

INTERNATIONALIST PERSPECTIVE



THE LIMITS OF REIFICATION: CAN WE 'UNBECOME' COMMODITIES?

Haiti

Afghanistan

On the roots of the economic crisis

Venezuela

\$3, £2, 2 Euro

No. 53

Spring 2010

Contents

| | |
|--|----|
| Editorial: Plus ça change | 1 |
| Haiti: The Curse of Capitalism | 4 |
| On the Situation in Chile after the Earthquake | 6 |
| From Rambo to Mad Max: Mission Creep in Afghanistan..... | 8 |
| Reply to Controverses | 13 |
| Thoughts on Reification | 16 |
| Some Unfinished Thoughts on Class Consciousness..... | 25 |
| Venezuela and the “Bolivarian Revolution” (part 2) | 28 |

Subscriptions

Internationalist Perspective is published in English and French. Subscriptions are for four issues:

English Edition: \$8.00 /£5.00 (regular mail) / \$10.00 /£8.00 (air mail)

French Edition: 7 euro (regular mail) / 10 euro (air mail)

Send cheques or postal orders made out to CASH. Requests for the French edition should be directed to Belgium, and English editions to the US address. NB: US subscribers sent all requests to US address

Public Meetings

Internationalist Perspective holds public meetings as part of its work of stimulating a real debate and discussion around vital questions confronting revolutionaries and the working class. For information on the next meeting, contact IP at one of the addresses below

Correspondence

We invite all readers to send comments on the positions in our publication. The development of a proletarian political milieu on the international level depends on the widest possible discussion and confrontation of ideas.

Contact addresses

Write only as shown below:

| | | |
|---------------|-----------------------|------------------------|
| Destryker | AM | |
| BP 22 | PO Box 40231 | PO Box 47643 |
| 1310 La Hulpe | S.I., New York, 10304 | Don Mills, ON, M3C 3S7 |
| Belgium | USA | Canada |

Email: ip@internationalist-perspective.org / Web: <http://internationalist-perspective.org>

Editor: F. Destryker. 12b Ave du Beau Site La Hulpe Depot Bruxelles X

Editorial: Plus ça change

The characteristic of the past year is that it confirmed, in a spectacular way, all the stakes and the world historical perspectives upon which IP has insisted.

The year 2009 was marked by an unprecedented deepening of the economic crisis, demonstrating both its systemic roots and its global character. The impact of the functioning of the economy on the conditions of existence of populations and on the environment has amplified that crisis, and the “solutions” and overall “management” proposed by the political and economic leaders of the international community has demonstrated their illusory character. That includes the arrival of the providential “man of change,” Obama, the organization of great religio-masses, like the Copenhagen Summit, or the decisions about cleansing the world economic system ... all these declarations clashed with the reality of the operation of the world economic system. All these economic, social, environmental problems are closely related to a mode of production that cannot change its bases if it wants to preserve itself. That is the fundamental contradiction which appears today, and which reveals more and more clearly and at the same time, the historical need to imagine a radically new society which would turn its back on the logic of capital. It is this historical stake that opens the year 2010 and this issue of IP is a modest contribution to the comprehension of these stakes.

Value is the engine and the *raison d'être* of the capitalist mode of production and value has gradually autonomized itself. All of social existence is thus subjected to the need to produce and accumulate value. In practically all its issues, “Internationalist Perspective” has been attempting to clarify the bases of the economic system and the roots of its crises. More particularly, we can point our readers to the preceding issue of our review - 51-52 - and to the article by Sander: “Crisis of Value.” This article underlines the fundamental contradiction of the system: it is the dissociation between use value and exchange value resulting from the double nature of the commodity in the capitalist society. The unprecedented development of the means of production and, in particular, the use of

increasingly powerful technologies, led to an over-accumulation of value, necessitating a massive destruction of value in order to re-start the cycle of accumulation. As the article of Sander as well as the editorial of our last review showed, the unprecedented crisis that shook the world last year was not the result of bad investments on the part of a corrupt or negligent management of financial institutions. The famous “sub-prime” crisis was thus only the tip of the iceberg and this crisis is much more fundamental: it is a crisis of value, the central axis of the functioning of the world economic system. Another new phenomenon came to light as confirmation of the gravity of the international crisis: it is the bankruptcy of financial institutions and the potential bankruptcy of certain nation states. A good example here is the debt of the Greek state, which has risen to 120% of GDP, putting it at risk of bankruptcy. Other countries of the European Union are in a similar situation, such as the Belgian state, whose debt has risen to 97% of GDP. Spain and Portugal are in a similar fix, where there is also a growing perception that these states may not be able to service their debt. All of the countries of the EU find themselves under intense pressure to contain the threat of bankruptcy. It is the state itself that is the key organ responsible for socio-economic life that is now directly threatened by the impact of economic contradictions. And this impact unleashes a veritable tsunami: the crisis involves the bankruptcy of financial institutions which leads states to take emergency measures to try to contain the effects of these bankruptcies and their devastating effects on the economy as a whole. This financial support of the banks by states - which constitutes at such a level an unprecedented measure of last recourse, in its turn, leads to a destabilization of the affected states, including those in the “rich” zones of capitalism, with the chain reactions and massive impact of social destabilization that it can provoke

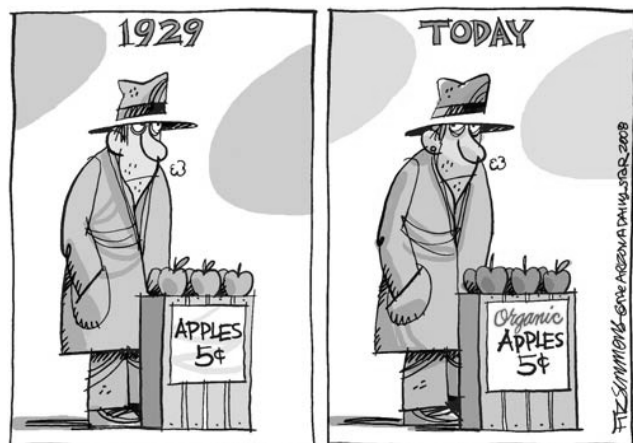
All that entails another profound threat with which the leaders of states threatened with bankruptcy must deal. Forced to take measures to urgently reduce their deficits, the managers of the economy are compelled to launch a massive and frontal assault on the working

class, and the mass of the population, through draconian reductions in key sectors like education and “social security.” The additional paradox is that with the economic crisis, impoverishment, and the increase in unemployment, whole sectors of the working class are being brutally excluded from the circuit of work, and, therefore, completely dependent on social allocations to assure their very survival. States that are deeply in debt and weakened now face the additional threat of powerful social reactions. These latter, then, constitute in their turn a risk of destabilization and a brake on the austerity plans that capital needs to impose. Once again, it is the Greek situation that illustrates this threat to capital: significant social reactions already occurred in December 2009, led by youth, by students without a future, by workers without jobs. At the time of the earlier upheavals, the ruling class had promised a more “social” response to the demonstrators. The response that the Greek ruling class will not fail to deliver in a brutal manner could constitute an additional spark to this powder keg. Today, the state of the economy is thus not that of a healthy organism that fights against a passing case of indigestion because it had consumed too many “sub-primes,” but indeed that of a body which fights against the progression of generalized cancer which is spreading to all its vital organs. All the bourgeois economists acknowledge it: the recovery is not for tomorrow, dark days await us, and it is only lay-offs by the thousands, closures and bankruptcies, which constitute the greetings of the capitalist class for the year 2010... Even if a few national economies will have better growth rates, moments of recovery, the worldwide economy, in its global tendency, inexorably sinks under its contradictions and in its destabilization. This real impoverishment of whole segments of the world population will not fail to provoke intense social reactions. And even if these movements currently do not manage to shake the dominant system, the capitalist class knows that it is sitting on a social powder keg and that it is thus important to contain and to control to the maximum these current and future outbreaks. Among the panoply of tools at the disposal of the ruling class is ideology and its content today is that of fear. The economic crisis has shown its global character, involving massive waves of “economic” migrants. Social reactions unfold, too, in all planetary zones. The greatest current danger to the system is thus its impact and awakening of the global character - and thus the fundamental nature - of the crisis and its impact as well as the development of solidarity

between those who protest and resist. The only thing that can break the links that are being forged is the fear and defensive isolation that it generates. Fear of the terrorist danger, fear of invasion by immigrants, fear of “the other”, who is different by color, culture, religion, language.... To break the potential solidarity and the recognition of the generalized character of the problems with which workers are confronted everywhere in the world, such is thus the point of the ideological efforts of the ruling class today. This culture of fear makes it possible to develop tools for adequate social control and one can scarcely count all the legal measures of intrusion into private life to catch the so-called terrorists, the use of scanners and body searches in the airports, the overall reinforcements of police controls, as well as the development of political parties preaching the pure and simple obliteration of any sign of membership other than the national one. One can underline, in this respect, the prohibitions on the wearing of the veil for Muslim women in several countries in Europe or the decapitation of minarets in Switzerland....

Another way of distorting and diverting the development of consciousness as to the real functioning of the capitalist mode of production, and its impact, is the discourse on “management” of the system. One can hardly count the appeals to buy “fair trade” products, resolutions taken to reorganize and to cleanse the worldwide economy, speeches on the appeasing of warlike tensions in the world - and Obama has now made the plans and summits for safeguarding the environment his rallying cry. In reality, we can see that one year after the outbreak of the financial crisis in the United States, the capitalist leaders themselves consider it regrettable that “the banks are back to their old ways”. Listen: nothing changed: we are heading towards a new catastrophe. “Fair” trade constitutes a new market and the global exploitation of the proletariat on which the worldwide economy is based requires ever more exploitation and exclusion, as the fate of Chinese workers makes clear. Peace in the world proposed by Obama has been transformed into the dispatch of additional troops to Afghanistan and with the resumption of the security and anti-terrorist discourse of his predecessor, Bush. As to the environment, the law of value also reigns as master since the powerful will now buy and sell “licenses” to pollute the planet (much like hunting licenses), while production continues to destroy the environment, while poor countries continue to die from

the consequences of climate change... what an old French farmer interviewed on the results of the Copenhagen Summit said "Ah ... they spoke well." In short: Nothing new under the bloody red sun of capitalism.



The changing face of capitalist crisis

The perspectives are thus those of an intensification of the historical stakes. The mode of production has its own logic of functioning, that of the production and the accumulation of value. The development of its capacities to produce, and technology, leading to overproduction, and, thus, a shrinking value to this

production, capital is compelled to massively destroy value, and this system has intrinsically become destructive. It is a destroyer of masses of use values when a significant proportion of the world population lacks everything; destruction of entire sections of the population in chronic wars, famines, the degradation of the sanitary conditions and climate change; destruction of the conditions of existence of an increasing proportion of workers excluded from the economic and social system who are from now on condemned to live in permanent marginalization. And even if capital tries to manage, to control, to contain, the destructive, the auto-destroying, effects of its own functioning, it will not be able to basically change it. And all this is lived each day in the bodily life of workers; it is not just the abstract speech of some distressed intellectuals. Another of its internal contradictions is the existence within capital of a proletariat: a class necessary to its production and its survival, it is also, potentially, the only class which does not have any interest in the maintenance of the current situation. The economic system is constrained to impoverish, exploit and marginalize ever more of its proletariat, thus creating the potential for its revolt.

Today, it more and more clearly appears that tampering with the existing system makes no sense, that such efforts belong to the ideological domain alone, and that only the passage to a new society will make it possible for humanity to live. It is this crucial stake which appears clearly in daily life throughout the world and which constitutes a formidable hope of change.

Haiti: The Curse of Capitalism

It was a tragedy made more so by its predictability. The earthquake that struck Haiti on January 12, 2010 measured 7.0. In the following two weeks, a further 24 aftershocks were recorded. In Haiti, the poorest country in the Western Hemisphere, the destruction has been catastrophic. In a nation of nine million, estimates run as high as 200,000 dead; up to two million are homeless; perhaps a third of the population has been directly affected. And these numbers will rise. As access to clean water and sanitation grows scarce, and pooled water breeds malaria-carrying mosquitoes, the death toll will only grow larger. While solidarity with Haitians has produced record donations, how much they will actually benefit remains to be seen; at the same time “why” remains generally unasked and unanswered. Two days after the quake, U.S. televangelist Pat Robertson maintained that it was the result of a pact with the Devil Haiti’s founders had made to drive out the French. We need not look to supernatural agencies for the cause of Haiti’s misery; the answer is in front of us.

Haiti is no stranger to earthquakes. The country has been struck by deadly quakes throughout its history: In 1751, in 1770, in 1842, in 1889, in 1904, and again in 1946. Haiti is in an earthquake zone; it will be struck by earthquakes again. Yet, the quakes themselves are not the main issue. Earthquakes are the result of shifting tectonic plates, but they are essentially random within an established framework. The results though are largely predictable and to a certain extent manageable. In 1989, a 7.0 earthquake hit the San Francisco Bay Area; 63 people died. (The quake which struck Concepción, Chile a month after the Haitian quake measured 8.8 in an area with a higher population; however, only a fraction of Haiti’s casualties have been reported) Buildings in wealthier countries, where building codes are more likely to be enforced, are designed to shake. In poorer countries, like Haiti, like Turkey, like Nicaragua, like Pakistan, the list is unfortunately too long to continue, the buildings collapse, burying anyone or anything beneath them: The simple reason for this? Profit...and profit kills.

Capitalism throughout its existence has been a system driven by profit, by the need to accumulate value. As

part of this drive, throughout its history, capitalism has developed the productive forces. Indeed, it continues to do so; however, since the early part of the twentieth century, capitalism’s patterns of accumulation and development have changed. Historically, capitalism’s main obstacle was scarcity. By the early twentieth century capitalism’s mass production was capable of overcoming that scarcity; something which paradoxically was essential to it. Now its tremendous productive forces have become tremendous destructive forces.

Capitalism must expand, or it is thrown into crisis. And thus it engages in a tremendous struggle within itself. A decadent capitalism not only can but does develop the productive forces of capitalism, yet it is constantly forced to engage in devalorization and the destruction of those same productive forces through war as well as economic and financial crises in order to prolong its existence. “Natural” disasters are a part of this scenario. As Amadeo Bordiga wrote in *Murder of the Dead*, “To exploit living labour, capital must destroy dead labour which is still useful. Loving to suck warm young blood, it kills corpses.”

