad because now they have to ask themselves an awful question- why didn't I know this? Why did my parents never tell me this? Then I tell them that in France you have medical insurance from the day you are born till the day you die. And if you get sick then you go to the doctor and no one asks you to pay for anything. Then I tell them in Germany today, if you want to go to a university, it is free, there are no fees. 7 countries in Europe have this. Not only is it free for a German, it's free for anyone. There are 20,000 Americans that have gone to Germany to get their college degree because they couldn't afford it in the United States. My students look at me because now they are deeply in debt. I explain to them that Germans do not have debt for going to college. You do but they don't. This is too difficult. It's a kind of struggle.

So here is the problem. The association Americans have and I am assuming is in many other parts of the world. The association is Marx, Russia, China, Stalin, evil, bad, don't go there. I can say it all in fancy academic language but you understand what I am saying. And nobody has shown then that there is another part of the tradition that you might be interested in is the critical analysis of capitalism. By far the most developed tradition of criticism of capitalism that exists in the world is Marxism. Is everything that Marxism says is right? Of course not. Are there people who are Marxists and do crappy work? Of course there are. But if you want a developed tradition which has a number of really profound insights whether they are from Marx or Engels or Lenin or Trotsky or a long list of others including some from India. That famous family that I grew up reading- Dutt- I don't remember whether they are still, but he was Indian scholar who was a Marxist and did wonderful work. My point is that it is our job- my job, our job I hope- to read Marxian literature and to get from it the critique.

Here is how I make the argument here in the US. I say to the students, suppose you're given an assignment by a professor to do an analysis of a family that lived up the street from you. All you knew is that they are a mother and a father and two children and you knew little else. One of the two children thought that the family was a wonderful family, and was deeply grateful that he/she had been born into the family and had gained so much. But the other child thought of the same family as a psychological basket case and that it was crazy and the best thing they could do would be to get him far away from the family as soon as possible for his/her mental health. Now you have to write a paper about this family. Would you talk about only one of the two children? I am sure most of you would be smart enough to know that would be a very weird way to write the paper. You would have to talk to both of them then you draw your own conclusion- having listened and asked questions. If you want to understand capitalism by all its means, read the people who love it but also read the people who don't and then draw your own conclusions. In the US, never in my lifetime, and you can tell from my white hair, have I been around a long time, nothing like that has ever been done in any school of education- not in elementary school, not in high school, not in university. I have taught in half a dozen American universities, nothing like that has ever been dared to be done in my lifetime. There is no way. How did I learn Marxism? By myself. I went with other interested students. We got the books, we got the pamphlets and discussed it amongst ourselves. We made up our own education because we understood the horribly unbalanced and lopsided education that we got.

And let me assure you. Before being an economist, I was a mathematician. I am not intimidated by arithmetic. I can assure you that the Marxist tradition is a very well worked out and very sophisticated body of science. Is everything that it says right? No. Does it have empty spaces, missing arguments? Yes, it does. All traditions do. So does the Neoclassical, so does the Keynesian. But the Marxian is fundamentally different because its approach is critical. It doesn't think capitalism is the end of human development. It thinks that you can do better than capitalism. It used to be difficult in the US for me to say that we can do better than capitalism. I am happy to tell you that when I say that now in the US, students get irritated and tell me of course we can, we already know that. We want you to help us figure out where we go from here, what needs to be done. But to defend capitalism, I watch my colleagues of a lifetime struggling more and more to try to come up with defenses. And if you want me to be honest with you, I enjoy their difficulty.

