**A Review of International Perspectives’ Analysis of Decadence**

I have recently been reading articles on decadence by International Perspectives[[1]](#footnote-2) from the 1990s and early 2000s and would like to draw attention to what seems to me to be some important ideas presented.

Over this period IP presented many articles – often written by individuals in the first person – which were clearly a product of internal discussions in the organisation which developed a new framework for looking at crises and the development of capitalism in the 20th century. I do not propose to review all elements of these articles as they are far too detailed and theoretical; but I would to bring out what I see as key points of relevance to our understanding of how decadence has evolved up to the present.

I do not argue that they were correct in everything but that elements of their analyses require serious consideration. Clearly if I have misunderstood, misinterpreted or misconstrued what has been said, do please comment.

IP explained their approach as follows:

There are several reasons which have led us to again take up the concept of the decadence of capitalism. This re-examination is motivated by the inadequacy of the prevailing theories of decadence, in particular the most influential among them, that of the International Communist Current (lCC), which does not take account of the real evolution of capitalism in this century. This re-examination is also motivated by the inadequacy of those theories which reject the notion of decadence, and which are no less incapable of accounting for the profound transformations undergone not just by capitalism on the economic plane, but also by the class struggle. Finally, such a re-examination has become necessary because of the inadequacy of the economic theories which have constituted the veritable foundation for the theories of decadence articulated by the communist left, specifically the theories of Rosa Luxemburg on the one hand, and Grossmann/Mattick on the other. [[2]](#footnote-3)

One of their earliest explanations of a new approach getting away from the ICC’s analysis appeared in an article appeared in 1996 IP 30/31:

It is not the stagnation of productivity that causes capitalism's crisis but the other way around: capitalism's crisis turns the potential bounty of the productive forces into a nightmare. Productivity is higher than ever and, with the rapid development of information technology, there is no technical reason why it couldn't rise faster than at any time since the industrial revolution. [[3]](#footnote-4)

This view was reinforced later:

 Capitalism absolutely must develop the productive forces, and it does so in an exponential way. But it is precisely that development that stimulates the intensification of its internal contradictions and the perspective of its own decadence.[[4]](#footnote-5)

There are still those that reject this viewpoint today despite the empirical evidence[[5]](#footnote-6). Any review of economic statistics will recognise this growth of accumulation and indeed of the human population itself - the latter being something that IP did not incorporate into its analysis. IP reviewed the existing theories of the crises in the capitalist economy.

In this text, we will utilize only the essentials. Marx clearly pointed to two fundamental contradictions of capitalism which made its crisis ineluctable. First, the tendential fall in the rate of profit, which results from capitalist accumulation because of the growing weight of constant capital relative to variable capital in the production process, but which also intensifies the accumulation of capital because it increases still more the weight of constant capital in order to appropriate a surplus-profit which will alone permit the individual capital to compensate for the general fall in the rate of profit. This tendential fall in the profit rate drives capital into a growing contradiction. Second, the widening gap between the enlargement of the scale of production and the enlargement of the market necessary to realize the exchange value contained in that production. That gap continues to grow not just because of the growth of the exchange value of the total production, but also because of the much more rapid growth of the quantity of use values constituting that production, this latter being the result of the increased productivity of labor. Marx, however, had not combined these two contradictions into a coherent and explicit crisis theory, and his successors focused on one of those contradictions to the exclusion of the other, Luxemburg focusing on the second, while Grossmann/Mattick concentrated on the first. As a result, those thinkers articulated a partial view of reality, not permitting a satisfactory understanding of the economic contradictions of capitalism in its phase of decadence. [[6]](#footnote-7)

IP explain that the tendency for the rate of profit to fall (TROPF) is able to provide a clearer explanation for this process in that the fall in the rate of profit (which triggers competition, intensification of exploitation, crisis and overproduction) is and must be accompanied by the continued growth of constant capital. In other words, there is ongoing economic growth and this is shown in capitalist terms by current figures for the growth of GDP figures[[7]](#footnote-8) and by the enormous population growth[[8]](#footnote-9) since the 1950s. From the above quote, it can be seen that IP also took the view that no one factor is the cause of crises, there must be other factors involved. Also neither the falling rate of profit nor the idea of limited markets can provide a single numerical indicator for the onset of decadence let alone crises. The FROP can increase and decrease at any point in time depending on the conjunctural situation and so a specific rate of profit do not indicate any specific consequences.