How does Haiti fit into this analysis? For much of its “modern” existence, Haiti’s has been marginalized, exploited yet underdeveloped. In 1492, Christopher Columbus landed in Haiti, claiming the island for Spain and beginning two centuries of imperialist rivalry between Spain and France for the country. France was eventually to emerge victorious, but in 1791, the French were ousted by a slave rebellion led by a former slave, Toussaint l’Ouverture. It was struggle against what C.L.R James described in his *Black Jacobins* as “a quintessentially modern institution of capitalist exploitation.” In the century and a half since the Haitian revolution, Haiti has endured imperialist exploitation from Spain, France and most recently the United States. This coupled with an extremely unstable and corrupt domestic political leadership has led to an impoverished population, an underdeveloped economy and a devastated landscape. In 1926, 60% of Haiti was forested. By 2004, it had dropped to only 2%. The trees were cut down to provide charcoal, the main source of heat and fuel in Haiti, and to realize tremendous profit for the powerful

elites in Haiti at incredible environmental costs. With the destruction of the forests and the accompanying soil erosion, people fled the land to the cities creating giant slums. This has produced an incredible disaster for the island's ecology. This 'slumification' of the cities as giant shantytowns was accelerated during Jean-Claude 'Baby Doc' Duvalier's 15 years in power. Under his rule, tariffs for U.S. goods were virtually eliminated. Domestic rice producers were swamped with imports from American farming operations sending hundreds of thousands of bankrupted farmers into the slums of Port-au-Prince looking for work.

Haiti is the poorest country in the Americas, a position it has held for some time. Haiti has a labour force of somewhat over 3.5 million, of which almost two-thirds are without fixed jobs. About a quarter of Haitians make their livelihoods in fishing or agriculture. Haiti also possesses small mining rights involving bauxite, and some foreign owned sweatshop industries. The largest natural resource Haitians possess is cheap labour, and its endless supply of hungry children, who have no future. These children are increasingly the target of the entrepreneurs of the sex trade, or the social agencies which will place them with adoptive families in "rich" countries: each of these outcomes is testimony to the power and the horror of the *commodity* form.

The U.S. has maintained an interest in Haiti since the days of the revolution when it supported the rebels and the French government by supplying arms to both sides. In 1910, the U.S. State Department acting through the National City Bank of New York (now Citibank) bought the Banque National d'Haiti, Haiti's only commercial bank and also the national treasury. Against a background of political unrest in Haiti, President Woodrow Wilson sent troops to Haiti to "protect U.S. national interests" in 1915. For the next 19 years, American advisors backed-up by American troops effectively ran Haiti. As a result of this connection, a steady stream of Haitians has escaped to the "capitalist paradise" of the United States. Some estimates have it that the Haitian population in the U.S. is as high as 1 million people. Part of the policy of the United States today is to prevent a flow of so-called illegal immigrants, in reality those fleeing the monstrous social conditions spawned by capital's rule, to the U.S. At present, over 200 flights a day enter and

leave Haiti, but the majority are military ones.

In the aftermath of the quake, over a billion dollars in debts have been forgiven, yet Haiti still owes about \$891 million. Two days after the quake, the IMF triumphantly announced, it would lend Haiti a further \$100 million; however, he who pays the piper calls the tune: the loan came through the IMF's extended credit facility and had conditions which included raising electricity prices, freezing, and keeping inflation low. *New York Times* columnist David Brooks, while correctly noting this is not a natural disaster story it is a poverty story, called for "intrusive paternalism" as a solution. In other words, Haiti could be the recipient of restructuring which would likely allow the economy to "develop" and a cruel exploitation to emerge. Barack Obama's use of Bill Clinton and George Bush, the architects of America policy in Haiti over the last two decades, as point men shows how little things will change. In fact, Clinton has been pitching Haiti as a tourist destination, once the infrastructure is rebuilt, no doubt with fat contracts for connected companies. Perhaps Batista's Cuba is the historical model awaiting Haiti.

Could it be different? Is it possible to rebuild Haiti, to construct quake-resistant structures, to re-forest and revitalize the devastated agricultural sector, to make life fundamentally different for the people of that nation? The know-how and talent exists. The technology exists too. But stronger than them, is the obligation to valorize, to create a profit. Within the social and economic system in which we are trapped, disasters like Haiti make sense. The economic system, the system of value production, has disaster and destruction built into it. Capitalism, not "nature," stripped Haiti of its forests, and its agricultural land. Capitalism reduced it to a vast urban shantytown, blocking the most elementary efforts to reduce the danger of natural disasters. Capitalism needs "natural" disasters like Haiti: to destroy value, to impose its will. The millions of dollars promised to Haiti from governments, individuals and aid agencies all cover up this disturbing fact: If in fact Haiti does have a curse, it is not a supernatural one. The curse is the curse of capitalism

Fischer

On the Situation in Chile after the Earthquake

This article was written by a comrade in Concepción immediately after the earthquake, in the days before Chile's "Socialist" president sent in the army to restore Order. It seems to us to be an example of the kind of self-organization of workers and their neighborhoods that demonstrates an alternative to capitalist Order; that is emblematic of the creativity of the collective worker and the possibilities of socialization that it can generate.

Internationalist Perspective

By now, it is well known that many people did the common sense thing and entered the centres in which provisions were being stored, taking no more than what they needed. Such an act is logical, rational, necessary and inevitable - so much so that it appears absurd even to debate it. People organised themselves spontaneously - giving out milk, nappies and water according to each individual's need, with attention paid in particular to the number of children within each family. The need to take available products was so evident - and the determination of the people to exercise their right to survive was so powerful - that even the police ended up helping (extracting commodities from the Lider supermarket in Concepción, for example). And when attempts were made to impede the populace in doing the only thing that it could possibly do, the buildings in question were set alight - it's equally logical, after all, that if tonnes of foodstuffs have to rot instead of being consumed, that they are burnt, thus avoiding infection. These incidences of 'looting' have allowed thousands of people to subsist for hours in darkness, without drinking water or even the remotest hope that someone might come to their aid.

Now, however, in the space of just a few hours, the situation has changed drastically. Throughout the *penquista* (Concepción) metropolis, well-armed, mobile gangs have started to operate in expensive vehicles, concerning themselves with looting not just small businesses, but also residential buildings and houses. Their objective is to hoard the scarce few goods that people have been able to retrieve from the supermarkets, as well as their domestic appliances, money and whatever else they may find. In some parts of Concepción, these gangs have looted houses before setting them alight and then fleeing. Residents, who at first found themselves rendered completely defenceless, have started to organise their own defences, taking it in turns to do security patrols,

erecting barricades to protect their roads, and, in some barrios, collectivising their commodities in order to ensure that everyone gets fed.

I don't intend to "complete" the square of information gleaned from other sources with this brief account of events in the last few hours, more I want to bring everyone's attention to the nature of this critical situation, and its relevance from an anti-capitalist viewpoint. The spontaneous impulse of the people to appropriate what they need to subsist, and their tendency towards dialogue, sharing, agreement and collective action, have been present since the first moment of this catastrophe. We have all seen this natural, communitarian tendency in one form or another in our lives. In the midst of the horror experienced by thousands of workers and their families, this impulse to living as a community has emerged as a light in the dark, reminding us that it is never late to start again, to return to our [natural?] selves.

Faced with this organic, natural, communistic tendency, which has given life to the people in this time of shock, the state has paled, revealing its true self: a cold, impotent monster. Moreover, the sudden interruption of the demented production and consumption cycle left industry owners at the mercy of events, forced to wait, begging for the return of order. In short, a genuine breach opened in society, in which sparks of the new world which inhabits the hearts of common people. It was necessary, therefore, urgent in fact, to restore the old order of monopoly, abuses and the prey. But it didn't come from the highest spheres, but from the very bottom of class society. Those in charge of putting everything back in its right place - that is to say, imposing by force the relations of terror which permit private, capitalist appropriation - have been the drug-trafficking mafiosi, embedded within the population at large; the upstarts within the upstarts,

children of the working class, allied with bourgeois elements in order to ascend at the cost of the poisoning of their brothers, the trade of their sisters' sex and the avid consumerism of their own children. Mafiosi - that is to say, capitalists in the purest form: predators of their class, lounging in 4x4s, armed with automatic pistols, prepared to intimidate and even displace their own neighbours or residents of other barrios, with the aim of monopolising the black market and making easy money i.e. power.

That these mafia elements are natural allies of the state and the boss class is manifested in the use of their undignified misdeeds in the mass media in order to make the already demoralised population enter into a panic, therefore justifying the country's militarisation. What scene could be more prosperous for our bosses and politicians – walking hand in hand – who see this catastrophic crisis as nothing more than a good opportunity for good business, squeezing double profits out of a work force that is bent double by fear and desperation?

On the part of the enemies of this social order, it is meaningless to sing odes to looting without defining the social content of such actions. A group of people – partially organised, or united by a common goal, at least – taking and distributing the products that they need to survive is not the same as armed gangs looting the population with the intention of making their own profits. What remains clear is that the earthquake of Saturday 27th didn't just hit the working class terribly and destroy existent infrastructures. It has also overturned social relations in this country. In a matter of hours, the class struggle has emerged – warts and all – before our eyes, which are perhaps too used to television images to be able to capture the essence of the course of events. The class struggle is here, in the barrios reduced to rubble and gloom, fizzling and crackling at the bottom of society, forcing the fatal crash between two classes of human beings who in the end find themselves face to face; on one side, the social

men and women who search among themselves in order to help each other and to share, and on the other, the antisocials who pillage them and shoot at them in order to begin their own primitive accumulation of capital.



Collapsed building in Concepción

We are here, the opaque, anonymous beings, constantly trapped in our grey lives - the exploited, the neighbour, the parent, but ready to build links with those who share the same depression. On one side, the proletariat; on the other, capital. It's that simple. In many neighbourhoods of this devastated land, in these early morning moments, people are starting to organise their own defence against the armed gangs. At this moment, class consciousness is starting to be enacted materially by those who have been forced – in the blink of an eye – to understand that their lives belong to themselves alone, and that no one will come to their aid.

By an anonymous comrade

From Rambo to Mad Max: Mission Creep in Afghanistan

At the end of the 1988 Hollywood film, *Rambo III*, the eponymous hero leaves his Mujahedin comrades fighting the Russian army; just before the credits roll the film dedicates itself to the “gallant people of Afghanistan”. What a curse! The following year the Russians withdrew from their decade-long occupation, no longer willing to pay the price in rubles and blood of nominal control of the country without meaningful strategic benefit. But, far from achieving any ‘peace’ Afghanistan became a hot spot where the changing imperialist physiognomy of world capitalism was demonstrated as it morphed from a long-standing rivalry between two cohesive blocs to more ‘free-market’ murder and destruction.

Disinterest

The ‘Reagan Doctrine’ had long legitimized support for organizations pitted against the ‘Evil Empire’; in his recognition that “the struggle of the Afghan people represent[ed] man’s highest aspirations for freedom” he dedicated the Columbia space shuttle launch of March 1982 to them. So, with strong support - primarily from the CIA and the ISI (Pakistan’s Inter-Services Intelligence agency), and also from China and various Arab states - the Mujahedin had been able to grow a substantial challenge to the Russian military. Contraction from Eastern Europe had allowed the Russians to divert armaments to the Najibullah regime they left behind in Afghanistan. The Mujahedin and the regular Afghan army had each been trained by their respective patrons and were battle-experienced, and by the time the Najibullah government fell in 1992 the country was in a full-blown and well-armed civil war. With the Russian presence removed, the Americans lost interest in the country, save only for an unsuccessful CIA buy-back program for unused Stinger anti-aircraft missiles. Essentially, the US left the Afghans to their fate, as they had the Iraqi Kurds in the early ’70s. The difference this time was that there was no one in the role of a Saddam Hussein with an unchallengeable military force capable of crushing all internal opposition.

The Mujahedin warlords fought each other and the central Afghan state for dominance; together they reduced the population to penury and to a state of lawlessness. It seems that it was in response to this situation that the Taliban emerged under Mullah Omar in late 1994 as a military force; prior to that time only a handful had been involved in the conflict with the Russian or the Najibullah forces, the majority being young madrasa students in Afghan refugee camps in Pakistan. Taliban success in dominating most of the country was linked to their uncompromising attitude to the warlords’ gangs which gave them popular support. After capturing a massive weapons stockpile, they became a serious force that by September 1996 was able to capture Kabul. They were then able to set up a government and dismantle the previous state apparatus. Under their regime, a new ruling ideology, supposedly based on Sharia law, was developed and became notorious for its brutality and misogyny; a ‘pacification’ of sorts became normalized.

The indifference of the major imperialisms towards Afghanistan did not insulate it from the socio-economics of the global state of the capitalist system. The vipers in this nest have only multiplied—and magnified the suffering of the people in that country through their murderous rivalries. Nothing new in that perhaps, but the acceleration of social retrogression in the world shows itself starkly. Already by the turn of this century Afghans constituted the largest refugee population in the world (3.6 millions), most being displaced to Iran and Pakistan; in 2001 alone, another million were added. Add drought, destroyed infrastructure, cold and continuous fighting and you have one of the greatest social disasters of the late 20th / early 21st centuries. But the appalling consequences of this situation were uncontained.

Afghanistan’s geographic position, and the ideologies and hostilities of contending factions threatened to spread instabilities into all the surrounding countries and others far beyond. With the two military super-powers out of the way, Afghanistan opened up as a free-fire zone for lower-tier imperialist rivalries such as

those of Saudi Arabia and Iran, and of India and Pakistan. Most of the Central Asian states became involved in support of corresponding cross-border ethnicities: thus Uzbekistan, Kazakhstan, Kyrgyzstan and Tajikistan armed and financed tribes that came together in the Northern Alliance to fight the Taliban. It was not only contiguity that drew in the concerns of other capitalist states. In the 1980s the ISI had been involved in programs to radicalize and import Muslims from all parts of the world to come to Afghanistan to fight the Russians; Osama Bin Laden was one of those who trained them. One legacy of this activity was the creation of a conveyor belt of recruitment and training for the later terrorist organizations that are active today on an international scale.

Neither the US nor Russia had had any interest in Afghanistan's economic development in the way they might have had in the 1960s. Nonetheless, in the '90s, there were proposals that would have contributed to some kind of infrastructure: various Western consortia looked at constructing oil pipelines across the country; Benazir Bhutto's government wanted a new highway to link Pakistan directly to the central Asian states. Smugglers, transportation mafias and state bureaucracies were all interested but the success of any such project depended on ensuring the pacification of Afghanistan.

Woven through the social, political and economic dynamic is opium production. During the Russian occupation, with CIA help, the warlords built up poppy cultivation as a means of generating income and facilitating its export into the central Asian republics. During the collapse into civil war, the warlords encouraged it even more to compensate for their income shortfalls after the Russians left and American finance dried up. During the Taliban's reign, production continued to rise until a July 2000 diktat from Mullah Omar declared it to be 'un-Islamic'. In one year, production fell to near zero and the UN acknowledged it to be the most successful anti-drug program ever. However, the October 2001 American-led invasion in association with the Northern Alliance brought even more economic devastation that again pushed many farmers to turn to opium production. Since then all parties have had a direct and substantial interest in the opium economy: the Karzai government continues to protect its production; and after its ejection from power, the Taliban has turned again to approve and tax opium production to generate finance

for its resurgence. Organized crime, inside and outside Afghanistan, is always interested.



