The debate that raged between social democrats and revolutionary Marxists for much of the twentieth century was long and bitter.\(^1\) Social democrats defended national reforms, supposedly capable of instituting a just capitalist order. Adherents of revolutionary Marxism, in contrast, insisted that that the property relations defining capitalism necessarily involve exploitative production relations on a world scale. In my view, Marxists had the far stronger arguments. But, in the countries of the industrialised West, at least, social democracy won the debate politically, attaining a hegemonic position on the Left and Centre-Left.

Today, this debate is a distant memory. It has become increasingly difficult to distinguish social-democratic parties from their traditional rivals on the Right and Centre-Right. Whatever their rhetoric outside of office, once elected, social-democratic

\(^{1}\) I would like to thank Chris Arthur, Riccardo Bellofiore, Sebastian Budgen, Martha Campbell, Alejandro Colás, Fred Evans, John Exdel, Matthias Kaelberer, Fred Moseley, Patrick Murray, Nicola Taylor, and Alex Tuckness for their helpful feedback on earlier versions of this paper. All the usual disclaimers apply.
parties have consistently attempted to cut social welfare programmes, increase the so-called ‘flexibility’ of labour markets, and serve the interests of financial capital.

Theorists associated with the social-democratic tradition have responded to this development in three main ways. One group echoes Thatcher’s ‘there is no alternative’ war cry. On their view, globalisation makes the above policies all but inevitable. Any divergence from ‘fiscal responsibility’ will invariably and almost instantly be punished by global capital markets. On this view, social democrats must be content to lessen somewhat the social costs associated with neoliberal policies.

A second group of theorists, horrified by the accommodations to neoliberalism made by social-democratic parties, holds that ‘globalisation’ is an ideological category, not an irresistible force. For these thinkers, the extent of global economic integration has been wildly overestimated. Most economic activities continue to be contained within national borders, and states continue to have the power to regulate economic life and further social-democratic values. The turn away from traditional social-democratic policies is thus not due to the lack of feasible alternatives, but to a political balance of forces in which financial capital predominates. With a different political balance of forces, neoliberalism could be reversed and authentic social democracy revived.

Adherents of a third viewpoint agree with the first set of theorists on one essential matter: the rise of globalisation has indeed undermined the pursuit of traditional social-democratic policies on the national level. But they share the misgivings of the second group regarding the accommodations to neoliberalism made in the name of globalisation. Refusing to abandon the values of social democracy, they argue that the proper response to globalisation is the institutionalisation of those values on a global level. I believe that the most powerful defence of this third perspective is found in David Held’s *Democracy and the Global Order*. The present article is devoted to a critical examination of the transformations in the global economy called for by Held and other defenders of what he terms ‘cosmopolitan-democratic law’.

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2 Giddens inclines to this position in his contributions to Hutton and Giddens (eds.) 2000.

3 See Hirst and Thompson 1996 and the articles collected in Boyer and Drache (eds.) 1996.

4 Other defenders of cosmopolitan ethics are surveyed in Jones 1999.
I shall simply assume here, for the sake of the argument, that globalisation has undermined the traditional social-democratic project of establishing ‘capitalism with a human face’ on the national level. I shall also grant the equally contentious thesis that the values of social democracy as interpreted by Held are indeed the normative standards that ought to govern social life. Finally, I shall not investigate the question of social agency, that is, the question of whether there are (or could be) social movements with the potential to institute cosmopolitan law in the face of the undoubtedly bitter opposition of neoliberals and their allies.

**Four proposals for the ‘global governance’ of capitalism**

Decisions by agents operating outside a given set of national borders can profoundly affect the lives of those within these borders. In Held’s view, for a political order to be democratic, those exercising decision-making power must be accountable to those over whom the power is exercised. The democratisation process, therefore, must expand beyond the ongoing democratisation of the nation-state (and more local forms of government) to include a new

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5 The principle of autonomy that provides the foundation of Held’s cosmopolitanism has an unmistakably Kantian provenance: ‘persons should enjoy equal rights and, accordingly, equal obligations in the specification of the political framework which generates and limits the opportunities available to them; that is, they should be free and equal in the determination of the conditions of their own lives, so long as they do not deploy this framework to negate the rights of others’ (Held 1995, p. 147).

6 Held’s account of social agency focuses on a ‘global civil society’ arising in response to moral appeals and enlightened self interest, that is, ‘transnational, grass-roots movements with clear regional or global objectives, such as the protection of natural resources and the environment, and the alleviation of disease and ill-health; the elaboration of new legal rights and duties affecting states and individuals in connection with the “common heritage of humankind”, the protection of the “global commons”, the defence of human rights and the deployment of force; and the emergence and proliferation in the twentieth century of international institutions to coordinate transnational forces and problems, from the UN and its agencies to regional political networks and organizations.’ Held concludes, ‘accordingly, it can be argued, a political basis exists upon which to build a more systematic democratic future’ (Held 1995, p. 237). For a general assessment of ‘new social movement’ theories of this sort, see Wood 1986. A critical assessment of the concept of ‘global civil society’ in particular is found in Colás 2001, Chapter 5. Colás argues that international civil society long predates contemporary globalisation, that many agents of international civil society are neither accountable nor democratic, and that democratic politics remains essentially connected to the sovereign state. Held, I think, would grant all three points. But he fails to acknowledge fully the difficulties they raise for his account of the agency underlying the future institutionalisation of cosmopolitan-democratic law.
political régime on the global level. Held advocates a global ‘Charter of Rights and Obligations’ articulating the basic precepts of cosmopolitan-democratic law. A system of international courts is required to which appeal can be made when particular agents – including state officials – fail to adhere to these precepts. He also calls for regional parliaments on the continental level, general referenda cutting across nation-states, elected supervisory boards for international organisations, and an ‘authoritarian assembly of all democratic states and agencies’. Finally, Held does not shrink from demanding a permanent independent military force under the control of this global assembly. It is needed both to enforce laws on the regional and global levels and to provide a ‘general check on the right of states to go to war’.

Most debates regarding the institutional implications of cosmopolitanism have concerned the feasibility and normative attractiveness (or lack thereof) of these proposed political institutions. In the present context, however, our focus will be on Held’s call for reforms of the global economy. There are two main reasons for this. First, Held himself unequivocally recognises that ‘if the rule of law does not involve a central concern with distributional questions and matters of social justice, it cannot be satisfactorily entrenched, and the principle of democratic accountability cannot be realized adequately’. In other words, no economic justice on the global level, no global political democracy. Second, an examination of Held’s economic proposals brings us to the heart of the debate between cosmopolitanism and a Marxian perspective.

Held insists that the global ‘Charter of Rights and Obligations’ include constitutional guarantees of two fundamental economic rights, along with constitutional commitments to two forms of economic policy. Each of these four proposals is designed to provide a necessary condition of the possibility of substantive (as opposed to merely formal) autonomy throughout the global economy. They are: i) the right to a basic income; ii) the right to “access avenues” to the decision-making apparatus of productive and financial property; that is, to the creation of participative opportunities in firms and

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7 ‘Democratic law can prevail only if it is established both within the power domains of particular political communities and within those which cut across them. Sites of power can be national, transnational and international. Accordingly, democratic public law within a political community requires democratic law in the international sphere’ (Held 1995, pp. 226–7).
10 See, for example, the texts collected in Archibugi, Held and Koehler (eds.) 1998.
in other types of economic organization’;¹² iii) increased social control of global investment through ‘management of interest rates to induce capital to invest in certain areas’ and through the pooling and allocation of democratically-controlled social investment funds;¹³ and iv) controls on short-term capital flows.

These proposals form the core of a new ‘Bretton Woods’ agreement – an agreement which would tie investment, production and trade to the conditions and processes of democracy. Corporations and states would then be subjected to ‘democratic audits’ of their compliance with cosmopolitan law. If an audit reveals that they have disregarded the precepts of the global social charter, sanctions would follow. Restrictions could be imposed on the provision of capital for investment; for instance, the release of funds – whether public or private – to companies or governments could be linked directly to the latter respecting and satisfying the conditions of democratic autonomy.¹⁴

These bans would be ‘enforced by agencies which would monitor not just the rules of sound finance and market transaction, but also the rules which specified the possibility of mutual respect for autonomy and self-determination’.¹⁵

The goal of cosmopolitan law is to ensure that the material preconditions for effective exercises of autonomy are provided throughout the global economy. It should be clear that this project is nothing less than the institutionalisation of social-democratic values on the global level. Does Held accept the thesis that these social-democratic values are compatible in principle with capitalist property (and production) relations? The answer is complicated by the fact that Held calls for the ‘enhancement of non-state, non-market solutions in the organization of civil society’. He also advocates ‘systematic experimentation with different democratic organizational forms in the economy’, leading to a ‘pluralization of patterns of ownership and possession’ including ‘strict limits to private ownership of key ‘public-shaping’ institutions: media, information, and so on’.¹⁶ Nonetheless, the general thrust of his position points in a quite different direction:

¹⁴ Held 1995, p. 255.
¹⁵ Held 1995, p. 256.
Capitalism, in the context of democratic constitutional societies, has strengths as well as weaknesses – *strengths that need to be recognized and defended as well as extended and developed*. Accordingly, if the implications of the arguments about the tensions between democracy and capitalism are to be pursued, it needs to be on terms which break from the simple and crude juxtaposition of capitalism with planning, or capitalism with systems of collective ownership and control, and in terms which are more cautious and experimental.\(^\text{17}\)

In light of the italicised portion of this passage, Held’s ‘cautious and experimental’ project appears designed to reform capitalism in light of the normative imperatives of cosmopolitan democracy. This supposition is confirmed in the following passage: ‘The corporate capitalist system requires constraint and regulation to compensate for the biases generated by the pursuit of the “private good”’.\(^\text{18}\) Providing ‘compensation’ is obviously very different from rejecting the corporate capitalist system. Or consider Held’s comment regarding rights to participation in workplace decision-making:

Such opportunities do not translate straightforwardly into a right to social or collective ownership. For what is centrally at issue is an opportunity for involvement in the determination of the regulative rules of work organizations, the broad allocation of resources within them, and the relations of economic enterprises to other sites of power. . . . At stake is a balance between the requirements of participation in management and those of economic effectiveness, that is, a balance between the discipline of democracy and the discipline of the market. *The question of the particular forms of property right is not itself the primary consideration*.\(^\text{19}\)

From a Marxian perspective, there is no question that Held’s position is vastly superior to both the neoliberalism of the Right and the staggering political degeneration of social democracy represented by the so-called ‘third way’ of Blair and his cohorts.\(^\text{20}\) Nonetheless, for Marxists, ‘the question of the particular forms of property right’ cannot be dismissed so quickly. In this paper, I shall argue that capitalist property and production relations are of overwhelming significance. They ultimately prove incompatible with the democratic values Held seeks to advance with his four proposals.

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\(^{17}\) Held 1995, p. 249 (italics added).

\(^{18}\) Held 1995, p. 251.

\(^{19}\) Held 1995, pp. 253–4; italics added.

The basic income proposal

Those who enjoy basic income guarantees have a greater ability to make choices in consumer markets than they would otherwise have. This enhances a form of economic autonomy that separates capitalism from earlier social systems. A basic income, if set at a sufficiently high level, could also significantly lessen the economic coercion forcing workers to take low-pay, low-status, and dangerous jobs. But is the provision of a reasonably high basic income consistent with capitalist property relations? For social-democratic theorists, the historical periods in which social-democratic régimes provided relatively generous basic incomes guarantees appears to offer conclusive empirical proof for an affirmative answer.

This is not the place to examine the history and limits of social democracy in different national contexts, for Held’s project is the extension of social democracy to the global plane. In the present context, the key point to stress is the danger of committing a fallacy of composition. From the fact that some regions with capitalist property relations have provided somewhat high levels of basic income in certain historical contexts, it does not follow that all regions with those property relations in place can do so in all contexts.

The most basic social relation in capitalism is the capital-wage-labour relation. If cosmopolitan law is to systematically cohere with the capitalist world market, the provision of basic income must be compatible with the continued reproduction of this relation. This cannot occur unless those who do not have access to capital continue to see entering into wage contracts as their best available option. In circumstances where wage levels and workplace satisfaction are low, this implies that social assistance must be quite limited if capitalist property relations are to be reproduced. Few would choose to sell their labour-power in such conditions if acceptable alternatives were available. The limited level of basic income compatible with capitalist property relations in these circumstances is unlikely to provide the material conditions for effective exercises of autonomy to the extent required by the precepts of cosmopolitan-democratic theory.

A corollary of this point is also worth stressing. The lower the wages and the worse the work conditions in a particular region of the global economy,

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21 See Marx 1973, p. 287.
23 See de Brunhoff 1978.
the lower the basic income must be if the reproduction of the capital/wage-labour relation is not to be undermined. The basic income proposal considered by itself thus would appear to reproduce, rather than transform, the profound unevenness that characterises the contemporary global order.

Of course, it would be unfair to place too much weight on this first proposal in isolation. It is but one of a set of reforms intended to function together. Other aspects of cosmopolitan law seek to ensure that levels of wages and work satisfaction are relatively high throughout the global economy. If these objectives were attained, Held might reply, the level of basic income could be set relatively high without undermining the capital/wage-labour relation.

I shall offer some criticisms of Held’s other proposals below. For the moment, let us assume, for the sake of the argument, that they can in fact attain the goal of a global economy with low unemployment and high levels of real wages and work satisfaction. Let us assume further that, under these conditions, basic income guarantees could indeed be set at a level high enough to provide essential material conditions for the effective exercise of autonomy without undermining the attractiveness of wage contracts. If these (highly questionable!) points are granted, the question then becomes whether such a ‘golden age’ could persist indefinitely.

This question brings us to the complex and contentious question of crisis tendencies within capitalism. If the basic form of crisis in capitalism were underconsumption crisis, it might be plausible to hold that the basic income guarantee could contribute to the indefinite avoidance of economic downswings. For this guarantee provides higher levels of income to precisely those economic agents with the highest propensity to consume. But this element of cosmopolitan law looks rather different from the perspective of other, more convincing, theories of economic crisis.

Developing themes discussed in the tenth chapter of Capital Volume 3, Geert Reuten and Robert Brenner have argued persuasively that a systematic tendency to overaccumulation crises can be derived from the property relations defining capitalism. Their account begins by noting that the drive to appropriate surplus profits necessarily tends to lead more efficient plants and firms to enter a given sector. But established firms and plants do not all automatically withdraw when this occurs. Their fixed capital costs are already ‘sunk’, and so they may be happy to receive the average rate of profit on

their circulating capital. They also may have established relations with suppliers and customers impossible (or prohibitively expensive) to duplicate elsewhere in any relevant time frame. Further, their management and labour force may have industry-specific skills. And governments may provide subsidies for training, infrastructure, or R&D that would not be available to them if they were to shift sectors. When a sufficient number of firms and plants do not withdraw as a result of these sorts of factors, the result is an overaccumulation of capital, manifested in excess capacity and declining rates of profit. In more traditional Marxist terms, insufficient surplus-value is produced to valorise the investments that have been made in fixed capital. In certain circumstances, this dynamic may lead to an economy-wide fall in profit rates for an extended historical period.25

When overaccumulation crises break out, previous investments in fixed capital must be devalued. At this point, the entire system becomes convulsed in endeavours to shift the costs of devaluation elsewhere. Each unit, network, and region of capital attempts to shift the costs of devaluation onto other units, networks, and regions. And those who control capital mobilise their vast economic, political, and ideological weapons in the attempt to shift as many of the costs of devaluation as possible onto wage-labourers, through increased unemployment, lower wages, and worsened work conditions.26

As the concentration and centralisation of capital proceeds in the course of capitalist development, both overaccumulation and the resulting need for devaluation necessarily tend to occur on an ever-more massive scale. Global turbulence and generalised economic insecurity increasingly become the normal state of affairs. It may not be logically impossible for a high level of basic income guarantees to be maintained across the global economy in such circumstances. But it will surely tend to be increasingly difficult to do so.

To summarise, if we assume that the remaining planks of cosmopolitan law fulfill their objectives, a case can be made that a high level of basic income is, in principle, compatible with the continued reproduction of the capital/wage-labour relation in the global economy. But, if the theory of overaccumulation

25 Brenner has provided considerable empirical evidence that the lower rates of growth that afflicted the world economy after the so-called ‘golden age’ ended in the late 1960s and early 1970s were due, in part, to excess capacity (or, better, insufficient surplus-value) in the leading sectors of the global economy. Fred Moseley argues that an increase in the ratio of unproductive and productive labour also played a major role in this story (Moseley 1991). I consider the two accounts complementary.
26 See Smith 2000a, Chapter 5.
crises is accepted, it follows that this compatibility cannot be maintained over time. Held’s first proposal thus does not appear to be generally compatible with capitalist property relations, even if an exceedingly favourable (and, as we shall see below, implausible) assumption is made for the sake of the argument.

One final comment is in order before turning to Held’s other proposals. Setting a baseline of income below which people are not allowed to fall does not, in itself, remove economic inequality. Providing such a baseline in a global social charter is even fully consistent with a significant increase in the relative inequality of the distribution of income and wealth. This is a profound problem for Held, since he himself explicitly grants that large economic disparities tend to be translated into disparities in social power great enough to constrict the effective exercise of autonomy by disadvantaged individuals and groups. We may conclude that providing a level of basic income sufficiently high to further the effective exercise of autonomy is ruled out by capitalist property and production relations.

**Access avenues**

The second feature of cosmopolitan-democratic law relevant to the global economy is the precept granting labourers, local communities, consumers, and investment fund-holders access to the sites of industrial and financial decision-making. Held insists that this access must go beyond mere ‘conversation or consultation’. Management must negotiate with representatives of these groups ‘to create decision frameworks on matters as diverse as employment prospects, work methods, investment opportunities, and income and dividend levels’.²⁷ The German system of co-determination, a social-democratic reform reserving just under half of board seats for representatives of labour, offers an example on the national level. Here, too, Held’s cosmopolitan law can be understood as an attempt to globalise social democracy. And here, too, one can question whether Held’s objectives are compatible with the property and production relations underlying the capitalist world market.²⁸

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²⁸ I shall examine ‘access avenues’ to investment decisions in the following section. The implications of the access avenues proposal for community groups, consumers, and so on, will not be discussed here, although many of the following arguments regarding wage-labourers could be extended to these other social groups.
A first point to note is that, even if ‘access avenues’ were somehow established and functioning smoothly, the external pressures imposed on units of capital by the valorisation imperative would remain in force. When sufficient profits are not appropriated by a given unit of capital – whether due to product or process innovations successfully introduced by competing units, a general economic slowdown, or any other cause – then the workers employed by that unit of capital necessarily tend to suffer unemployment, lower wages, job speed-ups, and so on. The communities in which they live also tend to suffer significant material losses. Under capitalist social relations, then, a tendency arises for workers enjoying ‘access avenues’ to seek to deflect the social costs of innovation and crises onto other units of capital, other workforces, other communities. Implementing the proposal would thus appear to have the foreseeable consequence of strengthening the bonds between workers in particular enterprises and the managers and investors of those enterprises, at the cost of exacerbating divisions among the workforce as a whole. These divisions may shift the balance of power between capital and labour in favour of the latter. In this manner, rights to negotiation may improve the situation of particular sectors of the workforce at the cost of worsening the situation of the labour-force as a whole.29 In other words, ‘access avenues’ to sites of decision-making that leave capitalist property relations untouched do not, in themselves, reverse the alien power of the value-form. They, instead, provide a mechanism whereby this power would be intensely internalised within the subjectivity of wage-labourers, leading them to grant ‘free’ consent to what the value-form imposes. It can surely be questioned whether this should count as furthering the institutionalisation of autonomy.

Held might reply that a high degree of worker solidarity and organisation could check any tendency to exacerbate differences among workers. The ease with which capitalist property relations allow ‘divide and conquer’ strategies to be implemented suggests that such a high level of solidarity and organisation would be extremely difficult to attain. But I am happy to grant that it is both possible and one of the main political projects of our new century. But once a sufficiently high level of solidarity and organisation had been attained, would not a unified global workforce begin at once to consider ways to

29 This dynamic has been a feature of ‘enterprise unionism’ in post-World-War-Two Japan (Smith 2000a, Chapter 3). Held’s global social charter would, in effect, extend enterprise unionism to the global economy.
remove capital’s ability to implement divide and conquer strategies effectively? And would not attempts to eliminate this ability call capitalist property relations into question in a truly fundamental manner? A consideration of the so-called ‘principal/agent problem’ in this context provides further reasons for thinking that this would be the case.

In the business literature, the principal/agent problem is usually defined in terms of the relationship between investors and managers, with the former taken as the ‘principals’ and the latter as their ‘agents’. The problem arises from the fact that managers can be expected to pursue their own interests, which may not always coincide with those of investors. Recent accounting scandals in the United States have revealed just how wide this divergence can become. When such conflicts arise, however, there are a series of mechanisms within capitalism that tend to realign the interests of investors and managers closer together. Ultimate power to appoint, reward, and remove management lies with investors and their representatives, and managers who do not effectively operate as the agents of investors can be sued under ‘due diligence’ legislation. Such mechanisms provide strong incentives for most managers to further their interests in a manner that does not fundamentally diverge from the interests of investors over time.

Held’s proposal to institute fora for negotiation between management and the workforce can be seen as an attempt to view the management/labour relation in terms of the principal/agent problem. These fora are meant to provide an institutional mechanism ensuring that managers will further their own interests in a manner that is generally consistent with the interests of wage-labourers. But what of cases where the perceived self-interest of investors and labourers are in essential conflict? Of which group would management then consider itself the agent? To answer this question, we must ask a series of others. Under Held’s proposal, is the workforce or its representatives granted the power to appoint management? No. Is the workforce or its representatives granted the power to change management? No. Is the workforce or its representatives granted the power to fix the reward of management? No. Does Held’s proposal grant workers legal rights to sue if managers do not exhibit ‘due diligence’ in the pursuit of workers’ interests? No. The system of capitalist property rights continues to give these social powers to investors. Cosmopolitan law grants workers the much weaker right to ‘negotiate’. Is it

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30 See the discussion in Stiglitz 1994, *passim*. 
really plausible to hold this will be sufficient to ensure that in the controversial cases – that is, the cases that matter – there will be a systematic tendency for management to act in a manner consistent with the interests of the workforce rather than private capital?31

The third and final point I would like to make in this context concerns the institutional settings in which the access avenue proposal would be implemented. Some forms of relationship between financial capital and industrial capital are surely far more compatible with providing opportunities for worker participation in decision-making than others. Bank-centred systems appear to be most compatible with the ‘stakeholder capitalism’ called for by Held.

For our purposes, bank-centred systems can be defined by three features. First, national savings are ‘intermediated’, that is, deposited in the banking system. Second, the general direction of financial flows from these banks to the non-financial sector of the economy is determined through a process of formal and informal negotiations between banks, state agencies, and industrial corporations. Third, these banks hold a high portion of the equity of the corporations to which they lend. Now, no system of ‘relationship banking’ in the history of capitalism has actually institutionalised anything remotely approaching the sort of democratic ‘access avenues’ called for by Held. Nonetheless, I would argue that the thesis that such institutionalisation is possible under capitalist property relations is most plausible for bank-centred systems. In so far as the determination of the general direction of financial flows is already a matter for negotiation among various social groups, an institutional space is established within which representation could, in principle, be extended to wage-labourers and other ‘stakeholders’ of corporations. And explicit government commitments enable banks to take a long-term perspective on their investments in non-financial corporations. They are thus more capable, at least in principle, of resisting pressure to sacrifice the medium-to-long-term interests of other stakeholders for the sake of short-term benefits to private shareholders.

Matters would be greatly complicated for cosmopolitan social democrats if there were a tendency in global capitalism towards ‘disintermediation’, that

31 What of the social investment funds to be considered below? These funds are meant to complement, not replace, private capital investment. As long as capitalist property relations remain dominant in the global economy, social investment funds will play a relatively secondary role.
is, for direct relations between firms and investors, without banks mediating between them. Such a development would remove the most favourable institutional space for ‘stakeholder capitalism’. I believe that a general tendency to disintermediation is necessarily given with capitalist property relations, at least once the concentration and centralisation of capital has proceeded to the point attained today. This tendency can be derived from a number of other, more basic, tendencies.

- There is a tendency for communications technologies to advance under the capital form. As these technologies advance, investors in distant regions are potentially able to acquire more and more relevant information regarding possible objects of investment directly for themselves, without the intermediation of banks.

- This potential tends to be actualised, due to the fact that firms have a number of incentives to provide information to capital markets. Once they have grown past a certain size, at least, they generally prefer reliance on impersonal markets to the much more intrusive oversight that tends to develop when they are dependent on a specific bank.

- Also, the one-to-one interaction of relationship banking is often not as financially advantageous to corporations as the many-to-one relation established when they tap global capital markets. The more investors there are competing to provide investment funds, the better the rate a corporation can hope to pay on its debt, everything else being equal.

- Further, if a rapid growth of asset values is expected, corporations can tap funds through equity offerings without having to pay either high dividends or interest payments in return.

- By bundling loans of different risk together, securitisation allows the overall risk from any given unit of investment to be lower. It also allows a dispersion of risk among numerous investors, as opposed to a concentration of risk in a few banks. Both tend to lower the capital costs of firms, while

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32 See Guttmann 1994 and Gowan 1999, Chapter 2. Gowan rightly emphasises the extent to which disintermediation has been as a strategic objective of the US government, pursued in order to maintain the hegemonic position of US financial capital in the world market. But there are strong tendencies towards disintermediation apart from this, as Gowan notes as well.


34 Of course, firms also have an incentive to engage in systematic deception on a massive scale, as the recent dot.com bubble shows clearly enough. I expect that the investor class will prove sufficiently strong politically to establish regulations that allow at least minimal standards of accuracy to be generally met.
encouraging firms to break from relationships they may have had with investment banks.

- In periods of rapid innovation, these banks may themselves wish to be freed from long-term ties to corporations. Even the most successful firms regularly have difficulty adjusting to rapidly changing technological and economic environments. If they decline, banks do not want to share this fate.  

- Finally, depositors can generally expect better rates of return from international capital markets than from deposits in national savings systems.

If it is true that, as capitalism evolves, we can derive a systematic tendency for ‘relationship banking’ to give way to impersonal global capital markets, and if it is true that the ‘stakeholder’ ideal of capitalism is far more compatible with the former than the latter, then we have a reason to question whether Held’s embrace of this ideal fits easily with his acceptance of capitalist property relations. At a certain stage of development, at least, capitalist property relations tend to lead to financial systems that make the effective implementation of ‘stakeholder’ capitalism increasingly unlikely.

This argument reinforces the conclusion of the above discussion of the principal/agent problem. If there is a tendency for ‘disintermediation’ in global capital markets, investors tend to acquire more and more ‘exit options’ relative to those possessed under relationship banking. If they choose to exercise these options, managers may be left without access to external sources of capital. This dynamic allows us to reaffirm the derivation of a systematic tendency for managers to act as the agents of private investors whenever the

35 Christensen 1997.

36 It is important not to overstate the extent to which capital is ‘footloose’ in the global economy. Industrial investment capital can be bound to a particular region by previous investments in fixed capital, the need to be close to state-of-the-art research facilities, the need for quick delivery to consumer markets, the availability of managers and workers with the requisite skills, and so on (Storper and Walker 1989). Nonetheless, securitisation, disintermediation, and the globalisation of capital markets tremendously enhance the ability of financial capital to exit from previous commitments. And the technological dynamism of capitalism also tends to result in a faster rate of ‘moral depreciation’ of investment in fixed capital, which further enhances the mobility of industrial capital. The fact that private investment capital is not completely ‘footloose’ hardly reverses the fundamental asymmetry of social power underlying the capital/wage-labour relation in the global economy, one essential aspect of which is the tendency for managers to see themselves as agents of the former term in this relation rather than the latter. Establishing formal channels of negotiation would not reverse this state of affairs.
perceived self-interest of investors conflicts with that of other ‘stakeholders’. Disintermediation reinforces the thesis that there is no reason to suppose that the presence of fora for negotiation would lead to a qualitatively different resolution of the principal/agent problem.

We should recall once again that Held’s proposals for cosmopolitan law form a package. Might it be the case that increased social control of investments in the global capitalist economy would greatly alleviate the difficulties that have been mentioned thus far?

**Social control of investment**

Held recognises that, if flows of investment funds in the global economy are entirely left to private capital markets, individuals and groups in many regions will lack the material conditions necessary for effective exercises of autonomy. As a cosmopolitan democrat, Held insists that this problem must be addressed, and he formulates a number of remedies. He calls for ‘a new coordinating economic agency, working at both global and regional levels . . . capable of deliberation about the broad balance of public investment priorities, expenditure patterns and emergency economic situations’.

One task for this agency would be to direct flows of investment funds to disadvantaged regions through the use of interest-rate differentials. This agency would also collect investment funds by taxing corporate profits at an increasing rate as they rise. These funds could then be allocated to community banks in regions of the world with the most pressing social needs. Held also calls for greater democratic control of pension funds, and suggests that a percentage of the dividends paid out by enterprises should be set aside for allocation by their workforces. He clearly assumes that these latter two pools of investment funds would tend to flow in the same general directions as the social investment funds appropriated through corporate taxes.

Before commenting on these proposals separately, I would first like to present what I take to be a general problem. They are all designed to complement, not replace, flows of private capital. Held explicitly states that...

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37 Held 1995, pp. 259–60. Specific examples of priorities mentioned by Held include alleviation of the most pressing cases of avoidable economic suffering and harm, debt reduction in the poorest regions of the globe, greater emphasis on development at the World Bank and the International Monetary Fund, consumption taxes on energy usage, and a global shift from military to civilian expenditures.
his goal is to ‘work wherever possible, “with the grain of private property rather than against it”’. This implies that, if global flows of private investment capital result in a certain pattern of development in the global economy, there is no reason to assume \textit{a priori} that Held’s proposals would be sufficient to reverse that pattern. In my view, a strong pattern of uneven development does necessarily tend to emerge in the capitalist world market; units of capital from regions at the ‘centre’ of the global system are systematically able to reproduce and expand their advantages over economic agents at the ‘periphery’. This is not the place to give a full account of the theory of uneven development. For the purposes of this paper, a brief presentation of but one of the many social mechanisms underlying uneven development must suffice.

The heart of inter-capital competition is the drive to appropriate surplus profits through temporary monopolies from product or process innovations. The research and development process is obviously a crucial element in process and product innovations. Units of capital with access to advanced (publicly or privately funded) R&D are best positioned to win this form of surplus profits. They are thus also best positioned to establish a virtuous circle in which surplus profits enable a high level of R&D funding in the future, which in turn provides important preconditions for the appropriation of future surplus profits. In contrast, units of capital without initial access to advanced R&D tend to be trapped in a vicious circle. Their resulting inability to introduce significant innovations prevents an appropriation of surplus profits, which tends to limit their ability to participate in advanced R&D in the succeeding period. This, in turn, limits future innovations and future profit opportunities.

This fundamental dynamic of capitalist property relations has profound implications for our comprehension of the world market. Units of capital

\footnote{‘It is essential, therefore, that strategies of economic democratization, if they are to be feasible strategies, work wherever possible, “with the grain of private property rather than against it”. Examples of such strategies include, for instance, the formulation of a general incomes policy, which allows profits to rise while using increased taxation on a percentage of these to create social investment funds on a local, national or regional basis; and/or the creation of special representative bodies at local, national and regional levels to control the investment of pension funds; and/or the alteration of company dividend policy to allow a proportion of profits to be set aside as share or income for the collective control and future benefit of employees. Individually or together, such proposals would increase the possibility of the social determination of investment by creating further “access avenues” to productive and financial resources’ (Held 1995, p. 261).}

\footnote{See Mandel 1975, Chapter 3 and Smith 2002.}
with the greatest access to advanced R&D, almost by definition, tend to be clustered in wealthy regions of the global economy. Units without such access tend to be clustered in poorer regions.\(^{40}\) The former are in a far better position to establish and maintain the virtuous circle described above, while the latter have immense difficulty avoiding the vicious circle. When units of capital in poorer regions engage in economic transactions with units of capital enjoying temporary monopolies due to innovations, they necessarily tend to suffer disadvantageous terms of trade. In other words, the former tend to appropriate a disproportionate share of the value produced in the production and distribution chain. In this manner, the drive to appropriate surplus profits through technological innovation – an inherent feature of capitalist property relations – systematically tends to reproduce uneven development in the world market over time.\(^{41}\)

Of course, the centre/periphery distinction is fluid to a certain extent. Hegemonic firms and regions in the ‘centre’ may lose their leading position over time, and, under certain conditions, poor regions may enjoy high rates of growth and rising per capita income. But fluidity within the general pattern of uneven development does not imply that the pattern itself is unstable.\(^{42}\)

\(^{40}\) At present, 95% of research and development is located in the so-called ‘First World’, and 97% of all patents today are granted to entities based in the First World (Friedman 2000, p. 319). The push to extend the definition and enforcement of intellectual property rights – an absolutely central element of US foreign policy under both Democratic and Republican administrations – obviously reinforces the dialectical unity of virtuous and vicious circles in the global economy.

\(^{41}\) The tendency to uneven development is reinforced through a wide variety of other social mechanisms, including oligopoly pricing, the repatriation of profits from the South to the North, capital flight by corrupt elites in the South attempting to avoid currency risks or possible future demands for restitution, the effective implementation by Northern multinationals of ‘divide and conquer’ strategies in their dealings with subcontractors in the South, the transfer of value from the South to the North through the manipulation of transfer prices in intra-firm trade (now roughly one third of all global trade), protectionist policies of the North, the infamous ‘debt trap’ and the closely following structural adjustment programs imposed by international lenders, and so on. More complete accounts of uneven development are found in Moody 1997, Toussaint 1999, and Went 2000.

\(^{42}\) For a period of time, the countries associated with the so-called ‘East Asian miracle’ enjoyed rapid growth and poverty reduction while concentrating on export markets. Does it follow that all poor countries can do so? No. One problem is that the relative handful of countries that have escaped from poverty in the last decades did so through ‘the development state’ model, a central component of which is the very relationship banking that is now being undermined for reasons sketched above (Wade 1990; Wade and Veneroso 1998; Gowan 1999, Chapter 6). Second, while it may be true that, at some points in time, some developing countries may enjoy great success in export markets, it does not follow that all developing countries can do so at any
The centre/periphery distinction remains necessary if we are to accurately describe an essential feature of the capitalist world market.\textsuperscript{43}

We can now restate the general objection to Held’s proposals to subject global capital flows to some social control. These proposals are explicitly designed to complement, rather than replace, the flows resulting from the decisions of those who privately own and control capital. They are designed to ‘work wherever possible, “with the grain of private property rather than against it”’. The circuits of capital within which capitals from leading regions are able to appropriate surplus-value produced throughout the global economy would remain in place. And, so, the structural tendencies to uneven development would remain in place as well. There is thus no reason whatsoever to assume that the reforms associated with cosmopolitan-democratic law will be capable of reversing these tendencies. The most that might reasonably be expected is that the mechanisms underlying the reverse flow of wealth from the poorest regions of the world to the centres of capital accumulation might operate with somewhat less force than they do presently, improving matters over time. As more and more developing countries enter global markets exporting the same sorts of commodities, excess supply keeps prices low, while the prices of First-World oligopolies continue to rise (this is the phenomena of ‘disadvantageous terms of trade’). In other words, generalisation of the export strategy surely exacerbates the systematic tendency to overaccumulation crisis in the world market (Burkett and Hart-Landsberg 2001, p. 7). Third, the East Asian ‘miracle’ was at least partially premised on increasing exports to the United States. For a period, these exports could be absorbed due to historically unprecedented rate of credit expansion. The limits of this credit expansion, that is, the eventual inability of credit to resolve overaccumulation difficulties, have revealed the limits of the ability of US markets to absorb exports from East Asia at rapidly increasing rates. Fourth, previous successes of the export strategy of development rested on contingent geopolitical considerations that do not generally hold. In the case of the East Asian ‘miracle’, the Cold War motivated the US government to accept high levels of exports from countries that greatly restricted imports from US manufacturers (unless they were required by exporting firms) and portfolio capital investments from the US. With the end of the Cold War, this arrangement ceased being acceptable to US political and economic élites. A great number of other considerations reinforce the conclusion that the so-called East Asian miracle does not count as a refutation of the theory of uneven development. For a comprehensive account, see Burkett and Hart-Landsberg 2000.

\textsuperscript{43} Even the staunchest defenders of the present form of globalisation must admit as much: ‘According to the 1999 UN report, the fifth of the world’s people living in the highest-income countries has 86 percent of world gross domestic product, 82 per cent of world export markets, 68 percent of foreign direct investments and 74 per cent of world telephone lines. The bottom fifth, in the poorest countries, has about 1 per cent in each of these sectors, . . . And the gap has been widening. In 1960 the 20 per cent of the world’s people who live in the richest countries had 30 times the income of the poorest 20 per cent. By 1995, the richest 20 per cent had 82 time as much income’. Friedman 2000, pp. 319–20.
at the margin. And even this vague hope may need to be qualified after a consideration of Held’s specific proposals.

**Interest-rate differentials**

The interest-rate differential proposal can be interpreted as an attempt to generalise a key element in the so-called ‘Asian miracle’. In East Asia, certain local corporations were able to grow rapidly, partly as a result of being able to borrow investment funds at quite low interest rates. Held’s idea is that a régime of global governance ought to include a global institution operating analogously to the ‘developmental state’ of East Asia, spurring economic growth in disadvantaged regions of the global economy by making credit available at low interest rates.

There are a number of reasons to question whether this proposal could attain its objectives, apart from the considerations already presented. The East Asian countries where this approach had success for a period of time enjoyed extremely high levels of domestic savings, which then flowed into the domestic banking system due to the lack of alternative outlets. Poor regions of the global economy today lack comparably high levels of domestic savings. And the rise of disintermediation (that is, the erosion of relationship banking) tends to eliminate captive pools of domestic savings. From where would the funds come that are to be lent out at low rates? It goes without saying that private funds from the wealthier regions will tend to not flow into areas where the interest rates received for lending those funds are significantly lower than the norm in the world economy. The only alternative, it would appear, is for the global institution implementing Held’s proposal to have far more power than the mere ability to set interest rates in disadvantageous regions. It must also have the power to create new credit money.⁴⁴

Keynes proposed an international authority with the power to create credit money, and his contemporary followers have formulated elaborate recommendations towards this end.⁴⁵ Given the profound economic disparities characterising the global economy today, the scale of credit money creation required for the interest rate differential proposal to reverse uneven development would surely be colossal. At some point, such a process of public

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⁴⁴ The power to appropriate and allocate social investment funds directly is distinct from this power and will be considered separately below.
⁴⁵ See Guttmann 1994, Chapter 16.
creation of investment funds would just as surely call into question essential features of capitalist property relations. Well before that point, however, this proposal would confront some of the basic determinations of the capitalist world market.

Not all forms of money are created equal in the hierarchy of states that forms the interstate system. The currency of the hegemonic state necessarily tends to play a privileged role in the world market; this currency necessarily tends to become the main de facto form of world money.\(^46\) As a direct result, the hegemonic state necessarily tends to enjoy certain privileges in the world market. For instance, it will not face limits on the ability to create credit money that are imposed on other nations. For extended periods of time, it will also be able to fund massive trade deficits without significant loss in the value of its currency. These privileges of ‘seigniorage’ (in the broadest sense of the term) rest on the need and desire of foreign economic agents to obtain the dominant reserve currency of the world market in order to undertake international payments and investments. As long as credit flows to the hegemonic state continue, that is, as long as loans are rolled over by new loans, its trade deficits can balloon. For extended periods of time, deep recessions can be avoided, as more and more of the world’s output is consumed in the domestic markets of the hegemonic state.\(^47\) The only costs of maintaining this state of affairs are the fees involved in the new loans. To leave capitalist production relations in place is to leave in place the hierarchical interstate system in which one state plays the hegemonic role. Is it really plausible to hold that this hegemonic state will give up the benefits of seigniorage by handing over a significant role in the creation of credit money to an international institution dedicated to reversing global inequality? The question answers itself.

\(^46\) Of course, two or more currencies may compete to fulfil the functions of world money. Complications of this sort can be overlooked here.

\(^47\) ‘With its own currency having a monopoly status as world money, [the US] was the only country whose capacity to run external deficits was not restricted by its available foreign exchange reserves. We could therefore run much more stimulative policies and escape recessionary policy adjustments much longer than would otherwise have been possible’ (Guttmann 1994, pp. 114–15). Seigniorage thus complicates the systematic tendency to overaccumulation in the world market discussed above. The expanded ability to create credit money enjoyed by the hegemonic power, combined with inflows of foreign capital, allows the build-up of excessive capacity in leading sectors of the dominant economy to proceed far beyond the point it would otherwise attain. The greater the overaccumulation of capital in the world market, the more brutal the devaluation of capital that must eventually follow in its wake (Brenner 1998, 2002).
For the sake of the argument, however, let us make the truly heroic assumptions that this hardly insignificant difficulty can somehow be overcome, and that something like Keynes’s international credit money can be instituted on an extensive scale. There are at least five good reasons even then to think that interest-rate differentials are not likely to eliminate systematic disparities in the global economy. First, interest-rate differentials are not likely to reduce systematic disparities significantly during periods of economic upswings. In periods of rapid capital asset inflation, higher interest rates in the more advantaged regions do not neutralise their advantages. In such boom periods, venture capital investments and returns from shares and initial public offerings provide easy access to cheap capital, so higher borrowing costs for loans may be fairly irrelevant. Second, indicative planning through interest-rate differentials is unlikely to be effective at modifying uneven global development significantly during economic downswings either. The Japanese economy in the last decade provides the latest illustration of the fact that, in periods of extended stagnation, corporations refrain from borrowing money in order to expand, however low interest rates may fall. In periods of deflation, real borrowing costs can be high, even at borrowing rates of zero per cent. And interest rates are only one factor underlying investment decisions. In situations of overproduction and weakening consumer markets, investments would not be made, even if historically low rates are available.

Third, the effectiveness of the proposal obviously also depends upon firms throughout the global economy requiring significant amounts of external funds. This can be assumed to hold for many small and medium-sized firms (especially start-up companies). But, as the concentration and centralisation of capital proceeds, more and more ‘core’ firms in the global economy are able to fund their investments through retained earnings. Fourth, units of capital in the South able to attain loans at interest rates below those holding in global capital markets would still tend to lack access to the state-of-the-art R&D crucial to establishing a virtuous circle of innovation and surplus

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48 It is worth noting in this context that, in the 1990s, the majority of corporate borrowing in the US was used to finance stock buy-backs rather than to fund new investments, which were often funded through retained earnings. ‘During the past two years, non-financial corporations increased their debts by $900 billion, while they retired a net $460 billion of equity. The main reason for these buy-backs is that firms can pay employees in share options without depressing the share price. In effect, therefore, firms are borrowing to finance their pay bill and prop up share prices’ (Economist 2000, p. 21).
proceeds. Access to loans at low interest rates is not sufficient to break out of the inverse vicious circle. Fifth, and finally, the interest-rate differential proposal rests on yet another fallacy of composition. The fact that it is plausible to hold that some countries may employ low interest rates as part of a successful developmental strategy does not imply that all can. Under capitalist property relations, there will be a tendency for units of capital in disadvantageous regions of the world economy to be clustered in competitive sectors sandwiched between giant oligopolies of the so-called First World. To the extent that the interest-rate differential proposal was successful, the most probable result would be more units of capital clustered in these sectors, leading to greater overcapacity problems, declining prices, and worsening terms of trade vis-à-vis the global oligopolies.49

Social investment funds
Held hopes to modify the flow of investments in the global economy both indirectly, through interest-rate differentials, and directly, through the pooling of social investment funds. It is now time to consider the latter. Held mentions three forms the pooling of social investment funds might take. First, taxes on corporations could be imposed that increase as corporate profits rise.50 Held also states that cosmopolitan law should establish enhanced democratic control over the allocation of pension funds, and he suggests that a percentage of the dividends distributed by enterprises be set aside for new investments under the control of their workers. In what direction would these funds tend to flow in the global economy?

Either these three pools of investment funds would generally tend to flow along similar paths as other flows of finance capital or they would not. To the extent the relevant agents have internalised the valorisation imperative, the former would be the case, and the proposal presently being considered

49 ‘According to Augustin Papic, former member of the UN’s North-South Commission, the invisible transfer of wealth from the South to the North – due to the deterioration in the terms of trade – could total some $200 billion per year. That is, as much or more than what is paid out annually in debt service payments’ (Toussaint 1999, p. 98).

50 This suggestion leads to something of a paradox. The underlying motivation for the proposal is the fact that private investment flows lead to uneven development and radical deprivation in the global economy. But increases in this fund devoted to reversing these structural flaws result from increases in precisely the private capital accumulation generating these problems in the first place. The proposed solution would thus seem to always lag a step (or two!) behind the defined problem.
cannot be expected to have significant social effects from Held’s normative point of view. For the sake of the argument, however, let us assume that the three socially-controlled investment funds taken together would tend to flow to firms and industries where labour and environmental standards are higher than average, to regions in the global economy neglected by private capital, and so on, at a much higher rate than other forms of portfolio investment. The returns from such investments would then either tend to be comparable to (or higher than) those from standard capital investments, or they would be lower. If they were lower, then, over time, there would be a tendency for the democratically controlled funds to be stuck with the ‘lemons’ in the global economy.51 It is difficult to see how this would further the democratic values Held advocates.

What of the cases where comparable (or even higher) returns resulted from democratically controlled investment? The particular areas of investment selected by the socially controlled funds would then become increasingly attractive to private investors. Unless the social investment funds increased at the same rate as the concentration and centralisation of capital, the most successful bits of this ‘social sector’ would eventually tend to be appropriated by the private sector, once again leaving the dregs to the social sector.52 From this perspective, cosmopolitan law would provide just another mechanism for the socialisation of risk and the privatisation of reward.

Why would this matter? If social investment funds push private investment down a socially attractive path, is this not precisely what is to be wished? Once again, however, the question of property relations arises. Private owners of capital are predisposed to find a higher degree of negative externalities regarding wage levels, workplace conditions, the environment, and so on, more acceptable than other social agents. This is due to the fact that such states of affairs tend to benefit them far more than other social groups, while most of the burdens of these externalities fall upon others.53 After they have

51 In American English slang, the term ‘lemons’ refers to poor quality cars sold to unsuspecting buyers. ‘Lemon socialism’ refers to the nationalisation of seriously ailing firms that private capital no longer is interested in owning.

52 The recent take-over of Ben and Jerry’s (a popular ‘socially conscious’ US producer of ice cream) provides an example. A consortium of ‘socially responsible’ investment funds was unable to come close to matching Unilever’s offer. If a direct corporate take-over of a successful ‘socially responsible’ firm is not possible for one reason or another, private capitals can often take over of the firm’s market through appropriating key technologies, key workers, etc.

53 Mathematical models illustrating this point are found in Roemer 1994.
been privately appropriated, the firms and industries in question will thus tend over time to lose whatever social advantages they once enjoyed.

**Controls on short-term flows of finance capital**

There is no question that rapid and massive inflows and outflows of portfolio investments generate great instability and suffering in the global economy. Held is far from alone in calling for increased capital controls on short-term portfolio flows. The question here is not whether the need for such controls is to be affirmed. The question is, instead, whether this reform of the ‘international financial architecture’ relegates the issue of property relations in the global economy to a completely secondary status, as Held suggests:

> Certain forms of ownership and control become relevant only in so far as they are obstacles to the entrenchment of the principle of autonomy and democratic legitimacy. Moreover, in the agenda of economic democratization, these obstacles, it is worth bearing in mind, may be of secondary significance in comparison to finding ways of containing the huge, destabilizing flows of the international short-term capital markets.

The fact that so many mainstream economists are willing to accept short-term capital controls, and the fact that most states in the history of capitalism have in fact made extensive use of them in one form or another, provide hints that Held’s downplaying of the ‘forms of ownership and control’ may not reform the established global order to the extent Held himself insists is required for the institutionalisation of cosmopolitan-democratic values. Two other considerations confirm this suspicion.

First, the attempt to minimise the social disruptions caused by short-term portfolio investments can be seen as an attempt to rationalise the process whereby circuits of capital from leading regions appropriate surplus-value produced throughout the global economy. Even if this rationalisation were

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54 For accounts of the social devastation inflicted by the financial crises in East Asia from quite different political standpoints, see Burkett and Hart-Landsberg 2001 and Stiglitz 2002.

55 In contrast to Held, however, for most mainstream theorists and policy makers, such controls are at best temporary measures to be removed when high accounting and regulatory standards are put into place in the ‘emerging economies’ (Soros 1998; Council of Foreign Relations Task Force 1999).

successful, many of the other mechanisms producing uneven development in the global economy would still remain in place, including the appropriation of surplus profits through innovation.

Second, this attempt at the rationalisation of the global capitalist economy would not in fact remove the irrational features at the heart of both industrial capital and financial capital. Regarding industrial capital, the tendency towards overaccumulation crises on the global level discussed above would remain. The systematic and recurrent need for massive devaluations of capital in order to resolve these crises would thus also remain in place. And the profound capital/wage-labour and intra-capital conflicts that arise from attempts to displace the costs of devaluation would not be lessened either.

Financial capital, of course, plays an essential role in this story. Flows of financial capital from across the world market tend to be centralised in a few points at the centre of a global financial order, and then allocated across borders. With credit money and fictitious capital, the provision of funds can be a multiple of the temporarily idle profits, depreciation funds, and precautionary reserves pooled in the finance sector.\(^{57}\) In this manner, financial capital ‘appears as the principal lever of overproduction and excessive speculation in commerce’.\(^{58}\) Once an overaccumulation crisis commences, the rate of investment in sectors suffering overcapacity problems slows significantly. A large pool of investment capital is formed once again, now seeking new sectors with a potential for high future rates of growth (that is, a potential to appropriate great amounts of future surplus-value). When such sectors are thought to be found, financial capital from throughout the world market will tend to flow in their direction.\(^{59}\) If the flows of investment capital to these new sectors are high enough, capital asset inflation results. Expectations of future earnings soon become a secondary matter, as financial assets are purchased in the hope of profits from later sales of these assets.\(^{60}\) Previous (paper) gains in capital assets are then used as collateral for borrowings to fund further purchases of capital assets, setting off yet more rapid capital asset inflation.\(^{61}\) Throughout the course of this speculative bubble, however, it remains the case that financial assets remain in essence nothing but claims

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57 Bellofiore 1989.
59 de Brunhoff 1978, p. 47.
on the future production of surplus-value. When it becomes overwhelmingly clear that the ever-increasing prices of capital assets are ever less likely to be redeemed by future profits, the speculative bubble collapses and a financial crisis ensues.

The intertwining of the tendencies to overaccumulation crises and financial crises implies that the impact of concentration and centralisation on the former extends to the latter as well. The devaluation of loans and fictitious capital following in the wake of financial crises necessarily tends to occur on an ever-more massive scale. The pressure on units, networks, and regions of capital to shift the costs of devaluation on to other units, networks, and regions thereby increases as well. Most of all, capital’s attempts to shift as much of the cost as possible onto wage-labourers and their communities intensify. Global turbulence and generalised economic insecurity increasingly pervade the world market. The capital controls over short-term flows that Held advocates would not eradicate a single one of these tendencies.

Conclusion

Neither the capitalist state nor the capitalist world market can resolve the fundamental irrationality and social antagonisms at the heart of capitalist social relations. Further deregulation of global capital flows will not reverse this state of affairs. A resurgence of nationalism will not reverse this state of affairs. A ‘new international financial architecture’ will not reverse this state of affairs. And attempts to institute social democracy on the global scale will not reverse this state of affairs.

There is, indeed, a systematic incoherence between Held’s acceptance of capitalist property relations and his affirmation of a global régime institutionalising the principles of cosmopolitan democracy. As long as capitalist

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62 See Bonefeld and Holloway (eds.) 1995.

63 Needless to say, recent examples of this pattern are very close at hand. According to the IMF, the price/earnings ratio holding at the end of 1999 for the Standard and Poor 500 index of US companies implied that their real earnings growth would accelerate between 25 and 50 per cent over the rate of growth since 1995 (Plender 2000, p. 20). This was always an absolutely ludicrous expectation for reasons explored in Smith 2000a, Chapter 6.

64 ‘The most complicated phenomenon of capitalist production [are] the world market crises’ (Marx 1968, p. 501). ‘The world trade crises must be regarded as the real concentration and forcible adjustment of all the contradictions of bourgeois economy’ (Marx 1968, p. 510).

65 This conclusion has also been reached by Alejandro Colás; see Colás 2001.
property rights define the dominant social forms of production and distribution, ‘value’ will remain an alien power, an abstract pseudo-subject imposing its imperatives on working men and women and their communities.\textsuperscript{66} The reproduction of the capital/wage-labour relation will remain the reproduction of class exploitation. Overaccumulation crises will continue to force units of capital to attempt to shift the costs of devaluation onto other units. Financial crises will inevitably reoccur. And ‘globalisation’ will remain characterised by alienation, exploitation, crises, and uneven development on a global scale.\textsuperscript{67} Cosmopolitan-democratic law thus cannot attain its professed objective of substantive equality of opportunity in the global economy as long as it is simply grafted on to a global economy dominated by the value-form. As long as capitalist property relations persist, the vast majority of the world’s population in both the centre and the periphery will be threatened by increasing inequality, economic insecurity, and erosion of the material conditions necessary for happiness and the effective exercise of autonomy.

This conclusion does not imply that social movements struggling for reforms of the global economy should not be supported. Reforms that only improve matters on the margin can still alleviate human suffering to a profound extent. And the attempt to bring about reforms can form part of a ‘transitional programme’ to a new social order. \textsuperscript{67} Held’s proposals effectively address the level of political consciousness generally found within progressive groups and individuals today. And the struggle to institute them is likely to contribute to a transformation of political consciousness in which it gradually – or, perhaps, not so gradually – comes to be recognised that an adequate institutionalisation of the values of cosmopolitan democracy eventually requires a profound rupture with capitalist property relations.

What might such a rupture look like? Alex Callinicos is surely correct that it is far too early to propose a fixed alternative model:

\begin{itemize}
\item \textsuperscript{66} Arthur 1993.
\item \textsuperscript{67} The presentation of the irrationalities and antagonisms of capitalism here has hardly been complete. The systematic tendencies to environmental crises in capitalism, and the social-psychological effects of the most intensive, extensive, and scientifically rational system of propaganda in the history of the human species (I refer, of course, to the system of corporate advertising), are just two of the many additional topics that would need to be considered in a more comprehensive account. See Burkett 1999 and Klein 2000, respectively.
\end{itemize}
The emergence of the anti-capitalist movement [against the present form of globalisation] provides an opportunity . . . The very incoherence of the movement – that is, the presence within it of a variety of ideological currents, Green, socialist, Third Worldist, anarchist – that are themselves internally complex is likely to encourage the elaboration of different, mutually incompatible alternative models. Through attempts theoretically to articulate and practically to implement these models we are likely to develop a much clearer sense of how we can transcend capitalism.68

Nonetheless, I shall propose that an adequate alternative model must include five crucial features: a) decisions regarding the level of overall new investment in the global economy must be democratised, b) the priorities of new investment must also be a matter for democratic discussion, c) new investment funds must be allocated to different regions of the global economy on a per capita basis (at least this should be the presumption in the absence of compelling reasons to do otherwise), d) scientific-technological knowledge must be treated as a free global public good, and e) socially necessary labour must not be predominantly organised in the social form of wage-labour.

The first two features are necessary to break the domination of the value-form over social life. These proposals do not imply the immediate abolition of all markets. It is not the mere presence of markets per se that establishes the alien power of the value-form, but the institutionalisation of the drive to accumulate surplus-value to the greatest extent possible, whatever the costs to social life. These first two proposals also do not imply bureaucratic central planning on a global level. We can imagine democratically accountable decision-making bodies operating on global, regional, national, and local levels along the lines sketched by Held, but with these bodies are now replacing, rather than merely complementing, private capital markets. After decisions have been made regarding the general level of new investment and the order of social priorities, the actual allocation of investment funds to enterprises could then be undertaken by community banks, whose boards would include representatives of a broad range of social groups affected by the banks’ decisions.

The drive to accumulation as an end in itself, overriding all other social ends, is put out of play when decisions regarding the rate and direction of new investment are a matter for democratic debate and decision. The systematic tendency to overaccumulation crises would also be eliminated. And, with the abolition of financial markets, the systematic tendency to financial crises would dissolve as well.

The third and fourth measures are designed to overcome the systematic tendency to uneven development in the present global order. If the equal moral worth of all individuals is to be institutionalised, all individuals must be granted an equal right to the material preconditions for the effective exercise of autonomy. Held and other cosmopolitan thinkers fully acknowledge the force of this argument. But they fail to recognise that an equal right to these material preconditions can only be provided in a given region if that region has access to the preconditions for a flourishing economy. The equal right to autonomy of individuals thus implies the \textit{(prima facie)} equal right of their communities to new investment funds. It also implies that scientific-technological knowledge is not treated as a weapon of economic warfare, monopolisable by the economically powerful.\textsuperscript{69}

With the fifth and final feature the class relationship upon which the law of value is based, the capital/wage-labour relation, is abolished. We may imagine community-owned enterprises organised as worker co-operatives, with managers democratically elected by and accountable to those over whom they exercise authority. In such circumstances, adequate basic income guarantees and rights to employment could be established, two structural changes that are not compatible with the global reproduction of the capital/wage-labour relation. Any earnings above and beyond the basic guarantee would then depend upon the shares individuals received as members of their co-operative.

