

IN this world, but not OF this world

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Editor's note

This was written for friends from Lithuania who wished to publish a 1972 essay, *Capitalism & Communism* (which can be read on the John Gray "For Communism" site). Some aspects of the present text (and a few passages borrowed from our *Revisiting the East and Popping in at Marx's*, available on the troploin site) may be of special interest to people living in ex-bureaucratic - or State capitalist - countries, but the general issues broached here concern everyone who cares for a radical critique of this world.

To the victors the spoils

History is written by the victors. In 1970, *communism* was a synonym for what existed in the USSR and other similar regimes. Now it has no other socially acceptable meaning than what used to exist in the USSR and similar regimes. For people living in ex-bureaucratic countries, *communism* has become a hate-word, a symbol of oppression (that is bad enough) in the name of freedom (which makes it worse).

There is just as much confusion, however, in Western countries that were never part of the "socialist" bloc. In France, for instance, which still has an official (albeit gone downhill) so-called Communist Party, or in Britain where the CPGB broke up after 1991, it is just as difficult as in Lithuania to pose the communist question. Critical views of capitalism are ten a penny in everyday, media and academic discourse, but communism is no longer addressed seriously as a threat or as a promise. Confusion has been complemented by obscurity.

Back to the USSR

Since hardly any country calls itself socialist any more, most people, including quite a few radicals, tend to regard debates on the nature of the USSR as obsolete.

They are mistaken. The system that ruled Lithuania for 45 years and Russia for 70 years was indeed a bureaucratic, police and totalitarian regime, but it was also a variant of *capitalism*, and we must understand why, if we wish to understand what a future revolution could be in Lithuania and Russia as in Britain or the US.

Capitalism is not just a system of domination whereby a minority forces the people to work for its own benefit. In 1950, in Vilnius as in Pittsburgh, money was buying labour, which was put to work to valorize sums of money accumulated in poles of value called companies or corporations. These firms could not go on unless they accumulated value at a socially acceptable rate. This rate was certainly not the same in Vilnius as in Pittsburgh. Like Pittsburgh-based firms, Lithuanian firms were managed as separate units, but (unlike in Pittsburgh) no private owners could sell or buy them at will. Still, a Lithuanian company manufacturing shoes did not just produce shoes as objects supposed to fulfil a function: it had to make the best profitable use of all the money that had been invested to produce the

shoes. « Value formation » mattered as much in Vilnius as in Pittsburgh. Those shoes weren't given free to the Pittsburgh or Vilnius pedestrian who would then have put them on and walked away. In both towns, the pedestrian paid for his shoes or went barefoot.

Of course, the Lithuanian State could decide to subsidize shoes and sell them at a low price, i.e. below production cost. But in each country, value had to be finally realized on the market. Russian, East German and Lithuanian planners kept bending the rules of profitability, but they could not play that game for ever. These rules asserted themselves in the end, through poor quality, shortages, black market, purging of managers, etc. The State protected the Vilnius company against bankruptcy. But that was artificial. No-one can fiddle the logic of valorization for too long. One firm, ten firms, a thousand could be saved from closure, until one day it was the whole society that went bankrupt. If the British, Belgian or French State had kept bailing out every unprofitable company from the early days of industrialization, capitalism would now be defunct in Britain, Belgium or France. In short, the « law of value » functioned in very different ways in « bureaucratic » and in « market » capitalism, but it did apply to both systems. (Nobody denies the capitalist nature of Bahrain or the Congo, where the capitalist forms are quite different from the Canadian or Italian ones. On value formation and deformation in the USSR, see *Aufheben*, n°9, 2000.)

Just like its Western versions, the rise and fall of State capitalism depended on class conflicts and compromises, at the centre of which was the necessity to put labour to profitable work. In the USSR and in Eastern Europe after 1945, this took the particular form of constant political repression coupled with protected jobs (both in the factory and in the collective farm), which achieved value accumulation in spite of low productivity. After all, Russian bureaucratic capitalism did work for quite a long time.

The whole system did not collapse because it got too repressive and the people had had enough, but did so when the class compromise ceased to be socially productive -- especially when it could not stand the pressure of a world market dominated by a much more dynamic West.

The megamachine

Since we wrote the first version of *Capitalism & Communism* in 1972, the (mainstream or "deep") ecological critique of capitalism has become fairly common. "Anti-industrialism" was born in the "rich" West where the excesses of consumption and waste are plain to see. But it is bound to develop in the often impoverished Eastern European countries, where the unfettered "growth of the productive forces" also results in catastrophe: Tchernobyl happened before Fukushima.

