
The socialist left and the public debt: a Marxist analysis

Flávio Miranda*¹

¹Professor at UFRRJ – Brésil

Résumé

Through the Brazilian case we intend to present a Marxist analysis of the public debt, as opposed to another one termed as Keynesian. Those different points of view appear very clearly on the debates within Brazilian socialist left and engender deeply opposed political directions.

The Keynesian proposal departure from the perspective that the public debt is a false problem. It would be possible to expand non-financial spending without reducing its financial spending. Austerity would be simply a matter of free choice from the government.

Underneath that perspective lies the notion that capitalist crises could be avoided with an adequate administration of the accumulation of capital. Left Keynesians says that if the public debt is denominated in national currency (as in Brazilian case) the State would not have problems to pay its obligations, as if value was a creation of the National Treasure. Actually, the question about the origin of value and of surplus value is absent from such analysis.

If the question is posed one cannot scape form the fact that if value is a social relation it derives from human *praxis* and the form of *praxis* that produces things with value is labour. From that standpoint it is possible to understand the place of capital gains and the counter reform programs in Brazil and elsewhere. It increases the production of surplus value (augmenting the rate of exploitation of labour). Also, the austerity guarantees public funds for the reproduction of the public debt system and privatizations enlarges the field for accumulation.

Public debt has a special role in the dynamic of accumulation of fictitious capital and austerity measures takes place to confirm the expectations of big financial agents in order to reproduce the speculative game. There is not enough value to remunerate the existing fictitious capital but the accumulation proceeds as long as its proprietaries do not intend to transform it in money in large scale. Thus, as austerity reproduces the logic of accumulation of fictitious capital it only enlarges the problem of overaccumulation, creating ever growing pressure over labour in a continuous march towards social chaos.

In opposition to the Keynesian conciliatory proposal, austerity comes as a necessity engendered by the inner logic of contemporary capitalism. Thus, cancelation of public debt is the only consequent strategy through working class perspective. More than ever, to be radical is our only option.

Mots-Clés: public debt, socialist left, marxian law of value

*Intervenant