The specific details of these proposals may well require revision. Be that as it may, the main thesis of this paper remains in force: without a radical break from the social forms of global capitalism, the dreams of cosmopolitan-democratic theorists are doomed to disappointment.

\textsuperscript{69} See Perelman 1998.
References


Burkett, Paul and Martin Hart-Landsberg 2000, Development, Crises and Class Struggle: Learning from Japan and East Asia, New York: St. Martin’s Press.


The answer is not to retreat from globalisation but to advance economic reform and social justice on a global scale – and to do so with more global co-operation not less, and with stronger, not weaker, international institutions.

*Gordon Brown, Fifth Meeting of the International Monetary and Financial Committee of the IMF, Washington, 20 April 2002.*

I propose here a ‘new materialist’ approach to world politics derived from Marx’s critical political economy. I then apply it to the issue of ‘global governance’, exploring in particular the global role proposed for itself by the World Bank, in partnership with the IMF. The focus is on the ‘governance of global capitalism’, as reflected in the efforts of the two institutions both to develop a set of operating principles and practices for a competitive global capitalist economy and for individual states within it, and to promote and supervise their institutionalisation across the world. Drawing on core concepts from Marxist political economy – primitive accumulation, capitalist accumulation, the reserve army of labour, hegemony and relative autonomy – I show that there is an
explicit project at the heart of recent World Bank-IMF activity, aimed at the ‘completion of the world market’ and the global imposition of the social relations and disciplines central to capitalist reproduction. This is pursued through the promotion of a ‘sound’ macro-economic framework, along with structural reforms – national and global liberalisation, and privatisation – and associated regulatory innovations. A broad division of labour between the Bank and the Fund that assigns macro-economic policy to the former and structural adjustment to the latter has been formally in place since the adoption of the 1989 Concordat between the two.\(^1\) The IMF monitors the macro-economic policy of its members through wide-ranging Article IV Consultations – the surveillance mechanism instituted under Article IV of its Articles of Agreement\(^2\) – and, since the mid-1990s, it has promoted common adherence to codes and standards in relation to a wide range of financial and other data in order to enhance its surveillance capacity.\(^3\) These activities are closely co-ordinated with the apparently progressive initiatives developed by the World Bank over recent years in relation to low- and middle-income countries – the Comprehensive Development Framework, Poverty Reduction

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\(^1\) The 1989 Concordat gave the Fund responsibility for ‘public sector spending and revenues, aggregate wage and price policies, money and credit, interest rates and the exchange rate’, and the Bank responsibility for ‘development strategies; sector project investments, structural adjustment programs; policies which deal with the efficient allocation of resources in both public and private sectors; priorities in government expenditures; reforms of administrative systems, production, trade and financial sectors; the restructuring of public sector enterprises and sector policies’, IMF/World Bank 2001b (Annex, ‘History of Bank-Fund Cooperation on Conditionality’), pp. 20–1.

\(^2\) ‘In accordance with Article IV of its Articles of Agreement, the IMF holds consultations, normally every year, with each of its members. These consultations focus on the member’s exchange rate, fiscal, and monetary policies; its balance of payments and external debt developments; the influence of its policies on the country’s external accounts; the international and regional implications of those policies; and on the identification of potential vulnerabilities. These consultations are not limited to macroeconomic policies, but touch on all policies that significantly affect the macroeconomic performance of a country, which, depending upon circumstances, may include labor and environmental policies and the economic aspects of governance. With the intensified global integration of financial markets, the IMF is also taking into account more explicitly capital account and financial sector issues.’ IMF Surveillance: A Factsheet at <www.imf.org/external/np/exr/facts/surv.htm>.

\(^3\) Standards are promoted in 11 areas: data; monetary and financial policy transparency; fiscal transparency; banking supervision; securities; insurance; payments systems; corporate governance; accounting; auditing; and insolvency and creditor rights. Voluntary Special and General Data Dissemination Standards were established in 1996–7, and recently incorporated into the framework for Reports on the Observation of Codes and Standards (ROCS) set up after the Asia crisis (see IMF 2001a, IMF/World Bank 2001a).
Strategy Papers and Letters of Development Policy, and with joint programmes such as the Heavily Indebted Poor Countries (HIPC) initiative. The joint project addressed here also involves initiatives in relation to advanced capitalist states, and the adoption of a stance critical of their policy régimes where they do not fit with the IMF/World Bank view of what is appropriate in a régime of truly global capitalism, notably in relation to the use of systematic protectionism to exclude developing country exports from their domestic markets. Something new and significant is happening at the level of global institutional regulation. Such initiatives as the World Bank’s poverty reduction programmes and the current IMF proposals on sovereign debt restructuring should be taken seriously, from within a Marxist analytical framework, as should recurrent criticisms of the advanced capitalist countries. It is anachronistic to see the World Bank and the IMF as acting in principle at the behest of the United States as the world’s leading capitalist state, or even on behalf of a larger set of advanced capitalist states. Rather, the two institutions are seeking to define and exercise a relatively autonomous role, promoting and sustaining a framework for global capitalism. In exploring this effort, I do not assume that the ‘need’ for global regulation of the capitalist system necessarily evokes an effective response beyond the level of nation-states, any more than the ‘need’ for the relative autonomy of the national state from social classes in capitalism necessarily produces it. I simply propose that the recent joint activity of the World Bank and the IMF reflects a project for the institutionalisation and management of global capitalism, arising from the recognition that a genuinely global capitalist system generates contradictions that cannot be addressed at national level alone, even by the most powerful states.

The new materialist framework of analysis

New materialism applies concepts derived from Marx’s historical materialism to the circumstances of the global political economy of the twenty-first century. It takes as its starting point the perspective that capitalism has developed to a point where the idea of the ‘completion of the world market’ provides an appropriate focus of analysis. Its focus is on the unstable and conflict-ridden nature of emergent global capitalism, and on class struggle as reflected in the efforts of capitalists and pro-capitalist political forces to secure, and of subordinate classes to resist, the hegemony of capital over labour upon which capitalist reproduction ultimately depends. At the same time, it seeks to
explore the implications of the emergence of a single capitalist system spanning multiple competing capitalist states. It assumes that the governments of such states have an interest in the general conditions for capital accumulation and realisation and therefore seek collectively to preserve and constantly extend them through multilateral institutions and other mechanisms of international and inter-regional co-ordination, even while they simultaneously seek individually to secure particular advantage over other states; it assumes, too, that as a consequence of the uneven and combined character of development, varying domestic configurations and locations in the global economy will give rise to distinct arrays of interests and distinct projects from state to state in the system; and it sets this doubly complex picture of relations between states in the context of the fundamental capitalist framework in which capitalist enterprises are obliged to compete with each other to lower the cost of labour and increase the rate of profit. In the context of the completion of the world market and the universalisation of the imperatives of capitalist competition, autonomous projects for capitalist accumulation secured at the level of the state – which, in any case, have been only briefly possible in a small number of countries in the past – are generally problematic. At the level of global economic management, this situation is reflected in the emergence of global regulatory agencies (international organisations), and regional and inter-regional initiatives sponsored and carried forward by state leaders in an effort to mitigate the difficulties they face in advancing what they take to be their ‘national interest’. States naturally carry into this institutional environment their need to compete with each other, as well as their need to co-operate to establish the general conditions for the global hegemony of capitalism.  

It is quite possible for such international organisations and regional and inter-regional initiatives to serve the interests of the most powerful states – to become, in other words, the instruments of those states – and the leaders of such states will use all the means at their disposal to exercise direct influence to their own benefit. It is also possible for private capitalist interests – domestic or global, industrial or financial – to exert influence over them and even to ‘capture’ and direct them. But, equally, international organisations will be better able to address the contradictions inherent in global capitalism if they are able to adopt a system-wide perspective which is not identical to the

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concerns of a particular state or set of states, or particular private capitalist interests. Even in these circumstances, it is unlikely that a single, shared perspective will emerge. On the contrary, one should expect competing views of the goals to which the exercise of such ‘relative autonomy’ should be directed, and the means by which they should be achieved. And relative autonomy, even if achieved, is not necessarily held for all time.

The new materialism seeks to theorise this situation by drawing on a range of concepts developed by Marx and Engels and their successors in order to understand the dynamics and contradictions of capitalism as a tendentially global system, and by applying the concept of relative autonomy at the global level in order to explore the specific issue of global governance. This places the issue of competing projects focused specifically upon the governance of global capitalism at the centre of its research programme. It incidentally highlights, in so doing, the poverty of the notion of pursuit of national interest in the narrow sense in which it is understood by realists, in comparison to the Marxist insight, which realism cannot comprehend, that, for leading capitalist states, the ‘pursuit of national interest’ includes the introduction and promotion of the disciplines of capitalist competition on a global scale, and therefore includes the promotion and support of capitalism in rival states. This situation – imperfectly reflected in the thoroughly mystificatory ‘theory of hegemonic stability’ – inevitably unleashes forces that even the most dominant national state acting most strenuously in its own interest is bound to develop but unable to control.

**Relative autonomy – national and global**

The *possibility* of relative autonomy – the capacity of political institutions to stand at a distance from capitalist interests as they exist at any particular moment in time – is given by two fundamental characteristics of capitalism. These are first, the variety of competing capitalist interests in any economy (for example, industrial, commercial and financial capital; sectors and concerns with different levels of insertion and competitiveness in domestic and global economies; and the implications of these variations for class relations and orientations towards class politics); and, second, the institutional separation of government from social class control, and in particular from direct management by the ‘dominant classes’ themselves. The *need* for it follows from the gap between the character of existing capitalist interests on the one hand
and the presumed optimum configuration to secure competitiveness in the world market on the other (the logic of accumulation/realisation), and from the constant imperative to reproduce the hegemony of the bourgeoisie over the proletariat, which may include the specific issue of consent in a liberal democracy (the logic of legitimation) but is not reducible to it, as, at its heart, is the ‘imposition of consent’ by way of the assertion of the disciplines essential to capitalist accumulation, and principally of the ‘real subsumption of labour to capital’ – the generalised reproduction of capital through the extraction of relative surplus-value from the proletariat. The social and political mechanisms through which both accumulation and legitimisation are secured are crucially underpinned by economic compulsion sedulously maintained by the ‘relatively autonomous’ state. It should go without saying – though it generally has not in non-Marxist commentary – that neither the institutional fact of the separation of the political from the economic nor the identification of a need for governments in capitalist states to stand at a distance from capitalist interests as currently constituted while preserving the general authority of capital over labour, carries with it any guarantee that relative autonomy will be attempted; achieved if attempted; wisely exercised if achieved; or successful if wisely exercised. So too at the global level.

As noted above, the concept of relative autonomy cannot be separated from the holistic theoretical framework of Marx’s historical materialism. Appreciation of this broader framework is essential to the interpretation of some key sources on relative autonomy itself from Marx and Engels – a passing description of the executive of the modern state as ‘a committee for managing the common affairs of the whole bourgeoisie’ in the Manifesto of the Communist Party, and the discussion of Bonapartism in The Eighteenth Brumaire of Louis Bonaparte – and in subsequent Marxist theory, principally Gramsci and Poulantzas. I suggest unceremoniously that these references should be treated as resources for thinking about relative autonomy in a genuinely global capitalist system, and propose that in such a system relative autonomy should be thought about at both national and global levels. The assumption behind this is straightforward – that where capitalist enterprises compete globally, and where the terrain of the ‘global capitalist economy’ is shared between a multitude of competing politically independent territorial states, the contradictions generated

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by the development of capitalism will demand management across the world market as a whole by authoritative institutions with autonomy both from particular capitalist enterprises and from particular capitalist states. In what follows, I argue that the strategic focus developed jointly by the IMF and the World Bank over recent years is best understood from this perspective.

**Entangling all peoples in the net of the world market**

Marx’s distinction between ‘primitive accumulation’ and ‘capitalist accumulation’ contrasts ‘the historical process of divorcing the producer from the means of production’, which is the point of departure of capitalism, with a world of capitalist private property and ‘free labour’ in which ‘capitalist production stands on its own feet’:

As soon as capitalist production stands on its own feet, it not only maintains this separation, but reproduces it on a constantly expanding scale. The process, therefore, which creates the capital-relations can be nothing other than the process which divorces the worker from the ownership of the conditions of his own labour; it is a process which operates two transformations, whereby the social means of subsistence and production are turned into capital, and the immediate producers are turned into wage-labourers.

As capitalist accumulation proceeds, it generates an ever-expanding proletariat: ‘free’ workers themselves produce and reinforce the mechanisms by which capitalism exerts discipline over them, and this process reaches maturity when rising labour productivity becomes the driving force behind accumulation. ‘The more or less favourable circumstances in which the wage-labourers support and multiply themselves,’ Marx notes, ‘in no way alter the fundamental character of capitalist production. . . . *Accumulation of capital is . . . multiplication of the proletariat*.’ Mature industrial capitalism both requires and generates a ‘relative surplus population’ without which its discipline cannot work; the presence of an ‘industrial reserve army’ within this surplus population keeps wages low, and tending towards subsistence level; and a proportion of the surplus population is always in absolute poverty.

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6 I draw here on Cammack 2001a and 2002a.
7 Marx 1976, p. 874.
It is the process of proletarianisation, then, that brings the capitalist mode of production into being, creating both capital, and wage-labourers, and developing a ‘reserve army of labour’ alongside them. All kinds of obstacles inhibit the tendency of the capitalist mode of production to establish itself on a global scale, and the process of ‘primitive accumulation’ described above is still far from complete. In this context, the defining feature of global neoliberalism is not that it relies on the market to the exclusion of the state, but that it articulates and seeks to implement a strategy that will both hasten the process of primitive accumulation – or global proletarianisation – and enforce the laws of capitalist accumulation throughout the enlarged space of the capitalist world economy. It portends, in Marx’s term, an epoch-making revolution:

In the history of primitive accumulation, all revolutions are epoch-making that act as levers for the capitalist class in the course of its formation; but this is true above all for those moments when great masses of men are suddenly and forcibly torn from their means of subsistence, and hurled onto the labour-market as free, unprotected and rightless proletarians.9

In sum, the self-expansion of capital is a dynamic but uneven process, which needs to carry workers-in-waiting along with it. Capitalism ‘requires’ that the great majority of the population should have no other means of survival than to offer themselves for work at the market wage; the more competition between capitalists is allowed to operate, the more the market wage tends towards subsistence; in an efficiently operating capitalist system there is always a fluctuating proportion of the proletariat out of work; and there is always a further layer of the utterly impoverished (‘absolutely poor’) at the edge of or beyond the reserve army of labour itself. At the same time, this ‘reserve army of labour’ is held effectively in place and available only where all social institutions are oriented towards the enforcement of market dependence.10 This is the logic of the anti-poverty programme espoused by the World Bank. Far from being a shift away from the neoliberal revolution, it is a means to completing it. Its objective is ‘the entanglement of all peoples in the net of the world market, and, with this, the growth of the international character of the capitalist régime’.11 What the Bank envisages, in its grand

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10 For a fuller discussion, see Cammack 2001a, pp. 194–8.
plan for reducing absolute poverty by half by 2015, is an efficient global labour market in which the existing proletariat will ‘float’ easily in and out of work, and the ‘latent’ proletariat, whether small peasant producers or young women as yet insufficiently accessible to capital’s reach, will be ‘freed’ and fully proletarianised. Despite its headline claims to the contrary, it recognises that a third layer of the absolutely poor will continue to exist beyond these two, as a reservoir for further workers, and valuable source of discipline for the rest. In essence, it seeks to create a reserve army of labour available on a global scale at a rate of US$1–2 per day, resting on a stratum of the absolutely poor with a cash income below a US dollar a day. It is this outcome, in conditions of secure bourgeois hegemony, that ‘good governance’ is intended to foster.

Towards ‘good governance’

The World Bank’s ‘priorities for action’ were set out as early as the 1990 World Development Report, Poverty: there was to be common action to preserve the world’s environment; the industrial countries were to remove restrictions on trade, reform macroeconomic policy, and, with the multilateral agencies, increase financial support for development, support policy reform, and encourage sustainable growth. Developing countries were to gain unrestricted access to industrial country markets, debt relief and increased concessional financing of development. At the same time, they were to improve the climate for enterprise, open their economies to trade and investment, ‘get macroeconomic policy right’; ‘spend more, and more efficiently, on primary education, basic health care, nutrition and family planning’; intervene less, deregulate, and focus on ensuring adequate infrastructure and institutions.¹²

From the beginning, World Bank efforts to ‘alleviate poverty’ were premised upon the adoption of policies which would extend the scope of the world market, and the global reach of capitalism. It called for the creation of a global proletariat from which labour could be efficiently extracted, and sketched out a comprehensive framework within which proletarianisation could be accelerated and the new proletariat sustained:

The evidence in this Report suggests that rapid and politically sustainable progress on poverty has been achieved by pursuing a strategy that has two equally important elements. The first element is to promote the productive

use of the poor’s most abundant asset – labor. It calls for policies that harness market incentives, social and political institutions, infrastructure and technology to that end. The second is to provide basic social services to the poor. Primary health care, family planning, nutrition and primary education are especially important.13

It then sought to enlarge the scope for the private production of goods by capitalists through the extension of markets, and the provision of an institutional matrix in which market forces could flourish, with the 1991 Report, *The Challenge of Development*, advocating the vertical and horizontal expansion of markets, and a ‘market-friendly’ approach to development which assigned the state an essential supporting role.14 To secure viability for the project in the longer term, the ensuing reports sought to ensure key structural requirements for sustainable global capitalism: the preservation of the environment within which capitalism operates, the production over time of appropriate numbers of people with sufficient health and education to be exploitable as workers, and the provision of the infrastructure not produced by capitalists themselves but necessary for capitalist production. The 1992 Report, *Development and the Environment*, proposed means to preserve the global environment, not least against the depredations of competing capitalists themselves; the 1993 Report, *Investing in Health*, explored market-friendly mechanisms which would deliver a proletariat fit for work; and the 1994 Report, *Infrastructure for Development*, sought to extend the scope for profit-making in the provision of infrastructure, and to identify market-friendly ways of meeting any remaining deficiency.15

To support these macrostructural elements, the Bank then promoted institutional frameworks that would lead workers, capitalists, and states to support and expand domestic and international capitalism. The 1995 Report, *Workers in an Integrating World*, sought to facilitate the untrammelled exploitation of labour by capital across the global economy, but at the same time actively promoted ‘effective’ unions – unions able to eliminate the need for large-scale state regulation and intervention and help firms to extract more surplus-value from workers, but not to protect jobs, oppose programmes of reform and structural adjustment, or distort markets.16 The 1996 Report, *From Plan to

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13 World Bank 1990, p. 3.
14 World Bank 1991; see, in particular, the summary statement on p. 1.
Market, set out a comprehensive framework of laws, institutions, and micro-level incentives, informed by the logic of economic liberalism, intended both to create capitalists and to oblige them to compete.\textsuperscript{17} The 1997 Report, The State in a Changing World, set out to bring government closer to the entrepreneur, and to lock the rest of the population into the discipline of the market, presenting both the recipe for the disciplinary state, and the rhetoric for selling it to the people. In the context of a policy hierarchy in which macroeconomic discipline was guaranteed centrally, strategies of decentralisation and participation were assigned the triple role of exerting pressure on the state to deliver essential services efficiently, sharing the cost of delivery with the ‘beneficiaries’ themselves, and inducing people to experience tightly controlled and carefully delimited forms of market-supporting activity as empowerment.\textsuperscript{18}

With these proposals in place, the Bank turned to the legitimisation of its project. The 1998/99 Report, Knowledge for Development, promoted procapitalist solutions to the ‘problem of development’, proposing the Bank itself as a rapid-response taskforce capable of producing market solutions on demand, and revealing the networks it had put in place to extract from the poor themselves the local knowledge needed to boost exploitation and accumulation.\textsuperscript{19} The 1999/2000 Report, Entering the 21st Century, mounted an ideological offensive to persuade the world’s population that there was no alternative to the new international capitalist régime, presenting ‘globalisation’ as a remote and unstoppable force driving states and peoples willy-nilly into the world market, and Bank policy as an ideologically neutral, pragmatic and benevolent response.\textsuperscript{20} The 2000/2001 Report, Attacking Poverty, then offered its programme for globalising capitalism as indisputably the only means by which poverty could be addressed. In the guise of ‘promoting opportunity, facilitating empowerment, and enhancing security’, a programme was presented which allowed no opportunity or security outside the market, and presented the imposition of its disciplines as ‘empowerment’.\textsuperscript{21}

Against this background, the 2002 World Development Report, Building Institutions for Markets, turned to the topics of institution-building and good governance, the definition of which revealed precisely the conception of global

\textsuperscript{17} World Bank 1996.
\textsuperscript{19} World Bank 1999.
\textsuperscript{20} World Bank 2000.
capitalism and the role of the state in promoting and supporting it that underpins the World Bank’ neoliberal stance:

Good governance includes the creation, protection, and enforcement of property rights, without which the scope for market transactions is limited. It includes the provision of a regulatory regime that works with the market to promote competition. And it includes the provision of sound macroeconomic policies that create a stable environment for market activity. Good governance also means the absence of corruption, which can subvert the goals of policy and undermine the legitimacy of the public institutions that support markets.\(^{22}\)

In sum, macroeconomic stability has been presented as the key to growth, which is, in turn, the key to universally beneficial development. This reverses and mystifies a logic in which priority is actually given to capitalist accumulation, institutions are shaped accordingly, and the disciplines they embody place limits on the character and extent of ‘development’. The effect is to present a set of policies infused with the disciplines and class logic of capitalism as if they were inspired by disinterested benevolence. The purposive action of human agents bent upon establishing the hegemony of a particular social form of organisation of production is presented as if it were the natural outcome of abstract forces too powerful for humanity to resist. The specific logic and limits of the policies proposed are obscured, and the intention that forms of participation and decentralisation should serve to embed the domestic and global disciplines of capitalist reproduction is concealed. Behind the smokescreen of its proclaimed ‘war on poverty’, the World Bank has assumed responsibility for defining and enforcing the policies necessary for the self-expansion of capital, and for securing their general acceptance by the majority whom they oppress. Its version of ‘global governance’, presented as a benign framework for world harmony, is in depth and in detail a framework for the expansion and governance of global capitalism.

**The machinery of governance**

Over recent years, the World Bank has promoted greater co-ordination between all parties involved in ‘development’ (including government and

non-governmental organisations), seeking consistently in close co-operation with the IMF to co-ordinate activity so tightly that no independent sources of development advice or funding are available.\(^{23}\)

The policy has been promoted through a number of key institutional innovations – enhancing the role of the Development Committee (established in October 1974, and officially entitled the ‘Ministerial Committee of the Boards of Governors of the Bank and Fund on the Transfer of Real Resources to Developing Countries’), converting the ‘Interim Committee of the Board of Governors on the International Monetary System’, founded at the same time, into the International Monetary and Financial Committee (1999), and using the meetings of the two to advance its strategic agenda; and founding such institutions as the Financial Stability Forum (1999), the Financial Sector Liaison Committee (1999), and the Joint Implementation Committee (2000). The process gathered pace following a joint report of the Managing Director and the President on Bank-Fund collaboration and a joint review of ‘Bank-Fund Collaboration in Strengthening Financial Systems’, each issued in 1998 – the sources of the new ‘International Financial Architecture’. The creation early in 1999 of the Financial Stability Forum (FSF), charged with making improvements in the functioning of financial markets, and reducing systemic risk through enhanced information exchange and international co-operation among the authorities responsible for maintaining financial stability, followed a convenient recommendation from the G7 Finance Ministers and Central Bank Governors. Six months after the FSF met for the first time on 14 April 1999, the Interim Committee selected Gordon Brown, the UK Chancellor of the Exchequer, as its Chairman, and converted itself into the International Monetary and Financial Committee (IMFC).\(^{24}\)

The meetings of the Development Committee and the IMFC have since been the principal forum through which the joint agenda of the IMF and the World Bank has been carried forward.

While the institutional framework outlined above was taking shape, the World Bank launched the centre-piece of its machinery of ‘good governance’, the Comprehensive Development Framework (CDF). This ‘holistic’ fourteen-point framework encapsulated the programme built up by the World Bank over

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\(^{23}\) World Bank 1990, pp. iii, 4.

\(^{24}\) The IMFC has 24 members who are Governors of the IMF (generally ministers of finance or central bank governors). The membership reflects the composition of the IMF’s Executive Board: each member country that appoints, and each group of member countries that elects, an Executive Director appoints a member of the IMFC.
the previous decade. Beginning with a call for an ‘effective government framework’, it went on to demand ‘an effective system of property, contract, labor, bankruptcy, commercial codes, personal rights laws and other elements of a comprehensive legal system that is effectively, impartially and cleanly administered by a well-functioning, impartial and honest judicial and legal system’, and called on low-income countries to

[establish an internationally accepted and effective supervisory system for banks, financial institutions and capital markets to ensure a well-functioning and stable financial system. Information and transparency, adequately trained practitioners and supervisors, and internationally acceptable accounting and auditing standards will be essential. Regulation and supervision must include banking, savings institutions, insurance and pension plans, leasing and investment companies. Capital markets should also be developed and strengthened as resources allow.]

It went on to spell out appropriate policy orientations in relation to safety nets, health, education, population control, infrastructural investment, environmental protection, and rural and urban development, before emphasising the need to promote a ‘vibrant private sector’ in recognition of its character as the ‘engine of growth’:

A vibrant private sector requires that crucial elements of structural policy are in place. These include trade policy, tax policies, competition and regulatory policy, and corporate governance. Conditions must be created for a climate of investor confidence – with appropriate laws, transparent regulations, and predictable taxes. Whether the issue is protection of property rights or fair and equitable labor practices, governments must give certainty to the investor about the ‘rules of the game’. Provision of credit, guarantees, sources of funding for projects all play a part in the competitive search by governments for investment and for job creation. Nothing is more significant to economic growth than the private sector.

In September of the same year, consultations through the Development Committee and the IMFC led to the introduction of the second element of the machinery. A proposal was made in September 1999 that the Heavily Indebted Poor Countries (HIPC) initiative in place since 1996 should be

reformed to make Poverty-Reduction Strategy Papers (PRSP) presented by low-income countries after consultation with civil society the basis for debt relief. Twelve months later, the September 2000 Prague meetings of the Development Committee and the IMFC witnessed the formal launch of the IMF/World Bank project for the governance of global capitalism. In a statement issued on 5 September, Horst Köhler (Managing Director of the IMF) and James Wolfensohn (President of the World Bank) announced ‘an enhanced partnership for sustainable growth and poverty reduction’ as their ‘joint vision for our roles and enhanced partnership in the new century’. The document rehearsed the core mandates of the Fund (‘to promote international financial stability and the macroeconomic stability and growth of member countries’) and the Bank (‘to help countries reduce poverty, particularly by focusing on the institutional, structural and social dimensions of development – thus complementing the Fund’s macroeconomic focus’): the Fund would focus on ‘monetary, fiscal, and exchange rate policies, and their associated institutional and structural aspects’, and seek, in particular, to prevent crises in international financial markets, while the Bank would address poverty in low-income countries, and seek to ‘address the structural and social agenda, improve the investment climate and reduce vulnerability to capital market volatility’ in middle-income countries, and ‘take a more strategic approach to the provision of global public goods’. There followed a statement of five ‘guiding principles’ which amounted to a manifesto for the governance of global capitalism:

A comprehensive approach is required to address the multidimensional nature of sustainable growth and poverty reduction: macroeconomic stability, open markets and a vibrant private sector; investment in people, especially through basic health and education; good governance and sound institutions, free of corruption; protecting the environment and nurturing the natural resource base; respecting and preserving cultural heritage and diversity; an attractive climate for both domestic and foreign investors; and going beyond the income dimensions of poverty to address issues of empowerment and security.

For growth and development to be truly effective and lasting, it must be equitable. Barriers related to gender, ethnicity or social status need to be overcome. The benefits of development must be accessible to all.

27 Köhler and Wolfensohn 2000a.
28 Köhler and Wolfensohn 2000a.
Country ownership is paramount, with nations accepting responsibility for their own development, and with strategies tailored to country circumstances and involving broad-based participation; Support should be linked to levels of performance; Transparency is important to ensure clarity and accountability around roles, responsibilities and outcomes.²⁹

Against this background, the joint statement went on to call upon the industrial countries to open their markets and provide aid and debt relief. At the same meeting, Köhler offered a comprehensive summary of the strategic programme assembled over previous years, laying out proposals to (i) strengthen the International Financial Architecture by promoting the early detection and management of external vulnerability: strengthening financial systems; disseminating and promoting the adoption of common standards and codes; promoting transparency and accountability in relation both to member countries and the IMF itself; extending IMF flexibility in relation to funding crisis management; and defining circumstances in which credit might be advanced despite a failure to reach agreement with private creditors; and (ii) support social development and poverty alleviation in collaboration with the World Bank: promoting greater access for developing countries’ exports to advanced countries’ markets; and reforming PRGF (Poverty-Reduction and Growth Facility) funding to bring it fully into line with the PRSP process.³⁰

The first goal was to be achieved by improvement in the collection and dissemination of economic and financial data through Special Data Dissemination Standards; wider application of the recent joint Bank-IMF pilot Financial Sector Assessment Programme; the monitoring of the implementation of standards and codes through Reports on the Observance of Standards and Codes; the publication of Article IV consultations and related documents, and of IMF staff reports and other country papers; the modification of Contingent Credit Lines to facilitate crisis management; and the exploration of possible ‘concerted approaches’ where private creditors remained unsatisfied but further lending was imperative. The second goal would be achieved through

²⁹ The five guiding principles are cited verbatim. Ownership, incidentally, is defined elsewhere as ‘a willing assumption of responsibility for an agreed programme of policies, by officials in a borrowing country who have the responsibility to formulate and carry out those policies, based on an understanding that the program is achievable and is in the country’s own interest’ (IMF 2001b, p. 6).

³⁰ Köhler 2000.
the Bank-IMF Financial Sector Liaison Committee and the Joint Implementation Committee, and through support for the HIPC Initiative and PRSP approach; a slightly extended deadline of end-2002 was set for countries to adopt Bank-IMF supported programmes under the HIPC initiative; and the IMF would be ‘more selective on conditionality so as to focus on key measures that are central to the success of the country’s strategy, and which match the country’s implementation capacity’.  

In relation to the last of these issues, a joint policy statement issued for the meeting reported that:

> In the coming years, we will be working also to improve our policies related to conditionality, seeking to streamline it and make it as practical, straightforward, and as helpful to our members, as possible. In addition, we are working together to strengthen further our capacity to reach out and listen to the various actors involved in development – particularly at the local level where communities are often impacted by our actions. Our institutions must do a better job of engaging civil society in the development dialogue – and we will work to ensure that they do so.  

The statement called upon the developing countries to assume ‘ownership’ of the relevant policies, ‘accepting responsibility for their own development, and [adopting] strategies tailored to country circumstances and involving broad-based participation’, and upon the industrial countries to open their markets, increase aid, and provide debt relief. Here, in outline, then, was a joint programme from the IMF and the World Bank for a global capitalist régime, and a proposal for the exercise on their part of a relatively autonomous role aimed at securing not the advantage of one or another interest, but the appropriate conditions for the development and smooth running of the global capitalist economy as a whole. It envisaged a common commitment to ‘the right policies’ to promote accumulation at domestic level, co-operation at global level in order to improve the stability of the world economy as a whole, and concerted efforts within and across individual countries to secure legitimacy for the policy packages and global initiatives concerned.

Two current initiatives, the 2001 joint IMF-World Bank document ‘Strengthening IMF-World Bank Collaboration on Conditionality and Country Programs’ and the recent IMF proposals for a new approach to the restructuring of

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32 Köhler and Wolfensohn, 2000b.
sovereign debt, should be read in the context of these developments. The first, taken up as a central priority early in 2001, proposes a selective-strategic ‘streamlining’ of conditionality in order to focus on issues critical to the success of the comprehensive programmes the two institutions now seek to promote. According to Köhler,

in streamlining and refocusing conditionality, a key principle is that policy measures that are critical for a program to achieve its macroeconomic objectives should continue to be covered under conditionality; however, conditionality should be applied more sparingly to structural measures that are relevant but not critical, particularly when they are not clearly within the Fund’s core areas of responsibility and expertise.33

The IMF no longer simply lends money against agreed conditions. It now proposes to use conditionality in a selective and strategic manner to support comprehensive programmes in its member countries aimed at adopting and strengthening the institutions of capitalism. At the same time, consistent with its promise that countries committed to the adoption of capitalist institutions will be supported when they suffer from the inevitable tendency for recurrent crisis within the global capitalist system, the IMF is promoting a reform of sovereign debt restructuring which will allow the interests of private capital to be overridden when they threaten the integrity of the system as a whole. Anne Krueger, IMF First Deputy Managing Director since September 2001, has led the campaign for a system of sovereign debt restructuring that would allow the claims of recalcitrant private creditors to be overruled through the introduction of majority voting on restructuring terms. Identifying problems surrounding collective action from creditors when a sovereign’s debt service obligations exceed its payments capacity, and the negative consequence that may follow, Krueger proposes that

a sovereign debt restructuring mechanism (SDRM) should aim to help preserve asset values and protect creditors’ rights, while paving the way toward an agreement that helps the debtor return to viability and growth. It should strive to create incentives for a debtor with unsustainable debts to approach its creditors promptly – and preferably before it interrupts its payments. But it should also avoid creating incentives for countries with

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sustainable debts to suspend payments rather than make necessary adjustments to their economic policies. Debt restructuring should not become a measure of first resort. By the same token, however, when there is no feasible set of policy adjustments to resolve the crisis unless accompanied by a restructuring, it is in the interests of neither the debtor nor the majority of its creditors to delay the inevitable.\footnote{Krueger 2002, p. 2.}

In this proposal, as in its initiative to streamline conditionality, the IMF is representing the interests of the global capitalist system – capital as a whole – rather than those of any particular set of existing capitalist interests. In common with the CDF-PRSP approach of the World Bank, with which they are closely associated, these initiatives are intended to promote the development and management of capitalism on a global scale. It is an integral part of the project of which they are a part that the IMF-World Bank (to a limited extent in conjunction with the WTO) should enjoy relative autonomy from even the most powerful national governments.

**Conclusion**

Over the last two decades, the IMF and the World Bank have jointly developed and implemented a strategic programme for the promotion of capitalism on a global scale, and devised and introduced institutions through which the adoption and pursuit of appropriate policies by low- and middle-income countries can be secured and monitored. In addition, they have claimed for themselves a central role in the governance of global capitalism, a role best understood by recourse to the Marxist concept of relative autonomy – in this case, at global level. As recently promoted by Gordon Brown, Chancellor of the Exchequer of the United Kingdom and Chair of the Development Committee, at the Fifth Meeting of the International Monetary and Financial Committee in Washington on 20 April 2002, the programme calls for the strengthening of the international financial system, with three central components:

We need to step up the reforms that will help create a new stability and purpose in the international financial system: first, a new framework for better economic decision-making and crisis prevention, based on greater openness, transparency and increased surveillance; second, effective, speedy
and decisive procedures for crisis resolution; and third, helping the poorest countries compete and engage in the global economy by creating the right conditions for trade and investment, improving the frameworks for poverty reduction and putting in place mechanisms for a decisive transfer of additional resources from the richest to the poorest countries.35

Behind the ubiquitous references to `poverty reduction’, in other words, is a three-tier framework in which the first tier – ‘open, transparent and accountable national policies, internationally monitored’ – is intended to limit the occurrence of crises; the second – ‘radical reform of the contractual arrangements for debt’ – is intended to facilitate the global management of the crises that inevitably will occur; and the third – the establishment in developing countries of ‘a more favourable business environment, with investment forums bringing public and private sectors together to examine the current barriers to investment and build consensus on how to secure higher levels’ – is intended to promote the capitalist development within which it is envisaged that poverty will be reduced. The call for ‘a new rules-based system, under which each country, rich and poor, has a responsibility to adopt agreed codes and standards for fiscal and monetary policy for the financial sector and for corporate governance’ reflects the ROSC initiative on the observance of standards and codes, and is backed by a call to strengthen IMF surveillance and monitoring functions, and to separate them from both lending decisions and crisis resolution. The proposals for debt reform call for debtor countries to be protected against ‘rogue creditors and vulture funds’, eventually through ‘a new, more comprehensive, legal framework – an international bankruptcy procedure’. And the call for procapitalist policies in the developing world is accompanied by proposals for (i) clear and transparent conditions attached to aid, ‘streamlined to support country-owned policies for reducing poverty and promoting growth’, (ii) flexible PRGF lending in which ‘the length of programs . . . reflect[s] the time needed to design, implement and sequence critical structural reforms, and the repayment periods . . . better reflect the time needed for the reforms to deliver results’, (iii) increased aid from the developed world in order to allow a ‘new development compact that will ensure no developing country genuinely committed to economic development, poverty reduction

and good governance is denied the chance to progress towards the Millennium Development Goals through lack of finance’, and (iv) the untying of aid from the award of contracts. The fusing of the initiatives reviewed above into a single comprehensive statement is further evidence of the existence of a coherent approach to the governance of global capitalism, disseminated outwards from the IMF/World Bank nerve centre by the Development Committee and the IMFC in particular. Brown closed his statement with the remark that ‘[t]he answer is not to retreat from globalisation but to advance economic reform and social justice on a global scale – and to do so with more global co-operation not less, and with stronger, not weaker, international institutions’. This is not mere rhetoric. It reflects the existence of an institutionalised bid for relative global autonomy on the part of the IMF and the World Bank, supported by an international governing class entrenched in Central Banks and Ministries of Finance around the world, and intended to secure the most favourable conditions for the hegemony of capitalism on a global scale.

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Introduction

Over the years, the World Bank has come in for its fair share of criticism and Paul Cammack’s recent contributions to the debate arise in a two-fold context. On the one hand, there is the ongoing redefinition of the World Bank’s role and policies; on the other, the Bank has been the target, along with its kindred organisations, the IMF and WTO, of the self-styled anticapitalist protesters who have besieged most high-level international meetings of these and other institutions.

In this commentary I will briefly set out what I understand to be Cammack’s core argument as put forward in a number of articles, including the most recent one in this issue of *Historical Materialism*.

I will then offer two lines of commentary on this analysis relating to our understanding of the evolution of Bank policies and the political positions adopted by its critics. In doing this I will, for reasons of brevity and illustrative concretisation, be restricting

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1 Cammack 2001a, 2001b, 2002.
the analysis to Africa (although Cammack’s argument has a wider purchase) and will only briefly touch on some of the international political questions his argument raises towards the end.

**Cammack’s ‘new materialist’ perspective on the World Bank**

Paul Cammack’s recent contributions offer a novel analysis of the World Bank from a Marxist, or as he prefers to call it, a ‘new materialist’, perspective and begins with the fairly uncontroversial assertion that the World Bank has been engaged in ‘a systematic programme for the establishment and consolidation of capitalism on a global scale’.\(^2\) Basing his analysis on Marx’s discussion of primitive accumulation and the role of the reserve army of labour in *Capital*, plus Marxist concepts such as ‘relative autonomy’, Cammack argues that it is this process of expanding the reach of capitalist social relations which provides the key to understanding the World Bank’s contemporary role.

Second, and more specifically, the Bank is at the forefront of promoting primitive accumulation globally. ‘The World Bank’, claims Cammack, ‘has taken a new mission upon itself in the last decade . . . to complete the process of primitive accumulation on a global scale’.\(^3\) Primitive accumulation, argued Marx, is the process by which a proletariat and a wealth-owning bourgeoisie are created ‘on the one hand, the owners of money, means of production, means of subsistence . . . on the other hand, free labourers, the sellers of their own labour power’.\(^4\) It is a transformation which involves ‘nothing else than the historical process of divorcing the producer from the means of production’, a history ‘written in the annals of mankind in letters of blood and fire’.\(^5\) It is the process, in short, whereby non-capitalist social relations are torn apart, where social relations of slavery, serfdom or bondage are replaced by the formal freedom of labour, leaving the worker free to sell his or her labour-power in the market.\(^6\)

According to Cammack, ‘the resources of the Bank are overwhelmingly devoted to defining policies which promote proletarianization, facilitate

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\(^3\) Cammack 2001b, p. 198.

\(^4\) Marx 1970, p. 714.


\(^6\) Primitive accumulation also, crucially involves a fundamental change in the form of political rule, as we shall see below.
exploitation and promote market dependence’. The World Bank calls for the creation of effective labour markets, for property rights to be upheld, for the institutional setting for markets to be put in place, for infrastructure and education and health necessary for a market economy to work; all these and more, Cammack claims represent a project of expanding and consolidating capitalism in the developing world. In line with Marx’s discussion of primitive accumulation, the freeing of labour from extra-economic coercion and exploitation of non-capitalist social relations was to be replaced with the ‘dull compulsion’ of economic necessity of the capitalist labour market with labour, globally, denied any alternative but to sell its labour-power.

Thirdly, Cammack argues that the underlying reason for this strategy is the need to create a new, expanded ‘reserve army of labour’ on a global scale. ‘Mature capitalism’, claims Cammack, ‘requires and generates a “relative surplus population” without which its disciplines cannot work; the presence of an “industrial reserve army” within this surplus population keeps wages low, and tending towards subsistence level; and a proportion of the surplus population is always in absolute poverty. In short, to abolish poverty would be to abolish capitalism itself’. The promotion of proletarianisation by the Bank drives forward the expansion of the reserve army helping to maintain the disciplines of the market, limiting rises in wages of those in employment and maintaining capitalist profitability:

Capitalism requires potential new workers to be prepared for it, in areas where its disciplines are not yet in place. . . . In the particular circumstances of the late twentieth and early twenty-first centuries, the World Bank has assumed responsibility for outlining and enforcing the policies that are necessary for these disciplines to obtain.

Contrary to its own propaganda about reducing world poverty, therefore, What the Bank envisages, in its grand plan for reducing absolute poverty by half by 2015, is an efficient global labour market in which the existing proletariat will ‘float’ easily in and out of work, and the ‘latent’ proletariat, whether small peasant producers or young women as yet insufficiently accessible to capitalism’s reach, will be ‘freed’ and fully proletarianized.

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7 Cammack 2001b, p. 198.
8 Cammack 2001b, p. 199.
9 Cammack 2001b, p. 195.
10 Ibid.
11 Cammack 2001b, p. 197.
Finally, behind this grand strategy, argues Cammack, lies a fundamental change in the global governance of donor policies. From promoting the interests of British or American (or whoever else’s) capital abroad, aid policies are now geared to ‘promoting the development of capital on a global scale’.\(^\text{12}\) The crux of the shift in aid policies from the promotion of structural adjustment of the 1980s and early 1990s to the broader policy reach of the supposed ‘post-Washington consensus’ is a new concern with the strategic development of capitalism on a global scale of which the creation of an enlarged reserve army of labour is a key element. Linked to this is the new role of the World Bank and the IMF as the guardians of the regulation of global capitalism. ‘It is anachronistic’, Cammack claims, ‘to see the World Bank and the IMF as acting in principle at the behest of the United States . . . Rather, the two institutions are seeking to define and exercise a relatively autonomous role, promoting and sustaining a framework for global capitalism’.\(^\text{13}\)

In sum, the Bank and Fund now stand elevated above the particularistic interests of member governments (as witnessed by the institutions’ exhortations to advanced capitalist states to reduce protectionism) and particular fractions of multinational capital. Instead, the Bretton Woods institutions are seeking to achieve a project for relative autonomy in forming an institutional framework for the global management of global capitalism.

Cammack’s analysis of the Bank certainly provides a challenging and novel marker in the debate over the contemporary role of the Bretton Woods institutions and the changing modalities of aid and development co-operation. In utilising Marx’s analysis of the processes of capitalist transformation, it provides a critical alternative to much other, all too simplistic, radical commentary. And in specifying the need to understand donor policies in terms of the traumatic social upheavals of primitive accumulation, Cammack gives us a useful counter-weight to the saccharine and sanguine language the Bank uses to talk about its policies.\(^\text{14}\)

There are several ways one might wish to engage with Cammack’s analysis and it is simply not possible to cover them all in this short commentary.\(^\text{15}\)

\(^{12}\) Cammack 2001a, p. 404; 2001b, p. 207.
\(^{13}\) Cammack \textit{supra}, p. 39.
\(^{14}\) ‘Such insipid childishness’ wrote Marx of bourgeois political economy, ‘is everyday preached to us in the defence of property’, Marx 1967, p. 713.
\(^{15}\) Such lines of enquiry might include: whether global capitalism actually requires global institutional management (rather than an international one as hitherto); whether the reserve army of labour is actually the only, or main way in which wage rates and
Instead, I will focus on two lines of argument relating to the context I mentioned above. First, I will argue that in specifying primitive accumulation as the core process to which Bank policies are directed, it is necessary to identify the more obviously ‘political’ and state-level issues this raises and that that, in turn, can illustrate why much of the donors’ ‘project’ in respect of African states and societies has proved so problematic. Secondly, I will argue that the critical tone of Cammack’s portrayal of the Bank as engaged in an ‘attack on the poor’, together with the claimed relative autonomy of the Bank and Fund, pose some difficult political questions for those on the Left.

The Bank, states and Africa

Cammack claims that the need for global regulation by no means ensures that it will be met, although his earlier, rather neat summary of the World Development Reports in the 1990s does imply a rather easy step-by-step progression through what is necessary to bring about the expansion of capitalism.\textsuperscript{16} However, while one might accept the portrayal of the Bank’s policies towards Africa as a project of liberal capitalist expansion, few would argue that it remains, certainly as far as Africa is concerned, very much a ‘project to be realised’.\textsuperscript{17} And the evolution from Bank report to Bank report; from adjustment to adjustment with a human face; from naked neoliberal market economics to institutional and political concerns, and from conditionality to partnership, ownership and selectivity represent not some easy, step-by-step progression through the different building blocks of capitalist transition but a reflection of the contradictions of, and obstacles faced by, a non-omnipotent external actor (or actors, if one extends to the donor states and agencies more widely) in struggling to bring about a wholesale social transformation in another part of the world. And, while the leading capitalist powers within the international system (and the institutional expressions of their power such as the World Bank) certainly have considerable power to try to redefine and reorganise the political economy of other states in the international system, and have sought to exercise this power in respect of African states in particular, there is a patchy record of success at best.

\textsuperscript{16} Cammack, 2000b and 2002, respectively.

\textsuperscript{17} Young 1995.
If one was to take Cammack’s approach which sees the Bank pursuing a strategy for the promotion of capitalist social relations, and promulgating the processes of primitive accumulation in particular, then how might one explain the rather halting record of ‘progress’ towards the donors’ goal? I would argue that, in so far as Africa is concerned, that the political corollaries of primitive accumulation can help to shed some light on the barriers faced by capitalist transition in Africa. And these are mostly neglected in Cammack’s exposition.

The first thing to note here is that, for Cammack, political change – which I am taking to mean, for the purposes of this commentary, change in the way a society is ruled, in the form of rule and the form of the state – is not a central part of the recent analysis of the Bank’s promotion of capitalism.\(^{18}\) Certainly, the increasing attention given to ‘political’ issues by the Bank – the institutional and administrative functions of the state, the rule of law and judicial system and the need for ‘good clean government’ – are addressed as part of the Bank’s ‘systematic programme’ for consolidating the global grip of capitalism.\(^ {19}\) But, for Cammack, this is essentially in terms of how such changes help to enforce existing capitalist property rights in the recipient states. What is less of a concern – but is central to understanding both the impact of donor conditionality in Africa and the trajectory of donor policies – is how far this capitalist project has or has not actually encompassed changes in the very form of the state in Africa.

The displacement of this aspect of capitalist social relations is rooted in the identification of changes in production relations, seen in an ‘economic’ light, as the core processes of primitive accumulation. However, as Rosenberg has argued, ‘the consolidation of the capitalist property form must also involve a historical process of internal pacification and state-building . . . *in other words state-building is an integral part of primitive accumulation*.\(^ {20}\) The decline of feudalism, Marx claimed, and the creation of the ‘purely political state’ – that is a law-bound state characterised by impersonal rule, over formally free individuals who are related to each other by law and not privilege, and existing in apparent separation from the economic exploitation characteristic

\(^{18}\) Of course, I certainly am *not* arguing that this is ignored by Cammack in general – see Cammack 1997 – only that it is not a central part of his analysis of the Bank’s programme and of primitive accumulation more generally.

\(^{19}\) See Cammack 2002.

of capitalism (and in contrast to the extra-economic coercion of feudalism) – were ‘one and the same act’. Thus, primitive accumulation involves the rise of a new form of state. In becoming ‘free’ to sell labour-power in the market, labour is also freed from the directly political relations of domination and extra-economic exploitation characteristic of non-capitalist social formations. In the place of extra-economic relations of subordination, labour thus becomes formally free but subject to the law, upheld by the new ‘purely political’ state. It is this which produces the apparent separation of ‘political’ and ‘economic’ relations characteristic of capitalism.

It is the assertion here that the increasing donor concern in the 1990s with the ‘political’ context in which aid policies, particularly structural adjustment conditionality, have taken place, forms the counterpart to the promotion of the economic (for want of a better word) side of primitive accumulation on which Cammack’s analysis focuses. And it is in this realm that the evolution of donors’ stances on aid can be explained.

The move towards ‘political conditionality’ among donors is well known and has encompassed the linked but distinct issue areas of good governance, democratisation and respect for human rights. Of these, the World Bank’s major concern has been with good governance including a concern with the creation of the ‘legal framework for development’ – an efficient, non-corrupt administration, the rule of law with independent judiciary and building state capacity – and the promotion of participation and pluralism in civil society. The focus given to these ‘political’ issues increased markedly in response to the Bank’s experience of implementing macroeconomic conditionality from the late 1980s. By the late 1990s, with the rise of the Heavily-Indebted Poor Countries (HIPC) initiative and the move towards Poverty-Reduction Strategic Papers (PRSPs), the whole gamut of macroeconomic and social sector policies in recipient countries, and the institutional settings in which they were to be formed and implemented came under the purview of the Bank’s overarching Comprehensive Development Framework (CDF).

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21 Bromley quotes Marx On the Jewish Question on this, and goes on to say, ‘for Marx, the differentiation of the capitalist market and the political state . . . is accounted for by the emergence and consolidation of capitalist relations of production on an increasingly global basis.’ Bromley 1999, p. 287.
23 Williams and Young 1994.
In short, the recognition of the scale and reach of political change which was necessary to ensure that adjustment would be successful, stemmed at least in part from a realisation that simply demanding increasing marketisation of labour and capital (the main focuses of Cammack’s interpretation of primitive accumulation as promoted by the Bank) was not enough. The Bank and IMF’s earlier focus on the limited (albeit far-reaching) macroeconomic reforms of adjustment conditionality in the 1980s now appear incredibly narrow. It was, as Toye pointed out in respect of Ghana, ‘rather like the workman who came to put up new wallpaper, and found that the plaster beneath was crumbling and that the brickwork and timber beneath was rotten, so the World Bank has been drawn into an ever more comprehensive scheme of reforms’.25 Having promulgated adjustment policies which assumed the existence of a modern capitalist legal and political framework, the Bank and the Fund were finding out that ‘the basic requirements for a modern state’ – the necessary corollary to the establishment of markets in labour and capital – were missing.26

In fact, a focus on this ‘state-formation’ dimension of primitive accumulation can help to shed some light on why issues of governance have so pre-occupied the Bank with respect to Africa. Much commentary on African states is apt to dismiss ‘modern statehood’ as something of tangential relevance to the continent.27 However, it is clear that the process of decolonisation represented a significant expansion of the modern state system, creating in the place of subject colonies and a variety of precolonial political formations, a system of states based on territorial sovereignty, international recognition and varying levels of constitutional rule. Furthermore, Mkandawire is surely right to argue that categorical dismissals of African states as essentially ‘non-developmental’ is at the very least an overstatement, and ignores some genuine developmental intent and effectiveness in the period between independence and adjustment.28

However, political independence ushered in both a particular and mixed form of state and a particular form of politics and one which is at the centre of the donors’ concerns about governance. Mamdani has argued persuasively that the necessities of colonial rule, ‘how a tiny and foreign minority can

26 Williams and Young 1994, p. 87.
27 The worst of such characterisations of African politics include Robert Kaplan’s infamous ‘inglorious wallow in prejudice and misinformation’ cited in Allen 1995, p. 318. But similar dismissals of Africa come from other pessimistic analyses of African politics – see, for example, Chabal and Daloz 1999.
rule over an indigenous majority’, led to the creation of a bifurcated state. Colonial authorities, unable or unwilling to devote the resources necessary to create single unified authorities along the lines of the ‘civil’ modern states of Europe, instead vested control of significant parts of the population – the rural ‘subjects’ – in the hands of an essentially despotic, local state based on supposed ‘customary rule’. The result was a bifurcated political structure and one in which the separation of the political and economic, characteristic of modern capitalist states, was crucially compromised:

The colonial state was a double sided affair. Its one side, the state that governed a racially defined citizenry, was bounded by the rule of law and an associated regime of rights. Its other side, the state that ruled over subjects, was a regime of extra-economic coercion and administratively driven justice.

The colonial state thus comprised two forms of power – one approximating to the impersonal, ‘civil’ political form of rule of modern capitalist state based on law, albeit racially defined and concentrated on urban areas; the other consisting of various forms of ‘customary’ rule based on personal rule, the non- or partial freeing of labour, extra-economic coercion and exploitation and concentrated in rural areas.

Independence, argues Mamdani, deracialised the civil arena of power but largely left in place (especially in the more conservative states) the local despotism under which a large part of the population existed. Patrimonialism served as the link between the two forms of power. As Allen has argued, the rapid transfer of power in the colonies at independence, partly as an attempt to forestall the rise of more militant nationalist movements, made clientelist linkages between élites, parties, candidates and voters, central in the construction of post-independence political systems. This inheritance created particular forms of polities in which the separation between economics and politics, the achievement of a ‘purely political’ state in which authority is vested in the impersonal offices of the modern state, was clearly compromised. And it is this – the way in which access to occupation of state positions, and the network of relations such positions relied upon to maintain

29 Mamdani 1996, p. 16.
30 As Mamdani argues, what was defined as customary was very often the product of the colonial imagination, or of the articulation of colonial power with precolonial societies which were in a state of flux.
power and personal accumulation – which shows the limits to any donor project of creating liberal capitalist forms of governance and the continuation of non-capitalist social relations, in Africa.\textsuperscript{33}

However, it is clear that, if the donors’ agenda is one of establishing and consolidating capitalist social relations in Africa, and if this involves not just the kind of processes of primitive accumulation identified by Cammack but also the necessary changes to the forms of political rule discussed above, then the forms of politics characteristic of the post-independence era have to be overcome. The impact of structural adjustment conditionality in the 1980s and 1990s indeed served to undermine some of these postcolonial political forms.\textsuperscript{34} However, creating modern, capitalist polities requires not only the destruction of pre-existing forms of rule but the creation of new ones. It is far from clear that donor policies are, or perhaps could ever be, up to the job.

\textbf{A comment on capitalism and the Left}

However, what if they were? What if the global capitalist expansion Cammack talks of were achievable, what then? While it is certainly not identified as a objective of his contributions so far, the critical portrayal of the Bank’s promotion of capitalism as an ‘attack on the poor’ does beg some questions about what follows from this analysis. Such questions are ever more pertinent given the context of renewed political activism around the Washington institutions and indeed an ongoing reconsideration of their roles by member governments.\textsuperscript{35}

Here, there are really two issues. The first is, if one were to accept Cammack’s characterisation of what the Bank and other donors are up to in Africa (whether or not extended in the way suggested above), then what should be the response of those on the political Left? The question is thrown into sharp relief if we contrast Cammack’s reading of Marx with that of the, now rather neglected, Bill Warren in his posthumously published \textit{Imperialism: Pioneer of Capitalism}.\textsuperscript{36} Like Cammack, Warren understood much contemporary change in developing countries in terms of the worldwide expansion of capitalist social relations

\begin{itemize}
  \item \textsuperscript{33} Indeed, this provides a clue as to why both governance in general and corruption in particular have become such central issue for donors. See Szeftel 2000 and also 1998.
  \item \textsuperscript{34} Allen 1995, pp. 312–13.
  \item \textsuperscript{35} Not to mention whether or not it might be acceptable to expect Marxist scholars to occasionally give a little consideration to such matters!
  \item \textsuperscript{36} Warren 1980.
\end{itemize}
and argued that imperialism, in tearing up ‘precapitalist’ social formations paved the way for capitalist development. Like Cammack, Warren situates his analysis in a reading of Marx. However, the two readings represent very different attitudes to capitalist expansion.37

For Warren, and for Marx, the expansion of capitalism was an inherently contradictory phenomenon. For, while primitive accumulation was based on the ‘vilest expropriation’ of labour and the destruction of existing social relations inherent in labour’s separation from the means of production, and itself created the exploitation and misery inherent in capitalism, it also represented a massive progressive leap forward for humankind. For Warren, the historically progressive nature of capitalism resided in technological and material advancement made possible by capitalism’s constant revolutionising of the means of production; in capitalism’s generation of ‘standards of equality, justice, generosity, independence of spirit and mind, the spirit of inquiry and adventure, opposition to cruelty, not to mention political democracy’; and in its creation of the possibility of liberal democracy (‘linked virtually as Siamese twins’) as well as the objective and subjective basis on which socialist politics could develop.38

From this perspective, one might begin to see the Bank, as the modern ‘pioneer of capitalism’, in a more favourable historical light. The harsh, even inhuman impact of its policies on the people and communities on the receiving end should not be a surprise to any Marxist: ‘capital’, wrote Marx, comes into the world, ‘dripping from head to foot, from every pore, with blood and dirt’.39 But, ultimately, one would see these as necessary transformations. Criticism of the Bank would then focus more either on whether or not Bank policies were achieving this end; whether such transformations could be achieved by less brutal means; and whether or not it was justifiable for external actors to seek to promulgate such transformations in other societies. In this, we can echo Ruccio’s argument that the debate over success and failure in respect of the World Bank and IMF adjustment policies depends on one’s definition of failure and success.40

37 The comparison between Warren and Cammack which follows does so on the basis of something of an analogy between ‘imperialism’ for Warren on the one hand, and ‘the World Bank’ for Cammack. Presenting the World Bank as representative of modern imperialism is a stance not without its problems but these are not explored further in this contribution.
39 Marx 1970 [1867], p. 760.
40 Ruccio 1991.
The obvious question posed by Cammack’s analysis is, should the Bank’s project be successful (and I have identified above one argument why this might prove difficult) does this represent an advance or not? If the Bank were successful in its project, is it right to present this as solely as ‘an attack on the poor’? Or is there some other reformed capitalist or non-capitalist route which might be proposed?

