Aufheben

Decadence

Articles in this series –

Introduction to ‘the theory of decline or the decline of theory’

‘The Theory of Decline or the Decline of Theory’ is perhaps one of the more well-known and popular of Aufheben’s early articles that are now long out of print. But what was also particularly significant for us, when deciding what to include in the this volume, was that ‘The Theory of Decline or the Decline of Theory’ was our first attempt, in an extended ‘theoretical’ article, to develop many of the positions, which we had only been able to sketch out in the editorial of the first Aufheben, that define where we were coming from.

Of course since this article was written Aufheben has moved on. Indeed, it must be said that even by the time the third installment had been eventually written and published it had already become clear to us that, despite its merits, that there were serious shortcomings in ‘The Theory of Decline or the Decline of Theory’. Rereading this article more than a decade later these shortcomings are all the more glaring. It therefore perhaps behoves us in an introduction such as this to highlight the more salient problems that we now find with this text, and give something of an explanation as to how they arose. But before looking at some of shortcomings of the text itself

we shall begin with recalling the political context within which it came to be written.

In our early days we saw ourselves as part of what we then saw as a broadly defined ‘ultra-left’ milieu. At the time, the Anti-Poll Tax movement had produced something of a revival of the ‘ultra-left’ in Britain, which had grown up since the 1960s but which had gone into steep decline following the defeat of the miners’ strike in 1985. After all, the Anti-Poll Tax movement had seemed to open up the possibility of new forms of ‘unmediated’ class struggle. At the same time, the machinations of the ‘left’, which culminated with Militants threat on TV to ‘name names’ of the Anti-Poll Tax rioters to the police, seemed to both confirm all the old ‘ultra-left’ criticisms of the ‘left-wing of capital’ and re-affirmed the need for a trenchant anti-leftist stance. Despite the reflux that occurred in the aftermath of the Anti-Poll Tax movement, and the dismal failure of the ‘actually existing ultra-left’ to get its act together during the Gulf War in 19911, the continued economic crises, the fall of the USSR and the consequent crisis of the left, all seemed provide the opportunity for the development of a revolutionary politics in the longer term.2

As a consequence, what we saw as one of our primary tasks at this time was to facilitate the theoretical and

political regroupment of the ‘ultra-left’ milieu. To this end, shortly after Aufheben #1 came out in the Autumn of 1992, we accepted the invitation offered by Wildcat (UK) to hold a public meeting in London to present the arguments that we had put forward in the article ‘EMUs in the Class War’.3 It may have been hoped, if perhaps rather naively, that we may be able to avoid sterile debate around abstract or historical issues, which would have inevitably raised well-worn ideological divisions within the milieu, by instead promoting discussion around more current and concrete political and economic concerns surrounding the attempts of the European bourgeoisie to create the European Monetary Union, and the relation this had to the current state of class struggle in both Britain and Europe.

It can’t be said that the meeting was particularly well attended. However, no doubt in order to repel what they saw as the latest ‘modernist grouplet’ that had emerged out of the anarchist ‘swamp’, and which might threaten to undermine their hard-won ‘proletarian’ theoretical positions, the International Communist Current (ICC) came out in force. The concerted response of the massed ranks of the ICC, which positioned themselves along the front row, to the arguments of ‘EMUs in the Class War’

not only served to closed down any serious debate at the meeting, but was perhaps all too predictable.

We were told, in no uncertain terms, that capitalism had become decadent in 1914. Not only this, after nearly eighty years of being decadent, capitalism had become so rotten that it had now entered the final phase of decadence – the 'phase of decomposition'. It was therefore quite inconceivable that the bourgeoisie would be able go beyond the organisational heights of the nation state, which had been achieved during the ascendant era of capitalism in nineteenth century. In the phase of decomposition there could be no economic or political re-composition of the bourgeoisie, only decomposition. Such decomposition, they said, was readily being confirmed by the then current breakup of Yugoslavia. Hence, the attempt to create a European Monetary Union was simply doomed to failure. There was therefore little point in discussing such matters any further than that.

It must be said that at this time the ICC still retained an inordinate influence over us. Although we certainly disagreed with much of what they said, and had certainly become wary of their dogmatic political practice, we still saw the ICC as providing a fixed reference point with which to navigate by, and admired their unbending

defence of ‘revolutionary principles’ against the siren voices of ‘leftism’ and ‘reformism’. However, their dogmatic ‘intervention’ in the meeting prompted us to begin reassessing and clarifying our position regarding the ICC and, in particular, their defining doctrine – their theory of decadence.

Yet, as we were to point out in ‘The Theory of Decline or the Decline of Theory’, the theory of decadence is far from being the sole preserve of the ICC or even, more generally, left-communism. Indeed, a theory of decadence or decline had become the hall-mark of nearly all the various strands of revolutionary Marxism which claimed to defend the Marxist orthodoxy of the Second and Third internationals in the twentieth century against revisionism and reformism. As such, a confrontation with decadence theory seemed to offer an easy way into to a critique of ‘orthodox Marxism’ as whole.4

But why stop there? On the basis of this ‘critique’ it would be possible, or so it seemed, to assess the merits and limits of all those heterodox currents; such as the Socialisme ou Barbarie, the Situationists and the various strands of Autonomia and Autonomist Marxism, that had arisen in opposition to orthodox Marxism in recent decades, and which had been so inspirational for us. The critique of the theory of decadence, therefore, seemed

to provide the means of ‘coming to terms’ with all the strands of revolutionary Marxism, which had influenced us in one way or another, in one fowl swoop!

As a result, what had originally been envisaged as fitting comfortably within the confines of an extended Aufheben article threatened to take on the dimensions of a sizable book. This tension between what the article was originally intended to be, and what it ‘could possibly become’, created considerable stresses and strains, both within the argument of the article itself, and within the Aufheben collective. What should have taken only a few months to research and write turned in to what at the time seemed a never ending saga, in which each episode was more excruciating to produce than the one before it.5 Finally, after more than three years, it became necessary to put the article out of its misery and bring the entire exercise to an abrupt halt.6

Lacunae

So how did the stresses and strains involved in the production of the article show up in the actual text of ‘The Theory of Decline or the Decline of Theory’? We do not propose an exhaustive criticism of the article here. Instead we shall concentrate on a couple of the more salient fissures that were to arise in the text.

The article certainly provides a well-researched critical account of the various strands of revolutionary Marxism that emerged in the twentieth century. In doing so it makes what we would still see as important and interesting points. However, once the rather abrupt and unsatisfactory 'non-conclusion' is reached it becomes readily apparent that there are serious problems with the overall argument of 'The Theory of Decline or the Decline of Theory'.

In order to bring the article to a conclusion it had been necessary to answer what, after all, had been ostensibly the basic question – are the theories of decadence true? Has capitalism entered the era of its decline? But no sooner than we dutifully pose this question then it becomes evident that, after having expended tens of thousands of words, we had not gone very far towards answering it. Having made the rather lame excuse that to answer this question meant addressing Marxism in its entirety, all we were then able to do was to make various points that may have contributed towards formulating such an answer if we had eventually managed to get round to answering it. While these points may have been pertinent to answering the question of whether capitalism is in decline, none of them had been developed very far in the main body of the text.

Once the conclusion is read, it is not hard to realise that the argument of the article had somehow gone off at a tangent at some point and had become hopelessly lost. But to see where we became lost, and the further implications this has for the overall coherence of the article, it is necessary to go back to the very beginning.

In the Introduction it was correctly pointed out that any consideration of the theory of decadence raises a number of other related issues. Some of the issues that were mentioned as examples were either tangential or of a rather technical nature, and, as such, could have been dealt with as and when necessary during the course of the article. However, there were other issues mentioned that were far more fundamental and required discussion at the very outset of the article, or at least needed to be thought through before article was begun.

Unfortunately this was not done. Rather than taking care to prepare the foundations of the arguments to be developed in the article, we hared off into an ill-considered critical review of the origins and development of twentieth century Marxism, which had an increasingly tenuous connection with the issue of the theory of decadence. The result of this failure to prepare proper foundations for the article was not only that the article

eventually lost its way but that the overall coherence of the article became fatally flawed.

As an illustrative examples of the problems with the article, we shall briefly consider the consequences of the failure to think through the two fundamental issues that were at least mentioned in the introduction – that is 'the periodising of capitalism' and the ontological question of the relation of subject and object.

Periodisation

As anyone who has seriously studied history knows, if we are to apprehend the complex movement of real concrete history it is necessary to employ some form of periodisation. Furthermore, if history is not to be seen as merely a chronology of more or less random events, it is necessary to employ such concepts as tendencies, process and development, and in doing so draw upon such biological metaphors such as birth, growth and decline.

Yet, as anyone who has seriously studied history also knows, periodisation, particularly with regard to grand periodisations of an entire social system, is inherently fraught with problems and dangers. Periodisation is necessarily a process of abstraction, in which what are considered the essential tendencies that unify periods

and distinguish them from each other are abstracted from complex and contradictory concrete reality. As a result, on closer inspection, any periodisation is liable to come in contradiction both with discontinuities within the designated periods, and continuities that exist across designated periods. The devil, it might be said, is in the detail. Any theory of periodisation must therefore proceed, through both conceptual and empirical research, to account for such contradictory tendencies and phenomena if it is to reproduce the concrete in thought.

But all this requires effort. It is far easier to imbue the designations of periods, which are often quite abstract or even nominal, with a spurious explanatory power, which then obviates the need for any further theoretical development. As a result, theory remains within the comfort zone of abstract generalities – which purport to explain everything in general, but in fact explain nothing in particular. But a theory that remains abstract inevitably declines in to dogma. The ICC's theory of decadence perhaps being a prime example.

Discussion of such general problems of periodisation, together with a systematic appraisal of other attempts to provide periodisation of the capitalist mode of production in particular, would have provided the

foundation for a thorough empirical and conceptual based critique of the theories of capitalist decline.7 It would also have provided the basis for showing how such periodisations can inhibit the development of theory. At least then we could have justified 'predicate-subject' reversal of the title.8

In fact, we did not pursue a thorough 'critique' of decadence theory very far.9 After all what was the point of taking all the time and trouble hacking off one branch, when, with a well-aimed sweep of the axe, the entire tree of 'orthodox Marxism', decadent branch and all, could be felled at its ontological roots. Unfortunately, as we shall see, the axe was not that well aimed and we had not taken enough time to sharpen the blade.

Ontology

As with the issue of periodisation, the 'ontological' issues that were to become fundamental to the entire article were neither discussed in the Introduction nor even properly worked out beforehand. Who or what was the subject? What was object? And how they were related? These were questions that were simply left to be worked out as we went along.10 This failure to at least think through such 'ontological' issues at the very outset was to lead to both serious ambiguities and fatal lapses that were to undermine the coherence of overall argument of

the article and open us up to severe but justifiable criticism.

Let us now consider two of the most glaring manifestations of this failure to adequately resolve the 'ontological' issues at the outset. We shall begin with one of the more obvious errors that we were to make in our discussion of the origins of orthodox Marxism.

'An obectivist Marxism'?

Of course, with the rise of Hegelian Marxism it has become commonplace to argue that Marx's Capital, as its subtitle suggests, was first and foremost an immanent critique of political economy. Through an immanent critique of the reified categories that had been produced and systemised by classical political economy, Marx had sought to show how capital, as the self-expansion of alienated labour, tended to reduce all human agency to its own movement. As a result, capital could be seen to bring about an 'ontological inversion', in which capital itself becomes the subject-object of the current historical epoch.

However, in making an immanent critique of political economy Marx had to necessarily develop the reified categories of political economy. In order to show how capital tends to subsume human agency to its own

objective laws of motion, it was necessary to show what these objective laws of motion were and how they operated. As such, by logical necessity, class struggle and human subjectivity were, for the most part, provisionally attenuated and closed off within the pages of Capital. As a consequence, if Marx's Capital is read as a complete and closed text then it may well lend itself to what we may term an 'objectivist' or 'economistic' reading.

In the prevailing intellectual climate of the late nineteenth century, during which the natural sciences had risen in prestige at the expense of speculative philosophy, it had been very easy for the first generation of Marxists to overlook the form of Capital as a critique of political economy. Instead Capital was usually read in terms of its immediate content as simply a closed and self-sufficient scientific treatise on political economy. It could therefore be said that, just as the natural scientists had discovered the objective laws that governed nature; so Marx could be seen in Capital to have lain bare the essential objective economic laws that ultimately governed capitalist society.

Now it is true that such an 'objectivist' reading of Capital could easily lead to a crude economic determinism and, even at times, to a political fatalism. Certainly many who were acquainted with Marx's Capital in the late

nineteenth century drew such conclusions. However, the leading theorists of both the Second and Third Internationals, on the basis of a similar 'objectivist' and 'closed' readings of Capital, opposed what they saw as the economic determinist vulgarisation of Marxism.

The orthodox theorists could readily accept that Marx's Capital was a scientific treatise that revealed the operation of the objective laws that ultimately governed capitalist society. However, they could argue that although a natural scientist had to take a contemplative position so as to act as an objective observer in order to understand the natural laws that governed the natural world, once these natural laws were known they could then be harnessed for human purposes. Likewise, once the economic laws of capitalist society were known then they too could be harnessed so as to bring about the socialist transformation of society. Hence, the positive economic science of Marx's Capital had to be supplemented by, what at an early age would have been termed, the art and science of politics.

Now this answer to the economic determinism of vulgar Marxism betrayed and reinforced an underlying 'ontological dualism' within the orthodox Marxism of the time. As has often been pointed, this dualism - which radically separates from the outset the subject from

object – can be seen to be the source of many of the theoretical and political problems that were to emerge within Marxist orthodoxy.11

In short then, if we had thought things through we could have said that an 'objectivist' and closed reading of Capital led, at least in part, to the problems of 'ontological dualism' within orthodox Marxism, which in return led to a dichotomy between political and economic theory. Instead, in our haste to use the stalking horse of the critique of the theory of decline as means to make a critique of 'orthodox Marxism' as a whole, our argument becomes confused and ambiguous with dire consequences.

Now it might be reasonably argued that the theories of capitalist decline were rooted in 'objectivist' readings of Capital that were inherited from the Second International. But this does not mean that 'orthodox Marxism' as whole can simply be reduced to being an 'objectivist Marxism'. However much Marxists of the time may have thought that capitalism was doomed to breakdown due its own internal and objective laws, few thought that this would be a sufficient condition for the achievement of socialism. Socialism could only be brought about through the conscious will, determination and action of party militants, and ultimately the working

class. Even the most committed economic determinist would see the working out of capital's objective laws ultimately posing a choice, even if it might be a rather apocalyptic choice, between war or revolution; socialism or barbarism?

Of course, we could not ignore this subjective moment in 'orthodox Marxism'. Indeed, most of the writings of Lenin, Trotsky and Luxemburg, for example, would have been largely incomprehensible if they were understood to be 'pure objectivists', or even simply economic determinists. Not only this, we were at the time certainly familiar with the criticisms of orthodoxy Marxism for being based on an 'ontological dualism'. After all we had read our Korsch and Lukacs. In fact our account of 'orthodox Marxism' we readily drew on such criticisms of dualism.

Yet our hasty conflation of the critique of decadence with the critique of orthodox Marxism meant that at the crucial points where we had to press home our criticisms our argument faltered. If orthodox Marxism is 'objectivist' how do we account for this subjectivist moment? Rather than attempting to account for this, we end up dismissing the subjective moment as being somehow non-essential. The theories of both the Second and Third Internationals were reduced to their common

economic determinism, which was then juxtaposed to their differing essentially non-theoretical political practice.

But the consequence of this is that when we press home our criticism against orthodox Marxism we lapsed into a crude anarchism – the likes of Lenin, Trotsky and Luxemburg are denounced as having a mere 'contemplative', 'deterministic' and even 'fatalistic' theory. This lapse was eagerly seized upon and duly ridiculed by the ICC in their response to 'The Decline of Theory…'. Not only this but this lapse all also allowed them to construe our argument as simply counter-posing the pure self-determining subjectivism of abstract freedom against the objectivism of Marxism - permitting them to give us an elementary lesson in the dialectics of freedom and necessity to boot.

As they say:

According to Aufheben, the theory of capitalist decadence (i.e. Marxism) reduces " … revolutionary political activity to a reaction to an inevitable movement." It "involves an essentially contemplative stance before the objectivity of capitalism …". Its consequence is that "socialism is seen not as the free creation of the proletariat but as the natural result of

economic development".
Those unfamiliar with Marxism could quite easily be bamboozled by these arguments, particularly as they tend to regurgitate today's official media diet which links Marxism with exactly those unappealing qualities. Who but a social democratic or Stalinist monk would choose grim historic necessity over free creativity, or prefer contemplation to activity?

But the alternatives posed by Aufheben are completely false: freedom does not lie in any imaginary independence from necessity, but in the recognition of necessity and action based on this recognition. Freedom and necessity are not mutually exclusive, they are opposites which interpenetrate. How they do so again has to be discovered concretely. Likewise, the relationship between the theory and practice, subject and object, consciousness and being. In framing the problem this way we are only following in the footsteps of Marx and Engels … and Hegel, who, as Engels said was the first to understand the real relationship between freedom and necessity.12

A subjectivist Marxism?

The critical notion of 'objective Marxism', which became pivotal in course of the article, was clearly deficient if not problematic. After all if there was an 'objectivist

Marxism' did not this imply there was some kind of 'subjective Marxism' – whatever that might be? And would not such a 'subjective Marxism' be just as much one-sided as an 'objective Marxism'?

Nevertheless, 'objective Marxism' did seem to go some way in capturing what we saw as the more salient failings of traditional Marxism: its productivism, its passive and reactive conception of the working class, its conception of communism and so forth. What is more, although we were shy of using the term 'subjective Marxism', what appeared as the unifying feature of most of the heterodox currents that arose in opposition to the official Marxism of the USSR and the Stalinist Communist Parties was the centrality of individual and class subjectivity. Indeed, it had been the emphasis on needs and desires, the centrality of the conscious transformative self-activity of the working class, and the demands for the immediate abolition of wage-labour that had most inspired us about the writings of Socialisme ou Barbarie, the Situationists and the various strands of Autonomia and autonomist Marxism, which we came to consider in the second part of the article.

At the time, we still felt we owed considerable allegiance to such heterodox currents, particular the Autonomists which we saw as giving theoretical expression to the

highest point in class struggle in recent times. Certainly our criticisms of these currents in Part Two were superficial and rather muted. We did not for instance examine the periodisations that underlay the theories of these currents; nor did we investigate those instances when such currents themselves flipped over into an economicistic, or even technological determinism.

But perhaps more significantly our criticisms were muted because we all too easily accepted the underlying 'ontological' assumptions of such 'subjectivist' currents. Thus, in particular, we uncritically accepted the assumption of an already constituted 'radical proletarian subjectivity' that somehow existed outside and against capital. It was therefore very easy to overlook how such subjectivist currents glossed over the very real problems of understanding how such 'radical proletarian subjectivity' was constituted out of the subjectivity of individual proletarians and through the complex mediations of the relation between capital and labour.

Instead, our overall criticism boiled down to a mere question of emphasis. In correcting the emphasis in 'orthodox Marxism' on 'objectivism', these currents, in the heat of the working class offensive of the 1960s and 1970s, had bent the stick a little too far the other way. It was now, in more sober times, necessary to 'somehow'

correct this overcorrection. The failure to develop what this ‘somehow’ was meant that it was easy for us to be accused of having a position of mere mitigation, in which objectivism had to be brought back in for those times when there was a down turn in class struggle.13

However, it should be said that already by the time Part Two of ‘The Theory of Decline or the Decline of Theory’ was published we were already beginning to move on from the rather confused and ambiguous ‘ontological’ positions of this article, particularly through the development of our critical engagement with Autonomist Marxism.14

Conclusion

It must be admitted that ‘The Theory of Decline and the Decline of Theory’ is ultimately flawed both in its conception and in its execution. Certainly if we were to write it again we would go a very different way about doing it, and it would end up being a very different article. Nevertheless, if the number of comments, translations and reprints are anything to go by, ‘The Theory of Decline’ remains one of our more popular articles. Certainly, if it is read as a work-in-progress, rather than as a definitive statement, or ‘critique’, then ‘The Theory of Decline’ retains considerable merit.

If nothing else ‘The Theory of Decline’ provides a useful and well documented critical introduction to many of the more important strands of revolutionary Marxism. Furthermore, most of the criticisms and comments it presents we would still say are, in themselves, essentially correct.

