

written primarily for a general audience, and, in this context, it succeeds quite nicely at concisely combining the insights of many of the canonical works of environmental political theory with a broader call to action for environmentalists. And though its lack of prescriptions may leave some readers feeling a bit disappointed and confused, its call for a fundamental transformation of modern environmentalism is, nevertheless, extremely compelling and important.

Geoff Mann

In the long run we are all dead: Keynesianism, political economy and revolution

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Reviewed by Geoff Dow

‘Keynes was in no way the first Keynesian’, Geoff Mann announces in the preface to this important – and highly readable – book. What the author is invoking is the series of dilemmas known to those who tried to consolidate public policy (in the face of popular resistance) after the French Revolution, as well as to Hegel who understood that catastrophic situations could be transcended only by what we could call ‘humanity-affirming’ institutionalizations. The link to Keynes’s battles is clear. Keynesianism can be seen as a generic experience in all polities – a quest to maximize achievements when utopian ambitions are not achievable. ‘Keynesian reason’ applies whenever we (citizens, intellectuals) need to move beyond the critique of damaging orthodoxies to construct effective policy while maintaining a civilized society – sometimes this may involve merely putting off disaster (‘while there is peace, there is peace’: p.14)), sometimes animating more lasting capacities (for example, ‘revolution without revolution’: pp.27, 173)).

By these means, non-universal, non-abstract political economy is confirmed as the ‘science of government’; civilization works to forestall ‘existential anxiety’ (p.7); and Keynesianism is essentially Machiavellian (p.11). Keynesianism recognizes that politics is inevitable, that a radically different world is possible now, even when some problems remain beyond the reach of immediate pragmatism (p.55).

For Mann, the ambitions of Keynesianism (whether narrowly economic or broadly political) are to ‘save civilization’ (from ‘mindless irrationalism’ and ‘arbitrary inequalities’) – though the new knowledge that would ground an associated ‘elite-civilizing project’ would be ‘illiberal’, posing political solutions to problems revolution proved unable to dissolve (pp.66-70). The Keynesian politics that emerges is one based on an awareness, common to Keynes and Marx (and Hegel), that the economies of liberal capitalism could never be self-regulating. This casts *The General Theory* as an answer to challenges *The Communist Manifesto* also identified (p.79). And it sanctions a ‘post-revolutionary shift’ – because it couldn’t have occurred earlier – in our understanding of political possibilities and agency. We must understand the world ‘as it actually is’ (in contrast to beginning with convenient abstractions) and work to supersede *both* reaction and revolution. ‘Keynesianism is the political project to isolate that instant’ (p.116); it is both an immanent critique of liberalism’s conception of scarcity (that it is primordial and ubiquitous) and an acknowledgement that, on occasions, revolutionary principle must be discarded (p.99) – in favour of less prescriptive enunciations of purpose.

The ‘Keynesian critique’ developed in the book endorses German rather than French thinking on the enlightenment (that is, highlighting ‘groundedness’, downplaying abstraction) and thereby provides methodological guides for post-Keynesianism’s emphases on economic dynamics. Keynesianism in this view maintains that some questions cannot always be answered (p.134) because of liberal economies’ proneness to instability (pp.142-143). Political economy itself exists as a result of the ‘confrontation between liberal freedom and necessity’ (p.145). Necessity refers to production catering for material needs; and, in contradistinction to liberal dictates, can never be subservient to commercial laws, while ‘market-based sociality’ aggravates inequality, overproduction and disruptive paradoxes (pp.156-157).

Mann sees political economy the way Hegel saw it – as the form of knowledge most attuned to modernity. And the state exists to assuage contingencies, to impose order, to organize public provision, to be a locus for conscious regulation, to institutionalize non-bourgeois desiderata, to guarantee ethical standards and to forestall excessive self-interest; these too are all Keynesian concerns, though more usefully derived from James Steuart and *The Theory of Moral Sentiments* (1759) than the *Wealth of Nations* (pp.179-181).

Three chapters (9-11) deal with *The General Theory*, enlarging Keynes's concerns – respectively to save civilization from the depressive and destabilizing effects of (anti-social) liquidity preference, to explain why discussion of 'what is' (how the world *actually* is) should take precedence over elaboration of more formalistic 'what ought to be' questions, and to broaden the re-politicized understanding of 'Keynesianism' as a critique of capitalism's inability to ensure sufficient investment. In these passages, some severe criticism of Joan Robinson's 'way of reading' is proffered: e.g. 'she was a true Keynesian in her tortured misunderstanding of Marx' (p.220). Nonetheless, accommodations between the two traditions are acknowledged in convergent interpretations of the causes of instability and immanent unemployment (p.235).

Mann then contends that liberal capitalism's threat to civilization (with Keynesianism as its 'only hope') arises not randomly but because of fundamental uncertainty and chronic under-investment (not under-consumption) – 'always and everywhere' (pp.259-261). Keynes's view on capital (that returns or yield depend on its socially produced scarcity, rather than on any inherent productivity) is endorsed, thereby also supporting institutional (rather than technical) explanations for investment decisions or their lack (pp.267-273). An implication, for Keynes as well as for Malthus, Hegel and sociologists such as Durkheim and Weber, is that slumps are not inevitable: the potential for breakdown is partly a function of material need 'but it is also inherent in social relations'. Politics is not just inescapable, it demands commitment. So we arrive at a familiar post-Keynesian conclusion: that 'underallocated and misallocated investment' can be remedied by state or political organization of investment, *aka* 'wise government' (pp.276-278).