The recognition that growth is continuing with the decadence of capitalism is important as it puts a very different framework to the task of analysing capital’s ability to recover from crises as well as causing the crises themselves. In particular it puts capitalism’s growth in context of external factors limiting the possibilities for capitalism and poses real contradictions between growth and what is good for humanity.

The conception of the decadence of capitalism which we have developed here is far removed from the caricature provided by the ICC, for whom everything hinges on the outbreak of World War I. The explicit recognition of the absence of any absolute limit to the development of capital, the recognition that the development of the productive forces continues in decadence, and the focus on the transition to the real domination of capital, have important implications for the class struggle and the delimitation of class lines in the present epoch. If capital continues to develop in its phase of decadence, even if this development is below its potential, one can no longer insist on a Manichaean opposition between the ascendance of capitalism, a golden age of development for capital in the course of which improvements in the living conditions of the proletariat were possible, and its decadence, a dark period in the course of which such development and improvements have become impossible. It is true that durable improvements in the living conditions of the proletariat become much more difficult in the decadence of capitalism, but they are not systemically ruled out, and such obstacles cannot be explained merely by a simple halt or slackening in the growth of capital. Thus, the durable reforms in the working day won by the proletariat cannot only be explained by the better economic health of capital in that epoch, but also by the transition from the formal to the real domination of capital. [[9]](#footnote-10)

IP[[10]](#footnote-11) presented 3 elements as key to its theory of decadence, although I am uncertain why the TROPF is not explicit here:

* The recognition that there is a development of the productive forces under decadence and the insufficiency of purely quantitative economic criteria in the determination of capitalist decadence.
* Recognition of the insufficiency of classical theories of economic crisis. The necessity for a unified crisis theory.
* Recognition of the importance of the transition from the formal to the real domination of capital.

The first two I have mentioned already. The idea of the formal and the real domination of capital is in my opinion more problematic. It is seen as the basis of decadence by IP however I remain unconvinced. There are indeed many ‘technical’ changes in society that emerge with the change of periods ie the period up to the end of the 19th century and the period from the start of the 20th century. State capitalism, imperialism, credit, inflation were major changes and are part of the explanation of the change in period but they are not its definition and I think the same applies to formal and real domination of capital. It is certainly true that the 20th century brings about a growth mass production as well as of studies into business management practice to search for ways of improving efficiency in industry ie increasing the exploitation of the working class. This seems to fit IPs portrayal of real domination but are these not just features of phenomenon of conditions in the 20th century. IPs explanation of the theory of the transition from formal to real domination of capital suggests it is core to their understanding but I simply see another technical phenomenon of decadence that may well be correct but does not contribution to what I see as a historical change from a progressive society to a society that has completed its historic task and developed society to a point where a new system is possible.

As I say, I am not going into this idea in the depth that IP does. Suffice it say that Marx in writing about formal and real domination had no concept of what would occur during the 20th century so it is also valid to interpret this phenomenon as a feature of capital’s change from craft production into factory production in the late 1700s and early 1800s. I will leave this discussion to others.

IP’s view of 20th century development continued in articles in IP34 and IP44. The latter in particular included the following brief statement on the environmental:

We are increasingly subject to so-called "natural"disasters. Katrina was not a natural disaster, but the inevitable outcome of the operation of the law of value and the degradation of the eco-system that it brings about. The savagery of hurricanes and the destruction of the natural protections against them (barrier islands, wetlands) are directly linked to the trajectory of capital in the course of the twentieth century.[[11]](#footnote-12)

This idea of a conflict between the growth of production and the environment was developed fully in 2009 in IP 50 which also states that capitalism must now be seen as a catastrophic threat to the environment.

The reality of irreversible (human-caused) climate change that we now know faces humankind with catastrophic consequences results from the same underlying cause that also leads to natural resource depletion. It is the same drive to separately, competitively exploit all of nature to the maximum in order to maximize capital valorization. In this process, every capital unit extracts or appropriates from nature the most that it can. Human-generated climate change actually results from the accumulated output, in atmospheric emissions of carbon-based (‘greenhouse’)gases as a byproduct of capitalist industrial production and transportation. It results from a relentless pursuit of profit, blind-folded to the reality of its ‘collateral damage’ to ecosystems and the atmosphere of the earth. This damage is in fact capitalism’s unabashed abuse of its natural environment by means of its(members’, agents’) operation of its own specific means of production, transportation and destruction. Capitalist science remains largely blind to this damage, as long as it serves profit-maximization and power consolidation.[[12]](#footnote-13)

Perhaps a little hard of scientist who have been at the forefront of recognising the damage current society is doing to the environment - but certainly not hard on industrial and political leaders.