‘The Theory of Decline and the Decline of Theory’ shows us working through our ideas and tentatively coming to terms with Marxist and other revolutionary currents that influenced us. As such it marks an important, and perhaps revealing, milestone in the development of Aufheben.

- 1. See Lessons from the ‘Struggle against the Gulf War’, in Aufheben no.1, Autumn 1992.
- 2. With hindsight this revival appears as little more than a brief Indian summer. A subsequent attempt to regroup the ‘ultra-left’ milieu around a regular joint bulletin also ran in the sands after Aufheben came under attack from different quarters for attempting, together with Radical Chains, to bridge the river of blood that separated the ultra-left from the left since the time of Kronstadt! By the time of the anti-Criminal Justice Bill movement in 1995 it had become clear, at least to most of us in Aufheben, that, however intelligent and well-read

they were individually and however much their writings might have once inspired us years before, collectively and above all practically the ‘actually existing ultra-left’ were worse than useless. It was then that we began to recognise that we had to go beyond the theory and practice of the ‘ultra-left’.

- 3. The practical connections that we had established with Wildcat (UK) during and immediately after the Anti-Poll Tax movement had encouraged us to be far more optimistic about the prospects for a re-groupment of the ‘ultra-left’ than we might otherwise have been.
- 4. Or as it was put in the conclusion to ‘The Theory of Decline or the Decline in Theory’, ‘coming to terms with theories of capitalist decline has involved coming to terms with Marxism’, Aufheben No.4, Summer 1995, p.34.
- 5. In order to resolve the tension between what the article was originally intended to be and ‘what it could possibly become’ (but which might never be if it was not started), we made what proved to be the fateful decision to publish the article in parts as and when it was written, without a fully worked out plan or even a conclusion. This proved to be merely a temporary palliative.

- 6. To do this a special commission was established to seize all notes in any way related to the article. All the materials seized, apart from a few sheets which were given a special exemption, were then ceremonially burnt (see photos in Aufheben No.4, Summer 1995, p.30). There was some protest at these draconian measures from certain quarters. It was argued by some that all that was needed was yet more time to 'finish' the article. But as we shall argue the article was fundamentally flawed from the beginning and needed to be torn down and re-written. After all, when you have dug yourself in to a hole the first thing to do is stop digging!
- 7. For a discussion of the various attempts at periodising the capitalist mode of production, see 'The Global Accumulation of capital and the periodisation of the capitalist state form', by Simon Clarke in Open Marxism, Volume I, edited by Bonefeld, Gunn and Psychopedis, Pluto Press, 1992.
- 8. The unoriginality of this reversal – the theory of decline: the decline of theory – was to be seized upon by the ICC in their response to the article. Taking this as clear give away that we were merely yet another 'modernist' grouping who had read too much of the Situationists, they dismissively write: 'The title of the article in question is 'Decadence, the

theory of decline or the decline of theory'. An attempt at dialectical Hegelian humour, but hardly original. The GCI (Groupe Communiste Internationaliste) launched its attack on the theory some years ago, and their article was called 'The theory of decadence or the decadence of theory'. More recently, Internationalist Perspective decided to rubbish the ICC's notion that we have entered into the final phase of decadence, the phase of decomposition. This time the article was wittily entitled the 'The theory of decomposition or the decomposition of theory'. A case of great minds thinking alike?' in 'Polemic with Aufheben: An Attack on Decadence is an attack on Marxism', World Revolution no 168, October 1993. Available at: http://en.internationalism.org/wr/168_polemic_with_aufheben.

- 9. 'Black Wednesday' in October 1992, which saw the pound evicted from the European Exchange Rate mechanism, seemed to vindicate the ICC's contention that EMU was doomed to failure. However, with hindsight, 'Black Wednesday' also marked the beginning, particularly in the UK, of a new prolonged resurgence in capitalist accumulation that has done more to rebut their theory of decadence than any number of articles we could

have written. However, our failure to deal seriously with the general problems of periodisations left us little prepared to deal with other dubious attempts at the periodisation of capitalism. Indeed, in Part Three we flirted with the fallacious attempt to periodise the capitalist mode of production in terms of the transition of formal to real subsumption of labour under capital. This periodisation had become fashionable in the 1960s and 1970s, particularly amongst Francophone 'ultra-leftists'. This periodisation seemed appealing to us at the time since it seemed to root the history of capitalism in terms of the 'capital-labour' relation rather than in the corresponding 'capital-capital' relations evident in the traditional Marxists periodisation of a transition from laissez-faire to monopoly capitalism. However, what was later to become clear to us was that the attempt to construct a periodisation of capitalism on the basis of some once and for all transition from formal to real subsumption of labour to capital is both misconceived and untenable.

- 10. Indeed, it is only with the summary of Part One at the beginning of Part Two that it at all becomes clear that what we saw as the fundamental 'ontological' problem with the orthodoxy of the both

the second and third internationals was that they were based on an ‘objectivist Marxism’.

- 11. Perhaps the clearest example of the political implications that could arise from this ‘ontological dualism’ can be seen in Lenin’s What is to be Done? In this work it may be argued that the revolutionary subject is not the proletariat but the professional revolutionaries. Being drawn from mainly from the intelligentsia these revolutionary subjects are assumed to stand apart from the object that is to be transformed – i.e. capitalist society. Once armed with the science of Marxism the professional revolutionaries seek to transform society by harnessing the elemental powers of class struggle by organising and bring consciousness to the working masses from the outside – who, of course, are on their own are deemed only capable of reaching ‘trade union consciousness’.
- 12. ‘Polemic with Aufheben: An Attack on Decadence is an attack on Marxism’, World Revolution no 168, October 1993. Available at: http://en.internationalism.org/wr/168_polemic_with_aufheben.
  The main thrust of ICC’s polemic was to characterise us as academics who were attempting to poison Marxism with a ‘lethal dose of anarchism’. With

much of the beginning of the polemic devoted to the ridiculous argument that because we had a ‘pretentious’ German title we must therefore be armchair academics, it was relatively easy for us at the time to dismiss out of hand their entire criticisms. However, with hindsight it must be admitted that at points in their polemic their arguments are quite sharp and perceptive. They certainly were able to deftly exploit the fact that at the time we had yet to critically rethink many of the notions and formulations that we had inherited from both anarchism and the various heterodox currents of Marxism, particularly with regard to ‘revolutionary subjectivity’.

- 13. This was one of the more perceptive criticisms put forward by Théorie Communiste (TC) in their introduction to their French translation of ‘The Theory of Decline or the Decline of Theory’ – an English translation of which was reproduced in Aufheben no.11, 2003. However, Théorie Communiste’s own purported solution to the problem of orthodox Marxism’s dichotomy between the subjective and the objective does not stand up to any close scrutiny. As becomes evident through an examination of both their adoption of a positivist view of history, with its post hoc determinism in

which subjective ideas and actions are reduced to their objective results, and with their schematic and structuralist periodisation of capitalism, in which objective material social relations of a period are assumed to be immediately and unequivocally expressed subjectively, Théorie Communiste's 'mutual involvement of the subjective and objective' merely ends up collapsing the subjective into the objective. As a result, far from overcoming the dichotomies of orthodox Marxism, Théorie Communiste ultimately into a fatalistic objectivism – (albeit, perhaps, an objectivism of the 'totality' not the 'economic'). As such, they effectively reproduce, albeit in a more sophisticated and all-encompassing form, the theoretical and political dead end of economistic vulgar Marxism, which as we have pointed out the leading figures of orthodox Marxism overcame more than a hundred years ago.

- 14. See introduction to the Autonomist articles in this volume.

Decadence: The Theory of Decline or the Decline of Theory? Part I

The notion that capitalism must inevitably decline and, by implication, that history is on our side, has been a dominant idea that has shaped much marxist and revolutionary thought, particularly that of Trotskyists and left communists. In the wake of the collapse of the Eastern Bloc it has become more important than ever to challenge such notions of capitalist decline and decadence. In the first part of our critique we examine the development of the various theories of capitalist decline that emerged out of the collapse of the Second International up until the end of the Second World War.

A] Introduction

We are subjects faced with the objective reality of capitalism. Capitalism appears as a world out of control - the denial of control over our lives. But it is also a world in crisis. How do we relate to this crisis?

One understanding that has been dominant among critics of capitalism is that capitalist crisis, especially a prolonged and severe crisis such as we are presently in, is evidence that capitalism as an objective system is declining. The meaning of decline is either that it has created the basis of 'socialism' and/or that it is moving by

its own contradictions towards a breakdown. Capitalism, it is said, is a world system that was mature in the Nineteenth Century, but has now entered its declining stage. In our view this theory of capitalist decline or of the decadence of capitalism hinders the project of abolishing that system.

It might seem a bad time to critique the theory of decadence. In the face of a widespread disillusion with the revolutionary project and with a lack of a working-class offensive there is an understandable temptation to seek refuge in the idea that capitalism as an objective system is after all past its prime, moribund, heading inexorably towards collapse. If the subjective movement for revolutionary change seems lacking, the severity of the present world crisis offers itself as evidence that the objective conditions will bring about a change in the prospects for revolution.

In the theory of decline a number of issues are intertwined - crisis, automatic breakdown, the periodising of capitalism into ascendant and decadent phases, the notion of transition and the ontological question of the relation of subject and object. At a general level we might say the theory of decline represents a way of looking at the crises of capitalism that sees them expressing an overall downward

movement. A complication in looking at the theory is that it has numerous versions. Among those presenting themselves as revolutionaries the two principal variants of the theory are those of Trotskyism and left-communism which although similar in origin are substantially different in the way they affect their politics.1 For some left-communists politics is virtually reduced to propagandising the masses with the message of capital's decadence, while for many Trotskyists the theory is often more in the background informing their theory of crisis and organisation if not their agitational work.

Essentially the theory suggests that capitalism as a system emerged, grew to maturity and has now entered its decline. The crises of capitalism are seen as evidence of a more severe underlying condition - the sickness of the capitalist system. Capitalist development brings about steadily increasing socialisation of the productive forces and at a certain point the capitalist forces of production are said to have moved into conflict with the relations of production. The concept of the decline of capitalism is bound up with a theory of the primacy of the productive forces. The driving force of history is seen as the contradiction with the relations of production. It is 'quintessentially' a marxist theory taking its

understanding of the basic marxist position from the *Preface to the Contribution to a Critique of Political Economy*2.

For most versions of the theory the change from mature to declining capitalism is said to have occurred at a time around the First World War. The present form of capitalism is then characterised by declining or decaying features. Features identified with this change are the shift from laissez faire to monopoly capitalism, the dominance of finance capital, the increase in state planning, war production and imperialism. Monopoly capitalism indicates the growth of monopolies, cartels and the concentration of capital which has now reached the point of giant multinationals disposing of more wealth than small countries. At the same time in the phenomenon of finance capital, large amounts of capital are seen to escape linkage to particular labour processes and to move about in search of short term profits. In the increase in state planning the state becomes interpenetrated with the monopolies in various ways such as nationalisation and defence spending - this is capital getting organised. This planning is the state trying to regulate the workings of capitalism in the interests of the big firms/monopolies. Stratification is seen as evidence of decay because it shows the objective

socialisation of the economy snarling at the bit of capitalist appropriation; it is seen as capitalism in the age of its decline desperately trying to maintain itself by socialistic methods. The state spending and intervention is seen as a doomed attempt to avert crises which constantly threaten the system. War production is a particularly destructive form of state spending, where large amounts of the economy are seen to be taken up by essentially unproductive expenditure. This is closely related to imperialism which is seen as the characteristic of capitalism in the age of its decline. The 'epoch' is in fact said to be initiated by the division of the world between the great powers who have since fought two world wars to redistribute the world market. Wars and the threat of war are seen as evidence that capitalism's only way of continuing to exist is by destruction, it is suggested that if it cannot save itself by other methods capitalism will plunge us into a war.

At the present unrewarding time for revolutionary politics it might then seem desirable to seek support for a revolutionary position in a theory offering an analysis of the objective development of history that shows capitalism on the way out. On the other hand some of the developments that have put pressure on a revolutionary position so making a theory of decline

attractive undermine some of the presuppositions of at least some versions of the theory. The crisis of social democracy and literal collapse of the Soviet Union has been presented as a triumph of capitalism and as the end of history. In the West and East it used to be possible to point to an inexorable advance of socialistic forms as apparently concrete evidence of the movement of history being a progress towards socialism or communism. The notion that socialism represented progress was underpinned by the idea that capitalism had entered a declining or decadent phase. It was said that the socialisation of the productive forces was in sharp contradiction with private appropriation. Now with a move towards privatisation of nationalised concerns in the west, and the privatisation of the ruling class itself in the East, the idea that there is an inevitable movement towards socialism - an idea which has been so dominant on the left for the last 100 years - now stands undermined and the notion that history is on our side no longer seems plausible. With the failure of what was seen as 'actually existing socialism' and the rollback of social democratic forms, the identification of socialism with progress and the evolution of human society is thrown into doubt. It would seem that what has suffered a breakdown is not capitalism but history.

Abandonment of the idea that the historical development of the productive forces is a progress towards socialism and communism has resulted in three main drifts in thought: 1) The abandonment of the project of abolishing capitalism and a turn to reformism of the existing system by the 'new realists', 'market socialists' etc. 2) The post-modern rejection of the notion of a developing totality, and denial of any meaning to history resulting in a celebration of what is, 3) The maintenance of an anti-capitalist perspective but identification of the problem as 'progress' or 'civilisation', this romanticism involves the decision that the idea of historical movement was all wrong and what we really want to do is go back. These directions are not exclusive of course; post-modernist practice, to the extent it exists, is reformist while the anti-progress faction has roots in the post-modern attack on history. In the face of the poverty of these apparent alternatives it is understandable that many revolutionaries would wish to reaffirm a theory of decadence or decline - it is asserted that communism or socialism is still the necessary next stage of human evolution, that evolutionary course might have suffered a setback but we can still see in the crisis that capitalism is breaking down. However in the face of unsatisfactory drifts in theory it is not the case

that the only alternative is to reassert the fundamentals, rather we can and must critically re-examine them.

We can see the theory of decline represented by two main factions (of the left?) - Trotskyism and left-communism. With the hard left-communists the decadence theory is at the forefront of their analysis. Everything that happens is interpreted as evidence that decadence is increasing. This is exemplified in the approach of a group like the International Communist Current (ICC) for whom capitalist crisis has become chronic, 'all the great moments of proletarian struggle have been provoked by capitalist crises'. [pI] The crisis causes the proletariat to act and to become accessible to the 'intervention of revolutionaries'. The task of the revolutionaries is to spread the idea of capitalist decadence and the tasks it puts on the historic agenda. 'The intervention of revolutionaries within their class must first and foremost show how this collapse of the capitalist economy demonstrates more than ever the HISTORIC NECESSITY for the world communist revolution, while at the same time creating the possibility for realizing it.' [p III][3] The model is one of the objective reality of capitalist decadence, arising from its own dynamic, which makes world communist revolution necessary and possible, with the job of revolutionaries

being to take this analysis to the class who will be objectively predisposed to receiving the message due to their experience of the crisis. So far no luck! Still, for the theory's proponents the decadence can only get worse; our time will come.

For the Trots the theory is less up front but it still informs their analysis and practice. In comparison with the purist repetition of the eternal decadence line by the left-communist upholders of the theory, the Trots seem positively current in their following of political fashion, but behind this lies a similar position. Despite their willingness to recruit members by connecting to any struggle, Trotskyist parties have the same objectivist model of what capitalism is, and why it will break down. They gather members now and await the deluge when, due to capitalism's collapse, they will have the opportunity to grow and seize state power. The position of orthodox Trotskyism is expressed in the founding statement of the Fourth International in which Trotsky writes:

The economic prerequisite for the proletarian revolution has already in general achieved the highest point of fruition that can be reached under capitalism. Mankind's productive forces stagnate... [p8] The objective prerequisites for the proletarian revolution have not only

'ripened'; they have begun to get somewhat rotten. Without a socialist revolution, in the next historical period at that, a catastrophe threatens the whole of mankind. The turn is now to the proletariat, i.e., chiefly to its revolutionary vanguard. The historical crisis of mankind is reduced to the crisis of the revolutionary leadership. [p9]4

A significant difference in the theories is that the Trotskyist version historically identified the former Soviet Union as a (politically degenerated) part of the economically progressive movement of history while for the left communists it has exemplified the decadence of the period. Thus the Trotskyist theory of decline, which tended to see the Soviet Union as progressive and proof of the transitional nature of the epoch, has been more bothered by the collapse than the left-communists for whom it was just state capitalism and for whom its fate was just grist to the mill of the notion of capitalism's permanent crisis. Despite their antipathy to other parts of the 'left wing of capital's' program, it is the general statements by Trotskyists about the decadence of capital that the left commies find themselves in agreement with. In fact the ICC even thinks that the inadequacies of the Trotskyist theory stem from it not having a proper conception of decadence. The underlying similarity in the

theories can be identified in an account of their history. Both the Trots and the left-communists claim the mantle of the heritage of the worker's movements. Both trace their heritage through the Second International, and their argument is whether it is in Lenin and Trotsky or figures such as Pannekoek and Bordiga that the classic marxist tradition is continued after 1917 or some such date. If then we wish to understand and assess the theory of the decline of capitalism, we need to trace its history back to Second International Marxism.

B] The history of the concept and its political importance

The theory of capitalist decadence first comes to prominence in the Second International. The Erfurt Programme supported by Engels established the theory of the decline and breakdown of capitalism as central to the party's programme:

Private property in the means of production has changed... From a motive power of progress it has become a cause of social degradation and bankruptcy. Its downfall is certain. The only question to be answered is: shall the system of private ownership in the means of production be allowed to pull society with itself down into the abyss; or shall society shake off that burden and then, free and strong, resume the path of progress which

the evolutionary path prescribes to it ?[p 87] The productive forces that have been generated in capitalist society have become irreconcilable with the very system of property on which it is built. The endeavour to uphold this system of property renders impossible all further social development, condemns society to stagnation and decay. [p 88] The capitalist social system has run its course; its dissolution is now only a question of time. Irresistible economic forces lead with the certainty of doom to the shipwreck of capitalist production. The erection of a new social order for the existing one is no longer something merely desirable; it has become something inevitable. [p 117] As things stand today capitalist civilisation cannot continue; we must either move forward into socialism or into barbarism. [p 118] the history of mankind is determined not by ideas, but by an economic development which progresses irresistibly, obedient to certain underlying laws and not to anyone's wishes or whims. [p119] 5

As well as this insistence on the inevitable collapse of capitalism by its inner contradictions, the Erfurt Programme also contained eminently reformist goals and tactics and it was these that dominated the Second International whose practice became to build a set of socialist institutions and work through parliament. In this

program we see the recurrent themes of the theory of capitalism's decadence: the identification of the revolutionary project with the evolutionary progress of society; the ascribement of primacy to the economic laws of development of capital; and the reduction of revolutionary political activity to a reaction to that inevitable movement. Though it is insisted there is a need for political activity, it is seen to be at the service of an objective development. Socialism is seen not as the free creation of the proletariat but as the natural result of economic developments which the proletariat becomes heir to. It is this conception shared by those who present themselves as heirs of the 'classical marxist tradition' and thus the Second International that we must shake off. The Erfurt Program was not just a compromise between the 'revolutionary' position that capitalism was coming to an end and the reformist remainder: this 'revolutionary' part had already converted the revolutionary conception of capitalism's downfall into a mechanistic, economistic and fatalistic one.