The anti-industrial critique points to an essential element of capitalism, but eventually misses the issue as a whole.

Industry is certainly *at the centre* of the world we now live in and it is hard to imagine a non-industrial capitalism. The "post-industrial society" is a myth now as it was in 1970. Yet industry is not *the centre* of capitalism. We are not faced with a self-propelled freewheeling megamachine, but with a relationship between labour and capital, which is both cause and effect of a techno-bureaucratic-industrial runaway on a collision course with the future. This escalation or illimitation is not self-fuelled, though (no more than *spectacle* in the situationist sense is). The megamachine's prime mover is the capital/labour relation. Even before it was privatized and turned into a multinational, the French State-owned electricity board EDF, one of the best (i.e. worst) illustrations of bureaucratic technostucture and a highly successful lobbyist for nuclear power, had to abide by the constraints of labour productivity and profitability. Big business only wants more factories and machines if they bring in more value: otherwise, it leaves them to rot, moves elsewhere or stays idle. Capitalism needs

inventors but decisions are made by investors.

(Likewise, it would be equally wrong to regard *money* as the prime mover of the present world. Money is everywhere, but it is not the core of the system. What is essential is the creation and accumulation of value via productive labour. Money comes from (and goes to) where it directly or indirectly commands proletarians at work. Bankers live off bricklayers, not the other way round.)

The tendency to illimitation goes back a long time in human history, and for better or worse manifested itself in all sorts of ways : pyramid and empire building, religion, art, etc. Industry and wage-labour gave it an unprecedented momentum: with the existence of labour as a commodity - which implies a relatively free market - came the obsession with maximum productivity, labour time-saving, money as an endless flow, mass consumption and planned obsolescence. Today it is capital that structures illimitation. We will not dismantle the bureaucratic-military-industrial complex by taking on the industrial monster, hyperproduction and overconsumption as such. We will only get rid of them by getting rid of the money world and value system based on wage-labour.

An ecologically-reformed capitalism is impossible. Let us have no illusion about de-growth, non-growth or un-growth. Capitalism is escalation: it does not des-escalade. Self-control is not a capitalist habit or virtue.

Class & class struggle

The capital/labour relation rules the present world, yet other lesser rulers often come centre stage, in the heart of Africa as in New York. In any case, the emphasis on class or class struggle is not our focal point. A. Smith (1776) and D. Ricardo (1817) acknowledged the coexistence of classes. In the early 19th century, lucid bourgeois historians interpreted the French revolution as a nucleus of class conflicts (see Marx's letter to J. Weydemeyer, March 5, 1852). The persistence of class struggle (or its exacerbation) does not depend on us. It is no use endlessly proving the permanence of a confrontation that is plain to see. Our "problem" is not that it exists or not, but that it could *end*, by a communist revolution that has to arise in a society shaped and torn by the interaction of proletarians and bourgeois. Our concern is a class struggle that will be able to produce something else than its own continuation.

Is there a contradiction here, and a major one ?

YES. But the real question is whether this contradiction cannot be solved... or can be.

So where are those proletarians ?

Are there not fewer and fewer factory workers ?

In Western Europe, North America and Japan, the decrease is undeniable. In the 1950s, manual workers comprised no less than 70% of the work force in Britain: forty years later, there were more university lecturers than miners (M. Savage & A. Miles, *The Re-Making of the English Working Class 1840-1940*, Routledge, 1994). A large part of the change is due to manufacturing being relocated to Asia and (to a lesser extent) Latin America. Still, let us not be led to believe that in the old industrial countries, everybody is now teaching, typing on a keyboard, communicating, programming... or living on the dole. Contemporary modern society is not divided between an ever larger middle class and an ever

poorer dwindling ex-working class. It is no accident that the notion of an *underclass* became popular at the same time as the notion of a *class society* fell out of fashion: whereas the working class was feared as (and was indeed) an agent of historical change, the underclass can be safely regarded as a sad remnant of a defunct past, to be dealt with by welfare and police action. The fading away of the proletarians is not documented by facts. In France, manual work and menial office work - jobs held by what can be called "proles" - account for about 60% of the working population. Besides, in the past, very few countries (Britain and Germany, for instance) ever had a majority of factory workers.

Statistics, however, do not tell the whole story. As soon as the industrial proletariat appeared on the historical scene, it put forward a program of its own. As early as the 1840s, in spite of its small numbers (except in England), the communist perspective was already there: suppression of wage-labour, of capital, of money, of the State. From this point of view, there is no fundamental difference between the English miner or the Parisian proletarianized craftsman in 1845, and the Indian call centre worker or Californian lorry-driver in 2011. Everything ("objective" or "subjective" conditions) that drove the miner or craftsman toward some communist action, or that stood in the way of such action in 1845, could also to be found, in different forms but to the same effect, in the case of the 2011 call centre worker or lorry-driver. In terms of historical opportunities as in terms of social obstacle or inertia, what the four of them have in common matters more than what separates them. Here is the essential point for us. No new revolutionary theory will prove or disprove it, and nothing guarantees that today's proles will act as revolutionaries more or better than those of the past.