Even if such difficult political questions were addressed, one is left with a second political question which relates to the agency involved in donor policies towards Africa. Cammack puts forward a strong assertion that the Bank and Fund can no longer be viewed simply as agents of the leading capitalist states and that they seek, and to some extent have achieved, ‘relative autonomy’. If this is so, then to where those on the Left might direct their criticism becomes a central issue. If the institutions achieve anything like the authority and autonomy implied by Cammack (and they would have to come close to some kind of global state structure to do this), then political activity of whatever kind that was deemed appropriate would have to be directed at the institutions themselves. This certainly seems to be the view of many protesters who largely shun the idea of participating in national state political processes in favour of direct action aimed at the public appearances of the Bank and its kindred organisations. If, on the other hand, one were to argue that the member-state governments remain the source of any authority that the Bank possesses, and one wished to see changes in Bank policies, or indeed its reform or total abolition for that matter, then the appropriate target for political action would be those states most able to effect outcomes in the international organisations concerned.

There would seem to be rather a strong argument that this latter scenario is rather nearer the mark than that put forward by Cammack. Not only has the Bank shown itself to be very much at the behest of the leading member governments at certain times over policy (as Robert Wade’s analyses of Bank policy have shown) but the Bank’s very constitution does not lend itself to the kind of authority and agency Cammack bestows on it. Indeed, it is highly doubtful whether it is appropriate to transfer the Poulantzian concept of ‘relative autonomy’ (whatever the strengths or weaknesses of that concept in the first place) from its original place as a specification of the sovereign national state’s relationship with other social actors to international organisations’

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relations with member governments. It is far from clear that international organisations do, or even could, possess the authority necessary for ‘relative autonomy’ to be useful way to understand their global role.

While Paul Cammack’s analysis certainly opens up an important space in the debate over the Washington institutions, it does leave some rather important political issues to be resolved. Hopefully the stridency with which he has staked his case will, if nothing else, provoke more debate over these crucial issues.

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I. Introduction

For those who believe that socialism needs to be renewed for the twenty-first century, the debate about the relationship between Bolshevism and Stalinism remains of enduring importance, and an analysis of the period of the Civil War remains of continuing relevance to the understanding of this relationship. During the Civil War, objective circumstances often confounded the intentions of actors: Bolshevists and workers alike constantly found themselves doing the opposite of, or at least something different from, what they had wanted, or expected, or planned; assumptions inherited from pre-war Bolshevism and from the pre-war workers’ movement were turned upside down in the name of exceptional circumstances, and, specifically, centralisation and authoritarianism were justified as military necessities. However, military victories in 1920 brought the prospect of deciding policy free of immediate wartime constraints – at this juncture, discussions began inside the party about how a new life would be created after the Civil War. Both in the year prior to March
1921 – the key turning-point when Bolshevik power was challenged by the revolt at the Kronstadt naval base after which the New Economic Policy (NEP) was inaugurated – and in the three years that followed, before Stalin’s clique consolidated its control of the party apparatus, the Bolsheviks continued to be constrained by desperate circumstances: world war and civil war left a legacy of economic breakdown, famine followed, and hopes that the revolution would spread to western Europe were disappointed. However, there was a little more room to make choices in this period than had been the case in 1918–19. In this article, I attempt to cast new light on this period through a discussion of events during the seven months from August 1920 (the beginning of the end of soviet Russia’s war with Poland) to the end of February 1921 (the outbreak of the Kronstadt revolt and the Tenth Party Congress at which NEP was first mooted). In particular, I examine the ways in which workers outside the party reacted to, and in some ways helped to shape, some of the choices the Bolsheviks made. My article therefore does not deal directly with the controversies inside the Moscow party organisation on inner-party democracy, the economy and industrial administration (the ‘trade-union discussion’), or with the debates on similar issues in the party’s national leadership, but concentrates on the issues that dominated relations between the party and workers outside it, including food supply, relations with the countryside and workplace democracy.¹

There are two reasons for this focus: first, until recently, it was especially difficult to research discussions outside the party because access to archives was so limited. The main archival sources consulted for this article – minutes of trade-union and party meetings, and reports by the Cheka² to the Moscow Party Committee – were restricted or closed before 1991. The second reason is political and historiographical. On the basis of the limited evidence available, historians who worked on the early 1920s during the Cold War tended to represent workers, at best, as a background chorus line for political players in the foreground. The social historians who, since the 1970s, have studied the working class in the Russian Revolution have concentrated on 1917–18; working-class politics in the subsequent period has been insufficiently

¹ The article was written as part of a wider research project on changes in the relationship between the Bolshevik Party and the working class in Moscow from 1920 to 1924. For a discussion of some background issues, see Pirani 1998.
² From the Russian acronym ChK, for chrezvychainye kommissii or extraordinary commissions.
discussed. And, amongst socialist writers, consideration of the working class in 1920–21 has continued to be so slight that one of them could recently write it off with the assertion that

[t]he working class base of the workers’ state [...] had disintegrated. The Bolsheviks survived [until 1921], but only at the cost of reducing the working class to an atomised, individualised mass, a fraction of its former size, and no longer able to exercise the collective power that it had done in 1917.

In reality, while war, civil war and economic destruction had certainly slashed the number of workers by all measures – in Moscow’s case, by nearly half – this did not mean that the working class had ‘disintegrated’ as an economic, social or political force. Working-class organisation was weakened – not least by the severe limits placed on it by the Bolsheviks – but factory committees, workplace meetings and other forms of activity continued, and even played a part in shaping Bolshevik decisions.

The context for the events discussed below was set by the defeat of the main White armies in October–November 1919. In the spring of 1920, the Bolsheviks considered themselves to be in a ‘breathing space’ that lasted until the Polish invasion of Ukraine in June. In late August, the Red Army counter-offensive came to a disastrous halt just outside Warsaw, and peace talks with Poland, that began earlier that month, resulted in an armistice being signed in October. The only significant White Russian army still operating by this time, Wrangel’s in southern Russia, was in continuous retreat from September 1920 until its final defeat in mid-November. Fierce peasant revolts erupted in late 1920, both in central Russia and in Siberia, that increased the Bolsheviks’ sense of isolation. But, judging from party discussions in late 1920, the Bolsheviks felt that the worst of their military troubles were over; the issue of the way forward in peacetime, which had been aired during the spring ‘breathing space’, was again discussed. Attention shifted from military issues to restarting industry. One of the peculiarities of these months was that the

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3 There has been a wealth of work on workers in the post-revolutionary period, e.g. Aves 1996; Chase 1987; Iarov 1999; McAuley 1991; Siegelbaum and Suny (eds.) 1994. However, the discussion about working-class politics remains at an early stage.

4 Rees 1997, p. 77. According to statistics produced by the Soviet in 1920, the population of the city of Moscow was 2,044,000 in May 1917, 1,716,000 in August 1918 and 1,027,000 in August 1920 (Krasnaia Moskva 1920, p. 54). The number of industrial workers was counted as 460,800 in 1917, 408,600 in 1918 and 202,700 in 1920 (Statisticheskii atlas 1925, column 16).
economic policies developed during the Civil War and based on state regulation and compulsion, which later became known as ‘war communism’, were continued. Most party leaders, and members, assumed that these policies would be intensified, and some, although not all, made super-optimistic and utopian assumptions about a possible forced march to ‘socialism’ (whatever that meant in this context), by building on civil-war methods.

The decisions of the Eighth Congress of Soviets in the last week of December 1920 reflected this determination to press ahead. On agriculture, the congress rejected a proposition by the Menshevik David Dallin, that ‘the peasantry should have the possibility to dispose of all surpluses’ and passed a resolution drafted by Valerian Osinskii, a leader of the Democratic Centralist faction of the Bolshevik party, that envisaged a centrally-directed sowing campaign, carried out by sowing committees. There were vehement protests by delegates from rural areas, and after meeting with them, Lenin convinced the Bolshevik delegation at the congress not to remove legislation permitting certain premiums for individual households. On industry, the congress approved Gleb Krzhizhanovskii’s famous electrification plan and the party press celebrated Lenin’s motto that ‘communism = soviet power + electrification’. The resolution on transport asserted, overoptimistically, that the worst of the transport crisis was passed.\(^5\) It took another two months – during which the peasant revolts intensified, a transport and supply crisis erupted and threatened the Moscow and Petrograd workers with hunger, and unrest climaxed in the Kronstadt revolt – before the Bolshevik leaders were forced into a deep-going change of strategy, namely the adoption of the initial NEP-type measures at the Tenth Party Congress in March 1921.

Below, in Section II, there is a discussion of the question of supply, which played a central role in precipitating the crisis. In Section III, I argue that the issue that most concerned workers was inequalities in supply, and that, while self-interest naturally played a part here, there was also a principled egalitarian opposition to privilege. In Section IV, I look at non-party workers’ arguments against grain requisitioning and other ‘war-communist’ policies, and suggest that, by February 1921, the Bolshevik leadership was listening to such arguments, including those by Socialist Revolutionary (SR) sympathisers. In Section V, I look at the Moscow strike movement of January–February 1921.

in which discontent over supply came to a head, and the connection between this movement and the Kronstadt revolt; I will argue that the disparity of interests in these movements, and the lack of a coherent political opposition, make implausible the contention that a ‘revolutionary situation’ took shape. In Section VI, I look at encroachments on working-class participatory democracy and the repression of independent working-class organisation. I argue that the Bolsheviks’ incursions on this democracy were conditioned not only by difficult objective circumstances, but also by their own conceptions of the roles of class and party. The result was that the gap between party and class widened, weakening both.

Before moving on, I draw to the reader’s attention the difficulties posed by the Cheka reports referred to. These reports are neither accurate nor objective reflections of events in which their authors were often active participants. The reports are often as valuable for the insights they provide into the agents’ thinking as for their references to actual events and, in particular, to shifts in workers’ thinking, with which the agents were obsessed. Most of the reports quoted were made by the Workers’ Group of the Moscow Cheka, constituted in March 1920 with the aim of ‘prevention and solution of conflicts and disturbances’ in industry. The Workers’ Group agents were not simply spooks; they saw their job as something that might be called ‘political liaison and intelligence’. The Group’s official report for 1920 underlined its close working relationship with trade-union and party bodies at the Moscow level, in Moscow’s seven districts and in the factories. It comprised representatives from workplaces whose duties included not only receiving reports from factory committees and individual workers about supply failures, corruption and other problems, but also speaking at workers’ meetings about the Cheka’s activity.\footnote{\textit{MChK} 1977, pp. 244, 255–8. The Moscow Cheka reports to the Party Committee for 1920 are archived at TsAODM f3 op1a d11. The reports for 1921 are at TsAODM f3 op2 d48 and d49, and GARF f393 op43a d1714.} The agents, like many Bolshevik party members, established for themselves a normative standard of how workers should behave in a workers’ state. They usually regarded expressions of concern about supply as indicative of a lack of class consciousness. In descriptions of workers’ mood, the constant use of the term ‘obyvatelskoe’, meaning ‘day to day’, ‘concerned with small everyday questions’ or ‘philistine’, betrays a disregard for workers who in revolutionary times made caring for their families a priority. If the agents
were more approving of the workers’ attitude, they would deem it ‘conscious’ or ‘satisfactory’; at the other end of the scale, it would be judged ‘hostile’. For example, in September 1920 an agent dismissed the workers’ mood at the Khapilovskaia textile factory in the Bauman district as ‘philistine in respect of supply’ – despite reporting in the next sentence that they had displayed their ‘consciousness’ by voting to work two unpaid hours to support the party-inspired ‘peasant week’. An agent in Rogozhsko-Simonovskii district reported in October 1920 from the Glavodezhdy factory, which produced army uniforms, that supply problems were ‘sharp’, that sometimes there was no bread ration for days on end, that ‘in these difficult times the workers do not lose hope and do not express dissatisfaction’ – but that nevertheless the mood was ‘unsatisfactory, since most of the workers are women, and the feminine element, on account of its backwardness, is more concerned with housekeeping matters’. This arguably says more about the agent’s assumptions about the ideal, ‘conscious’ male worker and his disregard for women bearing the double burden of work and housework than it does about the reality of those workers’ attitudes. Despite all this, important information may be gleaned from the reports, especially when they include references to actual events. So, for example, the agent at the Glavodezhdy, works, mentioned above, enriches our picture of workers’ concerns in a subsequent report about strike action over supply, quoted below, the facts of which there is no particular reason to doubt. It also stands to reason that reports of sympathy for the Bolshevik government are more credible coming from such stern judges as these agents than from party newspapers. For example, this report from the Sokolniki vehicle building works, dated August 1920, seems to ring true: ‘The positive attitude to the Red Army’s victories and the second congress of the Communist International is noticeable. But there is dissatisfaction at the deterioration in quality of the canteen meals.’

II. Food supply

By mid-1920, after six years of war and revolution, Moscow was half-ruined. Its population had been halved since 1917, mainly by migration to the countryside. Those that remained endured all types of privations. Factories were often unheated, fuel consumption was down to about half of its 1914

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7 TsAODM f3 op1a d11, l24, l69 and l100.
level, and ‘self-supply’, namely, the burning of fences and any other timber people could lay their hands on, was widespread. By 1920, in Moscow, about 10,000 houses – one-third of the total – had been destroyed, and the number of houses unfit for habitation had doubled. There was a desperate shortage of soap and hot baths, which contributed to epidemics that ravaged the city.\(^8\) But the issue that impacted most directly on workers’ daily lives was that of food supply.

The main source of food supply for most Moscow workers, from 1918–19, when it was introduced, until 1922, when it gave way to money wages, was the civil-war rationing system. Grain and other agricultural products requisitioned from Russia’s peasant population by food supply detachments were centralised by the food supply commissariat and distributed to the Red Army and the urban population. The Civil War, the lack of manufactured goods to trade with the countryside, and the requisitioning system all exacerbated the constant reduction of the sown area; and the collapse of transport aggravated matters further. With too little food to go round, inequality in distribution was inevitable. Under the graded rationing system introduced in 1918, more food was supposed to go to soldiers at the front, those doing heavy physical work and other priority categories. Originally, there were four categories for civilians, and, in January 1919, this was reduced to three. However, special rations and exemptions were endlessly introduced to help one or another section of the population, and then attempts made to reduce the inequalities created. Rations were distributed late or not at all, and then attempts made to ensure that priority groups received what they were due more reliably. So, in 1919, an additional ‘labour ration’ was introduced for factory workers; then factories of ‘special importance’ were upgraded to military ration status; then the principle of ‘reserved’ rations was introduced, under which the food supply authorities were supposed to ensure that those thus designated received their rations no matter what; then came an academic ration, a special ration for Red Army men’s families, etc. The large body of government officials and white-collar staff, which in Moscow was about the same size as the industrial workforce, often found ways of getting themselves included in higher ration categories. This, above all, provoked working-class resentment and fuelled the demands for ‘equality of rations’. Corruption and

\(^8\) Gorinov 1996, p. 3; Moskovskii sovet 1927, p. 237; Pravda, 26 January 1921; Ocherki 1983, p. 195.
trade in fake ration cards was rife. Despite the officially declared ‘war on private trade’, enforced by blockade detachments that patrolled the railways, a tremendous black market in foodstuffs persisted throughout the Civil War. But the government feared that the towns would be still hungrier if the ban on trade was too strictly enforced, and an important exemption allowed individual workers to go into the countryside and purchase 1.5 puds (24.6 kilos) of grain each. The trade unions and factory committees pressed for workplace collectives to be able to make trips to the countryside to procure food supplies; these were permitted, not to buy foodstuffs that were in theory a state monopoly (including grain, salt and meat) but to buy other products (such as dairy products and vegetables). The food supply authorities both opposed the organisation of these collective procurement trips and also resisted trade-union attempts to take charge of the food requisitioning detachments.\(^9\)

In April 1920, the Council of People’s Commissars (Sovnarkom) made a new attempt to introduce a ‘unified’ ration system with three categories. But the pressures to make exceptions were as strong as ever: the second clause of the decree itself said that workers in ‘enterprises of special state importance’, those who worked extra-long shifts and ‘persons doing specially qualified mental labour’ would have special norms set by a commission at the food supply commissariat. Furthermore, implementation of the whole decree was postponed until September. And, by that time, differentials in rations had been further exacerbated by new trends in industrial administration, principally the widespread denomination of factories as ‘shock’ and the use of bonuses in kind as incentives to raise productivity. Although the principle of ‘shock working’ (udarnichestvo or udarnost’) had been used during the Civil War, it took off after the war was essentially over: in the second half of 1920, the number of metal plants designated as ‘shock’ rose twelve-fold from 20 to 240, and by the end of the year there were reportedly 1,716 ‘shock’ enterprises all together. The proliferation of ‘shock’ enterprises, partly under pressure from factory committees who saw ‘shock’ status as a means of improving supply, devalued the ‘shock’ concept. By the time of the Fourth Trade-Union Congress in May 1921, a speaker there said that there were more ‘shock’ enterprises than non-‘shock’ ones.\(^10\)

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In terms of the actual amount of food that arrived in Moscow, the nadir had been reached in 1919 and, by mid-1920, the food supply situation had improved. Figures given by a Soviet historian indicate that, in mid-1920, consumption per head of bread was up by 45 per cent on mid-1919, consumption of groats by five times and consumption of potatoes by 1.5 times. Notwithstanding this comparative improvement, the soviet and food supply organisation found themselves caught short in August. They were compelled to cancel several rations altogether. A soviet official reported that, in June, 57.6 per cent of rations due were actually issued, and that fell steadily to 26.5 per cent in September, before it improved again. The situation became ‘critical’ and the month of August ‘passed under the banner of a difficult struggle against hunger’, an official history of the Soviet states. On 12 August, the Soviet Presidium called on workers to form groups to dig for potatoes in rural areas near the city. The Soviet clashed with the supply commissariat; the former complained to the Council of Labour and Defence (STO) that the latter had requisitioned trainloads of food destined for Moscow and diverted them elsewhere, in breach of the STO decisions prioritising supply to Moscow and Petrograd. In September, a gradual improvement in supply began. Although Aleksei Badaev of the supply commissariat had to report to the Moscow committee of the party ‘the complete absence of milk in Moscow’ and propose a programme to establish milk farms, deliveries of grain and other food stocks to the city were stabilised. In November–December 1920, supply to the city of Moscow, although not to the Moscow region, continued to improve. Only in mid-January 1921, did the situation deteriorate suddenly, triggering a strike wave that contributed to the strategic reconsiderations in the party leadership that ended with introduction of the NEP.

Most industrial disputes in Moscow in late 1920 concerned rations or money wages arriving late or not at all. For example, in August 1920, a Cheka agent reported from the Glavodezhdy textile factory mentioned above that ‘work [...] is proceeding satisfactorily’ despite a ‘catastrophic’ combination of bread shortages and dictatorial management. But, two months later, when they were owed six weeks’ wages, the workers’ patience had run out: they went on strike for a few hours, and held a mass meeting, at which the manager promised to get the back payments. The factory committee promised to take

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11 TsAODM f3 op1a d6, l33; Aleshchenko 1976, pp. 189–90; Moskovskii sovet 1927, pp. 93–4; Pravda, 1 October 1920.
measures to improve living conditions. A representative of the Workers’ Group of the Cheka assured the workers that it would press the clothing manufacture authority, to rectify the problem immediately.¹² This sequence of events – of a few hours’ strike, followed by a mass meeting at which promises are made that supply problems will be rectified – was common. Workers returned to work once supplies arrived or convincing promises were made that they would.

The improvement in supply in November–December 1920 appears to have temporarily reduced friction between workers and the government. In December 1920, Bukharin told a Moscow party meeting that, whereas earlier in the year, speakers addressing workers’ meetings were deluged with notes asking about supply, ‘now everybody knows that at workers’ meetings there are hardly any such notes’. Certainly when Klok, the Moscow metalworkers’ secretary, spoke to a meeting of women workers in late November, the notes he received were concerned with supplies of clothing and manufactured goods rather than food. A Cheka report for the second half of November said rations were being delivered reliably to almost all workers in the ‘shock’ and ‘reserved’ categories, that workers were ‘satisfied with sovet power’ and had ‘occasional’ complaints only about individual party members. In that period there were only two strikes over supply in the city of Moscow – a one-day stoppage at Dobrovykh-Navgolts and a half-day strike at the Bromlei works. A Cheka report covering the first half of December again claimed that workers were ‘content with sovet power’, but peasants less so. Delays in rations arriving continued, of course – for example, in January 1921, workers at the Presnenskii engineering works complained that they had only just received bread rations for September 1920, and that, apart from a few dozen special cases, no-one had had a pair of shoes supplied since January 1919. But protests over supplies were muted, blowing up again only in mid-January.¹³

The overall improvements in supply in November–December 1920 coincided with the reopening of some key Moscow factories and a consequent rapid improvement in production. All this reinforced optimism, and illusions about the speed of economic progress, in the Moscow party organisation. The mood was summed up by the textile workers’ union leader Ivan Kutuzov, a

¹² TsAODM f3 op1a d11, l37 and l87.
¹³ Bukharin quoted in Pavliuchenkov 1996, p. 247; TsGAMO f186 op1 d492, l16; Aleshchenko 1976, p. 190; TsAODM f3 op1a d11, l142ob; Pravda, 26 January 1921.
leader of the inner-party opposition, who, in a speech to the November 1920 Moscow Party Conference mainly devoted to savage criticism of the party’s shortcomings, said: ‘Now our position in the soviet republic has improved; we hear about the victories on the [military] fronts and, at last, feel an advance at home too. The workshops are going, the factories are starting up, and the workers’ mood has improved.’ In November, the Soviet felt able to state in a report: ‘Compared to last winter, we will spend this winter in much better conditions. The supply of bread and fuel, the number of schools working, and the number of factories and workshops that have restarted, all clearly confirm that for the Moscow workers the worst days have already passed.’

The illusions about economic progress were best expressed by the pride with which the Moscow party organisation greeted the closure on 14 December of the capital’s main market, the Sukharevka. This highly-publicised blow to free trade was seen by some party members as symbolic of the republic’s ability, at this early stage of its march forward to socialism, to liberate exchange between town and country from profiteering and speculation.

In fact, the improvements were frail and temporary. The celebrations in Moscow of the steps forward, both real and apparent, were in stark contrast to the mood in villages just a few kilometres into the surrounding countryside, where peasants faced starvation. From late October, Cheka agents in some rural areas were reporting hunger, and warning of resentment at labour conscription and the requisitioning of draft animals. By December, some reports indicated a hostile mood, caused by shortages of animal feed and seeds that were forcing peasants to slaughter cattle. The peasants had also lost horses, and were facing a spring without livestock. In the industrial towns in the countryside around Moscow, there were some large-scale strikes in November; perhaps the suffering of their peasant neighbours aggravated workers’ resentment at their own supply problems. At the textile mill in Orekhovo-Zuevo district, 1,000 workers struck for four days – due, according to a Cheka agent, to ‘tiredness, slovenliness and [...] a failure to distribute bread rations’. On 27 November, 500 workers at the Dreznenskaia mill at Pavlova Posada struck because they had not received their wages for September,
and because their ‘reserved’ ration had been reduced to half a funt (204 grams) of bread a day. On 29 November, 3,000 workers from another nearby mill joined in. Only then was a troika of officials – presumably party, soviet and trade-union – formed to deal with the strike, and 15 arrests made.\footnote{TsAODM f3 op1a d11, l142ob.}

While workers’ attention in late 1920 was concentrated on feeding their families, Moscow-level party, union and government bodies were battling with each other for control over the distribution of food. These disputes were closely bound up with broader political disputes raging in the party, and in particular with the arguments over how to combat bureaucracy in the state apparatus, and about the extent to which the trade unions, as opposed to economic administrative bodies, should play a role in managing industry. The unions had been in charge of setting wage rates and production targets since 1918. But, since the ruble’s value had been reduced to practically nothing by hyperinflation, and rations and other payments in kind made up more than 90 per cent of most workers’ earnings, the unions constantly sought to extend their control over the distribution of rations, provoking opposition from the food supply commissariat and accusations of ‘proletarian anarchy’ from the economist Lev Kritsman. The union leaders, who were strongly in favour of production incentive bonuses, welcomed the bonus-in-kind principle approved by the Ninth Party Congress in March 1920 and implemented in the second half of that year. The unions wanted to administrate the scheme, and here they came up against the industrial administration bodies that constantly resisted the unions’ attempts to take charge of aspects of industrial management.

To add weight to their demands for administrative power, the unions railed against the \textit{glavki} and \textit{tsentry} (chief committees and centres, subordinate to the Supreme Council for National Economy and responsible for industrial administration), who were disliked by many workers who regarded them as bureaucratic and their staff as overfed parasites. The \textit{glavki} and \textit{tsentry} were accused of using the \textit{udarnichestvo} system to get priority not only for their industrial sectors but also for the office staff who ran them. Institutions found ingenious ways for offices full of staff to be labelled \textit{udarny} and so to be better fed. At the Tenth Congress in March 1921 (by which time \textit{udarnichestvo} had pretty well been abolished), Nikolai Bukharin, speaking on behalf of the party
Central Committee, said that ‘the udarnost’ of institutions, of particular groups, of particular comrades’ had given rise to ‘definite material privileges for these “shock” groups of workers, and for individual people.’

In June 1920, the unions succeeded in winning a key role in supervising the bonus-in-kind system. Sovnarkom issued a decree on the payment of bonuses in kind, drafted by a commission under the chairmanship of the trade union leader A.Z. Gol’tsman, that gave the All-Russian Trade-Union Council (VTsSPS) control of the bonus system. In October 1920, Sovnarkom set aside a 500,000-pud (8,190 tonnes) food fund to pay the bonuses and issued a further decree detailing how the system would actually work. The unions also resisted attempts by the glavki to interfere with the setting of money wages. At the Moscow metalworkers’ conference of February 1921, Gol’tsman said the unions were ‘fighting the most decisive battle, going to court if necessary’ against glavki who ignored pay rates set by the trade unions.

There was opposition to the glavki in the Moscow party leadership, too. When the Moscow Party Conference in August 1920 discussed the distribution of food supplies, it decided to establish a centralised ration system, based on the type of labour a person performed rather than the category of factory in which she worked; the aim was to reassert the principles that were supposed to underpin the rationing system and to erode the inequalities exacerbated by udarnichestvo. Vasilii Likhachev, a leading official of the Moscow Council of Economy, told the conference that not only were large sections of the population dependent on the black market, but that ‘all kinds of state institutions are receiving all kinds of gifts’. It was ‘imperative to set up a single supply organisation’ to put a stop to confusion and corruption, otherwise ‘officials of various glavki will continue to receive, while children go hungry’. The glavki and tsentry should be ‘subordinated to the general distribution system’, Likhachev argued; ““shock” rations should be abolished’ and replaced with a more uniform bonus system. The conference passed a resolution condemning the organisation of procurement trips by individual factories on the authority of the glavki, and called for a unified approach to supply. As a result, the Moscow Soviet Presidium on 4 October adopted a plan to centralise

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19 Bunyan 1967, pp. 175–8; Aves 1996, pp. 98–100; TsGAMO f180 op1 d236, l32.
bread distribution. The population was divided into four groups, according to types of labour: those doing hard physical labour would receive 1.5 funt (614 grams) of bread per day; those doing light physical labour and soviet officials would receive 1 funt (410 grams); so would a third ‘intermediate’ group and a fourth group, children under 16.20

Although, with its expansion, the udarnichество system became less effective, it was nevertheless blamed for exacerbating inequalities in supply by, among others, factory committees at non-‘shock’ factories. At a conference of metal industry factory committees on 13 September 1920, Boris Stiunkel of the Supreme Council of the Economy (VSNKh) reported that some Moscow factories designated as ‘shock’, including the Podolsk boiler repair and mechanical works, the Mytishchensk vehicle-building works and Gustav List engineering works, were receiving prioritised supplies; production was improving apace and absenteeism was substantially less than at other factories. Delegates from elsewhere complained. Nikolai Gavrilin, a leading party member at the AMO car factory (later renamed zavod imeni Likhacheva or ZIL), said ‘There’s no way anyone on the Moscow hunger ration [the regular non-‘shock’ ration – SP] will meet targets. If all the factories were supplied like Podolsk is, they would fulfil norms too.’ His accusation that ‘Podolsk is so well-supplied that they sell part of what they receive’ drew an angry denial from Tarasov, chairman of the Moscow metalworkers’ union.21

Such factory-committee conferences heard not only denunciations of the glavki, but also expressions of opposition to the centralisation of control over rations and wages by the VTsSPS. In October 1920, Gol’tsman proposed measures by which the VTsSPS, which was already nominally in charge of the bonus-in-kind system, would take central charge of wage rates that, in some instances, were set up by individual unions. His proposals ran into opposition at the metalworkers’ national union conference in November, and, at a Moscow metalworkers’ factory-committee conference on 6 December, Gol’tsev protested at this scheme on the grounds that it ‘sidestepped the factory committees’. Buravtsev agreed, blaming the VTsSPS for the inflated wages and bonuses being paid to officials who went to work in the glavki.22

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20 TsAODM f3 op1a d1, ll2ob–3ob; Aleshchenko 1976, p. 190; Moskovskii sovet 1927, p. 94.
21 TsGAMO f186 op1 d460, ll25–27ob.
There seems to be no doubt that principled opposition to inequalities and belief in greater rank-and-file participation played a part in the factory committees’ thinking. But, in the face of shortages, there was simple self-interest at work too. Factory committees, including those in the most well-organised workplaces, colluded with local administrative bodies to get extra supplies for their own workers by fair means or foul. In March 1920, the Dinamo factory committee had not been ashamed to record in its minutes that the electrical engineering trust, having sent a rail engine for urgent repair at the cable factory, had included Dinamo employees on the list of those to receive bonus grain supplies for ‘(fictional) participation in the repair’.

III. Working-class politics and the central role of inequality of supply

It is difficult to generalise about Moscow workers’ attitudes to the political questions facing the soviet republic in mid-1920, but it may be stated hypothetically that, while they mostly supported both the pursuit of Wrangel and the war against Poland, they did not accept the war as a blanket justification for supply problems. These they often blamed on the state apparatus, which they regarded not only as inefficient but also as a perpetuator and aggressor of inequalities that favoured office-workers, officials and party high-ups.

Minutes of factory meetings often record that reports on the Polish War were approved without discussion. And, even when workers at AMO voted in May not to hear such a report, this appears to have been simply because they wanted to avoid a political lecture: word went back to the district party political bureau that ‘they absolutely did not want to hear the orator’, but that ‘regarding the Red Army offensive on the Polish front, the workers’ mood was enthusiastic’. Workers also responded to a party campaign in September 1920 for two hours’ extra work per day to support the war effort. At the rail car workshops in Rogozhsko-Simonvskii district, the vote to do so was won by 21 votes against 3 with 27 abstentions, suggesting little enthusiasm for the extra hours but an unwillingness to vote against the war effort. Workers at the Bromlei factory – who, at a meeting in September 1920, were heard by a Cheka agent to ‘pile insults on the Communists for everything’, and who,

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23 TsMAM f100 op5 d78, l15.
in March 1921, were to become a focal point of support for the Kronstadt rising – also agreed in October 1920 to do the extra two hours. At a meeting for women members of the metalworkers’ union, complaints were made that it was simply impossible to work an extra two hours because they already worked extra ‘on the side’ to make ends meet; some of those present also said that they could not volunteer to sew uniforms for the Red Army at home because, by the time they reached home each day, it was dark. As for detailed political discussion about the war at factory level, minutes of meetings at the Bogatyr chemical factory in Sokolniki district, where there were regular disputes between the Bolsheviks and a vocal Menshevik group, show that the workforce was supportive of the War but undecided about supporting the construction of the Third (Communist) International. A mass meeting in July 1920 rejected a Bolshevik resolution on the War and the International in favour of a Menshevik one that greeted ‘the victory of the Red Army’ and ‘the revolutionary upsurge in western Europe’ but excluded mention of the Third International; a subsequent meeting in September adopted a resolution with standard Bolshevik wording, including support for the Third International, unanimously.24

While no overt political opposition to the War was evident, even to the watchful Cheka agents, anger at rationing inequalities was. In October 1920, a Cheka agent reported from Gorodskoi district in the centre of Moscow that differentiated rations for trade-union officials, academics and others was ‘the main cause of dissension’ and the underlying reason for high levels of absenteeism. Discontent at the GAN factory in Rogozhsko-Simonovskii district was due ‘firstly to unequal distribution of foodstuffs between the factories in the district’, but also to ‘people in responsible posts who have come from the working class but have cut themselves off from the mass’, a Cheka agent reported in October 1920.25

In the months that followed, the discontent over rationing inequalities was to become more clearly defined and articulate. Although, as I argue below, the strike movement of February 1921 lacked strong political unity, it did bring to the fore the slogan of ‘equalisation of rations’. ‘You hear the demand for equalisation [of rations] at all workplaces’, the trade-union leader Solomon

24 TsMAM f415 op16 d587, l55; TsAODM f3 op1a d11, l24 and l157; TsGAMO f186 op1 d481 l2; TsGAMO f186 op1 d492; TsMAM f337 op2 d29, ll168–168ob and 174–174ob.
25 TsAODM f3 op1a d11, ll112–113, l74ob, l94, l43ob and l57.
Lozovskii told the Tenth Party Congress in early March 1921. ‘It runs like a red thread through all the resolutions and speeches by non-party speakers at any workers’ meeting.’ There was ‘real inequality’, said Lozovskii: ‘During the Civil War, we created a ration system that – before we even mention the privileges of the high-ups – comprised among workers themselves no less than 13 categories: extra-shock, half-shock, and so on. And at the end of the War this issue has made itself felt.’

The demand for ‘equalising rations’ was above all a demand to destroy the privileges of senior party officials, of skilled specialists and of the government apparatchiks and white-collar staff. When the issue of equalisation was raised, it was often tied up with denunciations of the real or perceived privileges of these groups. Within the Party, sections of both the rank-and-file and the leadership also felt passionately about the need to combat privilege in the party and government apparatus, and this was one of the principle issues in the disputes that deeply divided the Moscow organisation in late 1920. Outside the Party, when the demand to ‘equalise rations’ was set out in detail, it could include proposals to curtail all special rations, including for groups of industrial workers as well as specialists or office staff. Sometimes, calls were made for supplies to be diverted away from individual rations issued to card-holders, which were open to widespread abuse, in to communal canteens which, in October 1920, were reported by the Moscow Soviet to be feeding 61,000 adults and 219,000 children out of a total population of about 1 million. ‘Equalisation’ did not appear to contradict workers’ support for productivity bonus schemes, suggesting a belief that hard work, as opposed to sitting in government offices, could in their eyes justifiably be rewarded. So, the February 1921 metalworkers’ conference referred to below called both for an ‘equalised, unified’ system of distribution to all labouring people, and also for the repeal of the 300 per cent limit on productivity bonuses. The ‘equalisation’ demand did not either appear to imply scrapping the advantages enjoyed under the rationing system, at least in theory, by workers over other sections of the population.

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26 Lozovskii, Desiatyi s“ezd 1921, p. 159.
27 Pravda, 1 October 1920; TsGAMO f180 op1 d236, l64.
III.a The tramworkers’ strike

Inequality in the rationing system was the focus of a strike that spread across Moscow’s tram depots in mid-August 1920, the most widespread stoppage in the city that summer. The immediate trigger for the action, which began on 12 August at the Zamoskvorech’e tram depot, was the repeated lateness of bread supplies. Workers at the Uvarovskii tram depot in Khamovniki district joined the action on 13 August; the local party District Committee and party cell at the works spent four hours in discussion with the strikers, who returned to work in their majority, but sent a delegation to liaise with their colleagues at Zamoskvorech’e. The Miusskii tram depot in Krasnopresnia also joined in. In Sokolniki district, tram drivers based at the vehicle building works, as well as those at the Novo-Sokolniki tram depot, stopped work and tried, unsuccessfully, to commandeer a vehicle to go over to the Zamoskvorech’e garage. Workers in other industries joined in too: the Simonov factory struck for two hours, protesting at a ten-day delay in distribution of rations; according to the Cheka’s report, the strikers had ‘wanted to join forces with the striking tram drivers through the good offices of the Communist cell’ – but returned to work when outstanding bread supplies arrived. At the motor repair workshops in Zamoskvorech’e, a threat to join the strike – without actually doing so – was enough to win some concessions from a commission set up to deal with workers’ demands.28 The tram workers themselves stayed out a further two days before being driven back to work by arrests and threats of mass sackings (see below, Section VI).

A commission set up by the party District Committee in Krasnopresnia to end the strike and investigate its causes concluded that the strikers had been motivated not simply by material hardship but also by anger at the prevalence of inequalities in the soviet republic. The commission, implicitly rejecting the common contention within the Party that strikes were usually motivated by Menshevik and SR political opponents, stated that the strikers were primarily ‘unconscious elements, both men and women’ who ‘in no way differed from other workers’. The district’s Political Bureau concluded that these workers had been moved to act by

the way that food supply is distributed to those who need it. [...] There is a desire among workers to destroy all extra rations for responsible officials,

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28 TsAODM f3 op1a d11, l12, l38 and l40.
and they propose to ask the Moscow Soviet and the Moscow Council of the Economy urgently to put an end to all the existing inequalities. They proceed from the consideration that in a working people’s republic, every worker and member of office staff should receive a ration, but only a working person’s ration.\textsuperscript{29}

A Cheka agent reported that the strikers wanted negotiations on:

1. supply; 2. rates and bonuses; 3. uniforms (work clothes); 4. for a general meeting of all depots; 5. fines; 6. distribution of salt from a supply train; 7. increase of the ration; 8. current issues [political issues – SP]; 9. for bonus supplies of flour that were promised.\textsuperscript{30}

While the Moscow printers and chemical workers were influenced by strong Menshevik groups in the respective trade unions, and the bakers by anarchists and Left SRs, there was no such overt political opposition among the tram workers; and no outside agitation was detected by the Cheka. What the Krasnopresnia Bolshevik organisation highlighted was that the clearly-articulated demand on the Moscow Soviet to ‘put an end to all the existing inequalities’ came from non-party workers. For the tram workers, and many others, it was a matter of principle that, in the working people’s republic, everyone should get a working person’s ration and no more.

III.b  \textit{The metalworkers’ conference}

A relatively clear picture of political discussion among workers on supply is available in the minutes of the Moscow metalworkers’ conference held on 2–4 February 1921, as the supply crisis reached its height. Over the winter, the transport and fuel crises had undermined the party leadership’s efforts to ensure that, whatever happened, Moscow and St Petersburg were fed. Rations in Moscow were cut on 20 January and again on 1 February. The party leadership at Moscow and national levels now acknowledged that tackling inequalities was the priority, and efforts were made to reduce them. However, for the 1,000 metalworkers’ delegates at the meeting (elected on the basis of one delegate for every 50 workers), who expressed anger both at inequalities in supply and at procurement methods, which they said were

\textsuperscript{29} TsAODM \textit{f3 op1a d11, l38}.

\textsuperscript{30} TsAODM \textit{f3 op1a d11, l40ob}. 
destroying the peasant economy, these measures were too little, too late. The meeting both called for an end to inequalities in rationing and advocated the replacement of requisitioning by a tax in kind, the first important meeting in the capital in 1921 to do so. This played a part in forcing the Party’s hand on that issue; Lenin attended the meeting and his notes on the subject, which formed the basis for a Central Committee resolution, were drafted within a week. Historians thus consider this meeting as a key moment in the transition to NEP. The depth of feeling at the meeting, from a section of workers traditionally regarded as loyal to Bolshevism, acted as a wake-up call to sections of the party leadership. The sense of shock is palpable in a front-page comment article in Pravda by Andrei Vyshinskii, the future prosecutor at the Moscow trials, who then worked in the Food Supply Commissariat, which stated that workers at the meeting ‘did not trust anybody, not even the presidium they themselves had elected’ and concluded: ‘A complete break of the masses with the party and the union was apparent. “We” against “you”, “the bottom” against “the top” – that was the basic message.’

The meeting opened with a discussion on supply, during which the Party was criticised from two distinct viewpoints. On one side were workers – some of a syndicalist bent, some generally sympathetic to Bolshevism, and some asking themselves what the point of Civil-War sacrifice had been – who opposed inequality in distribution, often underpinning their arguments with an egalitarian moral imperative. Others, who had closer links with the countryside, and/or a better understanding of the impact of grain requisitioning, believed procurement policy was the problem. From the criticisms of procurement policy, some workers went on to denounce the Bolsheviks’ whole economic policy; some framed their arguments in terms similar to those used by the SRs (they may have been SR party members), advocating the abandonment of grain requisitioning and a return to free trade.

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31 The minutes of the meeting are at TsGAMO f180 op1 d236, ll6–66 and TsGAMO f180 op1 d235; other materials are at TsGAMO f180 op1 d237. Vyshinskii’s account is in Pravda, 8 February 1921. The resolutions are published in Kommunisticheski trud, 8, 15 and 16 February 1921. Discussions of the meeting include Aves 1996, pp. 131–6, Avrich 1970, pp. 35–6 and Patenaude 1987, pp. 129–40, but none of these historians were able to read the minutes.

32 The next passage is based on the metalworkers’ conference minutes, TsGAMO f180 op1 d236, ll7–31. Where I have assumed a person’s party affiliation, or lack of it, from the material available, I use brackets, as in the case of Kireev. Where there is direct evidence of affiliation, as in the case of Rafes, I do not use brackets.
Vyshinskii opened the discussion on supply with a report on behalf of the Supply Commissariat. He concentrated on the transport problems that had brought the supply crisis to a head, but the first four speakers in the discussion argued that the central issue was rationing inequalities. V. Orlovskii from the ball-bearing factory at Shabolovka said that transport problems were understandable when there had been a civil war to fight – but ‘now there is peace, we must go over to equality’. Kireev from the AMO car factory (a non-party worker with some SR sympathies), said senior officials give 20 funt to one person, 30 funt to another, and take two puds for themselves. (A funt is 0.409 kg, and a pud is 40 funt). ‘What’s needed here is for you to distribute supplies more fairly. Workers give their last, and then the bourgeoisie appears; all the new stuff goes to them’. Moisei Rafes, a Bolshevik, former Bundist and future Comintern official, said: ‘Kireev is right. We must destroy all privileged rations’ – and pointed to recently-formulated policy by the Moscow Soviet on the issue. For most delegates, this was not enough. Many of them saw the solution in workers taking the management of food distribution into their hands via their trade unions. Portnov from the Motor factory said he was opposed to ‘reopening the Sukharevka’, i.e. to free trade; the issue was to ‘clean out all the glavki and throw out all the bourgeois. The whole thing should be put under the metalworkers’ union’s control’. Kraevskii said ‘all distribution and supply must be put into the hands of our association, our metalworkers’ union; take it away from the bureaucratic glavki’. The factory committees should take charge of distribution, he added; the union had to ‘get its workers’ hands on those glavki’ and privileged rations doled out ‘by request’ to favoured individuals had to stop. Kolyshkin of the Ustinskii works argued that ‘the broad masses must be instilled into the apparatus’, and – betraying some of the contradictions inherent in the demands for equalisation – advocated ‘equality of distribution, with advantages for the workers’.

The dispute over ‘war-communist’ policies on food procurement erupted when Grigorii Mel’nichanskii, chairman of the Moscow Council of Trades Unions (MGSPS), said that ‘the problem is the railway system’, and that he had been to Siberia and seen grain supplies lying rotting awaiting transportation. This contribution provoked shouted protests. Speakers, including Khristoforov from the Presnia workshops and Portnov from the Motor factory, described, in outraged terms, their own journeys to the countryside; they believed the problem lay with requisitioning methods rather
than transport. Kazenkov from Dobrovykh-Navgolts (probably an SR sympathiser) argued that the forced march policy had reached a dead end, firstly, because he was no longer prepared to make sacrifices; and secondly, because the peasantry could not take any more.

How many times have you told us, ‘just get through this crisis and things will get better’? How many crises have we suffered already? . . . The sort of procurement being carried out at the moment cannot be continued.\textsuperscript{33}

Epifanov from the 1886 power station (almost certainly an SR member) stressed, in opposition both to the Bolsheviks and to their egalitarian critics: ‘The root of evil is not the privileges in rationing, but the economic policy.’ This policy was ‘leading us over the edge of the cliff’; violent measures used to take produce from the peasantry were ‘destroying the economy’.

The contrast between egalitarian and syndicalist critics of distribution on one hand, and SR-influenced critics of procurement on the other, was again evident at the second session of the conference, on wages. The opponents of inequalities in rationing were equally opposed to wide differentials in the wages system; the influence of SR policies on ‘free labour’ was evident in arguments mounted against labour discipline. There were also purely economic arguments put forward, for example against union rules on productivity bonuses that workers believed restrained their earning power.\textsuperscript{34}

Kireev, from AMO, led the attack on differentials in the wages system. He criticised the report on wages policy to the meeting by Gol’tsman, the Bolshevik trade-union leader, because it ‘didn’t mention the specialists’ colossal pay rates, which are so many times higher than those of workers’ – and were continuing to be paid, despite decisions to the contrary. Kamenetskii from Metallo-khimik countered the Bolshevik leaders’ argument that specialists were paid extra for their skills, saying ‘We hear about rates for specialists, but the fact is that these rates are also being paid to Communists who have no special knowledge or training. I can name names.’ Fedor Chukhanov, also from AMO, a non-party worker close to the Bolsheviks who sat on the Moscow metalworkers’ union committee, said workers were being paid 13,000 rubles while specialists were earning 100,000 rubles; he expressed especial hostility to theatrical performers, who were earning 200,000 rubles, and derided ‘military

\textsuperscript{33} TsGAMO f180 op1 d236, ll18–19.
\textsuperscript{34} Wages discussion at the conference, TsGAMO f180 op1 d236, ll31–41.
orders’ that supplemented privilege, citing the example of a 600 per cent bonus being paid to workers to reupholster a car used by Lev Kamenev, leader of the Moscow party organisation. Chukhanov supported the regulated bonus system advocated by the metalworkers’ union and said the problem lay with arbitrary changes to that system from on high.

Some speakers voiced hostility to money payments in general, on the grounds that they favoured specialists. Vasilii Nastiasian, a leading light in the well-organised non-party group at AMO, stressed that the differential in money payments between specialists and workers ‘who work like horses’ remained crucial because of the continued existence of secret markets where it was possible to buy anything at all... if you had the money. Dodonov, in a written proposal to ‘abolish money’, argued:

For workers [money] is just a sham, a fiction that cannot be put to use. It only benefits the specialists. It is high time to go over to a system of complete payment in kind; that is the only way to get the working class out of the blind alley into which the metalworkers’ union has led it.\textsuperscript{35}

Feelings of distrust ran so high that when the meeting elected commissions to draft resolutions, it excluded from them not only leading Bolsheviks but even non-party union activists on the presidium of the meeting. The resolution on supply called for the complete abolition of all privileged and other rations distributed to individuals ‘be they Sovnarkom rations, academic rations, specialists’ rations or whatever’; these were to be replaced by an ‘equalised, unified’ system of supply to ‘all labouring people’, with an emphasis on improving and developing public canteens. The unions were to take over distribution of work clothing from the \textit{glavki} and of other consumer goods from the Moscow Supply Commission. On wages, the meeting recognised the need to retain ‘divisions [of workers] into categories’ as long as differences in skill levels remain, acknowledged the injustice of arbitrary rewards for specialists and said that ‘all workers without exception, including specialists’ must be paid according to trade-union-sanctioned wage scale. Bonuses in kind should be ‘distributed equally among all factories, in proportion to the number of workers employed’ (that is, without special provisions for ‘shock’ workplaces). While the resolution supported the principle of regulation against arbitrary arrangements made by the \textit{glavki}, it also argued for the abolition of

\textsuperscript{35} Note from Dodonov, TsGAMO f180 op1 d236, l81.
limits on bonuses paid to workers and advocated ‘unlimited piece-work bonuses’ – in other words, it opposed those aspects of state regulation that cut across the metalworkers’ sectional interests.

The discussion on supply continued on the second day of the conference and got down to some fundamental differences between the Bolsheviks and SRs. Speakers close to the SRs saw the Bolsheviks’ forced-march economic policy and their hostility to the capitalist powers of Europe as twin evils. Epifanov said that the peasant economy ‘is being destroyed by the blockade [of Russia by the western powers]’; Kazenkov from Dobrovvykh-Navgolts said ‘the Communists must abandon their internationalist policy and adopt a policy for the state’. Epifanov told the meeting that ‘we are just a small force’ and therefore ‘we can not set the world on fire’; Rafes said he disagreed with that and was vigorously heckled. Rafes asked ‘Should we put out the fire [of revolution], then? [. . .] Do we really have to go back to the Sukharevka?’ The hecklers shouted, ‘yes, go back’. Restrictions on the movement of labour, a feature of ‘war communism’ consistently criticised by the SRs, came under attack. In a resolution forwarded from a general meeting of workers at the Elektroperedacha power station, the first of three proposals was ‘the emancipation of the workers: allow them to move to any factory at any time’.

IV. The worker-peasant alliance
Throughout 1920, the burden placed on the peasantry by the demand for food for the urban population, and the soviet economy’s inability to provide anything substantial in return for requisitioned grain, was under constant discussion in the party. But compulsory requisitioning of peasant surpluses remained a key to ‘war-communist’ economic policy. In the ‘breathing space’ of Spring 1920, proposals to relax requisitioning and allow a limited return to legalised trading relationships with the countryside were made, and rejected, at the highest level. Such a suggestion was drafted by Iurii Larin and passed at the Third Congress of Councils of the Economy at the end of January 1920, but rejected by the party leadership and never even published. Trotsky sent a similar proposal to the CC in March 1920, which suffered a similar fate.

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36 TsGAMO f180 op1 d236 l77ob.
While, in late 1920, the Party’s leading economists were passionately debating means by which fundamental problems such as the decline of the sown area could be addressed, there was no outward sign that the leadership would change its mind on requisitioning and controlled trade. On the contrary, measures such as the closure of the Sukharevka market and the Eighth Soviet Congress decisions on sowing committees appeared to reinforce ‘war communism’ – and non-party workers were coming to regard measures proposed by the party to alleviate peasant suffering, within the confines of a forced march forward of the economy, as woefully inadequate. A Cheka agent in the Serpukhov rural district near Moscow reported in September 1920: ‘The workers [at the giant Serpukhov textile combine] can not understand what possible way out of the situation there is for the soviet power, for they are profoundly convinced that with the grain monopoly there is no way out, and that free trade must be conceded.’ Such was the conclusion reached at a mass meeting that had agreed to a lay-off of up to three weeks, ‘until the arrival of bread supplies’. In October, the same agent reported that workers in Serpukhov were distressed that ‘the soviet power will not permit free carriage of bread to the labouring masses, or grant free trade’ – which could have helped to alleviate food shortages by making legal the widespread, but underground, trade in foodstuffs.\(^\text{38}\)

In the rural areas of Moscow region, the grain requisitioning campaign of 1920 exacerbated hardship; and protest against it pervaded all public fora. At a Soviet conference in Serpukhov district, peasants tried to elect a non-party presidium in protest at the Bolsheviks who were ‘sitting on their necks’; at a congress of village committees in Mozhaisk, most delegates walked out when party representatives put a resolution on fulfilling requisitioning targets; a conference of 3,000 rural soviet delegates for Moscow region as a whole, on 15 October, was ‘stormy’.\(^\text{39}\)

By January 1921, the situation in the countryside had deteriorated further. In some parts of Moscow region, peasants were on the verge of starvation. This was the background to the denunciation of the Party’s attitude to the peasantry at the metalworkers’ conference and its decision to demand a tax in kind and a measure of free trade. Vyshinskii described the conference delegates as ‘semi-peasant’, in order to explain what he perceived as their

\(^{38}\) TsAODM f3 op1a d11, ll75–75ob and l126.

\(^{39}\) TsAODM f3 op1a d11, l105ob, l125, l126 and l128. Moskovskii sovet 1927, p. 96.
political ‘backwardness’; perhaps it was because some of them were semi-peasant that they could contemplate the coming retreat where others could not.\textsuperscript{40} It is indicative that one speaker at the conference, Matrosov of the Bari works, who had family links with the Tula countryside, referred to the peasantry in the first person: ‘Everything has been taken from us. We peasants face the threat of death from starvation.’

The criticisms of Bolshevik agricultural policy at the conference were first of all levelled at the decision by the Eighth Congress of Soviets to set up sowing committees, which were seen both by supporters and opponents as a means of extending state regulation in agriculture. When Kamenev, the leader of the Moscow party organisation, spoke to the metalworkers, he was continuously interrupted and heckled. At one point – when he was insisting that ‘there’s only one way out […] to go forward’ rather than ‘back to the Sukharevka’ – a heckler objected: ‘But you are not taking into consideration that this is a peasant country; the worker cannot live without the peasant. You forgot that; you set up sowing committees, and that’s a yoke around the peasant’s neck.’

Vasilii Kuraev of the Land Commissariat defended the Soviet Congress decisions on the grounds that: ‘We can not renounce using compulsion to extract supplies. We have reached the conclusion that we would not get by without the bread monopoly.’ In response, two speakers from the Ilyin works, where there was a measure of anarchist influence, accused the Bolsheviks of destroying the worker-peasant alliance they claimed to want to build. Solovev said: ‘If we allow these sowing committees, then the workers and peasants will perish together.’ His workmate Toskin said Bolshevik agricultural policy was ‘destroying the peasant economy in the name of the workers’. Begin from the Krepo-sklad warehouse referred to an SR-inspired attempt to organise a peasant union in Moscow that had been repressed, and called on the conference to advocate peasant unions; this call was incorporated into the conference resolution.

The resolution adopted argued that requisitioning was ruining agriculture, and corresponded neither to the interests of the peasant masses nor to workers’ interests. It called for the replacement of requisitioning by a tax in kind set ‘with reference to local conditions’, administered by local co-operatives and set at a level to allow agriculture to develop through the production of

\textsuperscript{40} Vyshinskii in \textit{Pravda}, 8 February 1921; TsGAMO f180 op1 d236, l9, l30 and l151–61.
surpluses. Showing the strength of the SRs in the drafting commission and the conference as a whole, it called for ‘a special type of trade unions to organise the semi-proletarian elements in the countryside’ and the establishment of trade relations with western Europe to make possible imports of agricultural machinery.\footnote{Resolution at TsGAMO f180 op1 d236, ll65–66.} Lenin attended part of the discussion on worker-peasant relations, and – in contrast to other speakers such as Shtein from the Russko-amerikanskii works (probably a Bolshevik Party member), who appealed to workers to stick with the Party in 1921 as they had done in 1917 because ‘there is no turning back’ – Lenin clearly hinted that a retreat was possible. He said ‘let us reconsider the relations between workers and peasants’, and, as mentioned above, drafted his own proposals to replace requisitioning with a tax in kind within a few days. It may be argued that this was at least in part the result of an appeal to Lenin by workers at the conference, including SR sympathisers, over the head of the majority of Bolsheviks.