The Legacy of Marx

By adopting a theory of capitalist breakdown the Second International identified itself as the 'marxist' section of the workers movement. Indeed for most members of the

Second International as for most members of Leninist parties today, Marx's Capital was the big unread work that proved the collapse of capitalism and the inevitability of socialism. The substance of the split in the First International is clouded by the personal acrimony between Marx and Bakunin. Following Debord, we can recognise that both Marx and Bakunin then, and the anarchist and the marxist positions since then, represent different strengths and weaknesses of the thought of the historical workers' movement. Organisationally while Marx failed to recognise the dangers of using the state, Bakunin's elitist conception of a hundred revolutionaries pulling the strings of a European revolution was also authoritarian. While 'marxists' have developed theory to understand the changes in capitalism but have often failed to ground that theory in revolutionary practice, the anarchists have maintained the truth of the need for revolutionary practice, but have not responded to the historical changes in capitalism to be able to find ways for this need to be realised. While the element of truth in the thought of anarchism must always be present in our critique, if we wish to develop theory we must address the marxist strand of that movement. 6

The question that arises then, is whether the Second International adopted the valuable point from Marx's

side. As well as personal differences the split in the First International between Marx and Bakunin reflected a serious division on how to relate to capitalism. Marx's critique of political economy was a move away from a moral or utopian critique of capitalism. It marked a rejection of the simple view that capitalism is bad and we must overthrow it in favour of the need to understand the movement of capitalism to inform the practice of its overthrow. Marx and Bakunin's reactions to the Paris Commune show this. Bakunin applauded the action and tried to organise his hundred revolutionaries in the immanent revolution; Marx, while identifying the communards as having found the forms through which capitalism can be negated, thought the defeat showed the weakness of the proletariat at that time. What Marx's critique of political economy did was give a theory of capitalist development in which it is recognised that *capitalism is a transitory system of class rule* that has arisen from a previous class society but which is dynamic in a way beyond any previous system.

The Erfurt Program and the practice of the Second International represented a particular interpretation of the insights of Marx's critique. The theory of the decline of capitalism is an interpretation of the meaning of Marx's insight that capitalism is a transitory system, an

interpretation that turns the notion of a particular dynamic of development into a mechanistic and determinist theory of inevitable collapse. If we think that there is a value in Marx's work, a value that most marxists have lost, then what is it? Marx analysed how the system of class rule and class struggle operates through the commodity, wage labour etc. Capitalism is essentially the movement of alienated labour, of the value-form. But that means that the 'objectivity' of capitalism as the movement of alienated labour is always open to rupture or alteration from the subjective side. An irony in the split in the First International is that Bakunin considered that Marx's 'economics' were fine. He did not recognise that Marx's contribution was not an economics but a critique of economics and thus a critique of the separation of politics and economics as well.7 As we shall see, the Second International in their adoption of Marx's 'economics' made the same mistake of taking the critique of political economy offered to revolutionaries as an economics rather than as a critique of the social form of capitalist society.

Behind the breakdown theory is a notion of what socialism is: the solution to 'the capitalist anarchy of the market', the freeing of the forces of production from the fettering relations of private capitalist appropriation.

Capitalism is seen as an irrational economy and socialism is seen as equivalent to a fully planned economy. The theorists of the movement were convinced that the movement was on their side, focusing on Marx's ideas that the joint stock system "is an abolition of capitalist private system on the basis of the capitalist system itself."8 They thought the further socialisation of production evidenced in the extension of credit and joint-stock companies into trusts and monopolies was the basis for socialism. At some unspecified date a revolution would occur and the capitalists would lose their tenuous hold on the socialised productive forces which would fall into the hands of the workers who could continue their historic development.

This is an optimistic reading of the lines of capitalist development which gives the agency for social transformation to capital's drives towards centralisation and co-ordination. To base one's theory on how capitalism transforms into socialism on passages such as that above is founded on the belief that Capital volumes I-III gives a complete systematic and scientific account of capitalism and its destiny. It is to see Capital as essentially complete when it is not.9 Engels prepared volumes II and III for publication, in which as in volume I, although there are intimations of capitalism's mortality,

there is no finished theory of how capitalism declines and breaks down. Engels himself was tempted towards such a theory by the sustained depression of the 1870's and 80's, though he never finally settled on one. It was this crisis and Engel's speculative position on it that encouraged Kautsky to make capitalist collapse central to the Erfurt programme and it was the replacement of depression by a prolonged boom from the 1890's that then prompted the revisionist debate.

Revisionism and its False Opposition

The major proponent of revisionism was Bernstein, his opponent at first Kautsky but later and more interestingly Luxemburg. On one level Bernstein was arguing for the party to bring its theory into line with its tactics and to embrace reformism wholeheartedly. However the focus of his argument and the revisionist controversy was his insistence that the conception of economic decline and breakdown included in the Erfurt program had been proved wrong by the end of the long depression and that the changes in capitalism - e.g. the growth of cartels, of world trade and of the credit system - showed it was able to resolve its tendency towards crisis. Bernstein argued that the legacy of Marx was dualistic, on the one hand a 'pure science of Marxist socialism', on the other an 'applied aspect' which

included its commitment to revolution. The notion of decline and breakdown and the revolutionary position it implied was, Bernstein argued, scientifically wrong and it, and the dialectical element in Marx that prompted it, should be eliminated. In the heated arguments Bernstein and Kautsky engaged in a battle of statistics on whether the breakdown theory was correct. 10

The important point about the revisionist debate was that both Kautsky and Bernstein were agreed on tactics - the furious dispute about theory hid a complicity about practice. What Kautsky defended and what Bernstein attacked was a caricature of revolutionary theory - theory become ideology due to its separation from practice. Moreover it was closer to Engel's Marxism than the ideas of Marx. Kautsky gained his credibility from his association with the two old men but his contact was almost exclusively with Engels. Kautsky continued the process started by Engels - in works such as the *Dialectics of Nature* - of losing the subject in a determinist evolutionary view of history.

When revolutionaries like Luxemburg intervened they were supporting a position that already contained the negation of a consistent revolutionary position. Luxemburg's criticism of Bernstein was at a deeper level than Kautsky's in that she recognised the extent to which

his reading of Marx had lost its dialectical revolutionary aspect and had reduced it to the level of bourgeois economics. While Kautsky tried to argue that there was no problem of dualism in Marx's Capital, that the notion of the collapse of capitalism and the need for revolution was absolutely scientific, Luxemburg saw there was a dualism: 'the dualism of the socialist future and the capitalist present... the dualism of capital and labour, the dualism of the bourgeoisie and the proletariat. ... the dualism of the class antagonism writhing inside the social order of capitalism.' 11 In this we can see an attempt to reclaim the revolutionary perspective from the scientism of the Second International. However as she came to develop her own position on the collapse of capitalism a different form of dualism came to the fore. Her position was irreconcilably split between on the one hand revolutionary commitment and on the other an objectivist theory of capitalist collapse. Her theory of collapse was founded on a rereading of Marx's schemas12 to show the eventual *impossibility* of the reproduction of capital when their purpose, although they indicate the precariousness of capitalist reproduction, is to show in what conditions it is *possible*. Surprisingly for someone who was committed to mass revolutionary action from below, her theory of capitalist crisis, decline and collapse was based entirely at the level

of circulation and the market, and thus does not involve the proletariat at all. At the level of the schemas everyone is simply a buyer or a seller of commodities, and the workers can thus not be agents of struggle.

Luxemburg's theory of decline is premised on the postulation that capitalism needs external non-capitalist markets to absorb surplus profit and when these are exhausted its collapse is inevitable. This did not mean she was not committed to political combat; she did not suggest we should wait for the collapse, arguing that the proletariat would and had to make the revolution before that. But her position was nonetheless economistic, in that it postulated the collapse of capitalism from purely economic disequilibrium even though it was not economistic, in the sense of say the orthodox Second International theory which relied on those economic forces to bring about socialism. Luxemburg was a revolutionary and she participated in the revolution in Germany, but her conception of the capitalist process was wrong, based as it was on a misunderstanding of the role of Marx's schemas. However she thought that the scientific case had to be proven that capitalism could not expand indefinitely and it is in this imperative we find the key to the vehemence of the 'breakdown controversy'.

The left of the Second International saw those who denied the bankruptcy of capitalism moving towards reformism and they conceded that such a move was natural for "If the capitalist mode of production can ensure boundless expansion of the productive forces of economic progress it is invincible indeed. The most important objective argument in support of a social theory breaks down! Socialist political action and the ideological import of the proletarian class struggle cease to reflect economic events, and socialism no longer appears an historic necessity."13 For those who follow Luxemburg the reason to be revolutionary is because capitalism has an irresolvable crisis due to a purely economic tendency towards breakdown which becomes actualised when its foreign markets are exhausted. Capitalism's collapse and proletarian revolution are seen as essentially separate, and their connection lying only in the idea that the former makes the latter necessary.

While Luxemburg was absolutely committed to revolutionary action, and unlike Lenin was sure that such action had to be the self-action of the proletariat, she dualistically held that what made that action necessary was the fact that capitalism would otherwise collapse into barbarism. In that she was wrong; *capitalism will only collapse through proletarian action*. What needed to

be argued with Bernstein was not that capitalism cannot resolve its problems by its own forms of planning (although it cannot ever permanently resolve its problems because they are rooted in the class struggle), for that only demands a socialist planned economy. What actually needed arguing was that the debate over whether the problems of capitalism could be resolved within capitalism or only by a socialist planned economy was missing the point. These problems are not our problems. Our problem is that of the alienation of not controlling our lives and activity. Even if capitalism could resolve its tendency towards crisis, which it cannot do because such a tendency is an expression of class antagonism, it would not answer our problem with it.

But here's the rub. *The socialist economy as envisaged by Second International marxists was a solution to capitalism's problems, and as such was state capitalism*. The better left social-democrats14 identified socialism with proletarian self-emancipation, but their underlying conflict with the state capitalist position of both the right and centre of the party became displaced on to a conflict with the revisionists over the question of economic collapse. This is not to say that the SDP and the Second International were simply a state capitalist party. They represented millions of workers real aspirations and it

was often workers who had been members of Second International parties that took a lead in communist actions. But ideologically the Second International had state capitalist goals and those who went beyond these such as Luxemburg did so contradictorily. A part of that contradiction is represented in the maintenance of an objectivist theory of decline.

Bernstein attacked Kautsky and the Second International orthodoxy on the inevitability of breakdown and socialist revolution for fatalism and determinism, in favour of social reformism and the abandonment of revolutionary pretensions. But in point of fact the notion of deterministic economic evolution was the perfect counterpart of reformism. The breakdown theory of the Second International implied a fatalistic conception of the end of capitalism, and thus allowed reformism as an alternative to class struggle. The theory of decline/decadence put forward by the revolutionaries was different to that implicitly contained in the Erfurt Program, for in people such as Luxemburg and Lenin the notion of economic collapse gets identified with the end result of a final stage of capitalism - imperialism/monopoly capitalism. In recognising the changes in capitalism they were in a curious way closer to Bernstein than Kautsky; they marked their opposition

to his reformist conclusions by emphasising their commitment to the inevitability of breakdown. It was precisely those changes which Bernstein thought showed capital's resolution of any tendency to collapse, which they saw as expressive of it entering the final stage before its collapse.

The political question of reform or revolution gets bound up with a falsely empirical question of decline. For the left Social-democrats it is seen as essential to insist capitalism is in decay - is approaching its collapse. The meaning of 'marxism' is being inscribed as accepting that capitalism is bankrupt and thus that revolutionary action is necessary. Thus they do engage in revolutionary action, but as we have seen, because the focus is on the objective contradictions of the system with revolutionary subjective action a reaction to it, they do not relate to the true necessary prerequisite of the end of capitalism – *the concrete development of the revolutionary subject*. It seemed to the more revolutionary members of the movement such as Lenin and Luxemburg that a revolutionary position was a position of belief in breakdown while the theory of breakdown had in fact worked to allow a reformist position at the start of the Second International. The point was that the theory of capitalist decline as a theory of capitalism's collapse from

its own objective contradictions involves an essentially contemplative stance before the objectivity of capitalism, while the real requirement for revolution is the breaking of that contemplative attitude. The fundamental problem with the revisionist debate in the Second International is that both sides shared an impoverished conception of the economy as simply the *production of things* when it is also the *production and reproduction of relations* which naturally involves people's consciousness of those relations.15This sort of economism (seeing an economy of things not social relations) tends towards the notion of the autonomous development of the productive forces of society and the neutrality of technology. With the economy seen in the former way, its development and collapse is a technical and quantitative matter. Because the Second International had this naturalistic idea of the meaning of the economic development of capitalism, they could maintain a belief in capitalism's collapse without any commitment to revolutionary practice. Because the left identify breakdown theory as revolutionary, Lenin could be surprised at how Kautsky, who wrote the Erfurt Program version of that theory, could betray the revolutionary cause. When the left fought against the mainstream's complicity with capital they brought the theory of breakdown with them. Thus the radical social democrats

such as Lenin and Luxemburg combine revolutionary practice with a fatalistic theoretical position that has its origins in reformism.

To say that the Second International was guilty of economism, has become a common place. We have to think what it means in order to see whether the Trots and left-communists who might criticise the politics of the Second International have gone beyond its theory. It is our case that they have not, that they retain an impoverished Second Internationalist theory of the capitalist economy and its tendency towards crisis and collapse with political and social struggle promoted by this crisis at the economic level. This fails to grasp that the object we are faced with is the capital-wage labour *relation* i.e. the social relation of class exploitation that occurs right across capitalist society: the areas of reproduction, production, political, ideological are all intertwined moments of that relation and it is reproduced within the individual him or herself.

Radical Social Democracy

It was with the radical social democrats such as Luxemburg, Lenin and Bukharin that the full conception of a decadent epoch of capitalism is arrived at - the notion that at a certain stage - usually around 1914 - capitalism switched into its final declining stage.

Luxemburg's *The Accumulation of Capital* is one source of the theory of decline but most revolutionaries then and now disagreed with her account.16 Other left social democrats such as Bukharin and Lenin founded their theory of imperialism and capitalism's decadent stage on Hilferding's *Finance Capital*. In this work Hilferding linked new features of the capitalist economy - the interpenetration of banks and joint-stock companies, the expansion of credit, restriction of competition through cartels and trusts - with expansionist foreign policy by the nation state. Hilferding, while seeing this stage as the decline of capitalism and transition to socialism, did not think capitalism would necessarily collapse or that its tendency towards war would necessarily be realised, and his politics tended towards reformism. The theories of Bukharin and Lenin produced after 1914 saw imperialism and war as the unavoidable policy of finance capital, they identified this form of capitalism as decisively the decline of the system because of the natural progression of finance capital and monopoly capital to imperialist expansion and war whose only further development had to be proletarian revolution.17

Lenin's *Imperialism*, which has become for his followers the crucial text for the modern epoch, defines the imperialist phase of capitalism 'as capitalism in transition,

or, more precisely, as moribund capitalism.'18 For Lenin, in the capitalist planning of the large companies it is 'evident that we have socialisation of production, and not mere "interlocking"; that private economic and private property relations constitute a shell which is no longer suitable for its contents, a shell which must inevitably decay if its removal is artificially delayed; a shell which may remain in a state of decay for a fairly long period, but which will inevitably be removed.'19 Lenin's text, like Bukharin's *Imperialism and World Economy*, which was a great influence on it, adopts Hilferding's analysis of the 'final stage of capitalism' - monopolies, finance capital, export of capital, formation of international cartels and trusts, territorial division of the world. But whereas Hilferding thought that these developments, particularly the state planning in this stage of 'organised capitalism', were progressive and would allow a peaceful advance to socialism, Lenin thought they showed that capitalism could not develop progressively any further. The continuity between the reformist theory of the Second International and the 'revolutionary' theory of the Bolsheviks in terms of the conception of socialism as capitalist socialisation of production under workers' control is one of the keys to the failings of the left in the Twentieth Century. Hilferding writes:

The tendency of finance capital is to establish social control of production, but it is an antagonistic form of socialization, since the control of social production remains vested in an oligarchy. The struggle to dispossess this oligarchy constitutes the ultimate phase of the class struggle between bourgeoisie and proletariat.

The socializing function of finance capital facilitates enormously the task of overcoming capitalism. Once finance capital has brought the most important branches of production under its control, it is enough for society, through its conscious executive organ - the state conquered by the working class - to seize finance capital in order to gain immediate control of these branches of production... taking possession of six large Berlin banks would mean taking posession of the most important spheres of large-scale industry, and would greatly facilitate the initial phases of socialist policy during the transition period, when capitalist accounting might still prove useful 20

Henryk Grossman, who as we shall see is one of the key theorists of decline, refers to this conception as 'the dream of a banker aspiring for power over industry through credit... the putchism of Auguste Blanqui translated into economics.' 21 Yet compare this with Lenin to whom Grossman feels nearer:

Capitalism has created an accounting *apparatus* in the shape of the banks, syndicates, postal service, consumers' societies, and office employees' unions. *Without big banks socialism would be impossible*.

The big banks are the "state apparatus" which we *need* to bring about socialism, and which we *take ready-made* from capitalism; our task here is merely to *lop-off* what *capitalistically mutilates* this excellent apparatus, to make it *even bigger*, even more democratic, even more comprehensive. Quantity will be transformed into quality. A single State Bank, the biggest of the big.. will be... the *skeleton* of socialist society.'22

Whilst Hilferding thinks this takeover of finance capital can be done gradually, Lenin thinks it requires revolution but *both* identify socialism with the taking over of the forms of capitalist planning, organisation and work.

Imperialism as the stage of monopoly and finance capital was, for Lenin, capitalism's decadent stage. Luxemburg, though with a different analysis, had the similar conclusion that collapse was inevitable. In the internecine debates Leninists accused Luxemburg of a fatalism or spontaneism and of not believing in the class struggle. But although Luxemburg and Lenin differed in their analysis of imperialism their conception of capital's

end was essentially the same - the development of capitalism heads towards the collapse of the system and it is up to revolutionaries to make it socialism and not barbarism. Neither of these thinkers were against class struggle; for both the idea is that the development of capitalism has reached a crisis point, thus now we need to act.

However, behind the similarity between Lenin and Luxemburg on the notion of capital entering its final stage there lay a considerable difference, in that while Luxemburg had to an extent criticised the statist model of socialist transformation held by Social Democracy, Lenin had not. In the arguments within social democracy following the Bolshevik revolution, Leninism was accused of voluntarism and defended as reasserting class struggle. What it was actually about was Lenin's maintaining of an objectivist position on what socialism is: the development of an objective dialectic within the economy combined with a voluntaristic view that it could be built. He rode the class struggle to get there - or more favourably responded to it and was carried forward by it - but when in power he started from above to develop the economy because that was what he identified socialism with. Lenin and the Bolsheviks made a political break from Second International marxism, specifically

from the orthodox stages theory which implied for Russia that there had to be a bourgeois revolution before there could be a proletarian revolution. But this was not a fundamental break from the Second International's economistic theory of the productive forces. Trotsky's theory of the permanent revolution, which the Bolsheviks effectively adopted in 1917, was not premised on a critique of the reifed notion of the development of productive forces held by the Second International, but on an insistence on seeing such development at the level of the world market. The prerequisite for socialism was still seen as the development of the productive forces narrowly considered, it was simply seen that in its decadent highest stage capitalism would not provide that development for Russia.23

The Bolsheviks accepted that Russia needed its productive forces developed and that such development was identical with capitalist modernisation; they voluntaristically chose to develop them socialistically. The nature of combined and uneven development under imperialism meant that because capitalism was failing to develop itself, the Bolsheviks would have to do so. Of course they expected support from a revolution in Western Europe but in the introduction of Taylorism, capitalist specialists etc. we see that the task which the

Bolsheviks identified as socialist was in fact the development of the capitalist economy. These measures were not pushed on them by the pressure of events, they were part of their outlook from the beginning. In the same text from before the October revolution quoted earlier Lenin admits that "we need good organisers of banking and the amalgamation of enterprises" and that it will be necessary to "pay these specialists higher salaries during the transition period." but don't worry he states:

We shall place them, however under comprehensive workers' control and we shall achieve the complete and absolute operation of the rule 'he who does not work, neither shall he eat.' We shall not invent the organisational form of the work, but take it ready-made from capitalism - we shall take over the banks, syndicates, the best factories, experimental stations, academies, and so forth; all that we shall have to do is to borrow the best models furnished by the advanced countries.[24]

While Hilferding had seen the role of state planning in the stage of 'organised capitalism' as the basis for a peaceful transition to socialism, Lenin was convinced of the need to take power. But he was in agreement that capitalist planning was the prototype for socialist planning. *For us revolution is the return of the subject to*

herself, for Lenin it was development of an object . The defence of Lenin is that socialism was not possible in Russia so he waited for revolution in Germany. But his conception of socialism, like that of the Second International from which he never effectively broke, was state capitalism.

