

**modern capitalism
and
revolution**

paul cardan

a solidarity book

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i introduction

This small book is an attempt to describe the main features and to analyse the dynamic of modern, fully industrialised, capitalist societies from a revolutionary socialist point of view. It attempts, for the world of 1965, what Marx attempted a hundred years ago, in relation to the world around him.

What are the dominant features of modern societies? In what respect do they resemble and in what respect do they differ from the capitalist societies of the 19th century? How have they altered over the last few decades, not only in their economic structure, but in the content of their ideologies and in the function of their institutions? What are the attitudes, within them, of both rulers and ruled and what has moulded these attitudes? In what respect do these societies differ from the mental image most revolutionaries still have of them? What ensures their apparent cohesion? And what are the sources of their crises? Does their development, finally, still create the conditions of a socialist revolution?

Many of the ideas discussed will be new to those nurtured, ideologically, in the traditional left (whether 'marxist' or 'anarchist'). The main text has therefore been prefaced with a short synopsis of the argument as a whole, which is then amplified in the following chapters.

The first few chapters define the areas to be discussed. Starting from the phenomenon of political apathy (bemoaned and misunderstood by professional politicians, trade union officials, entrust Trots and the anti-bomb movement alike), Cardan seeks to document the profound changes in economic framework and prevailing ideology, brought about by the last 100 years of continuous working class struggle. The analysis is extrapolated, as the author seeks to outline the economic and political relationships which would pertain in a society of total bureaucratic capitalism.

But these early chapters go even further. They seek to clear the ideological decks, to break decisively with a method of thinking that has wrought havoc in the ranks of the 'left'. Taking Marx's profoundly true statement that 'the dominant ideas of each epoch are the ideas of its ruling class', Cardan seeks to apply this concept to Marxism itself. Marxism was not born and did not develop in a political vacuum,

but in the capitalist society of the 19th century. Cardan attempts to discover what it was in traditional revolutionary theory which led (and still leads) successive generations of revolutionaries to make such absurdly false prognoses and to equate the essence of capitalism with the features of a society that capitalism had not yet sufficiently permeated and controlled. He tries to unearth the 'unmarxist' in Marx, the bourgeois kernel that has corrupted the revolutionary fruit. And whether one agrees or not with this analysis, one must concede that it is at least a serious attempt - the only serious attempt we know of - to grapple with this major theoretical problem, which most contemporary 'marxists' are either blissfully unaware of, or prefer to ignore.

The next few chapters define, describe and analyze the bureaucratic phenomenon. They show how, starting in the process of production, bureaucratization (the organization and control of activity from the outside) gradually invades all aspects of social life, destroying the meaning of work, creating mass irresponsibility, corroding the content of politics, disrupting the channels of communication (not only between rulers and ruled, but within the ranks of both rulers and professional revolutionaries), corrupting all traditional values (including the revolutionary ones), and rendering the rational management of modern industrial societies by bureaucratic 'elites' increasingly difficult.

The book then examines the crises of bureaucratic society and discusses why the bureaucratic project is likely to fail. The bureaucratization of society is seen as preparing the ground for a libertarian resurgence, deeper in socialist content and closer to fundamental human aspirations than any previous revolution in history. And because action is what distinguishes the conscious revolutionary from the philosopher or sociologist, the text concludes by defining some principles which should form the basis of meaningful revolutionary activity today. These are the ideas which have guided SOLIDARITY since its inception and which are now recognised as relevant by increasingly numerous people, often starting from very different premises.

There is finally an Appendix, for those whose blind (but usually uninformed) loyalty to marxist economics prevents them from seeing the world as it is. We urge these comrades to read this Appendix carefully, for it not only takes the economic analysis of state capitalism further than Marx did (or could), but it does so using Marx's own categories. Having completed this task, it then puts the whole problem where it belongs, well in the background. We have deliberately placed these comments at the very end of the book. Socialism is not fundamentally about production or about productivity. It is not even fundamentally about consumption. It is about freedom. It is about the relations between people, both in production and out of it. It is about the relation between man and his work and between man and the social institutions he creates. Control of the economy is but a means to these ends.

In a sense this book is ahead of its time. It describes phenomena which are not as yet universal, which in many places only manifest themselves as tendencies, which do not yet apply in many areas of the world, but which in the absence of socialist revolutions will almost certainly become the dominant pattern in years to come. At first these ideas may only be accepted by a small minority. But we are confident they will make their way.

Spinoza's motto: 'neither to laugh nor to weep, but to understand' epitomizes the purpose of the work as a whole. Some will doubtless weep - at the systematic demolition of their cherished beliefs. Others will snigger - at this attempt to challenge revolutionary Holy Writ and to rethink socialist ideology from rock bottom. We are confident however that the main message will be understood by those who have seen the inadequacy of traditional politics or those who have never been embroiled in them (there will, of course, always be those who, blinkered by their respective orthodoxies, incapable of an original thought of their own, will never understand. They will remain the repositories of revolutionary rust).

We expect the book will be denounced as revisionist. In a world where everything is changing, where every field of knowledge and of technology is being revolutionised more completely than at any other period of human history, it is necessary to run, if we are merely to keep pace. Only the 'revolutionaries' mark time. A constant ideological renewal is needed in order even to understand the world around us, let alone to grapple with it or change it. In this respect Cardan's text is unashamedly revisionist. It is revisionist in the sense that Galileo was revisionist when he asserted, against the tenets of the Church and of Aristotelian doctrine, that the Earth revolved around the Sun and not vice versa.

The text and its publishers will be labelled 'anarcho-marxist' by those who like ready-made tabs for their ideological wares. The cap fits insofar as we stand in a double line of fire, denounced as anarchists (by the marxists) and as marxists (by the anarchists). It is true insofar as we appeal to the libertarian ideals of some marxists and to the need - clearly felt by some anarchists - for a self-consistent and modern ideology going further than the slogan 'politics: out!'. Basically, however, we are ourselves and nothing more. We live here and now, not in Petrograd in 1917, nor in Barcelona in 1936. We have no gods, not even revolutionary ones. Paraphrasing Marx ('philosophers have only interpreted the world; what is necessary is to change it'), we might say that 'revolutionaries have only interpreted Marx (or Bakunin), what is necessary is to change them.'

We are the product of the degeneration of traditional politics and of the revolt of youth against established society in an advanced industrial country in the second half of the 20th century. The aim of this book is to give both purpose and meaning to this revolt and to merge it with the constant working class struggle for its own emancipation.

The ideas outlined in this book were first put forward, in 1961-62, in three long articles in the French review 'SOCIALISME OU BARBARIE' (Nos.31,32 and 33).* The text was translated in 1962 by an American comrade, Owen Cahill, re-translated into 'SOLIDARITY' English, expanded in one or two places by the author, and later considerably amplified with factual data, many taken from contemporary British experience. The draft was then read by a number of Solidarists, discussed at length, and several additional footnotes inserted (we hope these will make some of the points more explicit). Cardan wrote the Appendix and its appendix at our special request! The choice of pictures is entirely our own.**

* Obtainable from 16 rue Henri Bocquillon, Paris 15.

** We are grateful to 'Internationale Situationiste' (Boite Postale 7506, Paris) for some of them.

SYNOPSIS

A prolonged political apathy of the working class seems to characterise modern capitalist society. This contrasts with the activity of the masses in 'backward' countries. Since Marxism is above all a theory of proletarian revolution in advanced countries, one cannot call oneself a marxist and remain silent on this problem. What does the modernisation of capitalism consist of? How is it linked with the political apathy of the masses? What are the consequences of all this for the revolutionary movement today?

New and lasting features of capitalism should first be described and studied. The ruling classes have achieved greater control over the level of economic activity and have succeeded in preventing major crises of the classical type. Unemployment has greatly diminished. Over a period of several decades real wages have been rising, both more rapidly and more regularly than in the past. This has led to an increase of mass consumption which has become indispensable to the functioning of the economy and which is by now irreversible. The unions have become integrated into the whole system of exploitation: they negotiate the docility of the workers in production in return for wage increases.

Political life is almost exclusively limited to specialists. Ordinary people are uninterested in it or frankly contemptuous of it. In no important country are there any political organizations whose members are mainly industrial workers or which is capable of mobilising the working class on political issues. Outside of production, the proletariat no longer appears as a class with its own objectives. The entire population is drifting into a vast movement of private living. It attends to its own business. The affairs of society as a whole seem to have escaped its control.

Prisoners of traditional schemas would have to conclude that there is no longer any revolutionary perspective. Traditional marxism saw the 'objective contradictions' of capitalism as essentially economic ones. The total incapacity of the system to satisfy the economic demands of the workers made of these demands the driving force of the class struggle.

Although the classical analysis corresponded to certain manifestations of capitalism, at a certain period of its development, it must be re-examined in the light of contemporary experience. The 'objective economic contradictions' disappear with the total concentration of capital (as in countries controlled by the Stalinist bureaucracy). But even the degree of state intervention found today in the West is sufficient to confine within narrow limits the spontaneous imbalance of the economy.

Wage levels are not determined by 'objective economic laws' but by the actions of men. The class struggle plays a crucial role in this respect. It has its own dynamic which modifies the actions and consciousness of both workers and bosses. Wage increases, provided they do not exceed increases in production, are quite feasible under capitalism.

The traditional socialist view of capitalism is also false philosophically. Objectivist and mechanistic, it eliminates the actions of men and classes from history, replacing them with an objective dynamic and 'natural' law. It makes of the proletarian revolution a simple reflex against hunger, lacking any clear connection with a socialist society. But it has even more serious implications. It sees the understanding of capitalist economy and of its crises as a task for specialised technicians (the revolutionary elite). The solution to such problems then becomes a question of economic transformations to be performed from above, needing no autonomous intervention of the proletariat. The working class is reduced to the role of infantry at the disposal of revolutionary generals. This approach is, has been, and can only be the foundation stone of bureaucratic politics.

If the fundamental contradiction of capitalism is not to be found in the 'anarchy of the market' or in its 'inability to develop the productive forces', where is it to be found? It is in production, in the labour process itself. It is in the alienation of the workers. It lies in the necessity for capitalism on the one hand to reduce workers to simple executors of tasks, and on the other hand, in its impossibility to continue functioning if it succeeds in so doing. Capitalism needs to achieve mutually incompatible objectives: the participation and the exclusion of the worker in production - as of all citizens in relation to politics.

This is the real contradiction of contemporary society and the ultimate source of its crises. It cannot be alleviated by reforms, by increasing the standard of living or by eliminating private property and the market. It can only be eliminated by establishing collective management of production and society by the collective producers: the working class. This real contradiction within capitalism is experienced daily by the working class in the course of production. This is the only possible foundation of a socialist consciousness. It is what gives the class struggle under capitalism its universal and permanent character, whatever the level of production.

Such conceptions provide a framework for understanding the history and development of capitalist society, which is nothing else than the history and development of the class struggle. Such a dynamic is historic and not 'objective' for it constantly modifies the conditions of its own development. It modifies the adversaries themselves. It gives rise to collective experience and collective creation. The class struggle has more and more determined the evolution of technology, production, economy and politics. It has imposed on capitalism the profound modifications of its structure which we see today.

There are few patterns of thought more 'unmarxist' than those which attempt to explain contemporary economy and politics in terms of 'laws' governing an entirely different phase of capitalist development. Equally 'unmarxist' is the assumption that these 'laws' are absolute, like the laws of gravitation, and cannot be profoundly modified by the actions of men.

At the subjective level, the modifications in capitalism appear in the accumulation of class struggle experience among the ruling classes, and in the new policies they accordingly adopt. Marxists used to regard capitalist policy as impotence, pure and simple.

It was dominated by the ideology of laissez-faire, limiting the role of the state to that of a policeman. Today, however, the more far-sighted of our rulers recognize the state's potential and constantly seek to enlarge its function. They assign to their state certain objectives (such as full employment and economic development) that were once left to the spontaneous functioning of the system. The ruling class today tends to submit more and more spheres of social activity to state control; society thus becomes increasingly totalitarian.

At the objective level, the transformation of capitalism is expressed in increasing bureaucratisation. The roots of this tendency are in production, but they extend and finally invade all sectors of social life. Concentration of capital and statification are but different aspects of the same phenomenon. And in their turn they significantly modify the functioning of the economy as a whole.

Bureaucratisation implies the 'organization' and 'rationalization' of all collective activity from the outside. To the extent that it succeeds, it completes a process started by an earlier phase of capitalism: it renders all social life meaningless. It produces mass irresponsibility. Individuals begin to seek private solutions to social problems. This is the inevitable corollary of bureaucratisation.

The inherent objective, the 'ideal tendency' of bureaucratic capitalism is the construction of a totally hierarchic society in constant expansion, a sort of monstrous bureaucratic pyramid where the increasing alienation of men in labour will be 'compensated' by a steady rise in the standard of living, all initiative remaining in the hands of the organizers. Anyone who cares to look at contemporary social reality can easily recognize this tendency. It coincides with the ultimate objective of the ruling classes: to make the revolt of the exploited fail by diverting it into a personal pursuit of the standard of living, by breaking up working class solidarity through hierarchy and differentials, and by preventing all attempts at collective action from below. Conscious or not, this is the real aim of bureaucratic capitalism and the real meaning of ruling-class action.

The bureaucratic drive must fail. It cannot overcome the fundamental contradiction of capitalism, as we have defined it. In fact, bureaucratic capitalism multiplies this contradiction manyfold. The increasing bureaucratisation of all social activities only succeeds in extending into all domains the conflict inherent in the division of society into order-givers and order-takers. It scatters everywhere the intrinsic irrationality of the bureaucratic management of production. It is for this reason that capitalism cannot avoid crises (that is periodic breakdowns in the normal functioning of society), which vary in kind and stem from very different immediate causes. The inherent irrationality of capitalism remains but now finds expression in new and different ways.

Only the class struggle can give the contradictions and crises of modern society a revolutionary character. The present situation is peculiar in this respect. In production the struggle shows an intensity formerly unknown. It tends to raise the question of who will manage production, and this in the most advanced countries. But outside of production the class struggle hardly shows itself at all, or only distorted by bureaucratic organizations.

This political apathy of the working class has a dual significance. On the one hand it represents a victory of capitalism. The bureaucratisation of their organizations drives the workers away from collective political action. The collapse of traditional ideology and the absence of a socialist programme prevent workers from generalising their critique of production and of transforming it into a positive conception of a new society. The philosophy of consumption penetrates the proletariat. But this apathy also has potentially positive aspects. Working-class experience of the new phase of capitalism could lead it to a criticism of all aspects of contemporary life, a criticism far more profound and total than anything attempted in the past. And from this could arise a renewal of the socialist ideal in the proletariat, at a much higher level than witnessed hitherto.

The 'ripening' of the conditions of socialism continues. This does not mean a purely objective 'ripening' (increase of the productive forces, increased centralisation, increasing 'contradictions'). Nor does it mean a purely subjective 'ripening' (accumulation of experience in the proletariat). It means the accumulation of the objective conditions of an adequate consciousness. The proletariat could not eliminate reformism and bureaucratism before having produced them as social realities and experienced them in everyday life. Today, large numbers of people can grasp as profoundly real and relevant the idea of workers' management of production, and can reject as inadequate the capitalist values that see production and consumption as ends in themselves.

This new type of analysis will demand profound changes of the revolutionary movement. Its criticism of society, which is essential to help workers to evaluate and generalise their everyday direct experience, must be completely re-oriented. It should seek to describe and analyse the contradictions and the irrationality of the bureaucratic management of society at all its levels. It should denounce the inhuman and absurd character of contemporary work, the alienation of people in consumption and leisure. It should expose the arbitrariness and the monstrosity of the hierarchical organization of production and of contemporary relations between men.

The central element of its programme of demands should be the struggle around the organization of labour and life in the factory. It should oppose everything which tends to divide workers (wage differentials, piecework, etc.). But it should do more. Under modern capitalism, the essential problem is how to pass from the struggle at factory level to struggle against the whole pattern of society. The revolutionary movement will only succeed in this respect if it ruthlessly denounces all equivocations and double-talk on the idea of socialism, if it mercilessly criticizes the values of contemporary society, if it presents the socialist programme to the proletariat for what it really is: a programme for the humanisation of labour and of society.

The revolutionary movement will only be able to fulfill these tasks if it ceases to appear as a traditional political movement (traditional politics are dead) and if it becomes a total movement, concerned with all that men do in society, and with their real daily lives.

PART I

**TRADITIONAL MARXISM AND
CONTEMPORARY REALITY**

'There are people who only succeed in remaining revolutionists by keeping their eyes shut'.

L. Trotsky. Introduction to 'The First Five
Years of the Communist International'
(Pioneer Publishers, New York, 1945).

I. THE PROBLEM STATED

Perhaps the most striking phenomenon of our times is the contrast between industrialised and underdeveloped countries, as regards the attitude of the population towards politics.

For nearly twenty years now, the political life of the 'advanced' countries has taken place with the masses in absentia. In France, the Algerian war went on for eight years, and the Fourth Republic collapsed, amidst general apathy. In Britain, only a small fraction of the hundreds of thousands of people who make up the membership of the Labour Party show any interest in such discussions as there are of the Party's 'programme'. In Germany, political life was confined for some fifteen years to the whims of an old man and to intrigues about the succession - and Erhardt's succession to the Chancellorship has hardly aroused the political passions of the masses. In the United States politicians and sociologists bemoan the political indifference of the population: the movement of the Negroes for racial equality has not succeeded until now, despite its violent outbursts, in enlisting support from more than marginal strata of the white population. It is hardly necessary to evoke the 'political life' of the Scandinavian countries, of Holland, of Switzerland, or of the rich Commonwealth countries.

One has to leave the 'civilized' world to find instances where in recent years men have tried to shape their lives through their own collective action. There was Cuba, where peasant partisans overthrew a long-established dictatorship which was supported by the United States. There was Algeria. There is South Africa, where illiterate natives have repeatedly mobilized collectively and improvised new forms of struggle. There is South Korea, where the dictatorship of Syngman Rhee, an instrument of the United States, collapsed after huge popular demonstrations in which students and other young people played a leading part.

Must one conclude that, henceforth, mass political activity is a phenomenon confined to 'backward' countries? Are peasants, students and the oppressed races in colonial countries the only social groups capable of acting to change their fate? Is the interest of people in politics proportional to their economic and cultural backwardness? Does modern industrial civilization mean that the destiny of society no longer interests the members of that society? What is the basis of this attitude of the population in general and of the working class in particular? In the countries of classic capitalism what are the roots of this apathy, of this indifference to traditional politics, of this process of 'depoliticization'?

See for example C. Wright Mills' 'The Power Elite' (New York, 1956). Also Adlai Stevenson in 'Foreign Affairs' (January 1961 issue).

Before attempting to answer these questions we must stress the general character of the phenomena we are discussing. The countries concerned - and to which we refer in this text when we speak of modern capitalist countries - are those in which pre-capitalist elements in the economy and in general social organization have largely been eliminated. These are the only countries that count when one is discussing capitalist society (and not the problems involved in the transition from earlier forms of social organization to capitalism). These countries are the United States, Canada, Australia, New Zealand, Sweden, Norway, Finland, Denmark, Great Britain, West Germany, Holland, Belgium, Austria, Switzerland, recently joined by France and now being joined by Italy and Japan: in all, countries whose total population is about 600 millions, and in which are concentrated 75% of the total production of the 'capitalist world' and 90% of its industrial production. These are the countries in which work and live the enormous majority of the modern proletariat. Of the countries of the 'Eastern bloc', those which have more or less completed their industrialization (such as Russia, Czechoslovakia and East Germany) confront a fundamentally similar situation.

The great bulk of humanity lives, of course, outside of this type of social regime. This includes the enormous majority of the population of the 'capitalist world' (1,500 million as against the forementioned 600 million) as well as the vast majority of the population of the 'Eastern bloc' (830 million as against 250 million). But marxism was a theory of revolution in capitalist countries, not in backward, predominantly peasant communities. If marxists now look for the roots of the socialist revolution in the colonial countries and if they now search for the contradictions of capitalism in the opposition between the industrialized West and the underdeveloped countries - or even in the struggle between the two blocs - they are hardly 'marxists' any longer. For marxism was, or wished to be, a theory of socialist revolution made by the proletariat, not a theory of the revolution of African peasants or of land-hungry agricultural labourers in Southern Italy. Marxism was not a theory of revolution based on the pre-capitalist residues in national or world society. It was the ideological expression of the mass activity of the working class, itself the product of capitalism and of industrialization. Nobody, of course, can deny the immense importance of the backward countries. But the fate of the modern world will not finally be decided in Leopoldville - nor even in Peking - but in Pittsburgh, in Detroit, in the industrial belt of Paris, in the Midlands, on Clydeside, in the Ruhr, in Moscow and in Stalingrad. No one can call himself a marxist or even a revolutionary socialist if he evades the question: what has become today of the proletariat as a revolutionary class? What has become of it in the countries where it really exists?

We know quite well that the earth is round and that the problem of the fate of society can only be solved on an international basis. Day after day we are confronted with the struggles of those two-thirds of humanity who live in non-industrialized countries. Their fate, the relations between these countries and the industrialized ones and, at a still deeper level, the types of society that are emerging on a world-wide scale, are all certainly most important questions. But for revolutionaries who live in modern capitalist countries, the first task should be to understand the society around them and the fate of the working class bred in that society. This is necessary not as an abstract exercise of sociological

analysis but the better to take a meaningful stand in relation to real problems. This analysis is objectively our primary task, because the social relations of modern capitalism increasingly tend to dominate the world and to mould the evolution of the more 'backward' countries. It is also the primary task for us because we are nothing unless we can define ourselves, both in theory and in practice, in relation to our own environment.

What therefore is modern capitalism? What has become of the working class in the countries of modern capitalism? This essay is an attempt to answer these questions. In the course of our analysis we shall describe the modifications that have taken place in the functioning of capitalism. We shall look at what makes it different both from the capitalism of the classical period and (what is almost as important) from the image traditional marxists had - and still have - of its mechanisms. We shall then attempt to show the link between the modernization of capitalism and the depoliticization of the masses. We shall finally attempt to answer the main question: what can and must be the basis of revolutionary politics in the present period.

2. SOME IMPORTANT FEATURES OF MODERN CAPITALISM

To start, we will describe a number of new phenomena (either new in themselves or new to traditional marxist theory). We will attempt to explain them later on.

1. CAPITALISM HAS SUCCEEDED SINCE THE SECOND WORLD WAR IN CONTROLLING THE LEVEL OF ECONOMIC ACTIVITY TO A VERY CONSIDERABLE DEGREE. Fluctuations of supply and demand are maintained within narrow limits. There have been profound modifications in the economy itself and in its relations with the state. The result is that depressions of the pre-war type are now virtually excluded.

Why have the spontaneous fluctuations of economic activity been so markedly reduced?

First, because the various components of global social demand have become much more stable:

(a) Regular wage increases, the introduction in many countries of unemployment and National Assistance benefits, the increasing number of wage-earners paid on a monthly basis have all helped limit wide swings in the demand for consumer goods (and have thereby also limited swings in the production of these goods). They have greatly lessened the cumulative effects which downward trends in demand used to have in the past.

(b) There is a continuous and irreversible increase in state expenditure, which has become a major component of total demand. In modern capitalist countries, state consumption today results in a stable demand which absorbs 20-25% of the total social product. If one adds to this unemployment and assistance benefits paid by the government, the expenditure of semi-governmental institutions, and the funds which 'pass through' the state, the 'public sector' of the economy will be found, in various 'Western' countries, to manipulate (directly or indirectly) between 40 and 50% of the total social product. ²

(c) The rate of capitalist accumulation, whose fluctuations were mainly responsible for economic instability in the past, varies much less than it used to. Investments tend to become more massive (for instance hydroelectric plants and nuclear power stations). They tend to be spread over longer periods. Rapid and constant technological progress compels enterprises to invest in a much more continuous fashion. Increasing investment results in expansion. And continuous expansion justifies, in the eyes of the capitalists, a policy of constantly increasing investment. Expansion, so to speak, ratifies the whole policy, after the event.

2.

For instance in Britain, in 1961, the gross national expenditure (or 'gross national product at market prices') amounted to £26,986 million. The total revenue of the Combined Public Authorities (i.e. direct and indirect taxes, contributions paid to the Central Government or to local authorities, etc.) amounted to £8,954 million - or 33.3% of the gross national product. (Tables 1 and 43 in 'National Income and Expenditure, 1963', H.M.S.O., London.).

On the other hand, out of a total domestic investment of fixed capital of £4,577 million in 1961, £1,799 million - about 40% - were invested by state or public enterprises (*ibid.*, tables 1 and 48).

Taking the two amounts together - and eliminating some duplications - it will be seen that the proportion of the gross national product directly handled by the state in 1961 was just under 40%.

In 1963, in Britain, the state and its agencies (including the boards of the nationalized industries and local authorities) employed 5,250,000 people (excluding the Armed Forces). This accounts for nearly 25% of all employed persons and contrasts with figures of less than 2,000,000 (about 10%) in 1939.

Second, because the continuous, conscious intervention of the capitalist state to maintain economic expansion lessens the likelihood of massive depressions.

Capitalist states have now been obliged publicly to assume responsibility for providing relatively full employment, and for eliminating major depressions. This they have more or less succeeded in doing, even if they cannot avoid phases of recession and inflation in the economy, let alone assuring its optimum, rational development. The situation of 1933 - which would correspond today to 20 million unemployed in the USA alone - is henceforth inconceivable. It would provoke an immediate explosion of the system. Neither workers nor capitalists would tolerate it.

The instruments which allow the capitalist state to maintain economic fluctuations within fairly narrow limits are its constant and many-sided intervention in economic life, and the enormous proportion of the social product which it now manipulates and controls, either directly or indirectly.

2. DESPITE LOCAL POCKETS OF UNEMPLOYMENT, THE NUMERICAL IMPORTANCE OF UNEMPLOYMENT ON A NATIONAL SCALE (we do not speak here of its human importance) ³ HAS DIMINISHED CONSIDERABLY COMPARED WITH PRE-WAR YEARS.

In practically all industrialized European countries, the percentage of unemployed has remained very low since the end of the war, fluctuating between 1% and 2% of the labour force. In Britain, where the swings have been largest, the average annual percentage of unemployed did not exceed 2.3% (in 1959). It reached between 3% and 4% in the first quarter of 1963, but by the end of the year it was running again around 2%. Western Germany absorbed a number of unemployed exceeding 1.5 million in 1950, and an influx of refugees of about 200,000 a year. Since 1960, unemployment in that country has remained below 1%. In France, unemployment has never exceeded 1% of the labour force. Italy and Japan - countries where industrialization was far from complete in the early post-war period - not only absorbed a huge number of agricultural workers into industry, but brought their unemployment percentages down from 9.4% in 1955 to 3% in 1962 (in the case of Italy), and, in the case of Japan, to as low as 0.9% in 1962. In Sweden, Norway and the Netherlands the percentage has never exceeded 2.6% since 1954 (and is currently much lower).

³ The increase in material needs and the ever precarious financial position of most wage-earners mean that despite unemployment benefits (in general a pittance) the condition of the unemployed is as intolerable today as it ever was. As for the substance of the matter, any society in which a single individual is involuntarily unemployed is absurd.

Even in the United States, where the economic policies of the Eisenhower administration created virtual stagnation for 3 years, and where the full impact of rapidly advancing automation is felt (this particular problem will be discussed more fully on pp. 31 and 32), unemployment averaged 4.6% between 1946 and 1962, with a peak of 6.8% in 1958. This compares with pre-war oscillations of the unemployment rate in the USA of between 3.3% (in the 'boom' year 1929) and 25% (in 1933). The unemployment rate was still 10% in 1940, a year of 'full recovery' and war preparations. ⁴

With a few local exceptions there has been little technological unemployment, despite enormous technological change. As we shall later show (p. 31) automation need not create unemployment under a system of complete bureaucratic capitalism. ⁵

3. AVERAGE REAL EARNINGS HAVE RISEN OVER A LONG PERIOD.

Increases in real wages have not only been more rapid but much more regular ⁶ than in preceding periods of capitalism. ⁷ This is first and foremost the result of over

⁴ See 'United Nations Statistical Yearbook, 1963' (Table 10, pp. 60-61).

⁵ It is another thing that automation is already being used to discipline workers (through the threat of unemployment) or to aggravate their situation in the labour process.

⁶ What we are describing here is a general trend. Of course there may be temporary interruptions in this process, due to specific factors. For example in France, because of the Algerian war and of the progressive decomposition of the old capitalist and governmental and industrial apparatus the process was interrupted (and even reversed for a while) between 1957 and 1959. But it has already resumed its course in the last five years.

⁷ To quote but one instance: in Britain average hourly earnings of male adult workers in manufacturing rose from 39,6 d. in 1950 to 84,9 d. in 1964, a total increase of 114.3% which is equivalent to a compound rate of growth of 6.6% per annum. (See O.E.C.D. General Statistics, July 1964, p. 121). In these calculations, 'earnings' include bonus, cost of living allowances and taxes and contributions payable by the employed person. They represent the average hourly earnings, inclusive of overtime, calculated over a whole working week.