\section{V. The February 1921 strike wave}

The supply crisis that so concentrated the minds of the metalworkers had been brewing throughout the winter. The Moscow party leadership, having increased rations to the city’s population as winter set in, held off from cutting them back again as long as it could. But, during November and December 1920, stocks of flour, gathered during September and October, had been used up. Distribution of bread rations got further and further behind; by January, the Moscow Soviet rations were 51 days behind. Things were clearly going to get worse, as the transport and fuel crisis was stopping new supplies getting to the capital. The closure of the Sukharevka in mid-December and other Cheka measures against small traders had largely choked off the black market, to which workers had turned in previous times of extreme shortage. In the first week of January, the Moscow Soviet’s presidium raised the alarm with the government. So did Artemii Khalatov, a member of the Food Supply Commissariat leadership who headed a committee on supplying the two capitals’ workers. It was this committee which, in consultation with the Moscow Soviet, decided on 20 January to cut rations. To cushion the blow, a series of demonstrative measures were adopted to reform the rationing system and reduce inequalities: some academic rations were cancelled, and ‘shock’
rations for workplaces not properly entitled to them cancelled. Emergency measures were taken to address the fuel crisis, including the closure of some railway lines in order to speed up the movement of supply trains on others. Trains used by the party apparatus were assigned to food supply. On 31 January, a ‘bread commission’ was set up, headed by Lenin, but it could do little: the food was on its way but it could not move much faster. There were 1,266 trains en route to Moscow, transporting bread and other food supplies, but, because of fuel shortages, they were moving only at 80–100 km a day. On 1 February, further ration cuts were announced, of one-third for ration category A and one-half for office workers. The Moscow Soviet voted to call on Sovnarkom to halt all special rations. By the end of February, food supplies were pouring into the city – but it was too late to stem the flow of workers’ dissatisfaction.42

A wave of strikes, longer in duration and more widespread than any in late 1920, took place in late January and early February. In Zamoskvorče district, workers at the Gustav List engineering works staged a nine-day sit-down strike, from 18 January, the cause of which Cheka agents recorded as ‘the distribution of unequal rations’; a sit-down stoppage at the machine-building factory no. 5 was attributed to ‘the absence of rations’; there was also strike action at the Bromlei works and the Russkaia mashina works (the former Mikhelson factory) came out in solidarity. In the Khamovniki district, there was a sit-down strike at the first state drinks factory and the saddle factory, both attributed to pay issues. A resolution from a group of workers in the district was delivered to the President of the Republic, Kalinin, reflecting SR demands – the convocation of a legislative assembly, restoration of free trade and a change in economic policy to stop ‘provoking’ the European powers. In Rogozhsko-Simonovskii district, Cheka agents also reported a ‘strike wave’ on pay issues, including a sit-down strike at the cable factory, and brief stoppages at the Kursk railway workshops and the Merkurii shoe factory. A two-day stoppage on 1–2 February at the Bari boiler factory spread to the Trudestkozh leather industry offices and some nearby workshops. There were also some strikes on pay issues in the industrial towns of Moscow region. At a congress of soviet delegates from the Moscow region on 15 February, a

group of non-party delegates expressed their hostility to the Bolsheviks’ policies by staging a walkout. At a city-wide bakers’ meeting on 21 February, resolutions were passed denouncing ‘privileges and inequalities’, and calling for managers’ powers to be reduced, in terms similar to those used by the metalworkers’ conference.43

Clearly, a storm was brewing. Kamenev seemed not to want to recognise it, and, in a speech denouncing the internal party opposition at a Moscow party conference on 20 February, insisted ‘there is no crisis in the soviet state, and it is absolutely out of place to shout about such a crisis from the rooftops. What we should discuss is the illness of the Party’. Other party leaders then in Moscow did not agree. A group of them occupying senior posts in the Cheka and military organisation – Nikolai Podvoiskii, Konstantin Mekhonoshin, Nikolai Muralov, Mikhail Kedrov, Viacheslav Menzhinskii and Genrykh Iagoda – sent a note to the Central Committee on 13 February arguing that the peasant revolts, the internal party situation, and the mood of workers did indeed constitute a crisis. The note referred to the growth of the strike movement and of ‘syndicalist states of mind’ among workers, and said that ‘without the most active and revolutionary influence being exerted by the party’, the workers were ‘not only unable to counterpose their organised force to the peasantry, over which the workers’ state has lost influence, but will also, if the economic situation continues to deteriorate, themselves inevitably be torn away from the influence of the Russian Communist Party, and may even take action against soviet power’.44

When the strike movement in Moscow reached its height, on 23–5 February, it underscored the depth of the breach between the Bolsheviks and the working class, but did not constitute the organised challenge to the government that Podvoiskii and his comrades had feared. The strike movement had no clear unified demands. Indeed, the stoppage with which it climaxed – at the Goznak state mint in Khamovniki, which employed 7,000 people printing the bank notes that fuelled hyperinflation – was called in protest at the reduction of rations imposed in the name of the very equality that the metalworkers, bakers and others had demanded. In line with the Soviet’s 20 January decision,
the Goznak workers were removed from the ‘shock’ ration category, which entitled them to a 1.5 funt (614 grams) daily bread ration. Stanislav Messing, head of the Moscow Cheka, reported in a telegram to Feliks Dzerzhinskii, chairman of the Cheka:

As a result, the [Goznak] workers stopped work after a meeting on Saturday. On Sunday, only Communists and members of the [Communist] union of youth turned up for work. On 23 February a crowd of strikers, numbering about 3,000, forcibly picketed out those still working, and then formed up as a demonstration and headed for the Khamovniki barracks, hoping to win the support of the Red Army men. […] Groups of the mint workers also went to neighbouring factories – Zempalatka, Givardovskii and Giunberg – and put physical pressure on the workers to stop work.⁴⁵

At the barracks, sentries barred the way in and fired in the air. In the confusion, a woman worker was injured in the hand and Kuzmenko, a member of the Communist Union of Youth who worked at Goznak, was hit in the stomach and died the next day. Messing continued: ‘The situation inside the barracks was further complicated by the presence of 700 demobilised Red Army men who were clearly of anti-soviet disposition. After several incidents in which the demonstrators beat up some [Communist] comrades, they dispersed.’ (Several historians, relying on the memoirs of the SR S.S. Maslov, have written that troops were brought in and refused to fire on the workers and that a special security detachment arrived and fired into the crowd, killing and wounding several people. Archive material now available throws doubt on this).⁴⁶

Messing reported that the workers in Khamovniki were divided in their attitude to the Goznak action. This is not surprising. Certainly, workers were ready to vent the sort of frustrations that were voiced at the metalworkers’ meeting. But the Goznak workers, who were defending the very inequalities other workers decried, were hardly in a position to rally an anti-Bolshevik

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⁴⁶ RGASPI f76 op3 d166, l3, published in Kronshtadt 1921 1997, p. 29. Maslov’s account, along with other published material, is used by Aves 1996, p. 139, and Sakwa 1988, pp. 244–5. But Messing’s correspondence with Dzerzhinskii, previously unavailable, throws doubt on Maslov’s claims; the incident in which Kuzmenko was shot so concerned Messing that he reported it in detail and referred to it again in two subsequent telegrams, but he made no mention of other casualties. Also, while Messing referred to the dangerous mood of the demobilised soldiers, he made no mention of them being ordered to shoot at the crowd, or of them refusing to do so.
opposition. Attempts to bring out other factories in sympathy, particularly the Kauchuk rubber factory, failed. On the evening of the 23rd, the Goznak workers called a meeting for all the district’s workers, to which 5,000 workers came. Messing reported that in two of the three auditoria, resolutions were passed ‘covering the strikers in shame’. In the third auditorium, where the audience was mostly from the Goznak works itself, Mikhail Kalinin, President of the Soviet Republic, argued with the strikers until late at night, and helped to convince them that they should return to work in the morning.\footnote{RGASPI f76 op3 d166, l12–2ob; Maximoff 1979, p. 160.}

A joint session of the party Central Committee and Moscow Committee on 23 February responded to the crisis with a three-fold approach. First, clearly alarmed at the mood in the Khamovniki barracks, it decided to review the situation of Red Army soldiers who had been diverted to civilian labour and to disperse them, even at the cost of closing ‘some of the least important factories’. Second, efforts to improve supplies and stamp out the worst abuses were stepped up: yet another commission to improve supply to the Moscow and Petrograd workers was established, this time headed by Lozovskii, and given special instruction to find out what had happened to 50,000 pairs of American shoes that were awaiting distribution. Third, a commission of three – Messing and two members of the Moscow Party Committee, Varvara Lakovleva and Isaak Zelenskii – was appointed, to ‘organise repression’. This commission was strictly instructed ‘not on any account to arrest people of working-class origin or those connected to the factories’ and concentrated on the SRs and Mensheviks in Moscow. The anarchist Grigorii Maksimov wrote that ‘the Cheka was working double shift, filling up all the old prisons and the Bolshevik houses of detention’; Boris Dvinov, a Menshevik deputy on the Moscow Soviet, recorded that on 25 February ‘almost the whole active membership of the Moscow [Menshevik] organisation of 160 people’ was arrested. This tactic, of concentrating repression on the opposition parties, was restated in an instruction from Dzerzhinskii’s deputy, Ivan Ksenofontov, to the Cheka apparatus nationwide; first, it said, all anarchists, SRs and Mensheviks in white-collar jobs were to be ‘removed’, then those working in factories. Agents were instructed to exercise extreme care; any arrests in the factories were to be agreed in advance with local Party Committees.\footnote{RGASPI f17 op2 d57, l1–2, published in Kronshtadtskaia tragediia 1999, Vol. 2, pp. 364–5; RGASPI f76 op3 d166, l12–2ob; Dvinov 1961, p. 100; RGASPI f76 op3 d167, l24, published in Kronshtadtskaia tragediia 1999, Vol. 1, p. 105.}
While attitudes to the Goznak action may have been divided, the desire to protest against the deterioration in food supply was widespread. The day after the Goznak protest, Messing reported a ‘wave of mass meetings’ across Moscow. Zamoskvorech’e district was the most agitated; 3,000 workers at the VSNKh warehouse started by meeting in the morning and then there were ‘endless meetings, all day’. The railway workers’ meeting, influenced by the SRs, singled out the Party’s ‘trade-union discussion’ for censure. There were ten major meetings, and two short strikes, in Krasnopresnia. The two largest factories in Rogozhsko-Simonovskii district, Guzhon and Dinamo, also held meetings. On the 25th, three of the leather factories in Zamoskvorech’e had stayed out on strike after their meetings; Messing believed the Mensheviks were organising there. In Khamovniki, 1,000 workers from the Butinov factory went out on to the street, but after a mass meeting they dispersed. By the 26th, the city was reasonably calm. Very bitter, albeit sectional, conflicts would flare up again in March and April.\footnote{RGASPI f17 op3 d166, l3 and l6, published in *Kronshtadt 1921* 1997, pp. 29 and 34.}

How political was the strike movement? Messing reported: ‘Everywhere the discontent has the same cause: deterioration in the conditions at particular workplaces. The general character of the movement is economic, and so far there are only isolated political actions.’ Certainly, the movement provided opportunities for the SRs and Mensheviks to develop their campaign for democratic rights and for changes in economic and international policy. At the Bogatyr chemical factory, for example, a resolution was proposed by the Menshevik Gonikberg, and passed, ‘calling for the unity of all socialist parties in struggle to counter the destruction of the economy’. Bolshevik delegates to local soviets were recalled from the Salmson and Manometr plants, and replaced with a ‘non-party’ representative and a Menshevik respectively. The auto-repair plant sent its Bolshevik delegate to the Soviet with a mandate to vote for Menshevik resolutions.\footnote{RGASPI f17 op3 d166, l3 and l6; Sakwa 1988, p. 245, quoting the Soviet historian Manevich.}

However, while workers were united to the extent that they were all discontented over supply, it seems unlikely that they were united against the government, let alone ready to enter into open conflict with it as the Kronstadt sailors were to do. The mood at Dinamo, whose workers had been ready to strike against what they saw as injustice over supply in July 1920, was perhaps
indicative: Anatolii Lunacharskii, the Commissar of Enlightenment, addressed a mass meeting there on 25 February and reported afterwards to the Moscow Party Committee that the workers who attended – about half the total – were ‘gloomy’, but had listened to him ‘without protest’. The Bolsheviks were aware of the divisions and hesitations among workers, and were largely successful in ending the strike wave with repression on one hand and concessions on the other.

The February 1921 strike wave was one element of a political crisis, and it underscored the depth of the rift between Bolsheviks and workers, but did not constitute an organised challenge to the government such as that mounted at Kronstadt. Maksimov, the anarchist, claimed that the February strike movement ‘demanded an improvement of […] starvation conditions, and then, a change in the general policies of the government, putting a stop to persecutions and terror, the restoration of freedom and free soviet elections’ – but, certainly in Moscow, these issues were raised only in a scattered manner. Furthermore, when the Kronstadt uprising began, a few days after the Moscow strike movement had subsided, it inspired scarcely any active support in Moscow. Many Moscow workers sympathised with Kronstadt, but did not feel themselves to be part of a national political revolt: they applauded pro-Kronstadt speakers at mass meetings, but at no point during the Kronstadt events (from 28 February when the first anti-government resolution was passed on the battleship Petropavlovsk until the mutiny was finally crushed on 18 March) did this sympathy translate into action, however limited. On 25 March, the Bromlei workers, who passed a resolution supporting Kronstadt, were punished with arrests and mass sackings – which in turn triggered some solidarity strikes. But that was all.

Working-class dissatisfaction with the Bolsheviks, while certainly running high in the industrial centres, did not coalesce into a movement that posed a serious threat to Bolshevik power – except, possibly, in Kronstadt itself at the height of the revolt. This needs to be stressed because some historians have merged the February strike waves in Moscow and Petrograd with the Kronstadt revolt and presented the aggregate total as a revolutionary uprising. Orlando Figes writes: ‘As the urban food crisis deepened and more and more

52 Maximoff 1979, p. 160.
53 On the Bromlei workers’ action, GARF f393 op 43 d1714, ll259–259ob.
workers went on strike, it became clear that the Bolsheviks were facing a revolutionary situation. […] Whereas earlier strikes had been a means of bargaining with the regime, those of 1921 were a last desperate bid to overthrow it.’ Richard Pipes acknowledges, with reference to the strike movement in Petrograd, that all did not share the political aims of Kronstadt, but along with Figes he draws exaggerated parallels with the outbreak of the February 1917 revolution.\(^5^4\) It may be acknowledged that the upsurge of working-class dissatisfaction, combined with the widespread peasant revolts, by early 1921 appeared threatening to the Bolsheviks. But, with the benefit of historical hindsight, it can be seen that, in contrast to February 1917, (a) the participants in these movements were not united to overthrow the government nor convinced that it should be overthrown, and (b) the government was not so paralysed that it was unable to work out a change of policy (the NEP) to ensure its survival. Without these ingredients, the contention that there was a ‘revolutionary situation’ appears shaky at least.

On the other hand, the rift between the Bolsheviks and non-party workers was substantially deepened by these events. After the Tenth Congress, this was aggravated by the departure from the Bolsheviks’ ranks of groups of members, mainly disaffected by what they saw as an unpardonable retreat implicit in NEP. In Moscow, the rift between Party and class was underscored by the elections to the Soviet in March–April. The Bolsheviks won an overall majority but, by the Moscow Party Committee’s reckoning, only thanks to votes from office workers; many industrial workers, and the majority in many large factories, preferred non-party candidates to Bolsheviks. The Bolsheviks rejected proposals by the non-party workers for joint work on the Soviet’s executive, helping to turn the Soviet into a lifeless talking-shop. Thus the erosion of working-class participatory democracy, described below, continued after the adoption of NEP.\(^5^5\)

\(^5^4\) Figes 1996, pp. 758–9. Pipes 1994, p. 380. Pipes’s view is that the strike movement was contained principally by Lenin’s readiness to use military force against it: ‘Confronted with worker defiance, Lenin reacted exactly as had Nicholas II . . .: he turned to the military. But whereas the last tsar . . . soon caved in, Lenin was prepared to go to any length to stay in power . . . Whereas in February 1917 the main source of disaffection had been the garrison, now it was the factory.’

\(^5^5\) The events following the Tenth Congress are outside the scope of this article. The most notable group to leave the Bolshevik party was the Workers’ and Peasants’ Socialist Party led by V. Paniushkin. The main sources on the Soviet elections are the minutes of the first meeting of the new Soviet (TsGAMO f66 op12 d814) and of the Moscow Party Committee meeting that discussed the elections (TsAODM f3 op2 d23), and Cheka reports to the Moscow Party Committee for 1921 (TsAODM f3 op2 d48).
VI. Democracy at bay and workers alienated

Discussion of Bolshevik incursions on democracy in 1920–1 are often limited to a dialogue of the deaf in which political opponents of Bolshevism list breaches of basic democratic norms, and defenders of Bolshevism reply that the fundamental problem lay in the objective circumstances. Here it is argued that, while objective circumstances were extremely adverse, a key factor restraining participatory democracy, as socialists might understand it, was Bolshevik ideology; in particular its conceptions of the roles of party and class in a workers’ state. These conceptions allowed for party bodies and the Cheka to exercise power arbitrarily and left almost no room for decision-making by working-class bodies that were not under party ‘leadership’ (control). Ultimately, this stifling of participatory democracy, which continued in the early NEP period, disarmed both the working class and the Bolshevik Party in the face of the relentless rise of the party and state apparatus.

In keeping with their ideological assumptions, the Bolsheviks in Moscow in late 1920 kept decisions about the extent of political freedoms in the hands of the Moscow-level party organisations and the Cheka, with guidance from central party bodies. Soviets and factory committees had little or no say in the matter. There is some evidence that the Moscow Bolsheviks felt extremely vulnerable to armed opposition. In October 1920, the combination of reports from abroad of a plot to overthrow the government, the discovery of a right-wing conspiracy in Omsk, and the threat of a mutiny in the Moscow garrison provoked by the lack of supplies – events that in hindsight appear to have been unconnected – put the Cheka on full alert. Messing, head of the Moscow Cheka, reported to the Party Committee that ‘we were compelled to carry out mass arrests. . . . A seizure of the radio or the telegraph, even for a couple of hours, would threaten us with serious consequences.’\textsuperscript{56} Public appeals were made to workers to support the revolutionary government, but, as is made clear below, independent working-class action was perceived by the Bolsheviks as more of a threat than a necessary element of the fight against counter-revolutionaries.

In the workplaces, limits on democracy were extensive and arbitrary. Mass meetings could be organised on workers’ initiative at their own factory, whether management liked it or not, but gatherings of workers from different enterprises were strictly controlled. The trade unions’ delegate conferences

\textsuperscript{56} TsAODM f3 op1a d6, l44ob.
were one thing, independently-organised meetings another. One of the demands of the tram workers’ August 1920 strike was the right to hold an inter-depot meeting; this was refused by the Moscow Party Committee – and the Party’s unconstitutional right to take such decisions was so universally recognised, if not accepted, that no-one questioned it. As for strikes, short stoppages lasting a day or less were usually settled peacefully. But strikes on broader issues or in solidarity with other workplaces usually met with swift repression. The logic, as explained by the Bolshevik Zavarov to a mass meeting at Dinamo held after the arrest of striking workers in July 1920, was that ‘under soviet power, striking is an unacceptable means of struggle’.

The Moscow party leadership’s response to the August tram strike is a good indication of party attitudes to independent workers’ action and discussion. The Moscow bureau, meeting on 13 August, the first day of the strike, ordered publication of a decree that depots still on strike by 9 am. the next day would be closed. The trade-union leaders Mel’nichanskii and Gol’tsman were instructed to announce that all strikers could be arrested and that all absences would be checked. In each depot commissions were to be set up with representatives from the Communist cell, and the union and the depot management were to carry out ‘filtration’ of the workers and divide them into three categories: conscientious workers; those with ‘unexplained absences’; and ‘malicious leaders’ of the strike, who should be arrested. On 14 August, the second day of the strike, there were a large number of arrests; one tram worker, Aleksei Krylov, was later sentenced to a year in jail for organising the strike. No objection to the repression of the strike by means reminiscent of Tsarism, nor to the Party’s implicit refusal to negotiate with the tram workers on a Moscow-wide basis, was recorded either by members of the bureau or at the Moscow Party Committee, which approved the bureau’s actions.

Arrests of workers often provoked strikes. At the Sytin print works, which had a strong tradition of organisation by Mensheviks and other non-Bolshevik socialists, four workers – Voronin, Shленskii, Triakin and Smirnov – were arrested in August 1920 for ‘actively agitating for improvements in supply’. A woman worker, Rinova, told others that there was a danger that the four would be shot. A strike was immediately declared, on the pretext of lateness

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57 TsMAM f100 op5 d78, l23.
58 TsAODM f3 op1a d7, l27; TsAODM f3 op1a d11, l40 and l48.
of bread supply, but a Cheka agent reported that there was no question that ‘the main issue was the liberation of the arrested workers’. The works was occupied for two days until the four were released. A similar strike broke out at the Gustav List factory in October 1920 after the Cheka arrested two workers and accused them of counter-revolution. A general meeting was called, a Cheka Workers’ Group representative explained the grounds on which the arrests had been made, and three delegates elected from the meeting to testify to the workers’ good character to the Cheka and to ensure that the case was speedily resolved.\(^59\)

The arbitrary nature of Cheka action against workers, and the approval of it by party bodies, is noteworthy. If it occurred to anyone in the Moscow party leadership that dangerous precedents could be set by arresting workers for ‘actively agitating for improvements in supply’, or forbidding them to organise city-wide discussions of their problems, or jailing leaders of (legal) strikes, there is no record of them saying so. There was a discussion raging in the Moscow party organisation about democracy in late 1920, but it concerned inner-party democracy. While references were made to wider working-class dissatisfaction and to the souring of worker-party relations, no-one suggested that greater working-class democracy was needed to build the new society, either at the Moscow Party Conference of November 1920 at which the discussion came to a head, or at the committee and district meetings leading up to it the minutes of which are available.\(^60\)

Outside the workplace, the scale and direction of repression of non-Bolshevik parties was decided on by the Cheka, which then reported to the Party Committees. In early 1920, in Moscow this was concentrated on the anarchist underground organisation that had organised the bombing of a Moscow party meeting in September 1919. The Moscow Cheka felt, by August 1920, that it had ‘broken up’ the anarchist groups and could concentrate on the Right SRs, opponents of soviet power, who wielded ‘disorganising’ influence among the white-collar workers in soviet institutions. During August, it arrested 60

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\(^59\) Koenker 1994, pp. 171–173, p. 188; TsAODM f3 op1a d11 l38 and l87. A further report, at l101, says that at Gustav List one worker was arrested for SR membership, rather than two for ‘counter-revolution’.

\(^60\) The main sources for the inner-party discussion in Moscow are the minutes of the Moscow Party Committee (TsAODM f3 op1a d6), the Bauman District Committee (TsAODM f63 op1 d7), the Rogozhsko–Simonovskii District Committee (TsAODM f80 op1 d37) and the Moscow Party Conference of November 1920 (TsAODM f3 op1a d2), and Kommunisticheskii trud for 1920. There is analogous material for 1921.
people, including most of the SR Central Committee, and in a second roundup in September arrested another 115. Workplaces where the SRs were strong were affected, such as the Aleksandrovskaya railway workshops where a protest was staged against the compulsory transfer of workers to other shops. Gavrilin, an SR member and Aleksandrovskaya worker who participated in the protest and was found in possession of proclamations supporting the 1918 Constituent Assembly, and Vavilkin, a former Menshevik, were sentenced to two years’ hard labour under guard; three other participants in the action were sentenced to one year’s hard labour. The Left SRs were spared any large-scale roundup of this kind, but their demands for legal recognition met with little enthusiasm among the Bolsheviks. The Moscow Bolshevik Party Bureau, rather than any soviet body, discussed in July 1920 a formal appeal for legalisation by the Moscow Left SRs; it decided that given ‘the complexities of the current situation’, the request could not be granted. The Cheka also kept an eye on the Left SR Internationalist Group, 11 members of which were arrested and then released in September 1920.

It is hard to measure the debilitating effect on the socialist project of these incursions on democratic freedoms and the trend towards one-party rule. But an idea of some workers’ reaction to it is provided in a Cheka agent’s report of a meeting at the Soviet Rolling Mill No. 1 in Sokolniki district. The meeting was called to discuss the Red Army front facing Wrangel in southern Russia, and the army call-up. The workers were none too keen on the call-up, but concentrated on protesting against one-party rule. There was ‘dissatisfaction and protests against mobilisation’, the agent reported. Some workers said, ‘if the Communists have power, then the Communists must defend that power. We non-party people don’t want to defend the revolution’. Eventually a resolution was put, ending with the slogans ‘long live the Red Army’, ‘long live Red Poland’ and ‘long live the Communist Party’. The response was cool, reported the agent, ‘but in the end, one way or another, the resolution was passed – with the exception of the slogan ‘long live the Communist Party’, which was replaced with ‘long live the workers’ party’. ’[The workers said] we do not want any one party to rule on its own.’

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61 TsAODM f3 op1 a d11, l12; Aves 1996, p. 47.
62 TsAODM f3 op1 a d7, l22. The Bureau decision was approved by the full Moscow Party Committee, see TsAODM f3 op1 a d6, l15. On the Left SRs, TsAODM f3 op1 a d11, l58.
63 TsAODM f3 op1 a d11, l70.
There is some indication of the attitude of politically active workers to Bolshevik incursions on democracy in the minutes of the metalworkers’ conference of February 1921. Party speakers were confronted over the use, and abuse, of Cheka repression against workers. For example, when Kamenev admitted that ‘there are people who justly hate the [Cheka headquarters at] Lubianka’, a worker shouted from the hall that he had been imprisoned despite having proof of his innocence and invalid family members to support. When Kamenev replied ‘the Soviet will deal with such injustices’, there was uproar. Speakers from both non-Bolshevik camps – the egalitarian-syndicalists and SR sympathisers – demanded wider workers’ democracy. Pozden, who spoke in favour of the Workers’ Opposition theses on the trade unions, said that production would not be put on a firm footing without the involvement of the working masses – and for that, he continued, it must have ‘the freedom of action, without any pressure from anyone at all to prevent it.’ Barkovskii, who in advocating transfer of the whole supply administration to the trade unions was close to the Workers’ Opposition, went much further than any internal party group by demanding ‘freedom of the press, freedom of speech and freedom of assembly’.64

The rift between the Bolsheviks and non-party workers over supply, inequalities and the incursions on democracy was felt most keenly by the Bolshevik party workplace cells. These had become the main primary units of party organisation during the Civil War, but in Moscow they remained weak; while the total number of cells in the city approximately doubled from 563 to 1,035 between March 1918 and March 1921, only 30 per cent of these were based in factories, as opposed to military units or offices. Many cells had only a handful of members and shop-floor organisation was greatly eroded by the constant transfer of Communists to military and administrative posts.65

In workplace matters, the cells not only campaigned to raise productivity but could also provide an avenue of protest against bad management. Among the examples of workers turning to party bodies for help with workplace problems is that of the Glavodezhdy factory, where a bullying manager locked up the factory each evening and kept workers waiting until he rolled up the next morning between 10 and 12 o’clock. He was reported by a Cheka agent

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64 TsGAMO f180 op1 d236, l9, l11, l21, l28, and l46–47.
to be ‘behaving like a dictator, and lacking any understanding of the factory’s technical requirements’. The workers complained about him to the party bodies, and the Cheka Political Bureau and the Rogozhsko-Simonovskii District Party Committee intervened to ‘resolve the problem’. But, when it came to larger political issues, workers in many cases perceived Communist cells and Communist-dominated factory committees as tools of a hostile régime. A Cheka agent reported from the vehicle building works in Sokolniki in October 1920 that workers wanted to re-elect the factory committee with a non-party majority because ‘the Communist high-ups have started putting us low-down workers under terrific pressure’. A Cheka agent reported in October 1920 from the AMO factory – where a well-organised group of non-party workers and SR sympathisers was to challenge the party cell and win key positions in early 1921 – that the Communist cell was perceived to be on the other side from workers. Agitation against soviet power was carried out by ‘workers closely linked to the countryside’, reported the agent, and when the party members pointed out workers’ ‘treacherous attitude’ to their tasks, this aroused hostility. At the metalworkers’ conference of February 1921, Kireev, who was associated with the non-party group at AMO, publicly accused the AMO factory committee Communists of organising privileged rations for themselves.

The Party was seriously concerned by such hostility. At the November 1920 Moscow Party Conference, Ilia Tsvitsivadze, a senior member of the Moscow leadership, in a speech criticising the internal party opposition, said the cells ‘find themselves caught between two fires. We pressure them from above, demand that they carry out tasks, and they are under pressure from below. This puts them in an impossible position.’ Tsvitsivadze concluded that the cell members were being ‘choked’ by ‘millions of duties’; the expression of dissatisfaction, ‘sometimes unconsciously’, was ‘natural’ on the part of Communists ‘who are placed in such a rotten position’. A member of the above-mentioned AMO cell had told Tsvitsivadze that ‘we get home late, when the family is already asleep. In the morning we leave early and they are still asleep. We cannot live like this – that’s the problem.’

Varvara Iakovleva, secretary of the Moscow organisation, spoke about these issues at the Tenth Congress in March 1921: she said that some factory-based Communists, faced with an upsurge of ‘petty-bourgeois spontaneity’, felt

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66 TsAODM f3 op1a d11 l37; Nekrasova 1998, pp. 69–70.
67 TsAODM ibid., l122; TsGAMO f180 op1 d236, l9 and l29.
68 TsAODM f3 op1a d2, l71.
themselves to be ‘under greater threat at workers’ meetings than they did when threatened by bullets and bayonets – and sometimes, taking the line of least resistance, going along with the masses’ mood’. Many such members were ‘on the verge of leaving the Party’. Whereas Tsivtsivadze accused the internal party opposition of opportunistically taking advantage of this dissatisfaction, the opposition contended that the growth of privilege and bureaucracy – their protests against which, to a limited extent, echoed those from outside the Party – were the root of the problem.

VII. Conclusion

Three points are offered by way of conclusion, concerning (i) the working class and its political development, (ii) the character of the clash between workers and the Bolsheviks in February–March 1921, and (iii) the Bolsheviks’ incursions on democracy and the rift between them and the workers.

(i) The working class in Moscow had not ‘disintegrated’ by late 1920; in so far as the factories were functioning, so were factory-level institutions such as mass meetings and factory committees. Through these, clear trends in working-class opinion were expressed; the clearest of all was opposition to supply inequalities, motivated by egalitarian principles and combined with opposition to the growing power of the state apparatus exemplified by the glavki. As the Cheka reported during the August 1920 tram strike, workers ‘proceed[ed] from the consideration that in a working people’s republic, every worker and member of office staff should receive a ration, but only a working person’s ration’. The metalworkers’ conference of February 1921, the most significant representative workers’ gathering during the supply crisis of which we have a detailed record, revealed, alongside such egalitarian and syndicalist trends, another tendency, sympathetic to the SRs, that was urging the abolition of grain requisitioning in response to the crisis in the countryside. Furthermore, there were attempts by workers to establish wider space for democratic discussion in the face of discouragement, or repression, by the Bolsheviks.

Among the egalitarians and syndicalists were those who had supported, or gone along with, the Bolsheviks in 1917, and only later began to rethink, qualify or reverse that support. At the metalworkers’ conference, Mosolov from the Ustinskii works said:

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69 Desiatyi s’ezd 1963, p. 280.
We did everything for the Communists, but that was for the honest strivings of the Communists, not for hangers-on and parasites. We will do everything we have to, to improve the economic situation, but at the same time we will free the ranks of the RKP [Russian Communist Party] of rubbish. . . . It is Communist ideas that we are for; we will throw the rubbish out [of the Party].

Kolyshkin, from the same factory, said that, thanks to a supply policy that had divided the high from the low, ‘the very slogan of equality, which the Communists brought to us in 1917, has simply rotted away’.

(ii) This fuller picture of working-class politics should help make possible a reconsideration of the February–March 1921 strike wave and the political crisis of which it was part. Historians working in Soviet times, both Soviet and western, regarded this strike movement as something inspired largely by the Mensheviks and SRs, or at least by their political demands. The standard Soviet history of the Moscow Party states that ‘SRs, Mensheviks, anarchists and other enemies of soviet power, speculating on the post-war difficulties . . . penetrated the factories, where they carried out hostile agitation and instigated workers to go on strike’; the standard western history of the Moscow Party in 1917–21, relying of necessity largely on SRs’ and Mensheviks’ accounts, perceived a ‘Moscow protest movement for the three freedoms – labour, trade and political – and for a freeing of the soviets from party control’. In fact, while the SRs’ and Mensheviks’ activities certainly perturbed the Bolsheviks at the time, their real influence was patchy. The historian of Petrograd in Lenin’s time, Mary McAuley, estimates that ‘the role and influence of the opposition parties were minimal’ in the Petrograd strike movement of Spring 1921; this was also true in Moscow. The overall political content of the strike movement in Moscow was limited, compared to that of the Kronstadt revolt, and even on the central economic issue, inequality of rations, workers such as those at Goznak (who were protesting that their extra rations had been taken away) were at odds with others (whose demands for equality had led to the cancellation of extra rations). As argued above in Section V, the contention that these events amounted to a ‘revolutionary situation’ overestimates both the coherence of opposition to the Bolsheviks and its willingness to challenge for state power.

70 TsGAMO f180 op1 d236, l22.
71 TsGAMO f180 op1 d236, l20.
(iii) The political discussion about Bolsheviks’ incursions on democracy has long been dominated by the arguments about objective and subjective factors mentioned above in Section VI. This was true at the time: Bukharin told the Tenth Congress that the party leadership’s difference with the Democratic Centralist faction was, at bottom, a difference about whether objective or subjective factors were responsible for the growth of apparatus privilege that so incensed the Democratic Centralists. It was true in 1923–4, when the Stalin-Zinoviev group accused the Left Opposition of ignoring the objective reasons for the continuing degeneration of the régime in 1921–2. It remains true after the collapse of the Soviet Union, when a socialist participant in debate on the subject insisted: ‘[I]t was overwhelmingly the force of circumstance which obliged the Bolsheviks to retreat so far from their goals [in the early 1920s].’

The emphasis in this article has been that, notwithstanding the very real ‘force of circumstance’ to which the Bolsheviks were subject in 1920, their view of party-class relationships had already developed to the point where they regarded political decision-making as the Party’s province, and working-class participatory democracy as dispensable. Put bluntly: objective circumstances may have made the tram workers’ strike of August 1920 difficult to tolerate and demands for improved rations difficult to meet, but these circumstances clearly did allow for an inter-depot meeting to discuss these problems. The Moscow Party Committee replied to the call for an inter-depot meeting, along with other demands, by means of arrest and ‘filtration’ of strikers, not because objective circumstances compelled it to, but because it regarded itself, the Party – and not the working class – as the arbiter of supply issues and all key political questions.

When working-class anger boiled over at the Moscow metalworkers’ meeting of February 1921 and produced resolutions on supply inequalities and on the need to abolish grain requisitioning, the leadership felt it could not ignore them. But it did not feel comfortable in this type of forum for discussion, and it did not feel comfortable with soviet democracy. Zinoviev’s declarations at the Eighth Congress of Soviets in December 1920, that ‘we must rebuild the representative aspect of workers’ and peasants’ democracy’, that the Party ‘must not fear workers, and must give them decision-making power on the hardest and most complex issues’, and that ‘the soviets will not be just public

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73 Bukharin in Desiatyi s”ezd 1963, p. 219; Rees 1997, p. 83.
meetings’, turned out to be so much bombast when it came to the Moscow Soviet elections of April 1921. When these produced a strong group of non-party delegates to the Soviet from the big factories, the Moscow party leadership preferred to wreck the Soviet as a venue for serious discussion than to work with this group. And the Party’s central leadership did not conceal its distaste for aspects of working-class democracy: a front-page comment in Pravda in May 1921 declared that the metalworkers’ conference and the Soviet elections ‘concealed a great danger’; here lay ‘a great road block on the way to communism’. At this stage, the Bolsheviks were still clarifying for themselves the precise division of labour they perceived between the Party, which, as a working-class ‘vanguard’, had the right and duty to make political decisions, and the working class itself, whose initiative and creative activity they strictly limited to such fields as productivity and education. But, already by 1920, conceptions of working-class participatory democracy had been left behind, even by the advocates of inner-party democracy such as the Democratic Centralists. This ultimately disarmed not only the working class, but the Party itself, which, in the mid–1920s, was to find itself weakened, and ultimately defeated, by the party and state apparatus headed by Stalin.

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Introduction

The ‘human’ appears to be in crisis. There is a practical challenge to the constitution of humans. This challenge is diverse but comes from four main fields of contemporary science: biotechnology (especially genetic modification of human DNA); cybernetics, in particular, the connection of microchips to the human brain or central nervous system; microchip technology, artificial intelligence (AI) and robotics; and nanotechnology.¹

With this new science and technology, the ‘future of the human’ appears to become open to a world of possibilities. It seems to offer powerful techniques for generating artificial – rather than natural – selection. Evolution is subsumed under ‘human’ control and possibilities for redesigning the species yield ‘transhuman’ or ‘posthuman’ futures. In this scenario, the technological redefinition of what the ‘human’ is becomes reality. Designer humans, the downloading of consciousness into computers, bodies without organs and cyborgs (a range of human-computer fusions) are some of the options on the

¹ Nanotechnology engineers structures at extreme microlevels. A nanometre is a billionth of a metre: about 1/80,000 of the diameter of a human hair, or 10 times the diameter of a hydrogen atom.

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horizon. Some, such as the transhumanists, posthumanists and extropians welcome these posthuman futures.

This article argues that the posthumanists have misunderstood history. They have ignored capitalist development and missed the essential point: we are already not-human. We are capital. Furthermore, the posthumanists rely on technological determinism and capricious ‘choice’ regarding what we can become in the future, and a disarming optimism concerning our capacity to generate a world worth living in on the back of new science and its applications to design of the species.

The unfolding of the new sciences and technologies so lauded by the posthumanists does not proceed in a social vacuum. They are developing within the social universe of capital. These technologies are an expression of the deepening of capitalist social relations and capital as social force, and so they are not innocent. The horror is not that we shall be invaded by new technologies that have the capacity to reconfigure us as a species, a definite life-form. There is a deeper horror; the horror of humanity already possessed by an alien social force: capital. The new ‘inhuman’ technologies are a practical manifestation of this deep possession of the human by capital. The concept of human capital, on this account, is not some inadequate notion drawn from bourgeois labour economics but expresses our real predicament.

The first section notes some impending scientific and technological discoveries and applications that are reconfiguring human life. The second section shows how these developments hold promises for life beyond the ‘human’ – as post/trans-human life-forms. Section III contains a critique of post/transhumanism as development of the human based on ‘autonomous’ technology. The rest of the paper explores how we are already situated posthumanly as capitalised life-forms.

Our social existence as human capital is a contradictory one. It is the form of everyday life as the experience of living contradictions that provides the dynamic (and hence the explanation) for us to seek to become posthuman capital: to enable humanism – as an open future for the species. Humanism, on this basis, is our collective freedom to decide what the ‘human’ is to become, free of the fetters of capital. In toto, capital limits what we can become. For our becoming – as a species – is an expression of the ‘becoming of capital’ that Marx wrote about in the Manuscripts, capital as a ‘force we must submit to’.

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2 Marx 1977a.
Humanism becomes possible only on the abolition of capital as social force, and this presupposes the destruction of capitalist social relations and the social universe of capital, whose substance is value.

On this account of humanism, there is no ‘essence’ of the ‘human’, no ‘getting back to where we once belonged’. Today, humanism is the struggle for an open future. The social universe of capital must be imploded in order to set in train the project of humanism as social reality.

I. The appliance of science

The appliance of new science and technologies to human frailties and limitations appears to be on the threshold of a new era. The Human Genome Project has caused most optimism for big breakthroughs in the near future. As Matt Ridley has dramatically put it:

> On 26th June 2000, the world changed. On that day, for the first time, a species of living creature announced that it had grown sufficiently complex, biologically and culturally, to have read its own genetic recipe. It now had the complete instructions for building and running the body of one of its kind.4

For Ridley, the ‘secret of life is out’.5 The Human Genome Project (HGP) has provided a map of the human genome. It was only seventeen years ago that two Californian scientists spliced DNA and successfully transferred genetic material from one life-form to another,6 giving rise to a new applied science that spawned a new industry: genetic engineering. Yet this is only the beginning; the whole biotechnology sector has a capitalisation of only $150 billion, far less than that of the internet. Mark Williams has argued that, by the mid-twenty-first century, the internet ‘may seem a side-show to the main event in IT – the explosion of bioinformatics’.7

Matt Ridley stresses the dangers as well as the benefits inherent in mining the human genome for practical applications. He lists germ warfare, genetic engineering of human beings and social and economic division (between those who can/not afford the benefits flowing from biotechnology) as some of the dangers at issue. Steve Jones argues that the profit drive may dampen

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4 Ridley 2000.
5 Ridley 2000.
6 Bruno 2000, p. 262.
7 Williams 2000.
enthusiasm for the whole HGP, as corporations attempt to patent sequences of DNA ‘without knowing what they do’. Ayala Ochert notes that, in the US, ‘there is serious talk of genetically modifying people’ and that scientists ‘have begun to talk openly about the possibility’ of GM people.

More sinister is that scientists are also considering possibilities for the ‘direct control of our evolution through so-called “germline” gene therapy’. Somatic gene therapy – which has no consequences for offspring – was first carried out fourteen years ago. However, Ayala Ochert predicts that, in next twenty years, human genetic modification – ‘germline’ modification of inherited characteristics – is on the cards. The consequences of this are that, if you ‘change the germline . . . you change evolution’. Ochert stresses that this work is not being carried out by a group of ‘mad professor’ types trying to produce a master race. Rather, it is growing out of mainstream scientific research being undertaken in fertility clinics, in medicine, in biology and in pharmaceutical companies. If these trends continue, and the applications flowing from the HGP are anywhere near as significant as many scientists are predicting, then, argues Kat Arney, the development of ‘cloning techniques, brain-cell transplants and micro-computers could allow people to “upgrade” both themselves and their cloned progeny’.

Ochert’s reassurance that twenty-three European countries signed a Council of Europe declaration prohibiting ‘germline’ gene therapy may not be worth much when commentators point towards the European biotechnology sector being hamstrung by strict regulations on the industry. The European biotech sector has also received far less state funding for development than its American counterpart, where tax breaks for biotech start-ups tempt venture capitalists into the field. With no global regulation, European germline enterprises may set up in countries outside Council of Europe jurisdiction. For now, it may well be the practical difficulties of translating new knowledge about the human genome into hard products are prohibitive. For example, 95–99.9 per cent of all ‘engineered’ embryos is damaged or defective.

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9 Ochert 2000, p. 22.
10 Ibid.
11 Ibid.
12 Ibid.
14 Commentators such as Guerrera and Firn 2000.
15 Ochert 2000, p. 22.
The other technology where applications directly affecting the human body seem on the horizon is cybernetics. In the last few years, it has come off the science fiction shelves and into the body of real humans, or proto-cyborgs. Jeremy Campbell notes work at the University of Southern California on growing neurones on microchips ‘that are made to emigrate into the brain’\textsuperscript{16} and communicate with it. Experiments at Reading University, led by Kevin Warwick, involve implanting chips into his own arm.\textsuperscript{17} An experiment undertaken in August 1998 involved a computer programmed to respond to Warwick’s actions, and further self-experimentation is planned.\textsuperscript{18} According to Theodore Burger, the capability exists for building computer chips that act just like nerve cells.\textsuperscript{19} From this, argues Jeremy Campbell, computer chips in the brain to boost memory become a feasible step.\textsuperscript{20} These chips would allow ‘people to “download” large quantities of information instantly, as a computer does from the Internet’, according to neuroscience writer Ray Kurzweil.\textsuperscript{21}

Whilst this technological invasion appears to reconfigure the ‘human’, this is nothing as compared with its opposite; the ‘downloading’ of our consciousness into a computer lodged within a robot. Though much further off, this leaves any conception of what it is to be ‘human’ in limbo. As Bill Joy, cofounder and Chief Scientist at Sun Microsystems, ponders:

> But if we are downloaded into our technology, what are the chances that we will thereafter be ourselves or even human? It seems to me far more likely that a robotic existence would not be like a human one . . . [and] . . . the robots would in no sense be our children, [and] . . . on this path our humanity may well be lost.\textsuperscript{22}

Charles Platt argues that, if we downloaded our consciousness into a computer, then the resulting entities would be ‘isomorphs’ – minds without organs.\textsuperscript{23}

Nanotechnology is the design and manufacture of devices to atomic-scale precision. The potential of the technology appears to be gigantic. As Natasha Vita-More notes, nanomachines could repair aged tissues and organs. They

\textsuperscript{16} Campbell 1999.
\textsuperscript{17} See Alesky 2000.
\textsuperscript{18} In Alesky 2000.
\textsuperscript{19} In Campbell 1999.
\textsuperscript{20} Campbell 1999.
\textsuperscript{21} In Campbell 1999.
\textsuperscript{22} Joy 2000, p. 244.
\textsuperscript{23} Platt 2000, p. 208.
could, in theory, reanimate people who have been frozen in cryonic suspension. With nanotechnology, argues Paul Virilio, the ‘inner core of the living’ is to be equipped with micromachines that can ‘effectively stimulate our faculties’ – including enhanced cognitive capabilities. Nanobots – tiny machines we could swallow – could be launched into our blood streams. They would ‘supplement our natural immune system and seek out and destroy pathogens, cancer cells, arterial plaque, and other disease agents’, notes Ray Kurzweil. Nick Bostrom predicts the creation of a ‘superintelligence’ within the next forty years: a cognitive system that ‘drastically outperforms the top present-day humans in every way’. Such a system would fuse human cognitive capability with:

...hardware neural networks, simulated neural networks, classical AI, extracranially cultured tissue, quantum computers, large interconnected computer networks, evolutionary chips, nootropic treatment of the human brain, biological-electronic symbiosis systems or what have you.

Wired up in this way, we could shut down all our schools and universities. In this section, I have listed key scientific developments that could shape the ‘future of the human’. Human life appears to be subject to re-design. Paul Virilio argues that, for our species, the situation has been reached where classical evolution as natural selection no longer applies. For Virilio, we are on the verge of a ‘techno-scientific phase’ of evolution where artificial selection, selection based on conscious choice, prevails. Some do not mourn this ‘passing of the human’, but look to a transhuman future that holds great promise for liberation of all kinds, and it is to this trans/posthumanism that we now turn.

II. Advancing a trans/posthuman future

The previous section pointed towards scientific applications that have the potential to radically alter humankind. Some welcome this, and actively strive to speed up its development. Nick Bostrom summarises this outlook:

26 Kurzweil 1999, p. 176.
28 Ibid.
29 Virilio 1995, p. 117.
Over the past few years, a new paradigm for thinking about humankind’s future has begun to take shape among some leading computer scientists, neuroscientists, nanotechnologists and researchers at the forefront of technological development. The new paradigm rejects . . . the assumption that the ‘human condition’ is at root a constant . . . . This assumption no longer holds true.30

The ‘human’, it seems, is headed for history. However, for transhumanists, it is more complex than this, as the following discussion makes clear. Transhumanist politics, ethics and philosophy supplement technological wonders.

A useful starting point is the notion of the ‘transhuman’. This concept posits the contemporary constitution of the ‘human’ as being in a state of radical transition. According to Max More:

> We are transhuman to the extent that we seek to become posthuman and take action to prepare for a posthuman future. This involves learning about and making use of new technologies that can increase our capacities and life expectancy, questioning common assumptions, and transforming ourselves ready for the future, rising above outmoded human beliefs and behaviors.31

This definition begs the question of what the ‘posthuman’ is, and this is addressed later. The ‘transhuman’ is a practical process of leaving currently constituted humanity behind. It implies a transition beyond the human condition and human ‘nature’. Transhumanism carries with it a moral and political spark: we ought to try to overcome the ‘human’ limitations resulting from our physiology and biological foundations. For Ouroboros, ‘transhumanism’ is

> the belief that we can, and should, try to overcome our biological limits by means of reason, science and technology. Transhumanists seek things like intelligence, augmentation, increased strength and beauty, extreme life extension, sustainable mood enhancement and the capability to get off planet and explore the universe. These goals are to be achieved with the aid of contemporary and future technologies such as genetic engineering, nanotechnology, cryonics, megascale and space-time engineering, AI, and mind uploading.32

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31 More undated.
32 Ouroboros 1999, p. 4.
Max More has described transhumanism as related to philosophies of life that ‘seek the continuation and acceleration of the evolution of intelligent life beyond its currently human form and limits’. Science and technology are the principal means to these goals, although, for More, ‘life-promoting principles and values’ also play a role – however, transhumanism is no religious cult, argues More. Rather, it is founded on the belief that ‘it is good to improve oneself, physically and mentally’, and to dissolve existing biological and social limits to processes of self-improvement. These limits can be overcome through the utilisation of ‘rational’ methods (technology and science). Transhumanists advocate the ‘progressive transformation of the human condition’; there is no end point.

The core goal, then, is the transcendence of ‘human nature’, implying the practical redefinition of the human. The ‘posthuman’ is the realisation of the transhumanist project. Transhumanism is therefore a ‘politics of/for the posthuman’; humans actively striving to become posthumans. Max More defines the ‘posthuman’ in the following way:

Posthumans have overcome the biological, neurological, and psychological constraints evolved into humans. Posthumans may be partly or mostly biological in form, but will likely be or partly or wholly postbiological – our personalities having been transferred ‘into’ more durable, modifiable, and faster, and more powerful bodies and thinking hardware. Some of the technologies that we currently expect to play a role in allowing us to become posthuman include genetic engineering, neural-computer integration, molecular nanotechnology, and cognitive science.

Following More, Greg Burch argues that the ‘posthuman’ refers to what we have changed so much that our condition no longer can be accurately called ‘human’.

Another significant term in this lexicon is ‘posthumanism’. Posthumanism is an ‘attitude on [sic] how to deal with the limitations of the human form’,

33 More undated.
34 More undated.
35 More undated.
38 Rikowski 1999b, p. 56.
39 More undated.
according to Daniel Ust.\textsuperscript{41} It is a tragic feeling or attitude, focusing on the frustrations of life as merely ‘human’. It is the negative side of the positive vision of transhumanism.

Two final concepts are required – extropy and extropian – though there are many others that could be added in a comprehensive rendering. The significance of these two concepts is that they define the position of the world’s leading transhumanist, Max More, cofounder of the Extropy Institute. The Extropian Movement was started by Max More and Tom Morrow (not their real names) in the late 1980s. They launched the journal \textit{Extropy} in 1988, and there is now \textit{Extropy Online}. There is also the Extropy Institute (with annual conferences), a bimonthly newsletter, an electronic email list, a boarding house – Nextropia – and parties and lunches.\textsuperscript{42} According to Beatrice Gibson, membership of the Extropy Institute is increasing.\textsuperscript{43} The annual conference is particularly important. At the Extro4 conference in 2000, the gap between extropians and mainstream scientists visibly narrowed as several scientists from a range of fields got together formally for the first time with leading extropians at a major venue.\textsuperscript{44}

So what are the extropians about? According to Brian Alexander, they are ‘techno-believers with boundless faith in science’s power to amp up human potential’.\textsuperscript{45} Life extension is a major goal, with ‘deathism’ scorned. Beatrice Gibson characterises the extropians as ‘a Californian group of hardcore technological believers, who aspire one day to be able to download the informational essence of their minds onto computer databases and achieve cyber-immortality’.\textsuperscript{46}

Max More defines the key terms: \textit{extropy} is the extent of a system’s intelligence, information, order, vitality, and capacity for improvement.\textsuperscript{47} It is the opposite of entropy, which is based on the second law of thermodynamics that states everything in the universe is inevitably subject to death and decay. Entropy dictates that life is subject to mortality,\textsuperscript{48} but extropians seek to extend

\begin{footnotes}
\footnote{Ust undated, p. 1.}
\footnote{See Ust undated, p. 1.}
\footnote{Gibson 2000, p. 27.}
\footnote{Alexander 2000, p. 180.}
\footnote{Alexander 2000, p. 179.}
\footnote{Gibson 2000, p. 26. For more on the Californian roots of transhumanism and cyberideology, see Barbrook and Cameron 1996, and Barbrook 2002.}
\footnote{More 1999, p. 1.}
\footnote{Gibson 2000, p. 26 and p. 29.}
\end{footnotes}
and enrich life for ‘humans’.\textsuperscript{49} They believe the best strategy for attaining posthumanity to be a combination of technology and determination, rather than looking for it through psychic contacts, or extraterrestrial or divine gift.\textsuperscript{50} More outlines the core extropian principles as: perpetual progress, self-transformation, practical optimism, intelligent technology, the open society, self-direction, and rational thinking.\textsuperscript{51}

Although a techno-ideology, transhumanism cannot be reduced to any single technology. Furthermore, it has nothing to do with developing a ‘master race’, argues Greg Burch.\textsuperscript{52} This becomes more apparent when some of the positive claims for transhumanism are stated. These include the dissolution of hierarchies based on gender, ‘race’ or any other ascriptive characteristic – especially age. The goal is individual choice of skin colour and texture, choice of the range of sexual organs and decision on overall body design. No single body design is deemed superior; it is just a personal preference or fashion statement – which can be altered. Natasha Vita-More speaks of a future with multiple sex organs, polymer skin that changes colour and virtual reality eyeball implants.\textsuperscript{53} Shaun Jones raises the stakes as he talks about ‘the manipulation of the firewalls that exist between species’, so that we may have fur instead of mere skin for part or all of our bodies.\textsuperscript{54} Why buy mink fur, with all the cruelty inherent in its production, when it can be grown on our own arms?

Dramatic claims have been made for the cyborg as harbinger of a new equality. As our ‘evolutionary descendent’, it is the ‘solution to gender’ and the solution to power differentiation.\textsuperscript{55} Thus, ‘the cyborg may appear animal and material, invincible and perishable, utopian and mythical, corporeal and opaque, male and female, historical and subversive’, notes Jeff Lewis.\textsuperscript{56} For Donna Haraway, the cyborg as a fused human-machine entity breaks down hierarchy:

\begin{itemize}
\item \textsuperscript{49} More 1999, p. 1. See also More in Olson 2002, p. 2.
\item \textsuperscript{50} More undated.
\item \textsuperscript{51} More 1999, p. 2.
\item \textsuperscript{52} In Burch and Toth-Fejel 1999, p. 1.
\item \textsuperscript{53} In Alexander 2000, p. 179.
\item \textsuperscript{54} In Alexander 2000, p. 186.
\item \textsuperscript{55} Lewis 1998, p. 377.
\item \textsuperscript{56} Ibid.
\end{itemize}
The cyborg is resolutely committed to partiality, irony, intimacy, and perversity. It is oppositional, utopian and completely without innocence. The relationships for forming polarity and hierarchical domination are at issue in the cyborg world.\(^{57}\)

The cyborg promises an ‘informatics of liberation’ that would ‘seek to advance semblation beyond the entertainment perimeters of arcade games and capitalistic processes generally’.\(^{58}\) A posthuman future would not maintain current hierarchies. And it would be more fun. Ed Regis argues that the ‘toilet, as we know it, would be a thing of the past’; however, the transhuman’s sexual capacity would increase ‘in variety, intensity, duration, and just about every other imaginable way’, enhanced by our new sex organs and new sexes.\(^{59}\) This transhuman equality, choice and difference fits cosily with some liberal-left visions, although, in terms of its politics and economics, the transhumanist outlook tends generally to support neoliberal nostrums.\(^{60}\)

At the terminus of some transhuman futures resides the ‘body without organs’.\(^{61}\) A consciousness swirling around in chips inside a robot sounds like a practical case of annihilation of the ‘human’. Ian Tattersall questions whether a species can survive as a set of ‘disembodied attributes’.\(^{62}\) This last point opens up the general question of the relationship between humanism and transhumanism.

According to Nick Bostrom, transhumanism ‘agrees with humanism on many points but shoots beyond it by emphasising that we can and should transcend our biological limitations’.\(^{63}\) Indeed, argues Greg Burch:

> The word ‘transhumanism’ consciously evokes the tradition of humanism, i.e. the secular view of man as the ‘center’ of the moral universe. However, transhumanism goes beyond humanism, because it does not accept some immutable, fundamental ‘human nature’ as a given, but rather looks to continuing – and accelerating – the process of expanding and improving the very nature of human beings themselves.\(^{64}\)

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58 Ibid.
60 See Rikowski 2000c. See also Barbrook and Cameron 1996, and Barbrook 2002 – on the cyber-politics underpinning the Californian Ideology that spawned such movements as transhumanism.
61 Bukatman 1999, p. 325.
62 Tattersall 2000, p. 75.
Max More argues that, like humanists, transhumanists ‘favour reason, progress, and values centered on our well being’ rather than on an external religious authority.\(^6^5\) However, transhumanists take humanism further by challenging human limits by means of science and technology combined with critical and creative thinking. Thus, transhumanists see humanity as a transitory stage in the evolutionary development of intelligence. We advocate using science to accelerate our move from human to transhuman or posthuman condition.\(^6^6\)

As we have seen, for Burch, ‘transhumanism’ evokes the tradition of humanism: humankind at the ‘centre’ of the moral universe, the ‘measure of all things’.\(^6^7\) Transhumanism, however, does not accept some immutable ‘human nature’ as a fixed item. There is no ‘essence’ to the human – fixed by genetic, psychological, social or any other dimension of existence. Transhumanism seeks to continue and accelerate the ‘process of expanding and improving the very nature of human beings themselves’, argues Burch.\(^6^8\) Thus: ‘transhumanism is the modern heir to the humanist tradition, in fact transhumanism carries on the torch of the “humane” culture into an era of ultratechnology’.\(^6^9\) As Daniel Ust, notes, labelling posthumanism as \textit{inhuman} merely begs the question regarding what the ‘human’ is.\(^7^0\) Ust argues that there is no necessary conflict between posthuman existence and some of the finer qualities we associate with humans. Indeed, argues Ust, the posthuman will extend virtues and qualities such as intelligence, courage and inventiveness, which, with much greater physical capacity and longevity, should promote increased tenderness and compassion.\(^7^1\)

Together with the scientific, medical and technological developments of the previous section, this section raises serious questions concerning the future of the ‘human’. The ‘human’ appears to be at risk. The following section puts this risk into perspective through a critique of transhumanism.

\(^6^6\) Ibid.
\(^6^7\) Ibid.
\(^6^8\) Ibid.
\(^7^0\) Ust undated, p. 3.
\(^7^1\) Ibid.
III. An alien critique of transhumanism

Of course, different conceptions of the human subject have been proposed throughout the centuries, and ideas of human nature have changed substantially throughout history, from Plato to Wittgenstein and beyond, but the posthuman points towards a fundamental surpassing of the ‘human’ itself. This has consequences for any project of locating the ‘human’ in some behavioural traits such as in the capacity to ‘make ourselves’, or to ‘care for the things precious to us’. These take on new meanings within post/transhumanist discourses that exceed old notions of the ‘human’. Neither will definitions of the ‘human’ based on general capabilities hold up (such as the ‘learning animal’ or the ‘toolmaker’): these are being redefined as we forge ever-closer relationships with machines and computers. Furthermore, the ‘human’ is seriously at risk on some genetic bottom-line definition (for example, the exact chemical composition of the DNA making up genes); this is dissolving with genetic engineering possibilities.