Within the Bolshevik and Second International conception the socialisation of the economy under capitalism was seen as neutral and unproblematically positive, with the anarchy of circulation being seen as the problem to be got rid of. But capitalist socialisation is not neutral; it is capitalist and thus in need of transformation. The Bolshevik measures are a direct product of their adherence to the Second International identification of socialism with planning. The notion of decline and decay is seen as evolving from the contradiction between the increasing socialisation of the productive forces - the increasing planning and rationality of production versus the anarchy and irrationality involved in capitalist appropriation through the market - the former is good, the latter bad. The solution implied by this way of conceiving the problem with capitalism is to extend planning to the circulation sphere as well, but both these sides are capitalist - the proletariat does not just take over capitalist control of

the labour process and add control over consumption, it transforms all areas of life - the social regulation of the labour process is not the same as the capitalist regulation.

The economistic position of Second International marxism shared by the Bolsheviks dominated the worker's movement because it reflected a particular class composition - skilled technical and craft workers who identified with the productive process.25 The view that socialism is about the development of the productive forces where they are considered as *economic* is a product of the lack of development of the productive forces considered as *social*26. One could say that at a certain level of development of the productive forces the tendency for a state capitalist/socialist program was dominant and a truly revolutionary communist position harder to develop. The communist project was adopted by many workers but they did not manage to realise it. There is a problem in looking at history with the question whether it was possible for any particular revolution to win. It did not win then. Communism is never possible in the past only from the present to the future. What we can do is look for reasons why the project of communism was not realised then to inform our efforts to realise it now. What happened was a battle of forces in which the

forces of capital increasingly took the form of a state capitalist worker's party. In considering the productive forces as neutral when they are capitalist the Bolsheviks become a capitalist force. In Stalinism the ideology of the productive forces reached new heights of crassness but while it had differences it also had continuity with the ideas of Trotsky and Lenin. The crushing of workers by the German Social Democrats and by the Russian Bolsheviks both expressed the victory of capital through the ideology of state capitalism. This is not to deny that there would be communist development but such a development would be the conscious acts of the freely associated producers and not the 'development of the productive forces', which presumes their separation from the subject.27 It would not, as the Bolshevik modernisation program did, have the same technical-economic content as capitalist development. Communism is not built from above, it can only be the movement of proletarian self-emancipation.

The Heritage of October

The two main proponents of the theory of decadence/decline trace their lineage to this period of war and revolution. And of course there were objective factors supporting the theory - the war was

catastrophic28 and it did appear that capitalism was clapped out. Yet the revolution failed.

The Trotskyist form of Leninism has never made a successful break from the Second International conceptions of what constitutes the crisis of capitalism and thus what socialism should be. While Lenin adopted the theory that capitalism had entered its period of decay, he also insisted that no crisis was necessarily final. Trotsky on the other hand does write of inevitable collapse. His politics after 1917 was dominated by the idea that capitalism was in or approaching a final crisis from which revolution was inevitable. Trotsky's marxism was founded on the theory of the primacy of the productive forces and his understanding of the productive forces was crude and technical, not so very different from Stalin's: "Marxism sets out from the development of technique as the fundamental spring of progress, and constructs the communist program on the dynamic of the productive forces."29 When still part of the Soviet bureaucracy, Trotsky's mechanistic notion of the productive forces led him to justify militarisation of labour and to accuse workers resisting Taylorism of 'Tolstoyian romanticism'. When in exile it led his criticism of the Soviet Union to focus not on the position of the workers, whom he'd always being willing to shoot, but on

its lack of technical development. He states "The strength and stability of regimes are determined in the long run by the relative productivity of their labour. A socialist economy possessing a technique superior to that of capitalism would really be guaranteed in its socialist development for sure - so to speak automatically - a thing which unfortunately it is still impossible to say about the Soviet economy."30 On the other hand there was something that made Russia an advance on decadent capitalism: "The fundamental evil of the capitalist system is not the extravagance of the possessing classes, but the fact that in order to guarantee its right to extravagance the bourgeoisie maintains its private ownership of the means of production, thus condemning the economic system to anarchy and decay." 31

The Soviet Union for Trotsky was progressive because although it had a ruling strata living extravagantly, with planning it had gone beyond capitalist irrationality and decay. It was backward because it lacked technical development. The orthodox Trotskyist defence of the Soviet Union as a degenerated workers state was premised on the model of economic development which sees state control and planning as progress. Because of the change in the relations of production, or what for

Trotsky amounted to the same thing the property relations, the regime was somehow positive.32 This position was the logical expression of the theory that capitalist socialisation is positive, private appropriation negative, thus that if one gets rid of private appropriation - private property - you have socialism, or at least the transition to socialism. One can call it socialism but it is *state capitalism*.

The Falling Rate Of Profit

Trotskyism as a tradition thus betrays its claim to represent what was positive in the revolutionary wave of 1917-21. The importance of the left and council communists is that in their genuine emphasis on proletarian self-emancipation we can identify an important truth of that period against the Leninist representation. However in the wake of the defeat of the proletariat and in their isolation from its struggle, the small groups of left communists began to increasingly base their position on the objective analysis that capitalism was decadent. However there was development. In particular Henryk Grossman offered a meticulously worked out theory of collapse as an alternative to Luxemburg's. Instead of basing the theory of collapse on the exhaustion of non-capitalist markets he founded the theory on the falling rate of profit. Since

then, nearly all orthodox marxist theories of crisis have been based on the falling rate of profit. In his theory, which he argues is Marx's, the tendency for the rate of profit to fall33 leads to a fall in the relative mass of profit which is finally too small to continue accumulation. In Grossman's account capitalist collapse is a purely economic process, inevitable even if the working class remains a mere cog in capital's development. Grossman tries to preempt criticism:

Because I deliberately confine myself to describing only the economic presuppositions of the breakdown of capitalism in this study, let me dispel any suspicion of 'pure economism' from the start. It is unnecessary to waste paper over the connection between economics and politics; that there is a connection is obvious. However, while Marxists have written extensively on the political revolution, they have neglected to deal theoretically with the economic aspect of the question and have failed to appreciate the true content of Marx's theory of breakdown. My sole concern here is to fill in this gap in the marxist tradition.[p 33]34

For the objectivist marxist the connection is obvious, the economic and the political are separate, previous writings on the political are adequate and just need backing up with an economic case. The position of the

follower of Grossman is thus: 1/ We have an understanding of economics that shows capitalism is declining, heading inexorably towards breakdown. 2/This shows the necessity of a political revolution to introduce a new economic order. The theory of politics has an external relation to the economic understanding of capitalism. Orthodox theories of capitalist crisis accept the reduction of working class activity to an activity of capital. The only action against capital is a political attack on the system which is seen to happen only when the system breaks down. Grossman's theory represents one of the most comprehensive attempts to declare Marx's *Capital* a complete *economics* providing the blueprint of capitalist collapse. He insists that "economic Marxism, as it has been bequeathed to us, is neither a *fragment* nor a *torso*, but represents in the main a fully elaborated system, that is, one without flaws."35 This insistence on seeing Marx's *Capital* as being a complete work providing the proof of capitalism's decay and collapse is an essential feature of the worldview of the objectivist marxists. It means that the connection between politics and economics is obviously an external one. This is wrong; the connection is internal but to grasp this requires the recognition that *Capital* is incomplete and that the completion of its project requires an understanding of the political economy of the working

class not just that of capital. But Grossman has categorically denied the possibility of this by his insistence that Capital is essentially a complete work.

Pannekoek

While left-communists maintained the classical general identification of decadence with the imperialist stage of capitalism, Grossman's more abstract theory rooted in the falling rate of profit tendency in *Capital* was enthusiastically adopted by many council communists, most prominently Mattick. Against this trend Pannekoek made an important critique. In *The Theory of the Collapse of Capitalism*[36] Reprinted in *Capital and Class*, 1, 1977 and can be found online here. Pannekoek, apart from showing how Grossman distorts Marx by selective quotation, develops some arguments that point beyond objectivist marxism. Although in his own way still a believer in the decline of capitalism, Pannekoek starts to make an essential attack on the separation of economics from politics and struggle: "Economics, as the totality of men working and striving to satisfy their subsistence needs, and politics (in its widest sense), as the action and struggle of these men as classes to satisfy their needs, form a single unified domain of law-governed development." Pannekoek thereby insists that the collapse of capitalism is inseparable from the action of

the proletariat in a social and political revolution. The dualism involved in seeing the breakdown of capitalism as quite separate from the development of revolutionary subjectivity in the proletariat means that while the working class is seen as necessary to provide the force of the revolution, there is no guarantee that they will be able to create a new order afterwards. Thus "a revolutionary group a party with socialist aims, would have to appear as a new governing power in place of the old in order to introduce some kind of planned economy. The theory of economic catastrophe is thus ready made for intellectuals who recognise the untenable character of capitalism and who want a planned economy to be built by capable economists and leaders." Pannekoek also notes something that we see repeated today37; the attraction of Grossman's theory or other such theories of breakdown at times in which there is a lack of revolutionary activity. There is a temptation for those who identify themselves as revolutionaries to:

wish on the stupefied masses a good economic catastrophe so that they finally come out of the slumber and enter into action. The theory according to which capitalism has today entered its final crisis also provides a decisive, and simple, refutation of reformism and all Party programs which give priority to parliamentary work

and trade union action - a demonstration of the necessity of revolutionary tactics which is so convenient that it must be greeted sympathetically by revolutionary groups. But the struggle is never so simple or convenient, not even the theoretical struggle for reasons and proofs.[p 80]

But, as Pannekoek continues, opposition to reformist tactics should not be based on a theory of the nature of the epoch but on the practical effects of those tactics. It is not necessary to believe in a final crisis to justify a revolutionary position; capitalism goes from crisis to crisis and the proletariat learns through its struggles. "In this process the destruction of capitalism is achieved. *The self-emancipation of the proletariat is the collapse of capitalism.*"[p 81, our emphasis] In this attempt to internally link the theory of capitalism's limits with the movement of the proletariat Pannekoek made an essential move. How to grasp this linkage requires further work.

Fourth International and Left-Communism: Flipsides of the Objectivist Coin

While the small bands of left and council communists mostly adopted a theory of decadence the other claimant to the mantle of continuer of the marxist tradition -Trotskyism - was also making it central to their

position. At the foundation of the Fourth International they adopted Trotsky's transitional program *The Death Agony of Capitalism and the Tasks of the 4th International*. In this text the mechanistic conception of the capitalist economy and its decline which had previously justified the position of the bureaucracy, now meant that attempts by Stalinists "to hold back the wheel of history will demonstrate more clearly to the masses that the crisis in mankind's culture, can be resolved only by the Fourth International. [...] The problem of the sections of the Fourth International is to help the proletarian vanguard understand the general character and tempo of our epoch and to fructify in time the struggle of the masses with ever more resolute and militant organisational measures."38 It might seem churlish to accuse the Trots over something written 50 years ago at a time of depression and impending war when it seemed more reasonable. Moreover, while it is the case that the orthodox trots will hold to every word, in Britain at least, revisionism is the order of the Trotskyist day. However the revisionist SWP and more revisionist RCP still hold to the essential thesis of decline induced crisis and the need for leadership. Trotsky's writings are marked by a rigid dichotomy between the objective conditions that is the state of the economy and the subjective, namely the existence or non-existence of

the party. Capitalist crisis is an objective process of the economy and the decadence of capitalism will make that crisis severe enough to create an audience for the party which supplies the working class with the needed subjective element of consciousness and leadership. This conception of the relation between objectivity and subjectivity has to be contested.

What we are saying is *not* that proponents of decadence or decline do not believe in revolution - they quite manifestly do. (The theory of decline is not a theory of automatic breakdown. Most of its proponents recognise that capital can generally gain temporary escape if the working class let it, but it is a theory which sees an inevitable tendency to breakdown coming from capital's own development and which sees the subjective problem as bringing consciousness into line with the facts). Our criticism is that their theory contemplates the development of capitalism, the practical consequences of which being the fact that the trots move after anything that moves in order to recruit for the final showdown while the left communists stand aloof waiting for the pure example of revolutionary action by the workers. Behind this apparent opposition in ways of relating to struggle, they share a conception of capitalism's collapse which means that they do not learn from the real

movement. Although there is a tendency to slip into pronouncements that socialism is inevitable, in general for the decadence theorists it is that socialism will not come inevitably - we should not all go off to the pub - but capitalism will breakdown. This theory can then accompany the Leninist building of an organisation in the present or else, as with Mattick, it may await that moment of collapse when it becomes possible to create a proper revolutionary organisation. The theory of decay and the Crisis is upheld and understood by the party, the proletariat must put itself behind its banner. That is to say 'we understand History, follow our banner'. The theory of decline fits comfortably with the Leninist theory of consciousness, which of course took much from Kautsky who ended his commentary on the Erfurt Program with the prediction that the middle classes would stream "into the Socialist Party and hand in hand with the irresistibly advancing proletariat, follow its banner to victory and triumph."[39]

After the Second World War both the Trotskyists and Left-communists emerged committed to the view that capitalism was decadent and on the edge of collapse. Looking at the period that had just passed the theory was did not appear too unrealistic - the 1929 crash had been followed by depression through most of the thirties and

then by another catastrophic war. Capitalism if not dying had looked pretty ill. Apart from their similar theories of decline both currents claimed to represent the true revolutionary tradition against the Stalinist falsification. Now, while we might say the left and council communists upheld some important truths of the experience of 1917-21 against the Leninist version upheld by the Trots, the objectivist economics and mechanical theory of crisis and collapse which they shared with the Leninists made them incapable of responding to the new situation characterised as it was by the long boom. *The revolutionaries of the next period would have to go beyond the positions of the last.*

After the Second World war capitalism entered one of its most sustained periods of expansion with growth rates not only greater than the interwar period but even greater than those of the great boom of classical capitalism which had caused the breakdown controversy in the Second International. A crisis ensued within Trotskyism because their guru had categorically taken the onset of the war as confirmation that capitalism was in its death throws and had confidently predicted that the war would herald both the collapse of capitalism and proletarian revolution to set up workers states in the West and to sort out the bureaucratic deformations in

the East.40 Trotsky had closely identified his version of marxism with the perception of capitalist bankruptcy and had written that if capitalism did recover sustained growth and if the Soviet union did not return to its true path then it would have to be said that "the socialist program , based on the internal contradictions of capitalist society ended as a Utopia."41 The tendency of orthodox Trotskyist groups from then on was to deny the facts and constantly preach that crisis was imminent.42

The fragments of left-communism were not so limited by identification with one leader's analysis (moreover many of their theorists were still alive). However, they like the Trots tended to see the post war expansion of capital as a short lived reconstructive boom. Essentially all these representatives of the theory of the post-WW1 proletarian offensive could offer was the basic position that capitalism had not resolved its contradictions - it just appeared to have done so. The basic thesis was right of course - capitalism had not resolved its contradictions - but these contradictions were expressing themselves in ways not grasped by the mechanistic theory of decline and collapse because it did not fully grasp the contradictions. The problem of how to relate to these contradictions in the post-war boom with its pattern in the advanced countries of social democratic politics,

Keynesian economics, 'Fordist' mass production and mass consumerism, was the problem facing revolutionaries of this period.

When struggles started breaking out the new generation of radicals were antagonistic to the rigid schematic account of capital's crisis held by the old left. While the left-communist sects accepted this stoically many of the Trot groupings opportunistically followed the concerns of the New Left but only to grab recruits into their organisations who could then be persuaded of the doctrine of economic collapse. There were a number of groups - Socialism or Barbarism, the Situationist International, the autonomists - who attempted to escape the rigidities of the old workers movement and to re-develop revolutionary theory. In the second part of the article we will now look at some of the most important of them as well as at attempts to reassert a revised version of the theory. Some of the questions asked and the answers to which are important for us were: *What form was the struggle taking in these new conditions? What was the meaning of communism? How was revolution to be reinvented?*

- 1. A reformist conception that development towards socialism is an inevitable process witnessed in the steady increase in the socialisation of the productive

forces and the growth of the welfare state has also been widespread. The emphasis of this article will be on those who see capitalist decline as part of the revolutionary project.

- 2. Here Marx writes, "the guiding principle of my studies can be summarised as follows. In the social production of their existence, men inevitably enter into definite relations which are independent of their will, namely relations of production appropriate to a given stage of development of their material forces of production…At a certain stage of development, the material productive forces of society come into conflict with the existing relations of production or - this merely expresses the same thing in legal terms - with the property relations within the framework of which they have operated hitherto. From forms of development of the productive forces these relations turn into their fetters. Then begins an era of social revolution…No social order is ever destroyed before all the productive forces for which it is sufficient have been developed, and new superior relations of production never replace older ones before the material conditions for their existence have matured within the framework of the old society…In broad outline, the Asiatic, ancient, feudal and modern bourgeois

modes of production may be designated as epochs marking progress in the economic development of society." *Preface to the Contribution to a Critique of Political Economy*, p. 20-21

- 3. ICC pamphlet, The Decadence of Capitalism.
- 4. *The Death Agony of Capitalism and the Tasks of the Forth International* (1938), reprinted 1988 by the Workers Revolutionary Party who state that "its message is more relevant than ever".
- 5. Karl Kautsky, *The Class Struggle* [Erfurt Program], (Norton Company, 1971). The Erfurt program was the official statement of the politics of the Social-Democratic Party from 1891 until after the First World War.
- 6. Our task is to contribute to the revolutionary theory of the proletariat which neither orthodox Marxism nor anarchism represents. But the Marxist strand of the historical worker's movement has developed the most important ideas we need to address.
- 7. Of course if Bakunin hadn't given Freilgrath his copy of Hegel's *Logic* who then lent it to Marx then Marx might not have arrived at such a total understanding of capitalism!
- 8. *Capital* Vol. III, p. 570.

- 9. The view that *Capital* was a complete work providing a full prescription for the end of capitalism was a position adopted by disciples but not by Marx himself. Kautsky once asked Marx when he would produce his completed works. Marx replied "they would first have to be written".
- 10. Kautsky denied Marxism contained a theory of breakdown but he defended one nonetheless.
- 11. *Reform or Revolution*, p. 40.
- 12. Marx's schemas of reproduction in Vol.II of *Capital* identify certain proportions that must exist between the production of means of production and means of subsistence if capitalist reproduction is to take place.
- 13. *Accumulation of Capital*, p. 325.
- 14. Lenin was not particularly on the left. He was a good Second International Marxist working in Russian conditions who saw Kautsky as a betrayer of the proper social democratic (hence state-capitalist) position.
- 15. See Colletti, 'Bernstein and the Marxism of the Second International' in *From Rousseau to Lenin*.
- 16. Except the ICC.
- 17. Lenin suggests it is not enough for the proletariat to react subjectively to the war, the war itself must prepare the objective grounds for socialism: "The

dialectics of history is such that the war, by extraordinarily expediting the transformation of monopoly capitalism into state-monopoly capitalism, has thereby extraordinarily advanced mankind towards socialism. Imperialist war is the eve of social revolution. And this is not only because the horrors of war give rise to proletarian revolt - no revolt can bring about socialism unless the economic conditions for socialism are ripe - but because state-monopoly capitalism is a complete material preparation for socialism, the threshold of socialism, a rung on the ladder of history between which and the rung called socialism there are no intermediate rungs." 'Impending Catastrophe and How to Avoid It', Lenin, *Collected Works*, 25, p. 359.

- 18. Lenin, *Imperialism: The Highest Stage of Capitalism* (Progress Publishers, 1982), p. 119.
- 19. Ibid., p. 119-20.
- 20. Hilferding, *Finance Capital*, pp. 367-368.
- 21. Grossman, *The Law of Accumulation and the Breakdown of the Capitalist System: Being also a Theory of Crises*, p. 52.
- 22. Lenin, 'Can the Bolsheviks Retain State Power?', *CW*, 26, p. 110.
- 23. Is there mileage in the Situationist criticism that Trotsky's was a theory of 'limited permanent

revolution' while what is needed is a 'generalised theory of permanent revolution'. *Situationist International Anthology* p. 65.

- 24. Lenin, op. cit.
- 25. See Bologna, 'Class Composition and the Theory of the Party at the Origins of the Workers' Councils Movement' in *Telos*, 13, (Fall) 1972.
- 26. This is why Marx's statement that the greatest productive force is the revolutionary class itself, is so important.
- 27. As Marx remarks in the *Grundrisse* productive forces and relations are but two sides of the social individual.
- 28. The word decadent does seem apt for a system that flings millions to their deaths but this would be to slip into a moral use of the term that the proponents of the theory would be the first to reject.
- 29. *Revolution Betrayed*, p. 45.
- 30. *Revolution Betrayed*, pp. 47-48.
- 31. *Revolution Betrayed*, p. 19.
- 32. The only Trotskyist grouping to adhere to a state-capitalist theory of the Soviet Union has done the theory much discredit by continuing to uphold a state-capitalist program i.e. a Second International idea of socialism. In part II we will consider whether

the revisionism of the neo-Trotskyist SWP (International Socialists) amounts to a sufficient break.

