



**Rosa Luxemburg's Theory
on Capitalist Crisis
--- A Review of The Accumulation of Capital**

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I. Rosa Luxemburg's Questions

- What are the relationship of the repetition and renewal of capitalist production with crisis?
- Why does “the problem of reproduction of the entire social capital” become a research object of the crisis theory?
- How can the research form a crisis theory?



theoretically interpret the relation between production of surplus value and realization of surplus value

- capital accumulation determines whether capitalist production and expanded reproduction can continue and capitalism can survive. When capital accumulation cannot proceed, surplus value cannot be transformed into currency, capitalists could neither receive enough currency to maintain production nor expand their production. In this case, if capitalists could not get currency from other sources, their production would suspend, thus economic crisis would occur. Therefore, the breaking-out point of capitalist economic crisis is not in surplus value production but in capital accumulation.

Historically stated three disputes on “production of the entire social capital” in the 18th century

- the disputes between Sismondi and Ricardo School, Say and Malthus in 1820s;
- between Rodbertus and Kirchmann in 1840s-50s;
- between legitimate Marxists Stuve, Bulgakov, Tugan Baranovski and populists Vorotsov and Nikolayon in 1880s-90s.
- Rosa Luxemburg analyzed the relationship between these disputes and the economic crisis occurred during these three periods, clarifying the evolution process of capital accumulation from discussions on “reproduction of aggregate capital” and the relationship between capital accumulation and these crises.

II. Where is the root of the capitalist crisis?

- Rosa's opinions on the crisis of capitalism and the capital accumulation are opposite to the opinions of bourgeois economists. The latter considered the crisis and capital accumulation as the same issue, but Rosa thought that the crisis to be the “special external phenomenon of accumulation and an element of the capitalist reproduction cycle”, therefore, crisis and accumulation are two different issues.

III. Analysis Marx's diagram

- Marx's diagram proposed to explain the possibility and limitation of accumulation through the proportion and relationship between means of production and means of consumption. But it was not enough to explain the accumulation in capitalist society because capital accumulation must rely on the demand of the third parties other than the workers and the capitalists, namely the "effective demand for goods".

IV. How to value Rosa's relation with Marx

- Rosa Luxemburg's capital accumulation schema is not opposite to Marx's because Luxemburg put forward the new schema to address the question that Marx's could not solve, i.e. where does the capital demand come from? Rosa Luxemburg considered it not a technical question, but a practical one. She added the actual practical element in the capital accumulation schema to address the technical difficulty in Marx's capital accumulation schema. Her analysis to the industrial development of the UK clearly reflected that her schema actually solved the problem. Therefore we can make such a conclusion: Rosa Luxemburg did not abandon Marx's capital accumulation schema, but put it in a practical and wider context to address the problems. Therefore her schema has a better interpretation effect than Marx's. This lies in not only the explanation to the capital accumulation possibility, but also in the explanation to the capitalist crisis.



Thanks a lot!