The proportion of workers is not a factor to be dismissed, but the big change lies elsewhere. For the last thirty years, West European, American and Japanese labour has ceased to exert a major pressure on capital. This is not because they would have lost their economic function, but because they were defeated after their non-revolutionary yet militant struggle between 1960 and 1980. Indeed, it is because they were defeated (on the shop-floor and in the street) that the bourgeois were able to outsource and transfer a lot of the manufacturing. Hong Kong capitalists and mainland Chinese bureaucrats did not force their way into Western markets: Asia only became (some of) the workshops of the world after the Western and Japanese workers had lost out in the 1960s-70s. But the game is not over.

The problem is not that in Canada or Italy the proles would now have *more* than "their chains to lose", because they would be caught up in consumption and credit, and therefore "integrated" into capitalism, whereas in Bangladesh or China the proles would have *only* their chains to lose and would therefore fit in with the *Communist Manifesto's* definition of the revolutionary proletariat. Berlin metalworkers in 1919 enjoyed a "better" life than Lancashire textile workers in 1850, yet they rebelled against the bosses and the State. In Europe or the US as in Asia today, the problem is the possible junction between protected labour and precarious labour, between "privileged" workers and overexploited workers. Revolution can only happen as a combination of a reaction against capitalist-induced misery and of a reaction against the riches sold by this same capitalism. Communist revolution is a joint rejection of the *worst* actually imposed by capitalism and of the *best* it offers and wants us to dream about. This fusion supposes a social context where the two types of reality, misery and wealth, coexist and face each other, so that the proletarians can attack both. This is more likely to coalesce in Denver than in Kinshasa or Dubai, or in Shanghai than in the remote corner of a Chinese province where commodity and wage-labour have not yet turned society into full-fledged capitalist relationships. (That does not mean that rural or so-called "backward" areas are further from communism than "modern" ones. In some ways, they might well be closer : as the money world has penetrated them less, they will have less to get rid of. The point we are making is that these areas will not initiate a communist upheaval. But they will play their part, and a necessary one, in the revolutionary process.)

From Marx to Marxism

There is an issue that cannot be evaded, and which was not properly addressed in our 1972 text. We borrow a lot from Marx and from persons who called themselves *Marxists*. How does the vision of people like Marx relate to the monstrosities that labelled themselves "communist" in the 20th century ?

Leninism and Stalinism were utterly different from what Marx was trying to achieve, but there is a connection indeed. State-organized capitalism is undoubtedly contrary to the spirit of Marx's lifelong activity and writing, but it could claim to be faithful to some of its aspects. For example, one of Marx's major works, *Capital's* volume I (the only one he completed) does not end with a communist conclusion (how to get to a world without commodity, State and work), but on the expropriation of the expropriators through the socialization of capitalism brought about by historical necessity. This is far from the affirmation of communism that we read in Marx's early texts and in his numerous notebooks on the *mir* and « primitive » societies that he kept in his later years (none of which, as we know, he made public).

In the late 1960's and in the 70's, « going back to Marx » was necessary for a better understanding of what we were experiencing. (For a better understanding of that period and of our background, see *The Story of Our Origins* (translated from *La Banquise*, 1983), on reocities.com/~johngray. And our *What's It All About ?*, 2007, on our own site: www.troploin.fr)

This meant a return to the whole of revolutionary history and thinking, and included the Left opposition to the Third International (the « Italian » and « German-Dutch » Lefts), but also pre- and post-1914 anarchism. Contrary to Marx's 1872 anti-Bakunin pamphlet (one of his weakest works), a *veritable split* happened in the mid-19th century within the revolutionary movement between what became stultified as Marxism and anarchism. Later of course the split got worse.

The reader of *Capitalism & communism* will realize that we are not adding little bits of Bakunin to big chunks of Marx (or vice-versa). We are only trying to assess both Marx and Bakunin as Marx and Bakunin themselves had to assess, say, Babeuf or Fourier.