- 33. Capitalists gain profit by making workers work longer than necessary to replace the value of their wage. The rate of exploitation is then the ratio between the surplus labour workers are forced to perform and the necessary labour, i.e. that which represents their wages. In value terms this can be expressed as surplus value/variable capital (wages) or s/v. However the workers also maintain the value of the machinery and materials going into production at the same time as they are creating new value. The value of their product can then be divided into a portion representing constant capital such as machinery and materials - c, an equivalent of their necessary labour - v, and surplus value - s. Capital's tendency is to increase the organic composition of capital - increase c relative to v. As the capitalists rate of profit is s/(c+v), if c increases the rate of profit falls. This is of course only at the level of a tendency and the interplay with counteracting tendencies (such as an increase in exploitation and devaluation of fixed capital) needs to be considered. At an abstract level this tendency can be said to exist but whether an inexorable

process of capitalist decline can be said to develop from it is precisely the point of argument.

- 34. *The Law of Accumulation and Breakdown of the Capitalist System: Being also a Theory of Crises.*
- 35. H. Grossman, 'Die Anderung des Ursprunglischen Aufbauplans des Marxschen 'Kapitals' und ihre Ursachen' quoted in *Rubel on Karl Marx*, p. 151.
- 36.
- 37. Grossman's book has just been translated into English with an introduction by an RCP member.
- 38. *The Death Agony of Capitalism and the Tasks of the Forth International*, pp. 11 and 23.
- 39. *The Class Struggle*, p. 217.
- 40. "The war will last until it exhausts all the resources of civilization or until it breaks its head on the revolution". *Writings 1939-40*, p. 151. He was also certain that the Stalinist oligarchy would be overthrown as a result of the war. Trying to deal with this particular contradiction of their master's thought with reality led the American SWP to claim in November 1945 that he was right, only the second World War had not ended!
- 41. *In Defence of Marxism*, p. 9.
- 42. The SWP likes to claim that with its theory of the permanent arms economy it escaped the imminent crisis problematic of orthodox Trotskyism. In actual

fact the Permanent Arms Economy theory was originally introduced as a stopgap to explain the temporary delay to the arrival of the big slump. As the slump continually failed to arrive the SWP then called the Socialist Review Group gradually elaborated the notion into a full scale theory.

Decadence: The Theory of Decline or the Decline of Theory? Part 2

In the second instalment of this, our radical soap-opera of theoretical controversy, we critically examine three important revolutionary currents that went beyond the objectivism of orthodox Marxism - Socialism or Barbarism, the Situationist International, and the Italian autonomist current, as well as attempts to reassert the orthodox line.

Part Two

The subject of this article is the theory that capitalism is in decline or decay. This characterisation of 'the epoch' is associated with the schema that capitalism's youth was the period of mercantile capitalism that lasted from the end of feudalism until the middle of the nineteenth century, its mature healthy period was the laissez faire liberal period in the second half of the nineteenth century, and that its entry into the period of imperialism and monopoly capitalism with its forms of socialisation and planning of production marks the start of the transitional epoch towards post capitalist society.

In Part I we looked at how this idea of the decline or decadence of capitalism has its roots in Second

International Marxism and was maintained by the two claimants to the mantle of true continuers of the 'classical Marxist tradition' - Trotskyist Leninism and Left or Council communism. Both these traditions claimed to uphold proper Marxism against the reformist Marxists who had ended up defending capitalism. We suggested that a root of the practical failure of the Second International was that theoretically 'classical Marxism' had lost the revolutionary aspect of Marx's critique of political economy and had become an objectivist ideology of the productive forces. The idea of the decline of capitalism upheld by these traditions is the sharpest expression of their failure to break from objectivist Marxism. After the Second World War, while Trotskyism and Left-communism maintained their position despite the counter evidence of the greatest boom in capitalist history, a number of revolutionaries attempted to develop revolutionary theory for the new conditions, and it is to these currents that we now turn.

We will look at three groups which broke from orthodoxy - Socialism or Barbarism, the Situationist International and the Italian workerist/autonomist current. We will also consider the re-assertion of the theory of decline and the rejection of decline within objectivism.

1. The break with orthodoxy

i) Socialism or Barbarism

Socialism or Barbarism(S or B), whose principle theorist was Castoriadis (aka Cardan or Chalieu), was a small French group that broke from orthodox Trotskyism. It had a considerable influence on later revolutionaries. In Britain the Solidarity group popularised its ideas through pamphlets that still circulate as the most accessible sophisticated critique of Leninism.

Undoubtedly one of the best aspects of S or B was its focus on new forms of workers' autonomous struggle outside their official organisations and against their leaders.1 S or B, though small, both had a presence in factories and recognised proletarian struggles beyond the point of production.

Part of what allowed S or B to get down to this theorisation and participation in the real forms of workers struggles was a rejection of the reified categories of orthodox Marxism. In *]Modern Capitalism and Revolution* Cardan summed up this objectivism as the view that "a society could never disappear until it had exhausted all its possibilities of economic expansion; moreover the 'development of the productive forces' would increase the 'objective contradictions' of capitalist

economy. It would produce crises - and these would bring about temporary or permanent collapses of the whole system."2 Cardan rejects the idea that the laws of capital simply act upon the capitalists and workers. As he says "In this 'traditional' conception the recurrent and deepening crises of the system are determined by the 'immanent laws' of the system. Events and crises are really independent of the actions of men and classes. Men cannot modify the operation of these laws. They can only intervene to abolish the system as a whole."3 S or B took the view that capitalism had, by state spending and Keynesian demand management, resolved its tendency to crisis leaving only a softened business cycle. Cardan's attack on orthodox Marxism's adherence to a Nineteenth century crisis theory in mid-Twentieth century conditions had bite. Conditions had changed - in the post war boom capitalism was managing its crises.

But rather than take this position as undermining the objective basis for revolutionary change S or B affirmed a different way of conceiving the relation of capitalist development and class struggle. As Cardan puts it, the "*real dynamic of capitalist society* [is] *the dynamic of the class struggle*." Class struggle is taken by this to mean not just the constantly awaited date of revolution, but the day to day struggle. In this turn by S or B within their

theory of capitalism to the everyday reality of class struggle and their attempt to theorise the new movements outside of official channels we see the turn from the perspective of capital to the perspective of the working class. In the mechanical theory of decline and collapse the orthodox Marxists were dominated by capital's perspective, and such a perspective affects ones politics as well. The rejection of the crisis theory was for S or B the rejection of a concomitant politics for as Cardan points out, the objectivist theory of crisis holds that workers' own experience of their position in society makes them merely suffer the contradictions of capital without an understanding them. Such an understanding can only come from a 'theoretical' knowledge of capital's economic 'laws'. Thus for the Marxist theoreticians workers:

Driven forward by their revolt against poverty, but incapable of leading themselves (since their limited experience cannot give them a privileged viewpoint of social reality as a whole) ... can only constitute an infantry at the disposal of a general staff of revolutionary generals. These specialists know (from knowledge to which the workers as such have no access) what it is precisely that does not work in modern society...4

In other words the economics involved in the theory of capitalist decadence goes hand in hand with the vanguardist 'consciousness from outside' politics of *What Is To Be Done*.

In the attempt to recreate a revolutionary politics S or B rightly rejected the orthodox conception that the link between objective conditions and subjective revolution was that the crisis would get worse and worse forcing the proletariat to act, with the Party (through its understanding of 'the Crisis') providing leadership. Indeed, in the absence of crisis but with the presence of struggle, the rejection of the traditional model was a help rather than a hindrance. At their best S or B turned to the real process of class struggle, a struggle that was more and more against the very form of capitalist work. As they put it:

The humanity of the wage worker is less and less threatened by an economic misery challenging his very physical existence. It is more and more attacked by the nature and conditions of modern work, by the oppression and alienation the worker undergoes in production. In this field there can be no lasting reform. Employers may raise wages by 3% per annum but they cannot reduce alienation by 3% per annum.5

Cardan attacked the view that capitalism, its crises and its decline, was driven by the contradiction of the productive forces and private appropriation. In place of this he argued that in the new phase of 'bureaucratic capitalism' the fundamental division was that between order-givers and order- takers, and the fundamental contradiction was that between the order-givers' need to deny decision-making power to the order-takers and simultaneously to rely on their participation and initiative for the system to function. In place of the notion of crises of capitalism on the economic level Cardan argued that bureaucratic capitalism was subject only to passing crises of the organisation of social life. While the notion of a universal tendency towards bureaucratic capitalism with the crucial distinction being between order-givers and takers seemed useful in identifying the continuity between Eastern and Western systems - in both situations proletarians don't control their lives and are ordered about - such a distinction fails to grasp that what makes capitalism distinct from other class societies is that the order givers have that position only because of their relation to capital, which in its various forms - money, means of production, commodity - is the self-expansion of alienated labour. The tendency towards bureaucracy does not replace the laws of capitalism, particularly the fetishism of social relations, rather it

expresses them at a higher level. The return of crises in the early seventies showed that what Cardan termed bureaucratic capitalism was not a once and for all transformation of capitalism that abolished economic crises but one particular form of capitalism in which crises tendencies were temporarily being controlled.

Cardan and S or B thought they had superseded Marx in identifying as the 'fundamental contradiction' of capitalism that between capital's need to "pursue its objectives by methods which constantly defeat these same objectives", namely that capitalism must take the participative power away from workers which it actually needs. In actual fact this contradiction, far from being an improvement on Marx, is but one expression of the fundamental ontological inversion Marx recognised at the root of capitalism - the process where people become objectts and their objects - commodities, money, capital - become subject. Of course capital has to rely on our participation and initiative because it has none of its own. Capital's objectivity and subjectivity is our alienated subjectivity. While the ideology that flows from capital's social relations is that we need it - we need money, we need work - the other side is that it is totally dependent on us. S or B's 'fundamental contradiction' does not grasp the full radicality of Marx's critique of

alienation. In other words they presented as an innovation what was actually an impoverishment of Marx's critique. We can however understand that their theory was a reaction to a Marxism, whether Stalinist or Trotskyist, that had lost the fundamental importance of Marx's critique of alienation and become an ideology of the productive forces, a capitalist ideology.

Moreover, in not really grasping the root of what was wrong with orthodox Marxism S or B allowed some of its problems to reassert themselves within their own ideology. One could say that, in their identification of the order giver's reliance on workers control of the production process and their councilist wage labour based program,6 S or B showed the extent to which it remained stuck in the councilist perspective that some of its concrete studies of workers' resistance should have moved it away from - i.e. the perspective of the skilled technical worker. The perspective and struggles that were to bring the post-war boom to a crashing end were those of the mass worker. Whereas the radical perspective of the skilled worker, because s/he understood the whole productive process, tended towards the notion of workers control whereby the capitalist parasite could be dispensed with, the struggles of the Taylorised mass worker tended towards a

rejection of the whole alienated labour process - the refusal of work.

Perhaps the most interesting thing about Cardan's critique of Marx and Marxism is what it identified in *Capital* as the root of orthodox Marxism's sterility. What's wrong with Marx's *Capital* for Cardan:

is its methodology. Marx's theory of wages and its corollary the theory of the increasing rate of exploitation, begin from a postulate: that the worker is completely 'reified' (reduced to an object) by capitalism.7 Marx's theory of crises starts from a basically analogous postulate: that men and classes (in this case the capitalist class) can do nothing about the functioning of their economy. Both these postulates are false... Both are necessary for political economy to become a 'science' governed by 'laws' similar to those of genetics or astronomy...It is as objects that both workers and capitalists appear on the pages of *Capital*. ...Marx who discovered and ceaselessly propagated the idea of the crucial role of the class struggle in history, wrote a monumental work ('*Capital*') from which the class struggle is virtually absent!8

Cardan has recognised something crucial - the relative marginalisation of class struggle by the very method

adopted by Marx in *Capital*. It is this closure of the issue of class struggle and proletarian subjectivity in *Capital* that is the theoretical basis of the objectivist theory of decline. Cardan's reaction is to abandon *Capital*. Similarly Cardan makes a central point of his attack on the tendency of the rate of profit to fall an assertion that Marx believed that the real standard of living and wages of the working class is constant over time.9 However this is not the case. *Capital* holds this as a provisional hypothesis - part of the provisional closure of subjectivity in *Capital*. Marx was always aware that what counts as the necessary means of subsistence is a point of struggle between the combatants but in *Capital* he holds it constant expecting to deal with it in the 'Book on Wage Labour',10 a book that was never written. Thus the value of labour power is dealt with in *Capital* only from the point of view of capital because here Marx was essentially concerned with showing how capitalism was possible. For capitalism to exist it must reify the worker, yet for the worker to exist and to raise the level of her needs she must struggle against this reification. In *Capital* Marx presented the proletariat with an account of how capitalism operated. Such an account is one part of the project of overthrowing capitalism but only a part. The problem with objectivist Marxism is that it has taken *Capital* as complete. Thus it takes the provisional closure

as final. Cardan's criticisms grasp an important one-sidedness to *Capital*, and it is the failure to recognise that one-sidedness that leads to the one-sidedness of orthodox Marxism.11

However understandable in the context of the post war boom, Cardan and S or B's rejection of the theory of crisis and later of Marx was an overreaction that itself became dogmatic. Cardan and many other S or B theorists like Lyotard and Lefort became academic recuperators. While adopting Cardan's ideas gave revolutionaries an edge on the Leninists in the fifties and sixties, when crisis returned in the seventies those who continued to follow him ironically showed the same dogmatism in denying crisis in the face of its obvious reappearance as the old lefties had in insisting on it during its absence. What one might say is that although the substance of the theory of S or B was wrong, the importance of the group was not their alternative theory of capitalism nor the later ravings of Cardan but rather the way their critique of orthodox Marxism pointed the way for later revolutionaries. S or B pointed towards a rediscovery of the revolutionary spirit in Marx, which is nothing more than an openness to the real movement happening before our eyes.

ii) Situationist International

One of the most important parts of S or B's analysis was their recognition that workers were struggling against alienation in the factory and outside. The situationists developed the critique of the modern forms of alienation to a new peak, subjecting the capitalist order of things to a total critique. Rather than saying revolution depended on the capitalist crisis reducing the proletariat to absolute poverty the situationists argued that the proletariat would revolt against its materially-enriched poverty. Against the capitalist reality of alienated production and alienated consumption the situationists put forward a notion of what is beyond capitalism12 as the possibility of every individual participating fully in the continuous, conscious and deliberate transformation of every aspect and moment of our lives. The refusal of the separation of the political and the personal - rejection of the sacrificial politics of the militant and thus the critique of objectivist Marxism in a lived unity of theory and practice, objectivity and subjectivity, was one major contribution of the Situationist International(S.I.). In fact one could say that in recognising that revolution had to involve every aspect of our activity and not just the changing of the relations of production the situationists reinvented revolution, which Leninism had wrongly

identified with the seizure of the state and continuation of an economically determined society.

While S or B fetishised their rejection of Marx the situationists recovered his revolutionary spirit.13 The chapter of Debord's *Society of The Spectacle* - 'The Proletariat as Subject and as Representation', is an acute study of the history of the workers' movement. In terms of the question of crisis and decline14 one of the most important of Debord's points is his criticism of the attempt to ground the proletarian revolution on past changes in modes of production. The discontinuity between the tasks and nature of the bourgeois and proletarian revolutions is crucial. The proletarian aim in revolution is not the wielding of the productive forces more efficiently; the proletariat abolishes their separation and thus abolishes itself as well. The end of capitalism and proletarian revolution is different to all previous changes so we cannot base our revolution on past ones. For a start there is only really one model - the bourgeois revolution - and our revolution must be different in two fundamental ways: the bourgeoisie could build up their power in the economy first, the proletariat cannot; they could use the state, the proletariat cannot.15

These points are crucial to an understanding of our task. The bourgeoisie only had to affirm itself in its revolution, the proletariat has to negate itself in its. Of course orthodox Marxists will admit there is something different about the proletarian revolution but they do not think through its implications seriously. In the notion of the decline of capitalism the analogy is made to previous systems in which the old order runs out of steam and the new one has grown ready to take over with a simple capture of political power to accompany economic power. But the only change between modes of production that corresponds to this was the transition from feudalism to capitalism, and the transition from capitalism to socialism/communism must be different because it involves a complete rupture with the whole political/economic order. The state cannot be used in this process because by its nature the state is an organ to impose unity on a society riven economically while the proletarian revolution destroys those divisions.16

Part of what led orthodox Marxists to the notion of socialism as something constructed through the use of the state is their bewitchment by Marx's 'Critique of Political Economy', through which they become political economists. Now while Marx's work was not political

economy but its critique it had elements that allowed this attenuation of the project. As Debord writes:

The deterministic-scientific facet in Marx's thought was precisely the gap through which the process of 'ideologization' penetrated, during his own lifetime, into the theoretical heritage left to the workers movement. The arrival of the historical subject continues to be postponed, and it is economics, the historical science par excellence, which tends increasingly to guarantee the necessity of its future negation. But what is pushed out of the field of theoretical vision in this manner is revolutionary practice, the only truth of this negation.[17]

What this describes is the loss of the centrality of 'critique' in the assimilation of *Capital* by the 'classical Marxist' tradition. In losing the importance of this fundamental aspect to Marx's project their work descends into 'Marxist political economy'. As we mentioned in relation to Cardan a theoretical root of objectivist Marxism is the taking of the methodological limitations of *Capital* as final limitations in how to conceive of the move beyond capitalism.

However if the problem of the objectivists was how they took *Capital* as the basis for a linear model of crisis and decline, a problem with the situationists was the extent

to which they reacted to this misuse of the Critique of Political Economy by hardly using it at all. For the situationists the critique of political economy becomes summed up as the 'rule of the commodity'. The commodity is understood as a complex social form affecting all areas of life but its complexities are not really addressed. The complexities and mediations of the commodity form - that is the rest of *Capital* - are worth coming to terms with. The commodity is the unity and contradiction of use value and value. The rest of *Capital* is the unfolding of this contradiction at ever higher levels of concreteness. This methodological presentation is possible because the beginning is also a result. The commodity as the beginning of *Capital* is already the result of the capitalist mode of production as a totality, is thus impregnated with surplus value and an expression of class antagonism. In other words the commodity *in a sense* contains the whole of capitalism within it. More than that the commodity expresses the fact that class domination takes the form of domination by quasi-natural things. That the situationist critique could have the power it does is based on the fact that 'the commodity' does sum up the capitalist mode of production in its most immediate social form of appearance. However, particularly with regards to

questions like that of crisis, the mediations of that form need to be addressed.

Instead of rejecting *Capital* (or ignoring it) what should be emphasised is its incompletion, that it is only one part of an overall project of 'capitalism and its overthrow', in which the self-activity of the working class has the crucial role. What the work of the situationists did, in their re-emphasis on the active role of the subject, was to pose 'the only truth of this negation'. To emphasise this, against all the scientific Marxists, the Althussarians, the Leninists etc., was right. In a fundamental sense it is always right. Orthodox Marxism, lost in political economy, had lost the real meaning of revolutionary practice. The situationists regained this crucial element in Marx by preferring the earlier writings and first chapter of *Capital*. The ideas of the situationists, which were a theoretical expression of the re-discovery of revolutionary subjectivity by the proletariat, inspired many in '68 and since then. They are an essential reference point for us today. But this re-assertion of the subject in theory and in practice did not defeat the enemy at that time - instead it plunged capital into crisis.

In the new period opened up by the proletarian offensive in the late sixties and seventies an understanding of the crisis - including its 'economic' dimension - would once

again need to be a crucial element of proletarian theory. But the situationists had essentially adopted Socialism or Barbarism's position that capitalism had resolved its tendency towards economic crisis.18 Debord's critique of the bourgeois outlook lying behind the scientific pretensions of the upholders of crisis theory had its truth, but he was wrong to dismiss the notion of crisis completely. In *The Veritable Split*, Debord and Sanguinetti at least admit the return of crisis saying that "Even the old form of the simple *economic crisis*, which the system had succeeded in overcoming... reappears as a possibility of the near future."19

This is better than Cardan's attempt even in his '74 intro to another edition of *Modern Capitalism and Revolution* to deny the substantial reality of the economic crisis.20 Cardan even accepts the bourgeois belief that it is all an accident caused by the oil shock. But whilst Debord and Sanguinetti's position in admitting the return of crisis is better, we see no attempt by situationists to really come to terms with that return. As *The Veritable Split* opens "The Situationist International imposed itself in a moment of universal history as the thought *of the collapse of a world*; a collapse which has now begun before our eyes."21 In fact *The Veritable Split* is generally characterised by the notion that capitalism's final crisis

has arrived - though that crisis is seen as a revolutionary one.