Of course a big part of this rise in wages was eroded by the rising cost of living. The consumer price index rose during the same period by 61.7% - or 4.1% per annum compound (*ibid.*). This gives the average annual growth of earnings in real terms at 2.5% (compound). This is rather lower than the corresponding rates for industrial continental countries.

Furthermore, we are not saying that the process is an even one. In Britain, in 1964, for instance, there were still 10% of male adult workers earning less than £12 per week.

a century of working class struggle - of general and organized struggles, as well as of 'informal' struggles within a factory or shop. In more general terms it is the result of the constant pressure exercised by the workers in every country and at all times.

The employers have resorted to a new policy which we can see applied by an increasing number of enterprises. One can sum it up as follows: to give in, when and where necessary, on wages; to anticipate demands, if needs be, in order to avoid conflicts; to make up for this by stepping up output per man-hour; to associate the unions as much as possible with this policy; to integrate, wherever possible, the workers into the work process by various manoeuvres and arrangements, such as providing various 'advantages' for those who will 'cooperate'.

Neither economic claims, in the narrow sense (i.e. those leading to wage increases) nor even demands leading to a reduction in hours appear any longer (either to wage earners or to capitalists) impossible to satisfy without overthrowing the whole social system. An annual increase in wages of about 3% (6/- in £10) is now considered 'normal' by workers and bosses alike (of course by the workers as a minimum, by the bosses as a maximum). Government boasts about fulfilled growth targets often provide the unions with a basis for wage claims which the employers find difficult to resist. Capitalism can achieve this compromise in the division of the social product provided the rate of wage increases is approximately compensated by equivalent increases of productivity, thus leaving the existing division of the social product more or less intact.

If one looks at the distribution of the national product in the U.K. over the last quarter of a century some interesting facts emerge. Excluding the pay of the Armed Forces, income from employment (wages, salaries and employers' contributions to National Insurance, etc.) rose from £2,956 million in 1938 to £7,375 million in 1950, and to £16,673 million in 1962 ('National Income and Expenditure, 1963', Table 2, pp. 3-4). As the national income rose during the same period from £4,816 million to £10,701 million and to £22,631 million respectively (ibid., Table 1, pp. 2-3), it will be seen that the proportion of the national income represented by 'labour income' increased from 61.4% in 1938 to 68.9% in 1950 and further to 73.7% in 1962. This partly reflects the increase in the proportion, within the total labour force, of those dependently employed (i.e. the further shrinking of 'self-employment' in agriculture, small trade, etc.). But there can be no doubt as to the fact that the labour share did not fall. Labour's income has risen at least pari passu with the value of total output.⁸

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Similar trends can be observed in all industrialized countries. Although these (and any other) statistics need to be interpreted with care for numerous reasons, some of which are well-known and some less well-known, no restrictions or qualifications can reverse the basic conclusion: that wages rise in the long run pari passu with output. As will be explained later in the text they are bound to.

4. WAGE INCREASES AND THE REDUCTION OF UNEMPLOYMENT HAVE LED TO A SLOW BUT REGULAR IMPROVEMENT IN WORKING CLASS

LIVING STANDARDS, as measured in terms of goods consumed. In the long run, and leaving aside fluctuations due to particular circumstances or to local or occupational peculiarities, this improvement tends to parallel the rise in production as a whole.

This does not mean of course that modern capitalism has eliminated poverty. In Britain for instance, in 1964, there were some 3 million people on National Assistance benefit, each one a living indictment of the system, and each one a living proof of the incompleteness and unevenness of the changes we are describing. One should not forget however that both the concept and the definition of poverty should be looked at historically, that they have changed over a century, and that today the level below which one 'qualifies' for 'public aid' is certainly higher than it was pre-war.

There has moreover been a genuine change in living standards. When Michael Harrington ('The Other America', Penguin Special, 1963) or President Johnson speak of the 'submerged fifth' of the American population, this is certainly a powerful indictment of the most modern capitalism in the world. Such poverty should certainly be brought to light and denounced. But for those who wish to look a little deeper, this 'submerged fifth' should be seen against the background of President Truman's 'underprivileged quarter of our people' and of President Roosevelt's 'depressed third'.

This gradual increase in living standards is irreversible. It flows from a process that nothing can stop any more. It is now part of the anatomy, part of the blood and bones of capital. In the countries of modern capitalism, two-thirds of total production consists of objects of consumption. An increasing proportion of these are produced on the assembly line. Capital accumulation would be impossible in the increasingly important sectors producing such commodities if it were not for a regular extension of the mass demand for consumer goods, including those formerly considered luxury items.

The whole process is sustained by enormous commercialization and by advertizing campaigns aimed at the creation of 'needs' through the psychological manipulation of consumers. Mass consumption is reinforced by collateral systems, such as consumer credit, whose effects are decisive on the market for durable goods.⁹

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Consumer credit has recently been introduced in the USSR, 'with great success' (Financial Times, September 17, 1959). More generally, the significance of the phenomena we describe extends beyond Western societies. They will apply to the bureaucratic countries of the East as they develop economically. The bureaucratization of social life in the West proceeds in parallel with the 'liberalization' of the regimes in the East. It is no longer only their profound reality that is similar. Even the appearances tend to become so.

The increase in living standards goes hand in hand with a very much more limited and irregular increase in leisure. Both are associated with a change in the pattern of consumption, and up to a certain point, with changes in the way of life in general. ¹⁰

5. THE ROLE OF THE TRADE UNIONS HAS PROFOUNDLY ALTERED, both objectively and in the eyes of both capitalists and workers. The essential function of trade unions has become the maintenance of 'peace' in industry. They offer social peace to management in exchange for regular concessions on wages and the maintenance of relatively stable conditions of production. The capitalists now see the unions as a necessary evil. By and large they give up fighting them, even indirectly. The workers see the unions as 'corporative' organisms, as a kind of mutual benefit society, capable of ensuring their professional interests and useful in getting periodic wage increases.

The idea that the unions could have anything to do with the transformation of the social system, whether violent or peaceful, whether sudden or gradual, appears - and is - quite ludicrous.

6. POLITICAL LIFE, IN THE USUAL SENSE OF THE TERM, IS SEEN AS A SPECIALIZED BUSINESS. Politicians are considered generally dishonest and as all forming part of 'the same gang'. ¹¹ People are uninterested in politics, not only during 'normal' times, but also during periods which the political specialists consider 'periods of crisis'. At best the population participates in the political election game every five years or so in a cynical and disillusioned way.

There are no longer any working class political organizations, by which we mean organizations either expressing the real interests of the working class or even composed - at their decision-taking levels - of a majority of workers. Parties such as the British Labour Party or the French or Italian Communist Parties may enjoy the electoral support of

¹⁰ This does not mean that the working class is becoming 'bourgeois' as sundry sociologists have sought to argue. Working class life today differs both from working class life in former days and from the life of the privileged classes today. Money problems remain a permanent feature of working class life. In fact these difficulties often increase, in parallel with the increasing standard of living, which constantly imposes new 'needs' and new expenses. At the other end of the social scale there are still classes for whom the satisfaction of material needs creates no problems whatsoever.

There are nevertheless differences between the structure of consumption today and what it was only a few decades ago. This structure evolves continuously. It undergoes changes that are not spontaneous, but organized and intentional. As the mass market annexes goods formerly reserved to the 'upper' classes, these now indulge in new patterns of consumption (see for instance Vance Packard's 'The Status Seekers'). Both trends become powerful stimulants, indispensable to modern capitalist economy.

¹¹ See C. Wright Mills' 'The Power Elite' (New York, 1956).

the working class. But this in itself is not a sufficient criterion for them to be considered working class parties (after all the Liberal Party in Britain once enjoyed the same kind of support - and the Democratic Party in the USA still does - without this making 'proletarian parties' of them !).

What pass as 'working class political organizations' are outfits composed - at their policy-making levels - of ex-workers (long removed from the realities of production and now part and parcel of the apparatus), of perennial party professionals, of trade union officials, of middle class functionaries and technocrats of one kind or another, of more or less 'sincere' intellectuals with perhaps a smattering of 'progressive' businessmen. Although these organizations still occasionally talk about the working class, their aims can hardly be identified any longer with the total emancipation of labour from all forms of exploitation and mystification. We will return later to what their real objectives are (pp. 54 - 55, 62, 81).

The majority of workers may vote (or not vote) for this kind of party. But the fact remains that today there doesn't exist, in any important capitalist country, any important political organization capable of mobilizing any significant proportion of workers on political problems (even if by 'significant' we mean a proportion as low as 10 to 15%).

All this is intimately connected with the degeneration and bureaucratization of the working class organizations, a process which has made them indistinguishable from bourgeois political groups. This process is itself related to the whole evolution of capitalism which we have just described.

7. IN THIS SOCIETY THE WORKING CLASS, AT FIRST SIGHT, APPEARS TO HAVE CEASED TO BE WHAT MARX CALLED 'A CLASS FOR ITSELF'

(i. e. a class consciously, explicitly and collectively concerned with the problem of its own fate in society). Instead it merely appears as a social group, the members of which happen to occupy a certain position in the relations of production. More precisely, while the working class continues to appear as a class in the permanent struggle within the factory over wages and conditions of work, it no longer appears as a class with an explicit attitude towards capitalist society as a whole, as a class acting to overthrow this society or even to reform it, according to conceptions which are its own.

8. THE SAME ATTITUDE IS FOUND IN ALL GROUPS OF THE POPULATION IN RELATION TO ALL SOCIAL AND COLLECTIVE ACTIVITIES.

Only a very small proportion of citizens are interested in public affairs. Few union members are interested in union affairs. Few parents are interested in the activities of parents' associations. This shows, if proof were needed, that we are not merely dealing with a temporary or fortuitous phenomenon, with a passing retreat in working class political consciousness, but with a profound social phenomenon, characteristic of contemporary society.

This 'privatization' of individuals is one of the most striking features of modern capitalism. We live in a society which constantly seeks to destroy the political socialization of individuals, their coming together for the collective solution of political problems; a society where, outside of work, people think of themselves as private individuals and act more and more as such.

The very idea that collective action could change things on the scale of society as a whole has lost all meaning except for infinitesimal revolutionary minorities, unimportant in this context. Modern capitalism is a society in which public life (or more exactly social life) is seen not only as something foreign or hostile, but as something beyond the reach of human endeavour. It is a society which attaches men to private life, or to a social life whose basic pattern and organization are never explicitly questioned.

THE REVOLUTIONARY PERSPECTIVE IN TRADITIONAL MARXISM

Those whom we shall call traditional marxists refuse to face up to these facts. Some will concede that changes have taken place in contemporary capitalism, but they don't really understand what it is that has changed. They don't grasp the real meaning of the altered attitudes and activities of social classes, particularly of the working class. For them the central problem, what we call 'privatization' simply does not exist.

Or if they do recognize this political 'apathy' they believe it temporary, transitional, the result of a terrible defeat, etc. The magic of words is thus used to mask the reality of facts. One may hear, for example, that the lack of interest of French workers in politics needs no special explanation. It is the result of a retreat, after a serious defeat. What defeat? For a defeat, you need a battle. And the outstanding fact about de Gaulle's coming to power is that it took place without a battle. Others put forward a more sophisticated argument: the defeat lies in the fact of not having fought. But for anyone who thinks, it should be clear that the refusal to do battle, in May 1958, itself expressed this apathy, this 'depolitization' of the masses. The 'explanation' therefore pre-supposes these very things it should be explaining. It is equally clear that no 'defeat' is at the origin of the political apathy of the British, American, German or Scandinavian workers.

Traditional marxists also remain silent on the more general questions. Have the objective modifications of capitalism any relation to the attitude of men in society? If

this is a transitional state of affairs, what is meant by the word 'transitional'? This fleeting moment, as well as the very existence of our solar system, are both 'transitional'. Most important of all, none of the traditional marxists attempt to answer the basic question: how can and should revolutionaries act so that the present situation (whether 'transitional' or not) can be overcome?

Others in the marxist movement simply refuse to recognize the transformations of capitalism. They patiently wait for the next great slump. They continue to speak of the pauperisation of the proletariat. They denounce the increase of capitalist profits (while at the same time trying to demonstrate the historic fall in the rate of profit !). This attitude is more logical. For one, it refuses to recognize anything in the external world which annoys it, or which does not conform to 'classical' conceptions. Madness is less open to attack the more systematized and complete it is. Moreover, those thus afflicted are at least trying to salvage what for a century has passed (wrongly passed, we believe) as the foundation stone of a revolutionary policy and perspective.

* * * * *

For those who think in terms of traditional marxism, the transformations of capitalism we have described imply that any kind of revolutionary perspective is utopian.¹² For on what was this perspective based, in the minds of traditional marxists? It was based on the 'objective contradictions of capitalist economy' and on the total incapacity of the system to satisfy the economic demands of the workers.

¹² In the following pages what we call 'traditional marxism' is not the complete, systematic and 'pure' doctrine which might be extracted from the works of Karl Marx himself. By 'traditional marxism' we mean what has been, in its historical reality, the theory and ideology of the marxist movement. These are the ideas which have prevailed in practice, whether they passed or not as the ideas of Marx, and whether they were in fact his ideas or not. They are the ideas which have influenced the organized working class movement.

The historical reality of Christian ideology must be sought more in 'The Imitation of Christ' or in 'The Lives of the Saints' than in the Gospels, St. Clement of Alexandria or St. Augustine. Similarly, the historical reality of marxism, the ideology that in fact moulded millions of militants, is to be found in thousands of pamphlets and newspaper articles, in Kautsky's great works of vulgarization, in 'The Student's Marx' by Edward Aveling, in Bukharin's 'ABC of Communism', in the 'Karl Marx' of Lenin - even in some of John Strachey's earlier works such as 'The Nature of the Capitalist Crisis' and 'Theory and Practice of Socialism'. It is NOT to be found in 'Capital', which very few people have read, and still less in the manuscripts of Marx's youth, published for the first time in 1925.

This practical ideology of marxism, despite its schematization and over-simplification, follows faithfully enough one side of the work of Marx, which gradually became the most important one, even in the eyes of Marx himself. We will examine this process of selection later on, when we comment on Marx's 'Capital'.

In traditional marxism there is no systematic and explicit answer to the question: what leads the working class to political activity of a kind that can transform society? ¹³ But for over a century the practice of the socialist movement clearly shows the kind of answer marxists have had in mind. To be sure, immortal quotations viewing the proletarian condition as a total condition of existence can be found. But in current theory, as well as in daily practice, political consciousness was seen as arising from the economic condition of the wage earner, from his exploitation as a seller of labour power, from his expropriation from part of the social product.

On the theoretical level, attention was therefore focused on the 'objective contradictions' of the system. The 'inescapable economic mechanisms' of capitalism would inexorably lead the system to periodic economic crises and would perhaps even lead to its final collapse. At the same time these mechanisms made the satisfaction of workers' demands (as consumers) impossible. They provoked wage reductions or wiped out wage increases. They periodically created mass unemployment. They constantly threatened the worker with being thrown into the industrial reserve army.

On the practical level economic questions therefore provided the basis of propaganda in the socialist press and of socialist agitation. There quite naturally followed the great importance given to work in the unions: first to their creation, later to their infiltration by revolutionaries. Briefly, capitalist exploitation forced the workers to put

¹³ The answers one does find are both fragmentary and contradictory. The question as such was never treated by the classical authors. In Marx's own writings one finds passages written in his youth describing the condition of the proletariat as a total condition, affecting all phases of its existence, and emphasizing the tendency of the working class to transcend the inhumanity of its life by changing society as a whole. But one also finds as a predominant idea of his 'mature' works the notion of economic mechanisms, inexorably driving the workers to revolt. These are expressed most clearly in the well-known passage of 'Capital' dealing with primary accumulation (see p. 40).

Kautsky's position, echoed by Lenin in 'What Is To Be Done' is well known. The proletariat only enters socialist political activity under the influence of propaganda made by petty bourgeois intellectuals. By itself the working class can only develop a trade union consciousness. Later, Lenin was to modify this view.

As for Trotsky, in his 'In Defence of Marxism', he defines scientific socialism as 'the conscious expression of the elemental and instinctive drive of the proletariat to reconstruct society on communist foundations'. A beautiful phrase... but one which obscures the problem by applying metaphorical terms (such as 'elemental' and 'instinctive') to what are, in the proletariat, products of historical development and struggle.

forward economic claims whose satisfaction was impossible within the established system; the experience and consciousness of this impossibility would lead the workers to political activity aimed at overthrowing the system. The 'laws' of capitalist economy would produce crises (periodic breakdowns in the organization of society) which would permit the proletariat to intervene en masse, to impose its own solutions.

These ideas and the practices flowing from them undoubtedly corresponded to real aspects of the development of capitalism and of the activity of the working class. Between the beginning of the 19th century and the Second World War the absence of organization within capitalism left more or less free reins to the 'mechanisms of the market'. These produced (and necessarily tended to produce) crises. In a 'liberal' economy nothing limited a priori the extent of these crises. For a long time developing capitalism bitterly opposed any increase in working class living standards. Struggles over economic demands were, for masses of workers, the point of departure of class consciousness. Unions, which to start with were much more than simple professional associations, played an important role in the development of this class consciousness. They acted as a ferment for the masses, a milieu for the formation of militants. The creation of great working class organizations (political parties and unions), their development, the influence they exercised on the economy and on capitalist society as a whole were only possible because very important sections of the working class actively and permanently participated in them and were prepared, on crucial issues, to mobilize themselves politically (and this in much more than a merely electoral sense).

The apparent confirmation of traditional marxist conceptions by the history of 19th century capitalism is not enough to give these conceptions a valid foundation; but neither is their refutation by contemporary experience enough permanently to invalidate them. In order to reach clear conclusions, it is essential to discuss the traditional ideas at the theoretical level. This discussion must necessarily lead us to a re-evaluation of marxist political economy. ¹⁴

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In what follows we are no longer discussing 'traditional marxism', but the writings of Marx himself. We will unfortunately have to give chapter and verse for the various statements attributed to Marx. We don't do this because there is any intrinsic value in quotation-mongering, far from it, but because bitter experience has taught us that the bad faith or ignorance (or both) of most 'marxists' - when dealing with the writings of Marx - can only be dealt with in this way. We shall be referring to 'Capital' (1867), to 'Wage Labour and Capital' (1849) and to 'Wages, Price and Profit' (1865). The page numbers refer to the Everyman two-volume edition of 'Capital' (1930) and to the Foreign Languages Publishing House (Moscow) pocket editions of 'Wage Labour and Capital' and of 'Wages, Price and Profit'.

4. MARXIST POLITICAL ECONOMY

This chapter and the following one are not essential to an understanding of our ideas. They are indispensable however for anyone who wishes to grasp the central theoretical flaw in traditional marxism from which have flowed both its theoretical stagnation and so many of its wrong prognoses.

The undisputed and fundamental fact of capitalism is that labour, as wage labour, is in thrall to capital. On the economic level, this servitude is shown by the exploitation of wage labour. The ruling class appropriates part of the social product (surplus value) which it uses for purposes of its own. Under capitalism the major part of this surplus value is used for accumulation. Accumulation means an increase of capital brought about by the transformation of surplus value into additional means of production. Accumulation, combined with technical progress, leads to an expansion of total production and of production-per-worker (productivity). The development of capitalism means the destruction of pre-capitalist forms of production (feudal and small independent production). More and more people become wage earners (the proletarianization of society). At the same time, the struggle between capitalists leads to the concentration of capital. This takes place through either the absorption or the elimination of the weakest capitalists, or through their voluntary amalgamation.

This description of the main features of capitalist economy constitutes one of the immortal contributions of Marx to our knowledge of modern social reality. Marx had clearly perceived all this at a time when capitalism only really existed in a few cities of Western Europe. His analysis has been brilliantly confirmed by the evolution of capitalist economy over a period of a century and throughout the five continents of the world.

But a full economic analysis of capitalism should ask (and attempt to answer) certain further questions about how the system works and develops. What, for instance, determines the degree of exploitation of wage labour (what Marx called the rate of exploitation)? In more technical language, what determines the relation of the mass of profits to the mass of wages? Does the rate of exploitation change? If so, how? How can economic balance and even approximate equality of supply and demand be achieved in a system where production and consumption depend on millions of independent acts? How can this approximate equality be maintained when all relations are constantly altered by accumulation and through technological change? What are the long-term tendencies of the system? And most important of all, how does the very functioning of the system progressively modify its structure?

Marx was the first clearly to formulate these questions. He tried to answer them in a systematic and coherent way. But however important the monumental works he devoted to these matters, we must realize that many of the answers he provided are theoretically false. Moreover, and strange as it may seem, they are in profound contradiction with the real essence of his own revolutionary conceptions.

The cornerstone to all these questions is the determination of the rate of exploitation. For Marx this was expressed by the rate of surplus value ¹⁵ and therefore depended exclusively on objective and measurable economic factors. The net effect of the interaction of these factors was that the rate of exploitation was bound to increase with time. Why? Because it depended on the ratio of two factors, one of which (surplus value) was seen as constantly increasing while the other (wages) increased little if at all. On the one hand there is the real product per hour (or day, or week) of labour. This constantly increases because of the constant rise in the productivity of labour, brought about by technological progress and through closing the gaps in the working day. On the other hand are real wages. These are the price of labour power. ¹⁶ And this price of labour power is presented in Marx's writings as predetermined and oscillating around the value of labour power. ¹⁷

If real wages are determined by the value of labour power, what determines this value? Marx was again quite explicit on this point. The value of labour power is determined by the objective cost of the maintenance of the life of the worker and of his family. ¹⁸

¹⁵ 'The rate of surplus value is a precise expression for the degree of exploitation of labour power by capital or of the exploitation of the worker by the capitalist' ('Capital', p.215).

In marxist economics the rate of surplus value is expressed by the ratio $\frac{s}{v} = \frac{\text{surplus labour}}{\text{necessary labour}}$

Expressed in money terms, this is equivalent to $\frac{\text{total profits}}{\text{total wages}}$ (ibid., pp.215-217).

¹⁶ 'Wages are the price of a definite commodity, of labour power. They are therefore determined by the same laws that determine the price of every other commodity'. ('Wage Labour and Capital', p.36).

¹⁷ 'Supply and demand regulate nothing but the temporary fluctuations of market prices. They will explain to you why the market price of a commodity rises about or sinks below its value, but they can never account for that value itself. (...) At the moment when supply and demand equilibrate each other, and therefore cease to act, the market price of a commodity coincides with its real value, with the standard price round which its market price oscillates. (...) The same holds true of wages (...) wages being but a name for the price of labour'. (Wages, Price and Profit, pp. 35, 38).

¹⁸ '(...) Like every other commodity the value (of labour power) is determined by the quantity of labour necessary to produce it. The labour power of a man exists only in his living individuality. A certain mass of necessaries must be consumed by a man to grow up and maintain his life. Beside the mass of necessaries required for his own maintenance, he wants another amount of necessaries to bring up a certain quota of children that are to replace him on the labour market and to perpetuate the race of labourers. Moreover to develop his labouring power and acquire a given skill another amount of values must be spent. For our purpose it suffices to consider only average labour the cost of whose education and development are vanishing magnitudes'. (ibid., p. 58).

'The value of labouring power is determined by the value of the necessaries required to produce, develop, maintain and perpetuate the labouring power.'¹⁹ This is the commodity equivalent of the standard of living of the working class. But what is it that determines that standard of living ?

Marx admitted that 'historical', 'moral', and 'social' factors entered into the determination of this standard of life.^{20, 21} But the whole exposition, in most of his writings, makes it clear that for Marx the value of labour power (and consequently of wages) tended to remain within narrow limits²² if not actually to decline. Marx

¹⁹ ibid., p. 59.

²⁰ 'the value of labouring power is formed by two elements - the one merely physical, the other historical and social. Its ultimate limit is determined by the physical element, that is to say to maintain and reproduce itself, to perpetuate its physical existence, the working class must receive the necessaries absolutely indispensable for living and multiplying. The value of the indispensable necessaries forms therefore the ultimate limit of the value of labour. (...) Besides this mere physical element, the value of labour is in every country determined by a traditional standard of life. It is not mere physical life, but it is the satisfaction of certain wants springing from the social conditions in which people are placed and reared up. The English standard of life may be reduced to the Irish, the standard of life of a German peasant to that of a Livonian peasant. (...) This historical or social element, entering into the value of labour, may be expanded, or contracted, or altogether extinguished so that nothing remains but the physical limit'. (ibid., pp.89, 90).

²¹ 'The comprehensiveness of what are called "needs" and the methods of their satisfaction are likewise historical products, depending in large measure upon the stage of civilization a country has reached and depending, moreover, to a very considerable extent upon under what conditions, and therefore with what habits and claims, the class of free workers has come into existence. Thus the value of labour power includes, in contradistinction to the value of other commodities, a historical and a moral factor'. (Capital!, p. 159).

²² 'How far in this incessant struggle between capital and labour (is) the latter likely to prove successful ? I might answer by a generalization, and say that as with all other commodities so with labour, its market price will in the long run adapt itself to its value; that therefore despite all the ups and downs and do what he may (my emphasis. P.C.) the working man will, on the average, only receive the value of his labour, which resolves itself into the value of his labouring power, which is determined by the value of the necessaries required for its maintenance and reproduction, which value of necessaries finally is regulated by the quantity of labour wanted to produce them'. (Wages, Price and Profit, p. 88).

considered such a decline quite likely. 23, 24 As for the 'historical factor' it might determine differences from one country to another but there is little in Marx's writings to suggest that it could account for changes - and in particular for increases - in the value of labour power, in a given country, over a given period of time. On the contrary, 'for any specific country, in any specific epoch, the average comprehensiveness of the necessaries of life may be regarded as a fixed quantity'. 25

Marx's whole system of political economy, his whole theory of crises and - by implication - his assumptions as to how socialist consciousness arose, were all based on this theory of wages. They were based more specifically on the premise that the mechanisms of the labour market, the changes in the organic composition of capital and the pressures of an ever increasing working class population (which capitalism constantly tended to produce) would prevent real wages (i.e. the standard of living) from ever increasing in a lasting and significant manner. At best living standards would remain static. The capitalists constantly tend to reduce them. They are forced to. And since, in the pages of 'Capital', nothing opposes this tendency except at the point where it threatens the biological survival of the working class, the capitalists achieve their aim. This is the meaning of 'absolute pauperization'. 26

23 'The very development of modern industry must progressively turn the scale in favour of the capitalist against the working man, and consequently the general tendency of capitalist production is not to raise but to sink the average standard of wages or to push the value of labour more and more to its minimum limit. (...) (Working class) struggles for the standard of wages are incidents inseparable from the whole wages system. In 99 cases out of 100 their efforts at raising wages are only efforts at maintaining the given value of labour. (...) The working class ought not to exaggerate to themselves the ultimate working of these everyday struggles. They ought not to forget that they are fighting with effects, but not with the causes of those effects, that they are retarding the downward movement but not changing its direction'. (ibid., pp. 96, 97).

24 'The forest of uplifted arms demanding work becomes ever thicker while the arms themselves become ever thinner'. (Wage Labour and Capital, p. 78).

25 'Capital', p. 159.

26 'The general tendency of capitalist production is not to raise but to sink the average standard of wages'. (Wages, Price and Profit, p. 98). There remain, in several of the writings of Marx, traces of Ricardo's conception of a reciprocal regulation between wages and the supply of labour in such a manner that the oscillations of wages above or below the physiological minimum increase or reduce the survival rate of successive generations of workers. But for Marx the main problem of proletarian overpopulation was essentially a product of capitalism itself, which constantly replaced workers by machines.

This conception and this method of analysis are equivalent to treating the workers in theory as capitalism would like to treat them in practice ... but cannot: that is, as mere objects. Such methods are tantamount to saying that labour power is integrally a commodity ... like sugar (27) or electric power. According to this assumption, labour power, like any commodity, possesses an exchange value (corresponding to an objective cost of production, determined by economic forces) and a use value (the extraction of which, like the extraction of so many calories from a ton of coal, depends only on the will of the capitalist and on the technical methods available to him at a particular time). No more than coal could, could labour power influence its own exchange value. Nor can it prevent the capitalists from increasing the energy extracted from it, through ever perfected techniques.

That this is the intrinsic tendency of capitalism is certain. But for reasons that we will analyse in detail later, this tendency can never prevail. If it did, capitalism would collapse. Capitalism cannot exist without the working class. And the working class would not be the working class if it did not constantly struggle to modify its own conditions of existence and its fate in production, as well as its standard of living. Production is not exclusively dominated by the will of the capitalists constantly to increase the yield of labour. It is also influenced by the individual and collective resistance of the workers to these aims. The extraction of the use-value of labour power is not a simple technical operation, like the extraction of so many calories from a ton of coal. It is a bitter struggle, in which the capitalists lose half the time.

The same holds true for the standard of living, i.e. for real wages. From the beginning the working class fought to reduce the working day and to increase wages. And it is this struggle which has determined the evolution of wage levels. True, wage levels confront the individual worker, at any given moment, as an external reality, independent of his actions. But it is quite wrong to say (or to imply) that the level of wages over a given period is independent of the actions of the working class.

