

# *INTERNATIONALIST PERSPECTIVE*



## CAN CHINA SAVE CAPITALISM?

Winds of Change

Democracy Hides the Dictatorship of Capital

Is the Working Class Liquidated?

Which Marxism?

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## Contact addresses

Write only as shown below:

Destryker  
BP 22  
1310 La Hulpe  
Belgium

IP  
PO Box 47643  
Don Mills, ON, M3C 3S7  
Canada

Email: [ip@internationalist-perspective.org](mailto:ip@internationalist-perspective.org) / Web: <http://internationalist-perspective.org>

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

# Editorial: Upheavals in the Arab World and Draconian Austerity in the Metropolises

This Spring has seen a series of massive social upheavals that have already toppled the decades old regimes of Ben Ali in Tunisia and Mubarak in Egypt, and now threaten the Saleh regime in Yemen, the Gaddafi regime in Libya, and the Khalifa regime in Bahrain, each of which has had close economic and geo-political links to the West. The social revolts have now spread to Syria threatening the half-century reign of the Assad family there. And while the Syrian regime has been no friend of the West, its possible collapse also presents Western imperialism with considerable risks and challenges. Beyond the challenges these upheavals pose for Western imperialism, this wave of social revolt throughout the Arab world may mark the beginning of a new period of *class* struggle in a geo-political space where for decades the working class seemed to be in the unshakable grip of powerful reactionary ideologies: nationalism, xenophobia, religious sectarianism. For pro-revolutionaries, the *historical* significance of these upheavals lies in the experience of different strata of the collective worker beginning to shake off the weight of these reactionary ideologies, and overcoming their fear of the naked power of the regimes that have managed capitalism in the Arab world, of fighting back, and of toppling regimes whose power once seemed unassailable.

To these revolts, then, and the need for capitalism to respond to them, which are closely linked to the global economic crisis that erupted in 2007, and which nearly led to the collapse of the international banking system, we must add the risk of a sovereign debt crisis in many nations of the European Union, threatening the stability of the Euro, and today also confronting the US and the role of the dollar as the international reserve currency. The response of capital in the US and in China in the face of the financial meltdown was to inject liquidity into the banking system and to craft stimulus programs to provide demand in the face of the danger of global deflation. Those stimulus programs, however, have

created new financial bubbles that threaten the stability of capitalism, and they have completely failed to address the over-riding need of global capitalism for a massive devalorization of capital, in both its constant and variable forms. It is that necessity that is leading to the imposition of draconian *austerity* measures that now threaten the reproduction of the labor power of the collective worker.



Sign Demo in Cairo makes international connections

## The Arab Spring

While the upheavals in the Arab world did not immediately arise from class struggle at the point of production, they are a *direct* result of the crisis of capitalism. The mass mobilizations that have called for the overthrow of corrupt dictatorships throughout the Arab world, have a mixed social base, but arise from the hopelessness of a burgeoning youth population, even in its most educated segments, facing unemployment and a complete lack of any perspective for a decent life, unless they have connections to the ruling family, party, or officials. Economic stagnation and decline, combined with the rampant corruption, condemn working class and professional strata alike to life in the “planet of slums” which the great urban centers

of the Arab world have become. Add to that the disappearance of the “escape valve” once provided by emigration and jobs – low-paying as they were – in Western Europe, where xenophobia directed at Muslims, and an influx of Eastern European workers, have threatened the jobs and remittances that once softened the impact of the impoverishment that characterized the cities and villages of Tunisia and Egypt, and the link between social upheaval there and economic crisis in the metropolises becomes clear. That, and not an abstract commitment to universal human rights, constitutional democracy, and free elections, as the Western media claims, was what galvanized the popular revolts. Thus in Tunisia, for example, the popular revolt very quickly found its social center in predominantly working class districts.



The writing on the wall in Tunis

What, for example, made the popular revolt in Egypt, with its admixture of industrial workers, intellectual and technical strata of the collective worker, the petite bourgeoisie, and members of the “liberal” professions, gathered in Tahrir Square, into a threat to the Mubarak regime and its base in the military, was the rapid spread of strikes in the textile plants (Egypt’s main export industry), and in the port and Suez Canal facilities which make Egypt a vital center for transport and shipping between Europe and the East. (See “North Africa, The Middle East, China ... Which Movements for Which Perspective?” in this issue) At that point the military had to choose between the Mubarak family

and the perpetuation of its own powerful position as the dominant faction of Egyptian capital; and American imperialism faced a similar choice: try to prop up Mubarak, even if it entailed the army massacring the demonstrators and risking the spread of the popular revolts and its uncertain outcome, or replacing him with a democratic regime in which the military still retained its power. For Washington, the choice was clear. In Bahrain, by contrast, where opting for a more democratic regime raises the specter of increasing Iranian influence on behalf of the Shia majority, and where Saudi Arabia and the Gulf states are adamantly opposed to such a reform, the interests of American imperialism, at least at this point, seem to lead to the opposite policy.

The replacement of corrupt dictatorships by constitutional regimes in the Arab world will not solve the fundamental problems of those societies, the sources of which are capitalist social relations and these countries integration into a global capitalist economy. Whether the Arab Spring will turn into a “hot” summer in which the working class will begin to challenge the newly democratic regimes wherever they arise is now a burning question. Whatever the answer, the Arab Spring has already demonstrated the ability of mass movements to overturn the calcified regimes that have ruled Arab states for decades, and opened a perspective for the collective worker in a region where dictatorship and sectarianism had reigned supreme and guaranteed the stability of capitalism ever since the old colonial powers took their leave decades ago.

### **Austerity against the working class**

The capitalist metropolises of Europe, confronted by a series of sovereign debt crises in Greece, Ireland, and now Portugal, with Spain now at risk too, crises that threaten the financial stability of the EU and even the future of the Euro zone, are responding with draconian austerity measures aimed at reducing their swollen budget deficits. The UK, under its new centrist government, has led the way with a preemptive strike, slashing public spending and imposing an effective wage-cut on the working class that strikes at the very bases of the reproduction of its labor power. A newly elected

left of center coalition in Ireland has taken the same path, and a “Socialist” government in Greece has been committed to just such an austerity program for the past several years. The need for such draconian austerity is now recognized by both right and left, by employer’s organizations and trade unions. Moreover, it is not just the “social wage” provided by government expenditures that is being slashed. In Italy, Fiat, in conjunction with the left political parties and most of the unions has imposed a new contract on the workers in its auto plants that will abrogate the existing labor contract, and significantly worsen conditions in its plants – and that after having already reduced its labor force by half over the past 25 years!

Over the past two years or so, the US and China have sought to “manage” the crisis by stimulus policies that have greatly expanded the availability of credit (in the US especially to banks, in China through a vast increase in consumer credit) to reflate the economy and prevent the “great recession” from spiraling out of control. In the US, the Obama administration has now executed a u-turn, responding to the Republican electoral victories in 2010, and to a budget deficit that is now so great as to begin to raise doubts about the credit worthiness of the United States. While considerable differences exist between center-left and right in the US over the extent of the cuts in spending, and whether taxes too need to be raised, even Democrats now concede that the deficits are unsustainable, especially in the social wage, and that drastic cuts are needed. Obama hopes that his more “moderate” program of cuts, and his claims to tax the rich will propel him to a second term in the White House, and he could be right. But such an electoral victory will almost certainly be followed, if it were to happen, with draconian austerity in that second term; a policy that the center-left may be better able to impose without massive opposition than the right. Indeed, it is now clear that Wall Street feels far more comfortable with this president than with any of his prospective Republican opponents; indeed if ever there was an administration of bankers it is Obama’s.

In China, the policies that have made that country an engine of the global economy over the past few years, have now, it is clear, produced an enormous credit bubble, especially in consumer credit and in

the housing market (the collapse of which had signaled the onset of the financial crisis in 2007 in Europe and the US), replete with the grave inflationary risks it entails. Without that stimulus of easy credit in its domestic market, however, the slowdown in the economies of its trading partners threatens China’s ability to keep its economy growing at present rates, and thereby risks provoking social upheavals within. Meanwhile, the assault on the reproduction of the collective worker now underway in the metropolises, and facilitated by the left and its ideologues (“We must be realistic.”), portends a new and more ominous stage in capitalism’s construction of a global “planet of slums.” Only a massive response by the wage-working class, from the Arab world to the US, from Europe to China, can interrupt that course.



Over the past month, this draconian austerity which capitalism, left or right, democratic or not, must impose has produced a new wave of struggles in Europe, with – for the moment – its epicenter being Spain, where the unemployment rate has climbed to 25% (40% for youth), even as the remnants of the “social wage” are being shredded. The response has been a wave of occupations of the “public space” in dozens of cities, not unlike the occupation of Tahrir Square in Egypt, also sparked and extended through the social media, and like the demos in Egypt daring the authorities to move against the thousands camped out day and night, in permanent debate and discussion about how to respond to the economic crisis and the waves of austerity that it has brought in its wake. And while much of the discussion has focused on demands for “real democracy” in

opposition to the parliamentary version under which Spain has lived for the past thirty years, the debates in the popular assemblies created by the occupations have also focused on *capitalism* as the cause of the absence of any perspective for the future other than ever-more austerity and unemployment. The leaflet that we print below, with its focus on the dictatorship of the *economy* and *money*, the reduction of human beings to *commodities*, clearly show how while the *forms* of the struggles owe much to those of Tunisia and Egypt, its *content* has also matured. The movement in Spain is composed of many young people, but also those of other social strata. This made possible a mixture of the population. A very important element in Spain is that the older people lived under the Franco dictatorship, then, under the “freedom” of “democracy”. The current protests are thus a sign of a loss of illusions, to be transmitted to the movements in the Maghreb, whose populations, up to now, have never lived under a democratic tyranny.

Eighty cities were involved, which shows the significance of the movement. Moreover, it is illegal to publicly express political opinions on election day. The movement thus positioned itself against the law.

The movement posed a fundamental question for class consciousness: that of perspectives. In that, again, as in other recent movements, there is a questioning and a loss of illusions about “the future” that capitalism has in store for us.

One demand was “no bread for chorizo”. It should be known that chorizo is a term that also designates robbers, gangsters. This demand thus has a dual meaning: on the one hand, there is no more sausage to put on the bread and this indicates impoverishment, on the other hand, the double

meaning of the word chorizo indicates a personalization of the class enemy. Where globalization made the ruling class abstract, diffuse, difficult to identify, one finds here the idea that the ruling class is well identified, identified as a band of robbers whom we are no longer willing to pay. But, if this is a potentiality, it is also a potential danger: the risk of limiting the identification of the enemy to part of the political class, and not to capitalism as a whole. At the same time, while the occupation of the public space provides new modes of struggle, links must also be forged between these movements and the working class at the point of production, for it is there that capitalism most fears the specter of revolution.

Lastly, the movement mobilized, as in the Maghreb countries, an educated fringe of youth. This shows the creation of a fringe of those excluded from the production process, which, at the same time, is educated, but which is also connected to the re-composition of the working class and the movement of proletarianization of the middle-class. This opens up the possibility of “new forms of struggle” to which we must remain very attentive. One facet of these struggles which is particularly significant is the speed with which they can spread: from the Maghreb across the straits to Spain, and now with new reverberations in Greece, Italy, in France too. The possibility of immediately learning about upheavals in other countries, no matter whether the media reports them or governments seek to limit knowledge about them, means that the sparks of resistance to capital can spread with a velocity previously unknown.

#### Internationalist Perspective

June 1, 2011

# Leaflet from Madrid “Que se vayan todos”

*Below is an English translation of a leaflet written and distributed by some people at the protest encampment in Madrid’s Puerta del Sol plaza. This ongoing encampment (“acampada”), with people actually living together for days and now for more than two weeks in these plazas, is part of a nation-wide movement involving at least 60, and perhaps as many as 80, cities across Spain, involving tens of thousands and perhaps over a hundred of thousand in all. The movement has called itself various names, including Real Democracy Now (“Democracia Real Ya”), Spanish Revolution (in English), and Take the Plaza (“Toma la Plaza”), and the participants refer to themselves as “los indignados”. While Real Democracy Now has been the most prominently used of these, it is clear from this leaflet that there is some difference of viewpoint on the question of Democracy. The people in the encampments have formed assemblies to discuss their shared situation and what they think should be done to change it. Protests in the plazas began on May 15 under the slogan “we are not commodities (merchandise) in the hands of bankers and politicians”, primarily by young people who are painfully aware of the bleak future facing them in this society. But the movement quickly developed into one encompassing all age groups. It has also spread to various other countries, including Greece (where there have also been many thousands involved), Italy, and France, and on a smaller scale to almost every European country.*

We were many over these last days, who have flowed into the streets to protest. All of us identify with the rejection of politicians, trade unions and bosses. Above all, we realize that we have reached the limit. We are tired of being the pariahs of this world and can no longer accept that a few people fill their pockets and live like kings, while all the others must tighten their belts ever more in order to maintain the health of the sacrosanct economy. We know that to change all that we must struggle on our own, outside of parties, trade unions and other representatives who want to take charge of us.

Above all, this reality raises a fundamental question that affects the whole world: the contradiction between the interests of the economy and that of humanity. That is what our rebellious brothers in North Africa understood perfectly, that is what we understand here today: when the situation becomes unsustainable, we have to come out and fight. We have borne the unbearable; we have suffered the worst deterioration of our living conditions in decades. But finally we have said enough, and here we are, expressing our rejection of this entire infernal system that transforms our lives into commodities.

We definitely want to express our clear-cut refusal of the label of citizen. This label is tagged onto all people, from the politician to the unemployed, from the trade union boss to the student, from the richest

capitalist to the most miserable worker. Completely antagonistic lifestyles are all mixed up. For us this is not a citizen’s struggle. It is a class struggle between exploiters and exploited, or between proletarians and bourgeois as some say. Unemployed, workers, pensioners, immigrants, students ...we’re all part of the social class onto which fall all the sacrifices. The politicians, bankers, bosses... belong to the other class which profits, also to a greater or lesser degree, from our impoverishment. Those who do not want to see the reality of this class society, live in a dream world.

So, here we are, protesting in many public squares of many cities around the country, and it is time to reflect, it is time to concretize our positions and to clearly orient our practice. For sure, there is great heterogeneity. There is a confluence of comrades who have struggled for a long time against this system, others who are protesting for the first time, some for whom it’s clear that it is necessary to go “all the way: (“we want everything, now” says a banner at the Puerta del Sol). Some speak of reforming certain things, others still are disoriented, others just want to show that they have had enough ... And we must not ignore that there are also those who are fishing in troubled waters, those who want to channel the discontent in order to neutralize its force, taking advantage of the indecision and the weaknesses that we manifest.



Young demonstrators in Barcelona, May 21, 2011

Something that we have discussed with many comrades is that our strength is in this rejection, in this movement of negation of everything that prevents us from living. That is what has forged our unity in the streets. We believe it is necessary to continue this way, to deepen and to better concretize our rejection. Because our strength comes from this negation, it is clear to us that we're not going to solve our problems by demanding a better democracy, as some do, not even by demanding the best democracy we can imagine. Our strength consists in the rejection that we manifest of real democracy, the democracy "of flesh and bones," that we suffer from day by day, and which is nothing other than the dictatorship of money. There is no other democracy. To strive for that ideal and wonderful democracy is a trap, the praises of which have been sung since our childhood.

In the same way, what's at stake is not improving this or that aspect of life, because the essential condition will still be the dictatorship of the economy. It's a matter of completely transforming the world, changing everything. Capitalism cannot reform itself; it must be destroyed. There is no intermediary way. It is necessary to go to the root of the matter; it is necessary to abolish capitalism.

We have occupied the streets a few days before the parliamentary circus [the regional elections in Spain], where whoever is elected will carry out the directives of the market. Good, this is a first step. But we cannot leave it at that. We have to continue the movement, to create and consolidate structures and organizations for the struggle, for the discussion between comrades, to confront the repression that has already struck us in Madrid and Granada. We have to realize that without social transformation, without social revolution, everything will continue as before.

We call for continuing to demonstrate our rejection of the spectacle of the electoral circus in all possible ways. We call to say everywhere: "Out with them all!" But we also call for continuing the struggle after Sunday, May 22. So that we can go much further than we already have. We cannot let the bonds of solidarity we are building perish.