What is meant by ‘inhuman’ becomes unclear too. Keith Tester’s assertion that the inhuman is everything which forces the individual to ‘subscribe to a determined being’ (after Ortega y Gasset) is problematised by possibilities for the posthuman. The degree of determination by the ‘social’ is downgraded by virtue of the apparent dynamism of possibilities opened up by the posthuman. It appears that posthuman innovation supersedes not just classical Darwinian evolution but also mainstream sociological conceptions on the efficacy of social structures, norms and values as fetters and shapers of the social life of individuals. The posthuman crashes through social as well as biological limits. Tester’s claim that the ‘inhuman is everything which gives the already written script of the novel she or he is going to be able to write’, trades on old sociological verities that have no currency within the posthuman. The notion of posthuman sociality is a reconfiguration of all previously known forms of social life, on the accounts of the post/transhuman theorists.

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74 Rikowski 1999b.
75 Tester 1995, p. xi.
76 Joy 2000, p. 262.
77 Lewontin 1995, p. 43.
78 Tester 1995, p. xi.
79 As in Transcedo 1998.
80 Tester 1995, p. xi.
The notion of ‘dehumanisation’ also undergoes radical transformation within posthuman discourse. For Tester, dehumanisation ‘is the processual tendency of circumstance to foreclose on the possibilities which the individual experiences him or her self as having in relation to the situations she or he is thrown into’.\(^81\) Yet Tester realises ‘the profound difficulty is that precisely without these circumstances and experiential determinations, the world could scarcely be a place of and for human being’.\(^82\) The posthuman changes these circumstances, radically. The posthuman condition offers a degree of malleability to the entity in question that makes prognostications about sociality difficult. What kind of social life does a consciousness downloaded into a computer lodged within a robot have? If the transhuman is a trajectory for the ‘human’, then all bets concerning the relevance of contemporary sociological concepts are, at best, hedged.

Finally, Tester’s claim that the ‘human and the inhuman can never be separated’ rests upon an anthropomorphism that is challenged by the posthuman.\(^83\) For, as Keith Ansell-Pearson argues:

> To maintain that technology is making us ‘less human’ is to suppose that there exists some fixed nature of the human by which one could measure the excesses of technology, and so appraise its inventions in terms of some metaphysical cost-benefits analysis.\(^84\)

The posthuman problematises the ‘human’ and technology drives this problem on ever more intensely. It demands continual rethinking of our relationship with machines.\(^85\) The posthuman also apparently generates the drive for ‘technology’s invention of the human animal’.\(^86\) Of course, as Martin Parker has noted, social organisation always involves some relation between humans and non-human materials,\(^87\) but the movement towards the posthuman incrementally blurs the distinction. Set on this trajectory, as Bill Joy urges, the question is: ‘Which is to be the master? Will we survive our own technologies?’\(^88\) From a posthumanist perspective, however, these questions are

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\(^81\) Ibid.
\(^82\) Ibid.
\(^83\) Ibid.
\(^84\) Ansell-Pearson 1997a, p. 153.
\(^85\) Hayles 1997a, p. 153.
\(^86\) Ansell-Pearson 1997a, p. 153.
\(^87\) Parker 1998, p. 504.
\(^88\) Joy 2000, p. 256.
redundant; the invasiveness of technology into the becoming-posthuman is not a threat but rather a solution to the future of the ‘human’. But, as Paul Saffo argues, technologies mirror the cultures that create them, and the ‘coming world of electronic lifeforms is likely to be no different’, and on this point rests part of the critique of the posthuman promise, as developed later.

The crisis of the ‘human’ is simultaneously a crisis of humanism. If humanism is ‘an account that centres human beings as the measure of all other things’, then the posthuman trajectory continually reconfigures the standard of measurement. Max More argues that the real issue is a humanist courage deficit:

Should we ‘play God’? We might expect Humanists, having accepted that there is no divine creator, shepherd, and purpose-giver, to respond affirmatively. However, I contend that many humanists, though pro-reason, science, and technology . . . still fear their own Promethean urge to challenge the gods.

Alternatively, transhumanists ‘anticipate our future as posthumans’ and adjust their view of their lives accordingly.

Taking the argument one stage further, according to Judith Halberstam and Ira Livingstone, ‘if the human is dead, the alien, the other goes with it’. For these analysts, however, the alien is the posthuman; they are therefore closet humanists at heart, mourning the ‘death of the human’. Katherine Hayles, meanwhile, looks forward to the excitement of the posthuman as it ‘evokes the exhilarating prospect of getting out of some of the old boxes and opening new ways of thinking about what being human means’. For Hayles, the posthuman does not signify the end of humanity; rather, it ‘signals instead the end of a certain conception of the human’. This conception itself applied only to a small number of people – those with the ‘wealth, power, and leisure to conceptualise themselves as autonomous beings exercising their will through individual agency and choice’. Thus, ‘old humanism’ is a class-based

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93 Ibid.
96 Hayles 1999, p. 286.
97 Ibid.
perspective on the human, despite protests for its universality from those supporters of the ‘liberal humanist view of the self’. Hayles argues that the posthuman ‘need not be recuperated back into liberal humanism, nor need it be construed as anti-human’: it has its own future.

Others point towards the human/transhuman as continuum. Transcedo argues that both humanism and transhumanism revere rationalism and are concerned for the fate of humanity. They both eschew the relevance of the supernatural as guide to life. Transhumanism only parts company with humanism when the former urges on development of the ‘human’ beyond current biological constitution and human evolution. However, the shift towards the posthuman is not just a matter of us subjecting ourselves to new science and technology. Max More makes this clear:

The transition from human to posthuman can be defined physically or memetically. Physically, we will have become posthuman only when we have made such fundamental and sweeping modifications to our inherited genetics, physiology, neurophysiology and neurochemistry, that we can no longer be usefully classified with Homo Sapiens. Memetically, we might expect posthumans to have a different motivational structure from humans, or at least the ability to make modifications if they choose. For example . . . complete control over emotional responses through manipulation of neurochemistry.

More leaves something out in his list of ‘things for change’: the nature of posthuman society. What he – and almost all trans/posthumanist writers – forgets is that the spectre of posthuman capitalism lurks within the future for the post/human. There are real social limits to posthumanisation, limits set by capital. The trans/posthumanists avoid the problem of capital in their projections. On the constitution of post/human society, the silence of the trans/posthumanists signifies their real techtopianism: their ungrounded belief that technology will cut through all problems and limits for the post/human. This is where Marx enters.

The problem is how to introduce Marx into the debate on the future of the human. Felicity Callard and Donald Lowe have attempted to bring Marx in

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102 Ansell-Pearson 1997a-b, and Callard 1998 are exceptions.
through analyses of the *body*. However, this neatly skips around some of the phenomena that take us deeply into an exploration of the ‘human’ through Marx, principally labour-power and capital. Thus, the search is on for better ways of approaching post/transhumanism through Marx.

**Marx and the post/transhuman**

There are a few texts that bring Marx and Marxism into *direct* contact with the problem of the post/transhuman. Keith Ansell-Pearson’s work makes some attempt to do this. However, Ansell-Pearson only discerns Marx’s relevance for subjecting post/trans-human theory to critique in the final pages of the Conclusion to his *Germinal Life*. He also addressed briefly the capitalism/transhuman relation in his earlier *Viroid Life*.

Ansell-Pearson argues we should be sceptical about ‘depictions of evolution as moving increasingly in the direction of a posthuman phase’, as these theories biologise and hypostatise developments within capitalism. Secondly, post/transhuman theories give no account of the changing relation between humans and machines – an account that Marxism has a significant stake in. Ansell-Pearson argues that it was ‘Marx’s tremendous insight that it is capital itself which develops as a metaphysics of energy’, and he hails the following quote from Marx:

> It [political economy/private property] develops a *cosmopolitan*, universal energy which breaks through every limit and every bond and posits itself as the *only* policy, the *only* universality, the *only* limit and the *only* bond.

From this exciting beginning, Ansell-Pearson’s attempt to bring Marx into contact with post/transhumanism tails off. First, he debunks Guy Debord’s view that it is the destiny of the working class to ‘humanise the inhuman’ by gaining control over it. He dismisses Debord (on post/transhuman grounds) as an essentialist. In *Viroid Life*, he conflates capital and Nietzsche’s eternal

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103 As demonstrated in Rikowski 2000c. Callard 1998 and Lowe 1995 provide a ‘false start’ for understanding transhumanism through Marx by their focus on the body rather than exploring capitalist socialist relations and capital as a *social force*.

104 Ansell-Pearson 1999.


return by arguing that ‘Capital operates as a virtual machine trapped within a productionist logic of eternal repetition’.\textsuperscript{110} Thus: if the posthuman happens, it develops as a distinctly capitalist social form of life. Furthermore, it is an aspect of capital’s eternal life as eternal return of the Same. Yet this does not square with Ansell-Pearson’s contention that the ‘evolution of the system of capitalism can be de-reified by exposing, through a machinic analysis, the illusion of total control it inevitably gives rise to’.\textsuperscript{111} He seeks to justify this by referring to ‘structural pressures’ that compel groups to move in opposite directions at the same time.\textsuperscript{112} Whether there is capital’s eternal return or capital’s lack of total control due to ‘structural pressures’ forcing groups into conflict, is never followed through by Ansell-Pearson in either Germinal Life or Viroid Life.

Nick Land’s brief posthumanist critique of Marxism is more interesting than Ansell-Pearson’s meandering.\textsuperscript{113} Land argues that Marx’s value theory of labour is anthropomorphic. Thus, ‘surplus-value is not analytically extricable from transhuman machineries’.\textsuperscript{114} The post/transhuman spells the death not just of the ‘human’ but also of the social universe of capital with its substance: value. On this account, ‘virtual capital-extinction is immanent to production’.\textsuperscript{115} Capitalism is the ‘economic base of final-phase human security’ that engenders the posthuman – its real gravedigger.\textsuperscript{116} Here, Land has raised a substantial problem for Marxism.

Donald Lowe seconds Nick Land’s projection on the end of surplus-value production. He argues that ‘robotic, labor-less, non-human machines do not produce surplus-value’.\textsuperscript{117} Unlike Land, Lowe explains why this is the case; surplus-value is extracted from production to satisfy bodily needs, but, with the posthuman, those needs diminish radically as we become at one with machines. The problem with this analysis is that it runs counter to the variegated posthuman futures offered by post/transhumanists. Those posthumans who choose to remain in flesh-covered bodies still have needs, and are therefore potentially capable of value production.

\textsuperscript{110} Ansell-Pearson 1997a, p. 174.
\textsuperscript{111} Ansell-Pearson 1997a, p. 176.
\textsuperscript{112} Ansell-Pearson 1997a, p. 177.
\textsuperscript{113} Land 1998.
\textsuperscript{114} Land 1998, p. 78.
\textsuperscript{115} Ibid.
\textsuperscript{116} Land 1998, p. 81.
\textsuperscript{117} Lowe 1995, p. 175.
In these circumstances, Lowe’s call for us to resist a posthuman future falls into the trap of seeming to want to retain *value production*. Abstract resistance against a posthuman future falls back on itself; we end up saving the very social conditions and arrangements – capitalism – that, if post/transhumanists are correct, are generating a particular (capitalist) form of posthuman future. However, Lowe redeems the situation by arguing for resistance to capital: real resistance is the negation of, and active opposition to, capital. But this misses the other target: *resistance to a form of human life*. With another attempt (but taking the previous two points on board too), Lowe hits both targets:

Resistance is critical in the sense that it seeks to reverse the means/ends relations in the late-capitalist opposition between bodily needs and capital accumulation.\(^{118}\)

In essence, this becomes *human resistance*: *our resistance to the capitalisation of the human, the capitalisation of humanity – resistance to ourselves becoming truly human capital, capital as a life-form within the ‘human’. This is the real horror that the post/transhumanists hide, a horror uncovered later in this article. Having outlined key post/transhumanist concepts, and indicated through the work of Lowe how we can engage Marx with a critique of the transhuman, the following sub section pinpoints some of the basic weaknesses of the post/transhumanist outlook.

*An alien critique of trans/posthumanism*

As an old-fashioned ‘human’, I am alien to the posthuman of the future. As such an alien, a relic of future’s past, I present this sub section as a spoiler for a posthuman future. I bring the posthuman down to earth (and Earth) by posing some points of critique for my potential superior.

(i) *When is post?*

Ironically, the concept of ‘posthuman’ appears to be premised upon some naturalistic conception of the ‘human’ which implies an unwarranted essentialism. The posthuman points towards a fundamental surpassing of the ‘human’: as ‘humans’ are technologised, invaded, taken over and shaped by biochemical manipulation, computer-tech implants and human-computer

\(^{118}\) Ibid.
interaction, then they become something else – posthuman. However, unless the ‘human’ has been fixed beforehand – perhaps resting on some biological or genetic bottom-line – then the posthuman theorists are never ever in a position to say whether the post- has really arrived: that the ‘human’ is history.\(^\text{119}\)

(ii) Technological determinism, demon technology

A further problem is technological determinism. The ‘new technologies’ appear to float free of social relations in post/transhumanist discourse. Technology and biochemical inventions, innovations and products invade human bodies for consumption (or consumption aids), or for enhancing the productivity of labour, or for the basic functioning of the organism. These technological developments, abstracted from capitalist social relations and the structuring elements of capitalist society (value, abstract labour, capital etc.),\(^\text{120}\) form the backdrop to potentially horrific vistas or post/transhuman techtopias. It seems then that:

> Technologies have their own increasingly alien agenda, and human concerns will survive and prosper only when we learn to treat them, not as slaves or simple extensions of ourselves, but as unknown constructs with whom we make creative alliances and wary pacts.\(^\text{121}\)

We must make our peace with technology, otherwise technology invades the body, argues Stelarc.\(^\text{122}\) The machine preys upon humanity, which heralds the end of (human) history, accompanied by new Luddite calls to ‘control the machine’. Post/transhuman theorists who terrorise today’s humanity with prognoses of genetically designed bodies, microchips in the brain and the rest typically lack an explanatory dynamic which underpins such developments and projections. If free-floating technology was a reality, if it really had a ‘life of its own’, then it would not be the powerful enemy it appears to be. Its externality to humans would herald our ability to halt its entry into our bodies. But technology is an expression of capitalist social relations, and these cannot just be sent to the breaker’s yard; they require fundamental forms of social destruction, a mass dismantling on a global scale. Technology, therefore, is not something external to the world of the human.

\(^{119}\) Rikowski 1999b, pp. 56–7.

\(^{120}\) After Postone 1996.

\(^{121}\) Davis 1998, p. 335.

\(^{122}\) Stelarc 1998, p. 117.
(iii) No dynamic for techno-evolution

Yet another problem for post/transhuman theory is its incorporation of artificial rather than natural selection. As UCLA’s Gregory Stock argues, ‘Evolution is being superceded by technology. . . . Humans are becoming objects of conscious design’.\(^{123}\) Kat Arney argues that ‘As we near the end of the twentieth century, it feels as if mankind has ceased to evolve in the biological sense’ for ‘technological evolution has won hands-down over biological evolution’.\(^{124}\) Thus, the ‘survival of the fittest no longer applies’ as ‘disadvantageous genes are passed on’\(^{125}\). We are gradually removing the selective pressures that lie at the heart of classic Darwinian evolution.

Ray Kurzweil argues that, in the present century, humans will have ‘vastly beaten evolution’ therefore ‘achieving in a matter of only thousands of years as much or more than evolution achieved in billions of years’.\(^{126}\) Paul Virilio views the posthuman through post-Darwinism.\(^{127}\) For a future of human-machine integration, symbiosis and fusion, it is artificial – not natural – selection that will determine the selection of types. However, there is the problem of specifying the dynamic, the mechanism for artificial selection. Given the posthuman hype about diversity and choice, Virilio’s artificial selection takes on a chilling note. Posthumans shall decide which posthumans are ‘selected’; thus, against apparent posthuman-liberalism, a ‘master posthuman’ is the outcome of Virilio’s ‘artificial selection’ – unless some non-interventionist mode of artificial selection is applied. But this move merely makes artificial selection as random as natural selection, when its main advantage was that it was under rational control.

But where is the dynamic for artificial selection? Virilio has an answer: science will exert its own ‘will to power’ to attack ‘certain peculiarities of the species’, and scientists will decide, on some criteria or other, the future shape of the posthuman.\(^{128}\) From the post/human choice of selection of types, Virilio shifts to ‘the will to power of science’ for determining survival of types. Virilio reifies science and awards it strange (and ominous) power over human survival. We have a scientistic determinism here: science free from social

\(^{123}\) In Ochert 2000, p. 23.
\(^{124}\) Arney 1998.
\(^{125}\) Arney 1998.
\(^{126}\) Kurzweil 1999, p. 59.
\(^{127}\) Virilio 1995.
\(^{128}\) Virilio 1995, p. 20.
relations and social forms. Yet, if Virilio ‘personifies’ the force of science, then scientists call the shots; we arrive back at post/human selection by post/humans.

(iv) Social limits to trans/posthumanism

Those trans/posthumanists that call for the body to break through social barriers need to address the problem of capital, of capitalism. FM-2030’s assumption that the end of the industrial age signifies the end of capital/ism leads her/him to fail to take capitalism seriously.\textsuperscript{129} Stelarc screams at us that: ‘THE BODY MUST BURST FROM ITS BIOLOGICAL, CULTURAL, AND PLANETARY CONTAINMENT’, without enquiring how we are being contained by capital as social relation and social force.\textsuperscript{130} In effect, the social relations of the movement towards trans/posthumanism are untheorised. This stunts posthuman politics, for there is no realisation that technology cannot ‘burst from its cultural integument’ without a critique of the form of that containment, and a political programme for smashing through it. Without this critique, the spectre of capital haunts the posthuman condition.

(v) Motivation of cybernation

This point is connected to the previous one. Why should posthumans want to smash the social domination of capital when they can adjust to it? Using mood-altering drugs and other technologies, posthumans could simply redesign themselves to cope with its demands. However, the social drive to produce (surplus-) value is infinite in volume, speed and intensity.\textsuperscript{131} Against an infinite social drive, humans, posthumans or superhumans necessarily fall short. ‘Humans drop like flies’ in relation to the infinitude of capital’s social drives, and posthumans would too; their performance in labour (however good) always susceptible to improvement. But, as the question of motivation to terminate capital could be suppressed by technological means, then the tensions involved in producing against an infinite social drive for posthumans may also be subsumed.

This subsection has provided criticisms of trans/posthuman theory/prophecies that collectively pose problems for the contemporary transhumanist

\textsuperscript{129} FM-2030 undated.
\textsuperscript{130} Stelarc 1998, p. 116 – original capitalisation.
\textsuperscript{131} See Rikowski 2000c.
movement. The rest of the paper argues that the whole basis of transhuman theory and prophecy is founded on a serious misreading of history. We are already transhuman in a very specific sense: we are capital, human capital, humanity capitalised.

IV. Karl Marx’s social universe

And even if we scatter to the stars, isn’t it likely that we may take our problems with us or, later, that they have followed us?¹³²

Today, we exist within the capital’s social universe. This is Karl Marx’s social universe, as analysed in Capital. The substance of this social universe is value.¹³³ Capital is value in motion.¹³⁴ Value is not a ‘thing’. In its first incarnation in the capitalist labour process, it inheres within some material ‘things’, in commodities; though it can also be created within immaterial commodities too.¹³⁵ Thus, value, as the substance of the social universe of capital should not be thought of as some kind of ‘stuff’, some material substratum. It is, after all, a social substance. Value can be viewed as being social energy that undergoes transformations: its first metamorphosis being its constitution as capital in the form of surplus-value. It is the matter and anti-matter of Marx’s social universe.¹³⁶

Social phenomena within capital’s social universe are neither self-maintaining nor constitute stable entities. These phenomena, indeed the whole social universe is constantly at risk of implosion. Through labour, we ensure its maintenance. Value is not self-generating, it cannot create itself, nor can it morph into capital on its own accord. It is labour that creates value and mediates its various transformations and forms of movement, firstly into capital on the basis of surplus-value, and then the myriad forms of capital springing from surplus-value.¹³⁷ As Karl Marx indicated in the Grundrisse:

Labour is the living, form-giving fire; it is the transitoriness of things, their temporality, as their formation by living time.¹³⁸

¹³⁵ See Lazzarato 1996.
¹³⁶ See Neary and Rikowski 2000.
¹³⁷ See Marx 1977b, and Postone 1996.
¹³⁸ Marx 1973a, p. 361.
Thus: the existence of the substance (value as social energy) that constitutes the social universe depends upon our labour. Labour, in turn, is dependent upon our capacity to labour, our labour-power: the energy, skills, knowledge, physical and personal qualities that we, as labourers, posses. Marx defined labour-power in the following way, as

the aggregate of those mental and physical capabilities existing in a human being, which he exercises whenever he produces a use-value of any description.  

Labour-power here has real existence: it exists as it is transformed into labour. Within the labour market, it has virtual existence within the body of the potential labourer. Labour-power is fuel for the living re (labour). In the labour process, labour-power (potential, capacity to labour) is transformed into labour (activity, actuality). The personal and physical qualities, powers, skills and so on of labourers are activated by the will of the labourer for the performance of labour.

On the basis of Marx’s definition of labour-power, we can define labour-power as including not just ‘skills’ and knowledge, the foundation of much mainstream education research. It also incorporates the attitudes and personality traits essential for effective performance within the labour process. It depends, therefore, on what is included within ‘mental capabilities’. Empirical research on the recruitment process, where employers assess labour-powers, suggests ‘mental capabilities’ must include work attitudes, social attitudes and personality traits – aspects of our ‘personalities’. These, too, are incorporated within labour-power as it transforms itself into labour.

In contemporary capitalist society, education and training are elements within definite forms of labour-power’s social production. Empirically, these forms show wide variation. The significant point is that the substance of the social universe of capital (value) rests upon our labour, which in turn hinges on labour-power being transformed into labour in the labour process for the production of (im/material) commodities which incorporate value in its ‘cell form’. Labour-power (its formation and quality), rests (though not exclusively) upon education and training in contemporary capitalism. This is the real

139 Marx 1977b, p. 164.
140 See Rikowski 1990.
141 For example, in studies cited in Rikowski 1990.
142 Marx 1977c.
significance of education and training in capitalism today. What constitutes ‘capitalist’ schooling and training as precisely capitalist is that it is implicated in generating the substance of the social universe of capital: value. We have come full circle. It appears that we are trapped within a labyrinth bounded by the margins of capital’s universe. Thus, it seems that, to destroy this social universe for human liberation, it must be imploded. The best place to begin this project is with a critique of the strange, living commodity, labour-power.¹⁴³

Labour-power (that other great class of commodities)¹⁴⁴

It is well known that Karl Marx opened his first volume of Capital with the commodity, and not with capital. Marx first of all draws our attention to the fact that

the wealth of those societies in which the capitalist mode of production prevails, presents itself as ‘an immense accumulation of commodities,’ its unit being a single commodity. Our investigation must therefore begin with the analysis of a commodity.¹⁴⁵

For Marx, analysis of capitalist society begins with the commodity, as it is the ‘economic cell-form’ of that society.¹⁴⁶ It is the most basic element that can inform us about the more complex phenomena springing from it. The commodity was the perfect starting point for Marx as it incorporates the fundamental structuring elements of capitalist society: value, use-value and exchange-value posited on the basis of abstract labour as measured by labour-time.¹⁴⁷ It is the condensed ‘general form of the product’ in capitalist society,¹⁴⁸ the ‘most elementary form of bourgeois wealth’,¹⁴⁹ and hence the ‘formation and premise of capitalist production’.¹⁵⁰ Commodities are also ‘the first result of the immediate process of capitalist production, its product’.¹⁵¹

Less well known is that, in Theories of Surplus-Value – Part I, Marx makes it clear that there are two classes or categories of commodities within capital’s social universe. For

¹⁴³ As argued in Rikowski 1999a and 2000b.
¹⁴⁴ This sub section draws from Rikowski 2000a.
¹⁴⁵ Marx 1977b, p. 43. Marx had made this point previously in Marx 1973a, p. 881.
¹⁴⁶ Marx 1977c, p. 19.
¹⁵⁰ Marx 1979, p. 1004.
¹⁵¹ Marx 1979, p. 974.
the whole world of ‘commodities’ can be divided into two great parts. First, labour-power; second, commodities as distinct from labour-power itself.\textsuperscript{152}

These commodities are distinguished essentially on the following consideration:

A commodity – as distinguished from labour-power itself – is a material thing confronting man, a thing of a certain utility for him, in which a definite quantity of labour is fixed or materialised.\textsuperscript{153}

Later, in *Theories of Surplus-Value – Part I*, Marx criticises Adam Smith for holding that the commodity, in order to incorporate value, has to be a physical, material thing. Value is a social substance; it has, therefore, a social mode of existence.\textsuperscript{154} However, the examples Marx uses in *Capital* to illustrate his arguments related mainly to material commodities: coats, iron, paper and so on. In the first volume of *Capital*, Marx states that: ‘A commodity is, in the first place, an object outside us, a thing that by its properties satisfies human wants of some sort or another’.\textsuperscript{155} Here, he appears to be ruling out immaterial products such as health and education. Yet a radical interpretation of Marx would start out from the commodity as inclusive of material and immaterial forms. Indeed, the distinction between material and immaterial commodities is practically dissolving on a daily basis.\textsuperscript{156} The commodity-form is taking hold of all spheres of social existence.

Marx’s original distinction between labour-power and the ‘general class’ of commodities was that the latter were external to the person of the labourer, whereas labour-power was incorporated within personhood itself. However, with people buying cosmetic surgery, the market in spare body parts and the future beckoning big business in human re/design, the physical externality of the ‘general class’ of commodities to human beings is no longer what it was in Marx’s day. These developments herald the breakdown of this aspect of Marx’s original distinction between the two great classes of commodities. What, then, is the distinction between the two categories of commodities if the externality criterion is no longer what it was?

A distinction may still exist on the following considerations. First, labour-power is an aspect of the person; it is internal to personhood, in a special

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\textsuperscript{152} & Marx 1969, p. 167. \\
\textsuperscript{153} & Marx 1969, p. 164 – original emphasis. \\
\textsuperscript{154} & Marx 1969, p. 171. \\
\textsuperscript{155} & Marx 1977b, p. 43 – emphasis added. \\
\textsuperscript{156} & Hardt and Negri, 2000. \\
\end{tabular}
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sense. It is a unified *force* flowing throughout the person. The installation of a new heart – an object originally external to the person in question – does not alter this. Labour-power has no *specific location* within personhood; it is a force flowing throughout the totality of the person. Labour-power has reality *only* within the person, whereas general commodities have existence external to the person and can also become elements of persons, as increasing numbers of medical products become incorporated within the human. Labour-power, as a human force, cannot leave humans and act as the same force within bricks. As Marx noted, labour-power does ‘not exist apart from him [the labourer] at all’.\(^{157}\) It cannot be *external* to the person. Marx notes the ‘uniqueness’ of labour-power in this respect.\(^{158}\) Secondly, labour-power (unlike a brick) is under the sway of a potentially hostile will. Internality and consciousness distinguish labour-power from the general class of commodities.

Labour-power on this account is the special commodity that generates value and surplus-value (the substance of capital) through its transformation into labour. Without human labour-power, there is no capital – no matter what the level of technological development.\(^ {159}\) In contemporary capitalist society, labour-power takes on added significance. Its quality enhancement is increasingly being viewed by representatives of capital as a new strategy for increasing relative surplus-value.

**Relative surplus-value: on the basis of labour-power enhancement**

There are two main ways of producing surplus-value. The first is to extend the length of the working day. This effectively extends the labour-time that labourers are engaged in producing surplus-value. Marx called this *absolute* surplus-value production. This form of surplus-value production has absolute limits: there are only twenty-four hours in a day and workers have to sleep, eat and reproduce. Attempts to break through the latter limits (as in the Industrial Revolution) result in the physical and mental deterioration of workers – thus ultimately affecting the *quality* of their labour-powers.

The second method of surplus-value creation Marx called *relative* surplus-value production. Here, the labour-time it takes to produce value equal to the value of labour-power (necessary labour) is reduced. The main way that

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\(^{157}\) Marx 1973a, p. 267.  
\(^{158}\) Marx 1969, p. 45.  
\(^{159}\) Rikowski 2001a.
this has occurred historically is through the application of machinery and automation to production. Application of new technology has the effect of reducing the labour-time necessary for generating value equivalent to the value of labour-power. It increases labour productivity, and also de-values the goods labourers need to maintain their labour-powers. On a global scale, this effectively reduces the value of labour-power across the board, as the value of each of the ‘necessities’ constituting the value of labour-power, falls. This process increases the labour-time devoted to surplus-value production, as a proportion of total labour-time (whilst this remains constant). The point at which surplus-value arises from labouring in the labour process is reached earlier as compared with before the new technology was introduced. The working day is re-divided on the basis of necessary labour-time, yielding more surplus-value in the process. But this is only one way of producing relative surplus-value.

In an era of the intensification of capitalist globalisation, where technological innovation spreads more quickly than ever before, capitals have been seeking new ways of generating relative surplus-value. One of these has gained increasing sponsorship in recent years: the strategy of enhancing the quality of labour-power itself. It has the effect of reducing necessary labour. The technicist point regarding whether ‘really existing’ education and training policies actually have this effect is not the issue – though it is a key concern for mainstream education and training researchers. The essential point to grasp is that in contemporary capitalism there is a social drive to enhance the quality of human labour-power. This social drive, like all of capital’s social drives is infinite. It would not make logical sense within the perverted social universe of capital to suggest any absolute limit on the basis of the functioning of the system.¹⁶⁰

However, in similar fashion to absolute surplus-value production, the infinite social drive to enhance the quality of human labour-power clashes with a number of practical considerations. First, labour-power development depends on co-operation – which expresses itself in the ‘problem of motivation’, an individual willingness to aid development of one’s own labour-power. Secondly, when pushed too far, we witness the phenomenon of ‘humans dropping like flies’: humans buckling under as they are subjected to concrete (and hence

¹⁶⁰ Just as there are no logical limits to value production, a moral limit on what constitutes a ‘fair wage’ or ‘a good day’s work’ has no social validity within capital’s social universe.
necessarily limited) manifestations of an infinite social drive. Thus: depression (with no terminal point to ‘improvement’); various forms of stress and ill health; and so on. Thirdly, people may protest and effectively revolt against an impersonal social drive ‘manifesting’ itself as concrete social practice. Fourthly, those generating these social practices are themselves all too human, and hence also ‘capitalised’. As capitalised life-forms, the designers of concrete schemes that seek to nurture a social drive that is infinite can do this precisely because they have some affinity with these social practices that express capital’s social drives. Fifthly, as ‘we’ are capital too, it is possible for us to aesthetically and logically appreciate attempted concrete expressions of infinite social drives, whilst also being able to see the contradiction involved. This contradiction is the notion that an infinite social drive can be concretely expressed. The prospect is absurd, as it assumes infinite resources, time, labour (of a quality that is ‘infinitely good’) and effort to activate and effect the infinite social drive.

The analysis of labour-power is a necessary step for viewing our development: the human as capital. By this token, this section is also a resource for the alien theses on the future of the human outlined in the next section.

V. Alien theses

There is . . . no need to search for alien intelligent life since it is already deep within us. This section outlines some theses that generate our future as human capital, which is an unstable future masquerading as never-ending story. This instability at the heart of capital’s social universe – the human as capital – is an optimistic outcome. Because we are forms of capital, we also incorporate its contradictions. It is our attempts to solve these contradictions – as they flow through our everyday lives – that provides the dynamic for leading us to conclude that the only real solution to these problems is to implode the social universe of capital through collective social force. On this basis, capital’s social universe can never be in ‘steady-state’ mode. As Harry Cleaver notes:

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161 See Rikowski 1999a.
162 See Rikowski 1999b.
163 Ansell-Pearson 1997b, p. 182.
164 See Rikowski 1999b.
Capital can never win, totally once and for all. It must tolerate the continued existence of an alien subjectivity which constantly threatens to destroy it.\textsuperscript{165}

Thus, human liberation from capital does not depend on an ethic that rests on arguing things could be otherwise (and better),\textsuperscript{166} and that people ought to want the alternative – though this helps. Rather, we are driven (individually, socially and collectively), as capitalised life-forms, to seek solutions to our predicament. This is the social form of ‘agency’ in capitalist society – the attempt to break free of the social force that deeply possesses us: capital.

The irony is that, as we are capital, then this enables us to think as and through capital – all the better to grasp its workings and its madness, and all the better to locate the weaknesses in its social domination. We use capital’s existence within us as a basis for its critique and dissolution. We turn ourselves against our selves.

This way of envisioning capital’s social universe has important consequences for Marxist humanism. First, the struggle to be ‘human’ has been lost within capitalist society; we are becoming capital on an incremental (generation-by-generation) scale. Secondly, Marxist humanism is a struggle against what we have become, and also against where we are headed: the posthuman as capitalised life-form. On the above account, we are driven into this struggle. Thus: Marxist humanism has real social existence as this struggle. It is not primarily a philosophy or ethic of the liberation of mankind (though it is also this); it is much more important. It expresses a necessary struggle. Thirdly, Marxist humanism holds out a promise: our collective and individual capacity (if not right) to define the ‘human’, and also posthuman futures.

What is the social form of the human? The following alien theses have been developed with this question in view.

(i)

If social energy (or force) constitutes the social universe of capital and value is its substance, then there is no externality. There is no ‘outside’ of this social universe. Our creation constitutes itself by its extension through our labour. Neither does an ‘inside’ pertain; the social universe of capital is all that there

\textsuperscript{165} Cleaver in Neary 1997, p. 25.
\textsuperscript{166} As in Postone 1996.
is, as the sum of ‘the social’. Hence, every social phenomenon is already situated as an element within this social universe and assumes a particular social form on this basis. This applies to the ‘human’ too. There can be no exceptions, as this implies either externality beyond the social field of force (i.e. existence within another social universe), or a vacuum within the field (the mythical ‘spaces between the margins’ of postmodern folk law). The ‘human’ as a form of capital can be conveniently called human capital; the critique of human capital, therefore, becomes a critique of the form of the ‘human’ as given by capitalist society.

(ii)

The development of capitalism coincides with the capitalisation of humanity.\textsuperscript{167} Humans increasingly become something Other than human: a new life-form, a ‘new species’.\textsuperscript{168} This is because capital is a progressive movement towards totality. Its development on this basis ‘consists precisely in subordinating all elements of society to itself’ for ‘this is historically how it becomes a totality’.\textsuperscript{169} This includes the ‘human’ – there are no exceptions. With the deepening and strengthening of capital as social force within its own social energy domain, we evolve as capitalist life-form: human capital.

(iii)

Labour-power’s transformation into labour within the labour process generates (surplus-)value. Labour-power flows throughout personhood; it is a unitary force. Labour-power’s social form in capitalist society is as human capital. Labour-power is the flip-side of human capital. Human capital has a double form: as the social form that labour-power assumes in capitalist society, and as the form of the ‘human’. The reduction of humanity to labour-power simultaneously expresses the practical reduction of the ‘human’ to capital. Labour-power flows throughout personhood, hence the person is capital.\textsuperscript{170} I am capital.

\textsuperscript{167} Rikowski 1999b, p. 50.
\textsuperscript{168} Marx 1977a.
\textsuperscript{169} Marx 1973a.
\textsuperscript{170} See Rikowski 1999b.
(iv)

Marx provides a further thesis for the capitalisation of the ‘human’. In the capitalist labour process, labour-power becomes part of capital: it is capitalised. As Marx notes, in the labour process

the worker functions here as a special natural form of this capital, as distinct from the elements of capital that exist in the natural form of means of production.\textsuperscript{171}

Furthermore, labourers develop themselves as labour-power within the labour process, but as labour-power of a specific kind: human capital. There is a two-fold process going on when labourers labour within the capitalist labour process:

the individual not only develops his abilities in production but also expends them, uses them up in the act of production.\textsuperscript{172} . . . [And hence] . . . Universal prostitution appears as a necessary phase in the development of the social character of personal talents, capacities, abilities, activities . . .\textsuperscript{173}

As labour-power is inseparable from the person (and flows throughout personhood), then we have personhood capitalised, humans capitalised, human capital.\textsuperscript{174}

Taking these theses together, then:

Capital becomes a living social force within the human . . . and this is the basis of the transhuman; it is this that makes us ‘extra-human’. Capital is not just ‘out there’; we are it, it is us.\textsuperscript{175}

We are already transhuman as a life-form within the social universe of capital.

Human capital, then, can be viewed as the social form that labour-power assumes in capitalist society. Human capital acts as a virus on labour-power in contemporary society. On the analysis flowing from the above theses, contradictions of capital course through our personhoods. The contradictions between value, use-value and exchange-value, are aspects of our personhoods as they are aspects of labour-power that are expressed through corresponding

\textsuperscript{171} Marx 1973b, pp. 455–6.
\textsuperscript{172} Marx 1973b, p. 90.
\textsuperscript{173} Marx 1973a, p. 163.
\textsuperscript{174} Rikowski 1999b, pp. 70–1.
\textsuperscript{175} Rikowski 1999b, p. 71.
aspects of labour.\textsuperscript{176} Hence, we are ‘screwed up’ by capital as we organise our skills, capacities, abilities and personal characteristics and attitudes and other labour-power attributes to meet the contradictory demands (such as quantitative/speed imperatives clashing against qualitative drives) inherent in value creation. To the extent that we think through these categories, we are doubly confused: for example, as in attempts to frame education and training policies that are ‘coherent’ – when no such coherence is possible.\textsuperscript{177}

Our social constitution (or social being) is founded on a contradiction that plays even more havoc within our individual and collective existences than those founded on the basis of labour-power as human capital. This is the contradiction between our selves as \textit{labour and as capital}. The ‘class relation’ is internal to personhood, as well as external to it. Our social existence as \textit{labour} clashes daily with our social existence (our constitution) as \textit{capital}. We have a double life, two ways of existing (with their related and antagonistic emotions, drives, desires etc.) that clash within our personhoods. This practical dialectic blights our lives, whilst simultaneously driving us on individually and collectively to deal with the everyday problems generated by it. The only solution is to \textit{dissolve} the relation, but the forces that it conjures up within our personhoods provides a \textit{dynamic}, exceeding any ‘moral’ arguments for socialism, that indicates why such a dramatic dissolution through collective action is urgent for us.

Class, on the analysis advanced here is:

\begin{quote}
the capital relation: the dynamic, contradictory, antagonistic relation that generates and maintains the social universe of capital.\textsuperscript{178}
\end{quote}

Social class \textit{is} the capital-labour relation that is internal to personhood, as well as structuring relations \textit{between} people. We are divided against ourselves, and within our selves. What is required to articulate all this is a \textit{psychology of capital}, a psychology of the human condition in a society dominated by capital.

\textsuperscript{176} Rikowski 2002, pp. 187–93. Basically, the value aspect of labour-power refers to the capacity to labour in relation to its \textit{quantitative} element (i.e. speed and intensity). The use value aspect of labour-power pinpoints the \textit{qualitative} element (consideration to the quality of labour and product). The exchange aspect of labour-power rests on the formal \textit{equality} of labour, and this is established on the basis of \textit{abstract} labour that is the substance of value.

\textsuperscript{177} See Rikowski 2001b.

\textsuperscript{178} Rikowski 2001c, p. 14.
Finally, as *labour in capital*, we incorporate two further labour-power aspects within our selves: the *subjective* and the *collective*.\(^{179}\) The former is labour-power in its will-determined moment, the labourer’s relative willingness to transform her labour-power into actual labour in the labour process. To the extent that this subordination occurs, the labourer *becomes capital* and the *other* labour-power aspects and attributes are developed as capital in their first moments of social existence within the person.\(^{180}\) Yet our social constitution as *labour against capital* forms a social limit to our becoming capital, as we strive to better our lives (individually and collectively) on the basis of antithetical drives whose realisation implies practical challenges to capital (for example, higher wages, better working conditions etc.). It also forms a limit to the subordination of our wills under capital.

The collective aspect of labour-power can be viewed as an ‘agglomeration and amalgamation of the individual labour-powers of workers set in motion for capital’.\(^{181}\) As Marx indicated, this:

> collective power of labour, its characteristic as a social force, is therefore the collective power of capital.\(^{182}\)

As labour can be viewed as a collective force, so can labour-power, notes Marx. It can be viewed as an ‘accumulation of labour-powers’.\(^{183}\) This is where the quality of *co-operation* between labourers and their labour-powers is to the fore. Empirically, this is reflected in recruitment studies that point towards worker co-operation, people ‘fitting-in’ with other workers – which are held to impact positively on productivity.

The focus on the capital relation, labour-power and labour-power aspects through the work of Marx has the potential to tell us more about the ‘future of the human’ than any whiz-bang transhumanist theses based on scientific and technological developments. Consideration of the former group of phenomena opens up the possibilities for a ‘real psychology’ of the ‘human’, which is also a psychology of capital. Such a psychology has yet to be written. Exclusive focus on the technologies and science that seemingly generate the ‘transhuman condition’ avoids the social forces that set limits to what ‘the

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\(^{180}\) Rikowski 1996, p. 8.  
\(^{181}\) Ibid.  
\(^{182}\) Marx 1973a, p. 585.  
\(^{183}\) Ibid.
human’ can become. Thus, the fantasies of those such as Natasha Vita-More (multiple sex organs, leopard fur on our arms etc.) are abstracted from the social universe in which we find ourselves: the social universe of capital. Whilst choice, self-expression and fun are emphasised by some transhumanists, they hide their heads in sand when it comes to the social form of the human in capitalist society, and what implications such a society and such a human form might hold for the ‘future of the human’.

Some critics of transhumanism such as Bill Joy point to certain dangers of realising the mainstream transhuman future. Some critics of transhumanism such as Bill Joy point to certain dangers of realising the mainstream transhuman future. There is the likely high percentage of cloned humans that would die early or have defects, the possibilities that nanobots might run amok and turn everything into ‘grey goo’, or the introduction of new mental illnesses through inserting computer chips in our brains, and many more frightening possibilities. Francis Fukuyama, meanwhile, worries about the ethical status of the ‘posthuman’, our claims to rights and dignity when we attain such a state and the possibilities for authoritarian politics that the new technologies open up (such as selective breeding, life prolongation and so on). Of course, there may be other sorts of limits to the realisation of the posthuman – scientific, technical, and economic (some human ‘improvements’ might just cost too much) – as well as those grounded in the nature of capital’s social universe. However, an exclusive focus on the feasibility of the relevant scientific and technological generators of the posthuman would severely limit the critique of transhumanism. Such an analysis, by itself, would mirror the technological determinism that is one of the weaknesses of transhumanist theory. In avoiding a social analysis of the form of the ‘human’ in contemporary society, such an analysis would give succour to the closure of the ‘future of the human’. It would forestall and cloud the uncovering of the dynamic that can offer us possibilities for a way out of capital’s universe and hence possibilities for a form of the human that is not-capitalised. This dynamic is the interplay of social forces, drives and contradictions that constitute the human in contemporary society, a dynamic that can at least point towards a ‘human’ condition beyond capital, as well as indicating how we labour in and against capital. This dynamic, or dialectic, that is internal to personhood, does not just imply that resistance to capital is defined into social being. It implies that conformity to capital’s imperatives

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184 See Joy 2000.
185 Fukuyama 2002.
(through the value, use-value and exchange-value aspects of labour-power) is also incorporated within personhood. The class struggle is *within us*, as well as everywhere else where our labour has any effectivity – that is, everywhere we know. This is the *openness* at the heart of the perspective on the ‘human’ outlined in this article: resistance or conformity to capital’s imperatives? The choice is there every microsecond.

On the other hand, it might appear that my rendering of the ‘human’ (or transhuman) condition is more horrific, more gloomy and doom-ridden than anything the transhumanists throw up. Some readers may find the suggestion ‘we are capital’ offensive and repugnant, and retreat into notions of dignity, autonomy or some ‘rock-solid’ values, or into beliefs in the sanctity of Humanity. Others might think the suggestion simply in bad taste. But one of the strengths of transhumanist writings is that they pinpoint many of the weaknesses of our current situation as humans: death, disease, and gender and race inequality (these are redundant if we choose sexes, skin colours and other physical features) are key examples. It is also possible to develop transhuman principles, as Max More has done. However, within the social universe of capital, all moral principles – including More’s – have no social validity. Values have *virtual* existence, as ‘justice’, ‘dignity’ and other values cannot have any substance in capital’s realm, and so they exist only as the struggles to establish their possibility. It is *value* that determines our ‘social worth’ in capital’s universe; the value of the labour-time that goes into the social production of our labour-powers fixes our real ‘worth’ as individuals. This point indicates the significance of education and training in contemporary capitalism, and other institutions involved in the social production of labour-power. The labour of teachers, trainers and developers of labour-power determines our individual worth *qua* individuals. So, people do not have equal social worth in capitalist society, though in theory it is possible. But this point may horrify some even more than the notion that ‘we are capital’!

The horror works both ways, fortunately. The horror that is our social existence nurtures sickening dreams for ourselves as capital, especially those of us that push the ‘capital’ aspect of ourselves to the forefront of our lives. That is, for those that can be readily recognised as ‘representatives’ of capital in their everyday identifications. For:

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186 As in More 1999.
187 See Rikowski 2000a; and Rikowski in McLaren and Rikowski 2001.
188 This theoretical possibility is discussed in Rikowski 2000a.
[The] oppositional forces within personhood ensure openness within the social universe of capital; a universe that moves and expands on the foundation of the clashing of drives and forces within its totality. This openness does not exist within postmodernist aporias, or in some social spaces ‘in the margins’, or in the borders of this social universe. There are no such spaces, in my view. There is nowhere to hide. The social universe of capital is all that there is. Rather, the openness results from the clash of social forces and drives... [And] there is one [social force] that has the capacity to destroy the whole basis of the social universe of capital. This is the collective social force of the working class acting on a global scale to destroy capitalist social relations, to annihilate capital itself, and this is the communist impulse at its most vital, when there is a massive movement of social force and energy. The capitalist social universe, whose substance is value, implodes when this social force to move human history on from pre-history generates sufficient pressure. In the routine running and expansion of the social universe of capital, this force is suppressed – it only has virtual existence. But it is our hope for the future.\textsuperscript{189}

\textbf{Conclusion: the future of the human}

Marx’s writings open up the future of the human. Within the closed (but ever-expanding) social universe of capital, the future of the human is already cast – prefigured on the basis of existing social relations. This future (and this present) first appears as horror; the ‘human’ possessed by capital – with no escape possible, as capital is everywhere. However, the horror works both ways; the potential for awareness of our predicament as capital also increases historically. In this awareness, hope resides, for the potentiality to loathe what we are becoming increases the more we become un-human.

But hope is not enough. We may hope that critical analyses of society can expose the gap between what is and what might be.\textsuperscript{190} We can hope that the obvious social inequalities and poverty throughout global capital fire enough anger to burn up the source of those inequalities and impoverishment. We may hope that some emerging cyborg entity prefigures the socialist being of the future. However, unless there are possibilities for pinpointing a dynamic

\textsuperscript{190} As in Postone 1996.
incorporated within our own personhoods that drives us towards breaking out of the labyrinth of capital towards socialism, then these hopes may be all that we are left with. This article makes inroads into uncovering such a dynamic through and exploration of the ‘human’ and the transhuman in the context of the writings of Marx. Our social constitution as both capital and labour (which also incorporates the contradictions within and between these) drives us on to seek solutions to our own condition – but with no guarantee of success. The invasive social force within us – capital – could win out.

This article has explored the social form of the ‘human’ in capitalist society. Capital is an invasive social force that ‘possesses’ the human, and the intensity of this non-human force to permeate our lives, our souls, increases historically. We are becoming *capitalised*, which is the becoming of capital within us. Secondly, the argument shows that labour-power – that unique, living, yet most abominable of commodities – is the primary conduit through which capital flows into our personhoods. The form that labour-power takes in capitalist society is human capital, and as labour-power flows throughout our personhoods, so too does capital in its ‘human’ form. Thirdly, in this sense, the ‘transhuman’ already exists; we are already transhuman as human capital. Fourthly, as social entities, we are therefore constituted in such a way that we incorporate the contradictions internal to capital and the violent dialectic between capital and labour within our being. We are inherently unstable, messed-up social beings. The only real solution to our condition is the collective dissolution of that social force which powers our sickness: *capital* and its social universe based on value. Fifthly, our instability and our experiences as living contradiction-ridden lives in a world where only *value*, rather than values, has social validity, means that we are *driven* to constantly seek all kinds of ‘solutions’ to our condition and the problems of everyday life. We may also nurture hopes and fantasies that fall well short of what is required to truly make us the ‘new species’, a form of human life where self-creation is unfettered by the iron cage of capital. For humans, notes Cyril Smith:

> create themselves by simultaneously creating not only the physical conditions of their own life, but also the *social forms within which this creation occurs*.191

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In capitalist society, the social form of the human erects barriers to human self-creation and development. The development of the ‘human’ as capital intensifies with capitalist social development, and this process becomes increasingly obvious, if we have the courage to see and act on it. Finally, in acting on this realisation and effectively setting about changing both society and ourselves as currently constituted we open up ‘the future of the human’. We open up what we can become, and possibilities for what Cyril Smith calls ‘living humanly’ with each other.\textsuperscript{192}

Transhumanists might hold this article has treated them very badly. Transhumanism and posthuman thought has been a vehicle for thinking through problems of the ‘human’. Furthermore, it has been argued that transhumanism avoids analysis of the social force that invades the human whilst also setting limits to what the trans/human is and can become; it avoids capital and the constitution of the ‘human’ in capitalist society. Thus, as a result, transhumanism engenders dreams and fantasies. Posthuman politics remains abstract. These apparently bold thinkers shy away from the impossibility of many of the futures they envisage, whilst under-analysing a transhuman future dominated by capital. In the event, they misread history and fail to adequately ground their own project. Perhaps what the transhumanist movement really needs, therefore, is a project based on Marxist theory that can open up the future in ways that excite transhumanists. A Marxist transhumanism suggests itself here, together with a posthuman politics based on destroying the social force that blocks the emergence of cuddly forms of the posthuman: capital. Perhaps this article, therefore, has done some service to the transhumanist movement, but the ball is now in the transhumanist court.

The style and forms of argumentation of this article have not conformed to standard Marxist exposition and writing. But I would argue that the messy twists and turns of the text were necessary to unfold the ‘horror within’. For me, taking such risks is part of what research in critical Marxist theory is all about.

Meanwhile, the potential horrors presented by the trans/posthumanists as compared with \textit{us as capital} seem like Dr. Who as compared with \textit{The Exorcist}.

Gnat-sized robots, microscopic gyroscopes, television beamed directly onto your retina. This may sound like a grocery list for a crazed sci-fi visionary.

\textsuperscript{192} Smith 1996, p. 100.
But all these projects are in the works today, thanks to an emerging chip technology known as microelectromechanical systems (MEMS).\footnote{Leonard 2000, p. 162.}

Be afraid, be very afraid – but not of this!

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I. Habermas’s Marxist credentials

In my judgement, there is more sympathy among radicals on the academic Left for Adorno’s conception of critical theory than there is for that of Jürgen Habermas.¹ This prompts the question, why the relative charity shown to Adorno and the relative hostility towards Habermas?² One reason for the latter might be that Habermas has never heeded Wilde’s good advice: a man cannot be too careful in choosing his enemies.³ He has succeeded in making enemies on the Left as well as on the Right. Over the years, he has demonstrated a ruthlessly pragmatic willingness to cull sacred cows – such as the philosophy of history and the conception of society as a macrosociety – in the interests of theoretical hygiene.

¹ This may not be true in cultural studies, where the stereotype of Adorno as a mandarin aesthete and implacable enemy of mass culture still predominates.
² I find the general reverence with which the intellectual Left now treats Adorno’s work puzzling. Why Adorno, of all people, who held the view that almost any revolutionary political practice was adventitious and misguided? Why, by contrast, is so little attention now paid, say, to the more praxis-oriented philosophies of Marcuse or Sartre?
³ Neither, of course, did Oscar Wilde.
Furthermore, he has never shirked from swimming against the intellectual tide, as demonstrated by his defence in the 1980s of modernity as an unfinished project, and by his tireless championing of the unfashionable causes of rationalism and moral universalism. This may help explain why so many academic Marxists, in a consensus that is ironically almost worthy of an ideal speech situation, concur that Habermas has sold out theoretically to analytic philosophy and to liberal political philosophy, and politically to some form of democratic socialism. I do not like the phrase ‘sold out’. For one thing, it is freighted with connotations of apostasy that are entirely inappropriate. The willingness to abandon or revise untenable theories and to borrow from diverse intellectual traditions are, to my mind, epistemic and intellectual virtues. Nonetheless, Habermas’s work continues to provoke hostile responses from many Marxists, who appear to suspect that his reconstruction of historical materialism and critical social theory represents less a movement within Marxism than a departure from it.  

I doubt that there is a useful distinction to be made here, at least not one that does not trade on an essentially contestable conception of Marxism. Take the example of Habermas’s defence of the post-war welfare state compromise. Habermas defends Western liberal democratic institutions insofar as they embody the normative, universalistic ideals of the European Enlightenment, and believes that these institutions are worth preserving insofar as they are able to coexist with, and contain the corrosive and destabilising effects of, capitalist market economies. Obviously, then, Habermas is not a Marxist, if being a Marxist means believing that the state should be abolished or allowed to wither away and that the market economy should be replaced by an alternative politically or democratically regulated institution of production and distribution. But, if having a deep commitment to the values of a liberal-democratic culture and to a radical conception of national and international redistributive justice, grounded in the universalistic ideals of the Enlightenment, is a sufficient credential for being a Marxist these days, then he is one. There is a lot more to be said on the question of Habermas’s relation to Marxism and there are no short answers to be had. A short answer to the question of whether the term ‘Marxist’ is still applicable to Habermas’s social theory would, anyway, only be of symbolic or academic importance, that is, of

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importance only to those for whom Marxism is a badge of allegiance, or to those who want to place Habermas’s work within or without a particular intellectual tradition.

I raise the issue of Habermas’s Marxism primarily as a preamble to the more tractable question of the merits of Adorno’s vis-à-vis Habermas’s conception of ideology: a question posed, in a recent issue of this journal, by Deborah Cook. She defends Adorno’s theory of ideology and attacks Habermas’s social theory as ‘ideologically suspect’. I take her views to be an instructive example of the tendency I have described and which I think is misplaced. I shall take this opportunity to defend Habermas against Cook, and to reinforce Habermas’s well-placed objections to Adorno’s conception of critical theory. I also argue that Habermas’s criticisms do not go far enough, because Adorno’s conception of ideology, which Cook defends, is actually incoherent. A fortiori, it is of no practical or theoretical relevance to social theorists and they should look for alternatives. Unfortunately, what I call the classical pejorative concept of ideology is, though not incoherent, still too outlandish to serve as a basic explanatory category of social theory. Whilst Habermas’s version of social criticism is complex, and sometimes cumbersome, it is much more promising than Adorno’s. Whether Habermas’s critical theory should still be deemed ideology-criticism is a moot point. Certainly, his conception of what ideology is differs both from Adorno’s and from the classical pejorative concept, and this difference in the use of the concept modifies the concomitant notion of ideology-criticism.

II. Is Habermas’s critique of Adorno’s critical theory defensible?

Before I tackle the first question directly and offer my own argument against Adorno’s concept of ideology, let me address the question of whether Habermas’s criticisms of Adorno are warranted.

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6 Cook 2000, p. 84.
7 Cook 2000, pp. 68–87.
8 Obviously, I do not deny that Adorno wrote provocative, interesting, insightful and beautifully-crafted works, which repay detailed attention and have much to offer philosophers and social theorists. Further, I believe that theories are tools that can be put to a variety of different uses, among which are the aims of understanding society and achieving social change. So, unlike Adorno, I think that the instrumental value or utility of social theory is harmless.
Cook claims that Habermas’s criticism is unjustified, because Adorno ‘never denied the rational potential in bourgeois culture’. Of course, in one sense, Adorno did not deny this. He and Horkheimer famously remark in the Preface to the *Dialectic of Enlightenment* that ‘social freedom is inseparable from enlightened thought’, and they are certainly thinking, among other things, of the humanitarian ideals of liberty, equality and fraternity, that is, of the ‘liberal ideology’ which Cook takes to be the basis of Adorno’s ideology-critique. But this evidence is as double-edged as Adorno’s conception of enlightenment rationality. For Adorno claims that the very enlightenment rationality that was supposed to liberate human beings has, in fact, enslaved them, and led instead to a reversion to barbarism. Moreover, this reversion is not an accident of the implementation of enlightenment ideals, for the notion of ‘this very way of thinking [i.e., rational enlightened thought – GF] . . . already contains the seed of the reversal universally apparent today’.