Labour power, unlike other commodities, is and remains inseparably embodied in human beings. Labour power is unlike other materials that go into the final product. Both the extraction of its use-value and the determination of its exchange value depend on - and are profoundly modified by - the actions of workers, both as individuals and as a class. The workers are not passive in this respect. Neither the effort provided during an hour of labour-time, nor the wage received in exchange for it, can be determined by any kind of objective law, rule, norm, or calculation. Both are the result of a constant

(27) Marx says so in so many words: 'Labour power, therefore, is a commodity neither more nor less (my emphasis.- P.C.) than sugar. The former is measured by the clock, the latter by the scales'. (Wage Labour and Capital, p. 31).

struggle. If they could be determined objectively capitalism would be a rational, or at least a rationalizable system... and all discussion of socialism would be utopian. ²⁸

We are not saying that economic and objective factors play no role in the determination of the wage level. On the contrary. At any moment, the class struggle can only act within a given economic framework. It acts not only directly but also through the intermediary of a whole series of partial economic mechanisms. To give but one example : a victory of the workers in one sector will cause repercussions on the general level of wages. This is not only because it may stimulate the combativity of other workers, but also because sectors paying lower wages will have an increasing difficulty in recruiting workers. But none of these mechanisms has individual meaning if taken apart from the class struggle. And the economic framework is constantly modified by this struggle.

It is equally wrong in theory - and this has been proved in practice - to contend that, struggle or no struggle, capitalism cannot let wages increase. Individual capitalists (and the capitalist class as a whole) will certainly oppose such increases as long as they can. But that regular wage increases are impossible within the system is completely false.

The classical marxist conception was that capitalism couldn't tolerate wage increases because wage increases automatically meant a diminution of profits and thereby led to a reduction in the funds available for accumulation. These funds were considered indispensable if the enterprise was to survive under conditions of competition. But this static image is quite unreal.

Let output increase by 4% a year. Let wages also increase by the same percentage. Profits will necessarily increase by 4% too, other things being equal. If the pressure of workers leads to similar increases in other enterprises and sectors, no capitalist will be in an unfavourable position in relation to competitors. As long as wage increases do not substantially and lastingly exceed increases in productivity, and as long as they are fairly generalized, they are perfectly compatible with the accumulation of capital.

In the final analysis wage increases are even indispensable for capitalist expansion. In an economy where the consumption of wage earners makes up about 50% of the total demand, and where production grows by 3% a year, there must be, year in, year out,

²⁸ Most of our critique of marxist political economy refers to Marx's later writings and in particular to 'Capital'. In other works Marx defended the correct idea that working class struggles could lastingly improve wage levels. This idea was abandoned in 'Capital' in favour of the 'objectivist' conceptions we here discuss. It would be impossible to build a whole system of economics of the type described in 'Capital' if it is accepted that the main economic variable (i.e. the level of wages) depends on an extra-economic factor (i.e. on the concrete outcome of the class struggle).

an approximate parallelism between the rise in wages and the rise in production. Otherwise, a growing proportion of output would remain unsold. An economy can only expand - i.e. accumulation can only take place - if effective social demand also increases, in other words if there is no substantial gap between the rate of wage increases and the rate of expansion of production. Such a gap would lead in a relatively short time to grave imbalance, which could not be corrected by even the most profound depression.

Production which expands by 3% per annum will double itself every 23 years. At the end of a century it will have increased 20-fold. If we assume that the net production of the capitalist sector in Britain was 100 units per worker in 1863, it would be 2,000 units today. But the theory of absolute pauperization means that if wages per worker were 50 units in 1863, they would be less than 50 units today. In other words, wages today would constitute less than $50/2000$ (or less than 2.5%) of the net product of the capitalist sector. This is clearly impossible. However massive the accumulation of capital, however enormous the export of capital, however gluttonous the bourgeoisie or however wasteful its state expenses, the disposal of products would be rigorously impossible under these conditions.

In fact, the result of the class struggle over the last hundred years has been an increase of real wages, in the long run roughly parallel to the increase in the productivity of labour. In other words, the working class has not succeeded in modifying the division of the social product to its advantage. But it has succeeded in avoiding the aggravation of this division to its disadvantage. The long-term rate of exploitation has remained roughly constant.

Marx's theory of the increasing rate of exploitation has played and continues to play an important role in the conceptions of the traditional marxist movement. In traditional marxism this increasing rate of exploitation appears as the driving force of the class struggle.²⁹ But it has far more important implications, both philosophical and political.

²⁹ This is seen most clearly in the preface which Engels wrote in 1891 (i.e. more than 20 years after the publication of 'Capital') to Marx's 'Wage Labour and Capital': 'From the whole mass of products produced by it, the working class, therefore, receives back only a part for itself ... The other part, which the capitalist class keeps ... becomes larger with every new discovery and invention, while the part falling to the share of the working class (reckoned per head) either increases only very slowly and inconsiderably or not at all, and under certain circumstances may even fall. But these discoveries and inventions which supersede each other at an ever-increasing rate, this productivity of human labour which rises day by day to an extent previously unheard of, finally gives rise to a conflict in which the present-day capitalist economy must perish. On the one hand are immeasurable riches and a superfluity of products which the purchasers cannot cope with; on the other hand, the great mass of society proletarianized, turned into wage-workers, and precisely for that reason made incapable of appropriating for themselves this superfluity of products. The division of society into a small, excessively rich class and a large, propertyless class of wage workers results in a society suffocating from its own superfluity, while the great majority of its members is scarcely, or even not at all, protected from extreme want'.

These have led the revolutionary movement completely astray in its analysis of contemporary society.

The theory of the increasing rate of exploitation was supposed to 'prove' the impossibility of any kind of dynamic equilibrium within capitalist economy. It was the basis of the so-called contradictions : the conflict between capitalism's tendency towards unlimited development of the productive forces and the limited development, under capitalism, of the power of consumption of society (economic power, of course, not biological). This limitation in the power of consumption was seen as a reflection of the stagnation of working class living standards, or as a reflection of the fact that the standard of living increased too slowly in relation to production. This 'contradiction' allegedly implied that the accumulation of capital could only take place if accompanied by periodic crises which would destroy part of the existing wealth. In the final analysis it would even make this kind of accumulation impossible. ³⁰

It follows from what we have said that there is no insurmountable contradiction of this type within capitalism. Up to a point the conflict is a real one. Capitalism does increase production and this production is not automatically accompanied by a solvent social demand. But this is not an insurmountable obstacle. The solvent social demand can be brought about without the Heavens falling. It could occur as a result of working class struggles, which increase wages. Or it could occur as a result of an increase in capitalist accumulation. Or it could be the effect of a deliberate policy of increasing state expenditure. These various mechanisms deserve a further brief analysis.

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Rosa Luxemburg reached this last conclusion following a different line of reasoning that we cannot go into here. We would only like to add one point. Great discussion has racked the marxist movement to discover whether capitalist crises were the result of 'over-production' or 'under-consumption'. At one time, the term 'under-consumptionist' was the worst insult that could be hurled at anyone, short of demanding immediate expulsion. This distinction is purely theological. 'Over-production' and 'under-consumption' reciprocally imply one another. There is no over-production except in relation to a given level of solvent demand. There is no deficiency in demand except in relation to a given level of production.

5. ACCUMULATION WITHOUT CRISES.

EFFECTS OF AUTOMATION

In volume II of 'Capital', Marx himself considered the possibility of accumulation without crises. This was possible, he thought, provided certain proportions between economic magnitudes were kept. In Marx's time this was merely theoretical speculation. With the increasing intervention of the state in the economy it becomes an increasingly practical possibility. Marx's formulae can easily be made more general.

Accumulation without crises is possible if, starting from a state of equilibrium, all economic magnitudes increase proportionally. It is also possible if different rates of increase of the different magnitudes reciprocally compensate one another. If, for example, annual accumulation (i.e. the net annual increase in capital) is 3% of the existing capital, and if productivity also increases by 3%,³¹ it is necessary (and sufficient) for balance to be preserved that wages and the unproductive consumption by the capitalist class (including consumption by the state) also increase by 3% per year.

If, in this same economy, the relations between economic magnitudes are modified, adjustments re-establishing a balance are always possible. If for example the capitalists succeed in imposing a reduction of real wages but increase to a corresponding degree their own unproductive consumption (or the expenses of their state) the balance will still be maintained. Balance will also be maintained under these circumstances, if the capitalists undertake accumulation at a higher rate, provided they maintain it. If they reduce accumulation, but increase state expenses, they will also maintain balance. In these last two instances, the rate of expansion of the economy will be different from what it would otherwise be. The division of resources between the production of means of production and the production of objects of consumption would also have to be modified, either gradually or abruptly.

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The proportionality implied between the rate of accumulation and the rate of increase of productivity is, strictly speaking, an hypothesis to simplify the discussion. It corresponds closely, however, to observed facts. It is an hypothesis which is empirically verified, both in the average and in the long run.

Classical capitalist economy, left entirely to the play of the market, contained no mechanism guaranteeing this proportional increase of its component magnitudes or adjusting these increases to one another. In classical capitalism the mechanism of 'adjustment' was the economic crisis itself. The spontaneous evolution of the economy tended regularly to produce imbalance. Phases of expansion were necessarily phases of accelerated accumulation during which productive capacity tended to increase more rapidly than the effective demand for consumer goods. This led to over-production, to the halt of accumulation and to crisis. In an attenuated form the same phenomenon of alternating buoyancy and recession persists in contemporary capitalism and is the result of the same factors.

But modern capitalism is no longer completely left to the forces of the market. These forces are no longer either uncontrollable or uncontrolled. The concentration of capital and the increasing intervention of the state play an increasingly important role in this control. This is important as far as the capitalists are concerned for crises periodically raised doubts about the stability of their power and questioned their 'right' to rule. State intervention is now a factor which increasingly compensates for this particular instability of the system and which was lacking in classical capitalism.

By increasing or reducing its own net demand for goods and services, the state becomes the regulator of the level of total demand. It can very well compensate for the deficiency of this demand, a deficiency which is at the root of a crisis of over-production.³² This intervention by the capitalist state is, of course, itself characterized by the irrationality and profound anarchy inherent in the whole bureaucratic management of society. It certainly creates, at other levels, further conflicts and imbalance which we shall discuss later. Nevertheless, a crisis of 1929-1933 proportions is today quite inconceivable, outside of a sudden epidemic of collective lunacy, simultaneously affecting large numbers of capitalists and their economic advisers.

³² Other means are also used such as monetary policy, regulation of consumer credit, etc. But none works as well as budget policy. The importance of state expenditure as a means of maintaining economic equilibrium was recognized by marxists long before Keynes and his advocacy of 'deficit spending'. It has always been admitted that armaments expenditure could bring capitalism out of a depression and that it would be used for this purpose. But nothing shows the degree of self-mystification of the marxist movement better than the reduction of this correct idea into a fetishism of armaments, into the absurd notion that only a 'permanent war economy' can now save capitalism. If armaments expenditure can bring capitalism out of a depression, why can't expenditure on planetary travel? If this can, why can't expenditure on road construction? The fact that under certain conditions the capitalist class will prefer armaments to other types of expenditure has been blown up into absolute magic: the manufacture of weapons will have a curative or preventive effect on economic depression that other types of state expenditure cannot have!

All this should have been clear long ago to those prepared to admit that the mere suppression of private property and of the classical capitalist market were not enough to abolish capitalism. If one admits that the concentration of the means of production in the hands of a single capitalist company (or of the state) does not alter their character as capital as long as a particular class dominates production and society (and Marx, Engels and Lenin all admitted precisely this) then one must concede that economic crises are a relatively superficial phenomenon, which only belonged to a particular phase of capitalism. Where are the crises of over-production in the economy of integral bureaucratic capitalism, for example in Russia ? The profound and inevitable inability of the bureaucrats to plan rationally, even from their own point of view, does not lead and cannot lead to crises of general over-production. If occasional over-production occurs, it has neither more nor less significance than other manifestations of the general incoherence of bureaucratic planning. 33

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Even more important for Marx than the crises of over-production were the great tendencies or 'laws' that he believed he could see in the evolution of capitalism : the increasing rate of exploitation, the rise in the organic composition of capital (elimination of workers by machines) and the falling rate of profit. Marx thought these important because they were not only the source of the crises of over-production (and would inevitably lead to an aggravation of these crises in the history of capitalism) 34 but also because these tendencies expressed the fundamental 'impossibilities' of capitalism. Production could not increase indefinitely, if in the meantime the demand for consumer goods stagnated (due to the increasing rate of exploitation). Accumulation could not continue indefinitely without slowing down, if its source (profits) began to dry up in relation to the mass of capital (due to the falling rate of profit). Capitalism could not continue to proletarianize society and at the same time to condemn an increasing mass of proletarians to more or less permanent unemployment ('law' of the rise in the organic composition of capital and its corollary : the steady increase in the industrial reserve army).

33 We must recall here that certain marxists who consider the USSR to be 'state capitalist' have long searched for the equivalent of economic depressions and of an industrial reserve army there. Some believed they had discovered them in the phenomenon of the concentration camps! According to Raya Dunayevskaya, for instance, Stalin apparently gathered in the camps the surplus worker population who could not be employed in productive wage-labour. We still patiently await the economic crisis of over-production provoked by de-Stalinization!

34 According to Marx the rise in the rate of exploitation and in the organic composition of capital would lead to a relative or absolute reduction of the mass of wages, to a reduction in the demand for consumer goods (at the same time as to an increase in their production) and thereby to a crisis of over-production. Supposing this crisis were overcome, the overcoming of the following crisis would be even more difficult as the rate of exploitation and the organic composition of capital would in the meantime have risen still further.

But these 'impossibilities' are imaginary. There is no 'law' of increasing rate of exploitation. On the contrary, what corresponds to the needs of capitalist economy is the constancy of this rate of exploitation, over a long period. As can easily be shown the 'law' of the falling rate of profit is inconsistent.³⁵ Finally the undeniable elevation in the organic composition of capital (the fact that the same number of workers handle an ever-increasing quantity of machines, raw materials, etc.), while of fundamental importance for the evolution of production, has not had the result that Marx anticipated. It has not led to a steady rise of unemployment, to an increase of the industrial reserve army. Here again, as in the question of crises, a relative problem has been blown up into an absolute contradiction. The replacement of workers by machines in one sector may or may not lead to a lasting increase of unemployment. This will depend on whether or not certain conditions are fulfilled, the most important of which are the primary and secondary employment created by the construction of the new machines and especially the rhythm of accumulation in the other sectors of the economy. These conditions in turn depend on multiple factors, among which a decisive role is played by the rate of exploitation, itself a product of the class struggle. The higher the level of wages, the less will be the unemployment created by a given labour-saving investment.³⁶ Thus, the working class struggle for wage increases has contributed, indirectly and unintentionally, in limiting the growth of technological unemployment.

³⁵ See 'On the Dynamic of Capitalism' in issue No. 12 of 'Socialisme ou Barbarie', and Appendix I to this text.

³⁶ For academic economists, high wages drive capitalists to introduce inventions which economise on living labour. Consequently high wages are thought to favour unemployment. But as Joan Robinson has remarked (in 'The Rate of Interest and Other Essays') this reasoning forgets that what is important for a capitalist in this respect is not the absolute wage paid, but the difference between the wages he used to pay and the cost of the new machine replacing the workers. This cost is itself dependent on wage levels. The machine will be more expensive if wage levels are high, since machines are built by workers. (It should be noted that construction of machines is more 'labour-intensive' than use of machines). A general increase in wages does not therefore alter the conditions of the capitalist's choice.

But there is another, more general economic relation between wage levels, investment and employment. And if this is taken into account it will easily be seen that the true relation between wage levels and employment is exactly the opposite of the one suggested by the academic economists. Briefly speaking, the higher the wage level, the higher will be the level of employment corresponding to a given quantity of investment. This is because what Kahn and Keynes have called the 'employment multiplier' is in fact inversely related to the rate of exploitation.

Let x be the net annual product of the economy, p the net product per hour of work, N the total employment (measured in hours of work), w the hourly wage, I the net investment, and G the unproductive consumption of capitalists (private and governmental). Then, by definition:

$$x = pN \quad \text{and} \quad x = I + G + wN$$

$$pN = I + G + wN$$

$$pN - wN = I + G$$

$$N(p - w) = I + G \quad \text{or} \quad N = \frac{(I + G)}{(p - w)}$$

It will be seen that the smaller $(p - w)$, that is the greater w in relation to p (or in other words the lower the rate of exploitation) the higher will be the quantity of employment corresponding to a given level of investment (and/or consumption of the capitalists).

The problem of technological unemployment has emerged again in the last few years, especially in the United States, under the guise of the 'effects of automation'. This is not the place fully to discuss the impact and significance of automation, which raises issues far deeper than the merely economic ones. For the moment let us concern ourselves strictly with the effects of automation on the quantity of total employment.

It must be stressed first of all that in this respect there is nothing qualitatively new in automation. Between automation and other forms of capitalist rationalization there is only a difference in degree, concerning the rate at which living labour is replaced by machines. Under certain circumstances which we will now attempt to analyse these differences (which are not governed by blind economic laws) may become decisive.

For over a century now, in a country like the United States (or, for that matter, in any other advanced capitalist country), output per man-hour has been rising at an average compound rate of roughly 2.5% per annum. This is tantamount to saying that the labour input necessary to produce a given volume of output has been falling approximately by 2.5% per annum, year in, year out. This means again that the total output of a century ago could today be produced with only 8% of what the labour force was at that time. If nothing else had happened, this rise in the productivity of labour would have led to a mass of unemployed equal to 92% of the working population of a century ago! To these millions of unemployed one would of course have to add the whole population increase which has taken place over 100 years. This absurd situation could never have materialized : the system would have exploded several times over on its way to it. In fact, the system has not only been able to re-employ the labour force released through mechanization, but also to employ practically all the additional labour force generated by the growth of population (and, in the case of the United States, the huge labour force provided by immigration as well). In fact, total employment in the United States today is almost seven times bigger than a century ago (68 million, as against 10.5 million in 1860).

How did this take place ? First, of course, through the huge and more or less continuous expansion in demand (and output). Demand for commodities (and services) is, in the last analysis (and except in a science-fiction world where everything is fully automated, including surgical operations) a demand for labour. At every level of technique, at every level of mechanization and automation, the demand for a given quantity of commodities is translated into a demand for a different quantity of labour. Technical progress means precisely that : that a given demand for commodities can be satisfied with less labour. But there is always a rate of expansion of demand which can absorb the labour force released through technological progress.

Assume that every year 2.5% of the existing labour force is released through mechanization. Assume in addition that the 'natural' growth of the labour force is 1% per annum. Then demand needs to increase by about 3.5% per annum to absorb the available labour.

This assumes that working hours per week (or per year) remain constant. This they need not be - and have not been. The second way whereby the effect of productivity

increases are absorbed is, as is well known, the shortening of the working week or of the 'hour-content' of the working year. This has also happened. The average working week has declined from perhaps some 70 hours a century ago to 40-50 hours at present.

If under 'automation' the growth of output per man-hour becomes substantially higher than before - and, consequently, the speed at which workers become 'redundant' in the automated jobs increases - for equilibrium to be preserved, demand should rise correspondingly faster and/or hours of work decline in a correspondingly steeper way.

This is as far as economics will take us. There is no automatic mechanism built into the system guaranteeing that demand will in fact rise faster. But neither is there any mechanism preventing demand from rising sufficiently fast. Here again, the decisive factor is the action of men, social groups and classes. If the workers succeed in imposing a rate of increase in real wages (and/or leisure) corresponding to the new, higher rate of growth of productivity, this would suffice to maintain the system in balance, with greater momentum. Alternatively, if the capitalists and their state realize the importance of the problem and step up to a sufficient degree other types of demand (be it weapons, education, space travel or capital transfers to under-developed countries) balance can also be maintained. And various combinations of these two factors might achieve the same result.

The problem of automation is not therefore an economic one, but a social and political one. And it is social and political factors that might give automation an explosive significance in the United States today. The fact that American capitalism is far from fully centralized, that its management is still dominated by obsolete ideas and attitudes (as was seen in the Congress vs. Kennedy controversy concerning tax cuts) may, if combined with an accelerated introduction of automation, lead to a crisis. This crisis in turn would only lead to further centralization and bureaucratization if it was not seized upon by the masses as an occasion to overthrow the system.

To repeat, in all this we have only considered the broad quantitative effects of automation on employment. There are of course other aspects to it, which in the final analysis are more important : the types of labour required in a more or less automated economy are different from the ones previously in demand, the location of work may be different, the structure of the labour force and the type of work performed will undergo profound transformations, etc.

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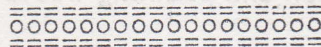
The really important tendencies in the long-term evolution of capitalism should not be looked for in the realm of market economics, and this for a very simple reason. The class struggle and other factors bring about changes in the economic structure of capitalism, and a more or less profound transformation of its 'laws'. The relations and 'laws' of a competitive capitalist economy are not the same as those of an economy dominated

by monopolies. The relations and 'laws' of 'private' monopoly capitalism are different from those of an economy of integral bureaucratic capitalism (where the means of production are totally nationalized and a general plan of production is applied). All this should be elementary to 'marxists'. What are common to these different stages in the evolution of capitalism are certain tendencies within production itself : increasing concentration, increasing alienation of the worker, the increasing mechanization and rationalization (from the outside) of the work process itself. What is also common to all stages of capitalism is, of course, the determining factor of this whole evolution, namely the class struggle.

We have tried succinctly to show that the economic system developed by Marx in 'Capital' (not to speak of its vulgarizations) does not give an adequate account of the functioning and evolution of capitalism. What appears to us as questionable in 'Capital' is its methodology. Marx's theory of wages and its corollary, the theory of the increasing rate of exploitation, begin from a postulate : that the worker is completely 'reified' (reduced to an object) by capitalism. Marx's theory of crises starts from a basically analogous postulate : that men and classes (in this case the capitalist class) can do nothing about the functioning of their economy.

Both these postulates are false. But both have a deeper significance. Both are necessary for political economy to become a 'science', governed by 'laws' similar to those of genetics or astronomy. But for this to be achieved, the things to be studied must be objects. It is as objects that both workers and capitalists appear in the pages of 'Capital'. If 'political economy' is to study the mechanisms of society, it must deal with phenomena ruled by objective laws, i.e. laws not constantly modified by the actions of men and classes. This has led to a fantastic paradox. Marx , who discovered and ceaselessly propagated the idea of the crucial role of the class struggle in history, wrote a monumental work ('Capital') from which the class struggle is virtually absent!

Marx did not live in a vacuum. Some of his views of capitalism reflect the influence of capitalist ideology itself. Some of his postulates and some of his methods express, in their depths, the essence of the capitalist vision of man. In concluding this critical examination of marxist economics we will seek to bring out its political implications.



The worker don't know all this and can't know it. ...
them to suffer the consequences of the contradictions of capitalism. It does not lead
them to discover its cause. This knowledge cannot come to them from their experience
in production. It can only come from a theoretical knowledge of the laws of capitalist
economy. This knowledge is certainly accessible to individual, politically conscious
workers. But it is not available as the working class as a class. It is not
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6. POLITICAL IMPLICATIONS OF THE 'CLASSICAL' THEORY

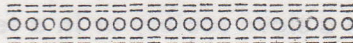
What is working class consciousness, according to the traditional marxist conception? It is a consciousness of misery, and nothing more. The worker has economic demands, created by the system. He learns from experience that the system prevents their satisfaction. This may lead him to revolt. But what will be the aim of this revolt? A greater satisfaction of material needs! If this conception were true, all that the worker could ever learn under capitalism would be that he wishes to consume more and that capitalism prevents him from doing so. The workers could destroy such a society. But with what would they replace it? Nothing positive, nothing capable of building a new society, could ever arise out of a mere awareness of misery. From their experience of life under capitalism, the workers could derive no principles which might help them create a new society and determine its purpose and the pattern of its organization. In the classical theory, the proletarian revolution appears as a simple biological reflex. It is a revolt against hunger ... a demand for fuller bellies. It is impossible to see how socialism, which implies new relations between human beings (and between man and his labour) could ever result from this.

And what about the origin of the 'contradictions' of capitalism, of its periodic crises, and of its profound historical crisis? According to the classical conception, the roots of all these lie in private appropriation, in other words in private property and the market. These, it is claimed, constitute an obstacle to the development of the productive forces, which is seen as the sole, true and eternal objective of social life. This type of criticism of capitalism consists, in the last analysis, in saying that what is wrong with capitalism is that it is not capitalist enough, that it is not doing its job well enough. To achieve 'a more rapid development of the productive forces' it is only necessary, according to the classical theory, that private property and the market be eliminated. Nationalization of the means of production and planning would then solve the crisis of contemporary society.

The workers don't know all this and can't know it. Their position in society forces them to suffer the consequences of the 'contradictions' of capitalism; it does not lead them to discover its causes. This knowledge cannot come to them from their experience in production. It can only come from a 'theoretical' knowledge of the 'laws' of capitalist economy. This knowledge is certainly accessible to individual, 'politically conscious' workers. But it is not available to the working class as a class. Driven forward by their revolt against poverty, but incapable of leading themselves (since their limited experience

cannot give them a privileged viewpoint of social reality as a whole), the workers can only constitute an infantry at the disposal of a general staff of revolutionary generals. These specialists know (from knowledge to which the workers as such do not have access) what it is precisely that does not work in modern society. They know what must be done to modify it. It is easy to see why the traditional concepts of economics and the revolutionary perspectives which flow from them, can only lead to - and historically have only led to - bureaucratic politics.

To be sure, Marx himself did not draw these conclusions from his economic theories. His political positions were usually, in fact, the very opposite. But what we have outlined are the consequences which objectively flow from these ideas. And these are the practices that have become more and more clearly affirmed in the historical development of the working class movement. These are the ideas that have finally culminated in Stalinism and which - shared by Trotskyism - have made it impossible for Trotskyism clearly to differentiate itself as a political tendency. For objectivist views of economics and history can only be a source of bureaucratic politics, that is of politics which in the last analysis attempt only to improve the workings of the capitalist system, whilst preserving its essence.



7. THE FUNDAMENTAL CONTRADICTION OF CAPITALISM

Capitalism is the first society in history whose organization contains an insoluble internal contradiction.

The term 'contradiction' has been misused by generations of marxists and pseudo-marxists until it has lost all meaning. At times it was used in an improper way by Marx himself, when for instance he spoke of 'the contradiction between the forces of production and the relations of production'. This is quite meaningless, as we will show further on.

Like previous societies in history, capitalism is a society divided into classes. In every society so divided, these classes struggle against one another, for their interests are in conflict. But the mere existence of classes, of exploitation and class struggle does not create a 'contradiction'. They simply determine an opposition, a conflict between social groups.

There is no contradiction in a slave society or in a feudal society, however violent at times the conflict between rulers and ruled. In these societies there were certain social norms. The domination of one class over another required of the rulers a certain conduct, at times certainly inhuman and oppressive, but nevertheless possible and internally coherent. What the master imposed on the slave, what the feudal lord imposed on the serf, contained no internal contradiction. It was realisable, provided the master did not 'go too far'. But if he went too far, he was outside the norms of the system : he was defeating his own ends, which required that he take care of the condition of his slaves, in order to maintain their output. The slave-owner treated his slaves no better and no worse than he would have treated an item of his own livestock. Even when circumstances obliged masters to treat their slaves in a way which led to their physical extermination there was no 'contradiction'. Farmers often do the same thing. It is logical to kill lambs when meat is expensive and wool is cheap. That the lambs may have a different view of the matter, or may even react, is quite another story.

Once established, these pre-capitalist societies were not moulded in their daily evolution by the class struggle. True, the slaves would periodically revolt against their masters. True, the serfs would at times burn down the castles of the landlords. There was certainly a permanent conflict, but the two elements of the conflict were in a sense outside of one another. There was no living dialectical process, no constantly interacting relationship between rulers and ruled. The daily struggle of the exploited did not constantly compel the exploiters to change both themselves and their society.

Capitalism on the other hand is built on an intrinsic contradiction - a real contradiction - a contradiction in the most literal meaning of the word, a contradiction which determines its whole evolution. The capitalist organization of society is in conflict with itself in the strict sense that a neurotic individual is : it has to pursue its objectives by methods which constantly defeat these same objectives.

Let us look at this first at the most fundamental level : in production. The capitalist system can only maintain itself by trying to reduce workers into mere order-takers, into automatons, into 'executants' of decisions taken elsewhere. At the same time the system can only function as long as this reduction is never achieved. Capitalism is constantly obliged to solicit the participation of workers in the process of production (if the workers didn't participate to some extent the system would soon grind to a halt). On the other hand capitalism constantly has to limit this participation (if it didn't the workers would soon start deciding themselves and would show in practice how superfluous the ruling class really is). The same contradiction is to be found in an almost identical form in politics and in cultural life. It is this that constitutes the fundamental fact of capitalism, the kernel of capitalist social relations, both yesterday and today.

Historically, this 'contradiction' can only appear when certain pre-conditions appear together. These are :

1. Generalized wage labour.
2. An evolving, as distinct from a static, technology.
3. The general political and cultural background provided by the bourgeois-democratic revolution

1) PRODUCTION BASED ON WAGE LABOUR MUST HAVE BECOME THE DOMINANT PATTERN OF PRODUCTION. This has a double significance.