In *The Veritable Split* the description of the period opened up by May '68 as one of a general crisis is basically correct, however it was also inadequate. Although in the wake of May '68, the Italian Hot Autumn etc. to judge the epoch thus is perhaps forgivable what was needed was a real attempt to come to terms with the crisis. That would have required some grasp of the interaction of the rebelling subject and the 'objective' economy, and that would have required a look at the rest of *Capital*.

2. Return of the Objectivists

When economic crisis did return with a vengeance in the early seventies the defenders of the traditional Marxist notion that capitalism was in terminal decline seemed vindicated.22 As well as thinkers of the old left like Mandel for Trotskyism and Mattick for the council communists new figures like Cugoy, Yaffe and Kidron23 emerged to champion their version of the proper Marxist theory of crisis. The political movements connected with such analyses also experienced a growth. There was major disagreement between the theories produced, but what most shared was the perspective that the return of

crisis was to be explained solely within the laws of motion of capitalism as explained by Marx in *Capital*.The question was which laws and which crisis tendency was to be emphasised from Marx's scattered references.

i) Mandel and Mattick

Mandel and Mattick, as the father figures, offered influential alternatives. Mattick essentially had kept Grossman's theory of collapse alive through the period of the post-war boom. That is, he offered a theory of capital mechanistically heading towards breakdown based on the rising organic composition of capital and falling rate of profit. His innovation was primarily to analyse how the Keynesian mixed economy deferred crisis through unproductive state expenditure. He argued that though such expenditure could temporarily stop the onset of a crisis this was only because of the general upswing in the economy following the war. The successful manipulation of the business cycle was seen to be dependent on an underlying general healthiness of profits in the private sector. When the underlying decline in the rate of profit had reached a critical point then the increase in demand by the state would no longer promote a return to conditions of accumulation and in fact the state's drain on the private sector would be seen as a part of the problem. His argument then, was that Keynesianism

could delay but not prevent the tendency to crisis and collapse inherent to the laws of motion ofcapital. One of the main advantages of his analysis was to make the theory of crisis basic to the internal contradictions of capitalist production. Mattick thus avoided the fashionable focus on capitalism being undermined by the defeats of imperialism represented by third world revolutions. He thus does not deny the revolutionary potential of the Western working class. However their class struggle for him would be a spontaneous response to the eventual failure of Keynesianism to prevent the crisis of accumulation. The laws of capital from which crisis was seen to originate and the class struggle were totally separate. What his analysis fundamentally lacked was an analysis of how the class struggle occurred within the period of accumulation. Capitalism's crisis cannot be understood at the abstract level with which Mattick deals with it.

Mandel, the Belgian economist, offered in *Late Capitalism* a multicausal approach. He defines six variables, the interaction of which is supposed to explain capitalist development. Only one of these variables - the rate of exploitation - has any relation to class struggle but even here class struggle is only one among other things that determine this variable.24 The history of capital is

the history of class struggle among other things! The main other thing being the nature of uneven development and thus the revolutionary role of the anti-imperialist countries. He thus describes the history of the capitalist mode of production as driven not by the central antagonism of labour and capital but that between capital and pre-capitalist economic relations. On the one hand he asserts his orthodoxy in claiming that late capitalism is just a continuation of the monopoly/imperialist epoch discerned by Lenin, but he also rehabilitates the theory of long waves of technological development which overlays the epoch of decline giving it periods of upturn and downward movement. The long waves are driven by the agency of technical innovation.

But neither in Mandel's technology driven long waves, nor the rising organic composition driven falling rate of profit thesis, is there is recognition of the extent to which technological innovation is a response to class struggle. Technological determinism of one form or other lies behind objectivist Marxism, which is why the autonomist critique of the objectivist view of technology is so important.25 It is necessary to relate capitalist accumulation and its crises to the class struggle. The Keynesian/Fordist period had been one in which working

class struggle had been expressed largely in steadily rising wages, where the unions as representations of the working class had directed struggle against the tyranny of the labour process into wage claims. By winning steady increases in wages the workers forced capital to increase productivity by intensifying the conditions of work and making ever more labour saving investments, which in turn allowed it to continue to grant the workers rising real wages. In this sense, as we shall see the autonomists argued, working class struggle for a period had become a functional moment in the circuit of capital: a motor of accumulation. But before looking at such analysis it is worth noting that some thinkers in the objectivist camp did break from the decline problematic and attempt a more sophisticated analysis of the post-war period. The Regulation Approach(RA) was open to new ideas like the autonomist analysis of Fordism. However another major influence was structuralism and this kept the RA within the boundaries of objectivism.

ii) The Regulation approach

The RA is significant because it attempted to develop theory in relation to the concrete reality of modern capitalism. RA figures such as Aglietta and Lipietz broke from the orthodox positions on the periods of capitalism and on what capitalist crisis represented. The orthodox

periodisation of capitalism was that it grew with mercantile capital, becomes mature with competitive laissez faire, and then declines and prepares the conditionsfor socialism in the period of monopoly and imperialism. The orthodox position on crisis was that in healthy capitalism it was part of a healthy business cycle while in 'the epoch of wars and revolution' it is the evidence of its underlying decline and always quite possibly the terminal breakdown crisis of the system as a whole. In terms of periodisation the RA introduced the notion of 'regimes of accumulation'. That is that the stages of capitalist development are characterised by interdependent institutional structures and patterns of social norms. In terms of crisis the RA suggested that prolonged crisis could represent the structural crises of the institutions of regulation and social norms connected with the regime.

So for example they reinterpreted the division between laissez faire and monopoly capitalism as the move from the 'regime of extensive accumulation and competitive regulation' that had existed before the First World War to a regime of intensive accumulation and monopolistic regulation after the Second World War, with the period in between a period of the crisis of one regime and transition to the next. The problem for the orthodox

Marxists had been to fit the post-war period into their notion of the 'transitional epoch'. They might do so by calling it a new stage of 'state monopoly capitalism', but their problem was that monopoly should represent the end of capitalism rather than its growth. The RA said that far from being a period of decline the post war period saw the consolidation of a regime of intensive accumulation. This period they saw as characterised by Fordist production methods and mass consumption, the incorporation of consumer goods as a major part of capitalist accumulation, and at the international level American hegemony. At its core the regime is seen as founded on the linkage of rising living standards and rising productivity. In the light of the RA the '70s are then a new period of structural crisis, but this time of the regime of intensive accumulation. Like Negri and the autonomists the RA sees one part of the crisis as the delinkage of wage increases and productivity and the undermining of the social consensus. The breakdown of productivity increases brings out the fiscal crisis of the state as it remains committed to accumulative increases in public spending while the economic base - real sustained growth - for such a commitment is undermined. At the international level there is also the breakdown of favourable conditions of world trade as American hegemony is undermined. The point in relation

to the decline thesis is that the crisis is not a death agony but a severe structural crisis out of which capital could come if it re-establishes a regime of accumulation.

The RA's break with the rigid schema of orthodoxy appears a much more sophisticated and less dogmatic Marxist analysis. However there is no reversal of perspective to see the process from the point of the working class. The RA stays firmly within capital-logic simply layering a mass of complications on to the analysis. So although it might rightly see the crisis as an overall crisis of the social order, the fact that it sees capital not as a battle of subjects but as a process without a subject means that it falls into functionalism. It is assumed that the current restructuring of capitalism will successfully lead to the establishment of a new regime of flexible accumulation - post or neo-Fordism is deemed to be inevitable. Such ideas amount to a new form of technological determinism[26] which, because it asserts the inevitable continuity of capitalism rather than its collapse, is attractive to reformist leftists rather than revolutionaries. So although we might be able to use some of their ideas, the RA is like its structuralist father essentially based on capital logic. Taking the point of view of capital is always going to be a tendency of the academic thinker paid by the state.[27]

Objectivist Marxism does partly grasp the reality of capitalism but only from one pole - that of capital. The categories of *Capital* which are based on the reifying of social relations in capitalism are accepted by this Marxism as a given rather than a contested reality. The subsumption of working class labour is taken as final where it is something that must be repeatedly made. The working class is accepted as a cog in the development of capital which develops by its own laws. Tendencies such as rising organic composition is taken as a technical law intrinsic to capital's essence while it and its counter tendencies are actually areas of contestation. It is necessary to come at the process from the other pole - that of the struggle against reification, which is what groups like Socialism or Barbarism and the situationists did. Their move away from crisis theory was understandable and a necessary part of rediscovering revolutionary practice in the post war boom. However when crisis resurfaced it was the objectivists who seemed to have the tools to grasp it. Yet they failed to come out with an adequate political direction from their theory. The idea was simply that they understood the crisis so people should flock to their banner. However in Italy there emerged a current whose rejection of objectivism included a a new way of relating to crisis.

3. The workerist/autonomist current

A strong tendency in the Italian New Left is represented by the 'workerist'[28] theoreticians of the '60s such as Panzieri and Tronti and the autonomists of the late '60s and '70s in which Negri and Bologna come to prominence. They attacked the reified categories of objectivist Marxism. Attacking the objectivism of orthodox Marxism also brought into question the crisis-decline problematic that was so dominant. Part of the strength of this current was that rather than simply assert Marx against a straightforwardly reformist labour movement it had to deal with theoretically sophisticated and prestigious Marxism of the hegemonic Italian Communist Party. The PCI in its transition from Stalinism to Eurostalinism had shifted from contemplation of capitalism's general crisis to support for its continuing development. The workerists recognised that both positions shared a contemplative position on the capitalist economy and that what was needed was a reversal of perspective to look at capitalism from the point of view of the working class.

Raniero Panzieri, one of the initiators of the current contributing two fundamental critiques of orthodox Marxism. He attacked the false opposition of planning and capitalism; and the idea of the neutrality of

technology contained in the ideology of the productive forces.

i) The false opposition of planning and capitalism

Panzieri argued that planning is not the opposite of capitalism. Capitalism, as Marx noted, is based on despotic planning at the point of production. Capitalism transcended previous modes of production by appropriating co-operation in the productive process. This is experienced by the worker as control of her activity by another. In nineteenth century capitalism this despotic planning contrasts with anarchic competition at the social level. Panzieri argued that the problem with orthodox Marxism and its theory of decline is that it takes this period of laissez faire capitalism as the true model, change from which must represent the decline of capitalism or transition to socialism. The conception Panzieri and later Tronti developed was that mid-twentieth century capitalism had to a certain extent transcended the opposition of planning versus market, becoming a more advanced capitalism characterised by the attainment of the domination of society by Social Capital; the progressive formation of a Social Factory. At the social level capitalist society is not just anarchy but is social capital - the orientation of all areas of life to the imposition of the capitalist relation of work.

With this the central contradiction on which orthodox Marxism based its theory of decline is undermined. There is no fundamental contradiction between capitalist socialisation of production and capitalist appropriation of the product. The 'anarchy of the market' is one part of the way capital organises society but capitalist planning is another. These two forms of capitalist control are not in deadly contradiction but in a dialectical interaction:

with generalised planning capital extends the fundamental mystified form of the law of surplus value from the factory to the entire society, all traces of the capitalist process' origins and roots now seem to really disappear. Industry re-integrates in itself financial capital, and then projects to the social level the form specifically assumed by the extortion of surplus value. Bourgeois science calls this projection the neutral development of the productive forces, rationality, planning.29

The planning we see in capitalism is not transitional. With the identification of socialism and planning, socialism from being the negation of capitalism becomes one of its tendencies. What emerged from the development of monopoly/finance capital was not the basis for a non-capitalist mode of production but for a more socially integrated form of capitalism.30 Capital

overcame some of the difficulties of its earlier phase but its process of doing so was interpreted as its final stage.

ii) The critique of technology

Related to Panzieri's deconstruction of the planning/anarchy of market dichotomy was his perhaps even more path-breaking critique of technology. Capitalism's despotic planning operates through technology. Essentially Panzieri argued that in capitalism technology and power are interwoven in such a way that one must abandon the orthodox Marxist notion of the neutrality of technology. Once again what is being critiqued here is the reified nature of the terms in the orthodox conception of the productive forces rattling against the chains of their capitalist fetters.

There exists no 'objective', occult factor inherent in the characteristics of technological development or planning in the capitalist society of today, which can guarantee the 'automatic' transformation or 'necessary' overthrow of existing relations. The new 'technical bases' progressively attained in production provide capitalism with new possibilities for the *consolidation* of its power. This does not mean, of course, that the possibilities for overthrowing the system do not increase at the same time. But these possibilities coincide with the wholly subversive character which working-class

'insubordination' tends to assume in face of the increasingly independent 'objective framework' of the capitalist mechanism.31

This exemplifies the change the 'workerist' perspective represented - the turn from some 'occult' movement of the productive forces considered technically to the greatest productive force - the revolutionary class. Panzieri was responding to a new combativity of the working class, its coming together to pose a threat to capital but "This *class* level" as he puts it "expresses itself not as progress, but as rupture; not as 'revelation' of the occult rationality in the modern productive process, but as the construction of a radically new rationality counterposed to the rationality practised by capitalism."32

While the mainstream Marxists, whether ostensibly revolutionary or reformist, were and are stuck in a reformist attitude towards capitalist technology, i.e. the expressed wish of organising it by means of the plan more efficiently and more rationally, Panzieri had seen the extent to which the working class were the much better dialecticians who recognised "the unity of the 'technical' and 'despotic' moments of the present organisation of production."33 Machine production and other forms of capitalist technology are a historically

specific product of class struggle. To see them as 'technically' neutral is to side with capitalism. That this view has dominated orthodox Marxism makes it no wonder that some now wish to reject the historical critique of capitalism in favour of an anti-technology perspective. The problem with substituting the simple negati on of 'civilisation' for the determinate negation [*Aufhebung*] of capitalism is not just that some of us want to have washing machines, but that it prevents one connecting with the real movement.

The critique of technology combined with the reversal of perspective allowed the workerists to reclaim the critique of political economy as a revolutionary tool by the proletariat. As we have seen, a crucial part of most theories of crisis and decline is the tendency for the rate of profit to fall due to the rising organic composition of capital brought about by capital's replacement of labour (the source of value) by machines. The Italians took an overlooked statement by Marx "It would be possible to write a history of all the inventions introduced by capital since 1830 just to give them weapons against the revolts of the working class"34 and developed it into a theory that made capital's technological development a response to and interaction with working class struggle, the capitalist labour process becoming a terrain of

constantly repeated class struggle. By founding capitalist development on working-class struggle the workerists made sense of Marx's note that the greatest productive force is the revolutionary class itself.

When we see the constant increase in organic composition as a product of working class struggle and human creativity, the tendency for the rate of profit to fall starts to lose its objectivist bias. Capital's turn from an absolute surplus value strategy to a relative surplus value strategy35 was forced on it by the working class and has resulted in capital and the working class being locked in a battle over productivity. The categories of the organic and technical composition of capital become de-reified in this workerist theory and linked with the notion of class composition, that is with the forms of class subjectivity and struggle accompanying the 'objective' composition of capital. Using this notion the theorists of workers' autonomy developed the critique of earlier forms of organisation, such as the vanguard party, as reflecting a previous class composition and theorised the new forms of struggle and organisation of the mass worker. This puts a whole new light on the decline of capitalism / transition to communism question:

The so-called inevitability of the transition to socialism is not on the plane of the material conflict; rather precisely

upon the basis of the *economic* development of capitalism - it is related to the 'intolerability' of the social rift and can manifest itself only as the acquisition of political consciousness. But for this very reason, working-class overthrow of the system is a negation of the entire organisation in which capitalist development is expressed - and first and foremost of technology as it is linked to productivity.36

We see then that the first wave of Italian workerism in the '60s rejected of the view that the period of laissez faire marked the proper existence of capitalism and that what has happened since is its decline or decay in favour of an analysis of the concrete features of contemporary capitalism. This allowed them to see the tendency towards state planning as expressing the tendencies of capitalism to the full: Social Capital. They also broke from orthodox Marxism in their reversal of perspective to see the working-class as the motive force of capital, backed up by militant research on the struggles of the mass worker.

iii) The class struggle theory of crisis

There are similarities with Socialism or Barbarism's analysis but the autonomists' positions, based as they were on a reinterpretation of the tools offered by Marx's critique of political economy rather than a rejection of

them, were better able to respond to the crisis that opened up in the '70s. In fact the crisis of the seventies could be said to show the accuracy of Tronti's 1964 suggestion that it was possible that "The first demands made by proletarians in their own right, the moment that they cannot be absorbed by the capitalist, function objectively as forms of refusal that put the system in jeopardy.. simple political blockage in the mechanism of objective laws."37 Capitalism's peaceful progress was shattered in the late '60s and the Italian workerists theory went furthest in understanding this, just as the Italian workers' practice during the '70s went furthest in attacking the capital relation.

As we saw with Mattick the orthodox Marxist response to Keynesianism was to argue that it could not really alter the laws of motion of capital and that it could only delay the crisis. At one level this is correct but the problem is that the economy is seen as a machine rather than the reifed appearance of antagonistic social relations. The autonomist advance expressed in such works as two essays by Negri in '6838 was to grasp Keynesianism as a response to the 1917 working class offensive, an attempt to turn working class antagonism to the benefit of capital. Keynes was a strategic thinker for capital and Keynesianism by channelling working class

struggle into wage increases paid for by rising productivity was essentially not just demand management of the economy but the state management of the working class, a management that becomes increasingly violent as the working class refuses it. The precarious balance that it represented was flung into crisis by the working class offensive of the late '60s and '70s which ruptured the productivity deals upon which the accumulation was premised. The whole post-war Keynesian/Fordist period was seen in the autonomist analysis as the period of the planner state that had now been flung into crisis and was being replaced by the active use of crisis by the state to maintain control.

The class struggle theory of crisis is a necessary corrective to the objectivists' views. The fundamental point in autonomist Marxism was to turn capitalist crisis from the fatalistic outcome of objective laws standing above the working class into the objective expression of class struggle. The notion of an epoch of decline or decadence is effectively bypassed by this theory of the concrete struggles of the class. The history of capitalism is not the objective unfolding of capital's laws but a dialectic of political composition and recomposition. The serious world crisis that opened in the '70s is thus seen as the result of the struggles of the Fordist mass worker.

That subject, which had itself been created by capital's attack on the post first world war class composition that had almost destroyed it, had politically recomposed itself into a threat to capital. The crisis of capital is the crisis of the social relation.

During the '70s the autonomists produced the most developed theorisation of the refusal of work and a critique of the catastrophist theory of the crisis in favour of a dynamic theory of capitalist crisis and proletarian subjectivity. The autonomists developed a class struggle theory of the crisis exemplified in the slogan 'The Crisis of the Bosses is a Victory of the Workers'. This puts them in sharp variance with the orthodox Marxist explanation of crisis[39] in terms of internal contradictions of capital with the general crisis caused by its decline brought on by its fettering of the productive forces by the relations of production. The notion that capital fetters the productive forces, though in a sense true, forgets that at times of strength the working class fetters the productive forces understood in capitalist terms - the working class fetters the development of the productive forces because their development is against its interests, its needs. The significance of the resistance of the proletariat to capitalist work must not be missed in a socialist dream of work for all. As Negri puts it, "Liberation of the

productive forces: certainly, but as the dynamic of a process which leads to abolition, to negation in the most total form. *Turning from the liberation-from-work toward the going-beyond-work forms the centre, the heart of the definition of communism*."[40]

Autonomist theory was in some ways an optimistic projection forward of tendencies in the existing struggle. This worked fine when the class struggle was going forward and thus when revolutionary tendencies became realised in further actions. So for example Tronti developed the notion of a new kind of crisis set off by workers' refusal because he saw it prefigured in the battle of Piazza Fontana (events in 1962 when striking FIAT workers attacked the unions with great violence). The Italian Hot Autumn in 1969 when workers would often go on strike immediately after they came back to work from a previous strike showed the validity of this projection. However such theoretical projection, which the situationists also made in seeing the emergence of wildcat strikes in England in particular as a sign of things to come,[41] became inadequate when in capital's counter offensive against this refusal the tendencies that were to be later realised were that of a re-imposition of work. Autonomist theorists tried to grasp this with notions like that of the shift from the planner to the crisis state.