Today the slogan of ‘infinite growth in a finite world’ has been taken up by many following a speech in 2013 by David Attenborough[[13]](#footnote-14).

We have a finite environment—the planet. Anyone who thinks that you can have infinite growth in a finite environment is either a madman or an economist. [[14]](#footnote-15)

This would appear to be a key point of what should be the current discussion. The demise of early societies involved confrontations with external factors whether new methods of production or warring tribes and it instead of incessant tribulations about which internal contradictions cause an actual collapse, this point suggests that the real barrier and real confrontation for capitalism is the external limit not of a market but of the world itself. Luxemburg was correct in identifying the external factor of a world market as the defining achievement in the growth of progressive capitalism.

In the early 2000s we are now seeing the natural world coming into a confrontation with the incessant growth of capital that it just cant cope with. The result is the exacerbation of internal contradictions of capitalist society and the threat of destruction of the environment we need to live in.

A further consequence of this analysis is the suggestion that we need to revise our understanding the what Marx said about the relations of production being a fetter on the forces of production. Firstly that a fetter does not have to be a factor that causes decline or even just prevents the productive forces developing to their maximum. Rather that science is not neutral but is a product of capitalism’s requirements and hence the production forces that exist are a distortion of human needs.

But science does not exist in a vacuum, it does not pursue entirely impartial, non-partisan objectives, and, as everyone should know, it requires significant material resources and financial support in order to function at all, increasingly so the more it develops. An old saying has it that ‘he who pays the piper calls the tune’, and given that science is at all times (in the modern era) of great potential value to increasing economic productivity or otherwise improving the efficiency or power of just about any technological device or apparatus or mode of administration that exists and is of use to the capitalist class, it should be clear that for the past few hundred years, and on an increasing scale matching that of capital’s own growth, science has largely been made to serve capital’s domination of the world, both social and natural. This science serves as a means for the continuous[[15]](#footnote-16)

This is perhaps not such a new concept but in that it is based on the idea of capitalism ever-present need to accumulate and grow, the forces of production ought to be now considered as destructive as well as productive, and will need remodelling for a communist society.

An absolutely fundamental tenet of positivistic traditional or classical forms of Marxism, regarded as a bedrock inheritance from Marx, is the following pair of equations concerning mature capitalism (however defined): the relations of production are reactionary and negative for humankind, while the forces of production (developed) are progressive and positive for humankind. Traditional Marxism simplistically endorses and even lauds capital’s development of the technological productive forces, while it reserves its opposition only for the specific usage that is made of them by way of capitalist relations of production; rather than seeing that it is the possibilities opened up by capital’s development of technology (and then not necessarily by all of it), the possibility of going far beyond and in an entirely different direction than that taken under the direction of capital that is what is truly progressive about capitalist ‘progress’. [[16]](#footnote-17)

Hence IP develop a view of what communism is to be:

Communism, by contrast, is not synonymous with the growth of the productive forces, but rather signifies their liberation in conscious human social activity. The goal of communism is not the infinite growth of production and of the human population – a goal which would be completely illusory because of the physical limits of the globe - but the satisfaction of human needs and desires. Capitalism will perish because of its incapacity to continue its mission of the development of the productive forces of humanity, but that in no way means that communism must continue that mission in its place. On the contrary, the disappearance of capital means that the historic program of the development of the productive forces has come to an end, at least in terms of quantitative growth. The period of transition from capitalism to communism which will follow the communist revolution is. from this point of view, effectively transitory to the degree to which a development of the productive forces will still be a necessary objective. That development, however, will be henceforth oriented towards a new goal emphasizing the qualitative transformation of production and living conditions over the quantitative growth of production.[[17]](#footnote-18)

In other words, capitalism has created a productive system capable of overcoming scarcity and providing abundance for all but it cannot do so itself, it overproduces and threatens the natural world. What communism will need to do is not develop or more specifically enlarge the productive forces that exist. What is needed is the reorientation of production to actual social needs in society without arms production and other waste industries. It will have to be a society faced with reducing levels of manufacture and pollution and focusing on the production of real wealth ie use values not exchange values.