(a) In wage labour direction and execution of activities are virtually separated from the start. They tend to diverge more and more. Not only the objectives of production but also the method and manner of production - the unfolding of the labour process itself - are to an increasing degree determined by someone other than the producer, by someone other than the worker who will be doing the job. The command of the activity tends to be taken outside of the subject of the activity.³⁷

³⁷ In a sense, the command of activity is always 'outside the subject of the activity', wherever value is extracted by exploiters from the labour of those they exploit. This would apply for instance to slave society and to feudal society. But in these societies this outside command remains outside of the activity itself. The master fixes the objective of the activity. He sets the slave his task. He or his agents make sure that the slave does not stop working. But the process of labour itself is not penetrated : the methods (and the instruments) of labour are traditional and fairly permanent. They are in a sense incorporated in the slave once and for all. At most there is a need for supervision. The slave-owner has no need constantly to meddle with the labour process, constantly to modify it. The contradiction of capitalism is that it implies at one and the same time a command which is external to productive activity and a command that is forced constantly to penetrate this activity, to dictate its methods, to determine its most elementary gestures.

(b) In the wage relation both the remuneration of the worker and the effort he must furnish are essentially arbitrary. No objective rule, no calculation, no accepted social convention permits one to say what is a 'just' wage - or just how much effort should be furnished by a worker during an hour of labour time. At the beginning of the history of capitalism, this indeterminacy was masked by habits and by traditions.³⁸ It comes clearly to the forefront, however, as soon as the working class begins to contest the existing state of affairs. From this point on, the provisional and constantly renewable labour contract is based solely on the relation of forces between the two parties. Its implementation can only take place through an incessant war between capitalists and workers, the battlefield being the labour process itself.³⁹

2. THE CONTRADICTION IN PRODUCTION APPEARS MOST CLEARLY AFTER THE APPEARANCE OF AN EVOLVING TECHNOLOGY.

In previous societies technology was fairly static. An evolving technology prevents any permanent sedimentation of the modes of production, such as might form a basis for a stabilization of class relations in the factory. At the same time it prevents technical knowledge from becoming permanently embodied in specific categories of workers.

3. THESE FACTORS ONLY BEGIN TO OPERATE IN A PARTICULAR TYPE OF SOCIAL, POLITICAL AND CULTURAL ENVIRONMENT.

Capitalism can only develop and assert its innermost tendencies in the conditions achieved by bourgeois-democratic revolutions of the classical type (or by their bureaucratic variants).⁴⁰ These revolutions, even when they don't result in an active intervention and participation of the masses, nevertheless liquidate previous feudal relations and ideologies. They proclaim that the only foundation of social organization is reason. They talk of the equality of rights, of the sovereignty of the people, etc.

³⁸ Marx himself did not succeed in breaking free from and going beyond this conception. The theory of wages expounded in 'Capital' refers explicitly to these 'historical elements' as factors which determine the standard of living of the working class, i.e. the total of goods a worker 'needs' to live and reproduce himself. But 'in any specific country, in any specific period' these were seen as 'a fixed quantity'. (see footnote 25). Objective factors of this kind determined, for Marx, the value of labour power, of which wages are the monetary expression. (see p. 20 - 21).

³⁹ Detailed accounts of this struggle will be found in the texts by Paul Romano ('Socialisme ou Barbarie', issues 1-6), Georges Vivier ('Socialisme ou Barbarie', issues 11-17), Daniel Mothe ('Socialisme ou Barbarie', issue 22). The text by Paul Romano 'The American worker' was originally published in New York in 1947. It is still available from Facing Reality Publishing Committee, 3513 Woodward Avenue, Detroit 1, Michigan, USA.

⁴⁰ Or where the capitalist revolution and the bureaucratic transformation are telescoped into a single process (as for instance in China, since 1949).

IT IS THE SUM TOTAL OF THESE CONDITIONS WHICH DETERMINE THE PECULIAR FEATURES OF THE CLASS STRUGGLE UNDER CAPITALISM AND WHICH GIVE TO CAPITALIST PRODUCTION ITS HIGHLY CONTRADICTIONARY CHARACTER.

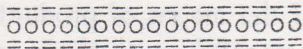
Under capitalism the class struggle is permanent, both in relation to wages and in relation to conditions of work. Far from appearing 'natural' or ordained for all time, the ever-changing productive methods are soon shown up for what they are : methods for the maximum exploitation of labour and for the increasing subordination of the worker to capital. The ruling class cannot avoid constantly stirring up opposition to its methods of production. Nor can it avoid constantly providing workers with the means of retaliation. This rapidly influences all aspects of the organization of the factory.

The proletarian struggle is unlike the struggles of slaves or serfs. It is not reduced to the 'all or nothing' objective of the total organization of society. Incessant guerilla warfare at the point of production educates the working class and makes it become aware of itself as a class. The success of partial struggles demonstrates to the workers, at small cost, that they can modify their conditions through action. Paradoxical as it may seem, it is because there is this possibility of reform that the working class becomes a revolutionary class.

As the working class struggle develops, it affects the evolution of production, of the economy, and finally of society as a whole. When they win wage increases, the workers are influencing the level of demand, the rhythm of accumulation, and in the long run the structure of production itself. When, through struggle, they win improvements in the tempo and conditions of work, workers oblige capitalism to pursue technological developments in a determined direction : in the direction which offers the best possibilities of overcoming future working class resistance. In struggling against unemployment the workers oblige the capitalist state to intervene to stabilize economic activity by exercising more control over this activity.

The direct and indirect repercussions of the working class struggle leave no sphere of social life untouched. Even the holiday resorts of the capitalists had to be altered when the workers won holidays with pay.

It is only on this basis that we can understand why the history and the dynamic of capitalism is the history and the dynamic of class struggle.



8. THE REAL DYNAMIC OF CAPITALISM

For traditional marxists, the dynamic of capitalism is that of an ever deeper, ever more 'insoluble' crisis, with ever-increasing misery, ever more massive unemployment, ever more colossal over-production, etc. This is epitomized in the famous passage of 'Capital' where Marx describes the 'historical trend of capitalist accumulation'.⁴¹

Contrary to appearances, this view of the history of capitalism implies that there is no real history of capitalism at all - any more than there is a 'history' of a chemical mixture, in which the predetermined interactions of the various ingredients take place and proceed at an increasing tempo, eventually culminating in the explosion of the whole laboratory. In this 'traditional' conception the recurrent and deepening crises of the system are determined by the 'immanent laws' of the system. Events and crises are really independent of the actions of men and of classes. Men cannot modify the operation of these laws. They can only intervene to abolish the system as a whole.

In the traditional schema capitalists do not and cannot act in an effective and conscious manner. They are 'acted upon' by economic laws. These guide them on, in much the same way as the laws of gravity guide the fall of bodies. The capitalists have no control over reality. The economy evolves independently of their actions and according to the 'laws of development of capitalism', of which the capitalists are the more or less unconscious puppets. It is inconceivable that the capitalists could effectively control their economy. They could not possibly learn how to eliminate slumps in order to consolidate their power. Historical experience cannot teach them how best to serve their own long-term interests.

41. 'What has now to be expropriated is no longer the labourer working on his own account, but the capitalist, who exploits many labourers. This expropriation is brought about by the operation of the immanent laws of capitalist production, by the centralization of capital. (...) While there is thus a progressive diminution in the number of capitalist magnates (...) there occurs a corresponding increase in the mass of poverty, oppression, enslavement, degeneration and exploitation; but at the same time there is a steady intensification of the wrath of the working class - a class which grows ever more numerous and is disciplined, unified and organized by the very mechanism of the capitalist mode of production. Capitalist monopoly becomes a fetter upon the method of production which has flourished with it and under it. The capitalization of the means of production and the socialization of labour reach a point where they prove incompatible with their capitalist husk. This bursts asunder the knell of capitalist private property sounds. The expropriators are expropriated. With the inexorability of a law of nature, capitalist production begets its own negation'. ('Capital', pp. 845-846).

In the traditional schema even the workers are seen as 'acted upon' rather than as initiators of action. Their reactions are determined by the same automatic movements of the economy. They are conditioned by biological misery. The revolution is almost directly connected to hunger. Class action can do little to influence the evolution of society as long as social relations are not overturned. And the revolution, of course, can only lead to pre-ordained results.

Of those holding such views one could rightly enquire what precisely the working class could possibly learn in the course of its history, except that capitalism is bad and must be fought to the death? Working class knowledge of capitalist society could only mean working class knowledge of capitalism as the source of its misery. The conditions of proletarian life and work cannot allow the working class to understand society's internal mechanisms, nor the real causes of what happens to the workers as a class. Only the theoreticians can understand these problems, for they are the only people who have studied the laws of the enlarged reproduction of capital and understood all about the falling rate of profit. If a socialist consciousness exists, its origin must be looked for elsewhere than in the proletariat.

* * * * *

This problem of the relation between proletarian action and proletarian consciousness has never been properly analysed in classical marxism. In his 'History and Class Consciousness', Lukacs⁴² attempted to deal with it but only succeeded in obscuring the problem and in showing up the inadequacies of classical conceptions.

⁴² Georg Lukacs was Minister of Culture in the Hungarian Soviet Republic of Bela Kun, in 1919. His 'History and Class Consciousness', the 'cursed book' of marxism, consists of a series of essays written between 1919 and 1922 and first published in Berlin in 1923. They were immediately denounced as 'unorthodox' both by the Communist International and by the social-democrat Kautsky, whose common 'positivist' conceptions the book had dared to question. Lukacs recanted.

After the collapse of the Hungarian Soviet Republic, Lukacs lived in Berlin and Vienna. When the Nazis came to power he sought refuge in Moscow. He returned to Hungary in 1945, as professor of Aesthetics in Budapest University, where his writings on literature and philosophy again incurred official displeasure. In 1949 he was denounced for 'cosmopolitanism' and indulged in a public 'self-criticism'. In 1956 found Lukacs one of the main intellectual instigators of the Revolution. In October, he again became Minister of Culture, this time in the short-lived Nagy Government. After the second Russian intervention in Budapest he was arrested, refused to recant and was later deported to Rumania. He subsequently returned to Hungary.

'History and Class Consciousness', his major work, was recently translated into French and published in Paris (Editions de Minuit, 1960).

In the main essay contained in this book Lukacs implies that there is no proletarian consciousness outside of proletarian action. Proletarian consciousness is action, pure and simple. The proletariat embodies the objective truth of history because its actions tend to transform history into its next historically necessary stage. And the proletariat achieves this transformation without really knowing what it is doing. Self-knowledge can only come to it through and after the Revolution. This hocus-pocus whereby a dumb object is transformed into an absolute subject comes straight from Hegelian metaphysics. It is absolute idealism, or even worse: absolute spiritualism. It places into 'the things themselves' a perfected and total reason - a reason which does not know itself, is not conscious of itself, and can therefore never be a concrete subject of history. For according to this conception the working class is a thing under capitalism. It has been well and truly 'reified'. Thus, working class action has simply replaced the 'absolute spirit' of Hegel.

Lukacs's main essay was written at the height of the revolutionary upsurge of 1919. But a consciousness which is not a self-consciousness cannot transform history. The working class did not seize power in Europe. It did not succeed in holding power in Russia. Another 'self-consciousness' emerged and triumphed: the Bolshevik Party. Then, in September 1922 Lukacs wrote his 'Methodological Remarks on the Question of Organization'. The Party here appeared as the embodiment of actual class consciousness. As always, spiritualism ended up by finding a concrete historical subject in which to embody a transcendental entity, which would otherwise have to remain what it really is: a ghost. So God becomes the Catholic Church. Hegel's 'absolute spirit' animates the Prussian State bureaucracy. And the 'praxis of the proletariat' becomes the activities of the Third International - already under strong Zinovievist control!

* * * * *

For us, the evolution of capitalism is history, in the real meaning of the term. It is a process in which the actions of men and classes constantly and consciously modify the very conditions in which the struggle takes place.⁴³ In the course of this process new structures and new ideas are constantly created.

THE EVOLUTION OF CAPITALISM IS THE HISTORY OF THE CONSTITUTION AND DEVELOPMENT OF TWO CLASSES OF MEN AND OF A STRUGGLE IN WHICH NEITHER CLASS CAN ACT WITHOUT ACTING ON THE OTHER. Capital produces the worker and the worker produces capital - not only quantitatively, but qualitatively as well. The history of a society in which capitalism is developing is first of all the history of its increasing proletarianization, of its invasion by the proletariat. It is at the

43 This obviously does not mean that this consciousness is perfect, still less that every modification of the system is clearly seen and fought for.

same time the history of the struggle between capitalists and workers. The dialectic of this society is the dialectic of this struggle, in which each of the adversaries constantly create weapons, methods of fighting, ideas and forms of organization to cope with an ever-changing situation. The consequences of this struggle, whether wished or not - and whether fully understood or not - constantly modify the stage on which the next battle is fought out (i.e. the norms and organizational patterns of society).

To constitute and develop itself the capitalist class must accumulate capital. It must rationalize and concentrate production on an ever vaster scale. To accumulate means at one and the same time to transform labour into capital, to give to the life and death of millions of men the face of factories, offices and machines - and, to this end, to create an ever-increasing number of wage-earners. To 'rationalize' production, within the capitalist framework, means to enslave living labour to machines and to those who manage production. It means to reduce more and more wage-earners to the role of mere 'executants'. In the course of this process the working class is at one and the same time created as an objective class and attacked by capitalism from the day of its birth. By counter-attacking capitalism, the proletariat makes itself a class in the full meaning of the word, a class with objectives and finally a consciousness of its own, a 'class for itself'.

The working class fights capitalism at every level affecting its existence. The struggle takes on its clearest form in the fields of production, of economy and of politics. The workers struggle against the capitalist rationalization of production : first against the machines themselves, later against the increasing tempo of work. They attack the spontaneous and erratic functioning of the economy by demanding wage increases, reductions in hours, and full employment. They also soon raise themselves to a total conception of the problems of society. They form political organizations, seek to modify the course of events, revolt, seek to seize power. The development and inter-connections of these various aspects of the struggle would need volumes to be properly studied. This is not here our purpose. We simply want to shed some light on the real dynamic of capitalist society : the dynamic of the class struggle.

By the class struggle we do not only mean the massive and grandiose pitched battles which are well-known features of working class history. We also mean the permanent struggle in production, where, so to speak, half of each gesture made by a worker has as its objective to defend himself against exploitation and alienation. This hidden, silent, informal and daily resistance plays a formative role in history, quite as important as that of great strikes or revolutions.

As long as the struggle lasts - and it will last as long as exploiting society lasts - each action by one of the adversaries will sooner or later lead to a counter-action by the other. This in turn will call forth another reaction, and so on. But each of these actions alters the one who performs it as well as the one against whom it is directed. Each antagonist is changed by the actions of the other. The summation of these effects leads to profound alterations of the social milieu, of the battlefield on which the struggle is fought out. In its culminating moments the activities of the antagonists give rise to new historical

creations, to the discovery of new forms of struggle, of organization and of social life, forms neither contained in the previous state of society, nor pre-determined by it. During this all-out struggle both the contending classes develop an historic experience. In the working class, this is part of the development of a socialist consciousness.

Let us give an example from production. The large scale introduction of machines by capitalism during the first half of the 19th century was correctly sensed by the workers as a direct attack upon them.⁴⁴ They reacted by breaking the machines. On this plane they were soon defeated. But the struggle in the new factories then took on an invincible form: the resistance of workers to production. Capitalism reacted by the widespread introduction of piecework. Piecework then became the object of a bitter struggle: the norms are contested. Capitalism reacts by Taylorism: the norms will be determined 'scientifically' and 'objectively'. Further resistance of the workers makes it plain that 'scientific objectivity' in this field is a joke. Applied psychology and industrial sociology then appear on the scene: their object is to 'integrate' the workers into the enterprise. These methods collapse in practice, partly under the weight of their own contradictions, but mainly because the workers won't play along. It is precisely in the most advanced capitalist countries - the United States and Britain - countries where the employers increasingly apply these 'modern' methods and where wages are the highest that the daily conflict in production is the most intense.

While these attacks and counter-attacks succeed one another in industry one can find, if one studies the productive process as a whole, two great and well-known trends which express the permanent tendency of capital to enslave labour.

(a) The division of tasks is carried out ever further, and is pushed to an absurd degree. This is not, as is so often assumed, because it is an indispensable means of increasing production. In fact, beyond a certain point it undoubtedly decreases production both directly and indirectly, through the enormous overhead costs it entails. It is pushed to an absurd degree because it is the only way of dominating the worker who resists, by making his labour absolutely quantifiable and controllable, and the worker himself completely replaceable.

(b) Mechanization. Its pattern follows the same course. To minimize resistance in production, the worker must be dominated by the machine (i.e. his output must be determined by the machine). Production must be automated as much as possible, i.e. made independent of the producer. Increasing division of tasks and mechanization of the capitalist type advance hand in hand. But at each stage, working class resistance partially disrupts the plans of the capitalists.

⁴⁴ It is still sensed as an attack, over a century later. The reactions of the working class to the introduction of automation, particularly in the United States, leave no doubt on this point. (See for instance the 'News and Letters' pamphlet 'Workers Battle Automation', by Charles Denby. Obtainable from 3751 Grand River, Detroit 4, Michigan, USA).

This daily struggle in production has moulded the face of modern industry. It has determined the way men live in factories. But it has also moulded the economy and the development of modern society in general.

For a long time the economic struggle was mainly expressed in wage demands. These were bitterly opposed by capitalism. Having almost lost the battle on this front, capitalism ended up by adapting itself. It accepted an economy of which the dominant feature in relation to demand was the regular increase of the mass of wages and a constantly enlarging consumer market. This type of economy in expansion is the one in which we live. It is essentially the product of the incessant wages pressure exerted by the working class. And its problems, from the capitalist's point of view, result from this pressure.

On the political plane, the first attempts of workers to organize usually met with capitalist repression, either open or disguised. Defeated sooner or later at this level, capitalism succeeds, after a whole process of historical evolution, in converting the political organizations of the working class into essential cogs of its own system. But even this has important repercussions. Capitalist 'democracy' cannot really function without a large 'reformist' party. This party cannot be purely and simply a capitalist puppet party, for it would then lose its electoral basis and be of no further use. It has also got to be a potential 'government' party. In fact it has to 'govern' occasionally.

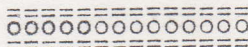
But 'reformist' policies, in turn, inevitably taint even the 'conservative' parties. In no country in the world is there any real question of the capitalists wiping out the reforms that provoked such bitter battles only a few decades ago, reforms such as social security, unemployment insurance, progressive taxation, and relatively full employment. The more farsighted and in places now dominant sections of the capitalist class, after resisting for a long time the very idea of state interference in economic life (wrongly considered 'revolutionary' and 'socialist'), have finally accepted it. In so doing modern capitalism has sought to divert to its own ends working class resistance to the uncontrolled functioning of the economy. Through its state machine, modern capitalism has instituted a control of the economy and of society which in the final analysis serves its own interests and reinforces its power.

The various mechanisms we have separated here for the purpose of analysis are not in reality separate, but inextricably intertwined. Let us give an example: the political pressure of the working class in modern capitalist society prevents the state from permitting more than a certain amount of unemployment. This however creates a very difficult situation for the capitalists in relation to wages (because the negotiating strength of the workers is increased by full employment). The capitalists try and more or less succeed in maintaining relative stability on the wages front. But, given a certain combativity of the workers, this itself creates an intolerable situation for the capitalists in their factories, from the point of view of 'discipline' in the labour process itself. Each 'solution' found by the ruling class always leads to further trouble. All this only reflects the incapacity of capitalism to surmount its fundamental contradiction. We will return to this later.

All the means used by capitalism flow from the same requirements : to maintain its domination and to extend its control over society in general and over the working class in particular. Other factors - such as the struggle between capitalists, or a relatively autonomous evolution of technique - were undoubtedly important during earlier stages of capitalist development, but their importance has progressively decreased in direct proportion to the proletarianization of society and to the extension of the class struggle.

The class structure of previous societies did not have much direct influence on spheres of social life other than production, economy and politics. Today all aspects of social life are affected and quite explicitly integrated into the vast network in which the ruling class seeks to enmesh the whole of society. All sectors of human life must be submitted to the control of those who manage. Every possible method is used regardless of expense. Scientific knowledge is mobilized. Psychology and psycho-analysis, industrial sociology and political economy, electronics and mathematics are all called in. Together these measures seek to ensure the survival of the system, fill the breaches of its defences, help it permeate the exploited class, assist it in understanding the motives and behaviour of the workers, the better to harness them to the interests of production, to the sale of useless objects, and to the stabilization of the system as a whole.

Thus modern capitalist societies, whether 'democratic' or dictatorial, are always totalitarian. To maintain itself the domination of the exploiters must invade all fields of human activity and attempt to control them. Totalitarianism may no longer take the extreme forms it did under Hitler or Stalin. It may no longer use terror. Basically this changes nothing, for terror is but one of the means that can be used to break down all opposition. It is not always applicable nor does it always yield the best results. 'Peaceful' manipulation of the masses and the gradual assimilation of all organized opposition can be just as effective.



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9. CAPITALIST IDEOLOGY YESTERDAY AND TODAY

Capitalism has transformed society and in the process has itself been profoundly modified as a result of the class struggle. We have already examined some of the structural changes in the economy that have been brought about. Let us now look at some of the modifications at the level of ideology⁴⁵ and of capitalist politics.

The politics of the capitalist class are becoming increasingly conscious and explicit.⁴⁶ This will best be understood if they are contrasted with the capitalist politics of the 19th century. It will be seen that there were then no coherent capitalist politics⁴⁷ in the proper sense. The policies that passed as such are well known. Let us summarise them :

Each capitalist should be free to pursue his enterprise within the rather elastic limits set by law and morality. In particular, the labour contract should be 'free' and determined by the 'agreement' of both parties. The state should guarantee the social order, give profitable orders to particular enterprises when possible, favour the activity of given groups of capitalists by means of tariffs and commercial treaties, wage wars to protect the 'national interest' - i.e. the interests of this or that group of capitalists. But the state should not intervene directly in the orientation or the management of the economy which it could only disturb. It should levy as little taxation as possible, because state expenses are unproductive. Workers' demands are unjustified a priori - concretely because they diminish profits, abstractly because they 'violate the laws of the market'.

45 We have described events in this order for the sake of clarity of exposition. For us ideology neither 'follows' nor 'precedes' - it is neither 'cause' nor 'effect' - it is simply the expression of the same social reality, at its own level.

46 The question of the degree, nature, homogeneity and social basis for this consciousness is far from simple. We cannot unfortunately study it here.

47 We use this term to denote the whole system of reference, the leading ideas, the web of means, even the reflexes of the individual capitalist or of the capitalists acting as a class (through their institutions, parties, Parliaments, state administrations, etc.) when dealing with the problems which confront them.

They must be fought to the finish - even the army must intervene if necessary. All manifestations of working class resistance (strikes, demonstrations, the formation of unions or of political parties) must be outlawed, restricted, denounced or made as difficult and ineffective as possible.

What is relevant here, of course, is not the brutality or even the absurdity of this 19th century capitalist ideology, with its mixture of childishness and bad faith. It is not even the degree to which, even today, certain fractions of the capitalist class and of its politicians (the 'liberal-reactionary' wing, so to speak)⁴⁸ remain under the influence of these ideas. What is of interest to us is that this ideology corresponded to a given phase of the development both of capitalism and of the working class movement, and that it played a crucial role in the history of the class struggle. These ideas inspired the harsh resistance of capitalists to wage demands, were responsible for the classic economic crises, and conditioned the whole functioning of capitalism during long phases of its history. For, left to themselves, it is true, the 'automatic' mechanisms of the market could only bring about recurrent crises - and the recovery from these crises, also left to itself, might last for considerable periods.

Marxists vigorously and quite correctly denounced this ideology and the politics that flowed from it. But it is a remarkable fact that marxism shared quite a number of its fundamental postulates with 19th century capitalist ideology. Marxists also thought that nothing could alter the functioning of capitalist economy. They too held crises to be inevitable and their control beyond the scope of the capitalists as a class. Only the value signs were different. For marxists, the crises were manifestations of the 'insurmountable contradictions' of the system. They would 'become more frequent and more violent'.⁴⁹ For the capitalists, the crises were natural and inevitable evils, which might even have some positive aspects (the elimination of less efficient enterprises, etc.).

Marxists and bourgeois ideologists shared another basic assumption: that real wages could not lastingly improve as they were condemned by the laws of the system to fluctuate

⁴⁸ The Enoch Powells, Nabarro, Martells, etc... to give but a few examples drawn from contemporary British experience.

⁴⁹ 'As the capitalists are compelled (...) to exploit the already existing gigantic means of production on a larger scale and to set in motion all the mainsprings of credit to this end, there is a corresponding increase in industrial earthquakes ... in a word, crises increase. They become more frequent and more violent ...' K. Marx, 'Wage Labour and Capital', p. 79.

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around a more or less unalterable mean.⁵⁰ Until about 1930, in all these essential areas of the appreciation of social reality, marxist politics and capitalist politics shared a common point of view.

But marxism went even further. It identified 19th century capitalism and its politics with the essence of the system. Capitalism appeared to marxism as a system fundamentally characterized by impotence and anarchy. 'Laissez-faire' implied an absence, even a negation of policy. This was what capitalist society was, had been, and necessarily had to be. The system was incapable of achieving an insight into its own organization or an effective will concerning its own administration. The marxists saw anarchy at the subjective level of those who ruled society. The capitalists did not want to, could not want to, and anyway couldn't intervene in the running of the economy. And even if they sought to intervene, they would obviously be powerless when confronted with the inexorable march of the economic 'laws'. When capitalists made decisions, they were, by their very nature, incapable of adopting any larger or wider viewpoint. They were rigidly bound by the profit motive in the very narrowest sense of the term. To traditional marxists the very being of the individual capitalist was this 'immediate' type of being, incapable of taking a long-term view of reality, a view coinciding with his own clearly perceived long-term interests. It was only with difficulty that capitalists could come to understand that workers, like machines, needed adequate lubrication. The average capitalist would prefer to see his enterprise grind to a halt rather than concede an increase in wages. He would always wage war to conquer a colony or to avoid losing one. In relation to the class struggle capitalism was incapable of tactics, of strategy, of adaptation. If despite all this 'impotence' and 'anarchy' the system still functioned it was because behind the capitalist puppets there operated the great, impersonal and objective 'laws'. These functioned and guaranteed capitalism its coherence and its expansion - but only up to a point; for behind this coherence one encountered again, at the most profound level, the ultimate anarchy of the system, its ultimate objective contradiction. Such, broadly speaking, was the ideology of traditional marxism.

Let us say, before we go any further, that although historically surpassed, this image has been partly true. To a large extent - and during a considerable period - the capitalists were this kind of being. The excusable methodological error of previous generations of marxists was to elevate to the rank of eternal features of capitalism certain characteristics ('anarchy of the market', slumps, etc.) which only really pertain to an early phase of capitalist development. The inexcusable error of contemporary 'marxists'⁵¹ is to look for the truth about the world around them, not in the contemporary world itself but in the books of a hundred years ago.

⁵⁰ In relation to wages there has always been a certain duplicity in the marxist movement. In practice it was proclaimed that such and such an enterprise or capitalist sector could and ought to pay higher wages (often by reference to its balance sheet) while in theory it was demonstrated that workers' demands in relation to wages could not be satisfied within the system.

⁵¹ The same applies of course to many in the 'non-marxist' revolutionary left.

Capitalist politics were, for a long time, characterized by this absence of policy, by this mixture of anarchy and impotence. The behaviour of individual capitalists (as well as of their politicians, their state and their class as a whole) was for a whole period based on this short-sighted outlook. It lacked perspective, tactic or strategy. For as long as they could, capitalists treated their workers worse than beasts of burden. Their attitude was only modified by the workers' struggle. It only remains modified as long as the struggle persists. It is finally true that the only 'coherence' in this society which 'let things alone' was the coherence introduced by economic laws and this coherence, in a complex and rapidly developing world, only concealed a lack of coherence at the fundamental level.

But things have changed. To retain this outdated image of capitalism is to commit the most serious error one can make in a war: to ignore and underestimate the enemy. The changes that have occurred were not due to genetic mutations, making the capitalists more 'intelligent'. The proletarian struggle itself obliged the ruling class to modify its real organization, its politics and its whole ideology, as well as the structure of its economy.

Capitalist rulers and ideologists have accumulated, often against their own will, 52 a whole historical experience in the management of a modern society. New policies have been imposed on them by the struggle of the working class. But working class victories have shown in practice that an exploiting system could very well tolerate certain reforms. It could even profit by them. The capitalists have even begun to use ideas, methods and institutions which originally came from the working class movement itself.