We call for the formation of structures to carry on the struggle. We call for contact among us, to coordinate the battle, to struggle in the assemblies that are being created, in order to make them organs for fighting, for conspiring, for discussing the struggle, and not meetings of citizens. We are calling to organize ourselves throughout the whole country to fight against the tyranny of the commodity.

- TO THE STREETS TO STRUGGLE!
- DEMOCRACY IS THE DICTATORSHIP OF CAPITAL!
- CAPITALISM CANNOT REFORM ITSELF; IT MUST BE DESTROYED!

-BLOQUE "¡QUE SE VAYAN TODOS!" (The "Out with Them All"- Bloc)

qsevayan@yahoo.es May 19, 2011



# North Africa, the Middle East, China... Which Movements for Which Perspective?



Since the beginning of the confrontations that are agitating the countries of North Africa, the Middle East and even China, the ruling class has conducted a frantic ideological campaign to reduce these protests to movements directed against their corrupt and tyrannical leaders. This ideological smokescreen, thrown up by the media, is an occasion, of course, for the international ruling class, to speak in praise of the political system in force in the European countries and America, a discourse draped in the defense of “human rights”. An analysis of the events, their context and their stakes shows that reality is much more complex and especially much more threatening for the world ruling class. Lately, the planes and ships sent by the United States and several European countries have benefited from these movements to try to get rid of the very uncontrollable Gaddafi, under the cover of

the defense of oppressed populations.

## The context....

This ground swell of confrontation started in January 2011 in Tunisia following the immolation of a young student selling fruit. But, if this very specific tragic event could serve to unleash such social upheavals, it is that it constituted the spark to set off the powder keg constituted by the misery, oppression and total absence of any perspective for the mass of the population.

Indeed, the deepening of the world economic crisis, since 2008, has provoked a major degradation of living and working conditions in poor countries and frontal attacks through austerity plans, increases in unemployment, and the suppression of certain “social gains,” in the countries seen as “rich”. It is

absolutely not about a localized crisis of certain fragile economies or resulting from management errors or the corruption of certain bankers as has been claimed, but is indeed a deep crisis testifying to more and more fundamental contradictions of the functioning of the capitalist mode of production.

It is the production of value that is the fundamental engine of this world economic system. The whole of the social, economic and political functioning of the system is thus subjected to the necessity of producing value and of making possible the accumulation and circulation of value.

In capitalist logic, the production of abstract wealth is the goal, and real, concrete wealth, the commodities placed at the disposal of society, are only the means. But the growth of the former depends on the growth of the latter. They must develop in tandem because commodities are composed of both: exchange value and use value. And it is the uneven development of capitalism, the generalization of its real domination on society, which separates them. The reduction in living labor in the process of production where increasingly more sophisticated technologies intervene, entails, on the one hand, a fall in the creation of exchange value and, on the other hand, an overproduction of use values which cannot be consumed in a productive way.

Today, this contradiction has become insurmountable. In the past, such crises of accumulation led to massive devalorizations in which superfluous capital and superfluous workers were destroyed on a grand scale. All the means used by capital in the past decades to try to contain the problem have only constituted one more serious threat for the survival of humanity, because of the necessary destruction, increasingly more fierce, to restore a stable basis for the accumulation of abstract value. The vertiginous growth of debt, the growth of the ideologies (religious, nationalist) against “the other,” the use by capital of social convulsions, provoked by its own crisis, to make war, the growth of environmental destruction, are all signs indicating that capitalism is going in a deadly direction.

But the capitalist class does not seek devalorization for its own sake. On the contrary, it tries to protect

itself. For example, by reducing its costs, by laying off millions of workers, by reducing the wages of those who remain, by making them work harder, by reducing the state expenditure for the maintenance of the life of the increasing masses of those whose labor has become superfluous, all to create more room for the growth of profits. That results in the impoverishment of masses of proletarians. The prices of housing, energy and the products of necessities become out of reach.

We are thus facing a worldwide economy undermined by the dangers inherent in its very functioning. The consequences are marked both by the increasing level of bankruptcies of companies, and of the banks that hold unprecedented amounts of state debt, but also by the reduction in the volume of employment, wage levels, and everything designated as prior “social gains”. The current mode of economic functioning has no other perspective to offer to the world than that of the massive destruction of value, expulsion from the labor process and growing impoverishment. The current protest movements took off from that absence of perspective and reaction to economic and social pressures. The question for the ruling class is that of its capacity to maintain social control and to channel the social movements, which we will take up below.

The movements which are currently unfolding in the Maghreb, in the Middle East, in China... must thus be placed in this context of a major aggravation of the world economic crisis and its repercussions on the proletariat, working or unemployed. They express a revolt against price increases but also, and this is fundamental, against the complete absence of any perspective provided by the capitalist system. This absence of perspective appears more and more strongly and affects the whole planet.

### **Analysis of the movements....**

Before speaking of the strengths or weaknesses of these movements, it is important to place them in the general dynamic of the reaction of the global proletariat against the exploitation and incessant degradation of its living and working conditions. In these movements, the international proletariat reaffirms its existence and its power of resistance

and is a fundamental element when it raises questions about the future of humanity.

To return more specifically to the movements that began in January one can underline two characteristics in the current movements of revolt: their inter-class character and their form.



Demonstrators in Cairo, January 28, 2011

It is clear that the waves of fundamental opposition that are now shaking whole countries affect at the same time several layers of the population and a diverse series of demands. We are not here in the presence of a reaction against a specific austerity plan, or against the closings of companies, but rather the explosion against oppression, in all its forms. It is thus normal that mixed in these movements are the entire segments of the proletariat with their economic demands and segments of the middle-class with their democratic aspirations and their political illusions. Such a mixture should thus not make us forget the presence of the proletariat in this dynamic, or minimize the significance of the movements. This inter-class character is also colored by the composition of the proletariat in the various countries affected. For example, if Egypt has industrial zones and a proletariat that manifested itself recently during violent strikes, the Tunisian economy is based more on service firms.

Thus, the movements of revolt which are now agitating North Africa, the Middle East and China express at the same time the refusal of the misery generated by the capitalist mode of production, the search for new perspectives, but also the illusion of political hopes in a change of political leaders. They

therefore reflect the difficulty for the world proletariat to emerge as a class with distinct interests from those of the ruling class and to envision a new society that breaks with the economic, social and political mode of functioning of capitalism.

The whole issue of “democratic transformations,” while they reflect the attempts of the exploited class to free itself from police terror and brutal repression, also raises the question of the most adequate forms of social control for the ruling class. Indeed, as we emphasized above, what constitutes the heart of the functioning of capitalism is the accumulation and circulation of value. Everything that can block this process is thus a threat to the very existence of the capitalist mode of production, such as the strikes and all the actions that block this production and this circulation of value. The strategy of the ruling class thus consists at the same time in finding the best forms of social control to avoid any obstacle to the process of valorization, but in the event of social “fires,” to identify the kinds of demands that can be conceded without calling into question the sacrosanct law of value.

The belief in a “democratic solution” is not generalized and the masses of emigrants trying to reach the coasts of the Italian island of Lampedusa from Tunisia shows that the prospect of political change does not constitute a perspective for survival for a large number of proletarians.

In connection with “democracy” the attitude of the international bourgeoisies was exemplary vis-à-vis the social events now occurring. The American and European leaders for decades supported the tyrants now banished because they constituted a tool for effective social control for the safeguarding of American and European economic interests. Once these tyrants started to become too fragile pawns, even, too cumbersome, the American and European leaders played another card: that of the “circuit breaker” in the person of new leaders set up as a lightning rod to protect against social dissatisfaction. In addition, as we already observed in other countries where authoritarian regimes predominated, the forms of “democratic” organization of the state appear more adapted, because more flexible, to the requirements of the production and circulation of value. Where the

weight of a bureaucracy, of a rigid state control, came to burden commercial exchanges, the structures of neo-liberalism had shown themselves to be much more efficient. In addition, on the level of social control, the diffuse and more discrete control of the democratic regimes is shown, there too, to be much more effective than that of a political system which has only brute force to ensure its domination. The “democratic” bourgeois system produces more adherence than authoritarian systems.

The aspirations present in the protest movements for more freedom and more “democratic” modes are thus to be seen in this context. Democracy, like all the institutions composing the capitalist system, transforms itself, thus following the transformations of the mode of production itself. The democracy of 2011 is no longer the democracy of the 19th century.

We witnessed rather caricatural reversals in the attitude of some European bourgeoisies and the example of French diplomacy and its sweeping declarations revealed a 360 ° turn in the adaptation of the ruling class.

In the same way, as we already mentioned, NATO and the Atlantic Alliance, after a late but heroic turnaround, decided to intervene militarily in Libya. Whereas recently, Gaddafi was pandered to due to his oil wealth and juicy commercial contracts, this same Gaddafi is now denounced as the insane bloodthirsty person who murders his own population. What a discovery! When we see the late character of this intervention as well as the confusion, even contradictions, in the statement of the mission of this intervention and its limits, one can easily see that it is indeed the protection of its strategic interests, political and economic, which underlies this “humane” awakening.

The situation is indeed very delicate: a major oil production zone, all the Near and Middle-East is prey to popular movements which threaten an already fragile equilibrium in this significant area. It is a question, for the ruling classes of the “democratic” countries to protect their economic interests, to undertake an ideological discourse for the promotion of democracy, to support the modernization of obsolete political regimes, while

not provoking a situation of generalized chaos that would go against American and European economic and strategic interests. That’s what explains this mixture of intervention and wait-and-see policy in the current policy of the “democratic” countries. To that, must be added the typical situation of the United States already tied down in Iraq and by the war in Afghanistan and which thus chose to thrust the European countries into the forefront in Libya -- countries already enmeshed in rivalries and strategic divergences.

A second element should be highlighted related to these movements and their particular form. On several occasions, IP had pointed to the “new forms of struggles”. The characteristics that we had focused on at the time are again to be found in the current movements, and for example, in the whole series of movements which mobilized the young Greeks, French or Londoners a few months ago. Thus, we no longer await movements organized around political parties, with long term perspectives, but rather more transitory regroupings made possible by communication technologies (cell phones and Internet networks), conceived as diffuse protests and without a particular political coloration. The young people, arranged a long time in the category of the “whatever generation”, tinted by nihilism and individualism, are often now at the cutting edge of the confrontations.

But the current movements are important on another level: they constitute an experience of collective struggle, the capacity to oppose, the capacity to say “no”, to reject the established order. For many of the protesters, these actions constitute the first expression of their opposition to that order, and their comprehension of the power of mass action. These experiences, combined with the questioning of perspectives, will not fail to leave important traces for the future development of the political consciousness of the proletariat.

Lastly, we cannot finish without saying a word about the situation in China. We pointed out that the protest movement started in Tunisia and extended like a Tsunami to the Maghreb countries, to Yemen, to the Middle East. But the winds of anger blew as far as China where they met a social situation that had been agitated for many years. IP showed in the last issue of its review, how the social movements

which have unfolded in China clearly affect the proletariat which opposes the appalling conditions of exploitation to which it is subjected and which constitutes the basis of the economic development of the country. And the fact that China has now been contaminated by the North African movements is significant in more than one way. On the one hand, it shows -- if it were still necessary for some to be convinced -- the reactivity of the world proletariat which can thus be set ablaze by the least spark. In addition, and this relates to the longer-term perspectives, the capacity of opposition of the proletariat to its living and working conditions constitutes the real and single threat to the continuation of the functioning of the capitalist mode of production. It is in that respect that the proletariat represents the fundamental contradiction within the system: a class at the same time necessary to it, but with completely opposed interests, it has the capacity to call into question the very process of production and circulation of value, to threaten the profits which the capitalist leaders garner by means of the pressure on wages.

#### **To conclude...**

It is clear that the preservation of this system, whatever its specific political and economic forms, can only generate increased misery, wars, destruction of the environment and, at the end of the

day, a profound degradation of the conditions of existence of humankind.

The ground swell which started in Tunisia and has now spread to so many countries shows that the proletariat, even if it is mingled with other social classes, does not remain passive when faced by the degradation of its living and working conditions. But what continues to be posed, through these movements, is the question of the historical perspective. Basically, fierce exploitation, the destruction of the planet, wars, the massive expulsion of workers from the production process, increasing impoverishment, etc., remain the only and necessary perspective for the continued functioning of capitalism. No temporary improvement, whether it is economic or political, will slacken this increased pressure and that degradation. Only the putting into question of the actual bases of this society, namely, an economy based on the production of value, will be able to constitute a real questioning of the capitalist mode of production, and lead to a radically different perspective for humanity.

Rose,

March 2011



# Will China Save Global Capitalism?



*All over the world, the capitalist states are taking austerity measures to slow the growth of their debts. It is obvious that this policy, since it slows consumption, in itself cannot sustain the growth required for capital accumulation. From where then can the stimulus come to keep the train on the tracks? For lack of alternatives, eyes are turning eastward. It seems that history, the supreme ironist, has chosen “communist” China for the role of savior of global capitalism.*

## What crisis?

IP has analyzed the current crisis not as a mere cyclical occurrence in the process of capital accumulation, but as a product of the obsolescence of the very basis of the capitalist mode of production, the value-form. It is the value-form which forces capitalists to continue to use abstract labor time to measure wealth, while the creation of real wealth has become less dependent on the amount of labor time used than on general knowledge and its application in production. This prediction of Marx (in the *Grundrisse*) is fully realized today. It is in this developing contradiction that he saw the historical limit of capital. It has become absurd for humanity to base decisions on what to produce, how, how much, where and for

whom, on the law of value. This absurdity manifests itself in the simultaneity of generalized overproduction and extreme poverty, in the increasing incapacity of capital to exploit the labor power at its disposition, causing an accelerating expulsion of workers from production, while money seeks a false security in financial bubbles. It manifests itself in efforts to impose an artificial scarcity of goods that would otherwise be abundant and of no value (such as digital goods). It manifests itself in the inability of capital to stop the destruction of the environment, although it knows that the resulting disasters are becoming ever more threatening. It manifests itself in its inability to overcome its own crisis. It manifests itself ever

more clearly, but the capitalists, and others who view the world through their own narrow window, do not see it. They cannot see it. Capital is subjected to the law of value like an animal is subjected to its own nature. It cannot solve a problem whose solution calls for its abolition. It therefore can do nothing against its crisis except fighting its symptoms, blowing hot and cold, alternating stimulus measures and austerity measures, delaying the inevitable descent. That these efforts could produce recoveries, we never doubted. Moreover, irrespective of the measures taken, the capitalist economy always follows a cyclical course, even when the general trend is towards deepening crisis. It is hardly necessary to argue that this is the case today. The crisis is worsening and recovery has a hard time hiding it.

### **The metamorphosis of value**

The accumulation of capital is going through cycles in which value morphs from money into commodities and from commodities back into money:  $M - C - M'$ . Money  $M$  (abstract value) is the starting point. It buys commodities  $C$ , the means of production whose value is transmitted in the commodities resulting from their productive use. These new commodities are sold which transforms the value again into money,  $M'$ . The only reason why the initial money,  $M$ , was transformed into  $C$ , is that  $M'$  is greater than  $M$ . The transformation is profitable.

Marxist analysis reveals that the source of profit is surplus value, the difference between the value of the living labor power that the capitalist buys (which, like for all commodities, is equal to the quantity of abstract labor necessary to reproduce it) and the value it creates for him (the quantity of abstract labor performed). The higher the productivity, the less labor time is needed to produce the equivalent of wages, thus the greater the part of the workday that produces surplus value. But this surplus value can never arise from more than a part of the workday. The technological development which increases productivity also decreases the value of living labor in production relative to that of past labor (technology, equipment, and infrastructure). Of this living labor, surplus value is only a part and it therefore must decline with it. Since profit = surplus value, this is a

problem, especially in a world that operates more and more on automated processes. Productivity does not save capitalism; on the contrary, it ripens and further accentuates its contradictions. The more it increases and the more these increases become widespread, the more the value of what is produced declines relative to the value of the capital invested in production.