Opium farmer in Afghanistan

In a country that by 2004 was ranked socio-economically as 173rd out of 177 countries by the United Nations, farmers are not going to turn their backs on this cash crop. And yet, the insane logic of this system continues to grind out bizarre outcomes. There is now a plentiful supply of opium in storage and the price to the farmer has fallen, while the local wheat price is about twice the world market price. The Taliban have had to agree to farmers buying the Karzai government wheat seed. Yet with an already desperate shortage of opium-based medicines in the developing world being worsened by increases in cancer and HIV/AIDS incidence, an alternative market offers itself. Indeed ICOS (the International Council on Security and Development, previously the Senlis Council) put forward 'Poppy for Medicine' proposals in June 2007. However, the UN's International Narcotics Control Board limits such activities. The pharmaceutical companies do not comment publicly on these proposals. Whatever else, big pharma and the international drug cartels share an interest in maintaining appropriate volume/price support for their

respective segments of licit and illicit opiate markets – and to avoid counter-productive cross-market dilutions. In this social and economic mess where weaponry is plentiful, drug money magnifies the power of any group to contribute to the mayhem.



Taliban fighters.

Interest Renewed

American interest strengthened after Al-Qaeda's attacks on the US embassies in Dar es Salaam and Nairobi in 1998. The subsequent October 2001 invasion of Afghanistan was justified by the US in the aftermath of 9/11 as an attack on the Taliban-governed country that was providing a haven for Al-Qaeda. After a few weeks the Taliban were defeated in the face of tie-up between the US forces and the Northern Alliance which was a confederation of *tribal* units. By December, the Northern Alliance was telling the US military that Bin Laden was holed up in the caves in the Tora Bora Mountains. Whether or not that was true is moot; but it did succeed in pushing the US in deeper. Rumsfeld and the Pentagon told the world that the mountains hid many secret, deep, bomb proof, hi-tech and well-equipped bunkers from which Al-Qaeda could launch its attacks on the democratic world. Thus the US justified its use of the most powerful non-nuclear bombs – 'daisy-cutters' – to soften up the area before Afghans and American troops

were sent in to penetrate Bin Laden's lair. This neo-con sci-fi fantasy was just that, a fantasy; a rerun of the 1976 game where Russian strategic nuclear capability had been vastly over-estimated by Donald Rumsfeld and Team B (comprising Paul Wolfowitz and others) to justify massive increases in military expenditure. Far from there being facilities appropriate to a James Bond movie set, there were just dark caves used as arms dumps. If he had been there, Bin Laden had moved on. Nonetheless the propaganda and the step-up of the American onslaught was a watershed and the repercussions were global.

Over the following months, several threads in the thinking of the American bourgeoisie wove into a new policy: their huge sense of superior military capability over all other forces; their sense of domination in Afghanistan itself after having routed the Taliban; their interpretation that the Northern Alliance was the basis for a new Afghan state; their recognition of the general population's positive attitude to the Taliban's exit. The reassessment had several aspects including: to remain in Afghanistan; to pass responsibility for leading the international force to NATO in the guise of the ISAF (the International Security Assistance Force); to build a new centralized state apparatus; and, of course, to introduce 'democracy'. Moreover, their interpretation of events in Afghanistan was to feed into their expectations of an invasion of Iraq. Central was the idea that they could create at will a central state authority and in line with that thinking the tribal leaders were marginalized: this was a particularly stupid move as the tribal leaders were the only ones with some sort of control over social organization, dispute resolution and with more or less effective policing systems for any general policy. Thus, while the military situation exploded the social situation imploded.

In the context of a desperate population facing dreadful material hardships, the Taliban was again able to present itself as a defender of the people against the actions not only of the ISAF and the forces of the Karzai government, but also of the growing forces of a new breed of mercenary thugs – the Private Military Contractors (PMCs), such as Xe Services (before its name-change, Blackwater), DynCorp Ltd, MPRI and Kellogg Brown and Root – who participate in a \$100 billions global mercenary market that has mushroomed since the 1990s. The PMCs provide a career-extension for ex-military personnel of all ranks – CACI

provided half the interrogators at Abu Ghraib; MPRI has 300 retired US generals on its books – and are active at all levels in ISAF with their managements well-connected to the Pentagon. The stated US mission is to win a war, but the finances of the PMCs are better served by deterioration in the situation. Obama's surge publicly commits more US troops to the war in 2010 but rarely highlighted is the associated increase in PMC manpower. Estimates vary, but it is likely that two-thirds of the US military commitment to Afghanistan this year will be mercenaries.

Their appalling treatment of the population played right into the Taliban's hands. And to re-equip itself for its resurgence, the Taliban declared that the opium game was not so 'un-Islamic' after all as it is only the *kafirs* in the West that use it; the common use of marijuana by Moslems is proscribed. The Taliban resurgence is another reminder for the population that fortunes can change: the friends and foes of today can easily be the foes and friends of tomorrow. They have to deal with the realities of life in this insanity.

And the insanity does not stay in Afghanistan. The porosity of its borders with so many other states facilitates the movement of material, men and ideology in both directions. All countries fear the kind of blowback that Pakistan experiences as the fundamentalists turn on their erstwhile backers when it suits; the Taliban has even challenged the ISI... And if India was complacent about the consequences of supporting the enemies of the Taliban in Afghanistan, the 26 November murderfest in Mumbai also shows how easy it is to repay the gesture.

The American mission in Afghanistan has evolved in face of the substantial changes in the military-political situation; it has been obvious for years that the ISAF was not going to fulfil its early objectives. As this article is being written a conference, bringing together the ISAF member-states and the Karzai government, is meeting in London to reassess policy and has concocted a new two-fold strategy: militarily, they intend that the Afghan army surge along with the American forces; politically, they agreed to create a huge slush fund to be used to bribe low-level 'reconcilable' Taliban fighters into changing sides or, at least, not fighting against the US.



Civilian casualties in Afghanistan

Chips in a Poker Game

There are no enduring 'sides' here. All involved parties have shifting alliances and antagonisms inside and outside Afghanistan.

Take some current matters involving India, Pakistan and China – all of whom have been active in Afghanistan. India is concerned that Pakistani compliance with US policies will give them an advantage in future negotiations on Kashmir; Pakistan is not cooperating to enable India to identify the Indian 'handlers' of the terrorists that carried out the 26 November murders in Mumbai. China has built up substantial military and industrial ties with Pakistan, developing fighter aircraft and building deep-water harbour facilities for them; India and China are involved in consortia to build pipelines to transport Myanmar oil and gas back to China – but they still have outstanding territorial disputes in Sikkim, Assam and elsewhere. The disputes between these three nuclear powers have led to open fighting in the recent past, and they all have proxies in the Afghan conflict.

Ironically, the US and Russia have found some common interest on their old Afghan battleground. The Russian rulers are all for the containment of the fundamentalist instabilities so, while they are not happy about the US military base in Kyrgyzstan, they are content to allow 4000 American military flights annually through their airspace to facilitate US operations in Afghanistan. Medvedev said he discussed this with Obama during his first visit to

Moscow: 'Without close cooperation there will be no success in this area.' Such agreement between the American and Russian administrations augurs badly for local populations.

An Old Refrain: 'destroy it in order to save it'

In the 1960s, national economic development in the old colonial countries was the mantra, and it had a certain credibility. Some grew; most didn't. The social bankruptcy of the world capitalist system today is starkly shown in Afghanistan where imperialisms, arms, drugs, mafias and fundamentalists rule the roost and the population is utterly impoverished. The people of Afghanistan must be thunderstruck by the improvements the new London plan will give them. Maybe they'll climb back up the rankings: to 172nd, perhaps?

In this part of the world, warfare is conducted with every weapon imaginable – attack helicopters, missile-firing drones controlled from halfway across the planet, AK47s, improvised explosive devices, suicide bombers, knives and rocks. There's no shortage of manpower: the domestic economic situation has

ensured that the American military was able to fulfil all its recruitment targets; the refugee camps, the madrasas, and international jihadi mobilizations provided the man- and child-power for the Taliban resurgence.

No wonder the current American commander in Afghanistan, General McChrystal describes Afghanistan as 'this tremendously complex Mad Max, utterly devastated society ...' Seemingly oblivious to the American role in creating the 'post-apocalyptic' society he sees around him, McChrystal goes on to say that Afghanistan '[has] got to be repaired, and I don't know if we can fix it. But we can't ignore it.' Ominous words.

The imperialist imbroglio will not stop with Afghanistan. Western military operations are already rolling on to yet another desperately poor country to continue the war against 'terror': military 'advisors' are already working with government forces to 'stabilise' the situation. It is now Yemen's turn to meet Mad Max.

Marlowe

- Don't forget, in addition to the print edition of *Internationalist Perspective*, we also publish an on-line edition. The IP web site is available in English and French, and contains all the articles from the print edition, as well as articles and discussions which do not appear in the regular edition of *IP*. We also publish a blog.
- To visit our web site, go to
- <http://internationalist-perspective.org>
- To visit our blog go to
- <http://internationalist-perspectvie.org/blog>

We do not see either of these sites as solely "our" property, but instead as places where discussions and exchanges of ideas can be held. We encourage readers to read, write and get involved.

The Crisis of Production and the Crisis of the Market Have the Same Cause: The Value Form

Reply to MCL of 'Controverses'

I apologize for having assumed that the text presented by 'Controverses'¹ at public meetings jointly organized with IP,² to which I addressed some critical comments³, expressed the opinion of 'Controverses'. In his reply to these comments, the author of the text stressed that 'Controverses' is not 'a group' but 'a project', in which the collaborators, such as him, talk in their own name. So what follows is not a reply to Controverses but to its collaborator C. Mcl.

Mcl insists on the need for a sane polemic and on this we wholeheartedly agree. Indeed, a theoretical discussion on the origins of the crisis can easily degenerate in some kind of children's game, "I'm more Marxist than you," in which quotations of Marx replace the snowballs. Such a game does not interest us. Nor are we interested in waging a polemic just to prove that we're right. If we think it's important to answer Mcl, it is because theoretical errors can lead to political choices that might be regrettable.

The essence of the debate is Mcl's disagreement with the analysis of IP according to which the main contradictions which condemn capitalism to ever deeper crises, that is, the insufficiency of its market and the tendency of its profit-rate to fall, are intrinsically linked and have their common origin in the very foundation of capitalism: the value form. Against this view, Mcl affirms that these two contradictions are independent factors which are 'not theoretically linked' (and therefore neither practically linked, one has to assume) and have no common origin. And he lines up quotations to prove that Marx thought so too.

¹ <http://www.leftcommunism.org/>

² <http://internationalist-perspective.org/blog/2009/11/01/a-text-by-controverses>

³ <http://internationalist-perspective.org/blog/2009/11/01/a-few-remarks-on-the-presentation-of-controverses-on-the-crisis/>

Thus Mcl claims that the current crisis is not caused by the tendency of capital to become less profitable, since, according to his figures, the rate of profit has increased in recent years, but by an independent manifestation of the other contradiction, the insufficiency of its market, and more specifically by the lack of demand of the working class, caused by the relative decline of wages. This problem, he states, cannot be resolved by an increase of consumption by other components of the market, because the different components of the market are not 'communicating vessels': instead of investing or consuming more, the capitalist class prefers to 'park' its profits in financial capital.

If this indeed were an independent problem, not linked to the problem of the production of value, then its cause as well as its solution (or the reason for the lack of any solution) would not be linked to the contradictions in production either. If the insufficiency of the market is an independent problem, its solution, if there is any, is obvious: To expand the market. To raise wages in order to stimulate the consumption of workers. To have the state intervene in the economy in order to accomplish M-C, the transformation of money into commodities which private capital is refusing to do. If one accepts that the insufficiency of the market is an independent factor, unlinked to what goes on in the sphere of production, it's hard to see what one could oppose to this vision, which is the one of the left wing of capital.

Still, Mcl insists that he's not an underconsumptionist. His argument seems to be that he's not one because Marx wasn't one and he agrees with Marx. Indeed, as Mcl admits, Marx sharply criticized the idea that "the working class receives too small a part of its own product and this could be redressed by giving it a larger part of that product, and thus higher wages." Mcl agrees: "to increase wages would not resolve anything because they were restricted precisely in order to redress the rate of profit since 1982" So, after insisting so much that these problems are independent, unlinked,

he winds up saying that one cannot be solved because of the other. Some independence!

Mcl admits that "In general, these two contradictions manifest themselves together and reinforce each other," but he insists on the fact that there are also moments in which one is more dominant than the other. That is true, but it hardly shows that they are independent factors. Indeed Mcl himself shows how one is held back at the expense of worsening the other, how the rate of profit in the past years was propped up by reducing wage-costs and thus demand, and how, in the 1970's, demand was propped up by state policies which weighed heavily on the rate of profit. So he himself demonstrates that the idea, according to which these contradictions are independent factors, is untenable. We should therefore try to understand instead *how* they are linked. Since he denies that they're linked, Mcl cannot do that. The quotes from Marx which he so carefully gathered are not a substitute for an analysis.

But let's look at these quotes a little closer, since they could give the impression that Marx's view was as contradictory as Mcl's. That is not the case. According to Mcl, the analysis of IP goes against that of Marx because:

a) Internationalist Perspective thinks that "the problem of the market and of the tendential fall of the rate of profit cannot be separated," that they even have a "common origin," while Marx thinks that these two concepts are "independent", "not theoretically linked" and "not identical."

b) Internationalist Perspective thinks that "the decline on the part of the wages cannot be presented as a problem of market reduction in itself" and therefore disagrees with the analysis of Marx according to which "the ultimate cause of all real crises always is the poverty and restricted consumption of the masses."

It is true that Marx shows that the conditions of the production of value and of its realization "are not identical", but that is precisely a position which IP has affirmed in all its theoretical texts on the capitalist crisis. In contrast to most other groups and publications in the pro-revolutionary milieu, including the one of which Mcl was a member, IP was almost the only one (*Communisme Ou Civilisation* was another exception)

to insist that these conditions are not identical so that the crisis in the phase of the realization of value cannot be explained as a mere consequence of the crisis in the phase of production, nor the other way around.⁴ If Mcl would follow his own advice, "first to get to know seriously the respective arguments", he would know this and avoid a false debate.

