



NEW BOOK BY SIMON GLYNN ANALYZES THE GREAT RECESSION AND WHAT IT MEANS FOR CAPITALISM

*BOOK ARGUES
PREDATORY MORTGAGE
LENDING AND
OVEREXTENSION
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A RESPONSE TO A CRISIS
OF OVERPRODUCTION*

Simon Glynn, Ph.D., Professor of Philosophy, recently had his book *The Economic Logic of Late Capitalism and the Inevitable Triumph of Socialism* published by Palgrave Macmillan. In the book, Glynn argues that the predatory mortgage lending and overextension of credit that precipitated the Great Recession was a response to a crisis of overproduction that resulted from an unavoidable contradiction at the heart of competitive capitalism.

"Analyzing the Great Recession and its ultimate cause leads to the admittedly startling, yet unavoidable, conclusion that capitalism has almost run its course, and will inevitably be replaced by socialism." - Simon Glynn

Glynn argues that the efficiency necessary to survive in a competitive capitalist economy means increasing the output or supply of goods and services, while decreasing the cost of inputs, such as wages and other benefits,

(continued)

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Simon Glynn, Ph.D.,
Professor of Philosophy

Glynn has published a number of books, book chapters and scholarly journal articles. He specializes in Continental Philosophy, including the Phenomenology, Hermeneutics, Existentialism and Poststructuralism of Hegel, Nietzsche, Husserl, Heidegger, Sartre, Derrida and Foucault etc., as well as in Political Economy, the Philosophy of Psychology and Mind, and the Philosophy and Methodology of the Human, Social, and Natural Sciences.

The Economic Logic of Late Capitalism and the Inevitable Triumph of Socialism can be purchased here: <https://www.palgrave.com/gp/book/9783030526665>

thereby decreasing the economic demand for this increasing supply. This unavoidable contradiction at the heart of capitalism leaves the general population ever more unable to afford what they produce, inevitably resulting in a crisis of overproduction. This is evident in the United States where between 1982 and 2007, the annual production of goods and services (GDP) doubled from \$7 trillion to \$14 trillion, while the median wage went down from \$46,000 to \$34,000.

The book proposes that the economic logic of capitalist competition leaves capitalists facing the choice between increasing wages, which by increasing production costs would render them uncompetitive, or decreasing the prices of their products, which would eventually render them unprofitable. The temporary solution is to advance ever more credit to the general population. This was done, prior to 2008 through student and other loans, increased credit card and other lending, and most significantly, predatory mortgage lending.

The situation was further exacerbated by Globalization which facilitated not only the free flow of foreign goods, but also the flow of information and expertise which turned previously less developed economies (e.g. China) into economic competitors. This put downward pressure on U.S. wages, which resulted in borrowers not being able to pay for loans, resulting in widespread default, which, in the case of mortgage foreclosures, burst the housing bubble. All of this left mortgage companies, banks and other financial institutions with ever more worthless mortgages and other debt obligations. This then triggered the Great Recession.

The U.S. government responded by bailing out the financial sector and an ailing auto industry. This “inverted socialism,” as Glynn refers to it, by bailing out the corporate elite at the expense of the middle class, worsened the crisis of overproduction and resulted in a ballooning deficit and underfunded mandates (e.g. Social Security, Medicare, Medicaid etc.), as well as the sale of corporate and other assets to other countries, notably China. Glynn points out that China, with a socialist, and therefore predominantly cooperative rather than competitive economy, faces no such internal contradiction, leaving them, and other socialist countries, better poised for the future.

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