The 'Keynesian' boom from 1945 until 1974, which Mann says included the 'longest economic expansion and highest employment rates in recorded history' (p.283) was also, as we now know, a period of considerable frustration of Keynesian aspirations. Even in the rich countries, low unemployment was never the same as full employment; 'welfare capitalism' was never the same as sedulous institutionalization of the full employment commitment; and the possibility that a burgeoning social science would contribute to social development was compromised by 'stop-go' economic policy. This is why the post-Keynesian critique of Keynes stems from the 'dialectic of hope and fear that beats at the heart of Keynesianism' (p.284) – hope that policy will be

expansive and effective, fear that it will be deliberately or discursively sabotaged. Therefore, having discarded unhelpful abstractions in favour of the 'facts of experience', we're obliged to re-appraise what Keynesians know and why they know it (p.291). Michał Kalecki, 'more Keynesian than Marxian' (pp.292-293), has done more than anyone else (in his famous 1943 article 'Political aspects of full employment') to explain why government and business both resist full employment policies, and so lock in a substantive irrationalism. The paradox (that capital resists the counter-cyclical interventions that would materially benefit it, precisely because they might succeed) has been repeatedly demonstrated in the decades since the mid-1970s (pp.298-303).

The Kaleckian reason for capital's hostility to full employment is its fear that, even with low unemployment, workers might prefer to work (p.322)! And capital needs sufficient scarcity to make yield (profits) possible (pp.324 and 342-344). So any solution to the contradiction between chronic underemployment of resources (inadequate investment by investors) and a populace (workforce) wanting civilized (more stable) outcomes must rely on law. This is likely to range from illiberalism (denial of some rights of ownership) to pragmatic intuitionism (policy experimentation) where outcomes cannot be wholly ensured. Mann argues that the required shifts in state policy will involve not only transformed social relations but also an equally dramatic shift in conventional understandings of both economic development and capital (pp.346-347). Keynes himself wanted economic evolution to deprive functionless investors (and rentiers) of their influence; today predictability can be enhanced by innovative developments in economic management, taxation, solidarity and ethics (pp.349-354). At stake is the full use of productive assets and the need to direct them to agencies willing and able to use them. The underlying Keynesian dimension of the project then remains, to repeat, elimination of the 'existential anxiety at the heart of modern civil society' (p.358).

Keynesians are all 'fretting public intellectuals' (p.367) and, though Keynesianism is policymakers' 'principal way of knowing' (p.371), their objective – to redress 'tendential self-improvement' – risks becoming undemocratic. Hence critique is crucial for civilization, while 'illiberal liberalism' (the dependence of liberalism on politics, the dependence of prosperity on the welfare of the state) exposes what Keynesians have always appreciated – that there is 'no best solution'; 'the past has no

resources' to allow a comfortable combination of impossibility, hope and fear (pp.390-394).

'In the long run we are all dead', a phrase originally used by Keynes in his 1923 *A tract on monetary reform*, was part of his critique of the quantity theory of money. The next sentence read: 'Economists set themselves too easy, too useless a task if in tempestuous seasons they can only tell us that when the storm is long past the ocean is flat again'. It meant that there is no reliable connection between the money supply and the general price level; if stability (no unusual increases) in money supply is thought to be better than disruption (increases) – as monetarists insist – they're only saying that they think there's a long run relationship which policy shouldn't violate. This is what Keynes denied. He refused to accept that we (governments) should normally default to non-interventionist non-solutions.

In Mann's book, the titular phrase is taken to imply that any long term postulations are illegitimate, possibly dangerous. This sense was appropriated by Keynes himself in a 1937 *New Statesman* article, where the master acknowledged the altered context. 'Life and history are made up of short runs', he added. But this tweaking does give the short run a status with which it is possible to quibble. Plenty of Keynesian and post-Keynesian propositions elaborate secular or long term or structural shifts in the relations between political and economic aspects of political economy: think of Piketty's quantification of the transformations (in inequality and deliberative responses to it) between the 1945-1974 era and the period from 1974 until now – the convulsive repudiation of postwar 'Keynesian' accomplishments during the past four decades. Have we not all experienced the long run? Mann could have dealt with this qualm more explicitly.

Post-Keynesians have gone further. Kalecki, for example, denied the independent existence of long term trends, arguing that long period transformation is merely an outcome of short term cycles. This idea seems to gainsay many conceptions which Marxian and heterodox historical materialism have wanted to celebrate, among them unfolding epochs associated with particular industries, industry clusters, technologies, institutions, modes of regulation and stages of development. Scope existed for Mann to interrogate these concerns more systematically too.

Geoff Mann has nonetheless given us a long overdue investigation of the politics of Keynesianism, or what he would prefer to call the unavoidable dialectic between humanity's attempts to guide progress and mindfulness that no such attempts can ever be completely successful. This unease is what political economy has always been about. With this book we have been given clearer insight into what our fate has been promised by Keynesianism, but also why the promise is so readily thwarted.