Thus for instance at a certain stage wage increases could no longer be opposed and fought to a finish. Working class pressure had become too great. Little by little the capitalists discovered that it was unnecessary to oppose an absolute resistance. In fact, from the moment a wages movement becomes generalized - and massive collective contracts in industry play a big part in this process - no capitalist is put in an intolerable position with regard to his competitors from the mere fact that a wage increase is granted. He even benefits from it, in the end, because overall demand is increased. And of course he can catch up by stepping up productivity in his plant or enterprise, thus maintaining the wage-profit ratio roughly constant. He will often in fact try to buy the docility of

Even today, a 'modern' capitalist encounters an enormous resistance within the capitalist class. The policy of the Eisenhower administration kept the American economy in a morass for seven years, partly as a result of this resistance. One could say as much for the Baumgartner policy in France which for a whole period led French capitalism to progress at a snail's pace under the pretext of safeguarding price stability. The same thing was again noticeable in the USA quite recently, in the opposition which the Kennedy tax-cuts proposals met with in Congress. But this resistance to the understanding of the realities of modern capitalism is even more true for 99% of the marxists, who in this respect are far behind the most class-conscious representative of capitalism. When pressed a little these revolutionaries reveal that their image of capitalism is a 19th century one.

the workers in the most important field - that of production - by means of wage concessions.⁵³ Of course, what is useful for the capitalist class as a whole is not necessarily good for the individual capitalist. This is one of the reasons why this new attitude only appears when the concentration of capital on the one hand, and the growth of the workers' organizations on the other, have reached a certain point. But from this moment on, a conscious policy of 'moderate' wage increases becomes an integral part of the whole ideology and mechanism of capitalism. More and more capitalists come to see the link between a steadily controlled increase in mass purchasing power and the regular expansion of the capitalist market.

Let us take another example. The working class of today would not tolerate for a minute a repetition of the great depression of 1929-33. Awareness of this fact imposes on the ruling class the need to maintain relatively full employment. The key sections of the capitalist class have finally grasped, have had driven into their heads, the link between full employment and the rapid expansion of capital. The capitalists discovered - in fact rather sooner than either workers or revolutionaries - that state control is not the same as socialism. Finally the unions, for long bitterly fought by the capitalist class, are recognized today as an estate of the realm. They have become transformed into essential cogs of the whole machine.⁵⁴

One arrives thus at contemporary capitalism, at the policies that are applied in practice by the majority of the capitalist class - even if fought in words by some of their Don Quixotes. At the deepest level these policies represent the repudiation of the ideology of 'free enterprise' and of the belief that the 'spontaneous' functioning of the economy and of society will necessarily produce the best result for the ruling class. As a result of the class struggle our rulers now accept the idea that 'society' - i.e. they themselves - have a general responsibility for what happens. They recognize the central role of the state in the exercise of this responsibility. And hand in hand with this realization grows the idea that the most extensive control possible is necessary, in all spheres of social life.

The intervention of the state in social affairs becomes the rule and not the exception, as formerly. The content of this intervention is now quite different from what it was under classical capitalism. The state is no longer supposed simply to guarantee a social order within which the capitalist game will proceed 'freely'. The state is now explicitly

⁵³ See for instance 'Truth About Vauxhall' by K. Weller (Solidarity pamphlet No. 11) where these methods are fully documented in relation to a specific enterprise.

⁵⁴ This process of transformation of the unions has taken almost a century in most capitalist countries. It took place within a few years in the USA. It started there around 1935-37 when the great strike wave compelled the bosses to recognize the CIO. By the end of World War II, the transformation was more or less complete : the unions were essentially pre-occupied with maintaining discipline in production in exchange for wage concessions.

asked to 'ensure full employment' and to 'maintain economic stability'.⁵⁵ It must both ensure an adequate level of general demand and intervene to prevent the pressure of wages from becoming 'too strong'. It must keep an eye on the growth of the labour force. It must invest in sectors where private capital does not intervene sufficiently or rationally enough. It must ensure the development of science and culture. Its key ideas are now expansion (of a capitalist type), the development of consumption (of a capitalist type) and of leisure (of a capitalist type), the enlargement of education (of a capitalist type) and the diffusion of culture (of a capitalist type). All this means organization, selection, hierarchy, control.⁵⁶

It should be unnecessary to insist on the class content of these objectives. Some will obstinately refuse to admit this reality of contemporary capitalism. They will feel that to recognize it is tantamount to admitting that capitalism can 'do the job'. But what job are they talking about? What was their conception of socialism?

Only those who continue to equate 'socialism' with an expansion of this type of production and this type of consumption, with the enlargement of this type of education and the diffusion of this type of culture, need feel the ground sink steadily under their feet. Those who see socialism as the transformation of relations between men (and between man and his work) will realize that such a change is impossible under capitalism. It will never come about as long as the management of work and of collective activities are the function of a specific social stratum and remain outside the hands of the producers themselves. And it will not come about under these conditions whatever the level of the productive forces.

Subjectively, these new policies of our rulers are the product of their experience of the class struggle and of their continuing need somehow or other to manage their society. Objectively, these policies are the corollary to the real transformation of capitalism. They are the explicit logic of capitalism's new structure and of the mechanisms it has evolved to ensure its domination over society. Because modern capitalism must provide the means to achieve these ends it seeks to accelerate the development of these new structures and to amplify these mechanisms. It is to this aspect of the evolution of capitalism that we now wish to turn.

⁵⁵ See for example the 'Full Employment Act' of 1947 in America - or more generally any official programmatic declaration by any contemporary government on economic matters.

⁵⁶ These lines were written in 1960, long before the return of Mr. Wilson's government!

PART II

BUREAUCRATIC CAPITALISM

'The source of trouble in industry is that it is full of men'

A manager of International Harvester,
reported in New York Herald Tribune
(June 5, 1961).

'I wasn't informed (or words to that effect) ...'

Mr. Harold Macmillan, Prime Minister
and Head of British Security Services,
during the Profumo debate (House of
Commons, June 17, 1963).

10. BUREAUCRATIZATION: THE INTRINSIC TENDENCY OF CAPITALISM

The result of two centuries of class struggle has been a profound objective transformation of capitalism which can be summed up in one word: bureaucratization.

Bureaucratic capitalism is a class society based on wage labour in which the management of collective activities is in the hands of an impersonal apparatus, hierarchically organized, economically privileged, recruited according to rules proclaimed and applied by itself, yet supposed to act according to 'rational' methods and criteria.

The bureaucratization of capitalism has three main sources. These are:

1. IN PRODUCTION. The concentration and 'rationalization' of production leads to the appearance of a bureaucratic apparatus within big capitalist enterprises. Its function is the management of production and of the relations of the firm with the rest of the economy. In particular the apparatus manages, from the outside, the whole labour process. It defines tasks. It imposes rhythms and methods of work. It controls the quantity and quality of the product. It supervises and disciplines. It plans. It seeks to manage men and to integrate them into their places of work. It handles both the stick and the carrot.

Working class resistance to capitalist production requires of capitalism an ever more strict control of the process of labour and of the activity of the worker. This control, in its turn, entails a complete transformation of managerial methods in the factory, compared for instance with those prevailing in the 19th century. It leads to the creation of a managerial apparatus which tends to become the real locus of power in the factory. ⁵⁷

2. IN THE STATE. The state has always been a bureaucratic apparatus par excellence. Its profound change of role now makes of it an instrument of control and even of management - and this in an increasing number of sectors of economic and social

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No one denies that private capitalism remains in the West - or that private capitalists continue to play an important role. What the holders of 'traditional' conceptions are incapable of seeing, however, is that where he exists the capitalist tycoon can only function in business as the summit of a bureaucratic pyramid and through its intermediary strata.

life. This transformation is accompanied by an extraordinary numerical growth of administrative personnel, at all levels.

3. IN THE POLITICAL AND TRADE UNION ORGANIZATIONS.

Complex factors, which we have analyzed elsewhere,⁵⁸ lead at a certain stage to the degeneration and bureaucratization of the working class movement. As this takes place the objective function of the large workers' organizations changes. It becomes the maintenance of the working class within the system of exploitation and the diversion of its struggle towards the regulation rather than the destruction of this system.⁵⁹ This 'cooping-up' of the proletariat - and more generally of the entire population - this manipulation and control of its political activities and economic demands, require a specific apparatus. This is the labour bureaucracy.⁶⁰

At a certain stage the management of all activities, from the outside, by various hierarchically organized types of apparatus becomes the very logic of this society. It becomes its response to everything.

Bureaucratization has by now extended far beyond the spheres of production, of the economy, of the state and of politics. Consumption is bureaucratized, in the sense that neither its volume nor its pattern are left any longer to the spontaneous mechanisms of the economy or to the psychology of the consumer ('free choice' has of course never existed in an alienated society). Both the volume and the pattern of consumption are now subjected to an ever more refined and intensive type of manipulation. This activity itself requires a specialized bureaucratic apparatus (sales services, advertising, market research, etc.).

Leisure itself is becoming bureaucratized.⁶¹ So is culture, to an increasing degree. This is inevitable in the present context. If not as yet the production, at least the distribution of modern culture has become an immense organized activity, again

⁵⁸ A full analysis of the bureaucratization of the trade unions and political organizations of the working class will be found in the article 'Proletariat et Organisation' ('Socialisme ou Barbarie', issue 27). An abbreviated version of this article was published under the title 'Working Class Consciousness' in 'Solidarity', vol. II, Nos. 2 and 3.

⁵⁹ This is true even of Stalinist organizations. Their coming to power only means, in the final analysis, an immense rearranging of the form of exploitation, the better to preserve its substance.

⁶⁰ The same kind of factors (to which are added the need to struggle against the bureaucratized workers' organizations) bring about the bureaucratization of 'conservative' political formations.

⁶¹ A full account of this process will be found in D. Mothe's article 'Les Ouvriers et la Culture' ('Socialisme ou Barbarie', issue 30).

requiring its own apparatus and special devices (the press, publishing, radio, cinema, television, etc.). Scientific research itself has been caught up in the process, at a terrifying rate, whether the research be under the aegis of large corporations or of the state. ⁶²

Such an analysis of our society creates new problems at every level. We cannot even attempt to answer them all here. What is essential, however, is to recognize and proclaim the general direction in which capitalism is evolving and to see how this affects the fate of men in society at the deepest possible level.

11. THE REAL MEANING OF BUREAUCRATIZATION

For over a century, the immense majority of marxists have seen in capitalism little more than production for profit. Their main criticism of the system was that it condemned workers to misery (as consumers). They also criticized it because it corrupted social relations through money. This corruption itself was often only seen in its most crude and superficial aspects. The idea that capitalism was above all an enterprise of dehumanization of the workers and that it destroyed work as a significant ⁶³ activity would, if it had ever occurred to them at all, have struck them as foggy and abstract philosophizing. ⁶⁴

⁶² See for example 'The Organization Man' by W.H. Whyte (Penguin, 1960) and 'The Scientist and the Commissar' in 'Solidarity', vol. II, No. 12.

⁶³ Significant = creator of meaning.

⁶⁴ These ideas were first formulated by Marx himself. One of the symptoms of the degeneration of the marxist movement is the way Marx's early ideas have been systematically played down - or attributed to youthful immaturity - by contemporary marxists. For instance when Marx's 'Economic and Philosophic Manuscripts of 1844' were first published in Britain, in 1939, they were prefaced by a note from the 'Institute of Marxism-Leninism of the Central Committee of the C.P.S.U.' warning that in these essays Marx is 'over-estimating Feuerbach' by 'making use of such Feuerbachian concepts as ... "humaneness" etc.' Not to be outdone the 'International Socialist Review', theoretical journal of the American Trotskyists, makes similar disparaging comments in its winter 1959 issue about 'the first writings of the immature Marx': 'In the early 40's, as he evolved from the Hegelian idealism of his university years to dialectical materialism, the youthful Marx at one point adhered briefly to Humanism and called his philosophy by that name'. Far less profound elements of Marx's writings tend to be selected for study today by his 'orthodox' disciples.

There is today just as superficial a view of the process of bureaucratisation. Some only see in bureaucratisation the appearance of a managerial stratum, which adds itself to or replaces the private bosses and which institutes an unacceptable type of command in production and in political life, thereby intensifying the revolt of the 'executants' and creating a new and immense waste. All this is both true and important. But one can understand little of contemporary society if one stops the analysis at this point.(65)

Bureaucratisation does not only mean the emergence of a privileged social layer whose weight and importance constantly increase. It does not only mean that the functioning of the economy undergoes important modifications through concentration and statification. Bureaucratisation leads to a profound transformation of values and meanings. As these are the basis of the life of men in society it leads to a remodelling of their attitudes and conduct. If one does not understand this aspect, the deepest of all, one can understand neither the cohesion of contemporary society nor the real nature of its crisis.

Capitalism imposes its logic on the whole of society. The ultimate objective of human activity (and even of human existence) becomes maximum production. Modern capitalism seeks to subordinate everything to this arbitrary end. Capitalist 'rationalisation' seeks to achieve it by methods which both flow from the alienation of men as producers (66) - and constantly re-create and deepen this alienation. In practice this is brought about by the increasing separation of management and execution, by the reduction of workers to mere 'executants' and by the transfer of the function of management outside of the labour process itself. Capitalist 'rationalisation' and bureaucratisation are thus inseparable. (67) It can only proceed inasmuch as a body of 'rationalisers' is formed: that is of managers, controllers, organisers, people who prepare and direct the labour of others.

(65) As many, both in the marxist and non-marxist left, undoubtedly do. These people are aware of the process of bureaucratisation, but have not fully understood its ramifications.

(66) Since men are now only considered as means to be subordinated to the end of production.

(67) Max Weber was the first to show the intimate relationship between rationalisation and bureaucracy. He started from the analysis of rationalisation in Marx's 'Capital' and suggested that the future of capitalism lay with the bureaucracy, which he considered the rational system of management par excellence. The fundamental error of his analysis was that for him bureaucratic rationalisation was a genuine one. In other words he considered that it could escape internal contradictions. See the last chapter of his great work: 'Wirtschaft und Gesellschaft'.

This externally imposed 'rationalization' with the maintenance of exploitation as its objective, soon destroys the meaning of work and of all social activities. It leads to a massive destruction of the responsibility and of the initiative of men.

Everyone should be familiar with these phenomena, particularly at work. It is at work that the consequences of bureaucratization and of 'rationalization' have longest been felt. For the vast majority of people capitalism has largely destroyed work as a meaningful activity. Work is no longer an activity into which the wage earner puts a genuine part of himself and in which he performs creatively. All meaning drains out of work when tasks become so fragmentary that there is no longer really an object being worked on, but only fragments of matter whose full 'meaning' is only achieved elsewhere. There is no longer even a whole human being doing the work. The person of the worker is dissected into his separate faculties. Some of these are arbitrarily chosen, extracted from the whole and intensively utilized. The worker is only present in production as an anonymous and replaceable faculty: the faculty of indefinitely repeating some elementary gesture or other. 68

The daily struggle against the exploitation which accompanies work provides the worker with a framework for positive socialization, a background against which collective awareness and class solidarity are developed. Despite what it does to him the factory remains for the worker the place of community with others. In the first place it is a community of struggle. Those who manage production not only don't understand this aspect of the worker's life in the factory but fight against it by every means, rightly sensing it as something 'hostile'. They constantly seek to destroy the solidarity and positive socialization of the workers.

This is done in a hundred ways, of which one of the most important is the introduction of infinitely multiplied differentiations within the working class itself. Different rules are allocated to different jobs. Jobs are arranged according to a hierarchical structure. This attempt is artificial and usually fails to achieve its own objectives. For bureaucratic

68 The fragmentation of the labour process creates practically insurmountable obstacles from the point of view of production itself. These have been analysed in detail in 'Le Contenu du Socialisme' ('Socialisme ou Barbarie', issue 23). Briefly, the increasing division of labour and of tasks requires that the unified conception of the process of production, which is removed from the producers, should exist elsewhere (otherwise production would collapse under the weight of its own internal differentiation). In practice 'elsewhere' comes to mean in the hands of the managerial bureaucracy of the enterprise, who direct production 'from outside' and whose function it is to reconstitute ideally the unity of the production process. The meaning of work in other words is now to be looked for in the offices, not amongst those who do the work. This managerial bureaucracy proliferates and subdivides, allocating different tasks to different parts of itself. It is finally no easier to find the unified conception of productive operations in the office than it is in the workshop. At the limit the meaning of the productive process is in nobody's possession.

capitalism, labour should have only one meaning for the person who performs it : it should be a source of revenue, the condition for wages.

Bureaucratic organization has another equally important consequence : the destruction of responsibility. From the formal point of view, bureaucratic organization means the division of responsibilities, areas of authority and control being strictly defined and circumscribed. Responsibilities are accordingly fragmented. This fragmentation of responsibility reflects the division of labour within the bureaucracy itself. Its ultimate consequence is the total destruction of responsibility itself.

How does this come about ? The organization of the labour process from the outside and the reduction of the great mass of wage earners to mere tasks of execution, more and more limited in scope, means that responsibility is taken out of the hands of the producers. The vast majority of people are thereby reduced to a 'couldn't-care-less' attitude. This is true of all their activities, not only of their activities in production. In the first instance it applies to everyone, except the organizers themselves. But it finally applies to them too. The increasingly collective character of work within the bureaucracy - and the division of labour which develops with it - constantly creates new bureaucrats : bureaucrats of the bureaucracy.

Further, like the division of tasks, the increasing fragmentation in the fields of authority and responsibility creates an enormous problem of synthesis. The bureaucracy cannot solve this problem rationally. It can only respond according to its by now well-established norms. It creates further categories of bureaucrats : specialists in synthesis. Their function is to bring about the reunification of what the bureaucracy itself has torn asunder. But their very existence creates new divisions. Areas of authority and responsibility can never be defined in an exhaustive or rigid manner. The question of where the responsibility of A ceases and that of B begins, the question of where the responsibilities of subordinates stop and those of superiors start can never be decided rationally within the bureaucracy. They are therefore 'settled' by intrigues and squabbles between various bureaucratic cliques and clans.

The very kernel of an attitude of responsibility - namely that one should control one's own activity - now disappears. As work is now only a source of wages all that matters is that one should be covered in regard to formal rules. This is the prevailing mood in industry and offices today. It flows absolutely logically from all we have said before.

Initiative tends to disappear for much the same reason. The system denies initiative to its 'executants' and seeks to transfer it all to the managers. But since more and more layers are turned into 'executants', at one level or another, the transfer means that initiative tends to disintegrate in the hands of bureaucracy at the very rate at which it is concentrated there.

We have described these trends, taking as a starting point the process of production. But as bureaucratization penetrates and dominates all other spheres of social life these trends become more and more general. The disappearance of the meaningfulness of work and the dissolution of responsibility and initiative become increasingly important characteristics of a bureaucratized society.

12. MOTIVES IN BUREAUCRATIC SOCIETY

How does this society tick? What assures its cohesion? What keeps its various parts together? How does it guarantee, in 'normal' times, the subordination of those it exploits? What ensures that their conduct conforms to the needs of the system?

Partly - without a doubt - violence and coercion. The ruling class is always ready to use force to guarantee its social order. But for obvious reasons violence and coercion are not sufficient. They have never sufficed to ensure the functioning of exploitation, except perhaps in the galleys of by-gone days.

The problem goes much deeper. For 24 hours out of 24, all the gestures of men must concur, in one way or another, to maintain this society according to its own norms. Men must produce. The products must be distributed and consumed. Men must go to the places of entertainment that society proposes. The children it needs must be procreated and raised according to its social requirements. Whatever the contradictions and conflicts within a society, it can only survive if it inculcates adequate motives in its members, if it induces them continually to act coherently both between themselves and in relation to the functioning of the system as a whole.

It is irrelevant in this respect that these motives are, or appear to us to be, false or mystified. The important thing is that they exist,⁶⁹ that they are fairly widely accepted and that society somehow succeeds in reproducing them in each successive generation.

Adequate motives - other than those based on direct or indirect constraint - can only exist if there is a system of values, more or less accepted by the whole of the population. But the result of two centuries of capitalism - and more particularly of the last

⁶⁹ The non-existence of God, the internal contradictions of the Catholic dogma or the contradictions between Catholic dogma and the social practice of the Church did not prevent the Christian serfs of Western Europe from recognizing, for centuries, the 'values' of the Feudal order (even if, at times, they burnt down their landlord's castle).

fifty years - has been the disintegration of most traditional values (religion, the family, etc.) and the utter failure of all attempts to substitute more 'rational' or 'modern' values. 70

What then is the response of bureaucratic society to the problem of human motives ? How does it seek to get men to do what it asks of them ? In discussing the meaning of work we described how the only lasting motive the bureaucracy could offer was income. One might add another : promotion within an increasingly hierarchical structure. Yet despite the constant attempt to attach differences of status to the various rungs of the bureaucratic ladder, these differences, in a 20th century context, cannot acquire a decisive importance. In the final analysis promotion is only important because it represents an increase in income.

But what is the meaning of income ? For the vast majority of people accumulation is excluded. Income can therefore only mean the consumption that it allows. But what is this consumption ? In the countries of fully developed capitalism 'traditional' or 'minimal' needs have largely been satisfied. Consumption can therefore only remain meaningful if new needs, or new ways of satisfying old needs, are constantly created. (This as we have seen is also indispensable if the economy as a whole is to be kept in constant expansion).

Here bureaucratization intervenes anew. Work has lost all meaning except as a source of income. Income itself only has meaning inasmuch as it allows individuals to consume, in other words to satisfy needs. But this consumption itself now loses its original meaning. 'Needs' become less and less the expression of an organic relationship between an individual and his natural and social milieu. They become more and more the object of secret or open manipulation. At worst they are created out of thin air, by a special fraction of the bureaucracy : the bureaucracy of consumption, advertising and sales. Whether or not one really 'needs' an object becomes of little importance. Besides, as any intelligent sociologist will know, the words 'really to need' have no meaning. It is enough that one should feel that the object 'needed' is indispensable or useful, that the object should exist, that others should have it, that it should be the 'done thing' to have it, etc, for the 'need' to arise.

But then welfare, the standard of living, and the acquisition of wealth on the scale of the whole of society become concepts suspended in mid-air. Is a society which devotes an increasing part of its activities to creating out of nothing an awareness among its members that they 'lack' something - and which then exhausts them in savage labour

70 It is enough to recall the utter failure and insipidity of the new 'lay and republican' morality in France, of which the Radical Socialists were the most noteworthy proponents. Or, of course, of the less rational 'moralities' of Rotarians, Buchmanites, Boy Scouts, etc.

in pursuit of this 'lack' - really 'fuller' or 'better' than another, which has not created an awareness of such 'needs' ?

Even private life, where one would have thought that the individual alone could give meaning to his existence, does not escape the process of 'rationalization' and bureaucratization. The 'spontaneous' or 'cultural' attitudes of the consumer are absolutely insufficient to generate demand for the enormous mass of goods turned out by the modern productive machine. The consumer must be led to behave according to the needs of the bureaucratic society. He must be led to consume, in increasing quantity, the goods that the production lines provide. His behaviour and his motives must be calculated and manipulated. This manipulation now becomes an integral part of the whole pattern of social organization. Manipulation is clearly the result of the destruction of meaning. It soon also becomes its cause and completes this destruction.

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In politics, one can see the same process at work. Whatever their policy, present day political organizations are thoroughly bureaucratized. They are something apart from the mass of the population. They no longer express the political attitude or will of any important social group. No category of the population gives them substance. No category really participates in them. None of them is the vehicle for genuinely collective political action (whether revolutionary, reformist or conservative).

How then can public support for these organizations be guaranteed ? Partly, but to a diminishing degree, through political reflexes incorporated into the population long ago ('Dad voted Labour : we do too'). To an increasing degree, however, support has to be generated through the conscious and continuous efforts of the 'general staffs' of the bureaucratized parties and through the intermediary of various specialized services. Although Western society has behind it 25 centuries of political history, political propaganda remains essentially a creation of the last 50 years.

In the past people would join a party, or support a politician, whom they thought would express their interests. No one attempted to 'create political interest' in the population. Today this interest is lacking. This is the case despite (and because of) the desperate and permanent efforts of organizations attempting to elicit this 'political interest'. Political propaganda has become more and more of a mystifying manipulation. Its content has disappeared. What counts today is the 'image' of the party or of the candidate with the electors. A President of the United States is sold to the population like a brand of toothpaste. The process is obviously not all in one direction : to a certain extent the manipulators are themselves manipulated by those they seek to control. But the wheel remains in the same rut. The same process is at work : the meaning of politics has been destroyed. But as society needs a minimum of political behaviour from its subjects, a political bureaucracy emerges and manipulates the citizens in order to ensure it.

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What then is the most profound meaning of bureaucracy in relation to the social destiny of men? It is the insertion of each individual into a little niche of the great productive machine where he is doomed to perform an alienated and alienating labour. It is the destruction of the whole meaning of work and of the whole meaning of collective life. It is the reduction of life to private life, outside of labour and outside of all collective action. It is the reduction of even this private life to material consumption. And it is finally the alienation of consumption itself through the permanent manipulation of the individual as consumer.

This is the ideal tendency of bureaucratic capitalism. We will now attempt to make it more precise by describing what one might call a model of bureaucratic society. Reference to this model will make the whole evolution of modern society easier to understand.

13. THE BUREAUCRATIC MODEL

A bureaucratic society is one which has succeeded in transforming the immense majority of the population into wage and salary earners. Only marginal layers of the population remain outside of the wage relationship and of the hierarchy that goes with it (5% of farmers, 1% of artists, intellectuals, prostitutes, etc.).

In a totally bureaucratized society the population is integrated into vast impersonal productive units (which may be owned by an individual, by a corporation or by the state). The people occupy a pyramidal hierarchical structure. Only to a minor degree does this hierarchy reflect differences in knowledge, ability, etc.⁷¹ It is based for the most part on the creation of arbitrary technical and economic differentiation, which are necessary from the exploiters' point of view.

Work has lost all real meaning, even for the majority of skilled personnel. It only retains meaning as a source of income. The division of labour is pushed to absurdity. The division of tasks only allows fragmentary tasks to subsist, themselves devoid of meaning.

⁷¹ Differences in knowledge are themselves the product of education and of differences in income - and therefore tend to reproduce themselves from generation to generation.

For all practical purposes full employment has been permanently achieved. Provided they conform, wage earners, whether manual or intellectual, can face the prospect of endless employment. Except for minor fluctuations, production expands by a significant percentage from year to year.

Wages also increase from year to year, by a percentage which does not differ significantly from that of production. Wage increases, plus the investments needed to bring about the regular expansion of production, plus the regular increase in state expenditure, together absorb the increases in production. The market problem has been essentially solved.

'Needs' (in the commercial or advertising sense) increase regularly with purchasing power. Society creates enough 'needs' to sustain the demand for the goods it produces. The 'needs' are either created directly, by advertising or consumer manipulation, or indirectly through the action of social differentiation or hierarchy (more expensive models of consumption being constantly proposed to the lower income categories).

The hierarchy of jobs in the factories has attained a sufficient degree to destroy the solidarity of the exploited. The system is open and flexible enough to create significant opportunities for promotion (say, a 1 in 10 chance for example) for the upper half of the working class. Consequently relations among workers in the factories are no longer modelled on the workshops of today, but on the offices of yesterday (sordid competition, intrigues, boot-licking, etc.). The factory ceases to be a place of positive socialization, a potential locus of resistance.

City life and housing evolve in a direction which dislocates all integrated community living. This evolution tends to destroy local community life, both as a milieu for socialization and as a basis for viable organic collectivities. These collectivities now cease to exist. There is only a monstrous juxtaposition of individuals and of families, each living for itself or anonymously coexisting. Whatever his work and wherever he may live the individual is confronted by surroundings that are either hostile or impersonal and unknown.

The only remaining motivation is the race after the carrot of consumption, after an 'ever higher standard of living' (not to be confused with true living, which has no 'standard'). As there is always another standard of living higher than the one enjoyed, this pursuit turns out to be a treadmill.

Social life as a whole keeps up its democratic facade (with political parties, trade unions, etc.). But these organizations, as well as the state, politics and public life in general are profoundly bureaucratized.⁷² Any active participation by individuals in the

⁷² The political bureaucracies are not of course simple replicas of the bureaucracies in production.

life of political or trade union organizations can have, properly speaking, no meaning at all. Objectively, nobody can do anything. Nobody can effectively struggle against the existing state of affairs. Most individuals see such a struggle as void of meaning. Only a small minority of the population remains mystified in this respect and acts as a link between the bureaucratized organizations and the population at large. When the population 'participates' in politics, it is only in an opportunist and cynical way, at election time.

Not only have politics and political organizations become bureaucratized and abandoned by the people but so have all organizations and all collective activity. As someone once put it, 'amongst bowls players there are still people who play bowls. But there is no one to elect officers, order new bowls or discuss questions of importance to bowls players'. Privatization has become the characteristic attitude of individuals. 73

Social irresponsibility becomes the dominant feature of human behaviour. For the first time, irresponsibility becomes possible on a massive scale. Society no longer has any challenges before it, either internal or external. Its capacities to produce enormous wealth give it margins unimaginable in any other historical period. These allow it almost any errors, almost any irrationalities, almost any waste. Its own alienation and inertia prevent it from confronting new tasks and asking itself new questions. No crucial problem is ever posed to it, which might put its fundamental incapacity to the test. Nothing ever makes it confront an explicit choice, however irrational the terms. Nothing even makes it understand that the possibility of such a choice exists.