The class struggle theory of crisis lost its way somewhat in the '80s, for while in the seventies the breaking of capital's objective laws was plain, with capital's partial success the emergent subject was knocked back. It appears that during the '80s we have seen the objective laws of capital given free reign to run amok through our lives. A theory which connected the manifestations of crisis to the concrete behaviours of the class found little offensive struggle to connect to and yet crisis remained. The theory had become less appropriate to the conditions. Negri's tendency to extreme optimism and overstatement of tendencies as realities, while not too bad in a time of proletarian subversion, increasing became a real problem in his theorising, allowing him to slip in his own decline thesis. Out of the relation to the revolutionary movement Negri's writings suffer massively. In writings like *Communists Like Us* and his contribution to *Open Marxism* we even see in a new subjectivist guise the theory of a decline of capital/emergence of communism behind our back.42

All in all the autonomists are a necessary move but not a complete one, they expressed the movement of their time but, in Negri's case anyway become weak in isolation from it. We might say that just as '68 showed the limitations as well as validity of situationists ideas the

period of crisis and revolutionary activity in Italy in the decade '69-'79 showed the validity and limitation of the workerist and autonomists theory. This does not mean we need to go back to the objectivists but forward. Autonomist theory in general and the class struggle theory of crisis in particular did essential work on the critique of the reified categories of objectivist Marxism. It allows us to see them "as modes of existence of class struggle".43 If at times they overstate this, failing to see the real extent to which the categories do have an objective life as aspects of capital, it remains necessary to maintain the importance of the inversion. We need a way of conceiving the relation of objectivity and subjectivity that is neither the mechanics of the objectivists nor the reactive assertion that its 'all class struggle'.

S or B, the situationists, and the autonomists all, in different ways, made important contributions to recovering the revolutionary core of Marx's critique of political economy. They did this by breaking from the catastrophist theory of decline and breakdown. But the revolutionary wave they were part of has receded. The post-war boom is now a fading memory. Compared to the era in which these revolutionary currents developed their theories the capitalist reality we face today is far

more uncertain. Capitalism's tendency to crisis is even more evident, yet class struggle is at a low ebb. In the third and final part of this article we shall look at more recent attempts to solve the problem of understanding the world we live in, such as that of the Radical Chains group, and put forward our own contribution to its solution.

- 1. The Johnson-Forest tendency in America were developing a similar bottom up and non-workerist approach.
- 2. *Modern Capitalism and Revolution*, p. 85.
- 3. Ibid., p. 48.
- 4. Ibid., p. 44.
- 5. *Redefining Revolution*, p. 17.
- 6. See *Workers' Councils and the Economics of Self-Management*.
- 7. Paradoxically, though this reification is a central part of Cardan's critique of Marx, he himself suggests another problem with Marx is his use of the category of reification when instead modem capitalism should be understood by its 'drive to bureaucratic-hierarchical organisation.' *Revolution Redefined*, p. 6.
- 8. *Modern Capitalism and Revolution*, p. 43.

- 9. See the Appendix to *Modern Capitalism and Revolution*. Part of the rest of this appendix is an argument for a return to Adam Smith's definition of capital.
- 10. As he writes to Engels 2/4/1858, "Throughout this section [capital in general] wages are invariably assumed to be at their minimum. Movements in wages themselves and the rise or fall of that minimum will he considered under wage labour."
- 11. For more on this crucial point about how to read Marx, see F.C. Shortall, *The Incomplete Marx* (Aldershot: Avebury, 1994).
- 12. They declined to use the word communism because of its associations. To which one would have to say their alternative of universal self-management has not escaped its own negative connotations.
- 13. "Are you Marxists? - Just as much as Marx was when he said 'I am not a Marxist."' *Situationist International Anthology*.
- 14. The situationists at times expressed the idea of a general crisis of capitalism, of its reaching of an impasse. At times they expressed the view that modem capitalism was in decline or decomposition. However they did not see this proceeding through an objective logic of the economy, seeing it rather as

arising from the subjective refusal of the proletariat to go on as before. To an extent they did ground this on the contradiction of productive forces and relations, but only to the extent that the gap between how capitalism developed them, and what their possible use by the proletariat as it abolished itself could be, had reached an extreme level visible to the subject. This perspective is crucial but it should not be confused with the theory of decline as classically understood where there is a linear evolutionary logic in which it is the productive forces which push to be liberated. The gap between what is possible and what actually exists can only be crossed by a leap.

- 15. "...the bourgeois revolution is over; the proletarian revolution is a project born on the foundation of the preceding revolution but differing fiom it qualitatively. By neglecting the originality of the historical role of the bourgeoisie' one masks the concrete originality of the proletarian project, which can attain nothing unless it caries its own banners and It knows the "immensity of its tasks." The bourgeoisie came to power because it is the class of the developing economy. The proletariat cannot itself come to power except by becoming the class of consciousness. The growth of productive forces

cannot guarantee such power, even by way of the increasing dispossession which it brings about. A Jacobin seizure of power cannot be its instrument. No ideology can help the proletariat disguise its partial goals - general goals, because the proletariat cannot preserve any partial reality which is really its own." *The Society of the Spectacle*, Thesis 88.

- 16. This is not to say the proletariat does not use force to realiae its goals and prevent a return to capitalism, just that its force is qualitatively different to state force, which can only be the power of the separate.
- 17. *The Society of the Spectacle*, Thesis 84.
- 18. See *The Society of the Spectacle*, Thesis 82.
- 19. Debord and Sanguinetti (1972) *The Veritable Split*, Thesis 14, (London: Chronos Publications, 1990).
- 20. *Modern Capitalism and Revolution*, pp. 10-11.
- 21. *The Veritable Split*, Thesis 1.
- 22. The ICC even try to explain '68 in terms of the objective crisis beforehand. Despite the overwhelming market lead of the falling rate of profit theory of crisis they continue to push a Luxemburgist thesis. Such brand loyalty really should be applauded.

- 23. Yaffe and Kidron were both in the International Socialists (forerunner of the SWP) which attempted to distinguish itself with its theory of the Permanent Arms Economy. This essentially tried to account for the whole post-war boom in terms of one factor - arms spending. Behind the innovation of giving arms spending a stabilising role, the theory was essentially orthodox Marxist economics. In the version put forward by Cliff the orthodoxy was underconsumptionism. Military expenditure was given an ability (initially very temporary then as the catastrophe failed to arrive more long lasting) to ofliet an inevitable crisis of overproduction of capital versus the limited consumption power of the masses. When within Marxist economics there was a shift - the falling rate of profit increasingly took the foreground and underconsumptionism was seen as too crude - Kidron put forward a new version which changed what it was that military spending was meant to mitigate. Rather than unproductive arms spending delaying the point when production of capital outstrips the possibilities for its consumption, that spending was to be seen as a counter-tendency to the tendency of the rate of profit to fall.

The essential point is the theory kept within the assumptions of objectivist Marxist economics. To the extent that it broke from Lenin's analysis of imperialism it was not because of the fact that Lenin gave no place to working class struggle in his analysis. No, for the International Socialists imperialism was just to be the 'last stage but one - another objectivist capital-logic stage. The permanent arms economy was to be the final stage and it, like Lenin's Imperialism, is explained purely in terms of capital. Even in its more developed form the theory was a bit of a hotch potch that had younger guns in the I.S. like Yaffe, who was better versed in the Marxist classics, demanding a return to a fundarnentalist falling rate of profit-based theory and leaving to form the RCG in order to develop one. Since then Chris Harman has fleshed out the theory, rounded off a few of its rough edges, and even used Grossman and other decline theorists to back it up. By the seventies anyway the SWP had returned to the fold by agreeing that arms spending could no longer mitigate the tendency towards crisis.

- 24. *Late Capitalism*, p. 40. Interestingly Mattick, who one would have to side with politically against Mandel, argues that *Late Capitalism* gives too much

weight to the class struggle. Mattick introduced Grossman's falling rate of profit based breakdown theory to a new audience. That we find the non-Leninist arguing against the significance of class struggle shows that the problem of objectivism cuts across the Leninist/anti-Leninist divide. In actual fact in Britain the Mattick/Grossman thesis on the nature of the crisis was taken up by a firm Leninist David Yaffe. For Yaffe the class struggle had been absent during the post war boom but the economic detetminants had apparently been progressing in its absence.

- 25. See following section.
- 26. The attack on the functionalism and determinism of the RA is ably made in *Post Fordism and Social Form* (edited by Bonefeld and Holloway) and reviewed in *Aufheben 2* (Summer 1993).
- 27. On the other hand the analysis of the autonomists never lost the point of view of the working class. The point is that though some of the Italian theorists were academics they were also part of a revolutionary current. They might be 'thinkers sponsored by the state' but when half of them get arrested and banged up for years it becomes reasonable to believe that their ideas were contradictory to their position.

- 28. Italian 'workerism' refers not as with the Anglo-Saxon use of the term to the idea that only shop-floor struggle is meaningful, but to the attempt to theorize capitalism from the working class's perspective.
- 29. 'Surplus Value and Planning' in *The Labour Process and Class Strategies*, CSE Pamphlet No.1, p. 21.
- 30. While some of those influenced by Bordiga became the archetypal dogmatic proponents of the theory of decadence others developed some of his ideas in an interesting direction with parallels to the workerists. *Invariance* (Jacques Camatte *et al*.) theorised that the increasing socialization of production expressed not the decline of capital but the shift from capital's formal subsumption of the labour process to its real subsumption i.e. the shift from capitalist supervision of a labour process dependent on workers' skills and understanding, to complete capitalist domination of the whole process. Furthermore they saw a shift from capital's formal domination of society to its real domination. However we might say that their attention to the autonomy of capital insufficiently recognised that this process is constantly contested; this led them to

see revolution as a catastrophist explosion of repressed subjectivity.

- 31. R. Panzieri, 'The Capitalist Use of Machinery: Marx Versus the 'Objectivists'' in P Slater ed., *Outlines of a Critique of Technology* (Ink Links, 1980), p. 49.
- 32. Ibid., p. 54.
- 33. Ibid., p. 57.
- 34. *Capital*, vol. 1, p. 563.
- 35. I.e. From a strategy of increasing exploitation through lengthening the working day to one of increasing productivity, thereby lengthening the section of the existing working day during which the worker produces surplus-value.
- 36. 'The Capitalist Use of Machinery: Marx Versus the 'Objectivists'' in *Outlines of a Critique of Technology*, op. cit., p. 60.
- 37. *Working Class Autonomy and the Crisis* (Red Notes and CSE Books), p. 17.
- 38. 'Keynes and Capitalist Theories of the State Post 1929' and 'Marx on Cycle and Crisis', both in *Revolution Retrieved* (London: Red Notes, 1988)
- 39. In fact your orthodox Marxist militant will think it wrong to suggest that crisis could possibly be the work of the working-class. "No, no, no" s/he'll say "that's a right wing argument; crisis is the fault of

capital; the working class - bless his cloth cap - is free of any involvement in it - the crisis shows the irrationality of capitalism and the need for socialism". But this was precisely what the autonomists attacked - socialism seen as the resolution of capital's crisis tendency.

- 40. *Marx Beyond Marx*, (London: Autonomedia/Pluto, 1991), p. 160.
- 41. Not to mention Marx and the Silesian miners.
- 42. For example on p. 88 of *Open Marxism* II: "new technical conditions of proletarian independence are determined within the material passages of development and therefore, for the first time, there is the possibility of a rupture in the restructuration which is not recuperable and which is independent of the maturation of class consciousness." He seems to think that this possibility is linked in with the immaterial labour of computer programrners! It seems that many radical thinkers show a tendency to lose clarity in their old age or, more accurately, when the movement to which they are connecting falls back. Perhaps it is a question of using Negri against Negri as we (must sometimes?) use Marx against Marx, and perhaps also we should see decadence theory as a slippage made by revolutionaries when the movement they are part of

recedes (post 1848, post 1917 post 1977). When the movement of class struggle that one could connect to seems to lose its power there is a temptation to give power to capital's side - a temptation that should be resisted.

- 43. See R. Gunn (1989) 'Marxism and Philosophy', *Capital & Class*, 37.

Decadence: The Theory of Decline or the Decline of Theory? Part 3

Introduction: The story so far

As our more patient and devoted readers will know, the subject of this article is the theory that capitalism is in decline. In the previous two issues, we traced out in detail the development of the theory of the decline of capitalism which has emerged amongst Marxists and revolutionaries over the last hundred years.

In this, the final part the article, we shall bring our critical review up to date by examining the most recent version of the theory of decline, which has been put forward by Radical Chains. But before considering Radical Chains and their new version of the theory of the decline of capitalism, we should perhaps, for the benefit of our less patient and devoted readers, summarize the previous two parts of this article.

In Part 1, we saw how the theory of decline, and the conceptions of capitalist crisis and the transition to socialism or communism related to it, played a dominant role in revolutionary analysis of twentieth century capitalism. As we saw, the notion that capitalism is in

some sense in decline originated in the classical Marxism developed by Engels and the Second International.

At the time of the revolutionary wave that ended World War I, the more radical Marxists identified the theory that capitalism was in decline as the objective basis for revolutionary politics. They took as their guiding principle the notion from Marx 'That at a certain stage of development, the material productive forces of society come into conflict with the existing relations of production... From forms of development of the productive forces these relations turn into their fetters. Then begins an era of social revolution'. They argued that capitalism had entered this stage and this was expressed in its permanent crisis and clear objective movement towards breakdown and collapse.

In the wake of the defeat of the revolutionary wave following World War I, for those traditions which claimed to represent 'proper Marxism', against its betrayal - first by the reformist Social Democrats and then by Stalinism - the acceptance of the notion that capitalism was in decline became a tenet of faith.

For the left-communists, the notion that capitalism had entered its decadent phase with the outbreak of war in 1914 was vital since it allowed them to maintain an

uncompromising revolutionary position while at the same time claiming to represent the continuation of the true orthodox Marxist tradition. For the left-communists, the reformist aspects of the politics of Marx, Engels and the Second International, which had led to support for trade unionism and for participation in parliamentary elections, could be justified on the grounds that capitalism was at that time in its ascendant phase. Now, following the outbreak of the World War I, capitalism had gone into decline and was no longer in a position to concede lasting reforms to the working class. Thus, for the left-communists, the only options in the era of capitalist decline were those of 'war or revolution!'

For the Trotskyists and other associated socialists, the increase of state intervention and planning, the growth of monopolies, the nationalization of major industries and the emergence of the welfare state all pointed to the decline of capitalism and the emergence of the necessity of socialism. As a consequence, for the Trots the task was to put forward 'transitional demands' - that is, apparently reformist demands that appear reasonable given the development of the productive forces but which contradict the prevailing capitalist relations of production.

So, despite the otherwise fundamental differences that divide left-communists from the Trots, and which often placed them in bitter opposition to each other, for both of these tendencies the concrete reality of capitalist development was explained in terms of an objective logic heading towards capitalist collapse and socialist revolution. The underlying objective reality of the contradiction between the productive forces and the relations of production reduced the problem of that revolution to organizing the vanguard or party to take advantage of the crisis that would surely come.

However, instead of ending in a revolutionary upsurge as most decline theorists predicted, World War II was followed by one of the most sustained booms in capitalist history. While the productive forces seemed to be growing faster than ever before, the working class in advanced capitalist countries seemed content with the rising living standards and welfare benefits of the post-war social democratic settlements. The picture of an inescapable capitalist crisis prompting a working class reaction now seemed irrelevant.

Then, when class struggle did eventually return on a major scale, it took on forms - wildcat strikes (often for issues other than wages), refusal of work, struggles within and outside the factory - which did not fit

comfortably into the schema of the old workers' movement. Many of these struggles seemed marked not by a knee-jerk reaction to economic hardship caused by 'capitalism's decline', but by a struggle against alienation in all its forms caused by capital's continued growth, and by a more radical conception of what lay beyond capitalism than was offered by socialists.

It was in this context that the new currents we looked at in Part 2 of this article emerged. What currents like Socialism or Barbarism, the situationists and the autonomists shared was a rejection of the 'objectivism' of the old workers' movement. Rather than put their faith in an objective decline of the economy, they emphasized the other pole: the subject. It was these theoretical currents and not the old left theorists of decline that best expressed what was happening - the May '68 events in France, the Italian Hot Autumn of '69 and a general contestation that spread right across capitalist society. Though more diffuse than the 1917-23 period, these events were a revolutionary wave questioning capitalism across the world.

However, in the 1970s, the post-war boom collapsed. Capitalist crisis returned with a vengeance. The turn by the new currents away from the mechanics of capitalist crisis which had been an advantage now became a

weakness. The idea that capitalism was objectively in decline was back in favour and there was a renewal of the old crisis theory. At the same time, in the face of the crisis and rising unemployment, there was a retreat of the hopes and tendencies which the new currents had expressed. As the crisis progressed, the refusal of work, which the new currents had connected to, and which the old leftists could not comprehend, seemed to falter before the onslaught of monetarism and the mass re-imposition of work.

However, the various rehashings of the old theory of capitalist crisis and decline were all inadequate. The sects of the old left, which had missed the significance of much of the struggle that had been occurring, were now sure that the mechanics of capitalist decline had been doing its work. Capital would be forced now to attack working class living standards and the proper class struggle would begin. These groups could now say 'we understand the crisis: flock to our banner'. They believed that, faced with the collapse of the basis of reformism, the working class would turn to them. There was much debate about the nature of the crisis; conflicting versions were offered; but the expected shift of the working class towards socialism and revolution did not occur.

This, then, is the situation we find ourselves in. While the advances of the new currents - their focus on the self-activity of the proletariat, on the radicality of communism etc. - are essential references for us, we nevertheless need to grasp how the objective situation has changed. The restructuring that has accompanied crisis, and the subsequent retreat of working class, has made some of the heady dreams of the '68 wave seem less possible. To some extent there has been an immiseration of the imagination from which that wave took its inspiration. There is a need to rethink, to grasp the objective context in which class struggle is situated. The bourgeoisie and state do not seem able to make the same concessions to recuperate movements, so the class struggle often takes a more desperate form. In the face of a certain retreat of the subject - lack of offensive class struggle - there is a temptation to adopt some sort of decline theory. It is in this context that the ideas of the journal Radical Chains are important.

The Radical Chains synthesis

Despite all their faults and ambiguities, Radical Chains have perhaps more than any other existing group made a concerted attempt to rethink Marxism in the wake of the final collapse of the Eastern Bloc and the fall of Stalinism. In doing so, they have sought to draw together the

objectivism of the Trotskyist tradition with the more 'subjectivist' and class struggle oriented theories of autonomist Marxism. From the autonomists, Radical Chains have taken the idea that the working class is not a passive victim of capital but instead forces changes on capital. From the Trotskyist Hillel Ticktin, Radical Chains have taken the idea that one must relate such changes to the law of value, and its conflict with the emergent 'law of planning'.

In adopting the notion that the present epoch of capitalism is a transitional one, characterized by a conflict between an emergent 'law of planning' - which is identified with the emergence of communism - and a declining law of value, Radical Chains are inevitably led towards a theory of capitalist decline, albeit one which emphasizes class struggle. Indeed, as we shall see, the central argument of Radical Chains is that the growing power of the working class has forced capitalism to develop administrative forms which, while preventing and delaying the emergence of the 'law of planning' - and with this the move to communism - has undermined what Radical Chains see as capitalism's own essential regulating principle - the law of value. As such, Stalinism and social democracy are seen by Radical Chains as the principal political forms of the 'partial suspension of the

law of value' which have served to delay the transition from capitalism to communism.

However, before we examine Radical Chains' theory of the 'partial suspension of the law of value' in more detail, it is necessary to look briefly at its origins in the work of Hillel Ticktin which has been a primary influence in the formation of this theory.

Ticktin and the fatal attraction of fundamentalism

Hillel Ticktin is the editor and principal theorist of the non-aligned Trotskyist journal Critique. What seems to make Ticktin and Critique attractive to Radical Chains is that his analysis is not tied to the needs of a particular Trotskyist sect but takes the high ground of an attempt to recover classical Marxism. As such, for Radical Chains, Ticktin provides a perceptive and sophisticated restatement of classical Marxism.