Unfortunately, the two camps in this debate were not able to push their understanding much further than it was already before Marx, when Ricardo assumed that the realization of capital is completed in the phase of production and Sismondi saw the insufficiency of the market as a source of crisis without understanding how it was linked to the contradictions within the phase of production. Marx learned something from both but he also criticized both for not understanding the unity between the two phases of the reproduction process, the common source of the obstacles that appear in them, which is capital itself, value. The solution to this false debate is not to deny the link between them but to understand this link more profoundly, instead of seeing

⁴ See for instance, "The roots of the capitalist crisis", part 2 (IP 30-31): "Insofar as there is real debate on crisis theory amongst revolutionary Marxists (alas, very little, despite the fact that it is the linchpin of their message) each side tends to see only one contradiction and ignore the other, while both confusing the frameworks of individual capitals and capital as a whole, with inevitably disastrous results for their overall understanding of the unfolding of capitalism's historic crisis. When Marx states "production determines the market, as well as the market determines production", each camp in this debate hears only half of what he's saying. One side, the Luxemburgists and others focusing exclusively on realization-problems, can't accept the first half: that production determines the market and that, therefore, an expansion of the scale of production also brings about an expansion of the market. Contrary to what they think the immanent barrier to market expansion is not static and can't be understood without grasping the dynamics of the production process. The other side, of which Paul Mattick has been the best known theoretician, believes that the fall of the profit-rate is the only barrier to capital accumulation, and can't therefore accept the implications of the second half of Marx's statement, that the market determines production, and that therefore the narrow basis on which this market rests, can become an insurmountable obstacle for the accumulation of capital, which is forced by the tendential fall of the profit-rate to expand continuously.

the obstacles in one as mere consequences of the obstacles in the other.



Marx's Capital

Of course these obstacles are linked, theoretically as well as practically. Marx knew very well that “production determines the market, as well as the market determines production”. One presupposes the other. Without their unity, the process of reproduction would be impossible. His entire analysis of the reproduction of capital is based on the understanding of the phase of production of value and the phase of its circulation as a whole, but also on the understanding that the very evolution of capitalism generates a contradiction between them. This contradiction results from the value form, from the double nature of the

commodity as exchange-value and use-value. If use-value and exchange-value were the same thing, or even if they weren't but would develop harmoniously, production would equal consumption and there would be no crisis resulting from the contradiction between them. But the value form forces capital to measure wealth with socially necessary labor-time, while at the same time it compels it to reduce socially necessary labor-time as much as possible. It therefore imposes a different course on the production of use-values, which tends to grow at an exponential rate, and on the production of exchange-value, which tends to shrink relatively. This manifests itself in the phase of production in a lack of profit and in the phase of circulation in a lack of demand, but the source is the same. As Marx wrote, the limit is “not inherent to production generally, but to production founded on capital.”⁵ In the same way, he saw no limit to consumption in general, but to consumption based on capital. This limit is the same, seen from different angles. In the phase of production, the limit is the declining course of exchange-value. In the phase of circulation, the limit is the exponential growth of use-values, relative to their exchange-value. The realization of exchange-value is the goal but it's also the use-value as such, which determines demand. The commodity as use-value is in contradiction with itself as exchange-value. It is the need for it as a use-value (by those who possess exchange-value) which conditions its realization as exchange-value. And this need does not automatically adjust itself to the tendency of capital to produce ever more use-values with ever less exchange-value (All this is examined in more detail in the section entitled “How the contradiction affects the realization of value” in “Crisis of Value” in IP 51/52, which Mcl seems not to have read).

While “this unity of production and realization, not immediately but as a process” (*Grundrisse* p.407) must be understood, it must be also understood that this unity is not achieved automatically. In the sphere of production, capital seeks only surplus value and therefore tendentially pushes production beyond the limits of expansion of its market. In the sphere of circulation, capital acts as if circulation were itself a source of value, as if it would be under no obligation to return to production to valorize. It's in this sense that Marx saw these different phases of a single whole

⁵ Marx, *Grundrisse*, Penguin ed, p.415

manifest an independence from each other. But this independence itself signals the development of the contradiction between them, which shatters their necessary unity and provokes the crisis.

“The contradiction between production and realization – of which capital, by its concept, is the unity -- has to be grasped more intrinsically than merely as the indifferent, seemingly reciprocally independent appearance of the individual moments of the process.” (Grundrisse, p.415.)

Their unity is capital: the reproduction of society as value. It is the contradiction within the value form that breaks this unity. The limit which exchange-value imposes on the production of use-values as well as the limit use-value imposes on the realization of exchange-value, as Marx explains further on.

So, far from him to consider those two phases, and the obstacles that appear in them, as being “not linked theoretically.” And yet that’s what he wrote, according to Mcl. This surprised me, even more so since I remembered the passage well, having quoted it myself in a text (see IP 30-31). Mcl quotes him as writing: “Les conditions de l’exploitation immédiate et celles de sa réalisation ne sont pas identiques. Elles ne diffèrent pas seulement par le temps et le lieu, théoriquement non plus elles ne sont pas liées” (In English: “The conditions of the immediate exploitation and those of its realization are not identical. They differ, not only in time and space, but theoretically, they are not linked either.”) But in my edition of *Capital*, Vol. 3, (International Publishers), the same passage ends: “they differ, not only in time and space, but also logically.” So I looked up the original, German text: “Sie fallen nicht nur nach Zeit und Ort, sondern auch begrifflich auseinander.” Which is pretty close to the English translation, though the closest translation would be: “They differ not only in time and space, but also conceptually.” So it seems that the translator of *Capital* for “Les Editions Sociales”, the version to which Mcl refers, has deformed Marx’s thinking considerably, thereby sowing confusion in Mcl’s head. Indeed, to differ conceptually is quite another thing from not being linked theoretically. The difference between the conditions of production and realization do not make the link between them disappear. It is precisely in this link that the value form, under the

pressure of the inherent evolution of capitalism, becomes an untenable contradiction.

Because we disagree with his opinion that the relative decline of the demand of the working class is an independent cause of the crisis, Mcl claims that we reject Marx’s view that “the ultimate reason of all real crises is always the poverty and restricted consumption of the masses.” Not so.

In defense of his theory that the current crisis is caused by the relative decline of wages, Mcl writes: “what IP forgets is that for Marx the restriction of the market results not only from the mechanism of the decline of the rate of profit” [note in passing that this formulation implicitly recognizes that both are linked, contrary to Mcl’s claim] (...) but also from an increase of the rate of surplus-value (...) resulting from the decline of the part of wages in the total social product.”

Like Marx, we think that the demand of the exploited class is inadequate by definition (*Grundrisse*, p. 420). The capitalist system is based on this. For the total capital, this demand represents necessarily more cost than profit. It pays for it. Its size is linked, in an inverse relation, with the rate of profit. From this, it does not follow that the relative restriction of the demand of the exploited class does not create any problems for capital, but that the appearance of crisis in the realization of value is intrinsically linked to the conditions of its production.

The causes of the relative decline of wages are to be found in the sphere of production. In this regard it does not matter whether it results from a rise of the organic composition of capital (the ratio C/V , constant to variable capital, technology to living labor) or from a rise of the rate of surplus value (the ratio S/V , surplus value to wages). Besides, the two – the process of production which becomes more and more based on past labor to which ever less living labor is added, and the process of production in which the reproduction of the working class becomes ever cheaper for capital--go hand in hand.

The sense of the quotation from Marx, in its context, is that the capitalist market can never be more than the use-values needed for the reproduction of capital (in an enlarged form, imposed by competition and its

tendency to devalorize), and the use-values needed to satisfy the unproductive wants of those with money.

It is not the latter market that poses a problem. It can always grow. If not because of a growing demand of private capitalists and their hangers-on, the state can stimulate a rise of unproductive demand. In this regard, it's not important *who* consumes. If wages are doubled tomorrow (fat chance!), this would shift a part of the unproductive consumption from the capitalist class to the working class, but it would in no way resolve the real problem of the market for capital.

Because this problem is in the first market, the one that is limited by the quantity of use-values necessary for the enlarged reproduction of capital. It's there where the contradiction between use-value and exchange-value becomes insurmountable (see "Crisis of Value," *op. cit*) It's this market which counts because it's only by passing through it that value continues its cycle and can produce new value. The other market, the one of commodities that are unproductively consumed, is but a dead-end for capital: a necessary dead-end, but still a dead-end.

There are other questions raised in Mcl's text (such as the redistribution of surplus value in the circulation process, the metabolism between the developed

capitals and the rest of the world and its historical evolution, whose importance he seems to underestimate) that we can address later on. My main goal is to show that the cause of the crisis of capital, in production as well as circulation, is capital itself, its value form whose internal contradiction becomes untenable following internal changes in the mode of production. From this flows the need to situate the manifestations of crisis in an historical framework, to see the changes that the mode of production has undergone, to link them to the progress of the real domination of capital and what has been called the decadence of capitalism. If I criticized the lack of historical approach in Mcl, it was not to score a point but because an historical contextualization is essential to understand the stakes today.

To see the phenomena of crisis in production and on the market as separated, independent and unlinked theoretically, is dangerous because not seeing their link means not seeing that the essential problem *is* capital; that its foundation, the value form, must be destroyed. This opens the door to the defense of a lesser goal. Such a defense could become a safe-conduit for counter-revolution; it's therefore important not to continue down that road.

Sander

Back issues of Internationalist Perspective are available.

For readers with incomplete collections of *IP*, back issues are available.

Please write to the U.S. address for details.

Discounts are available with multiple issues.

Thoughts on Reification

Introduction

How to account for the abrupt onset of the current crisis of capitalism according to the interests of the working class, knowing that historically the constitutive components permitting the functioning and reaction against exploitation no longer play the same role today as they did in the past?

Why are these reactions so timid, despite the importance and impact of the crisis, despite the appeals of all those who claim to speak in the name of the class? Clearly, the “classic” explanations of the crisis are no longer sufficient to explain the actual events. What, then, is going on? Has the proletariat been integrated into the logic of capitalism?

It is initially necessary to understand the changes that have taken place within capitalism and their effects on the proletariat. Several theorists, including Hans-Georg Backhaus, Helmut Reichelt, Werner Bonefeld, Moishe Postone, and Anselm Jappe have sought to respond by wielding the concept of alienation.

This concept of alienation is not new. Various claims about it exist. Raymond Carver, Harold Brodkey, Michel Houellebecq also use this term. In ethics, Martha Nussbaum terms reification the instrumental treatment of other people. One can thus regard it as a transgression of moral principles. It is about human behavior highlighting the pretence of feelings, opportunism, auto-manipulation, the management of emotions, highlighted in contemporary works. Moreover the strictly naturalist approaches that explain human affects and actions by the analysis of neural connections in the brain are described as reifying.

But before them, Marx used the concept of alienation to explain the evolution of the proletariat as a function of the social relations transformed by capitalism, and the effect of the development of *value*. He considered *reification* as a specific phenomenon, that by which relations between human beings assume the form of relations between things. Lukács also took up this concept and theorized the action of the proletariat as a

response to reification. This led to a critique of the Frankfurt School in the 1950's, which had theorized the insufficiency of the efforts to overcome reification and had led to a questioning of the possibility of a revolutionary movement of the proletariat.

This is an important discussion, and we need to again take up, and sharpen, these concepts. In capitalism, human relations dissolve into value relations, but while capitalists gain power and wealth, and become the willing agents of capital, wage-workers live this relation as a loss, a mode of self-alienation, a form of enslavement. We have here an historical process that has assumed different forms as a function of the very development of the relations of production. Reification is a process that transforms the subject into an object. It is an ongoing process within capitalist accumulation. It is consequently important to appreciate the evolution of the concept:

- in Marx,
- in Lukács
- in the Frankfurt School,

This will permit us to situate our present level of understanding in terms of the actual evolution of capitalism, and to understand the response of the working class. This article constitutes a framework, on the basis of which we can go further.

1. Reification according to Marx

The concept of reification appears in Marx in 1859, where he says: “social relations between people appear as inverted, as social relations between things”. Later, in the first volume of *Capital*, he claims: “the materialization of the relations of production comes from the internal structure of the commodity economy. Fetishism is not only a phenomenon of social consciousness, but of social being.”

But in the work of Marx, this concept assumes various forms. At first, Marx speaks about alienation or estrangement. Later, when he develops the theory of commodity fetishism, he uses the concept of reified labor, fetishism or the theory of value. These three

formulations are approaches to the same problem, the determination of the creative activity of workers in the capitalist form of the economy.

The first approach by Marx to the analysis of social relations in capitalist society is done through the concept of alienation or estrangement. In 1844, Marx poses alienation as inherent in the social relations of a capitalist society, where one class appropriates the work of another, alienated, class. While defining by analysis the critique of the alienation of man from himself, alienation from the product of her work and even of from his own activity, Marx raised the question of the abolition of these forms of dehumanization, and the possibility of restoring a human society. In certain passages of the 1844 Manuscripts, Marx even identified communism with a restoration of human nature, a restoration of the essence of man. Marx borrowed this concept from Hegel, while criticizing the content that the latter had given it.

However, in 1845, in his *Theses on Feuerbach*, Marx criticizes those according to whom the essence of man remains isolated, outside of history, and, abstract. For Marx “the essence of man is not an abstraction inherent in the isolated individual. In its reality, it is the whole of social relations” (*Theses on Feuerbach*). According to Marx, Feuerbach “... never arrives at the really existing active men, he knows no other human relationships of man to man than love and friendship, and even then idealized...he never manages to grasp the sensual world as the total living sensuous activity of the individuals composing it.”

In *The German Ideology* (1845-46), then in *The Poverty Of Philosophy* (1847), Marx considers man in much more concrete terms, i.e. he considers the world of objects as a world of concrete human activities, creative activities: “by acquiring new productive forces, men change their mode of production and by changing the mode of production... they change all their social relations...”

So, Marx brings the human “essence” back into history, which means that man has no essence other than his historical existence. Concerning the historical project: “men have each time attained the degree of emancipation that the existing productive forces prescribed and allowed, but not their ideal of man”. Marx resolved man’s essence into the historical conditions in which he lived and was thus led to

abandon the conflict between the alienated man of capitalist society and an a-historical human non-alienated essence.

Later, in the first volume of “Capital,” he affirms that the materialization of the relations of production comes from the internal structure of the commodity economy. Fetishism is not only a phenomenon of social consciousness, but of social being. Marx says “the sum of the forces of production, of capital, of the forms of social relations that each individual and each generation finds as a given, is the concrete basis of what the philosophers represented as the “substance” and the “essence of man.” To transform the theory of the alienation of human relations into a theory of the reification of social relations, Marx poses the question of the connection between alienation and commodity fetishism. He believes that it is there that the foundation of the reification (materialization or objectivation) of social relations resides. It is in that sense, that Marx will use the concepts of reified labor, commodity fetishism, and the theory of value. These three formulations are approaches to the same problem, the determination of the creative activity of the workers in the capitalist form of economy. Fetishism, then, is not only a phenomenon of social consciousness, but social being.

In adopting that problematic, Marx went beyond utopian socialism, which remained stuck in a negation of reality in the name of an ideal, and instead posed the necessity for an immanent comprehension of that reality, of its concrete developmental tendencies, and its actual movement. He indicated that the link between the concepts of alienation and commodity fetishism lay in the concept of reification and its resulting “thing-ification” of social relations.