It creates another problem in the next phase of the cycle of value, the transformation of commodities back into money,  $C - M'$ . This does not happen automatically. The increase of productivity slows the production of value, but accelerates the production of use values. Unproductive consumption can always be expanded but productive consumption remains limited to the use values needed for production. These do not increase because the ability to produce them increases. The essential market consists of the demand for capital goods and consumer goods necessary for the reproduction of labor power. It's their expansion that makes the expansion of value in the next cycle possible. It's this market that over time is incapable of following the acceleration in productivity. The general overproduction of technology (visit cities like Detroit if you need proof) and especially of labor power (nearly 2 billions of unemployed) testify to it.

### **No value without a hoard**

When these bottlenecks reappeared in the 1970s, after "the thirty glorious years" made possible by the war and the expansion of the global market under the aegis of the dollar, the general tendency was to inflate, to support demand, to stimulate  $M - C$ . The law of value punished this cheating with accelerating inflation.

Attempts to get it under control on the back of the working class faced intense resistance. The growth of fictitious capital in the circulation of commodities devalued money and thus encouraged it to leave circulation. It discouraged  $M - C$ , productive investment, because inflation made the real value of future prices unpredictable, and encouraged speculative investment.  $M$  preferred to stay  $M$ , instead of transforming itself into commodities. But it couldn't.



In God we trust...?

Capitalism cannot survive without a 'treasure'; money must be able to be withdrawn from circulation without losing its value to be re-injected at the right time. But money, abstract value, is not stable. Its power lies in its ability to transform itself into other commodities. Therefore the value of the monetary hoard remains dependent on real valorization, on value creation, which can only happen in the phase C, in production. Otherwise, it becomes paper or less. Inflation signals that this valorization decreases relative to the money in circulation. If hoarded money is dragged down by the loss of value of money in circulation, panic ensues. Accumulation loses its purpose. Money desperately seeks refuge in gold or old paintings and tries to protect itself with exorbitant interest rates that are strangling the already crippled production ... it's one of the possible paths to breakdown.

Value is an objective abstraction, that is, a social construction that has taken on the appearance of being objective, to be an intrinsic feature of things. It is not. In the end, it is a belief system that collapses when the money cannot be hoarded.

The restructuring of capital since the 1980's brought inflation under control, boosted the rate of surplus value and thus the rate of profit, and restored confidence in hoarding. In other texts we have analyzed in greater detail how this was done (1). Amongst other things, we pointed to the crucial role played by globalization: the global integration of production chains and markets, deregulation and globalization of financial capital, the emergence of

post-Fordist production in advanced countries and the massive displacement of Fordist industry to low wage-countries.

### China to the rescue

China was by far the country that was transformed the most by this restructuring. In a few decades, it has changed from a failed attempt at autarkic state capitalism into the second largest economy in the world and the largest industrial producer. In 1990 it produced 3% of the world's industrial output, twenty years later 19.8%, overtaking the US who has held that position for 110 years (2). China's dramatic expansion has benefited the advanced capitals in several ways: Its cheap products were the main reason why inflation remained low, the combination of its low wages and modern technology brought huge profits to Western and Japanese investors, and the realistic threat to move production to China helped to curb wages in the advanced countries. On the expansion of the world market, its impact has also been crucial: less by the opening of its domestic market (which is certainly large and growing, but limited by the extreme poverty of the majority of its population) than by its indirect and paradoxical effect on the market of its customers. Because its expansion was driven by external trade, and because the state kept the lid on Chinese wages and thus on the consumption of the working class, since their low level is its main competitive weapon, each year China obtained a growing trade surplus. As in other countries before it (especially Japan), whose industrial development depended on the U.S. market, China used these profits to accumulate a hoard consisting of dollars, public debt and U.S. securities.

By hoarding these dollars, China withdraws them from circulation, and thereby keeps the dollar stronger than it otherwise would be. That's the main reason why China does this: to defend its competitive position on the market towards which its industry is essentially oriented. For the same reason it buys American public debt, thus giving the Fed the means to stimulate demand by lowering interest rates. China's strategy, whether it likes it or not, is based on its confidence in the US dollar as the guardian of value.



By selling commodities under the value they would have if they would be produced locally, and by accepting a payment that is largely hoarded instead of demanding an immediate equivalent, China, and other countries in a similar position, not only directly stimulate the purchasing power of their export markets, but also do so indirectly by facilitating an inflation of their assets. American capital led the dance. With its interest rates approaching zero (which wouldn't have been possible without the demand of China and Japan for its debt) its tax giveaways, its deregulation, privatization, the commodification of services and finances, it inflated the demand for its real estate and securities and thus their price. The trust in the capacity to hoard value was fully restored. In 2004 the economist Stephen Roach estimated that 80% of the net-savings of the world flowed to the US. A growing part of the global profits were siphoned away from general circulation into the American hoard. After the crisis erupted, the "neo-liberal" policies which had stimulated this arrangement came under heavy fire, since the crisis had revealed its speculative essence. But what was the alternative from a capitalist point of view? The measures that should have been taken according to the capitalist left, more productive investment, if necessary directly by the state, and higher wages to stimulate demand, surely would have meant that the threats of overproduction and accelerating inflation would have returned much sooner.

The "neo-liberal" arrangement at least had the advantage of holding back these threats for a while. It counter-acted the tendential overproduction, by giving money other destinations than productive investment. It counter-acted inflation by sucking money out of general circulation. And it made the rich even richer -- especially the traders in money and everything that can be easily monetized. "The real profits are not made by producing", said a Wall Street man, "they're made by buying and selling". Or even by doing nothing, since the prices of shares and real estate rose every day. It became quite rational to go into debt, since the rise of "values" more than compensated for the low interest obligations -- if you had money. If you didn't it was still expensive to run up debt; but for the rich, it paid for itself and then some. No surprise then that the illusion took hold that capital can accumulate in

the form  $M - M'$ , without having to pass through that annoying phase C.

But in reality, it is only in this phase that value is created, that the value invested in means of production C and labor power V transforms into  $C+V+S$  (surplus-value), that abstract labor is added to the value of capital. Thanks to the inclusion of China and other low wage countries and thanks to the relative decline of wages in the advanced countries, the creation of value grew, but not at the dizzying speed of the hoard.

The value of the hoard is not an objective fact but an article of faith. To defend the faith in its hoard is the primary objective of the capitalist state. That is the faith for which the crusades of our days are waged: to project power; to reassure the shareholders.

### **The false promise of austerity**

When the crisis pierced the bubble and showed that the apparent enrichment was to a large extent due to the insertion of fictitious value in the cycle of value, the capacity to hold value once again became doubtful. It took an historically unprecedented acceleration of spending, and thus of debt-creation, on the part of the strongest countries to support the financial institutions, to avoid a collapse of faith in the private hoard. Faith in the state is what saved them. But, to confront the consequences of the growth of fictitious capital, much more fictitious capital was created. And it continued. With its "*quantitative easing*" policy the Fed continued to support the prices of public debt and mortgages by buying them for hundreds of billions from the banks with money it created out of thin air. Recently, the EU (European Union) created hundreds of billions of Euros to save its most indebted member-states from bankruptcy. Even the countries where draconian austerity measures are imposed didn't stop creating more debt. They can't function without it; at the very least they need to refinance their old debts. None of them has a budget without a large deficit. More often than not, their deficit is increasing, only at a slower pace than earlier. So public debt keeps swelling, while austerity undermines the expansion of the market and the creation of new purchasing power and therefore

also the receipts of the state so that more debt must be created ... in this way, the crisis of confidence in the capacity of private capital to hoard value is transformed into a crisis of confidence in the state as guardian of value. This crisis already severely affects the weakest competitors and is moving towards the center of the system.

Those trillions of new debts are commodities, which must compete with all other commodities to find buyers. Their growing supply demands a growing portion of the purchasing power, so less remains for other commodities; this increases the saturation of markets, which discourages productive investment and thus the creation of new value.

Austerity serves to improve the brand image of the country, to inspire trust in its future ability to pay its debts. The growth of public debt means that the competition between them for capital is intensifying on the basis of that trust. The larger the supply of debt of the “safe havens” like the US, the more countries whose debts are more risky are forced to try to improve their ability to pay with austerity measures to remain competitive in the debt market and avoid becoming the victim of a flight of capital.

So the goal of austerity is to convince the capital markets that it is profitable to buy its public debt, that its capacity to hoard value remains intact. But this strategy remains based on the illusion that  $M$  can become  $M'$  without an expansion of value in the  $C$  phase. It bets that the economy can pay for exponentially growing debts without a corresponding growth of production. It's a short-term strategy: the savings create space to pay the creditors but they don't stimulate the creation of new value. On the contrary, they reduce it and thereby reduce the future capacity to re-pay debts.

In the sphere of production, the emphasis is on cost reduction as well: savings on employment, wages, materials, unproductive costs. Especially the first two have made the recovery possible. In this recovery, however, the lost jobs have not come back: more is now being produced by fewer workers than before. This reflects an increase in the rate of exploitation ( $S/V$ ), but also an increase in the organic composition of capital ( $C/V$ ). This was not a result of a boom in technological investment. A reduction of  $V$  (labor power) was already

technically feasible earlier but it took the excuse of the crisis to impose it. This trend further diminishes the demand for consumer goods on the part of the working class, thereby sharpening the problem of the realization of value; and it diminishes living labor in relation to past labor in production, thereby sharpening the problem of the creation of value.

For capital, there is just one way to defend itself against the devalorization that the law of value demands: make the working class pay for the crisis. But the unprecedented wave of strikes in China and other Asian countries last year, the massive revolt this spring in Arab countries, the strong resistance against austerity by the proletariat in Greece and other European countries, show that this will become increasingly difficult -- and risky too. States are constrained by their fear that a point will be reached where social control escapes them. Already, young proletarians who occupy the plazas of Spain are beginning to wonder whether another world is possible than the world of value.

But for the capital, there is no alternative. None of the scenarios that its apologists invent offer an escape from the iron cage in which the law of value imprisons it. In previous issues of IP we analyzed why “green technology” will not save it (3), and why information technology, monopolization and artificial shortages will not save it (4). Then there is the hope placed on China. China seems rich and in dire need of just about everything: the perfect market to revitalize the global economy.

### **The limits of the Chinese locomotive**

Will China save capital from drowning? To a large extent, it already has done so during the last quarter of a century, as we saw earlier. But evidently, its beneficial effect for global capital has not prevented capital from descending into its worst crisis since the 1930s. So to get it out of this crisis, this beneficial effect would have to increase. But the opposite is happening. Both as a source of surplus value, and as a market, China's beneficial effect is diminishing: the former because of the rising value of labor power, the latter because of its own growing indebtedness and inflation.

### **The rise in the value of labor power**

China's beneficial effect was primarily based on its abundant supply of dirt cheap labor power, well disciplined with the help of Confucius and Stalin. It's weakening because the development of China has changed its society and this is pushing the value of labor power higher.

The majority of the workers who make all these cheap products that keep inflation down in the West are migrants (that is the case for 80% of the miners, 70% of the construction workers, 68% of the industrial workers and 60% of service employees). They are between 150 and 200 million strong and they came from the vast interior of the country, in a huge but well orchestrated exodus, aimed at providing the necessary labor power for the "global assembly line." The first generation of migrants consisted of peasants and other villagers who never knew anything else but a world of poverty. The value of labor power is determined by its cost of reproduction, but they differ from one society to another. In the interior of China, as in India, where the society has been characterized by general poverty for many generations, the consumer goods that are socially considered necessary for the reproduction of labor power are minimal. That's what makes the value of its labor power so low for capital.

The way in which Chinese capital has managed the labor force clearly shows that its aim was to prevent this from changing. For this, it used the "Hukou" registration system that ties the worker to the place he/she comes from. That means that the migrant worker has no right to benefits such as health insurance, except "at home" (where they often don't exist), no right even to stay when he/she becomes unemployed. There is a strong resemblance to the "homeland" system under South Africa's Apartheid regime, and with the treatment of undocumented workers everywhere. The Hukou system is designed to meet several objectives: the artificial determination of labor power on the industrialized coast by the conditions of the hinterland; to create a division within the working class; to make workers vulnerable to intimidation and prevent the migration from the interior becoming an avalanche.

The sons and daughters of the first generation are still considered "migrants" under the Hukou

system, but they live in a different world than their parents and have few links with their place of origin. They are urbanized young people who live in an environment that is much more technologically developed, complex and rich. An environment that is also transformed by the extravagant consumption of all those newly rich they see around them. (5). The emergence of an industrialized society implies a change in the value of its labor power: the consumer goods seen as necessary for its reproduction inevitably expand. The young generation no longer accepts the Hukou system and the conditions that stem from it (6). Because of its pressure, this system was already decomposing and the strike wave of last summer may have delivered it a fatal blow. Wages were already rising considerably in the industrialized coastal regions, even for migrants (between 2003 and 2009 by almost 80 %). And it has continued: in the last two years wages in the coastal regions rose by 50%.

There are already capitals that are leaving these regions to set up shop where wages are still lower, as in Vietnam or Bangladesh, or in China's interior. But there too, the changes in the living conditions resulting from industrialization are pushing wages higher. Furthermore, the growing combativity of the Chinese proletariat has had an impact on the consciousness of workers in the region. In Vietnam and Bangladesh, the number and intensity of workers struggles has shot upwards in 2010. Today, borders are less and less able to prevent such contagion. News travels fast outside of the controlled media, as the events in the Maghreb have shown. In Vietnam, wages are rising as fast as in China. In Bangladesh, the minimum wage was increased by 85% last year. In China's interior wages are still considerably lower than in the coastal provinces, but they are rising at a faster pace. (7)

So it appears that capital's capacity to combine modern technology with ever- lower wages, which sustained its rate of profit for at least two decades, has reached its limit. It's true that there are still places on earth where the value of labor power is lower (in particular in India) but there, other factors, such as the lack of infrastructure (roads, ports, power, etc.) poses severe limits. So the hope that the cheap labor power of China and similar

countries will revitalize global capital is not based on perceivable trends in the real economy. It's true that this could change if Chinese capital were to succeed in pushing the price of its labor power far under its value, but for the moment conditions are not in its favor.

### **The stimulus policy created a bubble**

The vertiginous growth of its exports in the past decade made it possible for China to reduce the share of wages in the GNP dramatically, while conceding a rise of wages at the same time. The expansion of the pie was large enough to accommodate a growth of the purchasing power of workers even though wages became a smaller part of the pie. Today, that's no longer the case.

The Chinese economy, as it is structured around its export sector, suffered of course huge losses when its markets shrank after the crisis burst open. The state, concerned about the social consequences of a slowdown of the economy, reacted with an ambitious stimulus program. Only the US spent more. But while the US created money to back up its treasury, American assets, China did so in the first place to stimulate investment. But did this exponential growth of money lead to a corresponding growth of value? Apparently not: more and more debts are no longer paid off. The money that was created in their name is fictitious, yet it circulates. Debt, speculation and inflation, are forcing China to end, or at least sharply reduce, its stimulus policy. The hopes of those who see in China a market that will continuously expand will be rudely disappointed.

China's stimulus measures have helped significantly to soften the crisis of advanced capitalism. When China spends, day after day, billions of dollars, it gives the Fed the flexibility to create money at a faster pace. China does it to curb the devaluation of the dollar vis-à-vis its own money, the RMB (The Renminbi, also known as Yuan), in order to protect its competitive position on the American market. More precisely: many companies in the coastal provinces which produce for the external market already operate with a razor-thin profit-rate. Their contracts are in dollars but they pay their suppliers in RMB. A sharp

devaluation of the dollar would be a fatal blow to them.

So it's not surprising that China used its stimulus program to reduce its dependence on Fordist production, by trying to become a producer at the cutting edge, where profits are less derived from the low value of labor power than from technological rent (i.e., a market advantage). The efforts it has made towards this goal, such as the modernization of its infrastructure, were beneficial for the exports of the advanced countries, especially for Germany, the leading producer of modern technology. Its exports to China have increased by 40% since 2009. From a country with antique trains, China became an importer of HSTs (high speed trains). But now it is becoming an exporter of HSTs. That changes the game. The privileged sectors are becoming crowded. China becomes an exporter of green technology, while its factories vomit poison into the air as if there were no tomorrow.

### **A cursed treasure**

At first sight, it seems so simple. China has huge needs and huge financial reserves. Just do the math and everyone benefits. But it is only simple if you think money and value are the same. If China decides to become a cutting edge producer in all areas, using its financial reserves to buy the best technology in all sectors, it would be for a time -- before this ends in gigantic overproduction -- a huge market of the last resort for the rest of the world. But it can't.