Art and culture have become simple objects of consumption and pleasure without any connection with human or social problems. Formalism and the Universal Museum become the supreme manifestations of culture.

The philosophy of society becomes consumption for consumption's sake in private life, and organization for organization's sake in collective life.

The description we have just given is partly an extrapolation from present social reality but much of this 'air-conditioned nightmare' is already around us. Society is evolving in this direction at an ever increasing tempo. This is the final objective of the ruling classes: to annihilate the revolt of the exploited and their struggle to be free by diverting it into the rat race of consumption, to break up their solidarity through hierarchy, to prevent all possible resistance through the bureaucratization of all collective endeavours and channels of protest. Whether conscious or not, this is the goal of bureaucratic capitalism, the actual meaning which unifies the policies of the ruling strata and the means they adopt to cope with the world around them.

But this aim is utopian. It must fail and it is failing. It cannot overcome the fundamental contradiction of modern society, which on the contrary it multiplies a hundred-fold. It cannot suppress the struggle of men and transform them into puppets, manipulated by the bureaucracies of production, consumption and politics. It is to the analysis of this failure that we now wish to turn.

73 Of course, privatization is not disappearance of society; it is a modality of society, a type of social relations.

14. PROBLEMS OF BUREAUCRATIC CAPITALISM

Capitalism tends integrally to bureaucratize society. In so doing it spreads its own fundamental contradiction everywhere. Whether they are aware of it or not, whether they explicitly wish it or not, our rulers can only seek to cope with the problems presented to them by the evolution of the modern world in one way: by trying to submit more and more sectors of social life to their organization, by penetrating further and further into the life and labour of men, by directing them according to their own minority interests.

The objective of modern capitalism is a state of affairs where the managerial apparatus would decide everything. Nothing would interrupt the 'normal' functioning of society planned by bureaucrats and governments. Everything would take place according to the plans of the organizers. The indefinite manipulation of men would lead them to behave as docile producing and consuming machines. Our rulers hope that the contradictions and crises of the system would thus finally be overcome.

Capitalism has already taken several steps along this road. It has succeeded in controlling the economy sufficiently to eliminate depressions and massive unemployment. It manipulates consumers so that they absorb the constant increases in production. It has integrated the workers' organizations into the system. It has transformed politics into an innocuous game. The apologists of the system consider that the 'control of the economy' already achieved is proof that capitalism can 'overcome its contradictions'.

When confronted with this reality, traditional marxists react in one of two ways. They either deny the facts or they give up revolutionary politics. They fail to see that modern capitalism has only eliminated from the social milieu what was not capitalist in it. What they are accustomed to think of as the 'contradictions of capitalism' are not the fundamental contradictions of the system but the incoherence of a society that capitalism had not yet sufficiently permeated and transformed. They don't understand for instance that slumps were conditioned by the scattering of production over a multitude of independently managed units. This scattering of production, although it corresponded to a definite phase in the development of capitalism, had nothing essentially capitalist about it. On the contrary. The separate management of these scattered units was as absurd from the point of view of the system as a whole as would be the independent management of the different shops of a big factory today. The logic of capitalism is to treat the whole of society as one immense, integrated enterprise. The problems that capitalism encountered as long as this integration had not been achieved, far from revealing the essence of the system in fact served to mask it.

If we get rid of this superficial viewpoint of the traditional marxists we can see that the real contradictions of capitalism cannot be suppressed without the system being abolished. These contradictions, as we saw earlier, were implicit in its very structure. They were inherent in the fundamental relations of the capitalist organization of production and labour. These constantly tend to reduce workers into pure and simple 'executants'. But the system would collapse if this reduction were ever integrally to be realized. Bureaucratic capitalism is thus obliged simultaneously to solicit the participation of the executants... and to forbid them all initiative.

This contradiction is lived daily in production. The working class struggle becomes a permanent challenge to the foundations of the system. Throughout this century Taylorism, industrial psychology, and later industrial sociology have all tried to square this particular circle. They have sought to make exploited and alienated workers work as if they were neither exploited nor alienated. They have tried to make those to whom initiative is forbidden take extraordinary initiative whenever necessary (i.e. most of the time). They have sought to make those they constantly exclude from everything participate in something. The solution of this problem has not advanced one inch in over a century.⁷⁴ The vain attempts of sociologists to reform 'human relations' in industry are pure eyewash, rather like the show flower-beds that surround certain modern factories.

When the logic of the system is pressed to its ultimate limit and leads to insoluble difficulties, 'corrections' are found. But these are only oscillations around a central point of imbalance. Thus there is now a trend against the ever increasing division of tasks. It has been seen that beyond a certain point it diminishes rather than increases the total production of an enterprise.⁷⁵ Some modern factories in the U.S.A. and in Britain are abandoning piecework and are returning to hourly rates in order to do away with the constant

⁷⁴ This is recognized by capitalists who don't mince their words. Here for example is how the 'Financial Times' (November 7, 1960) summed up a book ('Exploration in Management' Heinemann, 1960) written by a Mr. Wilfred Brown, for 20 years Chairman of the Glacier Metal Company: 'Basically, Mr. Brown has been concerned with the divergence between the formal executive structure of his company (from Chairman right down to shop floor) and the actual pattern of policy and decision making as it in fact exists... In one sense, his concern is with what might in common terms be called people "going over the heads", or "going behind the back" of others.

It is a sign of the thoroughness of Mr. Brown's analysis that he has come point blank up against - and recognized without being able to remedy - what he calls "the split at the bottom of the executive chain". Here is the frank recognition by a businessman, arrived at by independent investigation, of the classic marxist concept of "the alienation of the worker".

That this is still the biggest problem left to solve in British industry (indeed by British society) is amply shown by the concern shown in many quarters at the number of unofficial strikes...'

⁷⁵ See for example Georges Friedmann's book 'Le Travail en Miettes' (Gallimard, 1956). An English translation 'The Anatomy of Work' was published by Heinemann in 1962.

conflicts created by the definition of norms, the control of earnings, etc. But these 'corrections' really correct nothing. In the present context it is impossible to enlarge tasks to the point where the labour of the worker would take on a semblance of meaning. The restoration of more integrated tasks to workers, by increasing their autonomy in the labour process, would increase their capacity to struggle against management. This would then feed the fundamental conflict anew. The return to hourly rates poses the whole question of output anew (unless the firm is willing to allow the workers themselves to determine how much they will produce per hour!).

The solution chosen by capitalism is not (and cannot be) to establish new relations with its workers. It is to suppress the defective relations by abolishing the workers themselves, in other words by automating production. As an American employer ⁷⁶ profoundly remarked : 'The source of the trouble in industry is that it is full of men'. But this process can never be completed. The automated factories cannot function without being surrounded by a network of human activity (supply, supervision, maintenance and repairs). These imply the maintenance of a labour force, and the contradictions which flow from it, even if these take on a new form. For a long time automation, by its very nature, will only affect a minority of workers. The men eliminated from automated sectors must find jobs elsewhere, i.e. in non-automated sectors. The great majority of the working class will continue for a long time to be employed in such sectors. Automation therefore does not solve the capitalist problem in production.

Thus the 'victories' of capitalism over the workers in production are transformed, after some time, into failures. Much the same appears when one considers the management of society. Each 'solution' capitalism finds to its problems only creates new ones. Each of its 'victories' is a partial defeat. Take for example the problem of unemployment. After World War II capitalism achieved a certain control of the level of economic activity; it succeeded in maintaining relatively full employment. But this situation brought with it a host of new problems, seen most clearly in the case of Britain.

In England, since the end of the war, the rate of unemployment has never exceeded 2.5% for any significant period. The number of unfilled jobs has often exceeded the number of unemployed. The result has been a rise of wages considered 'too high' by the capitalists. ⁷⁷ Relatively full employment has also resulted in something the employers

⁷⁶ A manager of International Harvester, reported in the 'New York Herald Tribune', June 5, 1961.

⁷⁷ This rise in wages took place partly through general increases, accorded after negotiations between bosses and union leaders, and partly through a 'wage drift' (that is, through wage increases above the contractual level, secured at job level by direct action or the threat of direct action).

can tolerate less readily : a sustained struggle by workers against the conditions of production and life in the factory. This has taken on an extraordinary intensity and scope. Seized at the throat by this challenge to its power in the factory and by the rise in wages and costs which damaged its exports, British capitalism has been openly discussing in its newspaper columns, over the last ten years, the need to inject a good dose of unemployment into the economy, to 'discipline the workers'. The Tories intentionally organized economic recession on several occasions : in 1955 (the resulting stagnation in production lasted until 1958), at the beginning of 1960 (production again stagnated for a year), and again in July 1961. The problem was not solved. First the dose of unemployment was not high enough to achieve their objective. But a 'bigger dose' risked producing a real depression, or an explosion of the class struggle. Next, these organized recessions and the general anti-inflationary attitude of the government induced a stagnation in production, which has contributed more than anything else to undermine the competitive position of British products on the international market. Finally, neither the pressure on wages nor the conflict over conditions of work have diminished. The induced recessions have only added a new cause of conflict (namely sackings) to those already existing. At times a whole factory may down tools because 50 or 100 men have been paid off. In so doing the workers are in practice raising the problem of the control of employment, at job level.⁷⁸

Let us give a few more examples of this dialectic which immediately transforms the 'solution' of a problem by bureaucratic capitalism into a source of further difficulties.

a) By granting wage increases capitalism solves the problem of necessary markets for its continually expanding production. It tries simultaneously to buy the docility of the workers and to reject them into private life. But the rise in living standards has not diminished in the least the pressure of economic demands. In fact this is somewhat stronger today than formerly. Moreover when poverty seems more remote and employment appears assured, the problem of the fate of man at work begins to take on its real importance in the eyes of the workers. This intensifies their revolt against the capitalist factory

⁷⁸ For 6 years the Macmillan policy was a dunce's policy : aggravating problems instead of solving them, and constantly creating new ones. One could say as much of the Eisenhower policies in the U.S.A. To struggle against working class pressure the American government has several times restrained the expansion of total demand, provoking a stagnation of American production over a 7 year period equivalent to the loss of over \$200,000 millions. Finally it even created an international dollar crisis, out of nothing.

These are not Anglo-Saxon ailments. In Germany the influx of refugee labour and the docility of the workers allowed post-war capitalism to expand at a very rapid rate. But this period is coming to an end : for the last 3 years full employment has continued to undermine 'discipline' in production (see 'La Fin du Miracle Allemand' in 'Socialisme ou Barbarie', issue 30). It has caused real wages to increase more than the increases in productivity (30% for the former, 26% for the latter, between 1959 and 1963). German capitalism is now having to face the contradiction between continuous expansion and the maintenance of 'work discipline'.

regime. In the long run, even the increase in living standards refutes itself. The absurdity of this endless race after electric hares begins to dawn on people.

b) The domestication of the unions allows capitalism to use them in its interests. But this provokes an increasing detachment of the workers from the unions, a detachment that the capitalists themselves are finally forced to deplore! In integrating the trade union bureaucracy into its system, capitalism helped the union bureaucrats to lose more and more of their control over the workers. This particular weapon soon becomes blunted in their hands.

c) In bureaucratizing politics our rulers have succeeded in driving the mass of the population away from public life. But a society - whether 'democratic' or 'totalitarian' - cannot function for long amidst the total indifference of all its citizens. The total irresponsibility of the great leaders can prove very expensive (Suez, for example).

Why do all the solutions our rulers apply to the problems of their society remain partial or lead to new conflicts ? It is because the management of the totality of a modern society is beyond the power or capacities of any particular group. This management cannot be coherent if the enormous majority of men are reduced to the role of executants, if their capacities for organization, initiative and creation are systematically repressed by the very society whose functioning they are supposed to ensure.

Bureaucratic capitalism seeks to achieve on the scale of society what is already impossible at shop-floor level : to treat the activities of individuals as so many objects to be manipulated from the outside. When workers in a shop carry out their orders strictly and faithfully (i.e. when they 'work to rule') production threatens to stop. When citizens let themselves be integrally manipulated by propaganda or behave with the docility their rulers ask of them, all control and counter-balance disappear. The way is then wide open to the unrestrained follies and excesses of the bureaucracy.

What was possible in a stagnant (i.e. slave or feudal) society - namely the complete compliance of the exploited to unchangeable norms, established once and for all - is impossible in a society in perpetual motion. Such a society imposes on both rulers and ruled the need constantly to modify themselves, constantly to adapt to new situations which rapidly renders obsolete the norms, rules, techniques and values of the day before. A modern society could not survive for a moment if the most humble of its members did not bring his contribution to its perpetual renewal by assimilating and making humanly possible new techniques, by adapting or inventing new modes of organization, by modifying his consumption and way of living, by transforming his ideas and patterns of behaviour. Bureaucratic capitalism, by its class structure, forbids men from achieving this adaptation and from acting creatively. It forbids this constant re-adaptation and seeks to monopolize these functions for a minority which is supposed to foresee, define, plan, dictate and finally to live for everyone.

This is not a philosophical dilemma. We are not saying that bureaucratic capitalism is contrary to human nature. There is no human nature (i.e. immutable pattern of human behaviour). And it is precisely for this reason that man cannot become an object and that the bureaucratic goal is utopian. But even this reasoning remains philosophical and abstract. It is precisely because man is not an object and is almost indefinitely plastic that he could be - and actually was - converted into a quasi-object for long periods of history. In the Roman ergastulum, in the mines worked by the chained slaves, in the galleys or in the concentration camps, men have almost been reduced to the status of objects. Not objects for the philosopher or the moralist, but objects for their masters. For the philosopher, the look or the speech of a slave always bore witness to his indestructible humanity. But such considerations mean nothing for the practice of the slave owner. The slave was submitted to the owner's will up to the limit of his nature. He could only escape, break like a tool, or collapse like a beast of burden. Our viewpoint is sociological and historical: modern capitalism, caught up in an accelerated and irreversible process of self-transformation, cannot, without risking collapse, transform its subjects into quasi-objects, even for a few years. The cancer which afflicts it is that, at the same time, it must constantly strive to achieve this very transformation.

Capitalism not only fails to rationalize society according to its own viewpoint and interests. It is also incapable of rationalizing relations within the ruling class itself. The bureaucracy would like to present itself as rationality incarnate, but this rationality is a phantasm. The bureaucracy assigns itself an inherently impossible task: to organize the life and activity of men from the outside and against their own interests. Thereby it not only deprives itself of their aid - which it is at the same time compelled to solicit - but it also ensures their active opposition.

In practice this opposition manifests itself as a refusal to cooperate and as a refusal to inform. The bureaucracy is largely ignorant of what is really going on. It must consequently plan a reality it does not really know. And even if it knew reality, it could not judge it adequately, because its viewpoint, its methods and the very categories of its thoughts are narrowly limited and in the final analysis falsified by its situation as an exploiting class, separate from society. The bureaucracy can only plan in the past tense. It can only see the future as a repetition on an expanded scale of what has been. It can only endeavour to dominate the future by subordinating it to what it already knows.

Moreover all of these contradictions are reproduced within the bureaucratic apparatus itself. As the bureaucracy expands, it organizes its work according to these same norms. A division between order-givers and order-takers appears within its own ranks. The contradictory relationship between the apparatus and society now breaks out within the apparatus. The bureaucracy becomes divided. The division is aggravated because the bureaucratic apparatus is necessarily hierarchic, the fate of individuals depending on promotion. In a dynamic society, there can be no rational basis for settling the problems of the promotion of individuals and of their place in the hierarchic apparatus. The struggle of all against all within the apparatus leads to the formation of cliques and clans. Their antagonisms affect the functioning of the whole apparatus and destroy its last claim to

15. THE CRISES OF BUREAUCRATIC CAPITALISM

Granted that it is incapable of overcoming its fundamental contradiction, can capitalism nevertheless succeed in so organizing itself that it evolves without conflicts or crises? Can bureaucratic control and totalitarianism ensure a coherent functioning of society - coherent, that is to say, from the point of view of the exploiters? One look at the world around us will show that they cannot. Although capitalism is infinitely more aware of the problems confronting it and has many more means at its disposal than a century ago, its policies are inadequate whenever they have to cope with the social reality of today.

This inadequacy is shown, in a permanent way, by the enormous waste which characterizes contemporary societies. Their plans never work, so to speak, more than half-way. They can never really dominate the course of social life. But the failure is also shown by the periodical crises of established society, crises that capitalism has not and cannot succeed in eliminating.

By crises we do not mean, or do not only mean, economic crises, but phases of social life where an event of any kind (economic, political, social or international) provokes an acute imbalance in the 'normal' functioning of society and temporarily prevents the existing institutions and mechanisms from re-establishing equilibrium. Crises in this sense are inherent in the very nature of capitalist society. They express its fundamental incoherence and irrationality. It is one thing to consider for example that capitalism can now contain economic fluctuations within narrow limits and that these fluctuations have now lost much of their previous importance. It is something quite different to believe that capitalism has become capable of ensuring a social development without conflicts and breakdowns, a development which is coherent even from its own point of view.

A coherent functioning of society presented no major problem in preceding periods of history. It has now become an immense task to be assured by ad hoc institutions and activities. The continuous changes in techniques, the repeated overturn of all economic and social relations, the need to coordinate sectors of activity previously unrelated, the increasing interdependence of peoples, industries and events, mean that new problems constantly present themselves. Hitherto applied solutions rapidly become valueless. The ruling class is compelled to organize a coherent social response to all this, for neither 'natural laws' nor the spontaneous reactions of people can solve these problems. But for reasons we have already given and which derive from its own position in society and from its own alienation as an exploiting class, there is no guarantee that the rulers of today will be able to respond in a rational manner. The ruling class is incapable of doing so half the time. Whenever this happens a crisis - in the real meaning of the term - occurs.

Each particular crisis may appear to be an 'accident'. But in contemporary society the existence of such accidents and their periodic recurrence (although not their regular repetition) are absolutely inevitable. The crisis may be a recession more prolonged than normal. It may be an episode of a colonial war. It may be the American Negroes refusing to submit any longer to racial discrimination. It may be a major scandal shattering this or that hallowed institution. It may be that the Belgian coalmines are discovered, from one day to the next, to be no longer profitable, and that the rulers of the country simply decide to wipe out the Borinage, with its hundreds of thousands of inhabitants, from the economic map. It may be that Belgium's government, in order to rationalize its finances, provokes a general strike of a million workers which lasts a month. It may be that in East Germany, Poland or Hungary - at a moment when class antagonisms are reaching their height, and when the cracks in the edifice of power are becoming visible to all - the bureaucracy can do nothing better than light the fuses by acts of provocation.

Not only is the capitalist system not immune from such 'accidents' - it inevitably tends to produce them. At moments such as these the profound irrationality and oppressiveness of the system explodes. The social fabric is torn. The problem of the total reorganization of society is objectively posed. If at the same time the need for such a reorganization is explicitly present in the consciousness of the working masses, their intervention can transform this 'accident' into a social revolution. It is only in this way that revolutions have ever occurred in history (either in the history of capitalism or in the history of preceding societies). In this manner, and not at the moment where an imaginary 'dynamic of objective contradictions' reaches a paroxysm or critical point.

Capitalism, private or bureaucratic, will inevitably continue to produce crises, even if their periodicity cannot be predicted. One need only look at the swamp in which the 'leaders' of contemporary society thrash around. Whether their names be Macmillan, de Gaulle, Kennedy or Khrushchev, their impotence and the sheer stupidity of their responses, whenever confronted by really big issues, are there for all to see. One need only recall the crises and tensions of which the last fifteen years have been as full (or fuller) than any previous period of history to be convinced that the edifice of exploiting society is as fragile and shaky as ever.

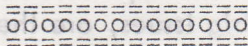
But this alone is an insufficient basis for a revolutionary perspective. In France, on several occasions during the last two decades, power literally 'lay in the streets'. But there was no one in the streets to pick it up. In the streets there were only drivers, desperately trying to get out of traffic jams. In 1945, German capitalism had collapsed absolutely. A few years later it had become the most flourishing specimen of the 'free world'.

A crisis of society is by its essence a brief period of transition. If the masses do not intervene during the phase of dislocation of the established social order, if they do not find in themselves the necessary strength and consciousness to institute new forms of social organization, then the old ruling classes (or other social formations) will revive or emerge

to impose their orientation on society. Society cannot tolerate a vacuum. In the absence of mass action leading to a revolutionary solution, life will begin anew on the old basis, more or less amended according to circumstances and to the needs of the exploiters. The evolution of Poland since 1956 offers a full illustration of this process. 80

This is what Lenin meant when he said : 'A revolution takes place when those above can no longer cope, and those below will no longer tolerate'. But the experience of defeated revolutions during the past forty years shows that, for a socialist revolution, these conditions are insufficient. Another must be added : 'when those below will no longer tolerate, but also know, more or less, what it is that they want'. It is not enough that the system of exploitation be in crisis and the people in revolt. A conscious intervention of the masses is necessary. Their capacity to define socialist objectives and to organize to achieve them are also essential. Numerous examples have shown this, the most recent being the Belgian General Strike of 1961.

In speaking of socialist consciousness, we do not mean a theoretical consciousness, a clear and precise system of ideas existing before practice. The consciousness of the working masses has never developed in this way. It has developed in and through action. But this eminently practical consciousness does not emerge out of nothing. Its premisses must have existed during the preceding period. The problem we must now ask ourselves is the following one : does modern capitalism continue to provide conditions for the growth of a socialist consciousness in the working class ?



80 See the articles by C. Lefort : 'Retour de Pologne', and by P. Chaulieu : 'La Voie Polonaise de la Bureaucratization' in 'Socialisme ou Barbarie', issue 21.

PART III

THE FUTURE

'Socialism is not a backyard of leisure attached to the industrial prison. It is not transistors for the prisoners. It is the destruction of the industrial prison itself'.

**From 'Socialism or Barbarism',
Solidarity Pamphlet No. 11.**

16. THE PRESENT STAGE OF THE CLASS STRUGGLE

There is only one way to answer this question. It is to examine the actions of workers in countries of modern capitalism and to analyse the pattern of the class struggle under such conditions. What such a study reveals is the extreme contrast between the behaviour of the working class in production and its attitude outside of production, in relation to politics and to society in general.

Take a country like Britain for instance. There has been fairly full employment since the war. Real wages have increased, on average, by just over 2% per annum. Social benefits are greater than in France. Over four million units of housing have been built in fifteen years. However, to the despair of British employers and to the bewilderment of industrial sociologists and psychologists, working class struggles have lost none of their intensity. On the contrary. The following paragraphs, based on the experience of our British comrades, describe some of the features of these struggles.

1. ORGANIZATION. Occasional strikes are 'official', i.e. are undertaken on the decision of (or with the agreement of) union leaders. Even here the initiative often belongs to the workers and to their shop stewards, who decide to withdraw their labour and then seek the ratification of the union, usually first at local level. Strikes really organized by the top union bureaucracies - the great battles involving a whole corporation - are rather rare. They are often in the nature of 'token' protests and may be one day affairs.

More frequent by far are the 'unofficial' actions, strikes which do not receive the approval of the union leadership and are often waged against its formal opposition. These 'unofficial' strikes are not unorganized, far from it. A big role in their organization - as in the whole life of the worker in the factory - is played by the shop stewards. 'Unofficial' strikes, and nearly all those official ones which are limited to a single factory, are usually decided by general assemblies of the workers concerned. They are not ended unless a general meeting of strikers decides so by vote.

The shop stewards are not, as in France and other countries, the instruments of the union bureaucracy or its hostages. They are frequently authentic representatives of the workers, elected from the shop floor, and revocable at any time. Their organization varies from industry to industry. Although compulsorily members of the union, the shop stewards do not necessarily accept its directives, and when it comes to disputes in fact often oppose the decisions of the union bureaucracy. The relation of forces is such that although the

union bureaucracy often complains of the actions of its stewards, it rarely dares punish them. Instances are very rare where a union has refused to issue credentials guaranteeing his status to a shop steward elected by the workers.

Shop stewards committees in the big factories are organized independently of the unions (and for a good reason, for in Britain there are still many craft unions and only a few industrial unions). The workers of a big factory may easily belong to thirty different unions. This peculiarity has undoubtedly favoured a certain independence of the shop stewards in relation to the union bureaucracies.

There are often regular meetings of the stewards at each factory, sometimes weekly. Shop stewards committees have their own activities and resources, coming from workers' contributions, lotteries, etc. In some industries (such as engineering) there are regular meetings of shop stewards of all the factories in a given district. A national shop stewards organization for a whole industry exists in certain industries (such as the power industry).

2. DEMANDS. It can be shown statistically that strictly economic demands account for a decreasing proportion of strikes. The demands which more and more frequently provoke disputes concern conditions of production in the most general sense : tea-breaks, speed-ups, time and motion study, the effects of changes of machines and of methods of production, etc. Questions of hiring and firing often provoke disputes. Workers may come out in solidarity with other workers in struggle.

3. ATTITUDE OF THE WORKERS AND SOLIDARITY. There is rarely a strike without a picket line. When one category of workers in a factory is on strike, other categories, occasionally even the whole factory, may come out to support them or will support them financially. The products which leave a strike-bound factory or materials destined for such a factory, are often declared 'black'. This is tantamount to a prohibition for workers in other factories or for transport workers to handle them. There are often solidarity collections in other factories in the area.

4. GENERAL ATMOSPHERE. It is impossible to convey, in a schematic summary, the full impression derived from these accounts. Solidarity amongst workers may be widespread. Scarcely a week passes without some dispute or other being reported. A virtually permanent challenge to the power of management and foremen is born of a thousand events in the daily life of the factory.

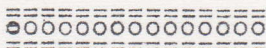
These features appear most clearly in certain important industrial sectors (motor car and engineering industry generally, shipyards, docks, transport, etc.). We are not saying that the situation is identical in this respect in every industry, in every factory and at every moment. But the features summed up above define the most developed form of the class struggle in a country of contemporary capitalism. The conclusions are supported by what is happening in the United States.

This situation does not prevent the British workers (or the Scandinavian workers, or better still, the American workers) from being completely inactive in politics. One could argue that in supporting the Labour or Social Democratic parties the British workers (like the Scandinavian ones) are voicing essentially reformist political aspirations, aspirations which coincide with the politics of these parties. But that would be a very superficial view.

One cannot consider as isolated and unrelated facts that the British worker, so 'bloody-minded' with the boss in industry, has as his sole political ambition to vote Labour once every five years or so in a General Election. The paradox becomes even more glaring when one looks at the programme of the Labour Party. Nothing in it is radically different from that of the Conservatives. On all essential questions in the past ten years the Labour Party would have acted as the Tories did. In Sweden and Norway, Social Democratic parties have been in government for sixteen years or more. But if Conservative or Liberal parties were returned to power they neither would nor could dismantle any of the reforms achieved.

What then does this electoral support imply ? These votes are partly a political reflex. In part they are votes for a 'lesser evil'. Their meaning (or lack of meaning) is demonstrated by the complete indifference shown by the population in general, and by the working class in particular, to the 'working class' political parties and to their activity, even at election time. People may occasionally take the trouble to put a ballot in a box. But they can hardly be bothered to go to meetings, still less actively to participate in an electoral campaign.

The political attitudes of modern workers are more readily understood when one realizes that there is nothing fundamentally unacceptable to capitalism in the Labour programme (or in the power held by the Scandinavian Social Democrats), and that contemporary reformism is but another way of managing capitalism - and finally of preserving it. Today the working class no longer expresses itself as a class on the political plane. It no longer affirms a will to transform society in a direction of its own. At this level, it acts as just another pressure group.



Modern capitalism not only intensifies this struggle in industry but gives it a deeper content. First, the evolution of technique and of the organization of production raise ever more sharply the problem of the effective participation of man in his labour. Second, as some of the problems which formerly haunted workers lose their central importance, as the blacklist of hunger and unemployment becomes less easy to read, the question of

17. THE CRISIS OF SOCIALIZATION

This disappearance of political activity, and more generally this 'privatization', are not peculiar to the working class. 'Privatization' is a general phenomenon which expresses the deep crisis of contemporary society. One can see it in all groups of people. It is the other side of the bureaucratic coin. It expresses the agony of social and political institutions, which having rejected the people are now rejected by them. It reflects the impotence of men in the face of the enormous social machinery they have created and which they can now neither understand nor control. It is the radical condemnation of this machinery.

In production there is an increasing interdependency in the activities of workers, but the bureaucratic organization of labour treats each worker as a unit, separate from the others. Similarly, on the scale of society we see today, pushed to the limit, the contrast between the total socialization of individuals, their extreme dependence on one another in relation to national and world society, and the atomization of their private lives, the impossibility of integrating individuals beyond the narrow circle of the family, which itself tends to break up more and more.

The difference, and it is an enormous one, is that in production the worker constantly tries to find a positive way out of this contradiction. The workers fight both the 'external' organization of labour and the atomization it forces upon them. They create informal groups of work and struggle. Battered, heterogeneous, inadequate, repeatedly destroyed and recreated though it may be, the community of workers in a shop or factory always exists as a tendency. It shows that capitalism has not succeeded in destroying either class action or the positive socialization of individuals at the point of production.