2. Reification and Lukács

On the bases of Marx, Max Weber, and Georg Simmel, Lukács elaborated a definition of reification. He developed it in his monumental *History and Class Consciousness*, specifically in the chapter on “Reification and the Consciousness of the Proletariat.” Lukacs sees reification as a relation between people that takes on the character of a thing. Reification designates the cognitive process by which a human being is seen as a thing. It is an elementary definition that considers that a human being who possesses nothing is considered a thing. For Lukács, reification is

not seen as a violation of moral principles, but as a failing in the recognition of human *praxis*, of human rationality. Lukács, then, articulates a certain *social* ontology. This elementary explanation must, for Lukács, be placed in a social context as a function of the extension of commodity exchange, which with the establishment of capitalist society became the dominant mode of human activity.

For Lukács, with the mode of capitalist exchange, relations between individuals are evaluated as functions of particular interests. It is commodity exchange that, with the establishment of capitalist society, became the dominant mode of the inter-subjective activity. With the evolution of Capitalism, subjects are constrained to inscribe their relation to society in a reified mode; as “things” from which a profit can be made. One speaks, then, about thingification, when the object, as an instrument, has her personal capacities transformed into economically profitable components.

So, Lukács assembles these elements to explain the causes of reification: the quantifying apprehension of the object, the instrumental treatment of the “other,” the transformation of her qualities into opportunities to pursue the quest for profit. This is something other than a simple phenomenology, inasmuch as Lukács links the description of phenomena to the fetishism of commodities. When the process of reification is in place, the subject no longer participates in an active manner in the way in which she interacts with the environing world. He seems disinterested in it.

Lukács believes that with the expansion of commodity relations, men abandon their position as subjects, because related to social life they are constrained to behave as distant observers. In the ever-expanding sphere of commodity exchange, subjects are constrained to act, with respect to social life, in a contemplative fashion, rather than as active participants. It is the quest for profit that rationalizes behavior. As a result of socialization, the reified system of behavior develops. The instrumental treatment of others is a social fact, before being a moral one.

How, then, to extricate humankind from reification? How, then, to overcome thing-ified social relations? All of modern education leads to reified social relations. The capacities of the subject are developed

so that he/she can participate in the commodity world as a quantifiable and “useful” object. It is necessary that these subjects, in their turn, see the world as a thing-able entity. Lukács, by contrast, believes that reification has its limits in the consciousness of the proletariat, through the critique of the commodity form.



The dream of reason brings forth monsters

3. The Conception of the Frankfurt School

The question that the Frankfurt School asks is: why, contrary to Marx's forecasts, has class polarization and the proletarian revolution not happened. If Lukács thought that reification would find its limits in the consciousness of the proletariat, as a critique of the commodity form, the Frankfurt School rejected that vision as based on idealist principles. For the Frankfurt School, then, the Lukácsian thesis that claims that the

proletariat is an identical subject-object, making it possible to overcome reification, is itself idealist. The critique of the Frankfurt School, then, leads to the negation of the revolutionary character of the proletariat. For the Frankfurt School, capitalist society is headed towards total reification.

But let us first present the ideas of the Frankfurt School

Critical theory was elaborated in the years 1920-1930, specifically by Horkheimer and Adorno, the other principal participants in this current, are Benjamin and Marcuse.

Critical theory is a new critique of reason, of its dead ends, its aporias, and its antinomies. The Frankfurt School opposed Neo-Kantianism (which separated judgments of fact from value judgments), as well as the realism of Lukács, socialist realism, the phenomenology of Husserl, as well as both Stalinism and fascism politically. There was a certain return to Kant, via a detour by way of Nietzsche, who had made a critique of reason, but not on behalf of the understanding and judgment. Nietzsche also developed a critique of civilization and progress, but that needs to be deepened.

As Assoun and Raulet showed in "Marxism and Critical Theory," critical theory is also an integration of Kantian concepts within a new historical framework. Reason becomes one of the essential referents of Critical Theory; reason which alone can arm the historical subject with a critical consciousness, with a self-awareness as subject of History and a consciousness of the world as object, both an obstacle and an instrument of emancipation. But if reason is *émancipatory*, it also founded the emergence of capitalism, through a rational appropriation of nature. And that led to catastrophe. That opposition, paradoxical in itself, would lose its dialectical character, and reveal itself to be the instrumentalized obstacle propelling the world towards the reproduction of holocausts.

The critical way at an impasse

The contact, often critical, with phenomenology and existentialism made it necessary for the Frankfurt School to take a position not just about the deviations of an existentialist philosophy diverted for purposes of

the legitimization of the authoritarian state, and more particularly of the Stalinist state, but also on the fundamental question of the relation of being in the world, notably through the critique of irrationalism and the refusal to over-value the singularity of individual existence, in a step that reintroduced an idealism that had lost contact with the historical material world.

The critique of identity between reason and the real

"The fundamental philosophical thesis of 'critical theory' is the challenge to 'identity theory,' to which Hegel had given its accomplished form. It is Horkheimer who expresses it most clearly in his 1932 text on "Hegel and Metaphysics" (Assoun and Raulet). Since Hegel, Horkheimer says, reason and reality are regarded as identical: reason permits access to reality, it apprehends reality in an objective and positive way. There is an identity of subject and object. It is this identity that Critical Theory will attempt to *déconstruire* and then to reject:

"To deny the Identity doctrine, is to reduce knowledge to a simple demonstration, conditioned by multiple aspects of the life of determinant man [...]. Now] the assertion of identity is only an act of pure faith [...]. We know from units of an extremely diverse nature and in the most diverse domains that the identity of 'to think' and 'to be' is nothing other than a philosophical 'dogma,' even as it presupposes that each of its moments is one: thus 'to think,' 'to be,' 'history,' 'nature.'" (Horkheimer, "Hegel and Metaphysics")

The Frankfurt School must then follow a narrow path. It is necessary to propose a critique and a reflexivity of knowledge without falling into "the erroneous modes of a resolution of a panlogicism of identity," of irrationalism and of positivism among other dangers. It is necessary, at the same time, "to confirm rationalism while renewing it."

The bringing to light of irrationalism

The examples of domination are many and appear to be found in all areas of life to illustrate the following arbitrary enumeration: domination of woman by man in bourgeois marriage, of animals through experiments, of wages within a company sometimes directly by the intermediary of standards of output associated with the work process, the citizen in the State, the landscape by the tourist industry, the ecosystem by industry, musical

research by its immediate reception or its profitability, etc

For Adorno, this vision of domination, which is expressed initially in “The Dialectic of Enlightenment” written in collaboration with Horkheimer during the Second World War, is present in other works as an extension into the various fields of the critical analysis of reason, which presents the dual character of developing the potential of freedom at the same time as the reality of oppression, via the distinct instances of reason and nature.

The dialectic of reason as a negative dialectic

To positivism, The Frankfurt School opposes the “negative dialectic,” that is, the awareness of the world as a negation of the historical subject and of this critical moment of the spirit that tends, by utopia or social revolt, to deny this negation so as to overcome all alienation.

“The Dialectic of Reason” is an apocalyptic description of (self) destructive reason. Far from clarifying the world, enlightenment and reason ineluctably lead it to catastrophe. The totality of the system of the thought of modernity is a carrier of that catastrophe. This central theme of Adorno’s is coupled with that of “Aufklärung”, Enlightenment, or as the opening of the volume puts it: “What human beings seek to learn from nature is how to use it to dominate wholly both it and human beings. Nothing else counts.”

The human species, driven by its principle of self-preservation, or conservation, stripped of dialectic because of the contradiction persisting between its pretensions and its realizations, its concept and that which is reality, works partly, in the contrary direction of progress towards generalized happiness, especially in substituting the means put in place by reason, to the goal, the finality of these means. That results in the irrationality of the activity of man as blind natural history. So, humankind is led to develop this negativism, which explains the catastrophes, the Shoah.

The goal of rationality, happiness, is forgotten. If it names the ensemble of the means defined to dominate nature, its goal remains a means, and reason non-rational. Self-preservation fixed on its means,

impoverishes the life of the subject and mutilates the world, in particular the human faculty for differentiation, its qualitative side, its capacity to experience the world and others, which little by little is no longer practiced and is replaced by pre-established schemas of thought, seeking to utilize and standardize individuals and their impulses on the commodity model, and this so they work for the perpetuation of society such as it is. The task of philosophy is, then, to criticize this spirit of self-perpetuation, so as to aid in the development of a consciousness that is a prelude to a possible transformation of the conditions of life determined by the capitalist mode of production, Adorno, here, being one with Marx.

Critical theory will seek to refute the theory of class consciousness developed by Lukács

We thus witness, in Critical Theory, a drift from a revolutionary Marxist position towards a melancholy left Weberianism or a mere critical sociology of communication subsequently developed by Habermas. It is obvious that in a Lukácsian theory, from which the concept of class consciousness has been amputated, and especially if the proletariat as an emancipatory force is not replaced, the negation of reification becomes problematic. Indeed, if the proletariat is no longer a vector of consciousness that can overcome reification, then it could only be a victim of domination, of repression. Moreover, even as the social process leads to extreme reification, there always remains the social space for disobedience. The Frankfurt School, rather paradoxically does not take into account the dual dialectic of social classes, and fails to see, that historically, a dominated class is also always a rebellious class, rather than a reactionary class. While rightly criticizing the identity between reason and the real, the Frankfurt School thinks that this is a fixed entity. It no longer makes a distinction between subject and object, alleging that everything is reduced to domination.

The Frankfurt School ran afoul of this dilemma, and sought to transcend it by finding an answer, for Horkheimer in religion, for Adorno in aesthetics, for Marcuse in ecology. The abandonment of a theory of class consciousness opened the way to a left pessimism, which Walter Benjamin would exemplify. But if these authors criticize the difficulties of the proletariat to overcome reification, they in no way

oppose the concept of reification. On the contrary, they develop a universalizing, absolute, and ontological, vision of reification. The conclusion imposed on them, is that reification is total. But what can one think of such a conclusion? If reification is total, critique itself becomes impossible. This conclusion is a self-refutation of critical theory.

4. What We Keep.

How to overcome the dilemma? Our approach

The discussion that we want to open is about the implications of reification. If this concept makes it possible to understand the evolution of the proletariat within the framework of the changes in capitalism, then it's also a matter of overcoming the impasse of Critical Theory.

The capitalist system

Capitalism is a system that from its onset has dehumanized social relations by establishing the monetary relation and value. This value relation has historically and dialectically evolved in tandem with that of the productive forces. That development has been characterized by an ever-stronger penetration of the value form, accentuating the inhumanity of capital, reification. That situation has brought in its wake a cortege of violence orchestrated to defend the valorization of capital against the tendential fall in the rate of profit, itself exacerbated by the ever-increasing competition between rival capitals.

Historically, capitalism arises from a long struggle to assure the freedom to buy and sell. The struggle of the rising bourgeoisie was limited to the defense of free markets. If the law of value, theorized by Marx, is a constant feature of capitalist relations of production, its actual movement, its extension, is the product of a class situation, which in the nineteenth century did not yet completely seize hold of the possible field of accumulation, thereby leaving space for diverse social classes which bore the frontal attack of the capitalist social relation.



Even in death, capitalism debases humanity

The intrusion of the law of value

That process affected all of capitalist society. It meant that the operation of the capitalist law of value little by little penetrated society as a whole; that every pore of society was invaded and transformed by the operation of the law of value; that all the domains of social existence were tendentially invaded by the law of value. What prevents such a totality shaped by the law of value becoming a *totalization* from which there is no escape is the fact that the law of value has its own contradictions – contradictions that provide the bases for its own overthrow.

The question that is posed is, then, the possibility of resistance, which can only be resolved by a dialectical stance making it possible to overcome the metaphysical vision of an historical *mission* of the working class. Metaphysics and positivism are the essentialist methods that look at humankind from the outside, and seek on the basis of such a starting point to elucidate its being and its nature. Their investigations pertain to being “in-itself.” That corresponds to the Leninist approach, which sees that only an external power, the Party, can draw the revolutionary movement in its wake.

The dialectic, by contrast, is necessarily and deliberately a *praxis*, because it rests on the recognition of the change in consciousness by the world itself, and vice versa. Every dialectical process consists of a regular and uninterrupted evolution of one determination by another, of one pole by another; which makes possible such an overcoming, permitting

the accession of new integrations and new provisional synthesizes at an ever-higher level. The dialectic entails a constant development of consciousness of the necessity of a breakthrough of human reflection through its own practice.

Either reality is accepted as an immutable object, essentially always identical to itself, or it is recognized as an object ever changeable by conscious practice, by the action of a subject. Either we confront a world that for all eternity will be opaque and definitively inhuman, only susceptible to modification by a power that alienates man, or we see ourselves *in* the world, and acting *on* the world, which in its turn acts on us, as Lukács claims.

To raise that issue, it seems critical to go back to the first definition that Lukács proposed. He situated the problem in terms of totality, in terms of the becoming of the totality of the world, that is to say, of the process of social and historical experience constituted by *praxis*. That method rejects separation, the fragmentation of the labor process into parts; the atomization of society into individuals. For Lukács – and here, we follow him – this principle of the category of totality is the bearer of a fundamental dialectical principle, which suggests a dynamic relation between subject and object, between the subjectivity of the actor and the concrete fact, between the world of culture and the world of nature.

Marxism is a basic critique of the consciousness upon which metaphysical systems and religious certitudes rest. It is clear that the knowledge of the “laws” of society is by itself revolutionary, and that the political theory possible in a given society describes less the possibilities of another politics than the limits of the political thinking of the existing society.

Fundamentally, it’s a question for man, the worker, to overcome the condition to which capitalism has subjected him. If that overcoming is limited to the conditions of economic or political struggle against the effects of the system, then one could content oneself with a good strategy to mobilize the masses. That conception, inherited from Leninist ideology, is bankrupt when one takes into account the phenomenon of alienation that makes man hesitate before the task of autonomization; when one takes into account the

tendency of humankind to re-produce the prevailing social relations, to re-create identical, re-assuring structures: fear of the unknown, of risk, fear reinforced by the dominant ideological discourse, where everything is mobilized to accentuate the need to perpetuate the alienated social structures. So, illusion and truth clash, anxiety and assurance provoked by a concrete reality shaping the symbolic representation of forms of action act in concert to assure the survival and determine the forms of power that historically emerge. It’s a matter of a basic framework that makes it possible to apprehend what humankind can be, its evolution, and perhaps its involution. In the “German Ideology,” Marx clearly summarizes the matter of the survival of humankind: At the outset, humans found conditions favorable to their development. In producing their means of existence, they transformed nature and transformed themselves. Science thus makes it possible to understand and to explain the functioning of nature, of the world at first, incorporating – little by little – the relations created by the life of man itself.