These financial reserves are debts and money of other countries, especially the US. To what degree does this money represent real value or only fictitious capital? Its partially fictitious character remains hidden in the hoard, as long as the faith in it remains intact, but it would appear clearly as soon as China would bring the amount of dollars needed to realize that plan into circulation. By taking huge reserves of dollars out of the sterility of its coffers where they can do no harm, to throw them into the global economy, China would achieve the opposite of what it wants: a sharp devaluation of the dollar which would destroy the profit rate of its export industry and would devalue its own financial reserves, with a worldwide acceleration of inflation

to boot. And if it were to use its hoard not for massive investments but to finance a general rise of purchasing power, the consequences would be equally catastrophic: the price of labor power, which remains its main competitive weapon, would shoot up, inflation and speculative investment, which already have reached alarming levels because of the accelerated monetary creation, would become unstoppable. It's as if there was a curse on China's hoard: these trillions of dollars will keep their value only as long as they remain untouched.



### **The fear of a human avalanche**

There is another reason why China cannot make this 'easy sum'. It could, for example, raise its agricultural sector to a point where it would be as productive as that of the US. Technically, nothing stands in its way. But instead of doing this, China is prospecting Africa and Brazil to buy land to start modern capitalist farms there, far away from home. Because doing this at home would mean the expulsion of hundreds of millions who would flee to the cities. That is the social nightmare that the ruling class wants to avoid at all costs. The same is true in many other sectors. China can't be reduced to an industrial zone in the south and subsistence farming in the interior. The majority of companies, employing a majority of the working class of the country, are capitals of a low organic composition (C/V); that is, employing lots of workers but at low productivity. They have survived, thanks to the low value of V, labor power (reinforced still by Maoist rule), when the value of labor power meant enough

to survive just until tomorrow, the "iron bowl" and nothing more, and thanks to the fact that China's internal market is only partially opened to outside competition. But also thanks to loans from the banks, that is to say, from the state.

During the last three decades, the state has stopped supporting many thousands of those companies. This not only in order to cut expenses but also to feed -- not too much, not too little -- the stream of labor power needed by the rapidly expanding Fordist industry in the south. But there are still millions of them. To support them was the main goal of China's stimulus program. This has not prevented thousands of them from going under but it kept alive many others. It did so by giving them orders (infrastructure projects, of which a principal goal is to be able to move large numbers of migrants to and from the industrial zones) and especially by giving them loans of which it is clear that a large part will never be repaid.

According to the IMF, China's rate of debt/GDP is 22%, a lot lower than that of the US or the EU. But this figure does not include the debts of the thousands of investment companies formed by local governments that invested in infrastructure projects but also in the survival of companies that, from the point of view of value, no longer have a reason to exist. These investment companies are, like all capitalist entities, engaged in a ferocious competitive battle between them to attract capital. According to the calculations of the economist Victor Shih of Northwestern University, their debts amounted to 11.4 trillion RMB (1.7 trillion dollars) by the end of 2009, or 35% of China's GDP. Taking into account the open credit lines already assigned to them, they would rise by another 12.7 trillion RMB by the end of this year. Already 28 % of these loans are "non-performing." When these debts are included, China's rate of debt/GNP was 75% at the end of 2009 and would be 97% by the end of 2011, higher than that of the US today (94 %). (9) So the hope resting on the assumption that China can play the role of locomotive because it doesn't have to carry excessive debts which force the other large economies to austerity policies seems unjustified. Like elsewhere, in China the state desperately tries to compensate for the lack of creation and realization of value by accumulating debts and we can see that its capacity to do so is eroding. Its

efforts have led to excessive indebtedness, an inflation-rate (officially still below 6 %, in reality at least double that) that threatens its capacity to monetize value, and speculative bubbles, especially in real estate (9).

For these reasons, China has decided to end its stimulus program. Since last fall, the state has ordered the banks to drastically tighten their loans, and has begun to consolidate -- i.e. liquidate -- thousands of local investment companies. Its economy is beginning to cool. At the same time, the pressure for higher (or less low) wages continues. Workers in transportation, services and white-collar jobs, who did not get the raises that the industrial workers obtained, claim it's their turn now.

Some China-watchers think that the anti-inflation measures that China is taking now are too little and too late to get inflation under control; and that a climate of "stagflation" would make it very difficult for the state to maintain its grip on society. It's not up to us to predict whether China will make a "hard" or "soft landing" (10). But in both cases, the high hopes invested in its market will land hard.

China will continue to grow, but less than before. But like elsewhere, this growth will create fewer jobs than it will destroy. Out of fear of social convulsions, China tries to limit this tendency, but this is becoming increasingly difficult. In China, like elsewhere, the great worry of the ruling class is: how will we manage all this superfluous variable capital. Not just the migrants and other refugees from rural poverty, but also the millions of graduates for whom there is no more place in the economy (11).

We see the same thing elsewhere. Everywhere, the nightmare of capitalism becomes, what will we do with all those people? Where can we stockpile them, how can we keep them quiet? How to separate the superfluous from those we need? How to prevent them from engaging in revolt? How to make them disappear?

For the moment, capital is focusing on reducing their cost. It is well aware of the impossibility of creating new debt to replace the old non-performing ones endlessly, or, in other words, of the impossibility of continuing to hide, with fictitious capital, that the capital in the hoard is (to a growing extent) fictitious. So by reducing its costs, it seeks to create the financial space to defend the confidence in the capacity of its debts to hold value. In the past three years, trillions of dollars, euros, yens and RMBs have been created to support the private hoard undermined by bad debts, and trillions more to impede a deflationary spiral towards depression. Never has there been created so much money in so little time. This has put a brake on the deflationary pressure without however eliminating it. It remains a bubble economy. Capital, M, continues to skip the phase C to get to M' and by doing so, it undermines M'. All the money creation, the tax breaks and other presents to the possessors of capital can hide this only for a limited time.

So the pendulum swings from stimulation to austerity. China is ending its stimulus program, the US is ending its "quantitative easing" policy and in Congress, the emphasis is on cutting expenses, the EU's willingness to bailout its most debt-ridden members seems to have reached a limit and everywhere central banks are taking measures to restrict loans, to defend their hoard.

At the same time, the proletariat, the population that has only its labor power to sell in order to survive, neither in China nor elsewhere, is in the mood to sacrifice itself and is discovering new ways to fight, to communicate, to resist.

A collision is inevitable. As Bette Davis said: "Fasten your seatbelts. It's going to be a bumpy night."

Sander

June 2011

## NOTES:

1. See, amongst other texts, “Value creation and the crisis of capital” in *IP* 49 . [http://internationalist-perspective.org/PI/pi-archives/pi\\_49\\_value.html](http://internationalist-perspective.org/PI/pi-archives/pi_49_value.html)
2. But the US produces almost as much, 19.4%, with almost a tenth of the labor force: there are only 11.5 million industrial workers left in the US. So the productivity-gap remains considerable. (*Financial Times*, March 13 2011)
3. *IP* 50, “Capitalism, technology and the environment”, [http://internationalist-perspective.org/PI/pi-archives/pi\\_50\\_environment.html](http://internationalist-perspective.org/PI/pi-archives/pi_50_environment.html)
4. *IP* 54, “Artificial Scarcity in a World of Overproduction: An Escape that isn’t”, [http://internationalist-perspective.org/IP/ip-archive/ip\\_54\\_scarcity.html](http://internationalist-perspective.org/IP/ip-archive/ip_54_scarcity.html)
5. Of the 15 largest economies, China is second in income inequality, after Brazil. It’s a sad irony that the greatest inequalities of the world are managed by the “Communist Party” and the “Party of Workers”.
6. Mary E. Gallagher who interviewed young migrants at different moments described the change this way: “The iconic figure of a young, shabby farmer making his way to the city for a limited amount of time with limited ambitions and expectations for his time there is giving way to young people who see the city as their future and, if not their birthright, as something that they have earned. Unlike their parents or elder siblings who compared their fortunes to what “would have been” if they had stayed in the countryside, these younger migrants compare themselves to their urban counterparts. Differences in treatment are no longer as readily acceptable. Their expectations for the future are wider and different than earlier generations. Future plans rarely include returning to the countryside as farmers.” “We are not Machines:” Teen Spirit on China’s Shop floor August 23, 2010 in *The China Beat* <http://www.thechinabeat.org/?p=2538>
7. *New York Times*, May 31 2011
8. His conclusions are of course challenged by Chinese economists loyal to the state whose principal argument is: “Given that the Chinese government has commenced its exit from the stimulus policy, Shih’s extrapolation that the debt will continue to balloon in the next two years makes little sense.” <http://www.chinastakes.com/2010/3/how-victor-shih-get-chinas-debt-so-wrong.html>  
To the degree that this is correct, China’s public debt will rise less than Shih thinks but its growth and its imports will slow and bankruptcies will spread.
9. The last one is in part instigated by the state. It inflates the bubble because it profits from it: “Through taxes, fees and property sales, local governments are raising more and more at the expense of the household sector’s income and purchasing power. Local governments are essentially on a treadmill of raising more and more revenue to fund fixed investment. So it needs land prices to rise higher and higher, resulting in a massive and nationwide property bubble.” Andy Xie, “Rebalancing cannot wait” <http://english.caing.com/2011-03-11/100235531.html>
10. According to a recent poll of investors, a “hard landing of China “ is seen as the greatest risk for the financial markets today. “China hard landing is biggest threat,” *Financial Times*, March 20 2011. <http://www.ft.com/intl/cms/s/0/332ca33a-5194-11e0-888e-00144feab49a.html#axzz1PJ57gyOt>
11. In 1998 the higher education institutions delivered 830 000 graduates, in 2009 6 million. Between 1982 and 2005, the number of graduates rose sevenfold while the number of white collar jobs rose from 7 to 13%.

# COUNCILAR POWER



*This is a part of a published text by Will Barnes, “Some Remarks on the Role of the Working Class in History”. You can read the whole text on his website, Institute for the Critical Study of Societies of Capital (<http://www.instcssc.org/>.) We like the clear way in which he explains the crucial role of councilar power in the self-liberation of the working class and shows what this means by contrasting it to state power. We post this part of Will’s text with his permission.*

## COUNCILAR POWER

“If you’ve ever been charged with a legal violation and faced a judge or a prosecutor in a courtroom, or spent time in a jail, for you the state has a very palpable reality. If you haven’t, you may think it is an abstraction. If so, it’s a quite real one, a universal abstraction (meaning...”

“...working class self-activity has patently been the agency that, if only for brief moments, reorganized societies on a liberatory basis (Russia in autumn 1917 until Great Power intervention and imperialist driven civil war destroyed its foundations in an extant working class itself; the revolutionary development of a novel council power in Germany in 1918 until it was drowned in blood by FreiKorps fascists; the revolutionary suppression of a reactionary generals’ coup in Spain in July 1936 with the organizations born from it; the creation, again, of novel councilar power in Hungary in 1956

until it was crushed by Soviet tanks).

Irrefutably councils have sprung up in all revolutionary situations where workers have played a major role: Stretching back in historical time to the Paris Commune (1871), through the general strike in northern Italy in 1904, the Russian revolution of 1905, then in that explosive revolutionary upheaval that shook the world between 1917 and 1920... again in Russia in 1917-1918, in Germany and Hungary in 1919, in Italy in 1920... after that only occasionally and sporadically, in Aragon and Catalonia briefly in 1936-1937, in Hungary in 1956, tendentially in France in 1968, in Chile in late 1972 and in Iran in 1979, in every revolutionary situation in which workers have appeared as a historical class, their agency has been constituted organizationally through councils, the historically distinctive, novel, organizational form of working



class power. Elected democratically as mandated delegations, fusing legislative and executive activities, exhibiting none of the irrationality and over-centralization of bureaucratically centralized organizations (whether states or economies), neither narrowly communal nor engaged in an autarchic construction, but instead expansive, integrative and functioning better as they became larger, that is, as more councils federated and assimilated to one another, driven by an expanding worker awareness, based on the global productive matrix that is capitalism undergoing its own dissolution, the councilar form has striven to hold exclusive sway over and tends toward its own universalization as the immediate expression of the power of workers actively dissolving themselves as a particular class in society by bringing together all the various oppressed strata and groups under their wing, absorbing them into the work of a conscious, deliberately elaborated project of a global societal reconstruction, ending the reign of capital's economy as an independent, decisive and institutionally separate force in social life, no longer as categories of waged labor for capital but forming themselves as a universal agency of societal change.

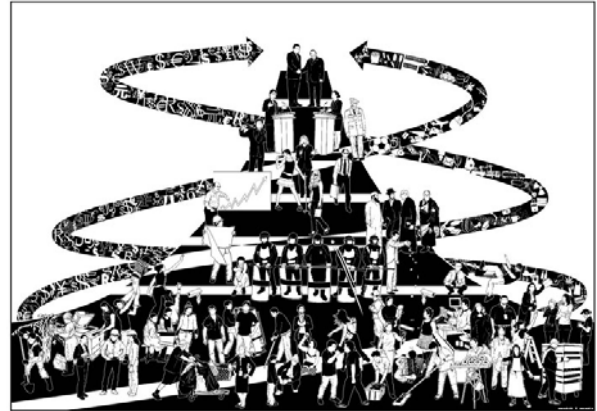
The working class has historically set itself apart from all other social groups, strata and classes in history because it demonstrated the capacity to not only challenge the order of society but, asserting its own distinctive and unique form of societal organization, has consciously undertaken to transform and reorganize it in its entirety.

### **Councilar Power against the State**

What are the councils? They can initially be understood by way of contrast with the state, and specifically the existing state of capital.

Unlike much of what we experience in daily life, you or I, we, will never see, touch, hear or taste the state. It is not accessible to our immediate senses, but is quite real. It is an abstraction, a universal abstraction (meaning its reality shapes everyone's experience), and it is a universally oppressive abstraction (meaning that it limits our potentials, mutilates our experience and exacerbates conflicts within society). The concept of the state put forward here is critical: The intent is to understand

it in order to abolish it.



The State and society

The state is a historical reality. It first emerged in its earliest, most rudimentary form within the origins of agriculture and the development of fixed positions in a division of social labor, which went pretty much hand in hand. (It took shape in this earliest form as a body of armed men who protected the person of a divine king and enforced his laws together with a primitive bureaucracy of priests who collected grain and watched over its storage, for appropriation of this wealth, grain, was the basis of kingly power.) But we are concerned here about a highly developed form of the state, its role, function and reality as it appears during the epoch of capitalist modernity as a product of a long history of divided societies (hierarchically organized societies based on fixed positions in a division of labor in production).

Now capital's state does not consist in the party in power at any particular moment. It is far more than the government at the national level, even though here it finds its most obvious symbols. Instead, the state is formed by the institutions of rule and governance in their entirety, and it operates not only at the top in the person of the Executive but also on the ground in the person of the cop. Each and every form of institutional rule in society... that of territorially based governments within "national" boundaries (provinces, regions, "states" in the U.S.), those of counties, municipalities, cities, towns and even school boards... are one and all dimensions of the state. Why? Because fundamentally the state exists as armed bodies of

men, as the socially and institutionalized sanctioned ability to forcefully, if need be, compel compliance with regard to the social relations that secure the extraction, then the distribution, of surpluses originally generated in production.

The modern, capitalist state is characterized by its unprecedented degree of centralization; and, at the same time, by the objectification and alienation of every specific interest created in and through the relations of social classes, by the expansion of its hold over society, the creation of its agencies that maintain that stranglehold, that is, by an objectively illusory independence from society... The state harmonizes these different, often conflicting interests, proceeding in an increasingly more abstract and general way, and in an utterly rarified and completely formalized manner, until, pyramidically, a general interest in the person of an Executive (president, prime minister, constitutional monarch) is constituted... This sham independence is based on the very real existence and oppressive character of the essential components of the state, the hierarchically organized, bewildering array of agencies and organizations, primarily its standing army, its police, judiciary, prosecutors and their structures and places of incarceration, and its stratum of functionaries and bureaucrats. The latter, in particular, form a separate caste pursuing its own interests, interests that institutionally express the requirements of those who rule. The state in this sense, then, is alien to society, and this alien objectivity is rooted in the fact that it is not directly based in the activities of masses of men and women in daily life, that it is not immediately and directly controlled by those same men and women.