There was a progressivist dimension in Marx: he shared the 19th century's belief in today being « better » than yesterday, and tomorrow surely better than today. He held a linear view of history, and built up a deterministic continuity from primitive community to communism. He contributed to a vision of early history in which, when human groups were able to produce more than was necessary for immediate survival, this surplus created the possibility of exploitation, hence its historical necessity. A minority forced the majority to work and grabbed the riches. Thousands of years later, thanks to capitalism, the huge expansion of productivity creates another possibility: the end of exploitation. Goods of all kinds are so plentiful that it becomes absurd to have a minority monopolize them. And the organization of production is so socialized that it becomes pointless (and even counterproductive) to have it run by a handful of rulers each managing his own private business. The bourgeois were historically necessary: then their own achievement (the growth of modern economy) turns them into parasites. Capitalism makes itself useless. History has thus moved from scarcity to abundance.

True, such an intellectual pattern was never actually written down by Marx, but it is the underlying logic beneath a lot of his texts and (what's more important) a lot of his political activity. It was no accident or mistake if he supported the German national bourgeoisie and clearly reformist union or party leaders: he regarded them as agents of the positive change that would eventually bring about communism. By contrast, he looked down on such insurrectionists as Bakunin whom he thought stood outside the *real* movement of history.

By the way, important anarchist thinkers like Kropotkin and Elisée Reclus (both renowned professional

geographers) also supported deterministic views, with an emphasis more on social organisation than production. To them, the worldwide spread of industry and commerce created a potential universal human and open society where ethnic differences, borders and States were made meaningless. In much of anarchist as well as Marxist thinking, society ceased to be seen as the result of relationships between beings and classes, and revolution was supposed to be bound to happen because of a universal drive towards a unified humankind. This was more a technological explanation of history than a social one.

The deterministic Marx, however, was not the whole Marx, who showed a long-standing deep interest in what did not fit within the linear succession of historical phases. He wrote at length about self-organizing peasant communes with collective ownership of land, and clearly envisaged the possibility of skipping the capitalist stage in Russia. Whatever Kropotkin thought of Marx, quite a few ideas of the Russian anarchist echo those of the famous London exile.

Yet, as we know, those insights were later discarded by reformist and revolutionary Marxists alike. Marxism became the ideology of economic development. If capitalism gets more and more socialized, there's little need for revolution: the organized masses will eventually put a (mainly peaceful) end to bourgeois anarchy. To sum it up, socialism does not break with capitalism: it completes it. Radicals only differed from gradualists in that they included the necessity of violence in this process. In *Imperialism, The Highest Stage of Capitalism* (1916), Lenin made much of the fact that big German *konzerns* and cartels were already organized and centralized from the top: if bourgeois managers were replaced by working class ones, and this rational planning was extended from each private trust to the whole of industry, the general social fabric would be altered. This was no breakaway from the commodity and the economy.

Any economic definition of communism remains within the scope of the economy, i.e. the separation of productive time and space from the rest of life. Communism is not based on the fulfilment of needs as they now exist or even as we might imagine them in future. It is a world where people get into relationships and into acts that result in them being able to feed, nurse, house, teach... themselves. Communism is not a social organization. It is an activity. It is a human community.

Capital & labour today

The heart of the matter is the interaction between the two basic components of capitalism: capital and wage-labour. It is no use wondering which one of the two determines the other. There is no single variable that would account for the evolution of the whole. True, if wages rise too high in relation to productivity, capital dysfunctions. Conversely, if wages are pushed too low, capital is also set off balance. Needless to say, the threshold of optimum, desirable, acceptable or insufficient profitability differs in 1851 and 2011, as well as in Turino and Harbin in 2011. The level of wages must be able to pay for the reproduction of labour power, i.e. for the upkeep of the worker and his family. An important parameter is to what extent the business cycle depends on worker consumption, and obviously this extent is much larger in Turino than in Harbin.

After 1980, the bourgeois counter-attack was successful... even too much so. Systematic negation of the role of labour (i.e. systematic downsizing manpower and cutting down labour costs) brings profits in the short term, but proves detrimental to profits in the long run. Global growth figures of world trade and production in the last thirty years obscure the essential: there are still not enough profits to go round. The truly amazing changes brought about by neo-liberalism concern mainly control, information and management, and have not generated a "third technological revolution" of social scope and historical impact comparable to Taylorism, Fordism and Keynesianism (see Gopal Balakrishnan,

"Speculations on the Stationary State", *New Left Review*, # 59, September-October 2009). In 2004, a number of French companies increased their yearly profits by 55%, mainly because they freed themselves of their *own* less rewarding sectors. The question is how far insufficient profitability can be compensated by a strategy that benefits a minority entrenched in strategic *niches* (the expanding hi-tech business, companies with strong links to public spending, and last but not least finance). There is nothing new here. What was called the *mixed economy* or *State monopoly capitalism* in the 1950-80 period was also based on a constant transfer of money from business as a whole to a happy few companies. But the running of such a system implied a modicum of dynamism: the most powerful firms would have been unable to take more than their share of profits if overall profitability had been lacking.