Cook’s defence of Adorno trades on the ambiguity of the phrase ‘rational potential’, which means something very different for Adorno and Horkheimer than it does for Habermas. For Adorno and Horkheimer, evidently, the rational potential of modern culture is also the seed of destruction; it is the danger as well as the saving power. The same is not true of Habermas, who makes a categorial distinction between communicative and instrumental rationality. Using this distinction, Habermas argues that the expansion of systems of instrumental rationality that takes place under the process of modernisation has socially deleterious effects, but (and, here, he differs from Adorno) that rationality and rationalisation *per se* are not inherently pernicious. Thus, Habermas denies that the spread of *communicative* rationality (for example, the growth of the public sphere) has any anti-social or inhumane consequences. This denial is crucial. For whilst it might be true, as Cook claims, that Adorno

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9 Cook 2000, pp. 67, 70.
10 Adorno 1969, p. 3; Cook 2000, p. 68. The notion of fraternity persists in a modified form in Habermas’s social theory, in the notion of ‘universal solidarity’.
11 Adorno 1969, p. 3. The Preface, which I cite, was written shortly before publication in 1944.
12 This is a quotation from Hölderlin’s wonderful Ode Patmos, which Adorno quotes in order to capture the precarious dialectical situation of Odysseus, and, by extension, of bourgeois subjectivity. ‘Wo aber Gefahr ist, wächst das Rettende auch [Where there is danger, the saving power increases also.]’ Adorno 1969, p. 45.
acknowledges a rational potential in bourgeois culture in his peculiar double-edged sense of ‘rational’, this acknowledgement cannot save him from Habermas’s objection that Adorno fails to acknowledge the existence of any rational potential that is not at the same time a potential for regression and destruction. Now, it may appear a little churlish for Habermas to criticise Adorno and Horkheimer for not drawing the distinction he himself draws between instrumental and communicative rationality. Nevertheless, he is surely justified in claiming that, because of their too one-sided and pessimistic conception of enlightenment rationality, the anthropological-cum-historical narrative that Adorno and Horkheimer relate in the *Dialectic of Enlightenment* is too crude, too all-encompassing and too vitiated to provide a nuanced and accurate account of the process of modernisation.\(^{13}\)

In her defence of Adorno, Cook simply ignores that Adorno’s conception of the ‘rational potential’ of modern culture is double-edged. In fact, it is not just dialectical, it is barbed. According to Cook, ‘Adorno insisted on the value of culture in the face of the lie of exchange’. For a whole variety of different reasons, only some of which I can go into here, this way of putting it is very misleading. Adorno thinks that the subsumptive relation of identity between general concepts and particular objects is of a kind with exchange relations.\(^{14}\) This is why he argues that the phenomenon of reification extends all the way to meaning and language.\(^{15}\) The net effect is that identity-thinking is perfectly fitted to what Adorno calls the ‘false’ world. Indeed, it is the seamlessness of the connection between identity-thinking and the world of exchange which makes the phenomenon of reification so hard to detect and so difficult to remove. Adorno pays identity-thinking the same kind of back-handed compliment that Lukács pays to Kant’s Antinomies: on the one hand, they are ideological – not just dialectical – illusions; on the other hand, they are

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\(^{13}\) See below, Section IV. It is a little unfair of Cook to claim that Habermas’s polemic is self-aggrandising, since he ‘effectively turns himself into the sole modern standard bearer of reason, culture and enlightenment’, Cook 2000, p. 67. Of course, Habermas believes – and who does not? – that his own theory is correct, and that Adorno’s is wrong. He also believes that he is adopting an unfashionable position, which, in championing a form of rationalism in 1985, when postmodernism was in its ascendance, he certainly was. This might explain the polemical and slightly beleaguered tone of *Philosophical Discourse of Modernity*.

\(^{14}\) Roughly, he thinks that identity is the genus to the species of exchange. E.g. Adorno 1973, p. 34.

‘necessary’ because they correspond to the contradictory nature of bourgeois social reality. Similarly, identity-thinking evinces subsumptive judgements which are both correspondence true to the ‘false’ world of exchange and functionally necessary to it. At the same time, ‘no unreflected banality can, as an imprint of a false life, still be true.’ A statement or judgement that aspires merely to be correspondence-true to the facts of a false social world is itself emphatically untrue. But the dialectic runs deeper still. On the one hand, the particularities or qualities of an object are bound up with its use-value. However, these are suppressed under conditions of universal exchange because the object becomes infinitely substitutable for other things of equivalent exchange-value. This represents a kind of violation of the qualitative particularity of the object. On the other hand, the use-value of a thing is its mere manipulation for external ends, whereas the act of exchange at least contains within it, implicitly, the normative ideals of fairness and equality to which society fails to live up. The notion of exchange, then, contains various levels of both truth and falsity. Once we appreciate this, we see that Cook’s interpretation, according to which Adorno contrasts the ‘value of culture’ with ‘the lie of exchange’ – as if the ‘rational potential’ to which Adorno appealed was present in the former and absent from the latter – is too crude and undialectical. Adorno’s dialectic is far too subtle and involuted to license that interpretation.

b) Adorno’s negativism and the problem of the availability of the good

A similar conclusion can be reached from the opposite direction, namely from a proper appreciation of Adorno’s conception of the value of culture. Adorno’s philosophical negativism implies that whatever value may reside in modern culture – or in those works of modern art within that culture which he deems successful – that value cannot be known directly and does not manifest itself positively. Without going into unnecessary details, Adorno’s negativism comprises the three following theses.

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16 Lukacs 1990, pp. 134, 149.
17 Adorno 1973, p. 45.
18 Adorno’s notion of truth is emphatic and Platonic, in so far as he takes, if not truth to be an aspect of the good, then untruth to be an aspect of the bad. Moreover Adorno’s conception of truth is Hegelian, insofar as he takes untruth to be embodied historically and culturally in bad actuality.
(i) ‘There is no way of living a false life correctly’. Adorno means that, in a false world, there is no way of doing (and no way of knowing we are doing) the morally or politically right thing. Rational subjects cannot be sure that even apparently harmless or valuable activities are not contributing covertly and in spite of their intentions to the general state of alienation and unfreedom with which modern society is afflicted.

(ii) The social world is radically evil. Briefly put, Adorno means by this that the social world consists entirely of sedimented patterns of instrumental reason. The appearance that there are any ends that are worth pursuing for their own sake, is illusory. In fact, all socially available ends are, like the offerings of the culture industry, only instrumentally valuable as means to self-preservation through the manipulation and control of external nature. Furthermore, like Kant, Adorno thinks that instrumental reasons guide actions heteronomously. They are forms of necessity or compulsion, rather than of autonomy or maturity. Hence all activities that the late-capitalist social world makes available to subjects are forms of institutionalised unfreedom.

(iii) We can have no positive conception of the good. Adorno frequently claims that the good (or what he calls variously ‘reconciliation’, ‘redemption’ ‘happiness’ and ‘utopia’) cannot be thought. He means not just that we cannot represent or picture the good, utopia etc. We cannot even conceive it, without falsifying it, because to conceive is to identify.

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21 ‘The materialist longing to conceive the thing, wants the opposite: the complete object is to be thought only in the absence of images. Such an absence converges with the theological ban on graven images. Materialism secularises it, by not permitting utopia to be pictured positively; that is the content of its negativity.’ Adorno 1973, p. 207.
As a matter of interest, Adorno seems to slide between two slightly different positions depending on the context in which (or the audience for whom) he is writing. To avoid confusion, let us call these positions ‘strong’ and ‘weak’ negativity. Strong negativity is the view that there is no good in the world apart from the knowledge that there is no good in the world. Weak negativity is the view that there are fragments of the good in the world – for example, the experience of pleasure granted by certain works of art, human warmth, love and spontaneity – however only sufficient to make manifest their absence from the social totality. They are the exception, not the rule, of social reality, points of resistance to it, not its basis.22

The stronger view appears to have the advantage of being consistent with philosophical negativism, but it raises the problem of how some normative ideal absent from the social world can nonetheless be made available to social theory. The only way Adorno can make these transcendent, but absent, ideals available to his social criticism is by reading the traces of their rational content in the surface of the present irrational – indeed radically evil – social totality. This is the solution Adorno adopts in Minima Moralia, where he seeks the truth about life everywhere in its ‘alienated form’ and in Negative Dialectics.23

The trouble is is that this way of securing the availability of liberal ideals is just a prestidigitation, which, in spite of appearances, contravenes Adorno’s negativism. In fact, as Michael Theunissen shows, Adorno’s attempt to trace ‘a real path of the positive in the negative’ amounts to an inverted version of Hegelian optimism, of reading the traces of rationality in the actual.24

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22 Hauke Brunkhorst makes the mistake of not taking Adorno’s claim that the world is radically evil at face value. For example, he interprets the dictum that there is no right way to live a false life to mean ‘only that there is no entirely true life in a false life’, in other words, that, under present circumstances, there is no entirely good way to live a life. That strikes me as much too tame. In the next paragraph, Brunkhorst’s interpretation of Adorno shifts significantly. He attributes to Adorno the claim that ‘true life’, is not possible ‘in the case of a completely false life’, but that a human life that is at least not misspent is nonetheless imaginable. This is consistent with the stronger view I have outlined. Finally, two lines later, Brunkhorst attributes a third position to Adorno, namely the view that ‘the damaged life is not yet the completely false life’. This is now more like the weaker view outlined here. Brunkhorst 1999, p. 64.

23 Adorno 1991, p. 15. Michael Theunissen criticises this trope of Adorno’s, which is captured in the following metaphor in Negative Dialectics: ‘consciousness could not despair over the gray, if it did not harbor the concept of a different colour whose scattered traces are not absent from the negative whole.’ Adorno 1973, p. 370; Theunissen 1983, p. 57.

24 Ironically, Adorno is guilty of almost exactly the same Hegelian mistake for which
force of Theunissen’s criticism becomes much more apparent when we bear in mind that Adorno’s major criticism of Hegel is of the doctrine of determinate negation, the view the negation of a negative yields a positive.\textsuperscript{25} In that case, by Adorno’s own lights, even strong negativism is, as Theunissen claims, ‘prernegativistic’ and ‘not negative enough’.

The trouble with weak negativism is that it is logically inconsistent with Adorno’s stated position and, however dialectical Adorno is, however scathing about analytic philosophy, he never rejects rational argument and embraces logical inconsistency.\textsuperscript{26} Moreover, weak negativism faces a different version of the problem of accessibility, for it presupposes that Adorno has unimpeachable criteria for identifying these fragments of potentially emancipatory rationality in the untrue whole. But what allows Adorno to exempt these criteria from the suspicion of ideology which casts its grey shadow over all other areas of society? Without granting critical theorists an epistemic privilege, and thus making exactly the same move for which he condemns Lukács’s Marxism, Adorno’s position leaves the social theorist panning the dark waters of the social world with no reliable way of knowing when she has found gold.

Due consideration of Adorno’s philosophical negativism, then, which is central to his philosophical project, undermines the view propounded by Cook that Adorno’s conception of ideology-criticism rests on some kind of critical contrast between the ‘rational potential’ or ‘value’ of culture and ‘the lie of exchange’. And, if what I have said so far is correct, then, in spite of Cook’s best attempts to rebut it, Habermas’s objection that Adorno fails to appreciate the rational potential of modern culture, still presses.

### III. What is wrong with Adorno’s conception of ideology?

Now, I want to take a more direct route to the question of the tenability of Adorno’s conception of ideology. The Adornian conception that Cook undertakes to defend is that ‘ideology lies . . . in the implicit identity of concept

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\textsuperscript{25} Adorno 1973, p. 164; Adorno 2000, p. 144.

\textsuperscript{26} Adorno 1973, pp. 39ff.
and thing, which the world justifies even when the dependence of consciousness on being is summarily taught.\textsuperscript{27} To see what is wrong with this view, we have to consider first that, for Adorno, to think in concepts is to identify. It does not matter here what Adorno considers to be wrong with identity-thinking. All that matters is that it follows from this conception of ideology that one cannot so much have a concept of an object that is not at the same time an ideology. Only insights that are not identical to their objects, which are non-conceptual and hence ineffable, are therefore also non-ideological. The first obvious thing to note is that very few insights fall under this description. (One is tempted to say, ‘under this category’, namely the category of the non-identical, and what is nice about this temptation is that it points out that we need words, concepts and thoughts even to indicate what we mean by the non-identical, the ineffable, namely a content that cannot be expressed in words or thought conceptually.) According to Adorno, only certain uninterpreted aesthetic experiences that are in principle not recuperable by concepts fall under the description of the non-identical or ineffable. The second obvious thing to note is that it is impossible to say what these experiences consist in. However, to cut a long treatise on negative dialectics very short, Adorno thinks we must go ahead and try anyway, whilst remaining conscious of the necessity of our failing in this aim. Thus Adorno claims that the task of philosophy is to ‘say the unsayable’ or to think the ineffable.\textsuperscript{28}

Now, here is the problem. If the domain of non-ideology is so restricted, then the domain of ideology must be very wide indeed. Every conceptual belief or judgement about something, everything that can be said, is ideological. We can make sense of this very wide conception of ideology, if we take it to amount to the uncontroversial claim that conceptual judgement depends somehow on non-conceptual experience but fails, by virtue of being mediated by concepts, to do justice to the particularity or immediacy of such experience. Every thought as a kind of general statement or classification fails to do justice to every particular it classifies or generalises about. The trouble with this view is that, insofar as it is correct, it is so uncontroversial as to be trivial.

\textsuperscript{27} Adorno 1973, p. 50.
\textsuperscript{28} Adorno 1973, p. 21. See also Adorno 1993, p. 102. ‘If philosophy can be defined at all, it is an effort to express things one cannot speak about, to help express the non-identical despite the fact that expressing it identifies it at the same time.’ For a more detailed discussion of Adorno’s concept of the ineffable (or the non-identical) see my discussion in Finlayson 2002.
Nobody would dispute that thought, judgement, knowledge etc. are ideological in that sense.

Adorno can avert the accusation of triviality and make his conception of ideology more interesting, say, by using the term in its classical pejorative sense. Adorno sometimes uses the term in something like this sense; for example, he claims in *Aesthetic Theory* that ideology is ‘socially necessary illusion’. Ideologies, on this view, are beliefs or theories which are false, but nevertheless widespread and persistent. However, unlike non-ideological beliefs and theories, ideologies do not persist and are not widely held because they are true but because they function to maintain or reinforce certain institutional structures of power or domination. Moreover, because of their usefulness to these institutions, the falsity of ideological illusions does not come to light, in the ways in which the falsity of non-ideological beliefs normally does. For, other things being equal, false beliefs should eventually be discovered and overturned, when they lead to epistemic disappointment, unsuccessful actions, and/or meet with rational disagreement.

The problem is that, if the conception of ideology in play is this strong, then the claim that all conceptual judgements are ideological becomes incoherent. For the claim that a particular judgement, belief or set of beliefs is ideological only makes sense if it is possible for there to be non-ideological beliefs or judgements, but, by Adorno’s own lights, only non-conceptual, ineffable experiences or insights are not ideological, which means that we cannot say, and hence that we cannot know, what such experiences are and what it is that they are experiences of. Whatever else they might be, they are not beliefs, judgements or thoughts in any recognisable sense. But, if there cannot be any non-ideological beliefs, judgement or thoughts, if they are all ideology, and we cannot know what it is for a belief, judgement or thought not to be ideological, we cannot know what it is for something to be ideological either. Recall that Adorno’s claim is not that, as a matter of fact, all present beliefs and judgements are ideological, but that, under different circumstances, there could be non-ideological beliefs or judgements. It is not an error theory. Adorno’s position is that there could not so much be a genuine belief, judgement or thought, which is not, by virtue of being an application of a concept, also an

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29 ‘Ideology, as socially necessary illusion, [Schein] is, in that necessity, always the disfigured image of the true.’ Adorno 1997, p. 345.
30 See Finlayson 2002.
ideological illusion, for he locates ideology in the very relation of concept to object, which is essential to thought. To move beyond ideology qua identity, is therefore to move beyond concepts to some ineffable non-conceptual relation to things.31

This argument is substantially different from, but consistent with Habermas’s objections to Adorno and Horkheimer in Philosophical Discourse of Modernity. Cook rightly points out that, in that work, ‘Habermas never directly challenges Adorno’s conception of ideology as identity-thinking’.32 Even if that were the case, silence is ambiguous. One cannot take silence as evidence that Habermas tacitly endorses Adorno’s substantive, pejorative conception of ideology qua identity. Anyway, Habermas is not really silent, for he explicitly claims that Adorno’s conception of ideology-criticism is ‘totalizing’.33 Adorno’s social criticism is totalising because it holds that all rational thought is an expression of power and domination over nature. But, in that case, Habermas argues, this must apply to Adorno’s social criticism too: insofar as it is rational, it is also just an expression of power and domination. Hence, Adorno’s ideology-critique criticises itself for being ideological.34 At the same time, insofar as Adorno and Horkheimer want their theory to be believed, insofar as their theory makes a validity-claim to truth, they must implicitly hold it to be more than a mere expression of power or domination. They must believe it to be, and claim that it is, true or correct. Otherwise, why should anyone be disposed to believe it? In this case, the unavoidable pragmatic implication that what they say is true, and therefore to be believed, is in conflict with what the theory states. Hence, concludes Habermas, the theory, qua totalised critique, is guilty of a performative contradiction.35 Whichever way you look at it, a performative self-contradiction is a form of inconsistency or incoherence. So, the reality is only that Habermas stops short of saying in so many words that Adorno’s very conception of ideology as identity-thinking is incoherent. Why does he stop short? One reason might be that, in Philosophical Discourse of

31 ‘The utopia of knowledge would be to open up the non-conceptual with concepts, without making it identical to them.’ Adorno 1973, p. 21. The basic thought here is similar to some neo-Platonic picture of absolute knowledge. Adorno’s thought is slightly more paradoxical than the view that conceptual judgements are to be superseded in virtue of some supraconceptual access to absolute reality, since that relation has, for Adorno, itself to be wrested from within conceptual thought.
32 Cook 2000, p. 78.
34 Ibid.
35 Habermas 1988, p. 119.
Modernity, Habermas is specifically objecting to Adorno and Horkheimer’s *Dialectic of Enlightenment*, in which the notion of identity-thinking is not yet fully developed. Another might be that Habermas is untypically – perhaps out of his deep respect for his former colleague and mentor – always very restrained in his explicit criticisms of Adorno. It is definitely not because Habermas thinks there is anything to be said in favour of the conception of ideology as identity-thinking, which there is not.36

Of course, one does not have to go so far as Adorno and see conceptual thought itself as the origin of ideology. One might think, as Marx did, that the origin of ideological illusion lies in the commodity-form, or in some other socio-economic mechanism of belief-formation. But that does not really help, because the classical pejorative conception of ideology itself faces serious objections, regardless of what the illusion-forming mechanism is supposed to be. What are these objections? Firstly, the theory cannot answer the question why ideological false beliefs persist and fail to be overturned, when the falsity of all other beliefs tends to manifest itself to agents through their unsuccessful practical interventions in the world or through the epistemic disappointments of belief holders. What is it that prevents the falsity of ideological beliefs from coming to light as a matter of course? Secondly, supposing a plausible answer to these questions could be given, it would have to exempt the ideology-critique itself (and the ideology theorist herself), from the illusion-inducing effects postulated by the theory. For, ideology-criticism, if it is not to be self-undermining, cannot be just another ideology. Hence it is not enough for the ideology-critic to show that there is a socio-economic mechanism which produces false beliefs that function to legitimate certain power relations. The ideology-critic has also to identify (or at least to be able assume that there exists) another mechanism that reliably produces true, non-ideological beliefs, among which she can count her own theory. Cook assumes that she, and her readers are more ‘ideology-proof’ than Habermas apparently is, but offers no reasons why this should be the case.37 If ideology really runs as deep as she and Adorno maintain, how can her own theory be miraculously untouched by ideological distortion, and if it is not, why should it be believed?

36 One of the harshest, albeit still implicit, criticisms Habermas makes, is to group Adorno together with Heidegger and Derrida (and Wittgenstein and Jaspers) as one of the thinkers who took, as a final way of avoiding metaphysical thinking, ‘a turn to the irrational’. Habermas 1992, p. 37.
37 Cook 2000, p. 85.
Thirdly, on this view, ideologies are supposed not to promote the real interests of agents, but directly or indirectly to thwart them, which makes it even more improbable that the victims of ideological beliefs still cling to them. As Wilhelm Reich famously puts it: ‘what has to be explained is not the fact that the man who is hungry steals or the man who is exploited strikes, but why the majority of those who are hungry don’t steal and why the majority of those who are exploited don’t strike’. The ideology theorist just does not have a plausible answer to Reich’s question. Why posit the intrusion of systematic forms of irrational illusion and mass-deception rather than, say, the simple rational fear that each person has of being caught and punished for stealing, or of being sacked for striking? These compelling objections are sufficient grounds for Habermas to drop the pejorative concept of ideology and to come up with a less extravagant explanation for the successful self-maintenance of modern, late-capitalist society, and with a more plausible diagnosis of its social pathologies.

IV. Modernity and the end of ideology

Towards the end of her article, Cook challenges what she calls Habermas’s ‘end of ideology thesis’. In Theory of Communicative Action, Habermas offers an historical account of the demise of ideologies, paradigmatically of religious ideologies, under conditions of modernity. Religious ideologies functions among other things as a means of social integration and as a compensation mechanism for a meaningless and alienated mundane life. Habermas’s quasi-empirical thesis is that fully rationalised, modern societies are not fertile ground for such ideologies. To understand why he thinks this, we have to take a look at his theory of modernity.

According to Habermas, the process of rationalisation which accompanies and inflicts the course of modernisation is marked by a separating out of the three value spheres – the technological-scientific, legal-moral and aesthetic-expressive. What results from this process is a peculiar complex and fragile equilibrium between autonomous systems of money and power – as the embodiments of ‘instrumental rationality’ – and the lifeworld – as the

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38 Reich 1997, p. 19. Mike Rosen makes this question central to his excellent and very helpful study of ideology and false consciousness (Rosen 1996). As can be seen from these last remarks, I find his main objection to the pejorative concept of ideology convincing.
embodiment of ‘communicative rationality’. The process of rationalisation has both negative and positive consequences for individuals. On the negative side, social pathologies result when systems of ‘instrumental action’ colonise and erode established and naturalised patterns of ‘communicative action’ in the lifeworld, which are the basis of cultural reproduction, socialisation and social integration.³⁹ These familiar pathologies include the social deracination of individual subjects; social fragmentation; increasing vulnerability to the disciplinary effects of impersonal systems of administration and the vagaries of an ever more powerful capitalist economy and consequent feelings of helplessness; and destabilisation as a result of growing inequalities of wealth and resources. Furthermore, this peculiarly modern combination of fragmentation, instability and increasing complexity has the unintended effect of obscuring the mechanisms at work, with the result that the modern agents are often blind not only to the causes of the above symptoms, but also to the myriad ways in which society still, in fact, depends on their collective cognitive and practical activity.

On the positive side, modernity presents an opportunity for subjects to establish the legitimacy of institutions, customs and practices on the basis of validity-claims, either directly or indirectly through the medium of legitimate law, a basis that promises stability, transparency and the accountability of supra-subjective structures of authority.⁴⁰ As a result, the sphere of freedom of individuals is greatly increased. The power of the state thus becomes gradually uncoupled from religion and tradition, and held in check not only by system constraints, such as economic imperatives, but also by publicly accessible criteria of legitimisation, such as whether or not policies and laws satisfy interests of the subjects who comprise it. For, in modern societies, discourse functions as a way of replenishing the shared meanings that constitute the lifeworld by restoring, repairing or replacing problematised norms and values, and, in this manner, is able partly to compensate for the diminution of the socially integrating power of religious traditions.⁴¹

³⁹ Habermas 1987, pp. 303–74.
⁴⁰ This, I take it, is the crucial positive implication of Habermas’s ‘modernity thesis’. It is because Habermas sees the advent of modernity as an opportunity for achieving social stability and legitimacy, whilst widening the scope for individual autonomy, that since his 1980 Adorno Prize lecture – ‘Modernity – an Unfinished Project’ – he has resisted the trend of some postmodernist writers to say good-bye and good-riddance to the project of modernity and its opportunities.
⁴¹ Habermas 1998a, pp. 226ff.
Of course, the shared meanings/understandings that arise directly or indirectly from discursive processes are different to the endemic values of the religious traditions and metaphysical worldviews they replace. They have, so to speak, shallower foundations (they result from procedures of justification) and broader scope (they satisfy claims to universal validity). Moreover, they are reflexive and transparent, since the justificatory principles they embody are open to view and thus equally open to contestation. Hence, thirdly, they are also more frangible and open to revision.

Now, the thesis that Cook contests is that, because the chief belief-forming mechanisms of rationalised modern societies are linguistic, discursive practices, ideologies – in the sense of functional illusions – tend to become unstable. Cook objects to this conclusion on the grounds that it implies that ideologies in the classical pejorative sense are not possible because ‘we have gained a degree of intellectual maturity that cannot be revoked’.\(^{42}\) This way of putting it makes Habermas’s thesis sound too complacent, and also gives his theory an individualistic bias he would certainly want to resist. Habermas’s point is that, although modernity does bring with it certain cognitive gains, due to the ways in which ‘we’ agents are socialised into post-traditional forms of life, and due to the extent to which rationality can directly though discourse (and indirectly through the medium of legitimate law) provide the basis of social order, it does so at great cost.\(^{43}\) This thesis certainly does not imply that the beliefs and desires of modern agents cannot be manipulated by advertising or otherwise distorted. It implies only that the influence of such mechanisms of manipulation is, in principle, discoverable by the agents to whom it is addressed, and that the falsity of the beliefs they produce is not systematically prevented from coming to light. Anyway, as we have seen, Habermas is well aware that modern subjects feel (and are) disempowered and helpless before the anonymous and impersonal forces of the administrative and economic systems. It is just that social theory does not need to (and Habermas’s social theory does not) posit the influence of systematic mass-deception and collective false-consciousness as a putative explanation of these phenomena. A nuanced theory of the nature of modern society is all the explanation required.

\(^{42}\) Cook 2000, p. 77.

\(^{43}\) Habermas has a long and complex story about who ‘we’ are. Suffice it to say that we are communicative agents, citizens of post-conventional forms of life – here specifically modern Western liberal-democratic societies.
V. Habermas’s critical social theory and the fate of ideology-critique

I suspect that Cook’s disquiet, which I take to be symptomatic of a more widespread unease, stems from her suspicion that Habermas does not so much transform the concept of ideology, as wave goodbye to it and, simultaneously, to the whole conception of social theory as ideology-criticism. As with the suspicion that Habermas is no longer a Marxist, I think this judgement is too crude. Let us take a concrete example of the kind of criticism that the Habermasian approach makes possible. The notion that labour markets must be ‘flexible’ lies at the heart of neoliberal theory. What makes the notion of flexibility ideological (in Habermas’s sense) is that it is an economic imperative intruding on the lifeworld from the outside. In fact, the notion masks the economic interest of corporations and employers in being able to hire and fire workers without let or hindrance. It is put forward as a demand to which workers must submit, and as an argument in favour of deregulation, which allegedly benefits the economy, and thus, in the long run, everyone who serves under it. Notice that the implicit claim is not just that it is a fact, which everyone must accept, that labour markets must be flexible, but that flexibility is a value from which ultimately everyone benefits in the long term. In Habermas’s terms, the neoliberal demand for flexible labour policy lays claim to both theoretical and normative validity.

But, of course, this kind of flexibility is not a value which everyone could accept as the result of an ideally prosecuted discourse (or even of a fair negotiation). The implementation of this one-sided neoliberal notion of flexibility would evidently violate the short- and medium-term interests of workers, even if it were true (which it is not) that such flexibility benefits everyone in the long run. On a Habermasian analysis, the neoliberal demand for flexibility can thus be unmasked as ideological to the extent that can be shown to be a concealed instrumental or strategic demand that has infiltrated the lifeworld domain of communicative action. Once unmasked, flexibility and its benefits can take its place among the menu of goods and values competing for recognition in the lifeworld. Stripped of its immunity, the notion of flexibility would be open to moral and ethical discourse. For example, a moral discourse might reveal that policies recommended in the name of flexibility may violate the very norms of discourse which they pretend

I owe this example to discussion with Louise Haagh.
to satisfy insofar as they claim to benefit everyone. Or, on an ethical discourse of all concerned, workers could present compelling reasons why the implementation of flexible labour policies is not good for them. Alternatively, such a discourse might result in the refinement and alteration of the notion of flexibility, in the light of the interests of employees. It might, for example, be shown that the value of flexibility also imposes obligations on employers and/or governments to equip workers with the tradable skills which would ensure their freedom to seek better terms of employment elsewhere and thus safeguard them from redundancy. True, these results remain only possibilities, but that is because such discourses have to be conducted by the persons affected, and because, for this reason, the results cannot be prejudged by theoreticians.

Within the Habermasian framework, then, something very much like ideology-criticism can be practised, without any recourse to the dubious pejorative concept of ideology, let alone to Adorno’s paradoxical conception, and with no need to arrogate epistemic privilege to the ideology-critic. Concealed forms of instrumental and strategic action can be unmasked, their claims to validity tested, not by theoreticians and experts, but by the inhabitants of the lifeworld themselves.

Of course, Habermasian critical social theory may give rise to a rather different worry, namely that it has renounced the critical (in the sense of revolutionary) implications of Marxian ideology-critique. Against this objection, Habermas could rejoin that Marx himself concedes that the mere unmasking of the fetishism of the commodity, as a function of the relation of the free wage-labourer to the capitalist, in no way suffices to dispel the illusion. What is needed is the practical abolition the mechanism of belief-formation. If there is a problem here, it is not specific to Habermas. It is a problem for any normative theory – whether moral theory, political theory or Marxian critical theory. Besides, the objection is oversteated. Habermas is simply being realistic, in admitting that the best a social criticism can do qua theory is to bring to light the conditions under which the boundary conflict between system and lifeworld can be resolved. In such cases, social theory can and does provide constraints on action and policy. What it cannot and does not provide is a guarantee that these will be acted upon.

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45 Marx 1984a, p. 89.
VI. Is Habermasian social and political theory merely positivist ideology?

In her article, Cook accuses both Habermas’s social and his political theory of being ‘ideology’. In fact, she makes two rather different accusations. First, she claims that the process of colonisation is itself reinforced ideologically through the medium of advertising. This seems to ignore the whole point of introducing the theory of colonisation in the first place. According to Habermas, the pathologies of modern capitalist societies have causes that are more mundane and less mysterious than the theory of ideology in the pejorative sense makes them appear. The economic system does not need the arcane power of ideologies to make people in the lifeworld accept the disturbances it causes. Secondly, Cook asserts, without argument, that Habermas’s ‘notion of reason’ is ‘ideologically suspect’. I take this to be shorthand for the objection that Habermas’s social theory underestimates the need for radical change, that it shows too much faith in the ‘rational potential’ of existing liberal-democratic states, and that it justifies, instead of criticising, existing institutions of law, democracy and morality. The passage of *Between Facts and Norms*, which Cook adduces to back up her second claim, runs as follows:

\[\ldots\text{[C]ontext-transcending validity claims\ldots\] are not themselves transported into the beyond of an ideal realm of noumenal beings. In contrast to the projection of ideals in the light of which we can identify deviations ‘the idealizing presuppositions we always already have to adopt whenever we want to reach mutual understanding do not involve any kind of correspondence or comparison between idea and reality.'}^{46}\]

As interpreted by Cook, this passage makes ‘the critical leverage once offered by the concept of communicative reason (which was already much less critical than many radicals would have liked)’ disappear entirely.\(^{47}\) What radicals of whatever stripe would have liked is neither her nor there. The question at issue here is (as ever): on the basis of what normative criteria is social theory entitled to criticise existing institutions, and what is the force of those criticisms? In this passage, Habermas makes the now familiar point that there is no transcendent, Platonic idea of the good ready for the social theorist to apply, nor any thick conception of goodness, or to use Rawls’s term ‘comprehensive

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\(^{46}\) Habermas 1997, p. 323.

\(^{47}\) Cook 2000, p. 81.
metaphysical doctrine’ on which everyone can agree, as the basis of political justification. There are, however, ‘thin’ context-transcending validity claims to truth and moral rightness respectively, but these are pragmatic presuppositions of existing communicative practice, that is of the non-strategic use of speech oriented towards reaching understanding. Cook concludes from this that ‘[s]ince no salient distinction can now be made between the ideal dimension of reason and existing discursive practices, it becomes difficult to understand how communicative reason can continue to serve even as the normative basis for social criticism’.\textsuperscript{48} Cook repeats her claim,

there is no opposition between the ideal and the real because ‘particles and fragments of an existing reason [are] already incorporated in political practices, however distorted these may be’... Sociologists are to confirm what the philosopher Habermas apparently already knows: the real is rational. Indeed, as Marcuse observed with respect to Hegel’s equally affirmative Philosophy of Right: at this point, critical philosophy cancels itself out.\textsuperscript{49}

This is a heady mixture of truth and travesty. Recall that Habermas’s point is simply that the universal and context-transcendent standards of criticism to which his social theory appeals are immanent to practices of communication. These, according to Habermas, are the normative standards, which Plato and Kant mistakenly locate in a metaphysical beyond, and to which Adorno illicitly appeals, in spite of his philosophical negativism which blocks their availability to social theory. If Habermas’s conception of communicative action is tenable, then these standards do allow us to criticise the social world, to say how it ought to be and ought not to be. For example, they make it possible for us to judge whether institutions or policies are morally acceptable, by seeing whether or not they are based on principles which every affected person has reason to accept.

\textsuperscript{48} Cook 2000, p. 81.

\textsuperscript{49} Ibid. Again, further on, Cook complains that ‘Habermas uncritically and affirmatively predicates rationality of the real’. Cook 2000, p. 85. As a matter of fact, this criticism is based on a misunderstanding of the Doppelsatz found in the 1820 version of Hegel’s Lectures on the Elements of the Philosophy of Right: ‘What is rational is actual; and what is actual is rational’. The meaning of this notorious sentence is to complicated to go into here. Suffice it to say that it does not mean either that everything is just fine as it is, or that the present political order is rational. That said, Cook is in good company. Old and young Hegelians alike, from Feuerbach’s teacher, Paulus, through to Marx, all the way to anti-Hegelians such as Kierkegaard and more recently Popper, have all mistakenly understood this sentence to contain Hegel’s conservative and affirmative endorsement of the status quo. Interestingly, Adorno, Horkheimer, and Marcuse are equally guilty of the same misinterpretation. See Hegel 1991, p. 389.
This normative theorising is exactly what Hegel, in the Preface to the *Philosophy of Right*, warns his readers against doing, and what he says philosophy anyway comes too late to do, namely ‘to issue instructions about how the world ought to be’. So it is quite wrong to equate Habermas and Hegel here.\(^{50}\) Cook would be on much safer ground if she offered arguments against Habermas’s rational reconstruction of speech oriented towards understanding and challenged his conception of communicative rationality, but she does not do that. Instead, she asserts that the very idea that normative ideals are immanent to communicative action, that communication and discourse are the essential structuring principles of social interaction, and that they have to some extent been incorporated in the democratic institutions of modern Western liberal democracies, is just ‘positivist ideology’.

Having totally misrepresented Habermas’s theory, Cook concludes that Habermas’s critical theory be rejected in favour of a critical theory based on transcendent, ideal, normative standards. In so doing, she shifts her own position. She appears, here, to accept something like the strong version of Adorno’s negativism, which implies that there is no extant goodness or rightness in the world and thus no immanent basis for normative social criticism. Yet she responds by adopting a position more reminiscent of Marcuse’s rehabilitation of transcendent criticism, than Adorno’s in principle, if not always in practice, resolutely immanent and negativistic approach. Marcuse famously claims that the ‘judgement that human life is worth living’ is ‘the *a priori* of social theory’.\(^{51}\) It would be interesting, and perhaps not before time, for someone to defend Marcuse’s metaphysically and normatively much richer conception of critical theory. I doubt that it can be defended, but anyway, it is different from the Adornian position she initially sets out to defend, the immanent critique of bourgeois liberal ideology.

### VII. Concluding remarks

What I have written here is not supposed to be a full-blown defence of Habermas’s social theory. I have been content to expound his theory, to show how it is supposed to work, and to undermine some objections to it. My main point has been that Habermas is right to reject Adorno’s incoherent conception of ideology and that he has sound reasons for abandoning the whole conception

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\(^{50}\) Hegel 1991, p. 23. See also pp. 21ff.

\(^{51}\) Marcuse 1991, p. xlii.
of social theory as ideology-criticism built around the classical, pejorative concept of ideology. I hope also to have shown that Habermas has not blunted the critical potential of his social theory merely by abandoning an untenable concept of ideology and the related conception of ideology-criticism. To defend Adorno’s conception of ideology, as Cook does, is, at very least, an unpromising way to attack Habermas. There are more promising lines of attack, some of which I have indicated here.

Finally, it is true that Habermas’s conception of critical social theory appears less ambitious and emphatic than either Marcuse’s transcendent criticism or Adorno’s more aporetic and negativistic version, which still aims obliquely, if forlornly, at utopia or redemption. Adorno’s theory, as Benjamin once wrote, gives us hope, ‘but only for the sake of the hopeless’.

For Habermas, the aims of social theory are less utopian, and more diagnostic than they are remedial. This does not mean that Habermas’s social theory has no practical implications. Nor does it mean that Habermas’s social theory, because it does not aim obliquely and forlornly at redemption, is merely another ‘positivistic ideology’. It means simply that, given what it is, a theory of society, its main achievement, if it is true, will be to help us better understand the social world, which is necessary anyway if either piecemeal improvement or radical transformation is to be achieved.

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52 These words, which if I remember rightly are from Benjamin’s essay on Goethe’s Die Wahlverwandtschaften, appear at the end of Marcuse’s One Dimensional Man. Marcuse 1991, p. 257.


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Gordon Finlayson and I debate two related questions. The first concerns Adorno’s and Habermas’s views about the existence, scope, and nature of ideology formation in the West; the second concerns the foundations of their critical theories of society. Where Habermas endorses Bell’s end-of-ideology thesis and turns his critical attention to the colonisation of the lifeworld, Adorno criticises a new ideology in the West, which he labels ‘positivism’. Furthermore, where Adorno uses the emphatic ideas of freedom, autonomy, and individuality that emerged under liberalism as the basis for his critique of capitalism, I argue that Habermas undermines the foundations of his own critical enterprise in *Between Facts and Norms*. However, Finlayson contests my claim that Habermas thinks that ideology has ended, while arguing that Adorno adopts the classical, pejorative, view of ideology. He also criticises Adorno for lacking unimpeachable foundations for his critique, and defends what he takes to be the normative grounds of Habermas’s social criticism: the normative content of the idealising presuppositions that underlie communicative practice. To borrow Nancy Fraser’s phrase, the disagreement between Finlayson and myself ultimately concerns what is really critical
about critical theory. By questioning the foundations and goals of first- and second-generation critical theory, Finlayson and I also broach the problem of the nature and extent of the damage inflicted on human life under late capitalism. At issue in our debate is not only what critical theory should be and do, but also the equally thorny problem of the depth and breadth of its criticism of reification.

For many, including Habermas, the radical Left is already defeated, finished, ‘done’ (to borrow Christopher Hitchens’ largely autobiographical plaint). Still, at a time when the welfare state compromise is collapsing under the impact of globalisation, and the class conflicts that Adorno and Habermas thought were always latent are now resurfacing, I shall venture the claim that it is premature to portray the Left as the moribund champion of lost causes. Finlayson also implies that I am among those who accuse Habermas of ‘selling out’. In fact, I do accept Tom Rockmore’s cogent arguments that Habermas dramatically changed his political stripes over the years.¹ Now endorsing a view of the economy that hearkens back to Adam Smith’s infamously mystifying ‘invisible hand’, Habermas wants to shield capitalism from all but the most indirect forms of control by a citizenry which he nonetheless deems mature and rational. Although he admits that Western democracies do not satisfy their own normative principle of self-determination, Habermas is prepared to consider them legitimate to the extent that they pay lip-service to this principle in their constitutions. He also insists that citizens voluntarily limit their influence over political decision-making to such a degree that self-determination is completely eviscerated. In other words, Habermas has become an ideological spokesman for the status quo.

This is one of the points I make in my article. In my conclusion, I advance the claim that there are two possible readings of Habermas. In the first, he has become a positivist. On the second, more charitable, reading, Habermas is a liberal ideologue. But Finlayson simply ignores this second interpretation. For this reason, and others as well, I welcome the opportunity to respond to Finlayson here. In my response, I shall focus briefly on each of Finlayson’s criticisms which he conveniently groups around different themes: the viability of Habermas’s charge of performative contradiction, Adorno’s concept of ideology, Habermas’s end of ideology thesis, the normative basis of Habermas’s social criticism, and, finally, the grievous charge of positivism. Adorno is

¹ Rockmore 1989.
certainly not beyond criticism, but I shall argue once again that he does offer the more defensible position on ideology and ideology-critique. This defence is made easier by Habermas’s explicit declaration that the age of ideology has ended – a declaration whose unabashed bravado sends Finlayson on an apologetic and misguided chase for ideology substitutes.

_Caveat lector_, my defence of Adorno also rests on arguments, which I am currently developing at greater length elsewhere, that the colonisation thesis is not only inconsistent and incomplete but no longer obtains owing to Habermas’s recent claims about globalisation. Moreover, I maintain that communicative practices in the lifeworld were never as immune from the colonising effects of the economic and political subsystems as Habermas believed. Borrowed from phenomenology, his concept of the lifeworld retains its predecessor’s naïve claims about a realm of human activity that is relatively untainted by political and economic forces. Furthermore, his distinction between system and lifeworld is not simply a ‘categorial’ one; it presupposes a social ontology that trenchantly divides the domains of material and symbolic reproduction. It is on this ideologically suspect division of labour that Habermas’s positive claims about the rational potential in modernity are ultimately based. Like Finlayson, however, who nowhere offers the sustained defence of communicative reason that he needs to support Habermas, I shall pursue the problem of ideology and ideology-critique in Adorno and Habermas without launching a concerted attack on Habermas’s controversial arguments about the inherent superiority of Western reason.

I can deal quickly with the first criticisms that Finlayson levels against me. The rational potential of modernity is as ambivalent as he suggests, and it lacks an ahistorical grounding in a transcendent realm. In fact, I substantiate these so-called criticisms when I devote nearly a quarter of my article to a comparison of Adorno’s ideas about modernity’s rational potential and those of Habermas.² Mistakenly objecting that I fail to appreciate these points, Finlayson also cites disapprovingly a claim I make about the value of culture in the face of the lie of exchange. Yet Adorno makes this point himself when he complains that ‘to identify culture solely with lies’ would compromise ‘every opposing thought’. Although culture’s refusal to accept the existing material realm of exchange relations is illusory as long as this realm exists, ‘free and honest exchange’ is itself ‘a lie’. To denounce this lie is to speak for

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truth, because ‘in the face of the lie of the commodity world, even the lie that denounces it becomes a corrective’. Hence, Adorno does maintain that culture’s emphatic normative content can be used critically to indict the untruth in exchange. Conversely, while criticising the exchange principle, Adorno also ‘wants to realise the ideal of free and just exchange’. His criticisms of ‘the inequality within equality aims at equality too’, for all his scepticism about ‘the rancor involved in the bourgeois egalitarian ideal that tolerates no qualitative difference’.

Finlayson’s criticisms seem, in the end, to be motivated by simple vexation about Adorno’s thoroughly historical conception of modernity’s rational potential. Against this vexed response to our shared predicament as finite beings whose ideas are shaped by history, I would counter that to seek an ahistorical and univocal normative basis for critique (in a preconceived notion of the good life, for example) is to demand far more than either Adorno or Habermas will allow, or indeed require, as the basis for their critiques of modernity (though I do concede that, to the limited extent that communicative reason provides it, Habermas does have the more ‘secure’ foundation for critique). In contrast to Finlayson, who seems to be dreaming this impossible dream at the end of Section II, neither Adorno nor Habermas offers a basis for critique that is completely unimpeachable. Critics, after all, are mere flesh and blood. They, too, are victims of the reifying, or colonising, economic and political systems that they criticise.

Again, Finlayson is correct to say that the normative basis for critique is acquired indirectly, and does not manifest itself positively in Adorno. Adorno’s speculative, utopian enterprise consists in thinking what it is almost impossible to think given the damage that has been done to life under late capitalism: the rational potential latent in modernity. There are fragments of good in the world, but these only appear through a glass darkly: they are glimpsed only by those who resist (in thought, behaviour, or both) prevailing forms of injustice, unfreedom, intolerance, and repression. Modernity’s rational potential manifests itself wherever individuals confront and contest the limits to their freedom, in conditions that reduce them to mere cogs in the wheel of the economic machinery, or in their struggles against multifarious forms of state.

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3 Adorno 1974, p. 44.
4 Adorno 1973, p. 147.
5 Cook 2000, p. 74.
oppression. This is why Adorno calls pain and negativity the ‘moving forces of dialectical thinking’.\textsuperscript{6} Admittedly, however, Adorno also recognises whatever is indirectly glimpsed through resistance – the prospect of freedom, autonomy, a world without scarcity, democracy, a social order that accommodates individuals in their particularity – is also tainted by the damaged reality from which it emerges.

Pace Finlayson (or Theunissen, on whom Finlayson relies), Adorno has his own version of determinate negation. The shape of freedom, for example, ‘can only be grasped in determinate negation [bestimmte Negation] in accordance with the concrete shape of unfreedom’.\textsuperscript{7} Unfreedom is, therefore, not merely ‘an impediment to freedom but a premise of its concept’.\textsuperscript{8} At the end of his 1965 radio lecture, ‘Critique’, Adorno makes the more general claim that ‘the false, once determinately known and precisely expressed, is already an index of what is right and better’.\textsuperscript{9} This claim also appears in ‘Individuum und Organisation’, where Adorno writes:

We may not know what people are and what the correct arrangement of human affairs should be, but we do know what they should not be and what arrangement of human affairs is false. Only in this particular and concrete knowledge is the other, positive, one open to us.\textsuperscript{10}

In other words, what is negative already implicitly points forward to what is positive. This is what Adorno calls the dialectics of progress.\textsuperscript{11} Transcendence – and it is radical, utopian transcendence that Adorno seeks, not gradual reform – ‘feeds on nothing but the [negative] experiences we have in immanence’.\textsuperscript{12}

Regrettably, I cannot elaborate on Adorno’s version of determinate negation here. Suffice it to say that to negate the negative reveals that what exists is not yet what it ought to be, and what ought to be does not yet exist. In other words, the negation of the negation largely yields still more negativity. Turning now to Finlayson’s criticisms of Adorno’s concept of ideology, I will begin by confessing that I do not think it trivial to say that everything is ideological.

\textsuperscript{7} Adorno 1973, p. 231; translation altered.
\textsuperscript{8} Adorno 1973, p. 265.
\textsuperscript{9} Adorno 1998a, p. 288.
\textsuperscript{10} Adorno 1972b, p. 456.
\textsuperscript{11} Adorno 1998b, p. 150.
\textsuperscript{12} Adorno 1973, p. 398.
In fact, I would say the opposite: to deem every pronouncement ideological borders on the outrageous. And there are passages where Adorno does appear to make this outrageous claim. However, in his essay on ideology, he remarks that ideology essentially serves the function of legitimating existing states of affairs. Immediately after emphasising that all ideology is legitimation, he adds: ‘Just as ideology requires the experience of an already problematic social state of affairs which must be defended, so it also demands an idea of justice itself – without which an apology would not be necessary’. Indeed, in this essay, Adorno’s concept of ideology is neither ‘very wide’, nor exclusively pejorative. Although they do serve a legitimating function, ideologies are not simply false, as Finlayson insistently asks me to recognise in Section II, but inexplicably forgets in Section III. My discussion of liberal ideology\(^\text{13}\) clearly shows that Adorno does not adopt the classical pejorative view of ideology, because he views ideology as ‘a hybrid of truth and falsity that is divorced as much from complete truth as it is from pure lies’.\(^\text{14}\) Liberalism’s emphatic normative concepts are false when used to legitimate conditions of unfreedom but true to the extent that they intimate something better, albeit only obliquely.

At the end of Section III, Finlayson feels confident that he can once again level the tired charge of performative contradiction against Adorno. However, because he does not fully grasp Adorno’s ideas about ideology and ideology-critique, and believes that Adorno requires nothing less than an ‘unimpeachable’ foundation from which to launch critical salvos, this charge has a hollow ring. True, normative standards do emerge from the very conditions judged to be bad, even ‘evil’. Witnessing injustice committed in the name of justice (a monstrous commonplace today), critics must appeal to the very concept of justice in whose name injustice is perpetrated. This may be problematic for those who seek indubitable foundations. Yet, if it were as contradictory as Finlayson believes, this critical practice would probably not have survived. Indeed, I challenge him to provide a single example of a modern struggle for emancipation that has not ‘contradicted’ itself in this fashion. No one today – not Habermas himself, whose colonisation thesis also compromises critical practice (unless we are expected to believe that social critics are somehow untouched by colonisation) – claims to have flawless normative standards for critique. Moreover, I readily admit that ‘the ground for Adorno’s

\(^{13}\) Cook 2000, pp. 68–72.

\(^{14}\) Adorno 1972a, p. 465.
ideology-critique is extremely unstable’. At the same time, I will defend Adorno by repeating that unimpeachable normative criteria for identifying fragments of reason in an irrational world do not exist. We can only start from where we are: this mortal coil is the only coil we have.

In Sections IV and V, Finlayson seems to think he can save Habermas from the glaring problems with his end of ideology thesis by stating that he never really said it, or did not really mean what he said. Unfortunately for Finlayson, Habermas did advance this thesis in the passage I cite. Later, Habermas unmistakably endorses Daniel Bell’s thesis, while complaining that the end of ideology was a long time coming. Against Finlayson, I will only object that it is intellectually dishonest to counter an unacceptable thesis by denying that it was ever made. Furthermore, Finlayson’s attempt to put flesh on the presumptively dead body of ideology with the neoliberal notion of flexibility only adds insult to injury. Colonisation, which Finlayson tries to interpret as ideological, refers specifically to the distorting effects of functional imperatives – not instrumental or strategic ones – on cultural reproduction and the reproduction of personality. In fact, in her excellent, sympathetic, account of Habermas, Maeve Cooke has shown that Habermas fails to distinguish functional from strategic imperatives in elaborating his colonisation thesis. Finlayson only compounds this error in his misguided attempt to elaborate a Habermasian concept of ideology. He also seems unaware that Habermas’s colonisation thesis refers specifically to the incursion of functionalist imperatives into the family, not the workplace. In the West, it is the family, or private household, that is the major point of entry for ‘crises that are shifted from the subsystems to the lifeworld’. Finally, Habermas explicitly states that colonisation displaces ideology because it prevents ideologies that are ‘no longer available’ anyway from ‘coming into existence’. To interpret colonisation as itself ideological is therefore a non-starter.

A similar problem arises in Section VI, when Finlayson turns his critical attention to the passage that I use to support my claim that Habermas lacks a normative foundation for his critique. Prefacing his criticism with a vague reference to postmetaphysical thinking, Finlayson merely juxtaposes his

15 Cook 2000, p. 74.
16 Habermas 1987, p. 353.
17 Habermas 1987, p. 386.
19 Habermas 1987, p. 385.
20 Habermas 1987, p. 355.
view to mine when he asserts without argument that Habermas’s ideal presuppositions can serve as standards for criticism. No quotations from Habermas support this claim, and Finlayson does not attempt to show how the ideal presuppositions of communicative reason serve a critical function. This unstudied response flies in the face of the real difficulties that plague the normative basis for social criticism in Habermas – difficulties that are adduced, not only by me, but by the Habermasian Cooke as well.\(^\text{21}\) In fact, Habermas suggests in one passage that the normative basis for his criticism is not communicative reason’s ideal presuppositions, but the more holistic, multivalent rationality of communicative practices in the lifeworld.\(^\text{22}\)

At the end of *Language and Reason*, Maeve Cooke struggles to locate the normative basis for social criticism in Habermas. Obviously uncertain, she remarks that ‘Habermas appears to suggest’ two ways in which communicative reason may serve a critical function.\(^\text{23}\) Rejecting his suggestion that the free and harmonious interplay of cultural values spheres is the basis for criticism, Cooke ultimately endorses the view, originally advanced by Kenneth Baynes,\(^\text{24}\) that the ideal presuppositions informing communicative practices in the rationalised lifeworld offer a critical purchase on social conditions. Against Baynes’s equally unsupported claim about the normative grounds for Habermasian criticism, however, I assert, on the basis of a statement that Habermas actually made, that his ideal presuppositions cannot be used in this critical fashion.\(^\text{25}\) Habermas also argues in a later passage that his presuppositions cannot be used critically because they raise the spectre of a collective subject that only hides from those who make them ‘the unavoidable inertial features of societal complexity’.\(^\text{26}\) Rejecting the normative content evoked by his own presuppositions – the model of purely communicative social relations – Habermas will only allow this model to play the affirmative role of illuminating the complexity of Western societies where material reproduction must be relegated to the autopoietic subsystems and fairly shielded from the inherently rational demands of the symbolically self-reproducing lifeworld.

\(^{21}\) Cooke 1994, pp. 142–62.  
\(^{22}\) Habermas 1984, p. 363.  
\(^{23}\) Cooke 1994, p. 144.  
\(^{24}\) See Baynes 1992.  
\(^{25}\) Habermas 1996, p. 323.  
\(^{26}\) Habermas 1996, p. 326.
I therefore pose a second challenge to Finlayson: I challenge him to find at least one textual reference to support his counterclaim that the ideal presuppositions of communicative reason may be used critically in the way he suggests. He should either find some textual basis for his churlish remark that I have ‘totally misrepresented’ Habermas, or concede – with astute commentators like Cooke – that the normative basis for social criticism in Habermas is problematic. (Indeed, given Habermas’s objections to Adorno, it is strikingly ironic to say the least that he fails to clarify the basis and the goals of his own critique of society.) But there are other reasons why the ideal presuppositions of communicative reason cannot serve the function that Finlayson wants them to play: for, when used in the critical fashion Habermas rejects, they do not target with sufficient selectivity the incursions of systems rationality into the lifeworld. Even if we graciously ignore the confusion between functional and strategic rationality that mars Habermas’s colonisation thesis, his ideal presuppositions must be more finely honed to target those instances of strategic action that are occasioned specifically by colonisation because Habermas also recognises that strategic action occurs in the lifeworld even in the absence of colonisation. Furthermore, with the advent of globalisation, the conditions for colonisation no longer obtain. The end of colonisation that follows the unravelling of the welfare state only raises further doubts about the critical function that Habermas’s ideal presuppositions may play.

Despite my criticisms of Habermas, I shall conclude by stating unequivocally that I hold Between Facts and Norms in high esteem: it can undoubtedly be counted among the great works of political theory. What rankles is its entirely affirmative, positivist, stance. At the end of my article, however, I observe that the ideal presuppositions of communicative reason do manage to retain the critical leverage that Habermas denies them because they are derived from liberalism. I will only add here that their critical power consists in projecting a much more radical and substantive vision of self-determination than Habermas will allow. In fact, when he demotes the ideal communication community to the status of a mere thought experiment, Habermas acknowledges that his presuppositions foreshadow a polity that takes the normative core of liberal democracies far more seriously than he would like. This is one reason why he will not grant them any critical leverage. But, if citizens of liberal-democratic states are really as rational as Habermas claims, if they have acquired a degree of Kantian Mündigkeit that cannot be revoked, then
I believe that citizens should take much more control over their economic and political fate than Habermas is prepared to give them. Of course, this raises a thorny issue that I cannot treat here: the idea of a collective subject of history. It is precisely this mature, rational, collective subject – the glimmer of intact intersubjectivity – that Habermas admits his own presuppositions evoke. I would argue that this collective subject lies at the critical core of Habermas’s theory. His theory opens up the prospect of a society in which citizens would finally shape their own economic and political destiny. Only a society in which all aspects of life, be they economic, political or social, are oriented towards discursively-redeemed cognitive, normative, and aesthetic ends would truly be rational.

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I am very grateful to Harry Brighouse and Erik Olin Wright for the careful scrutiny to which they have subjected my little book *Equality*. It is flattering to receive such detailed critical attention, even if I do not agree with the arguments directed against my book. Brighouse and Wright make many valuable and thoughtful points in the course of their review article. In a brief reply, it would seem best to focus on the issues that they raise that directly concern anticapitalist political strategy. With one exception, addressed in a footnote, I shall take the philosophical criticisms that they make – for example, concerning the relationship between Rawls’s First and Second Principles of Justice, and in defence of the proposition that there are trade-offs between equality and liberty – under advisement. In the meantime, it seems more urgent to consider what leverage radical egalitarianism, whatever its precise philosophical articulation, has on the contemporary social world.

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1 Brighouse and Wright 2002.
Debating equality

It may perhaps be helpful first to situate *Equality*. From a theoretical perspective it was intended to be a critical but sympathetic interrogation of egalitarian liberalism, as represented by John Rawls, Ronald Dworkin, Amartya Sen, Brian Barry, et al., along with their analytical Marxist interlocutors (notably G.A. Cohen and John Roemer).\(^2\) I undertook this for three reasons:

(i) The issue of equality and inequality is of increasing political salience: New Labour’s appeals to notions such as equality of opportunity and meritocracy have helped to bring egalitarianism back onto the political agenda. More fundamentally, the growing global gap between rich and poor is one of the driving forces behind the contemporary movement against capitalist globalisation.