The modern state of capital is unique in its institutional and separate character, its appearance as a “public” force clothed in this sham objectivity that sets it apart from and over and against individuals, the underlying social classes, and society at large. While any modern, centralized state may come in the short run to be identified with a specific historical personage, what distinguishes it from states that appear in other past epochs is a seeming efficacy, permanence and reality that render it at once objectively independent in relation to society and independent of any specific ruler.

So we can say that the modern, bourgeois state, as a

complex of social relations that have been congealed and hardened (i.e., institutionalized), is set over and against these conflicting private interests, which give it that public, institutionalized and separate appearance. Now the state in this modern form has four general functions. First, it unifies otherwise competing great capitals: It is the domain in which capitalist unity is forged, a unity laboriously worked out through the efforts of professional politicians (a bourgeois stratum itself product of the capitalist rationalization of society), a process that is usually done legislatively (in Congress, Parliament, Diet, Duma, Reichstag, whatever). Second, it is the structure that enforces the general interests of the capitalist class against individual capitalists and their actions (thereby constituting the arena in which a common program for capital is formulated) and, it goes without saying, it enforces these great capitalist interests as ruling class interests against the rest of the classes in society, particularly the various strata and social groups among the propertyless, those who are waged and whose labor in production sustains society. Third, the state guarantees, violently if necessary, the legal and organizational principles of capital’s movement that it legislatively and executively constructs, and fourth, it is mystifyingly and obfuscatorily guards and promotes mass loyalty to capitalist system and bourgeois society as a whole. (Important here are the various medias, spectacular adjuncts to the state propaganda machine.)...

In contrast the councils, an interconnected system of transparent social relations, are a historically novel power, a sole power that immediately and directly holds sway over society without institutional separation, that is, a power that can only develop by way of the destruction and on the ruins of the state...

This can be seen no more clearly than in Hungary in 1956. Since Hungary was a society of the Soviet type, meaning state capitalist, the economy and the state were integrated without any intermediary institutions, such as a sham parliament. Workers in the plants and factories kicked out Party managements, dismantled existing “representative” organs run by active Communist party members, democratically elected rotating delegates to constitute councils within plants, and then in turn

formed city-wide workers' councils. The authoritarian, one-man management born of Soviet war communism (i.e., a historically contingent not a principled basis for organization of work) crumbled immediately and the entire structure of production began to be replaced by a worker created one from the ground up. The stratified envelopment of the economy, achieved in the persons of Party activists, was shattered, a novel power in the form of an expanding structure of workers' councils constituted from below, one absorbing polity and economy, began to emerge prior to the final appearance of Soviet tanks...

The state, this alien objectivity, is overcome, abolished, in a vastly expanded practice captured in the following concise, compressed formulation (which itself is a description of what was unfolding or has actually occurred whenever councils held sway, no matter how briefly): The councils abolish the standing army (which, in part, has historically come over to our side as part of a revolutionary transformation) and other repressive agencies replacing them with workers' militias and popular tribunals; and, they operate as a non-bureaucratized, non-hierarchical and unitary organ, because they are made up of workers who legislate and execute and who are directly responsible and immediately recallable having been mandated by workplace and neighborhood assemblies, and whose various bureaus and agencies are equally responsible to the council itself and, in the early phases of their existence (i.e., while money continues to exist), held in check to begin by payment of an average wage (as a curb on percolation and corruption). It is requisite that councils refuse the old division of labor within the workers movement into separate organizations, parties and unions inclusive of revolutionary unions so-called (whether syndicalist, or political such as "red" trade unions), which has been the tendency since the collapse of a revolutionary, if productivist, councilism after the early twenties of the last century. Historically, they have only adequately functioned by practically abandoning legislative and executive separation, no matter how many sections or bureaus they formed.

The councils aim at the practical unification of workers to the extent workers are actively engaged in changing all existing conditions of daily life, at work, in the streets and neighbors, in making

ourselves master of our own history, a history that, once councils hold sway, can be lived and experienced as part of the woof and fabric of daily life. They, the councils, are incompatible with any other form of power, since they are themselves the organization of society becoming revolutionized. The coherence of the councils, of workers acting in and through the councils, is secured by simple fact that they are the sole power, they do away with any other form of power, especially the power of the capitalist state, that they decide everything. Now "coherence" does not just refer to the activities of workers engaged therein, but also to a socially generalized recognition of the councils' legitimacy and hence their active capacity to hold sway, not to "govern" or "rule." In the councils and the assemblies on which they are based in production, in the office, in the neighborhood, no one represents workers, no one is elected to act on their behalf elsewhere (i.e., on the political terrain of the state).

How do councils emerge? They form in the maelstrom of revolutionary events, in the waves of strikes that, increasingly generalized, constitute a direct challenge to capital and, in particular, its state by posing the question of power. But councils do not emerge from out of nowhere or nothing. The form as strike committees, plants, factories, offices and other workplaces create assemblies to come to grips with the immediate problems... problems such as the production and distribution of food supplies and fuel, making provision for self-defense against recalcitrant and counterrevolutionary elements.... Those emerge from a socially generalized upsurge of worker activity, and are at this stage only tacitly a challenge to capital. The councils take shape as an organizational forum embracing the delegates mandated by these assemblies, and it is these assemblies to which they owe their life and on which they depend for their social validity and popular strength: This validity and strength is achieved in activity and enactments by starting from and returning to those mandates, even to the extent of a constant turnover in delegates.

Who are the individuals who are the human bearers of council activity, who make them up?

They are in the most general sense proletarians, specifically all workers "in revolution," those who have practically committed themselves to council activity

power as their creation.

In a revolutionary situation, only those organizations that accept the absolute primacy of the proletariat organized into councils in both the transformation and reconstruction of society, and are active partisans in the fight to bring about counciliar-guided change, will be admitted to their presence.

The councils are not unproblematic. They have enemies galore without, but also enemies within. Who or what?

These are primarily the specialist organizations, in particular the parties and individuals who only nominally accept the primacy of workers organized into assembly-based councils in a revolutionary situation and the days 1, 2 and immediately thereafter (i.e., the onset of the transition so-called). It is of paramount importance to identify such specialists, especially the crypto-statists and to treat

with them rather ruthlessly (i.e., expel them).

But perhaps the greater problem derives from a growth of inertia within the councils themselves and among counciliar personage. This cannot be put down to the debilitating effects of daily life in societies of capital, because on the face of it at least we are speaking about a revolutionary situation. The counciliar form at any rate should protect workers from these effects, but this is only possible if participants constantly engage in actions that tend toward maximizing awareness of the historic tasks that are being embarked upon: To be sure, then, workers as members of the councils must explicitly need to and intensely desire to transform society, to realize socialism (i.e., in the end, communism), meaning, among other things, that the councils themselves are constantly engaged in critical self-evaluation...

WILL BARNES

## A Comment on WB's Text...

WB's text is ambitious in its scope and engages with highly complex issues – important, critical issues for revolutionary Marxists. Many of his observations I agree with. However, in this short note I want only to argue for the explicit inclusion of the *dynamic* of class struggle in dealing with both the capitalist state and the problems faced by the workers' councils in the period of transition. I don't find this in WB's approach.

Whatever shared interests various capitalist factions may have for a while, there is an ongoing struggle by those factions inside the state for influence in determining policies affecting all aspects of economic and social life as well as external diplomatic and military activity. The state may sometimes try to mitigate and at other times exacerbate factional antagonisms. At given times institutions of the state may dominate many factions of capital but at other times the state may be unable to defy the most powerful factions. It is essential to acknowledge the ongoing factional struggles –

albeit often covert – to understand what is going on. Therefore, I do not agree with WB that the capitalist state *harmonizes* different class or factional interests, nor that it “unifies otherwise competing great capitals”.

Consider, for example, the Thatcher government's attack on the unions in the UK in the 1980s. There was a massive attack by the state on the working class – exemplified in the choice of the miners as the primary target - and it was also a real conflict between state institutions and with particular factions of capital. One can see how the situation could be described as the closing of ranks of the bourgeoisie against the working class but, while true, it was also capitalist faction against faction: government against unions and government against several very large industries and the capital interests they represented. Several major UK industries were destroyed, some went into deals with other European and other companies in order to survive but most significant was the growth of the financial

services industry. The City of London – which had been strengthening since the mid-1950s – took the opportunity presented by a sympathetic government to favour this industry above all others and it has since become the dominant UK industry. (Industrial manufacturing, once dominant, now accounts for about 12% of UK GDP.) After years of friction between them, the political apparatus of government and the City entered a new, more intense relationship which successive governments of all hues have continued to the present day.

This immense turmoil could be broken down by a functional analysis into several components. Left at that, however, we would have little sense of what has animated the evolution of the actual situation between and within the classes and of the restructuration of capital internationally. Indeed, the changed power relationships between the various sectors of UK capital after the end of the post-World War II reconstruction, and followed in the US and other countries, led to a rash of ‘offshore’ networks of secrecy jurisdictions that have weakened the power of individual states over international capital flows. While commerce and manufacturing need and do take advantage of these banking and financial facilities, they certainly do not want to be taken down by the bursting of the most enormous bubbles of fictitious capital that man has so far devised. Nothing has been done since 2008 to curb the destructive behaviours of the financial industries; there is no harmonisation of interests in the capitalist class.

It is essential to acknowledge class struggle in all its manifestations in a given society. It does not take place only between an exploiting and an exploited class. Marx himself pointed out “that in ancient Rome the class struggle took place only within a privileged minority, between the free rich and the free poor, while the great productive mass of the population, the slaves, formed the purely passive pedestal for these combatants.” (*Eighteenth Brumaire of Louis Bonaparte*) In global capitalism today many antagonisms exist between various factions of capital and between them and other classes in society – including proletarians and peasants as well as a mass of humanity ejected from economic activity.

With WB, I agree that after the destruction of the capitalist state the maintenance of the integrity of the councils will be hugely important and all the more so given the magnitude of the tasks that will lie ahead. As well as dealing with its own needs amidst the wreckage of capitalism, the proletariat will have to deal with the vast majority of the world’s population: the billions of people, non-exploiting strata and classes, ejected from or refused entry to the capitalist production process, most living in dire conditions. The task of integrating these people into a communistic set of relations will be the greatest project that humanity will ever have embarked upon.

Earlier in his text WB says that “the counciliar form has striven to hold exclusive sway over and tends toward its own universalization as the immediate expression of the power of workers actively dissolving themselves as a particular class in society by bringing together all the various oppressed strata and groups under their wing, absorbing them into the work of a conscious, deliberately elaborated project of a global societal reconstruction, ending the reign of capital’s economy as an independent, decisive and institutionally separate force in social life, no longer as categories of waged labor for capital but forming themselves as a *universal* agency of societal change.” Yet, in his comments on the state WB doesn’t mention these other classes.

Organisationally, the councils will not exist in isolation; they will be part of a class operating in a wider society. The massive numbers of non-proletarians will not be sitting around awaiting the largesse of the workers: they will have needs that will push them towards organisation and this poses the issue of state formation. Just because we have basically one kind of state today – the capitalist nation state – does not mean that early states had only one origin as WB suggests; there have been several kinds of early states and proto-states with various processes of formation. We would do well to investigate these so as to understand better those social forces that tend to push towards state formation and hence consider how the councils can deal with them and maintain proletarian political supremacy.

Asserting that the councils are the *sole* power will not make them so: there will be a class struggle going on in the period of transition. This will not be the class struggle of capitalism: of exploiter against exploited, of exploiters fighting among themselves for advantage and share, of the brutality of rulers against ruled where 'social problems' are dealt with by ejection, torture and slaughter. Such actions are incompatible with the goals and methods of the revolutionary class and its councils. The class struggle of the period of transition will be centred on the drive of the workers' councils to reorganise society in a communistic way while the daily problems of the rest of humanity continue to

weigh heavily and tend to drag society back towards 'old ways'. It is unrealistic today to be prescriptive about what all this will entail but I would argue that taking "all the various oppressed strata and groups under their wing" does not address the issues. It will take all the ingenuity of the revolutionary proletariat to ensure that their 'good intentions' are not used to pave another road to hell.

Marlowe  
April 2011

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# Repression and Trial of South Korean Revolutionary Militants, 2008-2011

*On February 24, 2011, the South Korean judicial system sentenced members of the Socialist Workers Alliance of Korea to prison terms and fines. The SWLK members were convicted under South Korea's National Security Law. Internationalist Perspective was among those organizations which sent letters protesting the outrageous actions of the South Korean state. The following is a short report by Loren Goldner on the case.*

*(For more on the politics of the SWLK see [http://internationalist-perspective.org/IP/ip-texts/korea\\_conference.html](http://internationalist-perspective.org/IP/ip-texts/korea_conference.html) for a report on a conference organized by the SWLK in which IP participated and conference documents)*

On Dec. 3 of last year, the prosecutor in the Seoul Central District Court demanded prison terms of 5-7 years for Oh sei-chull and seven other members (Yang Hyo-sik, Yang Joon-seok, Choi Young-ik, Park Joon-seon, Jeong Won-hyun, Oh Min-gyu, and Nam-goong Won) of the Socialist Workers' Alliance of Korea (SWLK), a revolutionary socialist group. These activists in the Korean working-class movement were indicted under South Korea's notorious National Security Law (passed in 1948 and theoretically still stipulating the death penalty for "pro-North" activities; in the 1940's and 1950's, the death penalty was anything but theoretical.). The militants of the SWLK, who as internationalists advocate working-class revolution in both Koreas, were accused of no specific crime except being socialists, but in reality the indictment resulted from their intervention in several strikes and movements going back to 2007. This is the first instance of such harsh repression under the National Security Law in many years. It occurs in the larger context of the hard-right turn (such as the smashing of the Ssangyong Motor Co. strike of 2009) of South Korean President Lee Myong Bak's government since he took office in early 2008. (In fact, leaflets of the SWLK distributed during the Ssangyong strike were key evidence in the trial.)

Prosecutors have attempted to indict members of the SWLK several times since 2008, and prior to December, the prosecutors' case was thrown out of court each time.

An international campaign was organized in the weeks prior to the sentencing on February 24<sup>th</sup>, which resulted in some 250 e-mails to the judge from all over the world, a small demonstration in January in front of the South Korean consulate in New York, and a few thousand dollars for the group's legal defense. A report on the New York demo did wind up on the front page of a major Korean daily, and the SWLK members think that the international publicity may have had an impact on the ultimate sentencing.

The judge's sentence was ultimately as follows;

- 1) Oh Se-cheol, Yang Hyo-sik, Yang Joon-seok and Choi Young-ik were given 1 1/2 years in prison, but with a suspension of imprisonment for three years for violation of National Security Law, as well as a fine of 500,000 won (\$500) each for violation of the Assembly-Demonstration Law.
- 2) Park Joon-seon, Jeong Won-hyun, Nam-goong Won and Oh Min-gyu were given 1 year in prison, but with a suspension of imprisonment for 2 years for violation of National Security Law, and a fine of 500,000 won each for violation of Assembly-Demonstration Law.

The meaning of the decision was as follows:

- 1) The SWLK (Socialist Workers League of Korea) is judged to be an "organization for propaganda and

agitation for national disturbances”, thus violating Article 7 of the National Security Law.

The sentences obviously reveal once again the political nature of Korean judicial branch, as a part of the state apparatus serving the capitalist class.

2) The suspension of the prison sentences should be recognized as the result of the Korean and international protest movements. If, however, the defendants are arrested for any reason during the suspension period, they can be jailed immediately. The suspensions are thus aimed at hobbling the political activities of the SWLK, and only a bit better than immediate imprisonment.

3) The eight accused will appeal this sentence to the high court.

After the sentences came down, the defendants issued the following statement:

“We will live and act confidently as revolutionary socialists without regard to the political oppression of the Korean state apparatus.

Thank you to all socialists and workers in the world who supported our judicial struggle.

Please transmit our gratitude to the comrades of the world.”

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- To visit our web site, go to <http://internationalist-perspective.org>
- To visit our blog go to <http://internationalist-perspective.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.



# Democracy Hides the Dictatorship of Capital

The events in North Africa challenge pro-revolutionaries, and Rose's article in this issue of IP summarizes the events perfectly, which focuses our thinking around the concept of "democracy". This movement, indeed, raises a fundamental question: that of the perspective offered by the capitalist class in the context of an international crisis.