And reification?

It is no longer a matter of developing the productive forces through an unbridled growth of production. Like much else, the production of goods, economic logic, the technicization of the world, engenders an enslavement of man. Such servitude is a submission to the imperative of a “rational” domination exercised by things, by the products of human labor that constitutes an interface, at once an obstacle to and a means of interaction between humankind and nature. To satisfy one’s needs, is to accept and confirm one’s dependence vis à vis an economy that, in order to function, must produce machines and tools, and master the earth by exercising a domination without fault over nature. The overcoming [*dépassement*] takes place within the struggle engendered by the recognition of the subject, which, for the proletariat, can only be collective. But its outlines arise by grasping the individual interactions opening the way to other social practices, to creativity and solidarity. That vision has been developed in my article, “An Inquiry into Class Consciousness” in *IP* # 50 (December 2008).

FD

Some Unfinished Thoughts on Class Consciousness

The following text was written as a contribution to the discussion on class consciousness at the IP-conference last fall.

For quite a while, IP has focused on trying to understand how class consciousness can develop in our time to its revolutionary potential. This is the framework for defining our own role. We have tried to tackle the question in the “species being” debate that was the main subject of 3 issues of *IP*. While the debate could be called “rich”, it did not lead to a consensus, or to a synthesis or a plan on how to continue the discussion. We vowed to continue the debate with texts on the website but we haven’t.

The debate has stopped or has maybe restarted on a different path, an examination of reification and what can loosen its grip. Still, the species being debate showed a consensus on important points: We rejected “productivism” and a view of class struggle as limited to wages and employment and claimed that the totality in which the working class is attacked as human beings informs its consciousness. History cannot be understood if class consciousness is seen as an automatic result of the “natural” development of the productive forces. The same conditions can lead to radically different results.

We have for now dropped the subject of “species being,” but people with whom I talk about politics, and about our perspectives, have not. In my experience it comes up almost every time I talk about the possibility of communism with someone from outside our “milieu.” “Human nature” won’t allow it, is the common reaction, men are too selfish, too competitive, too cruel, too evil. Look at all the horror around us. Look at the pleasure murder and rape gives soldiers when the reins are loosened.

How do we answer that? By saying that there is much more in human nature than these awful things, that, all things considered, there is more “good” than “bad” in our species? Or, that the bad is not part of human nature, but the product of alienation from our true nature? Or by saying: human nature as such does not exist, it is capitalism, and the law of value, that

compels humans to act as they do? Neither answer satisfies, although they all contain some truth, contradictory as they may be.

Another reaction I hear a lot in discussions with “outsiders” is: ‘fill in what revolutionary change means. How do we get from here to there? And once there, how will our lives be different?’

We talk about the goal of communism but we describe it only in general, abstract terms, we don’t want to be accused of pretending to have a blueprint for the future. Though vague, our view of that goal is also static, invariant. In our view, the goal of the proletarian struggle remains the same, only its expression changes; as the struggle develops, it moves from being implicit to becoming explicit. Since the concept of the goal is static, it is not discussed much in function of the process, the class struggle, but only the other way around: how the class struggle can change in function of the goal of communism.

We do of course recognize that goal and process are dialectically linked. Workers fight because they are compelled to do so but also because the possibility arises, because a certain force is felt and a desired goal is seen as within the reach of that force. As the means of the struggle broaden through self-organization, possibilities expand and so do the goals of the struggle. That’s why we can believe despite our tiny numbers, despite the current lack of class struggle, that once a broad mass movement erupts, it will be a self-reinforcing process, making the goal more and more explicit, a process of which the pro-revolutionaries will be a part by articulating that goal, connecting it to the experience of the struggle.

While we do see that process as self-reinforcing, we do not see it as automatic; we know that it can be derailed, it can be defeated. The beliefs of people, the windows through which they look at the world, are not a mere

reflection of the state of the productive forces. The development of class consciousness is the development of a feeling, of a collective emotion, but also of a collective thought process, of an imagining in word and action, in which we participate.



Collective action

But isn't that clinging to a teleological scheme in which the pre-existing goal, expressed in the communist program, contained or not in our species being, realizes itself? Is communism a set of ideas to be put into practice? Of course we would argue that it is more than that, that it is a real movement of which these ideas are an expression. But do we not operate under the assumption that this set of ideas is already there? Does that not lead to the logical conclusion that we must unite in one party to disseminate this set of ideas as efficiently as possible, as many in the left communist milieu believe?

It's true that IP has argued that the theory is not yet there, that in fact it is so sorely lacking that a "renaissance of Marxism" is necessary, maybe even vital for revolutionary change. But we agree with others in the left communist milieu that no meaningful

change is possible as long as capitalism exists; that the real sense of the struggle is that it leads to the replacement of the rule of capital by the rule of the collective worker, internationally organized and centralized by the workers councils, after which meaningful change can begin.

This leads me to the question of "the period of transition" (p.o.t). IP has never discussed this question but the bulk of the group came out of the ICC, which saw it as one of its first tasks to adopt a position on this issue (I was one of the few dissenters). This position said that, after the capitalist class is defeated politically, there will still be a capitalist economy and there will still be class contradictions, so there will still be a need for a state to manage the economy and society in general. It is important that the workers councils and the party stay out of the state, lest they be infected by its bureaucratic conservatism. The workers councils must be separate from, but controlling the state, and the party must be separate from both but active in each. This was seen as the essential lesson of the Russian revolution.

Several thoughts occur to me about this.

- It is true that after capitalism is politically defeated, huge problems will face the victorious working class. The greatest of all may be, how to integrate the billions of people expelled from the global economy? If only the collective worker is organized, that leaves many people in the cold. It stands to reason that the revolutionary struggle will not only lead to self-organization in the workplaces but also in other areas; that it will give birth to territorially based organization in neighborhoods, cities and regions. But, must such territorial organization become the state, assuming a totality of management functions? That is still questionable to me.

- How can we know? One thing we know is that the future will not be a replay of the Russian revolution. About the specific forms that the revolutionary movement will take and how they will relate to each other, we know very little and that should inspire us to modesty. That doesn't mean we have nothing to say, we must always push the envelope towards greater solidarity, towards organization that engages everybody, before and after the defeat of the capitalist state.

- The ICC-position on the p.o.t is based on the assumption that the political defeat of capitalism comes first, and that a change of the capitalist economy (and larger society) follows; that the only instance of dual power occurs right before that defeat. Is that realistic? I am not suggesting that communism can grow in the womb of capitalism as the latter grew in feudalism. Self-management as a strategy is self-defeating. But I think that if the resistance of the working class is to become revolutionary, there will be many instances of dual power along the way; moments in which the workers break the law, wrestle control away from the capitalist class over some aspect of their lives, change the world, maybe only locally and for a moment, maybe leaving a deeper impact. Maybe the transition towards communism does not begin with the political defeat of capitalism but long before it in the praxis of the struggle.



The German Revolution

We all agree that revolutionary change, not just now but throughout history, has required conditions that make it necessary and possible. With respect to necessity, if our analysis is sound, we can be “confident” that it will weigh increasingly heavy. Workers will be increasingly compelled to resist conditions that threaten their survival. What about the possibility? What is it, in the conditions of the working class today that opens the possibility of it not being mobilized for self-destruction as in the past? Is it the collective historical memory? Is the working class today, as a result of its experience, a less easy prey for the lies of the left and the right? Is it the changes in the capitalist mode of production itself? The fact that the contradiction between its global nature and its national foundation, between competition and the global human interest, and, most of all, because the contradiction within the value form itself, between the capacity to produce use-values and the misery resulting from the inability to valorize, has never been so glaring as today? Is it because, even if the law of value has penetrated consciousness as never before, the increasingly central role of knowledge in the economy pushes capitalism to stimulate the education, knowledge, and in some ways even the imagination of the working class? Is it because capitalism’s tendency towards production with ever less value creates openings for “exchanges” that are no longer value-based and thus shows the concrete possibility of non-commodified social relations?

To be continued.

Sander

Venezuela and the “Bolivarian Revolution” (Part Two)

This is the second and final part of an analysis of the Chavista regime, the first part of which appeared in IP #51/52. This article, written by a comrade with firsthand knowledge of conditions in Venezuela, appeared first in Kosmoprolet, Heft 1, the publication of the Freudinnen und Freude der Klassenlosen Gesellschaft (Friends of the Classless society).

Part Two continues the analysis of the “Missions” through which the Chavista state seeks to ideologically and economically control the population, and the myths of popular control, the implication of Venezuela in the global imperialist system, and the authoritarian and repressive tendencies of Chavismo.

The “Misiones”

Even more spectacular are the “misiones” for adults without education. They range from literacy programs – even though illiteracy is very rare amongst adults, affecting mostly elder people – through high school programs to vocational training. A Bolivarian university for those who could not find a place at one of the public universities or were expelled completes this parallel education system. People’s hopes to increase their income by getting a professional qualification initially caused a massive rush into these programs. Grants for some of the participants – amounting to roughly half of the minimum wage – further contributed to this boom. Of course, some participants – especially those who don’t get a grant – drop out. But what is more, being absorbed by their everyday lives also those who do participate hardly find the time to go through the subjects at home, let alone to actually deepen their knowledge. Thus, a certificate testifies not so much to a real qualification but rather to loyalty to the government. In Venezuela, this can certainly be beneficial.

The educational concept is quite problematic: all of the instructional material is from Cuba and classes consist mainly of watching videos. The teaching staff is mostly made up of assistants who get the minimum wage and whose knowledge rarely exceeds the content of the videos. Instead of engaging in a dialogue, participants are expected to behave as passive consumers, staring at a screen that undeniably knows what’s right and what’s important. Far from initiating self-empowerment, this kind of education merely reinforces obedience. Prior to

the elections in December 2006 participants of some classes were even given forms to fill in the names, addresses, phone and ID numbers as well as the presumable electoral behavior of ten of their neighbors. This was sold as a contribution to better relations amongst neighbors and no one had any objections.

Almost all participants in the mission for vocational training receive a grant, though this is being questioned at the moment. For this reason it is extremely popular: many want to enroll, but not everyone is admitted; the attitude towards the government sometimes plays a role in the selection procedure. In any case, more than 500 000 people could obtain a qualification so far. Graduates are expected to form cooperatives, being promised credit, state contracts and sometimes land. Initially, this worked out quite well and the government set itself the goal to create almost 100 000 cooperatives. By now, however, the market is already overcrowded with cooperatives; since the government cannot award contracts to all of them, merely 5 000 still have a real existence.

Food supply constitutes another field of action for the state. A new ministry headed by a general was created solely for this purpose. The task of “Misión Mercal” is to procure food and distribute it at subsidized prices 30 percent below market prices. The distribution chain consists of more than 10,000 sales points, complemented in urban areas by occasional central markets. About half of the population makes use of this offer. While in theory the mission should distribute goods from small producers and agricultural cooperatives, what can be found on the shelves is rather reminiscent of the food stores in the German Democratic Republic: storable food like rice, noodles,

flour, canned food and bottles of oil or beverages. Fresh food like fruit, vegetables or meat can only be obtained at the occasional central markets, so that people still have to buy essential groceries at regular stores or from street vendors – and after all, in statistical terms “Misión Mercal” provides merely 150 g of food per person and day. Contrary to the official discourse on “food sovereignty,” Venezuela has to import 50 percent of its food, mostly from Colombia and Brazil. Apart from that, this mission also provides “mental food” – cartoons on the packaging help to spread the ideology of Bolivarianism. The military is in charge of logistics and the whole chain of procurement, storage, distribution and selling opens up new opportunities for corruption.

Thus, also in this sector the initial enthusiasm is dwindling. While the provision of free meals for the absolute have-nots and the homeless has somewhat improved the lot of the poorest part of the population, food supply remains a precarious issue. People have to be on the go all day long just to get the necessary groceries. About 10 percent of the population live in extreme poverty, another 30 percent of the families do not have sufficient income to cover basic needs like food, housing, clothing and transport. According to official statistics, families do not have more money to spend than in 1998.

The demand for proper housing with road and water connections is as huge as Venezuela’s slums: it is estimated at 1.8 million units. In addition, 60 percent of existing habitations are in need of restoration, while thousands of people lose their homes every year or need to be relocated due to landslides. So another mission was set up to improve housing. The issue is ubiquitous and the expectations of people are high. Depending on the social situation of the applicants, housing is sometimes provided freely. However, the normal case is that people get a cheap credit and have to buy their own places.

How building contracts are awarded by the state is again a very opaque matter, and many of the hurriedly built houses are not really habitable. Even official statistics document that this mission is the least successful of the major ones. Of the 120,000 units planned per year, not more than 70,000 are actually built. Thus, it is not surprising that also the allocation of apartments is to some degree ruled by bureaucratic arbitrariness and political considerations.

The Myth of Co-management

It would be laborious to go through the other ‘Misiones’: the same picture results each time. We should instead dedicate the next lines to the real or supposed changes in industry. The first thing to note is that in most enterprises, both private and state-owned, it is business as usual. What’s new is simply that a trade union federation (UNT) that’s more or less loyal to the regime has become established, and is in day-to-day life carrying out the same role as the ‘social democratic’ CTV under the previous government. The leading bureaucracy is so occupied with infighting and power-struggles (in which the Trotskyists represent the tendency more independent of the government) that since the foundation of the UNT in 2003 not a single internal election has taken place. For as long as anyone can remember, the unions have controlled a certain quota of hirings. Whoever is looking for work must pay them about the equivalent of a month’s wages. This is particularly lucrative in the oil industry, in which the union bureaucrats take about a thousand euros for every person they provide with a job. The struggle between the construction unions in the state of Bolívar for the control of this lucrative labour market has led to more than a hundred deaths in the last few years.

Whenever private companies close or threaten to, workers not only in Germany but also in Venezuela respond with the demand to save jobs. After the employers’ strike in 2003 a few companies remained closed. The issue of preserving jobs became acute. In a few cases the workers occupied the factories (but didn’t take over production!) as a sign to the state that it had to do something. It did in fact bring in measures which were described as co-management: the owners were offered financial support if they kept business running, diverted a share of the profit for social projects, and made the workers into ‘proud’ company-owners with share options, for which many of the workers went into debt. Beyond this, the workers had to form co-operatives in order to be active as partners. It is obvious that this was for some enterprises an opportunity to get their hands on state cash. In the absence of agreement, the state attempts to expropriate the company, paying appropriate compensation.

In this case the state becomes the new owner and goes through the same motions with the workers: they are brought together into co-operatives, and sold shares.