At the point of production class action is constantly regenerated by the very structure of modern capitalism. Both to protect himself in production - and to succeed in producing anything at all - the worker is compelled to oppose the externally determined organization of his work. The resulting struggle enhances the socialization of workers, which in turn further reinforces the struggle. And all this occurs despite every effort of capitalism to stem the process through hierarchy, personnel selection, discrimination, periodic break-up of work groups, etc.

Modern capitalism not only intensifies this struggle in industry but gives it a deeper content. First, the evolution of technique and of the organization of production raise ever more sharply the problem of the effective participation of man in his labour. Second, as some of the problems which formerly haunted workers lose their central importance, as the blackmail of hunger and unemployment become less easy to resort to, the question of

man's fate in production gradually assumes increasing significance. When one is hungry and there are thousands at the gate, one will accept any work and almost any regime in the factory. Now it is no longer the same.

As we can see from British and American experience, the struggle of workers now ceases to be a purely economic one. It now also aims at lessening the alienation of the worker as producer, his servitude to management, his dependence on the fluctuations of the labour market. Whatever may be the explicit consciousness of these workers, their actual behaviour (whether in the factory or in the course of unofficial disputes) implicitly raises the question: 'who is master of the enterprise?'. It thereby also raises, even if only in a fragmentary form, the whole problem of the management of production.

In production the workers have a certain cohesion and unity. With their shop stewards, they create forms of organization incarnating proletarian democracy and efficiency. But nothing similar exists at the level of society as a whole. The crisis of capitalism has reached the stage where it has become a crisis of socialization as such, a crisis which affects other social groups as well as the proletariat. Collective activities, whatever they may be, collapse. They become devoid of content. Or they merely subsist as bureaucratic carcasses. This is not only true of political activities or of others which aim at a precise end. It is also true of disinterested activities.

For instance popular festivals - a creation of humanity from time immemorial - tend to disappear from modern society as a social phenomenon. They now only survive as spectacle, as a conglomeration of individuals no longer communicating positively with one another, but merely coexisting through their juxtaposed, anonymous and passive relations. In such events only one group is active nowadays: its function to make the event 'live' for the others, who are just onlookers. The show (a performance by an individual or group of individuals in front of an impersonal and temporary public) becomes the model of contemporary socialization. Everyone is passive in relation to everyone else. Other people are not perceived as possible subjects for exchange, communication and cooperation, but only as inert objects, limiting one's own movements. It was no accident that witnesses of the great Belgian strike of January 1961 were so struck by the appearance of festival the country and people then presented, despite their need and the bitterness of their struggle. Immense material difficulties were overcome in the re-creation of a real community; everyone existed through and for the others. Today it is only the eruptions of the class struggle that can resurrect what has died in established society: a common passion of men which becomes a source of action and not of passivity, emotions which don't send men into stupor or isolation but into a community of action, aiming at transforming what is.⁸¹

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In all this we are not speaking of socialization as a formal concept but constantly refer to its content. A film show and a session of a workers' council both represent types of socialization. The sociologist who cannot see the absolute opposition of these two kinds of social integration, or the difference of their effects on the dynamic of society, only reveals the emptiness and inanity of a formalist approach.

The disappearance of political activity is at one and the same time the result and the condition of the evolution of capitalism. The workers' movement, in transforming capitalism, was transformed by it. Working class organizations have been integrated into established society and have assimilated much of its substance. Their objectives, their methods, their patterns of organization, their relations with the workers are to an increasing degree modelled on capitalist prototypes. All this determines, in a constantly renewed manner, the retreat of workers from political activity.

The bureaucratization of 'their' organizations drives the workers away from collective action. This begins as an acceptance by the workers of a stable body of leaders and as a permanent delegation of power to them. It ends with the constitution of bureaucratic strata in political parties and in the trade unions. These strata 'manage' these organizations much as the capitalists manage their factories or their state. This 'leadership' is rapidly driven into the same kind of dilemma as confronts the capitalists: how at one and the same time to achieve the participation and the exclusion of those it 'represents'. This is an insoluble dilemma. In politics it leads to effects far more devastating than in production. In order to live one must eat - but one need not necessarily be interested in politics. This explains why the withdrawal of workers may be less marked in relation to the trade unions than in relation to political parties. Trade unions still appear to have some relation to daily bread.

The ideological degeneration of the 'left' contributes its share to this process of political 'apathy'. There is no longer any revolutionary ideology. There is no longer even a working class ideology present on the scale of society (i.e. not just cultivated in a few sects). What the big working class organizations propose (when they propose anything at all, other than electoral or parliamentary manoeuvres) doesn't differ essentially from what capitalism itself proposes, partly achieves, and in any case tolerates - namely, an increase of a particular type of material consumption and of a particular type of leisure, hierarchy, promotion according to 'merit', and the elimination of the more glaring external irrationalities of its system.

The working class movement had begun in a very different manner. It had started as project and promise of a radical transformation in the relations between men. It spoke of equality, of reciprocal recognition, of the suppression of leaders, of real liberty. All this has now disappeared, even as demagogy. The 'working class organizations' now claim that their power would increase production and consumption more rapidly, would further reduce the working day, would extend the present type of education more widely - in other words would achieve capitalist objectives more quickly and better than capitalism itself. Russian Sputniks are bigger and go further than American Sputniks. Russian production is increasing more rapidly than American production. Therefore Russian society must be superior to that in the West. And there you are!

We are not implying that workers keep in their minds a pure and undefiled vision of socialist society, compare it with the programme of the traditional organizations and then decide they will no longer support these parties. To a great degree, capitalist

objectives have penetrated the working class anew. But - and this is the real point - the achievement of these objectives does not require the activity or the participation of the workers. The traditional organizations do not demand a type of commitment or a type of activity really different from what a bourgeois party demands. Electoral support is all they ask for. Is it therefore so strange that the only type of interest they can now arouse is that leading to electoral support ? 82

Two processes therefore converge in determining the political apathy of the masses. Alienated and oppressed in production as it always has been (or rather more than it ever has been before) the working class struggles against its condition. It challenges the capitalist management of the factory. But it does not succeed in extending this struggle to the scale of society as a whole because it no longer meets any organization, any idea, any perspective which distinguishes itself from capitalist infamy. It encounters no movement symbolizing the hope of new relations between men. Private compensations and solutions are then sought. As they turn to these solutions, workers encounter a capitalism which lends itself more and more to compensations of precisely this kind. It is no accident that in the collapse of values the only one to survive is the private value par excellence : consumption. 83 Capitalism exploits it frenetically. Thus, with relative security of employment, a rising standard of living, the illusion - or the slim chance - of promotion, the workers do as others do. They seek to give a meaning to their lives through consumption and through leisure.

82 This is still more true, although in a different way, for Communist sympathizers. For them it is a question of Russia 'catching up with and overtaking the United States'. This objective does not require their own action or participation. Its fulfilment takes place through the carrying out of the various 5 or 20-year plans. The final victory of socialism does not depend on what they do. It depends on the quantity and quality of Russian missiles. The emancipation of the proletariat becomes the task of the Russian ballistic experts.

83 Nothing can, of course, be consumed that does not come from society, that does not presuppose social activity to be acquired or to be produced, that does not raise implicitly the problems of society. The T.V. spectator, isolated in his home, is thrust into contact with the whole world as soon as he switches on. The motorist, immobilized in a traffic jam, is literally drowned in an ocean of individuals and social objects. But he has no positive relations with these individuals or with these objects.

18. THE REAL CONDITIONS FOR A SOCIALIST REVOLUTION

We have described what is happening in modern capitalist countries. Two questions must now be answered. Does all this invalidate a revolutionary perspective? Or does modern capitalism continue to produce the conditions of a socialist revolution?

The modern revolutionary movement is not a movement of moral reform. It does not address itself to the soul of eternal man, calling upon him to bring about a better world. Since Marx - and in this respect every revolutionary worthy of the name remains a marxist - it has been a movement based on an analysis of history and of society, which shows that in capitalist society, the struggle of a particular class of men (the working class) could only reach its objective by abolishing capitalism (and with it class society) and by bringing into being a new type of society which would put an end to the exploitation and alienation of men.⁸⁴ The question of socialism could only really be raised in capitalist society. It could only really be solved in terms of developments which take place in that society. But this correct and essential idea of marxism was very soon obscured by, then flooded under, a whole mythology of 'objective conditions of the socialist revolution'. This mythology must be exposed.

The 'maturing of the objective conditions of socialism' was seen, by traditional marxists, as meaning 'a sufficient degree of development of the forces of production'. It was thought that a society could never disappear until it has exhausted all its possibilities of economic expansion; moreover the 'development of the productive forces' would increase the 'objective contradictions' of capitalist economy. It would produce crises - and these would bring about temporary or permanent collapses of the whole system.

We must radically discard considerations of this kind and the whole method of thinking which leads to them. There is no level of production beneath which the socialist revolution is condemned to fail and above which it is assured of success. However high the 'level of the productive forces' this will never guarantee that the revolution will not degenerate if the essential factor is missing, namely the permanent and total activity of the vast majority of the population aimed at transforming social life. Who would be foolish enough to assert that the socialist revolution is today three times 'riper' in the United States than in Western Europe just because production per head is three times higher there?

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It is not a question of transcending history and the human condition, of suppressing 'all conflict and all sorrow', but of abolishing those specific forms of servitude of man to man (or of man to his own creations) which are called exploitation, hierarchy, the absurdity of work, the inertia and opacity of institutions.

True, one cannot build socialism on poverty. But it must also be understood that a society based on exploitation will never create an abundance sufficient to abolish or even attenuate antagonisms between individuals and social groups. The same mechanistic mentality which holds that unalterable economic laws rigidly define the level of consumption for the workers under capitalism, also thinks in terms of a definable saturation of human needs. It believes that the war of all against all will lessen as one approaches this level.⁸⁵ But as we have seen the evolution of modern capitalism creates precisely these 'needs'. Antagonisms centred on the frenetic quest for material goods are incomparably greater in a modern society than they are in a primitive African village. What might allow the proletariat to give a socialist solution to this problem is not the existence of a greater or lesser abundance of material goods. It is a different attitude towards the problem of consumption. Throughout history this different attitude has repeatedly emerged whenever the proletariat went into action to transform society.⁸⁶ It is only one aspect of the break which then occurs with the previous order of things.

We must also discard the idea that the 'maturing of the conditions of socialism' consists in an 'increase' or an 'intensification' of the 'objective contradictions of capitalism' (i.e. of contradictions independent of class action and infallibly determining such action). We have shown earlier that all economic dynamics based on 'objective contradictions' were imaginary. Such considerations are moreover quite unnecessary for a revolutionary perspective. Ridiculous expressions such as 'constantly growing contradictions' or 'ever more profound crises' should be relegated to the library of Stalinist and Trotskyist incantations.

Contradictions cannot be 'constantly growing'. They are not vegetable marrows. And it is difficult to imagine more profound crises than those which affected the United States and Europe in 1933, or Germany and continental Europe in 1945. The dislocation of established society was then total. What would a future 'more profound crisis' consist of? A return to cannibalism?

The question is not of knowing whether 'ever more profound' crises will occur in the future. Crises as profound as possible have taken place and will continue to take place as long as capitalism lasts. The real question is whether the key factor, namely the conscious intervention of the working class, will now appear. In the past, the absence of this

85. Trotsky said that in rich families there are no disputes over jam. A fallacious metaphor. In rich families there are disputes - and even murders - over other kinds of jam (in fact rather more so than in poor families). All Trotsky's reasoning in this field was influenced beyond measure - although quite understandably - by the experience of poverty and famine in Russia, in the years following the revolution. This experience is not at all typical of contemporary society.

86. We are not saying that socialism is an affair of internal conversion. We are only stating that the attitudes of men, when confronted with 'needs' and the division of goods, are cultural, historical and social facts.

factor prevented a revolutionary solution to these crises. And if this new factor will now appear, how, why and where will it do so? There is therefore only one condition of socialism. It is neither 'objective' nor 'subjective'. It is historical. It is the existence of the proletariat as a class which in the course of its struggle becomes the bearer of a socialist will and socialist objectives.

We don't mean by this that capitalism remains the same in relation to the revolutionary possibilities inherent in it. We are not saying that its objective evolution is of little importance because the system will, in any case, continue to produce crises. Nor are we saying that today, as in 1871, the question remains the same: will the working class be capable of intervening and of consummating its will? This non-historical view, this analysis of revolutionary essences, is quite alien to our approach and this for several reasons.

The first and most important reason is that there is no socialist revolution without a proletariat, and that the proletariat is itself a production of capitalist development. In proletarianizing society capitalism spreads, in a quantitative sense, the basis of the socialist revolution. It eventually converts the majority of human beings into a mass of exploited and alienated wage-earners. But it does more than this. The way the system of exploitation is experienced and criticized by a modern worker - even if he be an office worker, and even if he enjoys a rising standard of living - is radically different from the way the system was experienced and criticized by impoverished peasants. Early capitalism often condemned the poor peasant to die of hunger; this did not drive the peasant any nearer to socialism. But when the wage earner in a big modern factory experiences exploitation and oppression he can only conclude that what is needed is a total reorganization of production and of society, a reorganization in which he would dominate both. Between the poor peasant and socialism there was an infinity of false solutions; between the modern wage earner and socialism, none. 37

In Russia, in 1917, the peasantry was an immense battering ram, whose weight permitted the working class to overthrow Tsarism. But this very weight later encumbered the course of the revolution. There is no common standard in this respect between the Russia of 1917 and the America, Europe or even Russia of today. The development of capitalism has created a majority of wage-earners in these countries. When they break out of their inactivity, only socialist solutions will appear possible. The proletariat alone is a revolutionary class, because for it alone is posed, in its daily existence, the central problem of socialism: the fate of man in production.

The question is finally different today because capitalist concentration itself now provides the framework for a total reorganization of society. The evolution of capitalism drives people more and more to the key problems of this reorganization. Both at work and in their everyday life, people are now beginning to see that the key problems are those of the suppression of alienation and of the division of people into order-givers and order-takers.

87 Outside of individual solutions, which are not solutions for the class.

The more the bureaucratic organization of capitalism spreads throughout society, the more all social conflicts tend to model themselves on the conflict in production - precisely because the whole of society tends to be transformed into an integrated bureaucratic concern. People's experience of modern society is a unifying factor. The same pattern of conflict is lived by everyone, everywhere, as their daily destiny. The very development of capitalism destroys the 'objective' foundations of a ruling class, both technically (the planning bureaucracy could very soon be replaced by electronic computers) and socially (by demonstrating to the ruled the uselessness of their rulers). Capitalism creates the need for a rational management of society, a need it then constantly counters in its actions. In this way capitalism provides more and more of the elements of a socialist solution.

But none of these factors has positive meaning by itself, i.e. independently of the actions of men. All these factors are contradictory or ambivalent. Proletarianization is accompanied by hierarchy.⁸⁸ Modern technical know-how, which could provide immense resources to a revolutionary power, in the meantime provides our rulers with opportunities for violence and subtle control over society surpassing anything imagined hitherto. The diffusion of technical knowledge goes hand in hand with a frightening 'neo-illiteracy'. Increasing consumption appeared, for a whole period, a possible solution to the exploited. The crisis in values has made capitalist society almost unmanageable. But in this crisis, the values, ideas and organizations of the proletariat have themselves been corrupted. In brief : revolution took place in Russia in 1917 - but no revolutions have taken place in any advanced countries since. Revolutionaries do not possess a capital in the Bank of History which accumulates at compound interest.

If there is then a maturing of the conditions for socialism, it can never be a maturing of 'objective conditions'. These have no meaning in themselves. This maturation can only be a progression of another nature, which one perceives when one looks at the succession of proletarian revolutions historically. It is the upward line which connects the high points of proletarian action : 1848, 1871, 1917, 1956. The vague demands of the Paris workers of 1848 for economic and social justice became, by 1917, the expropriation of the capitalist class. This correct but negative objective was clarified through subsequent experience. In the Hungarian Revolution of 1956, it was replaced by the positive demand that the producers dominate production (i.e. workers' management). The form of proletarian power was likewise made more precise : from the Commune of 1871 to the Soviets of 1917 - and from these to the network of factory councils that spread throughout Hungary in 1956.

There is therefore a development, often interrupted and contradictory, but nevertheless essentially positive. This process is not 'objective' : it is merely the development of the incarnate meaning of workers' actions. But neither is the process simply a 'subjective' one (i.e. simply the development and education of workers through the incidents

88

Proletarianization does not mean, as Marx believed, that a small handful of super-capitalists would one day find themselves isolated in an ocean of proletarians.

of their own activity). No experience leaves a sediment in the working class, in a real sense. There is no 'proletarian memory' because there is no such thing as a 'proletarian consciousness' except in a metaphorical sense.⁸⁹ In the periods between two revolutionary upheavals, one could search in vain, even among individual workers, for a clear memory of previous events, for a conscious elaboration of ideas, for a new definition of objectives and methods. One will generally find only confusion, apathy, and often the resurgence of reactionary ideas.

How then does this progression occur? In part, admittedly, through a kind of apprenticeship, through the conscious experience of certain elements - the revolutionaries - whose role we are not seeking to minimize. This experience of an advanced minority tends to act as a catalyst, at the beginning of each new phase of working class advance.⁹⁰ It can have little lasting effect, however, if at the same time large sections of the working class have not become more ready to accept the new conclusions, if they have not prepared themselves for a new and higher phase of activity.

What does this 'preparation' mean? In the intervening period, both as a result of its previous revolutionary struggle and of its daily activity, the working class has transformed society, and thereby also the terms of the problem. At each moment proletarian experience is derived from contemporary reality and not from the lessons of the past. But present reality contains within it the results of past actions. It is itself the result of preceding stages of the class struggle. The reality to be transformed always consists of the partially achieved objectives of previous struggles and of those which in the process of being achieved have changed their meaning; of the victories and defeats, of the truths and errors of yesterday. In transforming social reality through its incessant action the working class at the same time transforms the conditions of its later consciousness. It so to speak compels itself to carry its own struggle to a higher level at the next stage.

⁸⁹ The theory that workers are 'educated' through the failure of bureaucratic leadership (an idea behind many of Trotsky's writings in the 1930's) has only limited validity. It is only true within short, revolutionary phases of history. It was true for instance that there was an 'education' of the masses of Petrograd between February and October 1917 - or at least an education of a substantial number of workers. This does not apply over longer periods. Many French workers who lived through the events of 1936 are still alive. But how many of them today draw the same lesson from that experience as would a revolutionary organization? If one considers as experiences only explicit and personal experiences, one must conclude that the main result of unsuccessful struggles is demoralization.

⁹⁰ But in the beginning only. For nearly always this 'vanguard', which has drawn certain conclusions from the preceding period, now has great difficulty in going beyond them. What was its strength is now its weakness. The activity of the masses, if the revolution continues, tends rapidly to leave the revolutionaries behind.

There is no magic in this intrinsic dialectic of the class struggle. It does not reveal a pre-established harmony. It does not prove that communism has been assigned by a revolutionary providence as the objective of human history. It only means that, as long as the solutions which the working class seeks to its problems are false, partial or insufficient, the problem remains. And all new attempts to solve the problem must mean a struggle against the old solutions and what they have become in practice.

Let us give a few examples. The working class may seek to improve its conditions through reformism. If it then begins to struggle again: (once reformist objectives have been fulfilled, as in contemporary society) it can only be to go beyond reformism, since reformism has now become an integral part of the reality to be superseded. Or the workers may try to emancipate themselves by giving power to 'their' Party, that is in the final analysis to a bureaucracy. The very achievement of this objective will drive the workers to surpass and fight it (as they did in Hungary in 1956) for they will come to see in the power of the bureaucracy another form of exploitation.

As long as society remains based on exploitation the constant conflict between the social objective (the liberation of man) and the transient formations through which the workers thought they could achieve their end will drive history forward. The maturing of the conditions of socialism is thus the accumulation of the objective conditions of an adequate consciousness. This accumulation is itself the product of the actions of the working class. The process is historic. The subjective is only of importance inasmuch as it modifies what is objective. And what is objective only acquires the meaning which the actions of the subjective confer to it in a given context and connection. 91

91 One can see in this process an elimination of false solutions, provided one understands that it is not a question of mental elimination, but of an elimination in real life. The process is not an arbitrary one, where out of an infinity of false solutions, first one, then another, then yet another are chosen at random and eliminated in practice. The attempted solutions are connected with one another. They are attempts at solving the same problem, in the same historical context. They are also connected subjectively : it is the same class which is seeking to solve them. Finally there is no infinity of false solutions. Everything is not possible. Modern society draws a frame around the problem. Finally there is a true solution. It is this last conviction which separates the conscious revolutionary from the philosopher of history.

19. THE REVOLUTIONARY PERSPECTIVE TODAY

Does this maturing of the conditions of socialism, does this dialectical progression continue today? Let us summarize our views by looking at three main areas:

1. Production and workers' management.
2. Bureaucracy and politics.
3. Values and the standard of living.

1) Contemporary capitalism compels the workers to experience as immediate and daily problems the questions which are at the kernel of socialism: the role of man in production, the relation between men at work, the organization of the labour process and - in the final analysis - the whole question of the management of production and of the purpose of work.

We have described the increasing importance - in Britain - of struggles about conditions of life in the factory. To varying degrees the same applies on the other side of the Iron Curtain. The demands put forward by the Hungarian Workers' Councils in 1956 (workers' management of production and the suppression of the norms) show that this is no mere theoretical deduction. The process was conditioned in Hungary by the coming to power of the bureaucracy, in Britain and the United States by the partial satisfaction of some of the more narrowly economic demands of the working class.

2) It has been one of our contentions since 1948⁹² that the coming to power of the bureaucracy in Eastern Europe and elsewhere would lead to an experience of this bureaucracy which would sooner or later drive the workers to revolutionary conclusions.

In the East, the working class has directly experienced the bureaucracy as an exploiting class. In the West, where working class organizations are not as yet totally integrated and identified with the system of exploitation, the workers experience the bureaucracy as 'their' political and trade union leaderships. As a result, the workers tend to withdraw from politics. There are further aspects to this experience. 'Privatization' certainly reflects an experience of bureaucratic politics, but this experience no longer merely relates to this or that aspect of the contents of the politics. It is the form

the fact, the very idea of traditional politics which is questioned. When workers who had experienced reformism went over to the Third International (or when others who had experienced Stalinism went over to Trotskyism) they were criticizing and going beyond certain policies, seeking to replace them with others. But the working class today rejects political activity as such, regardless of its content.

This is a complex phenomenon. It is undoubtedly a partial retreat, a temporary incapacity to confront the problem of society. But it is something more. The rejection of politics as they exist today is, in a certain sense, the rejection 'en bloc' of present society. The content of all programmes is rejected, because all (whether conservative, reformist or communist) only represent variations on the same theme. What is also rejected is the type of activity represented by the politics of the traditional organizations. At best these are seen as the activities of 'specialists', cut off from the preoccupations of ordinary people. At worst they are seen as a tissue of lies and manipulation, as a grotesque farce with often tragic consequences.

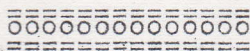
The present lack of interest in politics is both indifference and criticism. It is criticism of the separation of politics from life, of the artificial existence of parties and of the motives of politicians. It is directed against the uselessness of contemporary politics and their transformation into a specialized technique or profession. It thus raises implicitly a new requirement: that political activity should be about what really matters in life, that new methods of action should be sought and that new relations between men should find expression in their political organization.

3) We have already discussed the forces which have led to an increase in living standards and described consumption as a temporary, private solution. It is a compensation for a working class which, for the time being, can neither see nor impose a social solution to its real problems. But this increase of living standards carries within itself the seeds of its own transcendence, a transcendence which will raise anew the whole question of values and of the meaning of human life.

The rise of living standards need have no limits. It becomes an endless race after 'more' and 'newer' things. There is always another 'more' beyond the last one. The cult of 'the new' must sooner or later become outdated, according to its own premises. Moreover, the expansion of capitalist consumption creates enormous problems - at both the individual and the social level. Workers fall asleep in front of their T.V. sets, exhausted by the overtime worked to buy them. People are rehoused in the suburbs ... and now spend hours each day, in crowded undergrounds, travelling to and from work. More and more people now have cars ... and now spend big parts of their weekends in traffic jams. Examples could be multiplied.

One cannot predict when or how this phase will come to an end.⁹³ What is certain is that the continuous expansion of this type of consumption now makes possible a criticism and a demystification which, when they get going, will question the whole purpose of human life under capitalism. Is the sole object of our existence to acquire, at the cost of increasingly absurd labour, an increasing number of gadgets, more and more perfected, and more and more useless? Is it to spend every week waiting for Sunday and haunted by the idea of the week to follow? In the long run consumption in itself begins to appear rather empty. The internal contradictions of capitalist consumption and of capitalist leisure will sooner or later send people to the real problems: why production? why work? what kind of production? what kind of work? what type of relations between men? And what kind of orientation for society as a whole?

Contemporary capitalism faces the working class with the problem of workers' management. It raises the question of the fate of man in production. Through its accession to power the bureaucracy indicts itself as an enemy of the working class, as a social force relentlessly to be fought. The manipulation of consumers will reach its limits. When the proletariat resumes its struggles, it will be on the basis of a profound awareness of these facts. The working class will then be infinitely closer to the real objectives and methods of socialism than at any other period in its history.



⁹³ Since 1955, in the United States, consumption no longer provides a sufficient stimulus to economic expansion. There is a relative saturation of the demand for durable goods, which was the great driving force towards expansion in the preceding phase. This shows that there are limits, even at present, to the indefinite increase of material consumption and to the manipulation of consumers, even by using the most perfected techniques available. But it would be premature and dangerous to draw definite conclusions.

20. FOR A MODERN REVOLUTIONARY MOVEMENT

We must now draw certain practical conclusions from the preceding analysis. ⁹⁴
For those who have understood our argument these conclusions should need no special
justification.

1) As an organized movement, the revolutionary movement must be rebuilt from rock bottom. This reconstruction will find a solid basis in the development of working class experience. But it presupposes a radical break with all present organizations, their ideology, their mentality, their methods of action. Everything which has existed and exists in the working class movement (ideology, parties, unions, etc.) is irrevocably and irretrievably finished, rotten, integrated into exploiting society. There can be no miraculous solution. Everything must be built anew, at the cost of a long and patient labour. But this reconstruction will not take place in a vacuum. It will start from the immense experience of a century of working class struggles and with the working class closer today to real solutions than it has ever been before.

2) The confusion about the socialist programme created by the degenerated workers' organizations (whether reformist, Stalinist or Trotskyist) must be radically exposed. The idea that socialism is synonymous with the nationalization of the means of production plus planning - and that its essential aim is merely an increase of production and consumption - must be pitilessly denounced. The identity of these views with the fundamental objectives of capitalism itself must constantly be shown.

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By this we do not mean that we should outline a finished programme and indulge in some kind of revolutionary auction with other organizations. Those of our readers who have really grasped our ideas should find no difficulty in differentiating meaningful political and social action from the sterile political posturings of the traditional organizations. Meaningful action is whatever increases the confidence, the autonomy, the initiative, the participation, the solidarity, the equalitarian tendencies and the self-activity of the masses and whatever assists in their demystification. Sterile and harmful action is whatever reinforces the passivity of the masses, their apathy, their cynicism, their differentiation through hierarchy, their alienation, their reliance on others to do things for them and the degree to which they can therefore be manipulated by others - even by those allegedly acting on their behalf. It is whatever reinforces the long-term trends - economic or ideological - of exploiting society itself. With these two yardsticks in mind, many discussions should be simplified : what is our attitude to Russia? to the Labour Party? to the Common Market? to the American election? to the Sino-Soviet dispute? Should we support this set of trade union leaders rather than that? Do we need 'correct slogans' and 'a transitional programme'? What should be the structure of the revolutionary organization? How should it criticize the established 'Left', etc

Socialism means workers' management of production and of society. It means popular self-administration through workers' councils. This must be proclaimed and illustrated from historical experience. The real content of socialism is the restitution to men of domination over their own lives and the transformation of labour from an absurd means of bread-winning into the free and creative action of individuals and groups. It is the constitution of integrated human communities. It is the union of the culture and of the life of men.

This content of socialism should not shamefully be hidden as some abstract speculation concerning an indeterminate future. It should be put forward as the only answer to the problems which torment and stifle mankind today. The socialist programme should be presented for what it is : a programme for the humanization of work and of society. Socialism is not a backyard of leisure attached to the industrial prison. It is not transistors for the prisoners. It is the destruction of the industrial prison itself.

3) The revolutionary criticism of modern society must change its whole axis. It must denounce the inhuman and absurd character of work, in all its aspects. It must unmask the arbitrariness and monstrosity of hierarchy, both in production and in society, its total lack of justification, the enormous waste and antagonisms that it creates, the incapacity of those who rule, the contradictions and irrationality of the bureaucratic management of the factory, of the economy, of the state and of society. It must show that whatever the rise in 'living standards', the real problem of human needs is not solved even in the most 'affluent' societies; that capitalist consumption is full of contradictions and finally absurd. It must concern itself with all aspects of life. It must denounce the disintegration of communities, the dehumanization of human relations, the content and methods of capitalist education, the monstrosity of modern cities, the double oppression imposed on women and on youth.