In Paris, in Athens, in London, in Portugal, in Spain, in the Maghreb, in China, the demonstrators are confronting the same problem: that of the possibility of surviving in this obsolete society. It is about questioning, an important component in the development of awareness of the necessity to go *beyond* the social order of the capitalist class. These struggles raise the question of freedom, of a fundamental claim of social justice.

The occupation of the public space in various European cities has put forward the need for freedom, the quest for better living conditions, the denunciation of exploitation, of the domination of the capitalist class; in short, it is about the desire to live in a completely different way.

## 1. The significance of these movements

They are about basic demands of the working class, the point of departure for even more fundamental demands. The struggle for freedom, the struggle for freedom of speech, the struggle to be able to think freely, the struggle for recognition, was always a demand of workers.

The struggles for freedom of expression, for free association, for social justice, have constituted important components for workers to affirm themselves against the endemic power of the bourgeoisie and to denounce the regime of terror that it has imposed to protect capitalist exploitation. From time immemorial, humankind has expressed its opposition to the dominant power. From time immemorial, humans have questioned the logic of the exploitation to which they have been subjected. From natural man, to the slave, to the serf, to the human being subjected to the machine, and now

man in the epoch of cybernetics, humankind has posed the question of history based on the quest for a different social order: slave revolts, the revolts of the Roman plebs, of the medieval craftsmen, the worker under capitalism, of the "indignant" young people, all express the desire, probably unconscious, to assert themselves as subjects, to smash reification, to find another way of living and of existing. They are now basically questioning the very bases of the existence of the capitalist State today. They are demanding the right to live differently, the right to speak, the right to organize life differently.

## 2. The reactions of the capitalist class

But what is paradoxical today, is that all these struggles are presented to us as democratic demands. But to combine these struggles into a simple democratic demand to obtain a new political system seems to me reductive.

In fact the bourgeoisie constantly tries to ideologically recoup these demands under the cover of "democracy;" free to repress them in the name of this same "democracy".

It is thus not astonishing to watch the media coverage that transforms these movements into simple democratic demands. It is indeed to muddle the meaning of the events. But it is astonishing that comrades claiming Marxism still take part in this Siren song .(1)

## 3. Why speak about democracy?

From time immemorial, society, dominated initially formally, then really, by the exchange relation, tried to reduce the resistance of workers, either by using the power of repression, or by articulating an ideological discourse supporting the adherence of the workers to the legitimization of the State that was adapted to the needs of the development of the exchange relation. The development of the exchange relation requires a mode of governance, a

management, an adherence to that system. That governance requires a state historically charged with protecting property, commodity relations, through its police force. It needs also an army that ensures its own expansion. Management pertains to the administration of social life by granting a legal status to the individual based on the needs of the governing authorities. Adherence to that order can be assured through education, and the ideological discourse of adherence to the system.

But that ideological discourse does not just appear; it results from the evolution of the economy, and from the form that the State takes. As for repression, it is utilized when social discourse can no longer hide the contradictions that arise.

\* a metaphysical discourse under feudalism and the ancien regime, where man was reduced to being a creature of God, controlled by the power of the Lord; property bonds based on servitude. The bondage was “natural”, recognized by God, incarnated by the Church and the King. Primitive accumulation was dedicated to the glory of the “Lord”: cathedrals, the monasteries, etc.

\* A patriotic democratic discourse, where humans were conceived as patriots who could be represented so that they could more easily undergo exploitation within the framework of ascendant capitalism. That discourse was essential in order to justify the plundering taking place. There was a transformation of bondage into contract that institutionalized the anonymity and the free movement of the worker. God was replaced by the concept, no less abstract, of the *people*, incarnated by their possibility of representation through elected bodies. What was thus asserted by democracy was that the power of the State must emanate from the people, be accountable to the people, and, in one form or another, be able to be changed by the people. But what does this concept of people mean?

\* An egalitarian, democratic, discourse where humans today are conceived as consumer citizens, able to be actors in the decadent spectacle offered by capitalism today. In this new phase, the validity of the social contract is no longer guaranteed by the nation-state. It has been dispersed between regional representations on the one hand and international

ones on the other hand. Today, anonymity is consolidated by the spectacle of state television and the dislocations compelling “flexibility” on the worker, replacing the boss of old by a “culture of the enterprise”.



#### 4. What is this democracy?

But finally, what is this democracy? In fact, it is difficult to provide a definition; the concept itself is so fuzzy.

Initially, the term democracy comes to us from the Greek. It meant the power to take part in the public life of the City. But this idea did not include in any way the concept of governance, and even less equality. It is obvious that the Greek City, which permitted slavery, was not egalitarian.

In the same way, the “Democracy” of the Greek City was only for its citizens, and excluded slaves, women, non-property owners, barbarians, etc.

This concept was rediscovered and started to gain ground in the 18th and 19th centuries and was used against the autocratic monarchy and the despotisms based on monarchy and the Catholic Church. Democracy is thus a bourgeois conception, a discourse that situates the nation-state in society, imposing a particular status on the individual. The term democracy means the right to be represented. In any case, it does not refer to actual governance. Obviously there is confusion here. The democratic discourse claims that parliamentary representation

can shape decisions about the actual governance of the exchange or market relation. The very term democracy here expresses the domination of the ideology and of bourgeois terminology over the struggle for freedom and the liberation of humanity historically waged by the dominated classes. It is precisely an illusion that the legal and formal extension of representation within the bourgeois society is the same as personal freedom and to the possibility for the individual “to truly intervene in public affairs. The bourgeoisie thus substituted the notion of democracy for the concept of freedom (and the struggle for freedom, the struggle for social justice) that had put in question bourgeois governance.

### 5. The utilization of the concept of the “people”

The conception of democracy broadens into “popular representation. What is affirmed by democracy is that state power must represent the people, be accountable to the people, and under one form or another, be able to be changed by the people. But what does the concept of the people mean? What must be understood by popular representation? Until recently many sectors of society (and sometimes even the majority of human beings: women, blacks, immigrants), were not included in the “people” within certain democracies.

### 6. Historical changes of the State and ideology

Trade, new technologies and the exchanges of all kinds burst the framework of the nation-state inherited from the twentieth century. These changes impact the way the state functions.

Unless one believes, contrary to a serious materialist analysis, that the state escapes such changes and would not be affected by economic transformations, which would make the state “invariant.” In *IP* 38, “Globalization of capital and new tendencies of the State” we described the changes of the democratic state: one passed from a monarchical state, to an imperial state, to a “Jacobin” democracy where a self-proclaimed committee spoke in the name of the people, to the property-owning democracy, where owner-citizens regulated public life, to develop the concept of patriotic

democracy in the service of the nation, to arrive at an egalitarian democracy today, while allowing, many years afterwards, underprivileged layers of the society to be regarded as full citizens: e.g. women.



### 7. Progress and democracy

Democracy is associated with the concept of progress. It would constitute “progress” compared to the feudal, monarchical state. It was on that basis that it should be supported. The struggle against feudalism that the bourgeoisie waged over the course of centuries is seen as a struggle for societal progress.

Marx, it should be understood, positioned himself in a contradictory way. Before making a critique of democracy, he regarded the evolution of the exchange relation as essential to the development of the working class, seeing it as “progress”. Marx wrote that the goal is to “transform society into a

community of the human beings, united for their highest aims, into a democratic State" (letter to Ruge, May 1843). When he presents democracy as "the solved *riddle* of all constitutions", by which "the constitution appears as what it is, a free product of man" ("Contribution to the Critique of Hegel's Philosophy of Law," 1843), he opposes to the existence of the State, a true democracy, and he affirms himself a partisan of democracy. That's what can explain the letter of support addressed to the President of the US, Abraham Lincoln.

## 8. Criticisms

Criticisms of this concept of democracy were made in the midst of the French revolutions. So, the Enragé, Varlet, during the French revolution: "for any being who reasons, government and revolution are incompatible"; So, Jacques Roux: "A revolution carried out by the masses and a strong power (against the masses) are two incompatible things"; Or Babeuf: "Rulers make revolutions so as to continue ruling. We want to make one to finally ensure forever the happiness of the people by true democracy"; Or Buenarroti: "If there formed in the state a class exclusively committed to the principles of the social "arts," laws and administration, it would soon discover the secret of creating distinctions and privileges;" and especially Proudhon: "By proclaiming the freedom of opinion, equality before the law, the sovereignty of the people, the subordination of power to the country, the Revolution made of society and of government two incompatible things ...," there is an absolute incompatibility of power and freedom. No authority, no government, even popular: "The Revolution is here (...) The government of the people will always be the repression of the people. If the Revolution allows some part of the Government to subsist, it will return everywhere." ("The General Idea of Revolution in the 19th century").

But, Marx could also make a critique of this concept of democracy. If "political emancipation constitutes great progress ... it is the last form reached by human emancipation within the world such as it has existed up to now". The rights of man, "are the participation in the political community, in the life of the State", and civil rights are those "of egotistic man, of man separated from

man and from the community." "The *political revolution* resolves civil life into its component parts, without *revolutionizing* those components themselves .... Political emancipation is the reduction of man, on the one hand, to a member of civil society, to an *egoistic* and *independent* individual, and on the other hand to a *citizen*, a juridical person."

On the contrary, "... only when man has recognized and organized his own powers as social powers and consequently no longer separates social power from himself in the shape of *political* power, only then will human emancipation have been accomplished. " ("On the Jewish Question," 1844) If "the democratic State (is) the true State", and if it is necessary to get rid of the State, then we have to invent a mode of life that will require neither one nor the other; neither the state nor democracy.

For Bordiga, democracy is synonymous with free scrutiny by individuals considered equal and making decisions by majority rule. If the Parliament smothers the proletariat by tying it to the bourgeoisie, the worker's democracy is just as much to be rejected, because the power of worker's struggles is decomposed into a series of individual decisions. For Bordiga, democracy becomes equivalent to a union of equal wills and equal rights, which doesn't exist in bourgeois parliamentarism, and has not been the case in the class action of the proletariat: revolution does not depend on majorities or on proportional mechanisms, but on the capacity of the organized proletariat to provide itself with a centralized force and a collective will.

That was the issue in the discussions being held within the Communist International. And the comrades excluded from the CI in 1927, who would form the Left Fraction, summarized the discussion some years later.

- Resolution of the Belgian Fraction of the Gauche Communiste Internationale -

"Capitalist accumulation was the motor force of historical progress as long as the development of the productive forces coincided with the interests of the bourgeoisie. The perspective evoked by Marx with the advent of absolute capitalism (having

eliminated all the preceding modes of production) could not be considered as a historical certainty, but only as a tendency; economic and class contrasts developed to the extreme by the laws of bourgeois production -- having definitively repressed and replaced another tendency -- were now directed towards the compression and the destruction of the productive forces, realized through economic nationalism, the war economy and, finally, inter-imperialist war. When objectively the historical succession to a type of society in decline is open, historical evolution is ordered by the antagonism between the fundamental classes: the problem of political power takes precedence over economic questions. Just as the condition for the bourgeois revolution was the political triumph of the bourgeoisie, which was the revolutionary motor in which capitalist society was born, so the condition for socialism is the dictatorship of the proletariat, today the only revolutionary class. The present historical stakes concentrates definitively and exclusively around the decisive struggle between the world bourgeoisie and the world proletariat and not in the opposition between capitalism and colonial or semi-colonial feudalism. The obstacle to the expansion of the productive forces is no longer as on the eve of the bourgeois revolutions, feudal relations of production, but the bourgeois relation."

## 9. Our critique

Democracy develops the concept of equality, which indeed comes to grief within the apparatus of the state. To reflect on democracy does not mean that one is not in solidarity with ongoing struggles, but rather resituating the very framework in which these struggles erupt.

It's not a question here of denouncing democracy, of mobilizing against democracy, but rather to grasp the problems raised by these struggles. In this sense, democracy should not be opposed as such, but rather transcended [*dépassé*] like the capitalist mode of production, the administration of which democracy permits. It is of course about a revolutionary *dépassement* that only the class struggle can carry out.

Social justice and political freedom are not the products of the democratic process as such. They

are the product of the forces and social movements that demand liberty and justice: in the course of history, those succeeded both within and outside of the democratic process, to change the balance of social forces. Those struggles, at their high point produced other forms of organization going beyond the separations imposed by bourgeois society in the name of the democracy.

But there is obviously a fundamental contradiction when democracy claims to defend the right to freedom and defense of the desires of each and of all. How can such a thing develop in a capitalist society where men defend divergent interests, and are ready to defend, weapons in hand, their respective interests? Democracy is a-classist. Does there exist a possibility of economic and social democracy? The response is no. Unless one does not take into account the wrangling over trifles within the enterprise committees jointly "elected" by workers and bosses in some social-democratic utopias.

Democracy speaks about "people", in a globalizing and integrated sense. Democracy is not concerned with knowing which conception of individual liberty, social justice, equality of human beings and human rights prevail in a classless society. Democracy hides distinctions, while reinforcing them. It is in that respect that it opposes the movement towards a classless society, towards a communism. These distinctions define politics: conscious of its deep seated incapacity to extinguish antagonisms, society transposes them onto presumably neutral ground, in any case parallel grounds, where conflicts are dealt with and generally moderated in the interests of the perpetuation of the whole of the social system.

Our critique has nothing to do with a reactionary critique of the democratic state, of democracy. Our critique is directed at the state. Reactionaries denounce free will and bourgeois individualism to substitute a new (or old) more oppressive authority. Communism is opposed to democracy because it is against the State. Fascism is only against democracy, because it is for the state.

Democracy substitutes the concept of people, for the notion of social classes. Against the existing governments whose ideological legitimacy and

whose power came from sources external to the “people” and to society, the ascendant bourgeoisie, and social reformers, demanded “governments with a parliamentary base”. The demand in itself, as the struggles that unfolded during the two following centuries until now, is completely ambiguous. It abstracts from the true problem: the class struggle.

But, for me, it is clear, that any changes, any “improvements” obtained in the living conditions of the workers, is the result of violent social struggles against the democracy in place. The bourgeoisie can do nothing but recuperate for its own ends the workers’ battles, and that after the repression of the movements of struggle.

## **10. The crisis of the democracy**

Why does the democratic parliament turn in a void? Today, politics has been replaced by administrative management.

The democrat attributes the crisis of the democracy not to what it is, but to the fact that there is not enough of it:

\* Not enough training of the critical spirit at school,

\* Not enough good newspapers,

\* Not enough serious radio and television broadcasts, so our sources of information are neither understood nor pluralistic.

Decision-making centers are displaced. Clearly, the perspectives traced by RGF about being able to use the democratic structure of the state no longer reflects reality. Worse, to foresee the events in Tunisia or Egypt as the setting in motion a “new bourgeois revolution” appears anachronistic to me not only in the mouths of revolutionaries, but also in terms of the analysis of reality.

## **11. An illustration of this crisis**

The crisis is reflected by the situation of the countries that have achieved democracy recently. This change took place in the East, in certain countries of South America. The replacement of the

old military governments by civil governments in certain poorer countries -- which are often generally ruled according to the plans and the programs approved by the military regimes themselves -- is the result of economic causes and the considerable weakening of the social utility of the military regimes in those states, rather than a great movement for freedom.

It is the same, for the old colonial countries. The historical and fundamental problem of those states is economic development. With de-colonization, the bourgeoisie of these countries had recourse to military regimes to suppress political dissensions within the ruling class itself, to reinforce oppression and to violently repress the working class, and to ensure the political and social conditions necessary to increase the profitability of capital and of rate of economic growth.

The situation in the Arab countries seems to go in the same direction. Indeed, the prohibition or the drastic limitations on the activities of revolutionary organizations and the working class; the limitation of freedom of expression, of political activity, of the right to organize and to demonstrate; the existence of a formidable apparatus of military and police repression functioning above the law, of a servile judicial system vis-à-vis the government; the lack of social and political rights guaranteed for individuals; the use of torture, the existence of capital punishment, and, to summarize, the impotence and dispossession of the citizens of their rights vis-à-vis the power of the state, have remained intact. We can verify this by analyzing the situation of each area of the world, from the Oceania to South-East Asia to North Africa and South America.