(ii) Egalitarian liberalism offers a theoretical lens through which critically to examine the progress and achievements of New Labour. Brighouse and Wright do not basically dissent from my diagnosis that Gordon Brown’s strategy for reducing inequality by enhancing individuals’ market capacities is inherently flawed, though they argue that ‘the government needs to be judged on what it does’, which in turn involves ‘looking at the detail of its policies relative to the other policies available to it’.\(^3\) To my mind, I have followed this approach, not merely in *Equality* but also in texts such as *Against the Third Way*, where I acknowledged the limited redistribution achieved by some of Brown’s policies within a context of widening inequality.\(^4\)

\(^2\) Here is the exception promised above: Brighouse and Wright claim that ‘Callinicos seems to suggest that the Sen-Cohen egalitarian principle is more congenial to anticapitalist than either resourcist or welfarist approach, insofar as it implies much greater redistribution of income and wealth’ (Brighouse and Wright 2002, pp. 202–3). This is false. Nowhere in *Equality* do I say this, and I am not aware of implying it anywhere else. I agree with Brighouse and Wright that ‘[a]ll the standard proposals for equalisation . . . imply radical redistribution of wealth and income. None of these equalisation proposals can be carried out to the point where they accomplish egalitarian justice without seriously challenging capitalist institutions’ (Brighouse and Wright 2002, p. 203). That was one of my main points in *Equality*. This is not to say that there are no differences in the practical implications of the different proposed bases for egalitarian interpersonal comparisons: it is for this reason that I support the refinements proposed, at least to some degree on parallel lines, by Sen and Cohen: see Callinicos 2000, Chapter 3, and 2001c.

\(^3\) Brighouse and Wright 2002, p. 207.

\(^4\) See Callinicos 2001a and 2001b.
(iii) Discussing egalitarian liberalism also afforded an opportunity to address a theoretical lacuna in Marxism – Marx’s hostility to normative discourse (a hostility compromised, as Norman Geras shows, by Marx’s tacit appeal in his critique of exploitation).⁵

It may be helpful to compare my position to that of Jerry Cohen, a Marxist who has become very heavily involved in debates among egalitarian liberals: unlike Cohen, I do not think we have to choose between normative political philosophy and Marxist social theory. As I have argued previously in this journal, we can have our cake and eat it.⁶ The broad thrust of Brighouse’s and Wright’s critique of *Equality* is that, while they are sympathetic with my engagement with egalitarian liberalism, they think that there is still too much classical Marxism embedded in my argument. More specifically, I am mistaken in relying on Marxist social theory to argue against both egalitarian liberals and proponents of the Third Way that equality and the capitalist mode of production are incompatible.

In fact, Brighouse and Wright do not directly reject this argument, but rather draw a distinction between two kinds of anticapitalism:

> The fact that radical egalitarianism is *normatively* anticapitalist does not itself imply that a radical egalitarian would have to be *practically* anticapitalist. One could believe that a full realisation of egalitarian principles is inconsistent with capitalism – and thus one is normatively anticapitalist – and also believe that capitalism is the most morally acceptable feasible social arrangement *all things considered* (for example, if no form of socialism were feasible, or if there were other normative drawbacks to socialism). Within this set of beliefs, the egalitarian project could still be a live one, pushing for social reforms within capitalism to make its operation less inegalitarian, while all the while understanding that these reforms are temporary and always subject to assault by the ruling class, etc.⁷

This distinction between normative and practical anticapitalism is useful insofar as it permits consideration of feasible alternatives to the prevailing neoliberal form of capitalism that does not beg the question in favour of socialism (or, indeed, some other systemic alternative). For Brighouse and

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⁵ Geras 1985.
⁶ Callinicos 2001c.
Wright, however, the distinction is intended to support a strategy of seeking, on the basis of normative anticapitalism, ‘equality-enhancing reforms pursuable within existing societies’. The gap between normative and practical anticapitalism derives from two sets of claims made by Brighouse and Wright: (i) about the non-existence of a feasible model of democratic socialism, particularly when (as I do) one rejects market socialism, and (ii) about the structure and functioning of contemporary capitalism.

I am quite happy to concede, with respect to *Equality* at least, that I fail satisfactorily to address (i). Brighouse’s and Wright’s remark about ‘some hand-waving comments about something that has never been tried’ is, however, a trifle unkind. In a short book, the largest chapter of which was devoted to philosophical issues, all it seemed that I could do was open up a space for renewed discussion about the relationship between egalitarianism and socialism. My appeals for such qualities as imagination and ingenuity were not intended to be rhetorical, but in part to highlight the degree to which intellectual horizons have been narrowed by the hegemony of the neoliberal *pensée unique*. I am well aware that socialism is very far from exhausting the alternatives to neoliberalism, and I understand that it is incumbent on someone who takes my position to offer a detailed examination of these alternatives and make a positive case for socialism. I did not do so in *Equality*, but I have tried to make a start in a more recent book.

**Crises, reforms, and revolution**

Here, however, I wish to follow Brighouse and Wright in concentrating on (ii). The following passage summarises their case:

Callinicos seems to endorse the view that the social structure of advanced capitalist societies is moving along a trajectory towards an increasingly simple form of polarisation in which the masses of the population see their standards of living declining and only a thin layer benefits from the advance of the forces of production. As a result of this trajectory towards simplified polarisation, a rapid overthrow of capitalism and the creation of some form of socialist economy is in the interests of most people. We believe, in contrast,
that the nature of inequality in advanced capitalism is quite complex and is not in a process of some polarising simplification. As a result, we believe that a significant, not trivial, portion of the population would have its material interests threatened by socialism even if one could jump to socialism and a larger proportion would have its interests threatened because of the transition cost problem. We believe these objective material conditions – not the failure of strategic will – are what most deeply erode the prospects of the revolutionary Left, and further that those prospects will change significantly only as material conditions change (we are Marxist enough to think that).11

Caricature and cogent argument rub shoulders in this passage. In order to remove the former and address the latter I wish to consider three closely connected issues: the long-term tendencies of the capitalist economic system, the relationship between reform and revolution, and the nature of the obstacles facing egalitarian social transformation. The first issue arises with respect to the problem of transition costs: the thought here is that, even if socialism were to represent an material improvement over capitalism, the costs of achieving it would be so great as to make it rational to stick with the status quo.12 Brighouse and Weight accuse me of relying on some notion of capitalist catastrophe – ‘of capitalism’s long term trajectory towards deterioration and demise’ – to finesse this problem: in other words, things get so bad under capitalism that it becomes rational to replace it however high the price.13

Now, if, in referring to a ‘long term trajectory towards deterioration and demise’, Brighouse and Wright attribute to me a belief in the inevitability of capitalist economic collapse, they are mistaken. I do not think that either the breakdown of capitalism or its replacement by socialism is inevitable. It is true that I believe the survival of capitalism will have long-term catastrophic consequences: this seems particularly clear when we consider the processes of environmental degradation that are currently under way. But such a view does not imply any commitment to the inevitability of socialism. On the contrary: I have always preferred Benjamin’s conception of revolution as an irruption into the normal course of events that averts catastrophe.

12 See Przeworski 1985. Brighouse and Wright imply that classical Marxists have ignored the problem of transition costs, but see Callinicos 1987, pp. 201–5.
In support of their misinterpretation of my position, Brighouse and Wright cite my acceptance of ‘the labour theory of value version of Marx’s theory of the tendency of the overall rate of profit to fall’, which they seem to think supports what they call ‘the long-run impossibility of capitalism thesis in classical historical materialism’.

They do not present arguments against this theory, perhaps because they believe it is the equivalent in social theory of thinking the earth is flat. I no longer have much patience with this kind of dogmatic dismissal of Marxist value theory. One of the least attractive features of analytical Marxism is the way in which it uncritically internalised the Sraffian critique of value theory: possibly as a consequence, it has made no contribution to the critique of political economy, with the exception of Bob Brenner’s impressive if problematic analysis of post-war capitalism, which is best seen as placed uneasily at the boundaries between classical Marxism and neo-Ricardianism rather than representing analytical Marxism *pur et dur*.¹⁵

In any case, I do accept Marx’s theory of the tendency of the rate of profit to fall: its implication is not, as Brighouse and Wright suggest, capitalist collapse, but rather a chronic, systemic propensity towards large-scale and highly disruptive economic crises. It is not clear whether Brighouse and Wright deny that such a propensity exists. There is nothing incoherent about believing that capitalism is inherently unstable economically and rejecting Marx’s explanation of this instability: this is, for example, Brenner’s position. It is common ground between him and his more orthodox Marxist critics (such as myself) that global capitalism entered a long-term period of crises in the early 1970s characterised by low levels of profitability and of output growth by comparison those attained during the post-war boom of the 1950s and 1960s. The collapse of the American boom of the late 1990s, which was driven by a partial recovery in profitability combined with a speculative bubble centred in the financial markets, indicates that this period of crises is far from over.

Brighouse’s and Wright’s failure to address the dynamics of capitalist development lends a timeless quality to their discussion of the scope for reform. Of course it is true that the capitalist mode of production ‘is a social

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¹⁴ Ibid.
¹⁶ See, for example, Callinicos 1983, Chapter 6, and Callinicos 1999.
¹⁷ See Brenner 1998 and 2002 and the symposium on his theory in *Historical Materialism* 4 and 5.
system of considerable flexibility and capacity to muddle through’ that can absorb reforms and ‘survive without optimal functionality’. Nevertheless, this flexibility is itself historically variable: it depends critically on whether or not the overall condition of capitalism is one of expansion (as it was in the 1950s and 1960s) or of crisis. This condition in turn sets limits to the scope that exists at any given time for reforming capitalism. It seems self-evident that we are living today in an era not of reform, but of major attacks on existing achievements. This offensive is ideologically articulated through the neoliberal ‘Washington Consensus’ and enforced by a coalition of international institutions such as the IMF and the World Bank and the leading capitalist states. I say more about the sources of the neoliberal ideological hegemony below. Here, it is important to emphasise that the assault on reforms is unintelligible except against the background of the relatively slow economic growth of the past three decades: in particular, the intensity of international competition narrows the scope for concessions and encourages efforts to withdraw past concessions.

Does this make the pursuit of reforms futile? Of course not. In the first place, the limits set to reform by the prevailing ideologico-political consensus are arguably narrower than those imposed by the interests of capital. Brighouse and Wright suggest as much with respect to New Labour’s educational policies. A more striking case is that of public transport. It is not at all obvious that the systematic neglect of the British transport infrastructure pursued by the Thatcher government and continued by John Major and Tony Blair is in the long-term interests of British capital: certainly the City of London now faces the unenviable problem of how to sustain one of the world’s leading financial centres amid gridlocked roads and collapsing bus, train, and underground systems. A variety of considerations irreducible to the logic of capital – laissez-faire and pro-car ideology, the lobbying capacities of the fossil fuel corporations, the politics of public expenditure, not to speak of plain old greed and stupidity – must be invoked to explain this irrational outcome.

Secondly, any serious movement for egalitarian social transformation is likely to develop a programme of demands that test the economic limits to reform. Experience of neoliberal policies has indeed thrown up new proposals for reform – for example, the Tobin tax on foreign exchange transactions as

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a means of regulating financial markets and generating the resources for global redistribution.\textsuperscript{20} Sometimes, such measures are intended to make capitalism to work more humanely than it currently does: it was in this spirit that Tobin proposed his tax ‘to throw some sand in the wheels of our excessively efficient financial markets’.\textsuperscript{21} Often, however, reforms are supported because they will achieve broader goals, for example, maximising equality: it is on this basis that Brighouse and Wright themselves advocate the idea of a basic income. Either way, the struggle for reforms is unquestionably worth pursuing: elsewhere I have set out a tentative programme for the movement against capitalist globalisation.\textsuperscript{22}

Why, then, do Brighouse and Wright accuse me of ‘extreme pessimism about prospects for egalitarian reforms within capitalism’?\textsuperscript{23} Because I believe that, pressed beyond certain limits, egalitarian reforms will threaten the reproduction of capitalist relations of production, and that, probably well before they reach these limits, reform movements are therefore likely to evoke severe capitalist resistance. It is for this reason that I conclude that, when considered at the level of political strategy, normative anticapitalism collapses into practical anticapitalism: radical egalitarianism can only be stably realised through the replacement of the capitalist mode of production by a democratically planned socialist economy. On what basis do Brighouse and Wright reject this argument? They might believe that capitalist relations of production impose no limits to their gradual reform. Back in the late 1970s, Barry Hindess, Paul Hirst, and their co-thinkers opened the doors to postmodernism by arguing that the whole discourse of reform and revolution implied an ‘essentialist’ conception of the capitalist mode of production that had to be rejected.\textsuperscript{24} But it would be unfair to Brighouse and Wright, who argue like realists not idealists, to attribute to them the absurd idea that nothing is in principle incompatible with the reproduction of capitalist relations of production.

The thought seems rather that the limits set by capital are broader than I assume. Thus Brighouse and Wright argue that basic income could be introduced, in the advanced capitalist countries, without threatening the

\begin{itemize}
\item \textsuperscript{20} See, for example, Patomäki 2001.
\item \textsuperscript{21} Tobin 2001, p. 234.
\item \textsuperscript{22} Callinicos 2003, Chapter 3.
\item \textsuperscript{23} Brighouse and Wright 2002, p. 219.
\item \textsuperscript{24} Cutler et al. 1977–8.
\end{itemize}
functioning of the capitalist labour market. Maybe so, but the fuss the French employers made about the introduction of a 35-hour week, despite all the efforts made by the Plural Left government to make the reform business-friendly does not support this optimism. It is hardly likely that capital, after all the efforts of the past twenty years to increase the incentive to participate in the labour market on highly unfavourable terms is likely to sit quiet while even a partial move in the other direction is attempted.

But, even if Brighouse and Wright are correct, and I have been excessively pessimistic about the limits to reform, the fact is that such limits exist. Moreover, they have become more restrictive in the past generation as a result of what Brenner calls the ‘long downturn’ since the early 1970s. The ‘Washington Consensus’ represents, among other things, an attempt to reverse the modest but real moves towards greater equality that took place during the Keynesian era after the Second World War. Any significant political force that seeks even partially to retreat from this consensus is subject to enormous pressure.

Consider, for example, the frenzy with which the financial markets greeted the prospect that the Workers’ Party’s (PT) leader Lula would win the Brazilian presidential elections in October 2002. Lula was forced into a pre-emptive policy striptease in order to assuage the markets’ fears. Thus, in July 2002, the Financial Times reported that the PT had ‘abandoned many of its radical anti-capitalist proposals, but outlined a substantial increase in state spending and government intervention’. The PT promised that, ‘if elected, it would meet its contractual obligations, including debt payments’. But these concessions were not enough. The FT complained: ‘the PT makes no reference to central bank independence, an issue considered vital by financial markets in securing sound monetary policy but long opposed by the PT’. Clearly, the markets will not be content till Lula’s policies are identical with those of his neoliberal predecessor, Fernando Henrique Cardoso.

Any serious movement that drew anywhere near to threatening the reproduction of capitalist relations of production would evoke intense capitalist resistance. So much the worse for the revolutionary case, respond Brighouse and Wright:

The ferociousness of the reaction of the privileged to BI [basic income] is nothing like what it would be to ‘a wider move towards socialism in which . . . control over productive resources is taken from the capitalists’. It

takes a great deal of confidence in one’s theory of the future and optimism about the willingness of people to take risks and accept sacrifices to believe that mobilisation against such ferocity can succeed in a transition to socialism, but not in instituting a basic income in capitalism.\(^\text{26}\)

Brighouse and Wright write as if revolutions are attempted on the basis of a sudden and spontaneous decision. In fact, whether or not successful, they tend to emerge out of thwarted movements for reform. In this sense (and this sense only), the claim frequently made by social democrats of various kind that the opposition between reform and revolution is a misleading one is correct. Serious movements for reforming capitalism, when they evoke resistance, as they invariably do, are likely to face the following dilemma. They can respond to the resistance by moderating or abandoning their demands: in this case, at best, they fail to achieve their objectives, at worst, their hesitations may unleash a counter-revolutionary dynamic that destroys them (this is what happened in Chile in 1972–3).

Alternatively, the movement can press on, in the growing awareness that they are threatening the very existence of the system, rather than merely seeking partially to ameliorate it. Of course, if they pursue this course, the movement will face more resistance, but their greater understanding of the stakes should make possible a determined mobilisation of all their resources, and the adoption and concerted pursuit of a strategy focussed on the overthrow of the system. The success or failure of any revolutionary movement is not reducible to such factors: others – to do, for example, with economics, geopolitics, and the morale, cohesion, and leadership of the forces of order – will also play their part. The fact remains that a movement with a clear understanding that resistance to its demands are deeply rooted in the prevailing social structure and is only likely to be overcome through a systemic transformation is far more likely to succeed than one that deludes itself that its opponents can be bought off with concessions.

Brighouse and Wright recognise that the class struggle generates dilemmas of this nature, but they seem to think that it is generally wise in such cases for the mass movement to retreat:

as long as workers are insufficiently powerful to actually transcend capitalism, they will have an interest in securing stable, long-term conditions for capital

\(^{26}\) Brighouse and Wright 2001, p. 218. The phrase quoted in this passage comes from Callinicos 2000, p. 118.
accumulation, and this requires some form of ‘class compromise’. In a class compromise, workers have power to damage capital which they refrain from using.\footnote{Brighouse and Wright 2002, p. 218, footnote 20.}

There is plainly a fine judgement here to be made about workers’ power involved here: class compromises are appropriate when workers are strong enough to damage, but not strong enough to overthrow capital. Even if we ignore the tangle of issues raised here (involving ancient debates that date back at least to the era of Bernstein, Kautsky, and Luxemburg), there still is the question of costs. Brighouse and Wright tax revolutionary Marxists for ignoring the problem of the transition costs entailed in overthrowing capitalism, but what about the costs of class compromise?

In the mid-1970s, at a moment of serious economic crisis and intense social conflict, the leaders of the workers’ movement in Europe made just the sort of judgement that Brighouse and Wright commend. They struck a series of deals – for example, the ‘Historic Compromise’ in Italy, the ‘Social Contract’ in Britain, and the ‘Moncloa Pact’ in Spain. The outcome was not, as the workers’ leaders had hoped, a return to the economic stability and social reforms of the 1950s and 1960s, but rather chronic unemployment, social polarisation, insecurity, ‘exploitation’, and all the other symptoms of the neoliberal hegemony so eloquently denounced by Bourdieu and his collaborators in \textit{The Weight of the World}. Any serious discussion of egalitarian political strategy must weigh the costs of leaving capitalism in place as well as those entailed in overthrowing it.

\textbf{Class: complexity or polarisation?}

Consideration of the problem of transition costs cannot be separated from that of the class structure of contemporary capitalism, since the impact on individuals of retaining or removing capitalism depends critically on where they are placed in that structure. This brings me to the third issue that I wish to discuss, namely Brighouse’s and Wright’s charge that I rely on a progressive simplification and polarisation of the class structure to support the revolutionary socialist case. This accusation rests on a misinterpretation of the brief discussion of social trends in \textit{Equality}. It would have been absurd if I had thought that
this fairly summary treatment represented an overall analysis of the class structure of contemporary capitalism. If I highlighted the trends towards greater inequality in the advanced capitalist countries, this was in part to combat the tendency to see inequality primarily as a global North/South problem rather than one that divides all societies. I also wanted to resist the idea, sometimes advanced by egalitarian liberals (for example, Thomas Nagel), that the potential constituency for egalitarian politics in the rich countries is confined to a minority dominated by the underclass and ‘post-materialist’ professionals.\(^{28}\)

It does not seem to me that either of these aims is contradicted by the analysis of social trends in the United States during the 1990s offered by Brighouse and Wright. Certainly, the picture is more complicated than a simple movement towards greater polarisation between rich and poor. In particular, Brighouse and Wright detect ‘a change in the job structure characterised by polarisation plus substantial expansion of job opportunities in the top third of the employment structure’.\(^{29}\) It would be a brave – and foolish – person who would take Erik Wright on in the area he has so scrupulously and illuminatingly studied for the past thirty years. All the same, I shall make two largely speculative points. First, it seems to me that any real reckoning of how American class structure changed in the 1990s must take into account the impact of the boom as it accelerated towards the end of the decade in finally pushing up hourly earnings and thereby somewhat compressing income inequalities.\(^{30}\) Given the collapse of the boom, it is open to question how sustained this trend will be. Secondly, the growth in well-paid occupations in the US has been going on for longer than the 1990s boom, as Wright has shown elsewhere.\(^{31}\) One possible explanation is the specific position that the US occupies in global capitalism, as the headquarters of the largest single group of multinational corporations (whose productive operations and routine workforces are by definition often sited off-shore) and as the main centre of international financial markets, managing the gigantic inflows of liquid capital that fuelled the boom – and the bubble – of the 1990s. It is easy to see

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\(^{29}\) Brighouse and Wright 2002, p. 197.

\(^{30}\) See, for example, Brenner 2002, pp. 220–1, which stresses the modesty of the improvement.

\(^{31}\) Wright 1997.
how these functions might produce a relatively high concentration of well-paid managerial occupations in the US.\textsuperscript{32}

In any case, I do not think that there has been a general trend to \textit{either} greater social complexity \textit{or} ‘simplified polarisation’. Wage-labour has always been a heterogeneous category embracing more and less well-paid and socially privileged positions in the class structure: consider, for example, the economic, social, gender, and even ethno-religious differences between office clerks, craft workers, unskilled labourers, and domestic servants under Victorian capitalism. Therefore, the task of socialists has always been to construct a collective working-class subject out of a variety of different social positions that are ‘objectively’ working-class. This involves organisation, agitation, and an enormous amount of political and ideological work designed to encourage different groups of wage-labourers to imagine themselves as belonging to the same collectivity. The quandary that the Western Left has faced over the past quarter century is that one proletarian subject – based on the industries of the Second Industrial Revolution – has been broken up as a result of the class defeats and economic restructuring that put an end to the last great upturn in workers’ struggles in the late 1960s and early 1970s. A new working-class collectivity needs to be constructed, one that will differ significantly from – just to take some British examples – the labour aristocrats of the late nineteenth century, the mass industrial unions that developed in the early twentieth century, or the shop stewards’ organisation that flourished between the 1940s and the 1970s.

What are the obstacles to constructing such a subject? Brighouse and Wright stress ‘objective material conditions’. Thus, they explain New Labour’s rejection of egalitarianism as a response to ‘real changes in the social structure [that] have created a solid coalitional base for an anti-egalitarian politics’. These changes involve in particular ‘the increasing economic heterogeneity of the population in advanced capitalism’.\textsuperscript{33} This view of contemporary class structure informs Brighouse’s and Wright’s Scenario # 2, which represents their view of the probable impact on material living standards of the transition from capitalism to socialism. The critical assumptions they make here are that the differences between the income of the median person under capitalism and

\textsuperscript{32} Rather surprisingly, a similar point is made by Castells, in what otherwise reads now like a dated piece of boosterism for the New Economy: 2000, pp. 245–7.

\textsuperscript{33} Brighouse and Wright 2002, pp. 204, 215.
socialism are so small and the transition costs of moving from one mode of production to another are so great that it would be rational for most people to stick with capitalism.\textsuperscript{34}

But these are only assumptions – and highly contestable ones at that. Granted that that the question of transition costs is an important one, it does not follow that it automatically will count against socialist revolution, particularly when the costs of sticking with capitalism are factored in. The rosy scenario that Brighouse and Wright paint for median incomes under capitalism may turn out not to hold empirically; more fundamentally, the sums may turn out to be rather different once we take into account chronic tendencies towards economic crisis and environmental degradation that they ignore.

But, in any case, Brighouse’s and Wright’s argument from economic heterogeneity proves too much. As the case of Brazil illustrates, the current politico-economic constellation blocks \textit{any} significant deviation from the ‘Washington Consensus’, not just the pursuit of socialist transformation. Is this really because most people do so well materially out of neoliberal policies to such an extent that they are happy to stick with the \textit{status quo}? Surely not. There are, for example, plenty of well-heeled commuters who would benefit from the renationalisation of the British railways and a serious programme of state investment in public transport: this is one reason why rail renationalisation has such enormous support in the opinion polls. Do we not have here a main constituent of \textit{la misère du monde} – that very large numbers of people loathe the way neoliberalism is changing the world for the worse, but see no alternative to the present set-up? TINA, Thatcher’s famous injunction that there is no alternative, has survived her reduction to a ridiculed ghost.

Brighouse and Wright imply that my discussion of fetishism, understood as belief in TINA and more broadly as the representation of capitalist relations, particularly in the neoliberal version, as natural, reduces the obstacles to egalitarian change to mere ideology unanchored in material conditions. This is not so. It is true that I reject \textit{their} account of the material conditions responsible. That is, I do not believe that changes in the class structure constitute the main obstacle to collective action (though the restructurings of the past two decades have had an immensely disorganising effect). This does

\textsuperscript{34} Brighouse and Wright 2002, pp. 212–13.
not mean, however, that fetishism is an autonomous ideological phenomenon.

What, then, are the material causes of belief in TINA? One directly operating economic factor is the increased power of financial markets, thanks to the greater international mobility of money capital that constitutes the rational kernel in some of the wilder claims made for globalisation. Experience of the power of financial markets – the case of the PT in Brazil is merely the latest in a dismal history – is a powerful source of economic fatalism. But ‘objective material conditions’ also make themselves felt more indirectly. The neoliberal hegemony is sustained by the memory of great working-class defeats. The agony of the great miners’ strike of 1984–5 seems to me a much more plausible explanation of Blair’s dominance of the British labour movement than any general trend towards ‘economic heterogeneity’. Marx said that ideas can become a material force. This is one such case: the neoliberal ideology that is, at least in part, a condensation of the experience of defeat naturalises not just capitalist relations of production but a specific version of capitalism. Hence the importance of the movement that was born at Seattle. Its main slogan – ‘Another World Is Possible!’ – itself represents the beginning of an erosion of the naturalisation of neoliberal capitalism (though, of course, the movement is famously unclear about the nature of this alternative).

Does the position set out above commit me to the view, as Brighouse and Wright assert that it does, that ‘these beliefs [in the impossibility of radical change] can be transformed by exhortation’? Absolutely not, and I am baffled that they should think that Equality implies any such view. The contemporary movement against global capitalism has been produced by the experience of neoliberal policies, not by any ideological critique. Currently it seeks primarily to reform and to regulate the present system rather than to abolish. But – in the process of seeking reform – it is likely be radicalised: indeed, such a radicalisation has begun to occur as a result of the experience of state violence, whether exerted domestically against protesters at Gothenburg, Genoa, and elsewhere, or used on a global scale in the Bush administration’s war against terror. Thus, to borrow the terms of a contrast drawn by Brighouse and Wright, the pursuit of ‘equality-enhancing reforms . . . within capitalism’ can promote ‘the radical egalitarian project against capitalism’. In starkly counterposing two alternative routes for achieving majority support for socialism – changes

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in consciousness (the view they attribute to me and reject) or altered material conditions (their own position), Brighouse and Wright descend into the confusions of socialism before Marx, which he transcended by showing that the material conditions of capitalism generate struggles that themselves can transform consciousness.\footnote{Callinicos 1983, Chapters 2 and 7.}

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Uses and Misuses of Memory:
Notes on Peter Novick and Norman Finkelstein

Historians have often emphasised that the Holocaust was not the logical, inescapable outcome of a linear process, but the product of a ‘twisted road’. We could apply a similar definition to the path taken by the memory of Auschwitz in the Western world. Almost ignored – or, in any event, buried under the mountain of ruins and sufferings covering Europe at the end of the Second World War – for many years, the destruction of the Jews was pushed to the sidelines, when not omitted outright from our images of the war. History books consigned this event to only a few ritual footnotes, in which Jews were presented as one among the many victims of Nazism, we could almost say victims ‘without quality’, in the middle of a century of horrors. Survivors of the genocide longed to once again be part of the human community from which they had been so cruelly excluded and violently uprooted. Thereafter, they did not wish to ‘be set apart’ by their fate, to appear as ‘special’ victims, stigmatised by an aura of martyrdom setting them apart from others. Such uniqueness was too reminiscent of the old otherness created by anti-Semitism. Today, the situation has been turned on its head – the Holocaust has become a central aspect of our depiction of the twentieth century. Yesterday’s ‘non-event’ has given way to a memory obsessively present in public life, conveyed by an uninterrupted flow of narratives, testimonies, books, fictional and film productions, museum exhibits and official commemorations. Two books have explored this phenomenon – analysing its origins, forms and aftermaths – in the United States, the country where its impact has been

1 Many thanks to Maria Stuart Lagatta for the revision of the English version of this text.
greatest: *The Holocaust in American Life*, by Peter Novick, and *The Holocaust Industry*, by Norman Finkelstein (the latter originally began as review of Novick’s work and afterwards grew into a separate book). If many of their reflections could be easily generalised, then they relate first of all to American society. Simply or mechanically transposing them to the European context may bring about certain misunderstandings (as I will try to show later on).

In order to explain the central place occupied by the Holocaust in American culture, Novick historicises its memory, distinguishing four main stages. He starts out from the War years, when the main enemy of the United States was Japan. At the time, Roosevelt was intent on ensuring that American involvement in the World War could not be interpreted as a ‘war for the Jews’. During this period, the destruction of the European Jews did not attract particular attention (in the United States nor elsewhere), and the country certainly did not feel guilty about failing to halt this crime. American Jews shared this outlook and did not view the tragic events in Europe at all differently from their fellow citizens. At the War’s end, they were proud of their country, which had contributed so valiantly to the defeat of Nazism.

During the second phase – the 1950s and the first half of the 1960s – the Judeocide was almost completely eclipsed in the public sphere. Remembrance of the Holocaust did not fit in well with the struggle against totalitarianism. When, in the Cold War, the USSR became the totalitarian enemy against which all forces of the ‘free world’ had to be brought into play, remembrance of the Judeocide and other Nazi crimes could disorient public opinion and become an obstacle to the alliance with the Federal Republic of Germany. American Jews were suspected of being Communist sympathisers. Julius and Ethel Rosenberg were practically alone in mentioning the Holocaust in 1950s America, during the trial where they were sentenced them to death, and Jewish associations and institutions vigorously opposed erecting monuments or memorials in memory of Hitler’s slaughter of the Jews. It was a period where heroes, not victims, were in the limelight and the show of strength was a national virtue. Jews wished to identify with and assimilate into victorious America, and certainly did not want to appear as a community of victims.

According to Novick, a transition took place during the 1960s. First came the Eichmann trial in Jerusalem. This was first public expression of the memory of the Holocaust, represented by Nazi camp survivors who testified as witnesses for the prosecution over many weeks. Next came the Six-Day War in 1967. A large part of the Jewish diaspora viewed this conflict as the threat of a second annihilation, in the form of a possible military defeat of Israel. This gave rise to a long-range split in the way the Jewish state was portrayed, which continues until this day. On the one hand,

\[\text{Wyman 1984.}\]
it is condemned in a categorical judgement as a new instrument of imperialism and colonial oppression. On the other hand, it is defended (and many diaspora Jews have identified with it) as a small and threatened community, struggling for its survival, subjected to a secular hatred and persecution now taking new forms (Arab régimes and the Palestinian national movement). Novick synthesises such interpretations of the conflict in two antithetical images: for many Jews, Israel’s victory was seen as a miracle, a new triumph by David over Goliath; but, for Palestinians and Arab public opinion, it was a repetition of the Conquest of Mexico by the little army of Cortés (p. 154). During these transitional years, the word Holocaust, already found in Western languages but not often used to define the Judeocide, begun to pass into common use as a translation of the Hebrew word Shoah (destruction).³

The TV serial Holocaust (1978), which had a major impact both in the United States and in Europe (especially in Germany), inaugurated a new period. The success of this drama revealed a major change in perceptions of the past. The Judeocide became an essential element not only of Jewish identity but, more generally, in the historical identity of Western societies. It became an object of scientific research and teaching (Holocaust Studies), of public commemorations (monuments, memorials, museums, official ceremonies), and, last but not least, of reification by the media and the cultural industry (Hollywood). In this way, the Judeocide underwent a process of Americanisation, becoming part of the historical consciousness of the United States. It also underwent sacralisation, becoming a kind of civil religion with its own dogmas (its absolutely ‘unique’ and ‘incomparable’ character) and its own ‘secular saints’ (survivors, raised to the status of living icons). The prophet of this civil religion is Elie Wiesel, a symbol of suffering borrowed from Christian imagery, who proceeded to codify the new dogma: ‘The Holocaust is unique’, ‘Auschwitz cannot be explained nor visualised’, ‘The Holocaust transcends history’. . . (p. 211). Once declared incomparable, indescribable, incomprehensible and impossible to explain in rational terms, the Holocaust was transformed into a ‘holy mystery’ that Ismar Schorsch, the chancellor of the American Jewish Theological Seminar, has seen as a ‘distasteful secular version of choseness’ (p. 198).

The birth of a public memory that tends to deprive this Judeocide of its historical character and to project it into a mythical sphere belongs to the cultural context of this turn of the century: on the one hand, the valorisation of victims (rather than heroes) as authentic witnesses to the past; on the other hand, the abandonment by the Jews of their old integrationist ethos in favour of a new particularist one. Wiesel’s aphorisms – the Holocaust is at once unique as universal – provide a paradigmatic synthesis of this process of Americanisation of the Holocaust and, at the same time,

³ Calimani 2001, p. 77.
its transformation into a pillar of cultural Jewish-American identity. Not the weakness, but the strength of American Jews, Novick explains, has allowed for this identification with history’s vanquished. Therefore, his conclusion is very sceptical: Holocaust sacralisation is a bad politics of memory. In many cases, its alleged civic virtues – regularly invoked by all US Presidents since Jimmy Carter – have revealed themselves as weak and contradictory, if not openly hypocritical and demagogical. In the name of justice and memory, for example, the geopolitically inspired war against Iraq was legitimised: Bush senior compared Saddam Hussein to Hitler. While the Holocaust Federal Museum was opened in Washington, the US Mail issued a stamp remembering the atomic bombs on Hiroshima and Nagasaki as ‘positive events’ that brought an end to the Second World War (it was withdrawn only after protests by the Japanese embassy). If the emphasis on the Holocaust’s ‘uniqueness’ played an important role in making memory of the Judeocide a part of German and European historical consciousness, in the United States – as Novick underlines once more – it ‘promotes evasion of historical and political responsibility’ (p. 15). The result is a paradoxical phenomenon: the United States has created a Federal Holocaust Museum, devoted to remembrance of an event that occurred in Europe, while ignoring two essential aspects of American history: the genocide of Native peoples and the enslavement of Blacks. ‘In the United States’ – this is Novick’s conclusion – ‘memory of the Holocaust is so banal, so inconsequential, not memory at all, precisely because it is so uncontroversial, so unrelated to real divisions in American society, so apolitical’ (p. 279). Novick is not the first to formulate such a statement. Ten years ago, Arno Mayer criticised a ‘cult of memory’ that was quickly tending to transform itself into an ‘exaggerated sectarianism’. This is a sectarianism that removes the Judeocide from the historical and profane circumstances in which it was generated. The result is the ‘Holocaust’, which ‘has taken the reflective and transparent remembrances of survivors and woven them into a collective prescriptive “memory” unconducive to critical and contextual thinking about the Jewish calamity’. In a similar way, Geoffrey Hartman observed a tendency to ‘fetishise’ the Holocaust.

Moreover, the memory of the Judeocide was interpreted and used – to a certain degree we could say politically manipulated – within the State of Israel. Although Novick neglects this aspect, this instrumentalisation has been very well analysed by several historians, including two prominent Israelis: Dan Diner and Tom Segev. By the end of the 1960s, Israel had begun to remember the extermination of the Jews in order to justify its own existence as well as its occupation of Palestinian lands. Museums, memorials, school books and official commemorations were used in order to legitimise

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4 Todeschini 1995.
5 Mayer 1990, p. 16.
Israeli policies as compensation for Jewish suffering and to portray Arabs, notably the Palestinian movement, as the most recent reincarnation of eternal anti-Semitism. Tom Segev gives some examples of this tendency, from the 1950s, when Ben Gurion compared Nasser to Hitler, or the Lebanon War, when Menachem Begin declared that the alternative to Beirut’s military occupation was a new Treblinka.\textsuperscript{7} Dan Diner interpreted this tendency as a new form of Israeli self-legitimisation: alongside the old, classical, \textit{yishuv}-ist representation of Israel as the ‘land of the founding fathers’, now appeared a new \textit{Shoah}-centric representation, which depicted Israel as a reparation and a response to the Nazi genocide. In 1967, Diner underlines, both left and right Zionist forces adopted Auschwitz as ‘a metaphor for the insecurity of life in Israel’. Israel borders before occupation of the West Bank and Gaza were often defined as ‘the Auschwitz line’.\textsuperscript{8}

This kind of instrumental approach to the memory of the Judeocide – an approach that, historically, has found a strong support from the United States and many American-Jewish institutions – provokes the indignant reaction of Norman Finkelstein. The son of survivors of the Warsaw ghetto, this New York City political scientist cannot seriously be accused of anti-Semitism, despite the attacks by several newspapers and journals after the publication of his book (the question of his supposed ‘Jewish self-hatred’ is not worthy of any comment). Although Finkelstein’s essay is certainly less analytical and nuanced, more polemical and violent than Novick’s book, his critique of the ‘Holocaust industry’ is in many ways appropriate and convincing. His demolition of certain pseudo-autobiographical novels – \textit{The Painted Bird} by the Polish émigré Jerzy Kosinski and \textit{Fragments} by the Swiss Binjamin Wilkomirski – written by charlatans who claimed to be survivors of the Nazi camps (and were immediately welcomed by Elie Wiesel and Cynthia Ozick as irreplaceable Holocaust witnesses) is not only convincing but, in many ways, healthy. His satirical critique of the philosopher Steven Katz is frankly amusing: Katz claimed to have discovered the ‘phenomenological uniqueness’ of the Holocaust ‘in a non-Husserlian, non-Shutzean, non-Schelerian, non-Heideggerian, non-Merleau-Pontyian sense’. Finkelstein’s translation: ‘The Katz enterprise is phenomenal non-sense’ (Chapter 2). Few commentators would mete out so devastating and irreverent a treatment to Elie Wiesel, Nobel prize winner and ‘priest-survivor’ copiously paid for predicing Auschwitz’s ‘Darkness’. Wiesel’s interpretation of the Holocaust as an event ‘beyond history’, that is as a ‘mystery’ which we can remember and meditate, not rationally understand, as a ‘noncommunicable’ event which ‘defies both knowledge and description’, impossible ‘to be comprehended or transmitted’, is rightly stigmatised by Finkelstein as a dangerous dogma (Chapter 2).

\textsuperscript{7} Segev 1993.
\textsuperscript{8} Diner 1999, pp. 207, 215.
On the question of Holocaust deniers, Finkelstein deplores the danger that their arguments could be legitimised by the vacuous responses often put forth by their critics. Specialised in research on ‘immoral equivalencies’, Deborah Lipstadt, author of *Denying the Holocaust*, vigorously condemns every attempt at comparing the Holocaust to other genocides. She views such comparison as a ‘moral indecency’ and an ‘insidious’ form of Holocaust denial, because it opens the way to the denial of its ‘uniqueness’. The only result of her book was to bring out of anonymity Arthur Butz, a teacher of electrical engineering at Northwestern University, whose writings attempting to prove that the Jewish genocide had not taken place had been universally ignored up until that point.\(^9\) The historian of Islam Bernard Lewis, on the other hand, defends the thesis of the Holocaust’s uniqueness and refuses to speak of an Armenian genocide in the Ottoman Empire, during the First World War.\(^10\)

More problematic is Finkelstein’s campaign against the ‘extortion’ carried out by the ‘Holocaust industry’ at the expense of Swiss banks (Chapter 3). Most allegations he makes against a number of Jewish-American institutions (particularly the Jewish Claims Conference) are probably correct. Raul Hilberg shares Finkelstein’s opinion that the numbers of Jewish Holocaust survivors was overestimated in order to increase compensation. In Hilberg’s opinion, the figure of 250,000 survivors is not realistic and the money ‘extorted’ from the Swiss banks ($125,000,000, i.e. $250,000,000 in 1945) is disproportionately high. Hilberg had observed that, once the Depression had struck, Jews were not so rich that they could leave that huge amount of money in the Swiss banks. Finkelstein’s work, Hilberg argues, ‘goes in the right direction’.\(^11\) Finkelstein rightly thinks that this kind of indecent speculation on the memory of the victims – and the indecently high compensations of the lawyers involved in the negotiations – and the silence on the part of those who could speak out, might give rise to a new wave of anti-semitism. The argument put forth by other critics of Finkelstein that any denunciation of Jewish-American institutions might favour Holocaust deniers is frankly unacceptable. It recalls a Stalinist cliché from the Cold-War years, when all criticisms of the Gulag and of the Soviet Union were denounced as attempts to favour and support American imperialism.

But, here, some problems arise. Firstly, because the method and style of the Jewish Claims Conference cannot be assimilated into those of national commissions that were established in Europe in order to make an inventory of those Jewish properties that were expropriated and not restituted at the end of the War. The action of these commissions was based on completely different ethical and political rules. They aimed to establish the truth and make amends for injustice, not to seek profit through

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commercial negotiations. Therefore, Finkelstein’s denunciations and critiques must be circumscribed and contextualised. Secondly, the argumentation developed in *The Holocaust Industry* is so simplistic, sectarian, polemical and provocative that its conclusions are not convincing, even when its author is right. Since the Jewish institutions of the ‘Holocaust industry’ are the only target in this book, its analysis can be read, *de facto*, as an absolution and whitewash of Swiss and European banks. These are portrayed as victims, even though they were the first, under terribly tragic historical circumstances, to practise ‘extortions’ – the dimension of which is not of consequence here. These ‘extortions’ were not directed against powerful economic institutions (like the ‘victims’ of the ‘racket’ denounced today by Finkelstein) but against a persecuted community, just before and during its extermination. We should remember Swiss banks were the first to suggest the introduction of a distinctive ‘J’ stamp on the passport of Jews fleeing Nazi Germany.\(^{12}\) Such an asymmetrical treatment reserved for Jewish institutions, on the one hand, and Swiss banks, on the other hand, is underlined, in this book, by a style that often seems to parody in a very unpleasant way the stereotypes of a once flourishing anti-semitic literature. That is evident both in the title and the chapter headings of the book – ‘Capitalizing The Holocaust’, ‘Hoaxers, Hucksters, and History’, ‘The Double Shakedown’ – which recall the old anti-semitic myth of a ‘Jewish conspiracy’. But Finkelstein is not an anti-semit. On the contrary, his passionate campaign against the ‘Holocaust industry’ is heir to a typically Jewish tradition. His invectives recall the indignant cry Bernard Lazare launched one century earlier against Theodor Herzl:

> You are a bourgeois in thought, a bourgeois in feelings, a bourgeois in ideas, a bourgeois in social mentality. In spite of it, you pretend to lead a people, our people, which is a people of poor men, of proletarians, of the miserable.\(^{13}\)

But such an indignant cry is more convincing when he defends the Palestinians than when he takes the side of Swiss banks, portraying them as victims of a Jewish ‘racket’.

It is not surprising that this book became a best-seller in the country whose institutions are based on the ‘banking secret’. The risks of its approach became very clear in Germany, where Finkelstein earned high praise from conservative newspapers and magazines. In Berlin, he was welcomed by an enthusiastic public of nationalists, who interpreted his book as confirmation that Auschwitz was merely a pretext for exploiting Germans. In the meantime, young left-wingers proclaimed the only reasonable slogan in such a paradoxical situation: ‘Holocaust industry: IG-Farben, Siemens, Volkswagen’. As soon as Finkelstein’s book was published in England, the German press launched

\(^{12}\) Bourgeois 1998.

\(^{13}\) Bredin 1992, p. 324.
a sober and interesting debate on its thesis. The *Frankfurter Allgemeine Zeitung* presented it as a ‘welcome hyperbole’, introducing a ‘breath of fresh air’ into ongoing reflections, and the historian Ulrich Herbert proposed, in the *Süddeutsche Zeitung*, the creation of a commission of inquiry in order to verify Finkelstein’s allegations. However, the arrival on the scene of nationalist and anti-semitic Finkelstein defenders put a stop to this debate. Finally, the already ambiguous situation was accentuated by publisher Piper Verlag’s book-launch, immediately printing 50,000 copies of the first edition. Printing so many copies of the book, with a huge publicity campaign, suggests that Piper’s aim was not intellectual discussion but a political scoop and a commercial operation. The publishing house was able to exploit the nationalist and anti-semitic controversy surrounding the book.

It must be stressed that Finkelstein’s critique of the ‘Holocaust industry’ is weakened by the simplistic and unilateral character of its analysis. Unlike Novick, whose book reconstructs the itinerary of the Judeocide’s collective remembrance within American society, Finkelstein thinks that memory is ‘the most impoverished concept to come down the academic pike in a long time’ (p. 5). In other words, in Finkelstein’s opinion, memory means nothing, neither as a collective representation of the past nor as an analytical concept used by historians over the past few decades (from the seminal works by Maurice Halbwachs onwards). Worse still, after rejecting memory, he substitutes a conspiratorial vision of history (‘impoverished concept’ is a very appropriate definition). The return of a repressed memory, the age of the witness, the birth of a particularist ethos among American Jews, a generational shift in Germany and Europe: all those hypotheses and research paths, to which several studies have been devoted in different countries, are unworthy of interest in Finkelstein’s eyes. He suggests simply a very ‘materialist’ explanation: the ‘Holocaust ideology’ was the product of an alliance between US imperialism and the State of Israel, with the support of American Jewish élites. In his opinion, those élites played a major part in transforming Israel into a tool of American hegemony in the Middle East. Prisoner of such a hermeneutics, the memory of the Judeocide is reduced to a simple invention of US foreign policy, backed by American-Jewish élites. This interpretation grasps an aspect of reality – nobody could overlook the importance of Israel in American foreign policy – but it is a caricatural simplification of the historical process. The rise of the memory of the Judeocide is a phenomenon not limited to Israel and the United States. It also encompasses Europe, the continent where the extermination of the Jews took place, where its traces are still visible and its wounds often still open. We cannot explain the success of the literary works by André Schwartz-Barth, Primo Levi, Jean Améry, Ruth Klüger, Imre Kertez and Victor Klemperer as a product of the ‘Holocaust industry’.

Moreover, the American situation cannot be generalised. As Rony Braumann pointed out in his introduction to the French edition of Finkelstein’s book, European Jewish organisations associated with the work of the different national commissions negotiating with the Swiss and European banks for the restitution of Jewish properties, were not instruments of the United States. The link between the Jewish diaspora and Israel is obvious, but it would be totally wrong to explain it by vulgar material interests. The impact of the Holocaust cultural industry – Wilkomirski and Kosinski’s novels, Spielberg’s and Benigni’s films, ritual commemorations by Elie Wiesel, etc. – cannot be explained simply as products of a propaganda machine. Commodities, as the Marxist Finkelstein should know, are not only ‘exchange-values’; they are also ‘use-values’. In other words, they are also, although in a reified way, the expression of a collective historical consciousness, which integrated the memory of the Judeocide into images of the twentieth century. Until quite recently, much more than a pretext for financial ‘extortions’ and ‘capitalisations’ by associations claiming to represent the victims, and much more than a source of profits for the cultural industry, this memory was a powerful motor for the antifascist, anticolonialist and antiracist struggles of several generations. Finkelstein seems indifferent to such an obvious observation.

Finally, we must add that the concept of the Holocaust’s historical uniqueness has not only been defended in the dogmatic, mystical or simply absurd forms found in the works of Steven Katz, Elie Wiesel and Deborah Lipstadt. It pertains to a historical debate in which scholars such as Saul Friedländer and Ian Kershaw have taken part. In Germany, during the Historikerstreit, this concept was defended by historians such as Dan Diner and Eberhard Jäckel and by the philosopher Jürgen Habermas in their battles against the apologetic interpretations of Nazism by Ernst Nolte and other conservative historians. The concept of the historical singularity of the Holocaust can obviously be discussed and criticised, but cannot be simply liquidated as an ‘insanity’ or as an ‘ideology’. In a recent book, Belgian sociologist Jean-Michel Chaumont explained this concept as a kind of ‘compensatory’ effect of an overlong period of oblivion and suppression – in a psychoanalytical sense – of the extermination of the Jews. Now, according to Chaumont, the emphasis on the idea of the Holocaust’s uniqueness runs the risk of generating a ‘competition among victims’ (concurrence des victimes). In the past, the ‘uniqueness’ concept served to recognise the Holocaust in the public sphere; today, it can be used in order to banalise other genocides or acts of violence. Consequently, Chaumont suggests ‘archiving all the elements of this debate on uniqueness in a house of horrors, like those in the old fun fairs’. Although

15 Braumann 2001, p. 150.
16 Habermas 1987.
17 Traverso 1999.
18 Chaumont 1997, p. 201.
debatable, this radical position is interesting precisely because it historicises this concept, contributes to explaining its origins and indicates its dangers in the present situation. Finkelstein does not analyse this concept; he condemns it with his anathema.

In contrast to the pessimism and scepticism permeating the conclusions of Novick’s book, Finkelstein’s reflections have often fostered irritation and perplexity. In Germany, leftist historian Wolfgang Wippermann defined him ‘a useful idiot’ for all kinds of anti-semites. In Israel, leftist historian Moshe Zuckermann welcomed his book as an irreplaceable critique of the ‘instrumentalisation of the past’ and underlined its ‘liberating potential’. I think that, in a very paradoxical way, both are right. Finkelstein’s book contains a core of truth that must be recognised, but it lends itself, due to its style and several of its main arguments, to the worst uses and instrumentalisations. It would be more productive, instead of rejecting The Holocaust Industry as a dangerous provocation, to transform it into an opportunity for a debate on the politics of memory and on the public uses of history.

References


19 Wippermann 2001, p. 100.
20 Zuckermann 2001, p. 83.


Introduction

In 1995, Monthly Review published an essay by David McNally entitled ‘Language, History and Class Struggle’. It resisted the temptation ‘to conduct another critique of linguistic idealism’ (in the form of postmodernism), and sought instead to demonstrate that ‘Marxism has the resources for an account of language and its position within the constellation of human practice that is richer and more profound than these idealist views’. In particular, it sought to demonstrate ‘that this Marxist account can understand language as, among other things, one site of social interaction which is decisively shaped by relations of work and conflict, i.e. shaped by class struggle’. The main theoretical resources came from Voloshinov’s Marxism and the Philosophy of Language. McNally sought to flesh out the latter’s account of language, firstly by locating oppositional speech genres in day-to-day practices of struggle and resistance, and, secondly, by using Gramsci to help ‘in translating Voloshinov’s conception of speech genres onto the terrain of practical politics’. It was a good article. It was also a timely article, in that it came along just when the worst of the ‘crisis of confidence’ which beset Marxism in the early 1990s was over, when the star of postmodernism was waning, and the process of renewing and reasserting an emancipatory historical materialism was beginning to take shape. It was an article which gave the impression that its author would have an important role to play in the ongoing work of developing a materialist analysis of language, which can inform the practice of an emancipatory politics.

McNally has now published a book-length contribution to this work, and it confirms the impression left by the earlier article – but not quite in the way that one might have hoped. For, in his new work, McNally allows something to happen which previously he did not. He allows postmodernism to determine the starting point (‘the

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1 Thanks to David Collins, Michael Huspek and Colin Barker, and particularly to Darryl Gunson, John Foster, John Robert, Alex Law and Pete Jones, for reading and commenting on an earlier draft of this essay.
3 McNally 1995, p. 27.
body’) for his own ‘critical-materialist’ account of language. In this respect, the book seems to take a step backwards from the earlier article – almost as if it were written when postmodernism was at its most potent, and when an author might have felt in some sense obliged to begin from this. For now, ‘another critique of linguistic idealism’ is to be absolutely necessary in establishing the basis for McNally’s critical-materialist account of language. Perhaps unsurprisingly, allowing postmodernism to shape his project at such a profound level leads to some dubious outcomes. Voloshinov is now given rather short shrift, and the objection to his work is one which proponents of historical materialism might find somewhat unfamiliar – that he does not quite ‘cut it’ on the body. Ultimately, Voloshinov is supplanted by the same Walter Benjamin who has been so celebrated by many of those who one might imagine are among the targets of McNally’s initial critique. Notwithstanding McNally’s attempts to reclaim Benjamin for his own critical materialism, the outcome is an account of language which, at best, separates it from the conflicts and struggles of capitalist societies (which seems to be the reverse of the earlier article), mis-locates the emancipatory potentials in such societies, and all but crushes those that it does locate. Ironically, this means that McNally’s book will have an important role to play in the development of a Marxist account of language – but largely of a negative kind.

**Idealism, the body and materialism**

For many readers, one of the most pleasing aspects of McNally’s earlier article was his prompt dismissal of postmodernism, followed by his attempt to build upon the insights of Voloshinov. In *Bodies of Meaning*, however, we find a very different approach. Here we are told that a critical-materialist account of language must begin from a critique of linguistic idealism, for ‘the task of critical theory is to produce a knowledge . . . derived from attending to the fragments which have escaped the imperial ambitions of linguistic idealism’ (p. 4). The fragments that escape these ambitions are, for McNally, bodies. For, though postmodernism may be replete with talk of the body, the real human body, the ‘sensate, biocultural, laboring body’ exceeds ‘the sovereign pretensions of language and mind’. Thus the postmodernists end up seeking to banish it. But it hangs around, as an ‘excrescence’, to haunt its would-be banisher. So, for McNally, the body is the key both to the undoing of the new idealism, and the necessary starting point for an alternative critical materialism. As regards the former, taking inspiration from Bakhtin’s analysis of Rabelais, he will puncture the pretensions of postmodernism

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4 Or to retain only so much of it as can be turned into ‘the empty stuff of post-structural linguistics’ (McNally 2001, pp. 1, 10 and 12).
by confronting it with the reality of its own excrescence. Not only will he accent the body, he will deliberately ‘begin one-sidedly’ and ‘exaggerate it’ (p. 10). Then, he will take this excrescence as the necessary starting point for the development of his own critical materialism.

Now, the body which interests McNally is not some ‘timeless object of nature’. It is an *historical* body. He theorises this body with Darwin and Freud, as well as Marx – Darwin’s ‘evolutionary body’ and Freud’s ‘libidinal body’ are required to supplement Marx’s ‘labouring body’. Darwin is put to work primarily in confronting postmodernism, and in grounding McNally’s own critical materialism. Freud plays a key role in developing the latter. In particular, Freud informs McNally’s reading of Benjamin, whose theory of the dream-images of commodities he sees as the best starting point for theorising the problem of emancipation in contemporary capitalism. Moreover, historical bodies are also *linguistic* – bodies which come into being within given sociohistorical systems of meaning, and which participate in the making and remaking of these systems. In dealing with historical bodies, that is, we are dealing with what Bakhtin called ‘bodies of meaning’. And, fundamentally, in the absence of bodies, there are no meanings, because a body is required to signify meaning. Meaning, for McNally, begins from the body. This means that the analysis of language and meaning has to be conducted ‘through the body’, rather than in abstraction from it. Ultimately, this is ‘the central thesis’ of McNally’s book: ‘the question of language is a question of the body’ (p. 14).

Thus, in what might seem like a neat and incisive move, McNally intends to turn the postmodernists’ fetish of ‘the body’ back against them. But there is a significant danger in this, for now the requirements of the critique of postmodernism are to determine the starting point for his own critical materialism. And, when the critique is to be an immanent one, then something pretty central to postmodernism – in this case its grotesque affectation of ‘the body’ – is going to get imported into that critical materialism (albeit subjected to dialectical critique). Yet, for McNally, this is how the project of ‘emancipatory materialist critique’ *must* begin (p. 4). To many, this might seem like a questionable argument. But it is not even an argument. It is simply *asserted* as an imperative on page 4 of the book, with some very brief reference to Adorno’s *Negative Dialectics*.

The reference to Adorno, though, is perhaps a significant one, and it helps us to frame what is probably the best way of evaluating the book overall. If the project is ‘one of emancipatory materialist critique’, we might ask whether taking the body as the point of departure helps McNally in terms of pointing us towards emancipatory possibilities. The answer, I will argue, is that it does not.
McNally’s argument

In the first two chapters of the book, McNally works through his critique of post-modernism. Nietzsche’s doctrine of the will to power, Saussure’s linguistics and Derrida’s deconstruction are all ‘constituted in and through a forgetting of the body’ (p. 44). This sets up a serious tension at the heart of Nietzsche’s work, for Darwin was a decisive figure animating it. But ‘the metaphysics of the will to power’ – a radical linguistic idealism in which the ‘higher types’ make their own bodies through language – ‘ultimately defeats Nietzsche’s materialism’ (p. 33). Yet, it is this same ‘flimsy doctrine’ which is most central to what postmodernist thought has taken from Nietzsche. This forgetting of the body, and autonomisation of language, is taken even further in Saussure and Derrida. In Chapter 2, McNally explores the linkages between the ways in which these writers theorise economics and language. In both he finds a common denominator – a fetishising ‘abstraction of social products and practices from the laboring bodies that generate them’ (p. 1). Saussure’s abstraction of language from speaking is linked to his borrowing of a fetishistic concept of value from ‘vulgar’ economics. And Derrida’s further autonomisation of language is linked to his view that contemporary capitalism operates without any necessary material foundations. This is a view developed by focusing on interest-bearing capital, particularly credit – the form of capital which Marx saw as giving rise to the most extreme form of fetishism, and as ‘a godsend’ for the vulgar economist. Thus, Derrida joins Nietzsche ‘in repressing an origin that points toward a life-giving body, a body in labor’ (p. 71).

As an immanent critique of postmodernism (though perhaps more immanent in the case of Nietzsche than for the others), these first two chapters work well enough. The real problems emerge in the subsequent chapters, when McNally insists on taking ‘the body’ as the starting point for his own project of emancipatory materialist critique. For it is this insistence which leads him, in effect, to drop Voloshinov, and to seek inspiration in the work of Benjamin.