More and more employers and landowners are offering the state their property in order to profit from these forms of aid and compensation. In the best cases, co-management involves workers' giving advice making decisions about day-to-day problems on the shop floor, while strategic decisions remain in the hands of the real owner, namely the private shareholders or the state. In about a thousand mostly smaller businesses a form of co-management was introduced in which the workers weren't allowed to own more than 49% of shares in the company, such that it was clear where the power lay when it came down to it. Because the co-operatives are a sort of collective of self-employed workers who have signed a temporary contract with the companies, the workers fall outside the scope of labour law. If the co-operatives presume to meddle in the administration of the workers assert their rights, open conflict results – as at the paper factory Invepal, at Sanitarios Maracay or Cacao Oderí. If this takes place on the streets, the police get involved. There can be no talk of a systematic introduction of co-management within the state sector, particularly not in the oil industry. One exception is provided by the relatively dilapidated state-run aluminium factory, Alcasa, with about 3,000 employees. The director, who describes himself as a 'revolutionary lent by the state to the company' was given room to play with a version of co-management in which the workers didn't receive the usual share-options. Instead there was an experiment from above involving delegated workers. This experiment then fell dormant and the 'lent revolutionary' was provisionally sent to the education sector to carry out other tasks.

'Grass-Roots Organization' at the Behest of the State

Since the beginning of the 'Bolivarian Revolution', Venezuela has been flooded with successive waves of different 'grass-roots organizations'. None of these arose out of popular initiatives or from social struggles. Without exception they were initiated by the state, and often directly from its head. They are however 'grass-roots' organizations: they present the socially excluded with the chance to organize themselves such that they are accepted as a partner to the state.

The first wave was that of the 'Bolivarian circles', which brought together the more outspoken, uncritical 'Chavistas' in different places and social situations and documented their identification with the new government. These circles didn't serve to articulate

people's concerns, but had the task to defend, primarily ideologically, the ongoing 'process' and to make propaganda for it. Because they had no financial resources, and weren't planned to be used for local decision-making processes, they brought no immediate benefits. After an initial flourish they are now completely meaningless. Afterwards came a succession of local committees – health committees, water tables, urban land committees (CTU) and local planning committees (CLP), which exist to this day. This committees, in which every resident can take part, are in rural areas and slums primarily charged with the responsibility of ensuring that the current state of affairs is understood by those affected by it, of communicating the current deficit, and making any appropriate suggestions for improvement. In practice this had never previously happened, and the authorities were in no position to do it. Under direction from technical advisers, a few committed citizens worked hopefully at bringing in a few desperately needed improvements by informing the state, which can react accordingly. Despite the various activities that took place at the state, very little happened, and what did was very slow. The result was that the few improvements only helped individual groups or individuals, and the activists on the committees were partly taken over by the official district administrations. At the same time, the committees took on a sort of trade-union function as an intermediary between the state and the impoverished population. The evidently increasing levels of protests against local authorities in the name of the promises of the 'Bolivarian' constitution and government are often organized and publicized by these committees. Since they systematically direct their demands at the state, they remain fundamentally dependent on it. Facing high levels of disillusion among the population with the results of the local committees, the state announced the large-scale formation of co-operatives. With at least five members they were supposed to be 'self-organized' businesses to which the state could give small-scale contracts to implement local measures. The pragmatic hope for state-funded income – and also the insight into the necessity of collective action – led to a proper boom in foundations across the country. Business was booming even for lawyers and advisers with experience in co-operatives. Hastily set up and hardly equipped with financial and other resources, the co-operatives offered services to state-run businesses and institutions, pocketed the money and carried out the work to the lowest possible standards. There are

various state-run agencies that can simply give out these contracts, and here there is often a role both for bribery and for 'fictional co-operatives'. The co-operative members' income is usually at about the level of the minimum wage. This is therefore basically a means of generating work. The more radical wing of the UNT has pronounced:

'It is true that unemployment has fallen, but this took place as a result of the precarious employment conditions in the missions and the co-operatives, and we must demand stability and better conditions.'

Although there are now around 100,000 registered co-operatives with 1.5 million members, most exist only on paper – increased competition has meant that many co-operatives don't always have work, and that their performance is often questionable. Only the bigger co-operatives and those who own their own means of production function properly. And in this case, there is still the well-known 'danger' that these purchase labour-power from outside and thus become normal capitalist businesses. The high point of the co-operatives is over.

In early 2006 came the new wave of 'district councils': the terms of their foundation, their organizational structure and their remit are laid down by parliament, and they were publicized by the ministry responsible. In the cities they are supposed to incorporate between 200 and 400 families; in rural areas about twenty. Up to 50,000 were to be created by the end of 2007. These are neighbourhood organizations, which are supposed to co-ordinate the work of local grass-roots organizations. Their general meetings are charged above all with the task of electing the people responsible for their various sub-areas (working groups). Unlike the previous grass-roots organizations, they are allowed, in accordance with the projects they define themselves, to administer their budget of up to €30,000 themselves – on average a hundred euros per family. In addition, they are allowed to generate their own income, e.g. through the foundation of 'communal' banks. It is said that they represent the first step towards smashing the entire traditional structure of state bureaucracy. Mayors and governors could perhaps no longer be sure that they wouldn't be replaced by 'people's power'. And local administrative bureaucracy is also de facto losing part of its power and its budget to the elected district-representatives. As before, those who are represented have to wait for the

new form of organization to look after them efficiently – but that's not how it works. After the first two or three meetings of the working groups, usually only a few people are left, who are either de-motivated, in which case the whole thing is effectively put to sleep, or they start on a small level to siphon off money into their own pocket. This wave is also on the slow road to self-destruction.

The workers' councils were also announced with a flourish. Whoever thinks that these councils are a sign of any sort of revolutionary development in Venezuela will be very disappointed, and little if anything is heard about them any more. As an answer to trade unionists who saw their own role threatened by the introduction of the workers' councils, the new Labour Minister Rivero said 'We want to concentrate on education, because in the end that's what matters'. After he had mentioned that 10% of the working week would be dedicated to subjects as diverse as Venezuelan history, analysis of capitalism, dialectical materialism, etc., he continued: 'Socialist education, as it will take place in the workplace after the end of three-way decrees, will be led by the workers' councils – that is, from the organisms which will arise from the grass-roots workers, in order to implement guidelines which the government will ratify through an institution that will be founded for this purpose.' That is, the workers' councils would not be involved in industrial decision-making processes. The trade unionists can therefore remain calm! So much for autonomy, and the radicalism of the 'workers' councils.'

The truth of the independence of the 'grass-roots organizations' from the state is revealed in the comments of the mayor of Caracas, Freddy Bernal, that there are 'plans from the mayoral office to intervene in the co-ordinated social organizations, the urban land committees, health committees, district councils [...] wherever it is necessary'. The 'grass-roots organizations' turn out to be ambiguous institutions. Many use them as mechanisms to gain favor from the state, others to add weight to demands to the authorities. For the state, organizations are an institutional anteroom, in which large sections of the population can be reintegrated and to channel protest movements. The 'grass-roots organizations' whose tasks involve purely sectional or local themes contribute to limiting the targets of protest to local or ministerial functionaries, without allowing the situation as a whole or Chávez himself to come into the firing

line. Until now they have mostly served to preserve social peace and to consolidate the new state power by ensuring that problems are always solved by the state and not by people's own initiatives. Through a climate of perpetual mobilization, the ever-increasing campaigns serve in addition to keeping the initiative with 'our president'. Earlier unfulfilled promises are compensated for by even higher expectations for the future. It is through this game that Chávez keeps hold of the reins.

Sub-imperialism and 'socialist employers'

An important contribution to the consolidation of this '21st century socialism' consists in the international support Venezuela has received – first from Cuba, the last bastion of the former eastern bloc, also from 'enemies' of and competitors to North-American imperialism, from China, Russia, Iran and Belarus, to the European Union, albeit to a limited extent. The Venezuelan government is trying to increase its political and economic sphere influence within Latin America through discounted oil-deliveries and financial and technical aid. In the light of the long unfulfilled promises at home, these initiatives are increasingly condemned – for example, there is financial aid for a dairy factory in Argentina, while in Venezuela milk itself has become a scarce commodity. Venezuela is pursuing more and more a sort of sub-imperialism, but is increasingly coming up against the emerging economic power of Brazil. The program propagated shrilly by Chávez, the establishment, against US-Hegemony, of a Latin-American block under Venezuela's leadership, now stands on clay feet, since the economic power of such a block boils down to oil-revenue. The only members of this 'Bolivarian' bloc are Nicaragua, Ecuador, Cuba and Bolivia – lightweights, that is, in Latin-American contexts. Meanwhile, a new so-called Bolivarian bourgeoisie has emerged out of the permanently restructured channels of distribution, while parts of the 'old bourgeoisie' have put an end to their initial fundamental opposition to the government, and are now trying to adapt to the new situation. Banks, the construction industry, telecommunications companies, the import sector and individual logistic industries which co-operate with the state are particularly happy with the almost record-breaking dividends. This rapprochement of Venezuelan capitalists with the government is not an isolated case: a 'Confederation of Socialist Employers of Venezuela' was founded as opposition to the traditional employers'

association Fedecámeras. The official discourse emphasizes that Venezuela's socialism rests on three economic pillars: not only the state and the communal sectors, but also the private. It was not without reason that the president declared that he was in agreement with the Nobel Laureate Muhammad Yunus, the founder of micro-credit.

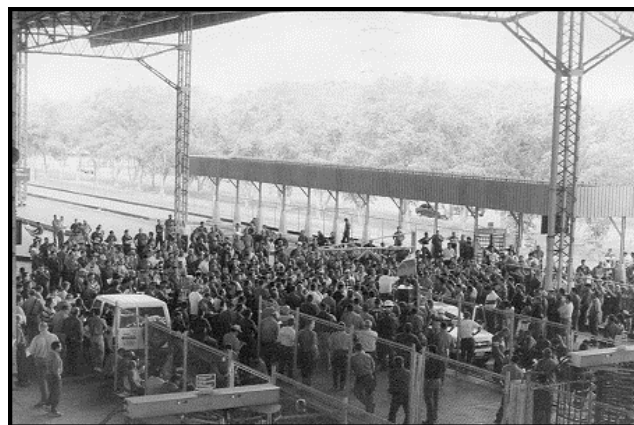
Impending crisis and authoritarian turn

Since the last reelection of the "Comandante" in December 2006, a new authoritarian turn has been on the horizon: Chávez has been concentrating more and more power in his own hands, and is harnessing control. A thoroughly acquiescent parliament agreed to an enabling law, through which it made itself almost redundant and allowed the newly elected president to rule by decree for eighteen months in almost all areas. Chávez's decisions are becoming unfathomable to everyone, and his supporters have been left to believe that he knows what he is doing and why. The president has recently forbidden his followers, ministers and other politicians and elected representatives from commenting on any topic without prior discussion with him. If 'Chávez is the people!' is taken seriously, every decision or pronouncement made by Chávez is by its nature 'grass-roots democratic', and every other 'capitalist'. What more could one want? But one thing is sure: through the foundation of the 'United Socialist Party of Venezuela' (PSUV) he is trying to attain total power over his supporters. This is an indication of the fusion of party and state: state-run schools are used at the weekend for the registration of new party-members, which is organized by the state election authority. It is not only out of conviction that around five million people have already signed-up as candidate-members. 'If you're not for me, you're against me,' the motto runs, which contains the threat of the removal of jobs or state-benefits. Applicants are screened before acceptance, but who does this, and according to which criteria, remains hazy. Even violent police-repression of protests is no longer the exception. At the same time, the emphasis on ideological schooling is increasing, and voluntary labour is also under discussion. It seems likely, that this new trend is related to Venezuela's economic situation. And here the prospects aren't all rosy right now: after the international crude oil price climbed for three years, it is now stagnant at \$60 a barrel. Oil-production has fallen slightly, but state expenditure is growing rapidly – by 47% in 2006. In 2001 it represented 21% of GDP,

34% in 2006. Industrial production, which had fallen in the first years, is now growing at approximately 7%, and has re-attained 1997-levels. In the same time-period, the number of industrial businesses fell from 11,000 to 7,000. Imports rose 40% in the last year, and now account for 75% of oil-revenue. General inflation has reached 18%, while food-prices are rising at 30%. And this is hardly to touch on the dependence on the US-economy: leaving oil out of the equation, 50% of exports are to the US, while 30% of Venezuela's imports come from the 'land of the devil'. Despite talk of 'endogenous' development, the PDVSA obtains nearly half its turnover from its branches abroad (through shares in the capital of individual firms, such as Ruhr Oel GmbH in Germany, through its own refineries abroad, its own tankers or networks of petrol stations, such as, for example, CITGO, which runs around 15,000 service stations in the USA). In 2006, social expenditure constituted only about 10% of GDP, of which less than half is allocated to the missions. From the total social spending of \$13 billion, \$5 billion come directly from the PDVSA – the remaining \$8 billion constitute 15% of the budget. Meanwhile, the banks, private construction and trade are making huge deals, achieving growth-rates of between 20% and 25%. The emergence of a layer of new-rich is not least evidenced by the 50% growth in sales of new cars in 2006, of which more than half are imported.

To finance this dynamic, the national debt has almost doubled during the course of the 'Bolivarian Revolution' – from about \$40 billion in 1998 to \$70 billion today – primarily through new government bonds, bought by the private banks in Venezuela, while external debt has remained on about the same level. The trade surplus looks more and more likely to be overtaken by growing imports and the drain of capital. Is the model reaching its limits? And will state hand-outs have to be distributed increasingly unequally, between those who are completely dependent on them and those who are not? In other words: while a well-placed minority has been able to tap into the oil-revenue, and is rapidly increasing its wealth, will people look at the small improvements for the people, which this minority frenetically points out. 21st-century socialism? Charitable kleptocracy! A kleptocracy, indeed, which is steering the country to its next economic and social crisis. Agricultural production is stagnant, and supplies are critical. Conflicts in individual co-managed companies have made clear how deep the difference between

nationalization and socialization can be. The co-operative at Cacao Oderí expressed it as follows: 'In Venezuela, it is civil society that must become a stronger economic agent, not the over-powerful and corrupt oil-state. [...] That is obsolete state capitalism. For us, socialism means self-management.' A state bureaucrat saw it differently. Justifying why the state should have the final say in the business, and not the workers, he said 'President Chávez is an instrument of God's will'.