With the current economic evolution, the strategies of economic development are, as a whole, at a dead end in these countries. It is important to free up the market and, therefore, to increase the freedom of action for the private capital. A military government no longer appears capable of accomplishing that.

## **12. As a conclusion**

And it is here that an element of society plays a part: the continuation of capitalist development

implies the generalization of destructiveness at all levels of life. It is an inversion of the global trajectory of social life. The perspective of development becomes synonymous with the danger of death of the human species and thus has profound implications for living conditions as well as for the perspective that the capitalist mode of production represents from now on for humanity.

Indisputably, the world such as it defined itself after living through the two world wars, and of crisis, exploitation and capitalist barbarism in all its forms continue to mark the course of history, the terms are no longer defined in same way on the plane of class composition, of the economic and political organization of production and of social organization, in the way in which the law of the value has infiltrated the most private fields of activity and of human thought. The term globalization summarizes the current profound transformations.

For me, the reality of a world that is dying under the weight of its economic, ecological, and military convulsions has taken the place of prosperity for all and demonstrates even more its coherence and its logic in the hunt for profit at all costs. In this direction, the ripening of the objective and

subjective conditions can generate social upheavals. The events in North Africa are an illustration. They put forward fundamental demands for freedom, for self-respect, and in that, they are confronted with the reality of this society. This movement, which expresses itself in "indignation," is an important expression of the dissatisfaction, the absence of any credibility on the part of bourgeois democratic solutions.

Democracy is there to contain them and divert its demands. Public freedom does not emerge from elections or peaceful debates, but from strikes, demonstrations, riots -- almost always violent, often bloody. Then, once installed, forgetful of its origins, democracy proclaims that "power is not in the street"... from whence it came. Politics wants to be primary, but results from causes that it tries to organize, while they arose born outside of it.

Materially, revolution imposes itself as the alternative to capitalism.

The rioters, who have disturbed the quiet of the Arab world, and of our right-thinking West, have shown us that.

FD

## Note

1) I allude to the group Robin Goodfellow (RGF) which defends democracy, as a necessary stage in the affirmation of the proletariat. "We have already insisted, notably at the time of the revolutionary wave that began in Tunisia, that even in countries where the whole of the bourgeoisie was more or less directly, or, in power, the question of the deepening of democracy, of a permanent revolution in the perspective of a democracy that goes all the way remains an essential component of the revolutionary strategy of the communist party. Just a few months after the Tunisian and Egyptian revolutions, and while open struggle continues in Syria, Libya, Yemen, and while Tunisia and Egypt remain in turmoil, the events in Spain have confirmed our analysis."

# Is the Working Class Liquidated?

A debate with Blaumachen



There is little that we can say with certitude about the revolution that will end capitalism. There is not that much from the past from which we can deduce it, since the actual experience of anti-capitalist revolutionary struggle was so limited in time and in scope, and the world has changed so much since. Still, pro-revolutionary Marxists think that the experience of the working class struggle taught us something about the coming revolution.

We think that its history confirms that the working class is the revolutionary subject of our times. Its struggle reflects that in its conditions, the ‘must do it’ and the ‘can do it’, the necessity and possibility, that are always present at the birth of great social change, are united. It must overthrow capitalism, because crisis forces capitalism to an attack on the workers that ultimately becomes a threat to their

survival. And it can do so, because collectively, and more socially than ever, it is producing all ‘real wealth’, all the use-values, regardless of their (capitalist) value. It can produce a new world on a new foundation. It doesn’t need capital but capital needs it. For the production of (capitalist) value capital remains dependent on the exploitation of the working class, it cannot do without it. So it’s on the terrain of production that the decisive battles in the class conflict are waged.

History also tells us there are no shortcuts. The struggle must make the working class into “a class for itself,” a class that recognizes itself as such and fights for its class interests, from which the communist perspective can emerge. Only through massive, autonomous, struggle in which the working class organizes itself and breaks down all



the divisions which capitalism imposes on it, including national borders, can it generate the power that can defeat capitalism. Without self-organization of the struggle that involves the class as a whole and without its generalization beyond sectoral and national borders, the revolution cannot succeed.

How can that happen? History shows us that there is no automatic process leading to revolution. Capitalist crisis and ferocious attacks on the working class do not necessarily produce revolutionary class struggle. They can lead to its ugly opposite, as in the 1930's. History also shows that the overthrow of the capitalist state does not necessarily mean that capitalism is defeated. The value-form is more deeply rooted than the state and will reproduce capitalism as long as it is "transitionally" permitted to survive. Still, the hope and expectation of pro-revolutionaries is that the inevitably deepening crisis of capital will fan working class resistance, over the course of which the working class will realize its power and the catastrophic implications of capitalism; that a struggle which began defensively, against the consequences of the crisis, will shift into an offensive, against the roots of the crisis, against capital.

This requires such a gigantic change in consciousness compared to the splintered, atomized existence of the working class today that to many it seems impossible, utopian. They underestimate the sudden acceleration history is capable of. What is utopian is to expect that capitalism, somehow, will continue to muddle along without major catastrophes, or to think that it can be ended without the collective worker realizing and exerting its power, without an unprecedented development of self-organization and unity in the proletarian struggle.

This has never occurred before, or we wouldn't be living in the misery that now afflicts us. Whether it is possible or not cannot be proven simply by pointing to events in the past. Marxists have to look

at the social reality of today, at the conditions in which the subsumption of labor and of society as whole is accomplished in *our* times and not that of a century ago, at the cracks that appear in it, at the new struggles that emerge from them. That is an investigation IP is undertaking.

Others still look for shortcuts. Some believe a lesser development of class-consciousness is required because the Party can compensate for it. Their model is the Bolshevik party's leadership role in the Russian revolution, despite its disastrous outcome. We have criticized this view in several articles in IP so we won't return to it here. What strikes us is the theoretical poverty of the groups defending this model. They cling to the past and see nothing new. The same cannot be said about another current of pro-revolutionaries, known as "Communisateurs". The name comes from their conviction that the revolution will be a process of "communization" in which the value-form is directly attacked, as opposed to the "classic" view that sees the reorganization of human life as beginning in a "period of transition" after the political defeat of capitalism. Like IP, this current thinks that there are flaws and gaps in the revolutionary theory we inherited. Like us, they try to understand the changes in the mode of production, the changes in the ways capital subjects the working class and its implications on the development of revolutionary consciousness. Still, they too look for shortcuts. Since today, despite the shockwaves in the Arab world, the unification, the coming together of the collective worker in revolutionary struggle still seems impossible, they claim it's not needed. What is needed instead, in their view, is a generalization of "ruptures."

IP has been discussing with one of the groups of this current, the Greek group "Blaumachen" (1). You can find the texts on IP's blog (2). The text that follows is part of that debate and replies to Blaumachen's second reply, written by Rocamadur.



Dear Rocamadur:

There are quite a few things upon which we agree. Both IP and Blaumachen see the present crisis not as a mere cyclical downturn but as a crisis of the very foundations of capitalism, the value-form. We also agree that should capitalism be able to restore conditions for the accumulation of value (which we don't see as possible without a massive, destructive, devalorization of capital), this would not mean the reintegration of the masses of unemployed but quite the contrary, a continuing shedding of "superfluous" workers from the production process. We agree that revolutionary struggle will not be the emancipation *of*, but the emancipation *from*, wage-labor: the abolition of the value form. It will not be the culmination of ever expanding defensive struggles for better conditions within capitalism but a result of a change in the content of the struggle, which will express itself in a praxis of concrete attacks on the value-form. Furthermore, we agree

that capitalism has undergone a major restructuring since the 1970's that led to a re-composition of the working class. We agree that this has had serious implications for the conditions in which the class struggle develops, but we disagree on what they are.

### **Is the working class liquidated?**

You begin your response with a citation from Jasper Bernes according to whom "*... the reordering of the working class as in-itself -- the reordering of what Italian operaismo might call its technical composition -- renders its conversion into the proletariat, as revolutionary self-consciousness, nearly impossible.*"

We don't dispute that such a "reordering" or re-composition has occurred, but does it preclude the development of class-consciousness by the

collective worker through struggles at the point of production, even if the locus of the point of production is no longer primarily the Fordist factory?

For you, there isn't any doubt. *"The restructuring was a process of 'liquidation of the working class' (which transformed) the latter from a collective subject confronting the bourgeoisie into a sum of proletarians, everyone of whom is individually related to capital, without the mediation of the practical experience of a common class identity (...). This transformation while homogenising the essential conditions of the reproduction of the vast majority of the global population into the 'proletarian condition' -- i.e. selling one's labour power as the only means to survive -- .... destroyed workers' identity and the actuality of 'common interests'. (...) A unifying class consciousness (revolutionary self-consciousness of the proletariat) is out of the question today (...) because the current content of the relation of exploitation doesn't affirm the working class as a social entity seeking to prevail against the opponent class."*

While we agree that this restructuring precludes a repetition of *"the historical patterns of class struggle either of the late 19th/early 20th century or the Keynesian era"* (for which you seem to feel quite a bit of nostalgia), how can you so confidently conclude that it has destroyed any basis for an emergence of the collective worker as a class that can abolish the value-form, starting from the now global point of production? Where in your text is the analysis that proves that claim? For you it seems that capitalism overcame the danger of generalizing class struggle simply by continuing to do what it has always done, raising its technical composition.

What this restructuring has not changed is the presence of the necessity and possibility of revolution in the objective conditions of the existence of the working class. The necessity will only increase, as you surely agree. The possibility is intact too: the re-composition of the global working class has not taken away the potential power of the collective worker. It has created new obstacles to the realization of that potential, but has created new

pathways to it as well. But the collective worker objectively retains the power, both to meet the material needs of human society, since it is the creator of most use-values, and to break the power of capital by halting the production of value.

You seem to be implying that the collective worker has lost the latter by a declining dependence of capital on living labor: *"...The bourgeoisie does not give a shit to guarantee (its) reproduction, capital tends more and more to free itself from maintaining the level of reproduction of the proletariat. Value's utopia consists in emancipating itself from its dependence on living labor."* That is a strange formulation since it conjures up an image of a personified Value, with a suicidal dream to boot. But let's assume you mean that capitalists pursue this utopia, which is true, but then value punishes them for it. For value cannot be produced without living labor, without the abstract labor of the collective worker, and, therefore the reproduction of the labor-power of the collective worker cannot be dispensed with, contrary to what you claim. Yes, capital inexorably seeks to reduce the role of living labor in the production process (as it always has), and yet just as inexorably finds itself dependent on the exploitation of living labor (and therefore its reproduction). This is a contradiction which capital cannot resolve and whose exacerbation it cannot prevent.

It is true that the objective presence of its necessity and possibility does not guarantee revolutionary change in a society. History shows that even where it was a matter of life or death, death sometimes prevailed. It did when the decisive social agents would not or could not think outside the box, remained imprisoned by their mindset. Today, the box is the value-form. How can the working class uproot the value-form if it accepts it as a given, as natural, as the world outside of which there's nothing?

So the question is, have the reification of social relations eliminated the very possibility of a development of consciousness at the point of production? The claim that it has is not new. It was already made in some texts by Adorno and especially Marcuse before the restructuring of the 1970's that in your eyes is responsible for it.

You seek confirmation for it by pointing to the fact that even the most radical demand struggles today “*have left nothing behind....*,” which is true, but that was the case in the Fordist epoch too, when what was left behind were union organizations and left political parties that were integral to the management and control of the working class in the interests of capital. What has changed is that in the present epoch such demand struggles rarely (and then only locally and for a short time) can protect even the existing living and working conditions of the proletariat. The question, though, is, do such struggles have a potential to generalize, to spread, to escape the control of the unions, the left, and the leftists; do they constitute a social terrain upon which the consciousness of the collective worker can develop?

Your answer is no, but besides portraying the fragmentation resulting from the re-composition of the working class as overwhelming and irreversible, you don’t provide much in the way of argument. Instead, you seem to accept “the liquidation of the working class” as a given, a dogma.

### **No dogmas, please**

Marx has shown that while for a whole historical epoch the value-form was a condition for the enormous development of real wealth, despite the alienated forms in which it manifested itself, and the horrors to which primitive accumulation and the capitalist production process itself led, the very trajectory of capital would inevitably result in a contradiction between the valorization process and the expansion of real wealth. We now live in an epoch in which that contradiction becomes ever sharper with each passing day, in which the continued existence of the value-form condemns humankind both to the massive destruction of real wealth and to ever more rigid limits to its further creation. The value-form has passed from being a condition for the creation of real wealth to becoming an insurmountable obstacle to it. How can this obstacle be smashed? We have to look for the possibility of the negation of capitalism, the abolition of proletarian labor, in the actual contradictions of that order and in a determinate subject of revolution. Can it be smashed without a determinate social form? Doesn’t the underlying contradiction of capitalism have to have an

expression in an actual social force? And isn’t that social force, the productive power of the class – the collective worker – that produces, not just value, but material or real wealth?

You reproach us for painting a false picture of the class struggle as involving two autonomous subjects battling it out, while in fact capital and labor are mutually dependent parts of the value accumulation process. That is true, but as Bonefeld writes, in this relation, “*Capital can not autonomise itself from living labour; the only autonomisation possible is on labour’s side. .... Labour exists in and against capital, while capital, however, exists only in and through labour. .... The social practice of labour exists against capital and also as a moment of the latter’s existence.*” (3)

Capital is not self-valorizing; as valorizing value, it is produced by the labor of the collective worker. But isn’t human action, the praxis of the collective worker, also productive in another sense, doesn’t it also possess creative possibilities that can smash the capitalist social relations and transfigure the collective worker? It is those possibilities, those aspects of labor, and the collective worker who instantiates them, that hold out the prospect of exploding the commodity form and the reified world that it has created. That form and that world, produced by abstract labor, can only be shattered – if shattered they are to be -- on the bases of the actual reality of social labor itself.

Marx claimed that labor does not just produce value but is a “living, form-giving fire” (4). We need to investigate the specific modes that this “form-giving fire” assumes today, which contain the prospect of threatening the form of value itself, and which cannot simply be subjugated to the needs of capital alone. We have to look at those elements in the praxis of the collective worker, that capitalism requires both for its valorization and for the production of “real wealth,” elements that are indispensable to the accumulation process, but which also contain the prospect of destroying it.

The very creative faculties and processes, for example – not reducible to instrumental rationality – that unleash the productive powers of labor, are necessary for capital but also potentially escape reduction to its imperatives. Those creative

faculties, including the imagination of the collective worker, are essential to the innovation that capitalists require in their struggle against rivals; but that same capacity to imagine new forms and modes of human action constitutes also a potential danger for capitalism when it sinks deeper into crisis, creating ever more avoidable pain, making the contrast between what is and what can be, ever starker.

The restructuring that recomposed the working class since the 1970's was more than a conspiracy of capital to fragment the working class. Even if that intent was part of what shaped it, it was also the logical evolution of capitalism itself, implied by the spread of its real domination over labor. Marx already foresaw this re-composition and described how it clarifies the above mentioned contrast for the collective worker: *"He steps to the side of the production process instead of being its chief actor. In this transformation, it is neither the direct labour time he himself performs, nor the time during which he works, but rather the appropriation of his own general productive power, his understanding of nature and his mastery over it by virtue of his presence as a social body – it is, in a word, the development of the social individual which appears as the great foundation-stone of production and wealth."* (5)

In other words, the re-composition reveals the absurdity of the value-form.

It is true that it also has fragmented the working class, that it has made class solidarity more difficult by breaking up huge concentrations of Fordist production or shifting them to countries without a tradition of working class struggle, that it used and uses its globalization to divide and rule the working class, that new segments of the working class are for now cut off from the collective memory of resistance to capital, that the penetration of the law of value in all nooks and crannies of society has reinforced reification. These are some of the real obstacles on the course of the development of the consciousness of the collective worker. But it has also meant, as you concede, *"homogenising the essential conditions of the reproduction of the vast majority of the global population into the 'proletarian condition.'"* It also made capitalism dependent on the free flow of information and

created instantaneous means of communication that are used by the working class to overcome its fragmentation; it made production more than ever a global social process in which the collective "general intellect", as Marx put it, creates most real wealth but becomes un-measurable by value the more it conducts automated processes. This contradiction at the core of capitalism becomes ever sharper, and with it a potential within the collective worker arises that Blaumachen appears to overlook.