4) The traditional organizations based themselves on the idea that economic demands were the central problem confronting workers and that capitalism would always be incapable of satisfying them. This idea no longer corresponds to contemporary reality. Revolutionary activity in the unions cannot be based on out-bidding other tendencies on economic demands, more or less supported by the unions themselves, and eventually achievable under capitalism without major difficulty. The basis of the permanent reformism of the unions and of their irreversible bureaucratic degeneration is to be found precisely in the possibility of such wage increases. Capitalism can only survive by granting wage increases. And to this end the bureaucratized and reformist unions are indispensable to it.

This does not mean that revolutionaries should leave the unions. It does not mean that they should be uninterested in economic demands. It means that neither of these points has the central importance formerly given to it.

5) The humanity of the wage earner is less and less threatened by an economic misery challenging his very physical existence. It is more and more attacked by the nature and conditions of modern work, by the oppression and alienation the worker undergoes in production. In this field there can be no lasting reform. Employers may increase wages by 3% per annum but they cannot reduce alienation by 3% per annum. In this field there can only be a constant struggle, whose immediate objectives will vary as the organization

of production is constantly revolutionized by technological change. As this is an area in which the trade unions systematically cooperate with management, it is a key task for revolutionaries to help workers organize their struggles against the conditions of work and life in the capitalist factory.

6) The relations of exploitation in contemporary society increasingly take on the form of hierarchy. The 'need' for hierarchy is defended by the workers' organizations themselves.⁹⁵ It has become the last ideological support for the whole capitalist system.

The revolutionary movement must organize a systematic struggle against the ideology of hierarchy in all its forms, including the hierarchy of wages and jobs in the factory and the hierarchy of positions in the workers' own organizations.

7) In all struggles, the way a result is obtained is just as important as what is obtained. Even in regard to immediate efficiency, actions organized and led by the workers themselves are superior to actions decided and led bureaucratically. They alone create the conditions of progress, for they alone teach the workers to run their own affairs. The first criterion guiding the activity of the revolutionary movement should be that its interventions aim not at replacing but at developing the initiative and autonomy of the workers.

8) Even when struggles in production reach a great intensity it remains difficult for workers to generalize their experience, to pass from their own experience in production to an understanding of the global problems of society. In this field the revolutionary organization has an important task to perform.

This task must not be confused with sterile agitation about incidents in the political life of the capitalist parties, or of the degenerated workers' organizations. It means showing systematically that the system always functions against the workers, that they cannot solve their problems without abolishing both capitalism and bureaucracy, and without completely reconstructing society. It means pointing out to them that there is a profound and intimate analogy between their fate as producers and their fate as men in society. Neither the one nor the other can be modified without abolishing the division of society into a class which decides and a class which merely executes. Only through long and patient work along these lines will it be possible to pose anew - and in correct terms - the problem of mobilizing workers on general questions.

9) Experience has shown that internationalism is not an automatic product of working class life. Several decades ago it was a real factor in politics, generated through the activity of workers' organizations. It has disappeared as these organizations have degenerated and lapsed into chauvinism.

The revolutionary movement must struggle to help the working class reclaim the long path it has descended for a quarter of a century. It must make international solidarity in working class struggles live again. It must especially seek to promote the solidarity of the workers of imperialist countries with the struggles of colonial peoples.

10) The revolutionary movement must cease appearing as a political movement in the traditional sense. Traditional politics are dead and for good reasons. The population abandons them because it sees them for what they are : the activities of a group of professional mystifiers, buzzing around the machinery of the state or its appendages, with a view to penetrating them and 'taking them over'. The revolutionary movement must appear as what it really is : a total movement, concerned with everything men do and undergo in society, and above all with their real daily lives.

11) The revolutionary movement must therefore cease to be an organization of specialists. It must become the place (the only place in contemporary society, outside the factory) where an increasing number of individuals learn about collective life, run their own affairs, and fulfill and develop themselves, working for a common objective in reciprocal recognition.

12) The propaganda and recruitment efforts of the revolutionary movement must take account of the transformations of capitalism, and of the generalization of its crisis. The class divisions in modern society are more and more divisions between order-givers and order-takers. The immense majority of individuals, whatever their qualifications or pay, are transformed into wage-earning 'executants', performing a broken-up labour, experiencing both alienation at work and the absurdity of society, and tending to revolt against them. In this respect office workers and those in similar occupations are less and less distinguished from manual workers; they begin to criticize and struggle against the system along the same lines. The crisis of culture and the decomposition of the values of capitalist society drive increasing numbers of intellectuals and students towards a radical criticism of the system as a whole.

The revolutionary movement alone can give a positive meaning and outlet to the revolt of these groups. In return it will receive a precious enrichment. In the conditions of exploiting society, only the revolutionary movement can be the meeting place between manual workers, white-collar workers and intellectuals, a union without which there can be no victorious revolution.

13) The break between the generations and the revolt of youth in modern society are without common measure with the conflict of generations in previous epochs. Youth today no longer opposes adults with a view to taking their place in an established and recognized system. It refuses this system. Young people no longer recognize its values. Contemporary society is losing its hold on the generations it produces. The break is particularly sharp in the field of politics.

The vast majority of 'politically active' adult workers, whatever their good faith and good will, cannot make the essential reconversion that is now needed. They repeat mechanically the lessons and phrases learnt long ago, phrases which are now devoid of content. They remain attached to ideas, concepts, forms of action and patterns of organization which have collapsed. The traditional organizations of the 'left' succeed less

and less in recruiting youth. Nothing separates these organizations, in the eyes of young people, from the moth-eaten and rotten institutions they meet on coming into the social world.

The revolutionary movement will be able to give positive meaning to the immense revolt of contemporary youth and make it the ferment of social revolution if it can express what youth is looking for and can show young people effective methods of struggle against a world they reject.

The crisis and the wearing down of the capitalist system extend today to all sectors of life. The rulers exhaust themselves trying to plug the holes in their system, without ever succeeding. In contemporary society, the richest and most powerful the world has ever known, the dissatisfaction of men and their powerlessness before their own creations are greater than ever.

Today, capitalism may succeed in 'privatizing' people, in driving them away from social problems and from collective activity. But this phase cannot last forever. Sooner or later, due to one of those 'accidents' unavoidable under the present system, the masses will enter into action anew, to modify the conditions of their existence. The outcome of this struggle will depend on the degree of consciousness, of initiative, of will, of capacity for autonomy which the workers will then show.

But the formation of this consciousness and the affirmation of this autonomy depend to an important degree on the continuous work of a revolutionary organization which has understood the experience of a century of working class struggles. It must have understood, above all, that both the objective and the means of all revolutionary activity is the development of the conscious and autonomous action of the workers. It must be capable of tracing the perspective of a new, human society for which it will be worth living and dying. It must, finally, itself embody the example of a collective activity that men both understand and dominate.

the end

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APPENDIX

The "falling rate of profit"

Marx's analysis of the capitalist economy is based on three fundamental concepts (categories) :

- C : constant capital (the produced means of production)
- V : variable capital (wages)
- S : surplus value (the excess of the net product over the wage bill - or of the gross product over the wage bill and constant capital used up in production).

We will assume that these concepts are familiar to the reader and will consider (as Marx does in Volumes II and III of 'Capital') the total capitalist economy, after 'consolidation' of inter-firm and inter-sector transactions and accounts. Under these circumstances S (total surplus value) is equal to the mass of profits; V is the mass of wages or total wage bill. The position of C is more complex, as the symbol was used by Marx to denote different categories, in different parts of 'Capital'. In Volumes II and III it refers to the value of total capital stock whereas in Volume I it denotes the depreciation of fixed capital embodied in the value of an individual product or of a firm's output, plus the value of the 'non-durable' producer's goods used up in production (raw materials, fuel, etc). It is obvious that one should be most careful, in each instance, in defining the exact sense in which one is using C, and which meaning is relevant in any particular context. This we will attempt to do, using more accurate formulations where necessary.*

* * * * *

Marx considers the relations of C, V and S and formulates three 'laws' which govern the development of these relations over a period of time;

(1) $\frac{S}{V}$ (the ratio of surplus value to variable capital or of total profits to total wage bill), Marx calls THE RATE OF EXPLOITATION. This is an unambiguous concept. Marx thought that the rate of exploitation necessarily increased with time (he speaks, of course, as we shall do too throughout these pages, about long term trends, not local

* For professional marxicologists who may be interested in the different uses of C the matter is discussed further... as an Appendix to this Appendix, and at the very end of this volume.

or short-term variations). According to Marx the rate of exploitation rises because the productivity of labour increases constantly under capitalism - an obvious fact. This means that the unit value (in terms of labour, of course, as in all this reasoning) of commodities constantly falls as time goes by. But then so does the unit value of the commodities entering the 'consumption basket' of a worker or of a working class family. In physical terms, this consumption basket is taken by Marx to remain constant over time - i.e., the real standard of living of the working class is assumed to remain stagnant. So its value falls over time - since it is the product of a constant quantity of commodities multiplied by falling unit values. In physical terms, an hour of work is paid the same amount, though its output increases with productivity. In value terms, an hour of work by definition always produces the same value, but the value of the commodities with which it is paid falls (because unit values fall with rising productivity). Workers get a constant amount of a rising total (in physical terms) or a falling amount of a constant total (in value terms). Their share therefore declines and, conversely, the remainder (the share of the capitalists) rises.

The reasoning is correct, but it stands or falls with the assumption that the real standard of living of the working class is constant over time. In marxist language this is expressed by saying that labour power needs a fixed quantity of inputs (consumption basket of the working class family) to be produced and reproduced, and that market laws prevent the 'price' of labour power (wages) from being lastingly above or below the 'value' of labour power (the value-equivalent of this fixed physical quantity of consumption goods). We have shown in the main text that this is not so. Labour power is not just a commodity. Working class struggles have succeeded in raising, over a period of time, the standard of living of the workers, or the 'value' of labour power. We will not return to this point here.

(2) $\frac{C}{V}$ (the ratio of constant capital to variable capital) Marx calls THE ORGANIC COMPOSITION OF CAPITAL. Marx believed that this ratio would also constantly increase throughout the history of capitalism. He based himself upon the obvious fact that the same number of workers handle an ever increasing number of machines, an ever increasing quantity of raw materials, etc.

But this ratio, or rather Marx's way of expressing it, is ambiguous. It is clear that if we have an acceptable way of measuring the physical volume of produced means of production and compare it with the number of men (or the total input of hours of work), then mechanization and rising productivity mean ipso facto that the first rises much faster than the second. (We can easily dismiss pedantic statisticians who would try to point out that this measuring of the physical volume of capital amounts to weighing together sugar and coal). But in Marx's formula there is neither physical volume of produced means of production, nor number of men. If C is annual depreciation and V is the wage bill or variable

capital, both are expressed in value terms. The obvious fact that more and more machines are handled by fewer and fewer men does not allow us to infer, without further consideration, that annual depreciation in value terms is constantly increasing as against the annual wage bill, also expressed in value terms. Neither can these two terms be taken as correct indices of the behaviour of the corresponding physical quantities. The capital to which the 'ever increasing number of machines', etc, refers is not annual depreciation (used up capital) but is total capital stock (capital physically present in the production process). To eliminate this ambiguity let K be an index of the volume of this total capital, and L total labour (total hours worked). The empirical, and important, fact is that $\frac{K}{L}$ increases with time. Various specific assumptions are needed to pass from this to the idea that $\frac{C}{V}$ also increases with time.

Let us call r the percentage of annual depreciation, w the real wage per hour of work and U the unit value (i.e., the reciprocal of the net productivity of labour or hours worked per unit volume of net output). Then C = annual depreciation in value terms = rKU and V = total wages in value terms = wLU (assuming that unit values of capital and consumer goods, i.e. productivity of labour in capital goods and consumer goods industries, change pari passu). The organic composition of capital in Marx's sense, is then $\frac{rKU}{wLU}$ or $\frac{rK}{wL}$. $\frac{K}{L}$ is clearly rising, but what about $\frac{rK}{wL}$? Obviously this depends essentially on the behaviour of w , the real wage (there is no prima facie case for supposing a systematic variation of r , the depreciation rate, with time). On Marx's hypothesis that w is stagnant, 'organic composition' (in this sense) will rise. But in actual fact, where w and K rise approximately pari passu, organic composition in value terms will remain roughly constant - as indeed it more or less does - whether we consider $\frac{rK}{wL}$ (annual depreciation over wage bill), or $\frac{K}{wL}$ (fixed capital over wage bill).

[If we take C in its alternative sense to mean depreciation plus the value of raw materials, etc, the argument becomes a little more involved, although in substance it remains the same. It is clearly a fact that the 'same number of men' manipulate an ever increasing quantity of materials, etc. This is tantamount to saying that physical productivity of labour rises. But $\frac{C}{V}$ is expressed in value terms. The rise in productivity which increases the amount of materials manipulated will, if the whole of the economy is considered, reduce their unit value in exactly the same proportions. So the numerator of the fraction remains constant, in value terms. The behaviour of the fraction will therefore depend on what happens to the denominator, V . If this is falling, because as Marx thought, real wages stagnate (and therefore wages, expressed in

value terms, fall) then the 'organic composition' will increase by that amount. But if, as in reality, real wages rise more or less pari passu with productivity, then 'organic composition' is stable. We have not taken into account this aspect of the argument in the main text because, as explained in the final appendix, raw materials, etc, do not appear in a consolidated account of the total economy.]

(3) Finally, Marx calls RATE OF PROFIT the ratio $\frac{S}{(C + V)}$. He thought that there must be a long-term tendency (itself the result of many counteracting factors, which he mentions) for the rate of profit to fall. The central argument is that C (constant capital) rises much more rapidly than V (variable capital)- because of the 'rising organic composition of capital'. Now S is extracted out of living labour, and even if the rate of exploitation is rising, it is implicitly assumed that it cannot rise so fast as to compensate for the fact that V is smaller and smaller in relation to C. So, according to Marx, the denominator (C+V) rises faster than the numerator S ; and the ratio $\frac{S}{(C+V)}$ (expressing the rate of profit) should decline as time goes by.

THE LAST ARGUMENT IS A) LOGICALLY INCONSISTENT, B) EMPIRICALLY WRONG, AND C) ECONOMICALLY AND POLITICALLY IRRELEVANT. Let us deal with these statements one by one.

(A) The rate of profit is not and cannot be reckoned as the ratio of profit to depreciation + wages. The rate of profit is profit over capital, that is profit over value of total fixed capital + value of raw materials, etc, necessary to start production * + the value of wages necessary to start production.** C+V is both too little and too much to express this : it is too little because C (depreciation) is only a small part of capital. (KU, according to the notations above, should be taken instead). And V is too much because it is the annual wage bill, and capitalists do not 'advance' as capital the annual wage bill, but only a fraction of it corresponding to one 'rotation' of the variable capital. The same is true about raw materials. One can cut through these complications by ignoring raw materials, etc, and by taking as accounting period some average period of one circulation of the variable capital - so that 'variable capital' advanced by the capitalists becomes equal to the wage bill. But one clearly cannot take C to stand for capital; we have to take KU.

* And not : manipulated in the course of the accounting period.

** And not : paid in the course of the accounting period.

The rate of profit then is $\frac{S}{(KU+V)}$. Why should it fall? Because, Marx would say, even if $\frac{S}{V}$ is rising, $\frac{KU}{V}$ is rising much faster. But how do we know it? Is it necessary? And if so, why? One would suspect, on the contrary, that there cannot be a significant and permanent divergence between the rate of growth of capital and the rate of growth of surplus value, because these two are not independent quantities: capital is nothing but accumulated surplus value. If surplus value becomes very small (relatively), so will the growth of capital.

Let us leave Marx, who was heroically breaking completely new ground, in peace. Let us ask ourselves how it is that successive generations of 'marxists' failed to see that there was a functional relationship between 'this year's' surplus value and 'next year's' capital. Why did they not try to elaborate the relationship? Why, instead, did they keep on squabbling about the 'falling rate of profit' and tinkering with fallacious verbal arguments? Their preference of dogma to real research, even using their own categories, is the only possible explanation.

Let us give a numerical example, which should make understanding easier.

Let us assume that in period 0 the volume of fixed capital is 500, the input of working hours is 200 and the volume of net output is 200. Then the net output per hour worked is $\frac{200}{200} = 1$. Unit value (that is hours worked per unit of volume of net output) is also $\frac{200}{200} = 1$. The rate of exploitation is 1, which means that net output is equally shared among workers and capitalists. If the volume of net output is 200, total wages = 100 and total surplus value = total profit = 100.

Now let us assume a depreciation rate of 10%. This means that the value of gross output is net output + 10% of the value of fixed capital. Unit value being 1, the value of fixed capital is $500 \times 1 = 500$ and 10% of this is 50. So gross output in period 0 is 250. Then the rate of profit is $\frac{100}{500 + 100} = \frac{100}{600} = \frac{1}{6} = 0,1666\dots$

Suppose surplus value is accumulated in the proportion of 1/2. Of the net output of period 0, 50 are then accumulated. The volume of fixed capital for the next period to be considered (period 1) becomes $500+50=550$. Suppose also that between period 0 and period 1 net labour productivity per hour worked increases by 10%. Assume total hours worked to remain the same. Then total net output in period 1 is 220. Its total value of course has not changed: it is by definition equal to the number of hours worked which remained the same. Unit values have of course fallen by exactly the reciprocal of the rise in productivity; the value of the unit of output is now $\frac{200}{220} = \frac{1}{1,1} = 0,9090\dots$ Gross output is, measured in physical

terms or in unit values of period 0: 220 (net output) + 55 (depreciation at 10% of capital of 550) = 275. In terms of values of period 1, it is $275 \times \left(\frac{1}{1,1}\right) = 250$.

What has happened to the rate of exploitation, to the organic composition of capital and to the rate of profit?

V is, in period 1 (and in value terms of period 1) $100 \times \left(\frac{1}{1,1}\right) = 90,90$ (we assume, of course, as Marx did, and to remain within the framework of his hypotheses, that the real wage per hour remains constant). S is thus $200 - 90,90... = 109,09...$ Be it in value terms or in physical terms, the rate of exploitation has increased. It is now $\frac{120}{100}$, or $\frac{90,9090...}{109,0909...} = 1,2$ instead of 1 which it was previously. Marx is satisfied on this account.

The organic composition of capital, in the sense in which we have defined it, has also risen. It has evolved (in physical terms) from $\frac{500}{100}$ to $\frac{550}{100}$. It has evolved (in value terms) from $\frac{500}{100}$ to $\frac{500}{90,90...}$. Marx ought to be satisfied on this account too.

But what happened to the rate of profit? It was $\frac{1}{6} = 0,166...$ in period 0. It is now, in physical terms, $\frac{120}{550 + 100} = \frac{120}{650} = 0,1846...$ In value terms it is now $\frac{109,0909}{500 + 90,9090} = \frac{109,0909}{590,9090} = 0,1846$ also. The rate of profit has thus increased!

FOR THE READER WHO IS NOT AFRAID OF A LITTLE ALGEBRA, THIS RESULT CAN EASILY BE GENERALIZED AND THE GENERAL CONDITIONS LAID DOWN FOR THE RATE OF PROFIT TO INCREASE, DECREASE OR REMAIN STATIC.

Let us consider all quantities in physical terms (the reasoning is strictly the same in value terms, only the notations become more cumbersome). Let X be the net output in period 0, W the mass of wages, K the total constant capital. Surplus value (or mass of profits) is then X - W, and the rate of profit is $\frac{X - W}{K + W}$. If we call e the rate of exploitation in period 0, then $e = \frac{X - W}{W}$. Surplus value is now written X - W = eW. If we call n the 'organic composition of capital' i.e., the ratio of the whole stock of constant capital to the mass of wages, $n = \frac{K}{W}$ and constant capital is now written K = nW.

THE FORMULA FOR THE RATE OF PROFIT (FOR PERIOD 0) THEN BECOMES

$$\frac{eW}{nW + W} = \frac{e}{n + 1}.$$

Now suppose that a certain fraction f of the surplus value of period 0 is accumulated and added to the stock of capital ($0 < f < 1$). Then constant capital in period 1 is $K + f(X-W) = nW + feW$. Suppose also that net productivity of labour increases between period 0 and period 1 by p per cent. The net output in period 1 becomes $X(1+p)$. Suppose moreover that total working hours remain the same, and that real hourly wages also remain constant (Marx's hypothesis). The mass of wages in period 1 will then be the same as in period 0, i.e., W . Surplus value in period 1 will be $X(1+p) - W$. Since $X - W = eW$, $X = W + eW = (1+e)W$; The surplus value for period 1 can therefore be written:

$$(1+e)(1+p)W - W = W(e+p+ep).$$

Constant capital is now, as we have seen, $nW + feW$. Variable capital is still W . So total capital is $nW + feW + W = W(n+fe+1)$.

THE RATE OF PROFIT FOR PERIOD 1 WILL THUS BE :

$$\frac{W(e+p+ep)}{W(n+fe+1)} = \frac{e + p + ep}{n + fe + 1}$$

Is this greater or smaller than the rate of profit in period 0, namely $\frac{e}{n + 1}$? To find out we have to ascertain whether the difference $\frac{e + p + ep}{n + fe + 1} - \frac{e}{n + 1}$ is positive, zero, or negative. If it is positive, the rate of profit has increased. If it is zero, it has remained the same. If it is negative, the rate of profit has fallen.

It is easy to see that the sign of the difference will be the same as the sign of the expression

$$(n+1)(e+p+ep) - e(n+fe+1)$$

which reduces to

$$p(1+n)(1+e) - e^2f$$

If $p(1+n)(1+e) - e^2f > 0$, then the rate of profit is increasing between period 0 and period 1. It is < 0 , then the rate of profit has fallen.

It now becomes obvious why all the discussion about the falling rate of profit is so much idle talk. For it all depends on the numerical values of the various parameters (e, n, f, and p) about which nothing can be said a priori.

A more eloquent form of the above inequality is

$$\frac{p}{f} > \frac{e}{(1+n)(1+e)}$$

expressing the condition for the rate of profit to be rising (or, if one reverses the inequality sign, to be falling).

In our numerical example, $p = 0,1$; $f = 0,5$; $e = 1$; $n = 5$.
So we had

$$\frac{0,1}{0,5} > \frac{1}{6 \times 2} , \text{ i.e., } \frac{1}{5} > \frac{1}{12} .$$

In current reality, the orders of magnitude of the various parameters are $p \approx 0,03$, $f \approx 0,25$, $e \approx 1$, $n \approx 8$.
So we would have

$$\frac{0,03}{0,25} > \frac{1}{9 \times 2} , \text{ i.e., } 0,12 > 0,055\dots$$

The rate of profit ought therefore to be rapidly rising, and by a wide margin. Why is it then, that apart from short-term fluctuations, it has remained practically constant? The answer is that Marx's 'laws' of constant real wages and rising rate of exploitation are not true. As a result of the class struggle real wage rates have risen, secularly, and this has prevented the rate of profit from rising.

It should not be forgotten that, in the above formula, e and n represent respectively the rate of exploitation and the organic composition in the initial period; consequently, if the reasoning is carried over to a third period, their values will have to be replaced by the values obtaining in the second period. Furthermore p and f have been taken as both constant and independent of each other - which is certainly not true (there is definitely a functional relationship between the rate of growth of productivity and the rate of growth in capital stock). These, and various other considerations, should be taken into account if one wants to construct a 'model' of the long-term workings of capitalist economy. But this is not our purpose here. Suffice it to say that in any plausible model of this sort, surplus value, wages and stock of capital should all be exponential functions of time (i.e., quantities which increase according to a compound interest law), the rates of growth of which turn out to be of the same order of magnitude - so that there can be neither increasing rate of exploitation, nor rising organic composition of capital in value terms, nor falling rate of profit.

(B) We won't dwell long on the empirical confirmation or refutation of the 'falling rate of profit'. If there were such a thing it would not be difficult to adduce statistical evidence to prove it. All one sees in the 'marxist' literature are partial and short-term examples which of course are quite irrelevant, for it is in the nature of capitalist economy that the rate of profit is continuously fluctuating up and down. One can always find instances of periods, countries, sectors or firms where the rate of profit has fallen. In the same way, I can 'prove' that the Earth is rapidly cooling and will be covered with a thick sheet of ice by 1973; I only have to measure the temperatures

every year between July and January, and extrapolate the graph. (You could, conversely, choose the period between January and July and 'prove' that we will all have been evaporated by 1972; I prefer skiing.)*

(C) The whole argument is moreover irrelevant: it is a red herring. We have discussed it only because it has become an obsession in the minds of many honest revolutionaries, who cannot disentangle themselves from the fetters of traditional theory. What difference does it make to capitalism as a whole that profits today average, say, 12% whereas they averaged 15% a century ago? Would this, as sometimes implied in these discussions, slow down accumulation, and thereby the expansion of capitalist production? And even supposing it did: SO WHAT? When and by how much? And what is the relevance of this idea in a world where, not for a year, not for two years, but over the last quarter of a century production has expanded at rates undreamt of even in the heydays of capitalism? And even if this 'law' were true, why would it cease to be true under socialism?

The only 'basis' of the 'law' in Marx is something which has nothing to do with capitalism itself; it is the technical fact of more and more machines and fewer and fewer men. Under socialism, things would be even 'worse'. Technical progress would be accelerated - and what, in Marx's reasoning is a check against the falling rate of profit under capitalism, namely the rising rate of exploitation, would not have an equivalent under socialism. Would a socialist economy therefore come to a standstill because of a scarcity of funds for accumulation?

We know our 'marxists'. We know they will reply with irrelevant incantations about 'labour power not being a commodity under socialism', 'social surplus not being surplus value', etc. Let them try to prove that these arguments change anything to the relation between social surplus destined for accumulation and stock of existing capital. They don't.

* From time to time one can see in various 'Marxist-Leninist Heralds' comments of this kind:

'New York, February 15, 1963. General Motors announced that its profits for 1962 were 1.5 billion dollars, as against 1.8 billion in 1961. This proves, once again, Marx's law of the falling rate of profit'.

'New York, February 17, 1964. General Motors announced that its profits for 1963 were 2.2 billion dollars, as against 1.5 billion in 1962. This proves once more, against all the renegades and revisionists, the truth of Marx's law of the rising rate of exploitation'.

APPENDIX TO APPENDIX I

In volume I of 'Capital' Marx uses C to denote the depreciation of fixed capital embodied in the value of an individual product or of a firm's output, plus the value of the 'non-durable' producer's goods used up in production (raw materials, fuel, etc.).

If the total economy is considered, that is, if the accounts of all the firms, etc, are consolidated, the value of output does not contain the value of raw materials, fuel, etc. (i.e. circulating constant capital), for this is so to speak dissolved in the value added by the living labour which produces them and the value of the equipment used up (i.e., its depreciation) to produce them. For instance the value of output, in Britain, in a year, does not contain the full value of completed automobiles, plus the full value of the steel sheets embodied in them, plus the full value of raw steel, plus the full value of iron ore, etc., because this would be double (or multiple) counting. All the 'intermediate' producer's goods 'come out in the wash' of the consolidation. So the value of gross final output is depreciation plus wages plus profits. And if we use the formula $C + V + S$ in this case, we should be careful to remember that for the total economy C does not contain the value of raw materials, etc, but only depreciation.

But C can be used in yet a third sense, as by Marx in volumes II and III of 'Capital'. It was there used to denote the value of the total capital stock, i.e., the value of all the equipment which is physically present in the production process, and irrespectively of the value it actually adds (through depreciation) to current output. It is clear that this does not coincide with depreciation (except in the completely unreal case of a fully static economy, where all equipment goods would have the same useful life-time, and on condition that we take as 'accounting period' this very life-time).

One has to recognize that Marx himself fell into confusion on these various uses of C on more than one occasion. For instance, the whole discussion on the 'equalization of the rate of profit' as between sectors of the economy in volume III of 'Capital' is conducted on the basis of a confusion of 'constant capital' as sum of depreciation plus value of materials, etc, and 'constant capital' as total fixed capital. Therefore, apart from an inconsistency in Marx's calculations (which L. von Bortkiewicz corrected in 1907) these calculations contain a fundamental error: what is in fact equalized, in Marx's examples, is 'profit margins on the value of gross output', and not at all 'profit rates on capital'.* But it is

* Cf. Paul Sweezy, 'The Theory of Capitalist Development, London 1952, pp. 108-130; J. Winternitz, 'Values and Prices', Economic Journal 1948, p.276 et seq.; K. May, 'Value and Price of Production', Economic Journal 1948, p.596 et seq.; Joan Robinson, 'Collected Economic Papers', Oxford 1951, p.137. We have formulated what we believe to be the solution of the problem of the 'equalization of the rate of profit' in the general case in 'Socialisme ou Barbarie', No. 13 (Jan.-March 1954), pp. 78-81.

obvious that, when we speak about 'rate of profit', it is profit over 'advanced capital' that we have in mind, and this includes the total of fixed capital; if we relate profit to C in the first or in the second sense given above, this is not rate of profit on capital, but profit margins on the value of current gross output. That is why in the main body of the Appendix we have used the symbol K for total fixed capital.

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