Today's bourgeois predicament is not to go back to pre-1970 equilibrium. No more than it was in 1930 to go back to a free trade capitalism that was over by the end of the 19th century. Today's bourgeois dilemma is to invent a new social contract whereby labour will be treated in such a way as to push the system forward. The means to achieve this will differ in Turino and in Harbin, but the aim will be similar in both towns.

As happened in the 1920s, what is now lacking is a sound social basis: wage-labour has been extended without corresponding mass consumption. In 1960, Ford workers would buy cars (often a Ford model) and French Renault workers would buy a cheap Renault. Nowadays the symbol of world growth is the manufacturing of *made in China* goods that most Chinese workers cannot afford and that US customers buy on credit. Unlike 1950, 21st century capitalism cannot be run on an accumulation of money at one pole (capital) and an outright lowering of costs on the other pole (labour). And even less so on speculative windfall profits made at the expense of the "real" economy. If there is one lesson to be learned from Keynes, it is that labour is both a cost *and an investment*.

No ecologically-reformed capitalism

There is a difference between the early 21st century and the 1930s-40s. Contemporary capitalism cannot evade the issue of its natural environment. Value is not produced out of thin air (actually, "pure" air is becoming scarce). Virtuality may be an exciting science-fiction myth, but there is no capitalism without manufacturing (and a lot of it), i.e. without a lot of waste. The necessity for each separate firm to maximize its productivity entails a disregard for what lies outside the factory gate, and a tendency to treat nature as raw materials to be processed and used up. (see *Murdering the Dead. Amadeo Bordiga on capitalism & other disasters*, Antagonism, London, 2001: the introduction is available on the libcom site.) The ecologists have a point when they repeat that the Western way of life cannot be extended to 6 or 9 billion people.

This is not to say capitalism would now be facing an insurmountable natural limit, because ecological factors would finally force mankind to get rid of capitalism, and billions of Earthlings could and would make an ecological revolution (whereas the working class failed to make a communist revolution). Unfortunately, history knows no such insurmountable limit. Civilizations in fact change for social reasons. Capitalism can only be stopped by the proletarians' will and ability to transform it into something utterly different. Otherwise the system will find ways and means to soldier on. Maybe some day a nuclear power plant will explode and kill half of the inhabitants of New York or Tokyo while the other half has to survive underground. No "mortal crisis" or "final crisis" ever destroyed capitalism. Ecological catastrophes will not either.

The proletariat as a contradiction

Up to now, most of the time, even in a militant way, proletarians have fought to improve their lot within this society: labour tries to get the most out of capital, not to abolish the labour/capital couple.

Acknowledging this is a primary condition to understand what the communist movement has to face.

However, we will understand nothing either if we fail to put this into perspective. The undeniable deep reformist trend that has prevailed for over 150 years has asserted itself in connection with - and indeed fed on - radical endeavours pressed on by small (and sometimes large) proletarian minorities aiming at what we can call communism. No other social group has persistently acted that way.

This has been and still is so because the proletarians are placed at the same time *inside* and *outside* capitalism, and act accordingly. They are *in* this world and not *of* this world. The bourgeois live, prosper and stay inside a social logic which is beneficial to them. At the other extreme of the social spectrum, many groups suffer from the present order of things, but are so excluded from it that they have little potential leverage to destroy it : they can take part in its suppression, but they are unlikely to start it. Only the proletarians can...

...which does not mean that they will. Let us not pretend that any grass-root conflict on the shop-floor or in the street, especially if it turns violent, might contain the seeds of communist change : historical evidence points to the opposite. But the ability of labour to defend itself "against the encroachments of capital", as Marx put it, is a condition of its ability to attack it. Resisting oppression and exploitation is not the same as doing away with oppression and exploitation altogether. Yet the inability to defend oneself is a sure sign of overall powerlessness. It is a mistake to be dismissive about what is called bread-and-butter demands.

What is true is that bread-and-butter demands will fail to bring the proletarians together. At the most, they will unite the proletarians of one country, and only for a while. Short-term interests (asking for more money, less work, or fighting to save jobs) rarely coincide, and in fact usually are divisive. Convergence will only take place against wage-labour and the society based upon it.

The contradiction between reformist organizations (often turned outright counter-revolutionary, as proved by the German social-democracy in 1919 and Stalinism later) and radical minorities is also a conflict within the proletarians, and even within each proletarian between reformism and radicality.