The question whether the collective worker can abolish capitalism (and thereby itself) remains open and will only be answered decisively by history. The proof is in the pudding, as the saying goes. But we are not contemplating the question from outside; we are part of the process. We try to understand it in order to contribute to it. This understanding cannot be based on unquestioned premises but must come from the investigation of the lived experience of the collective worker at this moment in the trajectory of capitalism. We think that this may, indeed, reveal the bases for the development of the self-consciousness that you believe is no longer possible at the point of production.

## Ruptures

Others, who share your premature premise that the revolutionary potential of the working class as a class has been liquidated, have concluded that the revolution has become impossible. We're happy that you don't agree with them, although theirs seems to be the more logical position, if indeed the proletariat cannot overcome its fragmentation.

But you still see a generalization possible. Not a generalization of working class struggle, but of struggles in which the proletarians cease to fight as a class. 'Ruptures' *"with being proletarian and necessarily fighting as such, which can only mean keep living all this shit."* We also see the need for ruptures, for a change in the content of the struggle, from resisting the consequences of capitalism to concretely attacking its roots. But for us, the locus of such a rupture is the collective worker at the global point of production; it is there that the bases for communization will emerge, where the bases for the self-overcoming of the collective worker as a wage-working class, will develop. And it is in the actual lived existence of the collective worker,

insofar as it produces real wealth and lays the bases for the “social individual” that such ruptures can arise.

You on the other hand see this rupture instantiated in “*lootings as a proletarian practice emerging in a great deal of instances within*” class struggle. Looting to live, looting to reproduce one’s existence, individual and collective, is an inevitable facet of class struggle and quite likely increasingly so. But to the extent that it is individual (grab whatever you individually can) and not collective (organized by the collective worker), it risks degenerating into the actions of individuals as constituted by capitalist social relations, and not a class. Your defense of looting of goods for re-sale and individual profit misses the point. The question is not whether this is understandable given the circumstances but whether it challenges capitalist, reified social relations or confirms them. After all, grabbing things and selling them for profit, is something which capitalism has always done.

Looting to distribute use-values is one thing; looting as an expression of mere rage is another. The thrust of our earlier criticism of elements of Blaumachen’s analysis was not looting, but destruction, not of capitalist social relations, but of real wealth. A bank building could become a school

or a distribution point for goods to be distributed to people. “Burn baby burn” is not the action of the collective worker so much as an impotent manifestation of sheer rage, the political effect of which is to permit capital and its state to re-consolidate its control, physical and ideological, even where that rage does not result in the death of workers in the targeted building (as happened last year in Athens) or the destruction of the very physical plant in which real wealth will have to be produced on a communist basis -- a production of use values, the product of concrete labor, not the abstract labor of a wage-working class. In short to the extent that the target is the value form, capitalist social relations, there can be communization. To the extent that the target becomes primarily buildings, symbols of class rule, physical plant, the struggle will be lost. We’re well aware that the abolition of the value-form cannot be a peaceful transformation, that violence and destruction are unavoidable. But there is a danger in fetishizing violence, in attributing to it powers that in reality reside in collective determination and self-organization. With your theory of “ruptures,” you seem to be falling into that trap.

Mac Intosh and Sander

## Notes

(1) <http://www.blaumachen.gr/>

The text criticized in this article is at: <http://www.blaumachen.gr/wp-content/uploads/2009/10/December2008-BM3-ENG.pdf>

(2) <http://internationalist-perspective.org/blog/2010/12/01/reply-to-ip-by-blaumachen/> and <http://internationalist-perspective.org/blog/2010/06/27/on-the-text-by-woland-pour-blaumachen/>

(3) Werner Bonefeld, “Human Practice and Perversion: Beyond Autonomy and Structure” in *Revolutionary Writing: Common Sense Essays in Post-Political Politics* (Autonomedia, 2003), p. 78.

(4) Marx, *Grundrisse*, p. 361.

(5) Idem, p. 705

## Two Battles in Athens



After Tahrir Square in Cairo and the Puerta del Sol in Madrid, once again Syntagma Square in Athens is the focal point of resistance against the consequences of capitalism's crisis. In Spain, the 'indignados' stated they were inspired by the revolt in Egypt and Tunisia, and likewise demonstrators in Syntagma are proclaiming their linkage to the struggles in North Africa and Spain. Clearly, in our times, borders cannot stop the spirit of resistance; and the official media can no longer control the flow of information. The struggle is contagious.

With admiration and solidarity we are watching the tens of thousands battling the security forces of the Greek government in response to the draconian

austerity program that it is savagely imposing on the working class (youth, employed, unemployed, pensioners, immigrants without papers). But there's more than one battle going on in Athens.

One is a battle between two factions of the ruling class over how to respond to the global capitalist crisis and the specific form that it has taken in Greece: a sovereign debt crisis, the specter of state bankruptcy, and the inability of the state to make its debt payments to bondholders (the big European banks). For the Socialist (PASOK) government, the necessary response is an austerity program that will satisfy the conditions set by the banks, by the European Central Bank (ECB), and the IMF, and

that will permit new loans that will avert a default. For the “hard” left, the Stalinist KKE, the “radical left” (Syriza), and the unions, the necessary response is a rejection of the proposed austerity measures, a default on the debt, withdrawal from the euro zone, return to a Greek currency, and new parliamentary elections that will produce a government that will protect flag and nation. A new government of the KKE, Syriza, and the unions, a government that defaults on the state debt and sticks it to the big banks and bondholders, will not solve the present crisis or spare the working class the pain and misery of its own draconian austerity plan. So long as the capitalist state itself is not overthrown, so long as the commodity form and wage labor are not abolished, the capitalist law of value will impose its rules, its imperatives, and -- in the face of the present global crisis -- its austerity measures and attack on the living standards of those who have only their labor power to sell. Like PASOK, the KKE or Syriza, were it to come to power would have to put the working class on rations. And such a government would impose its will on the working class with the same tear gas and stun grenades if the workers did not accept the need for patriotic sacrifice -- not sacrifice for the IMF, for bondholders, but sacrifice for the Nation, for the motherland, for Greece.

That lesson is already drawn by many of the militants fighting in Syntagma square: their leaflets and their arguments *against* the left, the unions, and the leftists, have made that clear. And that is the second battle being waged in Athens. For those

engaged in *that* battle, the abolition of capitalism, of the dictatorship of the economy, of the commodification of every facet of human life, has to be an integral part of the present struggle, not some distant goal, a stage that can be reached only at some future time. The only way for workers to defend their immediate existence, to claim their “bread” today, to be able to have any possibility of living a decent life, is to directly attack the whole system of production, of social relations based on the value-form and wage-labor. It is that perspective that pro-revolutionaries can provide within these struggles, in the assemblies that arise in the occupations of the public space within this second battle. That conception, with all of the complex issues that it raises, is the only way to begin to create a human community. And that entails clarity on the actual bases of capitalism, its laws of motion, and its underlying social relations. Communism should not be seen either as state ownership of the means of production, nationalization, or as worker’s self-management of individual enterprises and units of production, both of which, in different ways, would perpetuate proletarian labor and the imperatives of the law of value, of capital accumulation. Nationalization or worker’s self-management, “radical” though each appears, will be subject to the same crisis tendencies, the same exploitation of living labor and extraction of surplus value, as any other form of capitalist production. It is the signs of that second battle in Athens that here and now concretely represents a principle of revolutionary hope.

## INTERNATIONALIST PERSPECTIVE

June 2011



# Which Marxism?

## A Discussion with the Peruvian GEC

*IP is participating in a discussion forum organized by the GEC (Grupo de Esclarecimiento Comunista), based in Peru. One of the first themes discussed is 'how to understand Marxism'. Below is our contribution to the debate, the GEC's reply and our answer.*

### Which Marxism?

Marxism is the theory of the internal contradictions of the capitalist mode of production, of its immanent tendencies. Perhaps all who call themselves Marxists can be in agreement with this general description. Nevertheless, they reach very different conclusions and they adopt very different practices. For that reason we must ask the question: which Marxism? And furthermore: which Marx? Because "Marxism" was not a theory that came in a complete and finished way from the head of Marx like goddess Athena from the head of Zeus. Marx's thought was dynamic. He learned from the practice of the class struggle, from his own errors and weaknesses. A key moment in the development of his theory was the failure of the 1848 revolts that were not the revolution that the young Marx had expected, and which led him to an intense process of theoretical reflection. Until this point, Marx's understanding of history reflected in part, a mechanistic conception, and the teleological vision of Hegel, and his critique of capitalist economy, centering on the inequalities of capitalism and its exploitation of the proletariat, reflected the influence of Ricardo. He understood that it was necessary to go deeper. His effort finally produced the economic manuscripts of 1857-1864 (*Grundrisse* and others) and the first edition of *Capital* (1867) with its theory of the value-form. In these works, Marx laid bare the essential structures of a capitalist social formation (the commodity, abstract labor, etc.) and passed from the critique of capitalist appropriation of the surplus value produced by the workers, to the critique of the production of value itself. His critique showed that value is a social relation between capital and labor, and not a physical quality of the commodity, in spite of the inverse appearance: that social relations are relations between things. He showed that the world of value is not an objective reality that exists

outside of and independent of men but a human construction, historically specific. He investigated its origins and internal contradictions. He showed that value continually forces capital to develop the productive forces, even though masses of workers are permanently expelled from the process of production.

He didn't have a crystal ball to foresee all the future development of capitalism but gave us a foundation to understand today's reality, its possibilities and dangers. For Marx, the fundamental contradiction of capitalism is its dependence on living labor for the creation of surplus value while it is forced (by the same hunt for surplus value) to reduce living labor as much possible. In this process, the proletariat, the "collective worker," as Marx put it, to emphasize that it produces value collectively, sees its capacity to create real wealth, the objectification of its concrete labor, grow rapidly while it sees value, the objectification of its abstract labor, grows less and less. Thus the conditions are born to overcome capitalism. We see them mature now in the expulsion of millions from global production, while there are already one and a half billion unemployed; in the weight of debt, in the vertiginous increase of slum cities, in the social convulsions from China to Egypt. Marx gave us the basis to understand that the current crisis is a crisis of the value-form, of the essential being of capitalism, which will not be solved by conquering state power to enforce a just distribution of surplus value "for the people."

Unfortunately, much of what Marx wrote after 1848 was little known until the second part of 20th century, and in the interim an "orthodox Marxism" developed which, when it was inspired by Marx,

identified itself primarily with the weaknesses of the young Marx, with the influence of bourgeois thinkers on his evolving theory. A more mechanistic, more simplistic, more “leftist” Marx. Thus a Marxist mythology developed, in which history follows a predetermined outcome, each stage programmed, with socialism as a result guaranteed by the development of the productive forces which require a socialist management of the economy, assumed by the Party, or, if we are lucky, by the councils led by the party.

It is not necessary to show here how various followers of Lenin have abused Marxism. We assume that the participants in this forum already are convinced of this. But in left communism also, the influence of “orthodox Marxism” is still very

### **Reply of the GEC:**

Dear Comrades:

We agree with many of your positions on Marxism. For example, at the beginning, your document affirms that Marxism is the “theory of the internal contradictions of the capitalist mode of production”; we share this affirmation, but for us it is more precise to say that Marxism is the theory of the destruction of capitalism and the construction of communism. Because Marxism’s theoretical premises, for us, are not only about the contradictions of the capitalist mode of production, but also express the revolutionary political principles for its destruction: political principles that the communist minorities have recognized and systematized from the whole of the proletarian struggle.

Also we share your vision of Marxism in understanding that it is not a theory that has leapt full blown from the head of Marx, because Marxism, aside from the points mentioned above, contains the systematization of the proletariat’s struggles throughout its existence and these are not the invention of anybody, but are the product of the class’s struggle in response to the contradictions of Capitalism. But a few lines further, you speak about “Marx’s Thought”. We don’t agree with this, this

much alive. As well in its partyist expressions like the Italian Left, as in anti-partyist expressions like the Dutch Left, and in the later followers of these currents. They have not managed to free themselves from a mechanistic vision of history; they do not understand the changes in society and hang on to old recipes.

By contrast, Internationalist Perspective proposes a living Marxism, one that is not afraid to criticize its bases, that has no respect for dogma, one that nourishes itself on the practice of the “collective worker.” As Marx did, when the experience of the Paris Commune convinced him that the state cannot be conquered, but must be destroyed.

### **Internationalist Perspective**

term for us is mistaken. Marxism is not the same as “Marx’s thought”. Although we agree with what you state further about the different stages in which Marx reached important conclusions about the capitalist mode of production, thus laying a base for our present analysis. But Marx, before being a theoretician who contributed his knowledge, was a militant, part of a communist organization. This last impels us to understand that the theoretical contributions that Marx made are not simply his own and exclusive to him, but are the contributions of the revolutionary minorities within which Marx militated. We have to clarify that the conclusions of the communists are the fruit of constant debates within the international communist movement.

Then we must also add that we share the critique of those you call “orthodox Marxists”, but do not share the term by which you designate them. For us, then, those who have distorted and twisted the revolutionary political principles of the proletariat, like all the varieties of Stalinism, cannot be considered Marxist, although they describe themselves as such. It is necessary that as communists we always emphasize this, because Marxism is not mechanical, nor static, as so many

see it. For that reason we are in agreement with your last point: “Marxism is a living theory, one that can go back to its source, to criticize its bases; it does not respect dogmas, but bases itself on the practice of the “collective worker”. This last point is the real basis to understand Marxism, in its

### IP responds:

Dear comrades,

Thank you for your reaction. We agree with your comment that Marxism is more than a “theory of internal contradictions of the capitalist mode of production,” that it is, “the theory of the destruction of capitalism and the construction of communism.” It’s true: Marxism does not pretend to be a science, looking from outside at the “objective” reality. Its point of departure is the struggle of the proletariat, from it, it is born and for it, it exists and must be developed, because it contains the possibility of communism. If we spoke of ‘Marx’s thought’, it was not to indicate an eternal truth (like ‘Mao’s thought’) but, to the contrary, to indicate that Marx’s comprehension of reality changed as a function of the events, the debates among militants, the development of capital, his studies and the praxis of the proletariat in struggle. Therefore, the question: Which Marx?

The writings of Marx reflect the work of an entire and very full militant life and is therefore not lacking in internal contradictions. Like all varieties of Christianity can find citations in the bible to justify themselves, each variety of “Marxism” can find something in Marx that serves its purposes. But the problem is more profound. Perhaps it is not difficult to demonstrate that the Stalinists are not Marxists. But already it is a little more difficult when we speak of Trotskyists (at least the more intelligent ones). They have certain “Marxist” dogmas in common with left communists. After Marx’ death, in a context of a strongly developing capitalism, Engels and Kautsky, mainly, molded “orthodox Marxism”. You critiqued the term “orthodox” and perhaps you are right. We use this word ironically but perhaps that is not obvious. It would be better to speak of “traditional” Marxism. But more important than the term is to see that

critical dynamics that its history of struggle expresses.

Antón for the GEC.  
March 3, 2011

“traditional” Marxism not only has given rise to ideologies of the counter-revolution but also infects the pro-revolutionary minorities. We speak of a mechanical Marxism in which historical materialism and dialectics are nothing more than formulas that hide a crude economic determinism and a teleological vision of history, in which each step, including communism, is predestined, in which the proletariat has a “mission,” assigned by “History.” In this Marxism, the proletariat remains subjected to forces outside of it; consciousness is a thing for specialists or does not play an active role. This Marxism was very convenient for reformism and then the counter-revolution but also was the foundation of the theories of Lenin, Trotsky and even of their critics like Bordiga and Pannekoek and various groups of the communist left of today. The concept itself of an “orthodox Marxism” and its content come from those who saw themselves as orthodox Marxists, faithful to the dogmas on which “scientific Marxism” is based. For us who see Marxism as a living and historical theory, an orthodox Marxism cannot exist.

You agree with our position that “Marxism is a living theory, that has no fear of criticizing its base, that does not respect dogmas, that informs itself of the praxis of the ‘collective worker’.” To make Marxism a living theory, the weapon that the struggle against capital needs, we have to liberate it from the dogmas that until now have infected the pro-revolutionary groups. For this purpose, the later writings of Marx, of which a large part was not published before the 1960’s, are an indispensable help.

Sander for IP  
March 18, 2011

## Internationalist Perspective

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*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.