IP correctly in my opinion suggests a reevaluation of Marx famous statements that the relations of production become a fetter on the forces of production and that no new society emerges without the old society exhausting its productive capacities. This may be valuable interpretation of change in previous modes of production but it is so easily not applicable to the demise of capitalism.

Virtually all Marxists who have defended the thesis of capitalist decadence have made reference to Marx's famous passage from the Preface to his Contribution to a Critique of Political Economy, viz. that "[a]t a certain stage of their development, the material productive forces of society come in conflict with the existing relations of production, or - what is but a legal expression for the same thing - with the property relations within which they have been at work hitherto. From forms of development of the productive forces, these relations turn into their fetters. Then begins an epoch of social revolution."

From this, the conclusion is invariably drawn by all such Marxists that capitalist decadence consists in the productive forces being fettered (constrained, blocked, slowed, etc.) by the capitalist relations of production. To question Marx on this matter would appear to be unthinkable ... as long as one considers oneself to be a Marxist. It is to question Marx on this matter that I wish to do here ... while still considering myself to be Marxist. First off, though, I need to make clear that I see two (very different) possible interpretations of what Marx meant by"the development of the productive forces" in the passage just quoted. The 'standard' interpretation, made by all of the revolutionaries and groups referred to above, is what I call the productivist version. It understands by"development of the productive forces" only quantitative increase in productive capacity. "Development" is understood as genesis or bringing into existence only. Productivity, as an empirically verifiable quality of the productive forces is the key. The other interpretation understands by "development of the productive forces"their actual implementation, utilization, or application, as opposed to their genesis. In this sense, their development is fettered if their full utilization or implementation in practice is blocked. New productive forces may have been brought into being (by the decadent society), but they haven't been really developed in the sense of being fully utilized to the benefit of society. [[18]](#footnote-19)

For me this approach is really important. An essential feature of capitalism is growth as a means of improving profits, a means which are, unbeknownst to it, short term. Bearing this mind, it is important to see that capitalism in its decline, does not stop growing and that therefore the idea of fetters on productive forces must means something other than a quantitative restriction.

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1. All issues of IP are available at https://internationalistperspective.org/issues/ [↑](#footnote-ref-2)
2. M Lazare 1994 Towards a New Theory of the Decadence of Capitalism IP34 IP34 p17 [↑](#footnote-ref-3)
3. Sander IP 1996 The Roots of Capitalist Crises IP30/31 [↑](#footnote-ref-4)
4. Rose 2005 On Decadence: Elements for a Response to Critiques IP 44 [↑](#footnote-ref-5)
5. See Note 24 and also CMcL <https://afreeretriever.wordpress.com/portfolio/has-capitalism-entered-its-decadence-since-1914/>and P Sutton 2021 A Critique of Luxemburg’s Theory of Accumulation [↑](#footnote-ref-6)
6. M Lazare1 1998 Towards a New Theory of the Decadence of Capitalism IP34 P19/20 [↑](#footnote-ref-7)
7. See for example <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD>; [↑](#footnote-ref-8)
8. See for example <https://data.worldbank.org/indicator/SP.POP.TOTL> [↑](#footnote-ref-9)
9. M Lazare1 1998 Towards a New Theory of the Decadence of Capitalism IP34 P21 [↑](#footnote-ref-10)
10. M Lazare1 1998 Towards a New Theory of the Decadence of Capitalism IP34 P19/20 [↑](#footnote-ref-11)
11. An Nonymous 2005 The Strengthening Of The State Hurls Us Into Catastrophe IP44 [↑](#footnote-ref-12)
12. ER 2009 Capitalism, Technology and the Environment IP50 [↑](#footnote-ref-13)
13. Although it is suggested it may have been first expressed by Kenneth Boulding in 1973 [↑](#footnote-ref-14)
14. David Attenborough, Speech given to Royal Geographical Society October 2013 [↑](#footnote-ref-15)
15. ER 2009 Capitalism, Technology and the Environment IP 50 [↑](#footnote-ref-16)
16. ibid [↑](#footnote-ref-17)
17. M Lazare 1998 Towards A New Theory Of The Decadence Of Capitalism IP34 P21 [↑](#footnote-ref-18)
18. ER 2009 For a Non-productivist Understanding of Capitalist Decadence IP50 [↑](#footnote-ref-19)