Rally at Sidor

Protests are taking place throughout the country – because of unfulfilled promises, water and electricity supplies, the state of the streets, crime, shortages of teachers or housing, delayed payments of credits, grants or wages, refuse, the rights of street-vendors, or industrial conflicts. There are about fifty protests every day, sometimes accompanied by barricades in the city-centre or of important traffic-axes. The government is slowly becoming nervous, and police interventions are becoming more violent – particularly, but not only, against workers' protests. It is often warned of the 'danger' that these protests pose for the 'process': 'Acting in this way is counter-revolutionary, because it sows the seeds of anarchy.' Longer prison-terms are being given: disturbance of public order – blockading streets, in simple terms – can be punished by more than a year. And in a few cases, such sentences have already been handed out. Given the catastrophic state of the prisons, in which there are 400 deaths a year, such a sentence is equivalent to a murder-threat. The unmanageable numbers of 'grass-roots organizations'

and arbitrations that make all sorts of promises leads to competition and overlap. It has happened that the same plot of land, or the same residential building, has been promised by different authorities to different groups. For example, an empty factory was occupied for months by its former workers in order to demand payment of withheld wages. One night the same factory was occupied by another group, to demand the construction of houses on the same empty land; they have been waiting for new housing since the earthquake of December 1998. Violent conflicts seem likely.

Light at the end of the tunnel?

Living conditions for the poorest sections of the population have improved in some respects. That benefits are preferable to starvation is without doubt. Indeed, we insist on the goal of a life without need, without money, without nations, in which humans, as species-beings, can consciously make their own needs into the sole criterion of society. The potential dozing in the lap of modern society easily allows this. But it could only be realized through the self-determined actions of the exploited. In the face of such possibilities, the improvements attained in Venezuela remain miserable – and even they cannot be guaranteed.

The chaotic process by which new campaigns and institutions, new grass-roots organizations and promises, are regularly announced, also carries a certain risk for the new holders of power. For the people often take promises at their word, and demand their fulfilment more confidently; sometimes they even insist on really getting involved in decision-making. The frustration that emerges from the discrepancy between hope and reality leads to daily protests and in smaller circles also to ‘theoretical’ discussions of a socialism that goes beyond the mere fighting of poverty and ‘Soviet Marxism.’ But new forms of organization that aren’t initiated by the state, and that are actually involved in autonomous struggles, have not yet emerged either within or outside the workplace. A practical critique of wage-labour, which implies the suspension of all commodity-relations, is still lacking: at best the aim is the self-management of one’s own exploitation and poverty. However, a few recent events suggest a sharpening of conflicts, and the development of a more radical perspective cannot be ruled out. There are massive class struggles taking place in a few

newly industrializing countries, and they are once again also imaginable in the centres of the globalized world. If these conflicts began explicitly to relate to one another, some optimism would be in order.

After the crushing of the Paris Insurrection of 1848, Louis-Napoléon Bonaparte came to power as a bearer of hope for the masses. The figure of his uncle was jeweled with the aura of the French Revolution. The nephew, who shortly after became emperor, defended universal suffrage, remained in power through constitutional changes and several referenda, modernized the school-system and opened it to girls, introduced the right to strike and to free assembly for workers, laid the cornerstones of a pension-system and of disability-insurance for workers, and organized people’s kitchens for the poor. At the same time, banking and trade flourished, large infrastructure projects (railways, sewers) were implemented, and there were scores of corruption-scandals. It was all embedded in not very successful colonial politics, which ended in 1870 with the Franco-Prussian war and the defeat and imprisonment of the emperor. Shortly afterwards, in 1871, the population of Paris, without emperor, clergy or professional politicians, took power into their own hands. 23 years passed between 1848 and 1871. The ‘Bolivarian Revolution’ is nine years old. Another fourteen years until the ‘Venezuelan Commune’? How long will people continue to beat the ‘Piñata’ blindly? For how long will its contents be distributed to the strongest? For how long can the poor be fed on leftovers, just so the game can start again from the beginning, and so rich can flaunt their wealth? How long before the beneficiaries of the grace of the instrument of God’s will storm heaven and overthrow God?



Chavez interviewed by Che's daughter- the legacy of the caudillo continues.

“21st Century Socialism” – Politics as usual

In the two years since this article was written, a lot has happened on the political level in Venezuela. Three elections took place, revealing that the enthusiastic support for Chavez is eroding, without however posing a serious threat to his power. At the same time, the country is still economically dependent on oil and the tendencies described in the text are still at work. There is no sign of an autonomous workers' movement that could challenge the foundations of capitalist relations. As regards other social groups such as peasants or the marginalised population, this is even less the case. After the staggering oil price hike continued until roughly August 2008, pushing the price up to \$150 per barrel, Venezuela is now faced with the world economic crisis. Even though the current oil price of \$50 is not below the level of 2005, over the last few years the state and the economy had quickly grown accustomed to some, extra change so that the current level causes some abstinence symptoms.

After Chavez's re-election in December 2006, the five driving forces on the road to “21st Century Socialism” were proclaimed: 1) amendments to the Bolivarian constitution passed under Chavez in 1999, 2) enabling

statutes, 3) massive education campaigns, 4) the geographical restructuring of the public administration [*“geographical restructuring” is probably a strange expression; it's about redrawing the lines of authority between central government, local states etc*] and finally 5) nationwide extension of the communal councils [*so far they exist only in certain places, now they shall exist everywhere*]. Immediately, the next electoral campaign about the planned amendments to the constitution began. These include indefinite re-election of the President, reorganisation of the state territory – partly based on the communal councils – , abolition of the independence of the central bank, and – as a kind of carrot – reduction of the working week to 36 hours. The overall objective of all these policies was described as building a socialist economy and the slogan “Fatherland, Socialism or Death” became part of the obligatory rhetoric at every official or political event. Meanwhile, the build-up of the PSUV [United Socialist Party of Venezuela], the new political party of Chavez's followers, was being forced through by exerting pressure on state employees and people involved in the “misiones”. According to the PSUV, it was able to reach the mark of 5 million members just prior to the referendum on the constitutional changes in December 2007.

It was not so much a new strength of the opposition that turned this referendum into the first defeat of the “Comandante” – in fact, the opposition could only slightly increase its share of the votes – but rather the lack of enthusiasm amongst some segments of Chavez's traditional supporters. The fact that he got 1.5 million votes less than the party claims to have members indicates that the poorer part of the population has other things to worry about – precarious food supply, rotten infrastructure, deficient garbage disposal and frightening levels of street crime. The camp of Chavismo got more and more cracks and since the referendum was not about the future of the government, the usual “blackmail” of pointing to the looming threat of the opposition hardly worked. Already at this point it was becoming clear that the marginalised population in the urban centers does not constitute a Chavist bulwark any longer (a fact to which the permanent conflict between local authorities and street vendors has certainly contributed).

After the first of the driving forces towards socialism began to falter, the remaining four were also propagated less loudly. So with an eye to the upcoming

regional elections, the next campaign was launched – the “three R’s” (revision, rectification and re-launch). In addition, the enabling statutes had been passed in early 2007 – though limited to 18 months – and theoretically they would have allowed the government to put into practice the constitutional changes that were rejected at the polls. Numerous decrees were passed in the last minute before the 18 months ended, without however having any real impact – not to mention the implementation of the 36 hour working week.

Chavismo won the regional elections (November 2008) in absolute numbers of votes, hence also taking most of the local states. However, the bigger cities (including the capital Caracas) and the three economically most important states fell to the opposition. Thereupon it was announced that a further referendum on the apparently central issue of indefinite re-election was to be held in February 2009. This time Chavismo was successful. It seems that for now the permanent electoral circus has come to an end, but who knows...

Leading members of both the old and the “new” opposition are confronted with increasing attacks, some even being criminalised. The central government is working hard to undermine the power of the local states controlled by the opposition. State buildings are not being handed over, funding is being delayed and, most importantly, air and sea ports as well as highways previously run by the local states were taken over by the central government without further ado as they constitute a lucrative source of taxes.

From time to time the government announces expropriations and nationalizations with great hullabaloo, while in the oil sector joint ventures are being set up. The former owners often have to wait for their compensation, but the workers’ situation remains quite unchanged. Sidor, the biggest steel plant in Venezuela, constitutes a paradigmatic case: after a months-long contract dispute in 2007/08 threatened to turn into large-scale industrial conflict, the enterprise was swiftly nationalized in May 2008. This move was also enthusiastically hailed by the workers. Initially, one of their demands was the hiring of 9,000 contract workers as “regular” workers. More than a year later, 8,000 of them are still waiting to see this happen. Time and again demonstrations take place and factory gates are being blocked – so far to no avail.

This is not the only case in which the growing gap between government and workers manifests itself. It is with good reason that the government is making another effort to get a loyal union federation going, after its first attempt – the setting up of the UNT – rather failed. But the continuous deferral of wage talks for the public sector workers leads to ever-new conflicts. When the tube workers went on strike in March this year it was made clear to them that communal councils and other “popular” organizations might get rather angry about this. The workers took this hint seriously and ended the strike. It is rather obvious what this reveals about the autonomy of the so-called grassroots organizations. But also paramilitary groups more or less tolerated by the state can be deployed to do the dirty work – for example, at the time of writing it still remains unclear who was actually behind the attack on a synagogue in Caracas in January this year. If things get out of hand, paramilitary groups can suddenly be denounced as “agents of the empire”.

By now, even guns have been employed in labour conflicts, causing first death-victims. A few months ago a comrade reported from Venezuela:

While the Presidents of the “Axis of hope” (Venezuela, Bolivia, Paraguay, Ecuador) were giving radical speeches against capitalism to their loyal audience at the World Social Forum in Brazil, on January 29th 2009 special police forces shot dead two workers in the course of the eviction of the Mitsubishi-Hyundai assembly plant in the north eastern town of Barcelona which had been occupied by workers for 10 days. Demanding the payment of wages still due and the hiring of 135 contract workers, the 1,600 workers had occupied the plant on January 20th. After two local courts had intervened on behalf of the Japanese car manufacturer, a judge ordered the vacation of the factory. Apart from the two workers shot dead, six others were seriously injured.

This should come as no surprise – after all, it was Chavez himself who was led by recurrent street protests to declare in January 2009:

“From now on anyone setting ablaze ... trees or blocking a street shall learn how good our tear gas is and then be arrested. I will personally fire any officer in charge who does not follow this guideline.” He even

threatened to take care of such measures himself in case chiefs of police or ministers should fail to do so.

Meanwhile, the authorities have lost their faith in the cooperatives: in Chavez's view, they are "tending towards capitalist values." The "misiones" still exist, but they have lost their dynamic. And since lean years are now dawning, they are also increasingly confronted with financial problems. During the years of the oil boom, the revenue of the national oil company PDVSA and hence the state budget rose significantly, the latter going up by more than 50 percent. In contrast, the initial budget draft for 2009 was cut by 20 percent but might still turn out to be problematic: it was based on the assumption that the oil price would not fall below \$60, but due to the world economic crisis Venezuela earned no more than \$38 per barrel in the first months of 2009. So far, the PDVSA has neither made any contribution to the state budget nor paid its subcontractors in 2009. Further funding of the welfare programs is far from assured and the popularity of the government is slowly deteriorating.

While currency reserves rose significantly to almost \$120 billion, state foreign debt also increased by 70

percent over the last two years, thus reaching \$46 billion. The sales tax reduced last year was raised again for 2009, inflation climbed from 17 percent in 2006 to 30 percent in 2008, while the minimum wage is lagging behind – and an average household of two adults and three kids today needs two minimum wages just to survive. The annual increase of the minimum wage, traditionally declared on Mayday by Chavez himself, will most likely be rather modest this year – maybe 10 percent, i.e. way below the current rate of inflation.

If the oil price remains below \$60 for the rest of the year, Venezuela's economy could face a collapse with incalculable consequences. If not, the authoritarian tendencies will continue to assert themselves, while the oppositional forces within the new Bolivarian bourgeoisie known as the "Boli-bourgeoisie" will make itself heard. The situation will certainly continue to generate social conflicts in the near future, but they will remain isolated and nothing indicates that they will be able to open up a perspective that would point beyond the state.

Sergio López, April 2009

Internationalist Perspective

Internationalist Perspective is a publication defending Marxism as a living theory, one that can go back to its sources, criticize them, and develop hand in hand with the historical social trajectory. As such, if *Internationalist Perspective* bases itself on the theoretical accomplishments of the Communist Left, *IP* believes that its principal task is to go beyond the weaknesses and the insufficiencies of the Communist Left through an effort of incessant theoretical development. *IP* does not believe that that is its task alone, but rather that it can only be accomplished through debate and discussion with all revolutionaries. That vision conditions the clarity of its contribution to the struggle and to the development of the class consciousness of the proletariat. *IP* does not aim to bring to the class a finished political program, but rather to participate in the general process of clarification that unfolds within the working class.

Capitalism is a transient product of history, not its end. It came into being in response to conditions that no longer exist: inevitable scarcity, labor power being the only source of social wealth. Capitalism turned labor power into a commodity to appropriate the difference between its value and the value it creates. For centuries, this hunt for surplus value allowed for a relative harmony between the development of society and capitalist accumulation. Then it gave birth to a new production process, the real domination of capital, in which no longer labor power but the machine stands at the center of production. Science and technology, set in motion and regulated by the collective worker, became the primary source of the creation of social wealth. The giant productivity this unleashed, allowed capitalism to grow both inwards and outwards. It spread over the entire planet and absorbed all spheres of society – including the trade unions and mass parties that arose from the struggle of the working class.

Scarcity was now no longer inevitable, but instead of freeing humanity from want, it condemned capitalism to overproduction. Wealth-creation was no longer dependent on the exploitation of labor power but this plunged capitalism, imprisoned by the law of value, into a crisis of profit. These obstacles to accumulation force capitalism to increase the exploitation of labor and to create room for new expansion through self-destruction, through massive devalorization in depression and war. Capitalism entered its decadent phase when such cannibalistic destruction became part of its accumulation cycle. It is decadent, not because it doesn't grow – it has developed tremendously and profoundly modified the composition of social classes and the conditions in which they struggle in the process - - but because this growth, in its rapacious hunt for profit, became itself destructive. It is decadent, because it is forced to hurl billions into unemployment and poverty because it cannot squeeze profit from them; by the very productivity that could meet all needs. It is decadent, because its need for devalorization impels it to war and unceasing violence. Capitalism cannot be reformed; it cannot be humanized. Fighting within the system is illusory: capitalism must be destroyed.

Capitalism is also decadent because it has generated the conditions for its own replacement by a new society. Science and technology, yoked to the operation of the law of value, and its quantification of the whole of life, are not liberating in themselves. But the working class who sets it in motion, is by its very condition within capitalism impelled to free itself from the alienation that capitalism, as a social relation, subjects it to, and is, therefore, the bearer of the project of a society freed from the law of value, money, and the division of society into classes.

Such a project has never before existed in history. If the Russian revolution was a proletarian one, it did not result in the emergence of a communist society. The so-called "communism" of the former Eastern bloc, like that of China or Cuba, was nothing other than a manifestation of state capitalism. Indeed, the emergence on an historical scale of a new society can only be realized by the total negation of capitalism, and by the abolition of the laws that regulate the movement of capital. Such a new society entails a profound transformation in the relation of humans to themselves and to each other, of the individual to production, to consumption, and to nature; it entails a *human community* at the service of the expansion and satisfaction of all human needs.