With Ticktin, the Second International's central notion, which opposed socialism as the conscious planning of society to the anarchy of the market of capitalism, is given a 'scientific' formulation in terms of the opposition between the 'law of planning' and the 'law of value'. Ticktin then seeks to 'scientifically' explain the laws of motion of the current transitional epoch of capitalism's decline in terms of the decline of capitalism's defining

regulatory principle - the 'law of value' - and the incipient rise of the 'law of planning' which he sees as heralding the necessary emergence of socialism.

Like the leading theorists of classical Marxism, Ticktin sees the decline of capitalism in terms of the development of monopolies, increased state intervention in the economy and the consequent decline of the free market and laissez faire capitalism. As production becomes increasingly socialized on an ever greater scale, the allocation of social labour can no longer operate simply through the blind forces of the market. Increasingly, capital and the state have to plan and consciously regulate production. Yet the full development of conscious planning contradicts the private appropriation inherent in capitalist social relations. Planning is confined to individual states and capitals and thus serves to intensify the competition between these capitals and states so that the gains of rational planning end up exploding into the social irrationality of wars and conflict. Only with the triumph of socialism on a world scale, when production and the allocation of labour will be consciously planned in the interests of society as whole, will the contradiction between the material forces of production be reconciled with the social relations of production and the 'law of

planning' emerge as the principal form of social regulation.

However, unlike the leading theorists of classical Marxism, Ticktin places particular emphasis on the increasing autonomy of finance capital as a symptom of capitalism's decline. Classical Marxism, following the seminal work of Hilferding's Finance Capital , had seen the integration of banking capital with monopolized industrial capital as the hallmark of the final stage of capitalism which heralded the rise of rational planning and the decline of the anarchy of the market. In contrast, for Ticktin late capitalism is typified by the growing autonomy of financial capital. Ticktin sees twentieth century capitalism as a contradiction between the forms of socialization that cannot be held back and the parasitic decadent form of finance capital. Finance capital is seen as having a parasitic relation to the socialized productive forces. It manages to stop the socialization getting out of hand and thus imposes the rule of abstract labour. However, finance capital is ultimately dependent on its host - production - which has an inevitable movement towards socialization.

By defining the increasing autonomy of finance capital as symptom of capitalism's decadence, Ticktin is able to accommodate the rise of global finance capital of the

past twenty-five years within the classical Marxist theory of decline. To this extent, Ticktin provides a vital contribution to the development of the classical theory of decline.

But it could be objected that the increasing autonomy of finance capital is simply the means through which capital comes to restructure itself. In this view, the rise of global finance capital in the last twenty-five years has been the principal means through which capital has sought to outflank the entrenched working classes in the old industrialized economies by relocating production in new geographical areas and in new industries.

So while the increasing autonomy of finance capital may indeed herald the decline of capital accumulation in some areas, it only does so to the extent that it heralds the acceleration of capital accumulation in others. >From this perspective, the notion that the autonomy of finance capital is a symptom of capitalism's decline appears as particularly Anglo-centric. Indeed, in this light, Ticktin's notion of the parasitic and decadent character of finance capital seems remarkably similar to the perspective of those advocates of British industry who have long lamented the 'short termism' of the City as the cause of Britain's relative industrial decline. While such arguments may be true, by adopting them Ticktin could be accused

of projecting specific causes of Britain's relative decline on to capitalism as a whole. While footloose finance capital may cause old industrialized economies to decline, it may at one and the same time be the means through which new areas of capital accumulation may arise.

This Anglo-centrism that we find in Ticktin's work can be seen to be carried over into the theory put forward by Radical Chains. But for many this would be the least of the criticisms advanced against Radical Chains' attempt to use the work of Ticktin. Ticktin is an unreconstructed Trotskyist. As such, he defends Trotsky's insistence on advancing the productive forces against the working class, which led to the militarization of labour, the crushing of the worker and sailors' uprising at Kronstadt and his loyal opposition to Stalin. But Radical Chains resolutely oppose Ticktin's Trotskyist politics. They insist they can separate Ticktin's good Marxism from his politics.

We shall argue that they can't make this separation: that in adopting Ticktin's theory of decline as their starting point they implicitly adopt his politics. But before we advance this argument we must consider Radical Chains' theory of decline in a little more detail.

Radical Chains

The world in which we live is riven by a contradiction between the latent law of planning and the law of value. Within the transitional epoch as a whole these correspond to the needs of the proletariat and those of capital, which remain the polarities of class relationships across the earth.

This quote from Radical Chains' Statement of Intent succinctly summarizes both their acceptance and their transformation of Ticktin's problematic of capitalist decline. Radical Chains' theory, like Ticktin's, is based on the idea of the conflict between two different organizational principles. It is not enough for the proletariat to be an 'agent of struggle'; it must be 'the bearer of a new organizational principle that, in its inescapable antagonism to value, must make capital a socially explosive and eventually doomed system.'

But Radical Chains are not Ticktin. Radical Chains accept the idea that the proper working of the law of value has given way to distorted forms of its functioning. However, there is a very significant shift in Radical Chains from conceiving of the law of value purely in terms of the relations between capitals to seeing it in terms of the capital/labour relation. The crucial object of the law of

value is not products, but the working class. Thus while for Ticktin it is phenomena like monopoly pricing and governmental interference in the economy that undermine the law of value, for Radical Chains it is the recognition and administration of needs outside the wage - welfare, public health and housing, etc. This is an important shift because it allows Radical Chains to bring in the class struggle.

Central to Radical Chains' theory is the interplay between the state and the law of value. Their combination creates regimes of need, which is to say ways in which the working class is controlled. If the orthodox decline theory has a schema based on laissez faire free markets as capitalism's maturity and monopoly capitalism its decline, Radical Chains offer a similar schema based on the application of the law of value to labour-power. Capital's maturity was when the working class was brought fully under the law of value; capital's decline is the period when that full subordination was partially suspended by administrative forms.

Full Law of Value

For Radical Chains, the 1834 Poor Law Reform Act was the 'programmatic high point' of capitalism because it marked the establishment of labour-power as a

commodity. In the previous Poor Law, the subsistence needs of the working class were met through a combination of wages from employers and a range of forms of parish relief. The New Poor Law unified the wage, by terminating these forms of local welfare. In their place it offered a sharp choice between subsistence through wage labour or the workhouse. The workhouse was made as unpleasant as possible to make it an effective non-choice. Thus the workingclass was in a position of absolute poverty. Its needs were totally subordinate to money, to the imperative to exchange labour-power for the wage. Thus its existence was totally dependent on accumulation. This, Radical Chains argue, was the proper existence of the working class within capitalism.

For Radical Chains, only when the subjective existence of the working proletariat corresponds to this state of absolute poverty is capitalism in proper correspondence with the pristine objectivity of the law of value. Once there is a change in this relation, capital goes into decline.

The 'Partial Suspension of the Law of Value'

This full subordination of working class existence to money prompted the working class to see its interests as

completely opposed to those of capital and, as a result, to develop forms of collectivity which threatened to destroy capital. The threat is based on the fact that the working class, though atomized by the law of value in exchange, is collectivized by its situation in production. The law of value tries to impose abstract labour, but the working class can draw on its power as particular concrete labour. Radical Chains' idea of proletarian self-formation expressing the law of planning is bound to its existence as a socialized productive force. In response to the full workings of the law of value, the working class developed its own alternative, pushing towards a society organized by planning for needs.

The bourgeoisie recognized the inevitable and intervened with 'administrative substitutes for planning'. One aspect to the Partial Suspension of the Law of Value is that the bourgeoisie accepted forms of representation of the working class. Responsible unions and working class parties were encouraged. At the same time, there was the abandonment of the rigours of the Poor Law. Radical Chains trace the eventual post World War II social democratic settlement to processes begun by far-sighted members of the bourgeoisie long before. From the late nineteenth century, haphazard forms of poor relief began to supplement the Poor Law. The 1906-12 Liberal

government systematized this move to administered welfare.

Such reforms amounted to a fundamental modification of the law of value: the relaxation of the conditions of absolute poverty. The wage was divided with one part remaining tied to work while the other became administered by the state. There was a move to what Radical Chains call the 'formal recognition of need': that is, the working class can get needs met through forms of administration. Bureaucratic procedures, forms, tests and so on enter the life of the working class.

There are now two sides to capital - the law of value and administration. This Partial Suspension of the Law of Value represents national deals with the working class. The global proletariat is divided into national sections which have varying degrees of defence from the law of value. This acts to stop the proletariat's global unification as a revolutionary class, but it also acts as a limit on the effectiveness of the law of value which must act globally.

Crisis of the Partial Suspension of the Law of Value

Within the forms of the Partial Suspension of the Law of Value, the working class struggles. It uses the existence of full employment and welfare to increase both sides of the divided wage. Administration proves a much less

effective way of keeping the working class in check than the pure workings of the market. Radical Chains see the forms of struggle that the new currents connected to as evidence of the working class breaking out of its containment. The last twenty years or so are seen by Radical Chains as a crisis of the forms of prevention of communism to which capital has responded by trying to reunify the wage and reassert the law of value. Radical Chains do not see much point in looking at the different struggles; the point is to locate them within a grand theoretical perspective!

The attraction of Radical Chains' theory is that the concrete developments of the twentieth century are explained by a combination of subjective and objective factors. Revolutionary theory has a tendency to see the subjective aspect - working class struggle - appearing in revolutionary periods and disappearing without trace at other times. Radical Chains conceptualize the subjective as contained within the forms of the prevention of communism - Stalinism and social democracy - but continuing to struggle and finally exploding them. This analysis seems to have a revolutionary edge, for Radical Chains use the theory to criticize the left's tendency to become complicit with these forms of the prevention of communism. However, there is an ambiguity here

because Radical Chains hinge their account on the idea of an underlying process - the breakdown of the essence of capitalism before the essence of communism - planning. This, as we shall argue, is exactly the framework that leads to the left's complicity with capital.

However, before moving to the fundamental conceptual problems that Radical Chains inherit from Ticktin we should point out some problems with their historical account of the rise and fall of capitalism.

In the Blink of an Eye

Radical Chains are right to see the New Poor Law as expressing bourgeois dreams of a working class totally subordinated to capital. They imagine that this period of proper domination beginning in 1834 and lasting till the beginnings of the Partial Suspension of the Law of Value with the movement towards haphazard forms of poor relief in the 1880s, the mature period of capitalism, lasts around fifty years.

But there is a difference between intent and reality. The New Poor Law while enacted in 1834 was resisted by the working class and the parishes so that it was not until the 1870s that it became properly enforced. So virtually as soon as it was enforced the New Poor Law began to be undermined. From this it would seem that the high point

of capitalism becomes reduced to little more than a decade or two. From an historical perspective in which feudalism lasted for more than a several centuries, capitalism's maturity is over in the blink of an eye.

Against this notion that capitalism matured for a mere twenty years in the later part of the nineteenth century and has ever since been in decline, it can of course be countered that the world has become far more capitalist during the course of the twentieth century than it has ever been. This view would seem to become substantiated once we grasp the development of capitalism not in terms of the decline of the law of value, but in terms of the shift from the formal to the real subsumption of labour to capital and the concomitant shift in emphasis from the production of absolute surplus-value to the production of relative surplus-value.

Formal and Real Domination

In the period dominated by the production of absolute surplus-value, the imperative of the control of labour is simply to create sufficient hardship to force the proletarians through the factory gates. However, once relative surplus-value becomes predominant, a more sophisticated role is required. The capital/labour relation had to be reconstructed. The reduction in necessary

labour required the mass production of consumption goods. A constant demand for those goods then became essential to capital. As a result, the working class became an important source not only of labour but also of demand. At the same time, the continual revolutionizing of the means of production required a more educated workforce and a more regulated reserve army of the unemployed.

Of course Radical Chains are right that these changes are also being forced on capital by the threat of proletarian self-organization. But the idea that they thereby represent capital's decline is not justified. It is only with these new ways of administering the class that relative surplus-value can be effectively pursued. The phenomena of Taylorism and Fordism indicate that capitalism in the twentieth century - the pursuit of relative surplus-value - still had a lot of life in it. Indeed, the post-war boom in which capitalism grew massively based on full employment and the linking of rising working class living standards and higher productivity is perhaps the period when working class needs and accumulation were at their most integrated.

Indeed, from this perspective, the New Poor Law was more of a transitional form in the development of capitalism. On the one hand it was in keeping with the

draconian legislation that capital required in its long period of emergence. On the other hand it created a national system to control labour. The multitudes of boards that it set up are the direct forerunners of the administrative bodies that came to replace it.

So, rather than a massive break, there is a great deal of continuity between the sorts of institutions created by the 1834 Act and those bureaucratic structures that were set up later. The forms of systematic national management of labour that were created by the New Poor Law simply to discipline the working class were the material basis for new relations of representation, administration and intervention.

We can see, then, that the New Poor Law was introduced to fulfill the needs of a period of the production of absolute surplus-value. What is more, though it was enacted in 1834, it was only in the 1870s that its provisions totally replaced earlier systems of relief. By this time, capital was shifting to its period in which the production of relative surplus-value came to predominate, and this required a new way of relating to labour.

The underlying problem of Radical Chains' historical analysis is that they take the laissez faire stage of

capitalism at its own word. Its word is an individualist ideology which was immediately undermined by the growth of collective forms. The idea of a perfect regime of needs under the law of value is a myth. The law of value and capital have always been constrained, first by forms of landed property and of community which preceded it, and then by the class struggle growing up within it. Capital is forced to relate to the working class by other means than the wage, and the state is its necessary way of doing this. The Poor Law expressed one strategy for controlling the working class: administration expresses a different one. Once we see the law of value as always constrained, then the idea of its partial suspension loses its resonance.

The fetishism of planning

Given that Radical Chains seek to emphasize the relation of struggle between the working class and capital, it may seem strange that they do not consider the shift from the formal to real subsumption of labour to capital. Yet such a consideration would not only undermine their commitment to a theory of decline but also run counter to the conceptual framework that they have drawn from classical Marxism through Ticktin. To examine this more closely we must return briefly once more to the origins of classical Marxism's theory of decline.

As we have already noted, the notion of an objectively determined decline of capitalism is rooted in the orthodox interpretation of the Preface to A Contribution to the Critique of Political Economy where Marx states that 'At a certain stage of development, the material productive forces of society come into conflict with the existing relations of production... From forms of development of the productive forces these relations turn into their fetters. Then begins an era of social revolution'. For the classical Marxist at the turn of the century, it seemed clear that the social relations of private appropriation and the market were becoming fetters on the increasingly socialized forces of production. The driving force towards revolution was therefore conceptualized as the contradiction between the productive forces' need for socialist planning and the anarchy of the market and private appropriation.

Of course, implicit in all this is the idea that socialism only becomes justified once it becomes historically necessary to further develop the forces of production on a more rational and planned basis. Once capitalism has exhausted its potential of developing the forces of production on the basis of the law of value, socialism must step in to take over the baton of economic development. From this perspective, socialism appears

as little more than the planned development of the forces of production.

However, viewing history in terms of the contradiction between the development of the forces of production and existing social relations, where each form of society is seen to be replaced by a succeeding one which can allow a further development of the forces of production, is to take the view point of capital. By articulating this view, Marx sought to turn the perspective of capital against itself. Marx sought to show that, like preceding societies, capitalism will repeatedly impose limits on the development of the forces of production and therefore open up the possibility for capitalism's own supersession on its own terms.

From the point of view of capital, history is nothing more than the development of the productive forces; it is only with capitalism that production fully realizes itself as an alien force that can appear abstracted from human needs and desires. Communism must not only involve the abolition of classes but also the abolition of the forces of production as a separate power.

By seeing socialism principally as the rationally planned development of the forces of production - and opposing this to the anarchy of the market of capitalism - classical

Marxists ended up adopting the perspective of capital. It was this perspective that allowed the Bolsheviks to take up the tasks of a surrogate bourgeoisie once they had seized power in Russia, since it committed them to the development of the forces of production at all costs. The logic of this perspective was perhaps developed most of all by Trotsky who, through his support for the introduction of Taylorism, one-man management, the militarization of labour and the crushing of the rebellion at Kronstadt, consistently demonstrated his commitment to develop the forces of production over and against the needs of the working class.

As a long committed Trotskyist, there are no problems for Ticktin in identifying socialism with planning. Indeed, in restating classical Marxism and developing the contradictions between planning and the anarchy of the market, Ticktin draws heavily on the work of Preobrazhensky who, alongside Trotsky, was the leading theoretician of the Left-Opposition in the 1920s. It was Preobrazhensky who first developed the distinction between the law of planning and the law of value as the two competing principles of economic regulation in the period of the transition from capitalism to socialism. It was on the basis of this distinction that Preobrazhensky developed the arguments of the Left-Opposition for the

rapid development of heavy industry at the expense of the living standards of the working class and the peasantry. Arguments that were later to be put into practice, after the liquidation of the Left-Opposition, under Stalin.

For Radical Chains, adopting the notion that we are in the period of capitalist decline and the consequent transition to socialism, in which the principal contradiction is that between the law of value and the law of planning, is far more problematic. An important part of Radical Chains' project is their attempt to reject the traditional politics of the left, particularly that of Leninism. This is made clear in such articles as 'The hidden political economy of the left', where they resolutely stress importance of the self-activity of the working class and attack the Leninist notion of the passivity of the working class and its need for an externally imposed discipline. Yet this is undermined by their adherence to the 'good Marxism' of Ticktin.

As a result, we find that when pressed on the question of planning Radical Chains' position becomes both slippery and highly ambiguous. Their way of vindicating planning is virtually to identify it with self-emancipation. They ask us to make a revolution in the name of planning and insist that really that is fine because 'Planning is the

social presence of the freely associating proletariat and, beyond that, the human form of existence.' But planning is planning. The free association of the proletariat is the free association of the proletariat. For all their efforts, by refusing to break with the framework set out by Ticktin, Radical Chains end up simply criticizing the left's idea of planning from the point of view of planning. For us, this classical leftist Marxism must not be revitalized but undermined. This means questioning its very framework.

For us, the market or law of value is not the essence of capital; its essence is rather the self-expansion of value: that is, of alienated labour. Capital is above all an organizing of alienated labour involving a combination of market aspects and planning aspects. Capitalism has always needed planning and it has always needed markets. The twentieth century has displayed a constant tension between capitalism's market and planning tendencies. What the left has done is identify with one pole of this process, that of planning. But our project is not simply equal to planning. Communism is the abolition of all capitalist social relations, both of the market and of the alien plan. Of course, some form of social planning is a necessary prerequisite for communism: but the point is not planning as such, as a separate and specialized activity, but planning at the

service of the project of free creation of our lives. The focus would be on the production of ourselves, not things. Not the planning of work and development of the productive forces, but the planning of free activity at the service of the free creation of our own lives.

Radical Chains concluded

With Radical Chains we have the most recent and perhaps most sophisticated restatement of the classical Marxist theory of decline. Yet, for us, their attempt to unite such an objectivist Marxist theory with the more class struggle oriented theories which emerged in the 1960s and 1970s has failed, leaving them in a politically compromised position. With Radical Chains our odyssey is complete and we can draw to some kind of conclusion.

In Place of a Conclusion

Is capitalism in decline? Coming to terms with theories of capitalist decline has involved a coming to terms with Marxism. One of the essential aspects of Marx's critique of political economy was to show how the relations of capitalist society are not natural and eternal. Rather, he showed how capitalism was a transitory mode of production. Capital displays itself as transitory. Its negation is within it, and there is a movement to abolish it. However, the theory of decline is not for us. It focuses

on decline as a period within capitalism and it identifies the process of going beyond capital with changes in the forms of capital rather than the struggle against them.

Decline cannot be seen as an objective period of capitalism, nor can the progressive aspect to capital be seen as an earlier period now passed. The progressive and decadent aspects of capital have always been united. Capitalism has always involved a decadent negative process of the commodification of life by value. It has also involved the creation of the universal class in opposition, rich in needs and with the ultimate need for a new way of life beyond capital.

The problem with Marxist orthodoxy is that it seeks capital's doom not in the collective forms of organization and struggle of the proletariat but in the forms of capitalist socialization. It imposes a linear evolutionary model on the shift from capitalism to communism. The revolutionary movement towards communism involves rupture; the theorization of the decline of capitalism misses this by identifying with aspects of capital. As Pannekoek pointed out, the real decline of capital is the self-emancipation of the working class.