The argument develops as follows. Chapter 4 opens with an analysis of Marxism and the Philosophy of Language. McNally recognizes that Voloshinov’s is ‘an often brilliant, original and open-ended work’ (p. 112) which ‘remains a vital point of reference for all radical and revolutionary discussions of language’ (p. 118). Despite this, however, he carries very little forward from his engagement with it. The stumbling block is Voloshinov’s treatment of the body. McNally argues that, though he successfully transcends a number unhelpful of dualisms in the philosophy of language, he reasserts others by ‘baldly counterposing the natural to the social, the biological to the historical’ (p. 120). In turn, this leads him ‘to lose sight of the corporeal aspects of language’ (p. 122), and, in McNally’s newly conceived ‘critical materialism’, this simply will not do.

To remedy this, McNally turns, in the remainder of Chapter 4, to the work of Bakhtin. For, while there is much that is common and compatible between them,
Bakhtin refutes Voloshinov’s ‘lurking dualisms’ by insisting on the *embodied* nature of language and consciousness. This is particularly apparent in his work on Rabelais. For Bakhtin, the work of Rabelais attested to the deeply subversive and utopian nature of popular culture in the medieval period. This was most apparent in the tradition of carnival. And one of the most essential aspects of carnival is a ‘grotesque realism of the body’. As Eagleton puts it, in Bakhtin’s theory of carnival ‘a vulgar, shameless materialism of the body – belly, buttocks, anus, genitals – rides rampant over ruling class civilities’. But, while welcoming Bakhtin’s focus on the body, McNally finds his thinking unsatisfactory in other respects. Most importantly, he detects a tendency to overstate the oppositional dimensions of popular culture, and to neglect aspects of containment and accommodation. Gramsci dealt with this problem with much greater acuity – understanding the need for creative political leadership in rendering popular culture emancipatory, rather than just resistant. Moreover, Bakhtin remains ‘singularly uninterested in the cultural transformations associated with the rise of industrial capitalism’. And this raises the problem of how we are to theorise what becomes of the carnivalesque ‘in a society subjected to radically different rhythms of life and labor’ – the rhythms of commodity production (p. 155). For McNally, these problems require that we look beyond Voloshinov and Bakhtin, and to the work of Walter Benjamin. In this way, he is suggesting, we will be able both to retain sight of the corporeal aspects of language, and to theorise what becomes of these in contemporary capitalism.

**McNally’s Benjamin**

For Benjamin, human language was primordially mimetic – a language of bodies and things. It embodied, not a Habermasian ‘communicative reason’, but a ‘corporeal reason’: ‘a reason rooted in the body and its desire for happiness’ (p. 226). While, through time, this quality has been repressed, Benjamin believed that traces of it remain – in what McNally describes as ‘a sort of *linguistic unconscious*’ (p. 222). And these traces might yet erupt into the present, with emancipatory implications, for they could lead us to reflect deeply on our present (unhappy) condition. The Bakhtinian carnival is one way in which this might happen. But, here, we must address Bakhtin’s neglect of the specific cultural dynamics of modern capitalism. For now, the libidinal energies and erotic desires, which were at the root of the subversive thrust of the carnivalesque, have become ‘cathected onto commodities’ (p. 201). In this way, potentially emancipatory energies are invested in, and fuel an identification with, the commodity. Capitalism contains and re-orient the very impulses and desires which

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5 Cited in McNally 2001, p. 143.
might provide the basis for a challenge to it. Accessing the emancipatory bases of these impulses and desires becomes yet more difficult – indeed ‘fraught with the greatest difficulties’ (p. 195).

For Benjamin, there were two types of experience which could facilitate their accessibility – memories of childhood, and, in particular, dreams. For, as children at play, we come closest to expressing desires for a mimetic relationship with the world of people and things, and as we proceed into adulthood, these desires are forced back into our dream-life. Childhood memories and dreams, then, could enable us to access fragments of corporeal reason, relatively independently of the distorting effects of money and commodities. And, if brought into juxtaposition with our actual experience of happiness debased and denied under capitalism, then, in that moment, an oppressed class might find itself shaken from its ‘routinized (and neurotic) patterns of behavior’ and ‘fired with energy for change’ (pp. 192–3). Thus, drawing on the surrealists and Freud, Benjamin sought to elaborate ways in which the emancipatory potential of corporeal reason could be accessed in the present – a project he summarises with the term ‘dialectics of awakening’. As McNally explains, Benjamin sought, in his unfinished Arcades project,

...to delineate the processes by which the commodity comes to absorb the desire for revolution – so as to locate the gaps in this absorption, the places where the Revolution might still burst through the upper layers of the petrified landscape of bourgeois society (pp. 201–2).

The key to this bursting through was to be the development of a series of ‘dialectical images’ which could, in precipitating an awareness of the contradiction between happiness promised and denied, bring ‘thinking to a standstill’. As McNally puts it:

Just as psychoanalysis ... tries to find a point where dream-images come into contact with the waking powers of rational criticism, so Benjamin hopes to construct forms of experience in which repressed wishes embodied in the collective dreams of a sick culture might be remembered and challenged (as neurotic fantasies) by the powers of reasoned critique.

In such a moment, the oppressed class might ‘reclaim the libidinal energies it has cathedected onto commodities and rechannel them into an emancipatory historical practice’ (pp. 212–13). Thus, in constructing such dialectical images: ‘The trick is to find the fragments of desire and disappointment that might be joined together for emancipatory purposes’ (p. 215). Benjamin himself sought these fragments in the realm of consumption, and especially in ‘the bourgeois cult of the new ... which finds its highest expression in fashion’ (p. 202).

McNally then argues that, for Benjamin, all of this has a profound relevance for the problem of language. This brings us back to the notion of a linguistic unconscious.
McNally reads Benjamin’s linguistic theory in relation to Freud’s dream theory, and suggests that

just as infantile desires live on in hidden and distorted form in the behavior of adults, so the corporeal impulses at the root of mimesis assume hidden forms within language. . . . traces of our desire for a fuller, more sensuous relationship with the world mark the very words we use. (p. 187, my emphasis)

For McNally, these residues of corporeal meaning are untapped resources of emancipation – indeed, they are ‘vast and explosive resources’. His argument is that we need to try to find a way to retrieve them, so as to ‘awaken forgotten desires’, and (re)discover our energy for revolutionary change. Ultimately, moreover: ‘This is what it means to say that the road to liberation runs through the language of the body’ (p. 225).

**Informing emancipatory politics**

McNally’s exposition of Benjamin is both scholarly and passionate. Yet, in terms of developing a critical-materialist approach to language that can inform an emancipatory politics, it might leave many readers cold. Indeed, it could be seen to represent a step backwards when compared to McNally’s earlier article. There, he sought to develop Voloshinov’s claim that oppositional speech genres are rooted in the ‘social purviews’, or ‘evaluative purviews’, of the groups to whom they belong. Ultimately, he argued that they are rooted in ‘damned serious struggle, over livelihoods, over life and limb’. And it was this which meant that ‘those fighting for liberation will invariably find within language words, meanings, themes for expressing, clarifying and co-ordinating their struggle for a better world’. An implication of this would seem to be that those seeking to develop a critical-materialist account of language should seek to do so by engaging with the experience of such struggles. But the whole turn to Benjamin renders this decidedly problematic. For:

If there is a major weakness in Benjamin’s theory of dialectical images it would seem to lie in the difficulties of connecting these with the experience of labor and production. The Arcades project was focused on images related to consumption (p. 227).

And, if it is hoped that we might still be able to focus on struggles over ‘collective consumption’, then this too proves problematic, because it is ‘not in the least clear’

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how his ‘explosive dialectics of awakening’ might be linked to any form of everyday political practice (p. 215). This seems to be quite at odds with McNally’s earlier concern with language as a ‘site of social interaction which is decisively shaped by relations of work and conflict, i.e. shaped by class struggle’. Now, indeed, the whole argument is developed in abstraction from everyday struggles. The contradictions and conflicts of capitalism, involving specific groups in specific times and places are left, decisively, out of the equation. In this way, the process of theoretically locating the possibility of emancipation eschews any real grounding in the emancipatory potential of these contradictions and conflicts. Instead, the possibility of emancipation is located in something apparently much more nebulous. It is located in the residues of a primordial rationality of the body, which are said to be lurking somewhere in the labyrinthine rationalities of the storehouse of meaning which is language – residues which are to be set free by a kind of radical therapeutic art in an attempt to destabilise our unconscious identification with the commodity. And, for all McNally’s disagreements with Habermas, there is something in his argument which closely parallels the latter’s thinking. For McNally is suggesting that there is an alternative rationality inherent within language itself, which is at odds with the instrumental reason of modern capitalism, and which, if it could be extracted and acted upon, would have great emancipatory possibilities. And, if there are difficulties in sustaining such an argument in the case of Habermas (who has devoted considerable effort to the task of grounding it), then they would seem to be at least – and probably quite a bit more – problematic in relation to McNally’s use of Benjamin.

For many readers, this manner of locating emancipatory potential will seem just too nebulous. But, to compound matters, McNally proceeds to subscribe such awesome powers to the commodity that he, for all practical purposes, crushes even that nebulous potential. For, while language is now seen as a storehouse of emancipatory desires and energies, the commodity contains, and indeed feeds off, these desires and energies. We invest ourselves in, identify ourselves with, and empathise with commodities. And, in this account, the world of commodities ‘tolerates no outside’ (p. 158). But there is an inherent, and not entirely unfamiliar, danger in this line of argument. It is that ascribing such awesome power to the commodity can undermine, and indeed ultimately remove, the basis of emancipatory politics – simply by making an investment in its practice seem completely futile. There is a question of balance here in terms of the strength of the formulation, but McNally’s account comes perilously close to the strong end of the spectrum. Thus, while he might seem to be rescuing a sense of the possibility of emancipation, such is the power ascribed to the commodity that we are left with a pretty sure sense that, at least on the basis of Benjamin’s theory, this

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7 Maybe, then, these dialectics of awakening are not so ‘explosive’ after all.
possibility will never be realised. All that one feels able to envision are attempts to develop emancipatory practices (the creation of dialectical images) among marginal groups and coteries – politicised artists in all probability – with few, if any, links to wider and larger groups. What one really struggles to envision, on the basis of McNally’s account, is how any significant section of society could break free from such a strong identification with the commodity, and participate in an emancipatory political movement.

This brings us back to the book’s lack of grounding in everyday struggles and contemporary political sentiments. For, should McNally have looked, he would have found that in many places, not least in contemporary Britain and in other countries of Europe, these struggles and sentiments are often opposed to the commodity-form, and its reassertion in areas of life and work where its logic has previously been rejected in varying degrees. Not only does his argument lack any clear relation to these political facts, it is difficult to see how we could account for them in its terms. This is perhaps paradoxical in a book that seeks to remind us ‘of our practical obligations . . . to the actual flesh-and-blood battles against capital that people wage everyday’ (p. 233). And a clear implication of this would be that if we are to develop a materialist and emancipatory approach to language and consciousness, then we must seek out precisely the kind of grounding in everyday struggles which McNally’s invocation of Benjamin lacks.

**Voloshinov’s short shrift**

At this stage, it seems worth re-considering what looks increasingly like the short shrift given by McNally to Voloshinov. McNally mentions the differences between Bakhtin and Voloshinov in terms of their relationship to Marxism, but declares himself ‘largely uninterested’ in the debate surrounding this. In one way, this is understandable, for it was not always the most productive of debates. Yet it might have helped to focus on the differences between the two authors a bit more. Because, if McNally wants to criticise Bakhtin for offering us ‘an unrelentingly optimistic linguistic populism’ (p. 195), which then needs to be dramatically revised to take account of the specific cultural dynamics of modern capitalism, then one cannot imagine that he would want to say the same about Voloshinov. The latter seems clearly to be theorising language in the context of capitalism, and indeed, on McNally’s own account, his critique of

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8 See Singer 1999.
9 McNally 2001, p. 123. The relatively recent contribution by Brandist 2000 is interesting and potentially much more productive.
10 It is not at all clear that Bakhtin is guilty as charged. On numerous occasions – not least in the well-known ‘Discourse in the Novel’ – Bakhtin stresses that the process of expropriating dominant meanings is ‘a difficult and complicated’ one (see Collins 1999, pp. 146–7).
Saussure is itself inspired by Marx’s theory of commodity fetishism. Moreover, there is little, if anything, in his broader account of language that could be described as either populist or unrelentingly optimistic. Rather, what we find is a carefully developed set of concepts which allow us to theorise both the way in which language registers all significant social processes, and also the way in which it can itself play an important, and perhaps even a vital, role in shaping the nature and direction of those processes. Indeed, he also provides some clear guidance for us in any attempt to apply and develop these concepts. He points us, as McNally himself did in his earlier work, towards an engagement with those real-life conflicts and actual struggles which make language an ‘object . . . of live social intelligibility’, rather than one of ‘philological comprehension’ – for it is only in the context of such struggles that the ‘inner dialectic quality’ of language really becomes apparent. Finally, I would suggest that we will also find that these concepts do indeed lend themselves quite readily to application in such contexts.

Yet, despite McNally’s fulsome praise for Voloshinov’s work, it is not in the least apparent what, if anything, of this gets carried forward in the development of his own critical materialism. Instead, McNally, dissatisfied with Voloshinov’s treatment of the body, simply moves on to Bakhtin in a way that neglects what are, for his purposes, some highly pertinent differences in their treatments of language. Then, dissatisfied with Bakhtin’s treatment of language, he in turn moves on to Benjamin. Indeed, we are not even presented with a case to suggest that the works of Voloshinov and Benjamin are compatible – and, if anything, McNally’s argument could be taken to suggest that they are not. Thus, Voloshinov seems just to get left behind.

Moreover, if we examine a little more carefully the basis of McNally’s critique of Voloshinov, then we will find that, even in its own terms, it is less than convincing. For McNally acknowledges Voloshinov’s need, given the context in which he was writing, to distance himself from crude materialisms – including biologicist and physiologicist psychologies (p. 121). In this context, it is perhaps not surprising to find him counterposing the social to the natural and the historical to the biological. Indeed, McNally, as we have seen, is himself not reticent about doing something quite similar – by declaring quite unapologetically that he is happy, when facing a crude idealism, not just to ‘accent the body’, but to ‘begin one-sidedly’ and even ‘to exaggerate’ it (p. 10). Moreover, McNally tells us only in a footnote that he develops his critique of Voloshinov on the basis of ‘the tendencies that predominate within the most dualistic parts of Marxism and the Philosophy of Language’. And, while he does note that ‘there

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11 Voloshinov 1986, p. 23. In other words, for Voloshinov, the emancipatory potential which is to be found in language is primarily rooted, not in the reason of a prior (primordial) stage of human development, but in the struggles of definite social groups in the here-and-now.

12 See, for example, Collins 1999, and Foster and Woolfson 1999.
are also countertendencies, lines of argument that move in a more dynamic and dialectical direction, which are well worth building upon’ (p. 257, note 15; p. 123), no such building is actually attempted. In this light, the analysis of Voloshinov begins to look rather unsympathetic and perhaps quite impatient. This is also a little perplexing, given the apparent appreciation for Voloshinov’s analysis of language, and also the careful and patient treatment later given to Benjamin. What emerges is that, even if one were to accept with McNally that we must develop a critical-materialist account of language from the site of the body, it would still seem possible to do so without dealing with Voloshinov in the above manner.

Conclusion

But the ultimate conclusion must surely be that there is far too little in McNally’s book even to begin to persuade us that a critical-materialist account of language must begin from the body. If anything, the trajectory of his own writings seem to demonstrate that this is a step backwards, rather than forwards, for historical materialism. It is one which grants far too much to postmodernism – ultimately a key role in determining the starting point for a materialist alternative. I say this as someone who is all for dialectical critique, and for engagement with contributions from outside of historical materialism. Intelligent adversaries are indeed, as has been observed, better than lame allies. But I remain unconvinced that postmodernism has that much in the way of a ‘rational kernel’ which is worth extracting and building upon – and McNally’s work seems rather more to confirm than to challenge this view. His turn to the body seems to generate serious problems, without bringing any real gains.

In suggesting that we return to Voloshinov as a more likely, and less dispensable, basis on which to develop a critical-materialist approach to language, I am not seeking to suggest that his work provides a sufficient basis for that endeavour. His contribution can certainly be complemented and developed in light of the much more voluminous contribution of Bakhtin – so long as we bear in mind the significant differences between these contributions. But, perhaps even more importantly, Voloshinov’s contribution can be underpinned by linking it to the work of the psychologists Vygotsky, Luria and Leont’ev.13 Here, we find a very substantial body of work on human consciousness and on language which is compatible and complementary with Voloshinov’s insights. But we also find the kind of highly creative, non-dogmatic, development of historical materialism which Bakhurst rightly sees as ‘characteristic of (good) Soviet Marxist writing in the 1920s’ – and this is something which in the present context we can ill afford to do without.14 And, perhaps most importantly of all, the approach that we

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can distill from the contributions of these authors, and others, must be applied and developed in the context of engagements with those ‘actual flesh-and-blood battles against capital that people wage everyday’ – battles to which, McNally rightly reminds us, we bear ‘practical obligations’.

For myself, the problems McNally’s argument encounters have served to reinforce an existing view that the Voloshinov-Bakhtin-Vygotsky nexus provides the most promising point of departure for a critical-materialist approach to language. It may well be that, in developing this approach, we will be able to draw on the work of Benjamin. However, what McNally’s *Bodies of Meaning* seems to make clear is that Benjamin’s work – in its locating of emancipatory potential, in its theorising of the commodity, and in its disconnectedness from everyday struggles – is unlikely to itself provide the basis for the kind of critical materialism which can best inform emancipatory politics.

### References


The development of cultural theory within a Marxist paradigm has a long and convoluted history. Though the founders of historical materialism and their immediate successors all had valuable things to say about culture, it was not until the late 1920s, and especially the 1930s, that Marxist cultural theory really took off. In the work of Georg Lukács, Bertolt Brecht, Walter Benjamin and Theodor Adorno, Marxism engaged with some of the most advanced idealist philosophy and Kulturkritik and, in most cases, was able to incorporate and transform the most valuable insights of those earlier theories. This engagement was documented and analysed in the 1970s by two particularly talented intellectual historians: Martin Jay and Eugene Lunn, resulting in their respective monographs *The Dialectical Imagination* (1973) and *Marxism and Modernism* (1982). In the first, we saw how the establishment of the Institute of Social Research in Frankfurt provided an institutional structure within which some of these same debates were carried out. In the second, we saw how some of the key debates within Marxist theory over the nature of realism and the status of the avant-garde among other things grew out of an engagement with German neo-Kantian and neo-Hegelian philosophies, which were also shaped by the rapidly changing political situation that followed the revolutions that broke out at the end of the First World War. Our understanding of the development of Marxist cultural theory in Germany was transformed as a result of these works, and, while much more work has been done on the topic in the meantime, they still reward careful study today.

While it was clear from these studies that the development of these theories was entwined with political and cultural developments in the Soviet Union, the Russian dimension of the Marxist engagement with German idealism on the grounds of cultural theory was left largely unexplored. With this in mind, Galin Tihanov’s book *The Master and the Slave: Lukács, Bakhtin and the Ideas of their Time* should be heartily welcomed. The focus of this book is the intersection between German and Russian literary and cultural theory through perhaps the two most significant twentieth-century writers on the theory and history of the novel. This shared grounding in itself would be enough justification for pairing these two writers, but there are many more similarities from the beginning of and throughout their intellectual careers.
Though the work of both the young Lukács (1885–1971) and Mikhail Bakhtin (1895–1975) were intellectually centred on German idealist philosophy, neither was native to Germany and so maintained, what Bakhtin called, a certain ‘outsideness’ to the tradition in which they were steeped. Both were brought up on German neo-Kantian philosophy and Lebensphilosophie (the philosophy of life) before seriously engaging with Marxism, and were, therefore, concerned with the relationships between fact and value, life and validity, civilisation and culture, from the very outset of their careers. And, while the young Bakhtin was allegedly ‘captivated’ by the neo-Kantian philosophy of the Marburg School (Hermann Cohen, Paul Natorp), in contrast to Lukács who was drawn to the philosophy of the Baden School (Heinrich Rickert and Emile Lask), both were deeply impressed by the work of Georg Simmel, the Lebensphilosoph and Kulturkritiker who was to have a huge influence on the thinkers discussed by Jay and Lunn. However, the ten-year age gap between the two made some difference to their respective receptions of this culture. While, in the early years of the twentieth century, the young Lukács was drawn to the cultural pessimism of Schopenhauer in conjunction with the ideas of Kierkegaard, Bakhtin was opposed to such pessimistic trends and flirted with the ideas of Schelling and Kierkegaard in the period before the 1917 revolutions. The different pairings with the ideas of Kierkegaard probably did much to shape their respective views of literary irony that developed somewhat later. Furthermore, the young Bakhtin was drawn to the Russian symbolist movement, with its apocalyptic visions of social transformation led by the literary intelligentsia and attention to the aesthetic properties of language. In Bakhtin’s case, engagement with this paradigm was cut short by the Revolution, which happened when he was just 22; while, in the case of Lukács, the pre-revolutionary mode of thought was rather more deeply ingrained.

The revolutions that broke out at the end of the First World War proved to be formative experiences for both thinkers. While Lukács played an active role in the formation of the short-lived Hungarian Soviet and became a committed Marxist who wrote on political matters, Bakhtin was detached and reserved in his attitude towards the Russian Revolution and Marxism in general. We are unclear exactly how much Marx Bakhtin actually knew, even in the 1930s, while Lukács was among the first working on Marx’s early texts. Bakhtin was wedded to an ethical theory shaped by neo-Kantianism, Lebensphilosophie and phenomenology in the 1920s, and it seems he never lost his attachment to these ideas, even when his work took a distinctly Hegelian turn in the 1930s. Instead of any direct involvement with the Bolsheviks, Bakhtin and the group of friends now known as the ‘Bakhtin Circle’ were fellow-travelling intellectuals who actively participated in the democratisation of education and in the cultural life of the NEP period. A religious man all his life, though a largely secular thinker, Bakhtin was involved with a fellow-travelling Masonic sect, Voskresen’è (Resurrection) in the 1920s, which aimed to support the Bolshevik economic policy
while opposing its atheistic cultural policy. It was for this participation that Bakhtin suffered arrest in 1928, internal exile and obscurity.

While Lukács composed his political works in the early 1920s, Bakhtin sought to combine phenomenology, drawn chiefly from the work of Max Scheler, with the neo-Kantian paradigm of values and validity to develop a systematic ethical theory. This resulted in the unfinished text of the mid 1920s now known as ‘Toward a Philosophy of the Act’ and the aborted treatise on aesthetics called ‘Author and Hero in Aesthetic Activity’. Tihanov very convincingly and carefully demonstrates that Lukács’s pre-revolutionary writings on aesthetics and Bakhtin’s work of the 1920s developed within a shared triangular framework of culture, form and life inherited from neo-Kantianism and Lebensphilosophie. In these works, there is a gradual turn to the novel as the key genre of the age, though this is much more developed in the work of Lukács than Bakhtin at this time. One other thing that is shared at this time is the absence of any serious attention to language. This will surprise many Bakhtin enthusiasts who have been brought up to understand these works on responsibility as early versions of his later work on dialogue. It is clear that Bakhtin’s colleague Valentin Voloshinov inaugurated the turn to questions of language in the 1920s.

**Disputed texts**

Refreshingly, Tihanov opposes the tendency, common in Bakhtin studies, to transform Bakhtin into some sort of covert anti-Marxist, and to negate the Marxist elements of the work of his colleagues Valentin Voloshinov and Pavel Medvedev. It becomes clear that these thinkers were sincere, if not necessarily orthodox, Marxists by the mid-1920s, and that there are no real grounds for contesting their authorship or doubting their sincerity. These writers attempted to combine Marxist ideas, drawn chiefly, as Tihanov shows, from Plekhanov and Bukharin, into a perspective framed by the influences noted above. The engagement with Marxism was, however, real and significant, and while Tihanov, correctly in my opinion, maintains the independence of the authors of these texts from Bakhtin, he clearly shows that influence flowed both ways within the Bakhtin Circle. It seems most probable that, while Voloshinov was to a significant extent responsible for Bakhtin’s ‘linguistic turn’ at the end of the 1920s, Medvedev, a specialist in art scholarship, was probably an important inspiration for Bakhtin’s turn to genre. Conversely, Bakhtin’s detailed account of intersubjectivity, which he derived largely from Scheler, was an important feature underlying Voloshinov’s analysis of indirect speech, while Bakhtin’s early critique of Russian formalism was an major forerunner of Medvedev’s celebrated critique of 1928. Bakhtin himself, whose early attitude towards Marxism was ambivalent, was not averse to adopting elements derived from other Marxist thinkers, including Lukács.
The novel

The centre of Tihanov’s book is, however, the theory of the novel. Adopting a ‘right-Hegelian’ position and moving to Russia in the early 1930s, Lukács became a leader in the debates on the novel that were held at the Communist Academy in Moscow and were published in the journal Literaturnyi Kritik. This influence culminated in his authoritative entry ‘The Novel as the Bourgeois Epic’ in Volume 9 of the 1935 Soviet Literary Encyclopaedia. Discussion of this article and the debate that preceded it will be valuable for those who are not able to read the texts in Russian or German, since they represent a significant episode in Lukács’s work. Meanwhile, Bakhtin was unable to publish his own work on the novel and remained in internal exile, though he was able to visit Moscow, where he read papers at the Institute of World Literature of the Soviet Academy of Sciences, the institute from which Bakhtin eventually graduated with a ‘Kandidat’ degree (PhD). Bakhtin’s central work on the novel that were written in the 1930s, and which have been published in English translations (of questionable quality) in The Dialogic Imagination were originally read at the Institute in the early 1940s and were, to a considerable extent, a response to the Lukács-led debate of the 1930s. Documenting with some precision the points of correspondence between the two perspectives on the novel, Tihanov makes it clear that Bakhtin knew and respected Lukács’s work, even while taking often diametrically opposed perspectives on the same questions. Certain of Bakhtin’s formulations were clearly indebted to Lukács, either in their formulations or in framing the terms of Bakhtin’s own contribution. One particularly clear example of this is the essay now known as ‘Epic and Novel’, in which Bakhtin clearly opposes attempts to view the classical epic as a model for the novel, which was the centre of Lukács’s own contribution to the Encyclopaedia. Lukács, whose knowledge of Russian was limited, however, almost certainly never engaged with the work of Bakhtin in any sustained fashion, if he was familiar with it at all.

In two very rewarding chapters, Tihanov addresses the treatment of Dostoevsky and Goethe, who were given very special places in the history of the novel in the work of both thinkers. The two authors view Dostoevsky as providing a model for a new and productive type of novel in the modern age. However, the most significant part of this analysis, in this reviewer’s opinion, is the close attention given to the two editions of Bakhtin’s Dostoevsky book, showing the extent to which the first presented a static phenomenological analysis which ultimately champions monologue over dialogue, while the second edition is permeated with a neo-Hegelian spirit, champions ideological decentralisation and mercilessly overwrites the earlier phenomenological terminology. The chapter on Goethe is certainly one of the most innovative of the

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book, showing how both Lukács and Bakhtin ultimately valued the *Bildungsroman* over the novel of ordeal (Dostoevsky’s chosen genre) and presented very similar perspectives on key issues. This is explained with reference to the works on Goethe by Wilhelm Dilthey, Simmel and Friedrich Gundolf who not only influenced the two thinkers dealt with here, but much Marxist cultural theory of the mid-twentieth century. The extent to which both thinkers were taken with the ideology of *Bildung* comes through rather strongly here, as does the German origin of many of the formulations for which Bakhtin is best known.

There is no comfort here for those who have tried to champion Bakhtin over Lukács and other Marxist literary theorists on the grounds that Bakhtin was consistently anti-Hegelian. The final chapter of Tihanov’s book presents a compelling argument that, from 1934 onward, Bakhtin was seriously engaged with Hegelian ideas. This is especially evident in the now famous study of Rabelais in which the dialectic of birth and death, death and rebirth, eating and defecation and so on is shown to be at least partly rooted in a particular interpretation of Hegel’s *Phenomenology of Spirit*. This is then carried on into the second edition of the Dostoevsky book, in which a chapter on the history of the novel as a genre and a discussion of carnival was introduced.

This shared Hegelian reference gives us some idea of why Tihanov’s book bears an unmistakably Hegelian title. However, the title also relates to the vicissitudes of the reputation of each thinker. While Bakhtin languished in obscurity until almost the end of his life, Lukács achieved great fame and influence in both Eastern and Western Europe. From the beginning of the 1980s, however, their relative prominence and influence was almost completely reversed. Lukács was now often treated as an outdated apologist for ‘socialist realism’ and Bakhtin as either a precursor of the poststructuralist turn in literary studies or the liberal-humanist saviour in the face of those new theories. The way in which the fates of these two scholars have been locked together in arguments over literary theory underpin the Hegelian title of this wide-ranging and erudite study.

It is clear from the outset, however, that neither thinker was simply a literary critic. They shared a profound engagement with ideas current in aesthetics, cultural theory, literary history and philosophy. Furthermore, Lukács’s ideas on narrative, realism and modernism, like Bakhtin’s ideas about monologue, dialogue and carnival, were, to some degree, sublimated debates within social theory, with a sociopolitical importance that should not be overlooked. The narrowly literary appropriation of the ideas of these thinkers and their incorporation into the vagaries of ‘cultural studies’ have often depoliticised their ideas, abstracting them from the historical context from which they emerged and with which they engaged. Tihanov’s book sets out to re-establish the historical specificity of these thinkers, not so much within the general political environment, but within the complex and intricate debates of the time. This is not to say the political dimension is neglected: the institutional framing, the ideological
pressures and the transformations of the significance of these debates over the tumultuous years examined in this book are presented with admirable clarity and subtlety. What is paramount, however, is the way in which these factors were refracted through the thinkers’ interventions in the literary and cultural spheres. Both of the book’s protagonists gain immeasurably from being treated in this way. While the claims to Bakhtin’s apparently phenomenal originality that one finds in much earlier work on him are shown to be unfounded and irresponsible, he becomes a much more interesting figure. We see someone struggling hard to forge an independent perspective from a great many competing ideas, in places succeeding brilliantly but in others failing to forge a coherent theory. We have the sense of someone spurred to write by intellectual and wider social pressures, trying to overcome his isolation though finally unable to do so, but nevertheless making the best out of what is at hand. One example of this was the predominance of ideas derived from the works of N. Ia. Marr in the period of Bakhtin’s central essays on the novel. Though Marrism was in many ways a serious limitation on Soviet work in the humanities, the influence was by no means unambiguously negative in all areas. In literary and folklore studies of Ol’ga Freidenberg, for example, Marrism was much more successful than in linguistics, and we see Bakhtin drawing upon this creatively, combining Marrist motifs with ideas drawn from German philosophy and philology. Similarly, Lukács is shown to be a much more complex and interesting figure throughout his early career than most accounts of his work would suggest. Lukács, too, is shown to be facing dilemmas and forging a perspective from those available, facing contradictions and difficulties but negotiating them in a creative fashion. Rather than adopting the position of either figure, we are encouraged here to witness them trying to solve problems posed by their age in conditions they did not freely choose.

Of course, Tihanov’s attention is limited to those substantial aspects of the work of these thinkers which overlap. There is no detailed analysis of Lukács’s writings on politics, Voloshinov’s engagement with the philosophy of language and contemporary psychology, or the work of those members of the Bakhtin Circle that extends in other directions (Sollertinskii on music, Kanaev on science and so on). These will require further work and a fundamentally different type of study. However, in such a study Tihanov’s book will be an important point of reference. Similarly, this book has implications for future studies of the work of other Soviet writers neglected in the West such as Aleksei Losev and Ol’ga Freidenberg and even for future research into the much more well-known work of the Frankfurt School, which also shared some of the same intellectual sources and objects of study.

Perhaps most importantly for readers of this journal, this book makes us aware that the boundaries between Marxist and non-Marxist thought are always being negotiated. Marxism needs to study carefully its own intellectual history in order to avoid repeating past mistakes. Furthermore, Marxism is shown to be a crucial element
of modern literary and cultural theory, which is ignored only at the peril of the discipline itself. Similarly, Marxism needs to be open to ideas developed outside its own borders, keen to look for what is of value in other perspectives as well as combating what is antithetical. It shows the development of Marxism to be tightly bound up with its interaction with other perspectives and that other perspectives are at least partially formed by their relationship to Marxism. It is also clear that, for all the crippling effects of Stalinism on Marxist theory, in certain areas the latter continued to develop, even if in a deformed fashion. Intellectual formation is shown to be a complex and dynamic phenomenon that Marxists ignore at their peril.

In conclusion, this is a very significant book for all those who are interested in the development of literary and cultural theory in the inter-war period. It adds a new dimension to the debates discussed in Lunn’s *Marxism and Modernism* and Jay’s *The Dialectical Imagination*, and like these works it will prove an important resource in the intellectual history of Marxism and the theory of culture.

**References**

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Towards an Unknown Marx: A Commentary on the Manuscripts of 1861–3

ENRIQUE DUSSEL, Translated from the Spanish by Yolanda Angulo, Edited, with an Introduction, by Fred Moseley
London: Routledge, 2001

Reviewed by CHRIS ARTHUR

For many people, this book will be their first introduction to the leading Latin-American Marx scholar, Enrique Dussel. Although some of his works on the philosophy of liberation have been translated into English, this has not yet been the case with his monumental trilogy devoted to the painstaking study of all Marx’s economic manuscripts.¹ So, the present translation of the second of these, on the 1861–3 manuscript of Marx’s Critique, is to be warmly welcomed; the editor, and the publisher, are to be congratulated on their initiative in bringing it before us. Given this context, the work serves a double function: on the one hand, it provides us with a way into the highly original interpretation of Marx long advocated by Dussel, while, on the other, it is the first work in English devoted solely to the 1861–3 manuscript, effectively the ‘second draft’ of Capital, if the Grundrisse is counted as the first.² No doubt, this second point is the reason for the selection of this middle volume of Dussel’s trilogy for translation first. Marx’s 1861–3 manuscript was published in German from 1976 to 1982, and in English from 1988 to 1994.³ Only now, then, can its importance be understood, and Dussel is an excellent guide to its intricacies. In his view, just as in the Grundrisse, we enter here into Marx’s ‘laboratory’ and see how he constructs his concepts and develops his theories. However, given the just-mentioned double function this book serves, I intend in this review to concentrate more on the overall interpretation of Marx evident here than on providing a detailed account of the 1861–3 manuscript itself.

The 1861–3 manuscript is exceptionally interesting since it covers the period in which the structure of Marx’s Capital was originally laid down.⁴ It includes, in addition

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² Dussel holds there were four drafts in all. See Dussel 2001.
⁴ It was while writing this manuscript that Marx first settled on the idea of promoting ‘Capital’ to its title and reducing ‘Critique of Political Economy’ to a sub-title; see Marx to Kugelmann 28 December 1862 in Marx and Engels 1985.
to the well-known *Theories of Surplus-Value* extracted from it, a draft of Book I (Parts 2–4) and a first draft of much of Book III. Dussel’s exposition follows Marx’s manuscript chronologically, section by section, keyed to the English translation. It facilitates our understanding of how Marx clarified his thinking on a number of issues, as well as explaining his confusions and difficulties.

The manuscript starts with ‘Chapter 3, Capital in General’ because it is a sequel to the 1859 *Contribution to the Critique of Political Economy*. In this sense, the 1859 *Contribution* must be regarded as part of the second draft of *Capital*.5 Here, I must dissent from the claim that Marx’s last three drafts of Volume I start with what became Part Two because ‘this Part is the real conceptual starting point of Marx’s theory’ (p. xvii).6 They start with Part Two for the much more mundane reason that Part One was already published. It was finally re-done for *Capital’s* 1867 publication, ‘not only for the sake of completeness’, but also because there must have been ‘something lacking in the first presentation’ since no one understood it properly.7

In his treatment of the capital relation, Dussel emphasises that, according to Marx’s theory, living labour is the ‘creative source’ of surplus-value. Without living labour, capital cannot valorise itself. That capital is the source of its own profit is an illusion brought about by the deceptive shape of the ‘appearances’ of things. One of the most important strategic moves Dussel makes is the placing of this ‘source’ in ‘exteriority’; it comes from outside the value totality systematised by capital. On this basis, Dussel criticises those, such as Lukács, promoting ‘totality’ as the key concept in Marx. However, Dussel himself retains the category because he is sensitive to the fact that capital *does* have a totalising drive, and, through its subsumption of labour under its forms, it generates a contradictory unity with its ‘Other’. Nonetheless, Dussel is right to point up the radical otherness of the source of surplus-value from the capital-totality itself. We shall return to this point.

Dussel emphasises that the ‘macroeconomic’ character of Marx’s theory is already evident in the draft of what later become the chapter ‘Contradictions in the General Formula of Capital’. It is argued here that the surplus-value of the capitalist class as a whole cannot be increased through acts of circulation alone, although the profit of individual capitalists may increase at the expense of others.8

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7 Marx to Kugelmann, 13 October 1866.
8 Unfortunately the text has: ‘new value can emerge from circulation’ (p. 6, end of section); ‘cannot’ was presumably intended.
**Theories of Surplus-Value**

It was while working on relative surplus-value that Marx broke off and began in a new Notebook an excursion entitled *Theories of Surplus-Value*, which became a huge work on its own. In fact, more than half of the 1861–3 Manuscript is concerned with theories of surplus-value. Dussel points out that the significance of these studies has been seriously misconstrued because Engels and Kautsky treated them as equivalent to Marx’s promised ‘Book IV’ of *Capital*.⁹ We find Engels writing in his Preface to Volume III that ‘I intend to start work on the fourth volume – the history of the surplus-value theory – as soon as I am at all able to do so’.¹⁰ But Engels simply failed to see that the theories of surplus-value could not have been intended for Book IV of *Capital* because, at the time the manuscript was composed, there was no such project! However, Dussel does not identify the date when this project for a four book (*not* ‘volume’) *Capital* definitely came into being.¹¹ It was in March 1865, when Marx signed a contract with the bookseller Meissner for his *Capital*. Indeed, the publisher was hoping that it would be precisely the book on ‘the history of political economy’ that would secure the success of the project, and he was most put out that it was never produced by Marx. Confirmation that the theories of surplus-value has nothing to do with this Book IV is found in Marx’s letter to Engels of that July about his progress; he states that the fourth book ‘has yet to be written’. Since Engels found three-volumes worth of the ‘theories’, this would be an extraordinary thing to say if it were indeed the fourth book, the more so because Marx habitually exaggerated to his correspondents how much of *Capital* had already been prepared for publication.

While Dussel does not use this evidence, he correctly states that the ‘theories’ were not intended for Book IV. Why, then, did Marx turn aside in the middle of drafting Book I to embark on this massive study? One possibility Dussel passes over is that Marx was following the model set by his publication of the first part of his great work, the *Contribution to the Critique of Political Economy*, in 1859. This complemented each of its substantive chapters, on commodities and on money, with surveys of the literature concerned. This may indeed have been the origin of the ‘theories’: see the plan of January 1863, drafted when Marx had virtually completed the ‘theories of surplus-value’.¹²

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⁹ This view is uncritically repeated by Ben Fowkes in his 1976 Penguin edition of Volume I; see his note on p. 93; as do the editors of the English *Collected Works*; see Marx and Engels 1994, note 240.


¹¹ The distinction between books and volumes is important when studying Marx’s plans; see the scheme in the Preface to *Capital*, (Marx 1976, p. 93); this arrangement of Books and Volumes is different from the original reported to Kugelmann in a letter of October 1866, but, in citing this letter on p. 164, Dussel (or his translator) gets it horribly twisted, transposing ‘Books’ and ‘Volumes’.

But they go far beyond any such plan. As Dussel rightly argues, the ‘theories’ are the site of a critical confrontation with the opposing paradigm. As he shows: ‘This critical confrontation of theories, of categories (hence, neither a history nor a theory of surplus-value as such), was of great importance in Marx’s intellectual biography’ (p. 44; also p. 163). Through this critical confrontation, Marx developed categories that were needed to explain concrete phenomena he had hardly treated at all in the Grundrisse.

One of the most important was the struggle to clarify the relation between the notion of a uniform rate of profit and that of what became ‘price of production’. I stress ‘what became’ because one of the things Dussel is able to show is the lack of clarity of Marx’s terminology through the earlier passages. Final clarity about this matter was secured only by a confrontation with Ricardo’s theory of rent, itself occasioned by the need to study a work of Rodbertus on the subject before returning it to its owner! From this almost accidental impulse, Marx developed the categories of distribution. As a consequence of this, the plan for Book III, originally called ‘Capital and Profit’ was dramatically expanded. The first sign of this was in August 1862 when he told Engels ‘I now intend...to introduce a new chapter on the theory of rent, i.e. as an “illustration” of an earlier statement’. The plan of Book III set out in January 1863 is close to that followed in the main manuscript of it written as part of the third draft of Capital (1863–5). However, there is one interesting difference on which Dussel does not comment. In the plan of 1863, the formation of a general rate of profit via prices of production is closely followed by ‘Rent. (Illustration of the difference between value and price of production)’. This placing of the topic conforms exactly to the idea that rent is brought into Book III merely as such an ‘illustration’, and not, for example, as a substitute for the originally proposed separate book on ‘Landed Property’. However, by 1865, ‘Rent’ had detached itself from its close proximity to the transformation problem, and was dealt with after other forms of distribution, which, in turn, might suggest a separate work was now redundant.

Another issue relating to other promised books is that on ‘competition’. Book III embodies a paradox: ‘competition’ plays quite a large part in it, while yet reference is made, even in the 1863–5 manuscript, to a separate work on ‘competition’. In my view, Dussel’s solution is correct; he argues that analysis of the way the distribution of surplus-value is regulated by competition does not exhaust the topic; more concrete aspects are still to be developed. Therefore, Dussel suggests that there are two levels of competition in Marx’s logical structure: (1) general abstract competition as in Book

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13 But, most unfortunately, on p. 152, Marx is misquoted: ‘the price of production of the commodity = its value’ is given, but in the source (Marx and Engels 1991, p. 232) it is clear this happens only under special circumstances.


15 It is similar to mine in my paper ‘Capital, Competition and Many Capitals’, in Arthur 2002a.
III; and (2) more concrete aspects held over to a successor work. At all events, as a result of his ‘critical confrontation’ with the literature of political economy, Marx was able to organise the structure of Book III and to write the 1863–5 draft of it. However, I would like to stress that the 1861–3 drafts of what became Book III, Parts One, Two, and Three are of independent interest, since they generally work at a level of conceptualisation that is more dialectical than the blander treatment in the draft used by Engels.

After all this work on *Theories of Surplus-Value* and the topics of Book III, Marx finally returned to where he had broken off the draft of Book I. Dussel shows that, in these parts, Marx incorporated his study of machinery, and the way the mechanised factory results in real subsumption of labour under capital.

Dussel is generally a perspicacious commentator on the text but, in my view, he fails to bring out properly one of the most important innovations in it, even though he quotes a relevant passage from Marx’s discussion of Bailey (p. 128).16 Why is Bailey important? As Rubin showed long ago, Marx’s review of Bailey’s attack on Ricardo was the occasion for a major shift in his conceptual scheme (which I think was never fully worked through). In the 1859 *Contribution*, Marx had unthinkingly copied the two-place logic of classical political economy: there is ‘exchange-value’ and there is ‘labour time’. But exchange-value can be nothing but the expression of the value of one commodity in another when an exchange relation between them obtains. This reflects – supposedly – a parallel relation between labour times. Bailey’s devastating critique of the Ricardians was that they continually substituted for this (correct, in Bailey’s opinion) relational view of value an absolute one, in which a commodity had a definite value of its own regardless of its relations, even though its value could be expressed only through such relations. Marx saw the justice of this criticism and explicitly developed for the first time, in this 1861–3 manuscript, a concept of value distinct from exchange-value, although as late as the first edition of *Capital* a couple of notes claim ‘value’ is just an abbreviation of ‘exchange-value’. Although Bailey insisted that value could only exist as a relation between two commodities at the same time, Marx was able to point out that capital is a value that compares itself with itself at different times.17

So Marx ended up with a three-place concept of value: ‘exchange-value’, ‘value’ and ‘labour time’, something which Rubin again deserves great credit for discerning. ‘Exchange-value’ expressed ‘value’, and ‘value’, in turn, represented labour. However, much Marxist work has failed to grasp this, and has collapsed value into either ‘exchange-value’ or ‘labour time’. The trouble this creates was already brought out by Bailey when he observed that Ricardo confused the ‘cause’ and ‘measure’ of value,

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both being taken to be labour time. Bailey correctly pointed out that, if the labour theory of value was intended to explain changes in the magnitude of value by changes in labour time, then to measure value in labour time results in the absurd tautology: changes in labour time are explained by changes in labour time.\textsuperscript{18} As I say, although Marx had seen the need to secure his own theory against Bailey, there are places where he falls back into the Ricardian view when he has in mind simple circulation, rather than the circuit of capital; but that is another story.

The last part of Dussel’s book consists of two chapters that are more reflective in nature. The first deals with Marx’s concept of science,\textsuperscript{19} and the logic of his categories, returning here once again to the ‘radical starting point’ of Marx’s theory, namely ‘living labour’, and the possibility of developing an \textit{ethical} critique of capitalism. The second outlines Dussel’s application of Marx’s categories (notably ‘unequal exchange’) to the concept of ‘dependency’.

\textbf{Marx’s ‘greatest discovery’}

I now want to return to the absolutely central theme of Dussel’s interpretation of Marx (and the curiously Schellingian cast he gives it). This is the theme of ‘exteriority’ as ontologically (Dussel says ‘metaphysically’, but I cannot grasp the distinction) constitutive of the capitalist world, and methodologically a standpoint of theoretical and practical critique (p. 240). But, as he admits, ‘once capital exists, then the “totality” functions as the ontological category par excellence’ (p. 3). Both the proposition that capital is a totality (hence, in my view, requiring explication with the Hegelian categories of the ‘concept’, although Dussel does not make this move), and the proposition that living labour is external to it, are well-grounded in Marx’s texts; Dussel has no difficulty finding suitable quotations from the 1861–3 Manuscript. Labour Marx characterises as ‘not-capital’, but ‘as living source of value’.\textsuperscript{20}

Dussel sums up his reading of the labour theory of value as follows: ‘Commodities, money and even capital, are value, objectified labour. On the other hand, living labour is not value but the “creator of value”’ (p. 7). Dussel distinguishes sharply between the value-totality of capital and what comes from outside, and – this is important – is necessarily \textit{redetermined} categorically once subsumed by capital. Thus he writes:

\begin{quote}
Can it be said that the ‘living labor’, the reality and category, is the same as ‘wage labor’ or labor already subsumed within the totality of capital? As subsumed, it is an \textit{internal} determination of capital, and thus founded on
\end{quote}

\textsuperscript{18} Bailey 1967, Chapter X.
\textsuperscript{19} It is very odd that Dussel claims Marx’s science is peculiar to him, and then, apparently in support of this, cites two letters in which Marx says he does science in the same way as other German scholars (p. 186).
\textsuperscript{20} Marx and Engels 1988, pp. 170–1.
the totality of capital. But while it has not yet been totalized, living labor is *reality* (the most absolute reality for Marx, and the measure of all de-realization in the totality of capital), it is exterior. (p. 8)

There is, then, a transition from what is in origin exterior, and in a sense *remains so*, to what is subjected to totalisation (p. 16). An example of this is when Dussel insists that in this manuscript ‘labour capacity’ refers to the exteriority that becomes ‘labour-power’ when subsumed by capital and taken the shape of one of its determinations (pp. 9, 12).

According to Dussel, Marx situates living labour as the ‘creative source’ of value, capable indeed of creation *ex nihilo*, in a way the closed totality of capital is not (p. 8). He writes: ‘The truth of Marx’s analysis rests on and departs from the “real reality” of the Other different from capital, the living labor as activity, as creator of value or of all human wealth in general, not only capitalist’ (pp. 8–9).

But the source must be categorically distinguished from its result; Marx writes: ‘Labour as process, *in actu*, is the substance and measure of value, not value. Only as *objectified* labour is it value’.22

Dussel is right to draw attention to this hugely important distinction. He believes it is the fulcrum of Marx’s theory of value:

I personally believe that Marx thought his greatest discovery was the category of surplus-value or the distinction between abstract and concrete labor, but both discoveries depend on the following (which I affirm was the most important of all, and of which Marx himself perhaps was not fully aware): the difference between *living* labor, *substance* ‘of’ value ‘without’ value, and *objectified*, labor ‘with’ value. (p. 172)

I ‘personally believe’ that this insight is Dussel’s ‘greatest discovery’ (although, below, I shall dissent from his formulation of its consequences). Marx picks out the implications of this transition from labour into value when he writes in this manuscript:

This process of the realisation of labour is at the same time the process of its de-realisation. It posits itself objectively, but it posits its objectivity as its own non-being [*Nichtsein*], or as the being of its non-being [*das Sein ihres Nichtseins*] – the being of capital. (p. 176)

Dussel argues that, ‘only from the affirmation of the positivity of living labor’, as an affirmation of otherness, ‘is negation of the negation possible’ (p. 243). The negation

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of labour by capital can be reversed through a second negation only if it is possible conceptually to separate living labour from its historically determinate form as wage-labour in the first place. Only this makes space for a necessary critical distance from the totality. The ‘labour theory’ of classical political economy had the merit of shifting attention from the ‘being’ of value to its ‘becoming’; however, since they could not achieve this critical distance their ‘labour theory’ remained within the capital-totality. Only the critically adopted standpoint of living labour allows space for conceptualising the overthrow of capital.

**Schelling and Marx**

So far, I have managed to avoid any reference to Dussel’s Schellingian reading of Marx. But it is essential to expand upon it here, not only for its own sake, but because I fear certain of Dussel’s turns of phase will baffle the reader because he does not sufficiently explain the Schellingian provenance of his categories. This pertains first and foremost to the terms ‘being’ and ‘reality’, which are clearly opposed here even though in ordinary language they would be taken as cognate. I also address here the interpretive problem of the alleged influence of Schelling on Feuerbach and Marx.

Although Schelling and Hegel had been close at the outset of their careers, they had drifted apart so far that, ten years after Hegel’s death, Schelling was called to Berlin by the authorities with the mission of extirpating Hegelianism from German intellectual life. The main rubric of his lectures of 1841 was the contraposition of his ‘positive philosophy’ to Hegel’s (allegedly) ‘negative philosophy’. According to Schelling, Hegel’s apotheosis of Reason with a big ‘R’ was necessarily defective. ‘Reason’ can take apart and reconstruct the world, and therewith provide a full explanation of what it is; but it cannot explain that it is. ‘Being’ in Hegel’s system is a descriptive category of thought, a category from which an entire system of thoughts derive, up to and including the ‘Absolute Idea’. But there is always something else behind this totality, the reality that reveals itself to us in a non-rational mystical mode, and its ‘explanation’, in so far as one is possible, is that God reveals to us his power in this his creation ex nihilo.

Dussel’s claim is that Marx not only accepted the spirit of this critique of Hegel by the old Schelling, but made parallel moves in his theory of value. The totality of value-forms is inherently self-referring; the ‘Being’ of the system is value itself. But, beyond this totality, we have seen, is the real source of surplus-value, living labour.

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23 For a study of this negation of the negation, see my book Arthur 1986.

24 Dussel’s view that Marx was influenced ‘directly or indirectly’ by Schelling is further developed in a conference paper of 1997, Dussel 1997.
This explains Dussel’s peculiar terminology in which ‘non-Being’ is equated with what is real.\(^\text{25}\)

Dussel claims that ‘it is well known . . . that Marx is an heir to the old Schelling, the one who in 1841 criticised Hegel in Berlin, the one who placed Hegelian philosophy as negative and affirmed a positive philosophy’ (p. 190).\(^\text{26}\) It was certainly not ‘well-known’ to Marx! With reference to this same ‘old Schelling’ and these same 1841 lectures, some of them published in 1842, Marx wrote to Ludwig Feuerbach (3 October 1843) imploring him to take up the cudgels against Schelling: ‘The entire German police is at his disposal as I myself once experienced when I was editor of the Rheinische Zeitung . . . You are just the man [to be the] opponent of Schelling.’ Marx also went back to his doctoral dissertation to insert a passage reminding the Schelling of 1841 of some of his radical early views.\(^\text{27}\)

Just because Feuerbach himself accentuated the ‘positive’, this is no reason to conflate the ‘left’ and ‘right’ critiques of Hegel. For Feuerbach, the positive, which stands in no need of mediation in an opposite, was ‘sensuousness’. Not only is Dussel wrong about Marx, he is also wrong about Feuerbach when he says, ‘Thanks to the old Schelling, Feuerbach was able to start the anti-Hegelian critique’ (p. 190). Feuerbach had been working his way out of Hegelianism through the 1830s and published his definitive text Towards the Critique of Hegel’s Philosophy in 1839. His Essence of Christianity followed in 1841. By the time Schelling gave his Berlin lectures of 1841, Feuerbach had already ensconced himself in rural isolation at Bruckburg, there to compose a flood of philosophical manifestos, no ‘thanks to Schelling’.\(^\text{28}\) If Marx needed any help in disengaging himself from Hegel, it was Feuerbach, not Schelling, who counted in this, as can be seen from the Preface to Marx’s 1844 Manuscripts.

Dussel would have been well advised to eschew these dubious historical remarks and simply to argue that the analogy of Schelling’s Hegel-critique with Marx’s critique of political economy is revealing, or to restrict himself to the claim that a Schellingian reading of Marx is a useful corrective to the Hegelian one; in a nutshell, Dussel thinks Hegel an excellent guide to the capital-totality but not to its critique. The occluded exterior source of surplus-value – this is where Schelling comes in to help Marx in his ontology. Now I shall show that Schelling is ultimately unhelpful in solving problems present in Marx’s theory.

\(^\text{25}\) See, p. 7, where there is a fictitious Marx quotation to this effect; see also p. 242.
\(^\text{26}\) It is curious that Dussel uses the expression ‘well-known’, since it is ‘well-known’ to him that he goes against Engels and Lukács in this claim. On this page (p. 190) a couple of quotations presumably from Schelling are apparently attributed to Hegel!
\(^\text{27}\) Marx 1975, p. 103.
\(^\text{28}\) In his Preliminary Theses on the Reform of Philosophy (1843), Feuerbach wrote: ‘In Schelling [is found] only the illusion and pretense of being the new realistic philosophy.’ (Feuerbach 1972, pp. 166–7) Martin McIvor points out to me that Manfred Frank, Warren Breckman, and others, claim Feuerbach could have been influenced by expositions of Schelling’s ‘positive philosophy’ earlier than 1841.
The ‘creative source’ of value

I want now to endeavour to show that in Dussel’s Schellingian reading of the theory of valorisation a tension already implicit in Marx is raised to a higher level. Marx says two things, as Dussel rightly observes: that labour is the creative source of surplus-value (‘the universal value-creating element’) and that capital is self-valorising value. It is hard to know what ‘self-valorisation’ can mean, other than that capital creates value, which flatly contradicts the thesis that labour creates value. In Dussel, this contradiction appears in a particularly flagrant form because he interprets capital as a Hegelian totality, self-creative therefore, while using Schelling to bolster his claim that the creator of surplus-value must be exterior to it. That living labour is ‘not value’, and thus capable of being the source of new value, is something I find convincing. Where I dissent from Dussel, and, indeed, Marx, is that labour ‘creates value’. Typically, Dussel uses the phrase ‘creative source of value’ (e.g. p. 192). I suggest that this phrase should be disaggregated: ‘source’ and ‘creator’ are two different things. To give Dussel due credit, he is usually sensitive to such conceptual subtleties in the theory of value; he writes ‘according to Marx, “to be” value, “to posit” value and “to create” value, are three completely different concepts’ (p. 7). To this list I would add the concept ‘source’ as a fourth. Let us explicate this conceptual scheme.

To be value is to be a commodity; to posit value is to subject products to the exchange relation, or, more precisely, it is capital’s presenting its products for exchange; to create value is to produce capital by means of capital (M-C . . . P . . . C’-M’); to be the source of value is to be that out of which capital creates value. It is the ontological/metaphysical dependence of the valorisation process on the labour process that grounds the claim that living labour is the source of surplus-value. But source and creator should not be conflated; the source of the tree’s growth is the soil and solar energy; but does the soil ‘create’ the tree? This would be a strange way of talking; it is surely a matter of an immanent force in the tree itself that impels it to seize upon sources of nutrients so as to grow. Another example: a waterfall is the source of the power generated by hydroelectricity but it does not ‘create’ the electricity. That is the achievement of the dynamos. Water always had this capacity, it might be said, but only when harnessed and exploited in a particular way is it the power source for the generation of electricity by the machinery. In the same way, capital harnesses and exploits living labour so as to create value from this source of energy. If living labour is the source of capital accumulation, this still leaves capital’s dynamic as the creative principle. It is just that it cannot plausibly claim to create itself out of nothing as Hegel’s Idea may.

30 I presuppose here that genuine values result only from capitalist commodity production, but not from a supposed ‘simple commodity production’: see Arthur 1996, 1997.
Of course, it would be fair (although still contestable) to argue that labour creates use-values (again, through using natural sources as well as its own energies). But that the surplus product is determined as surplus-value, and is indeed produced in the first place for that very reason, is not a result of living labour and its aims, but of alienated labour, of labour as the use-value of capital, infused with capital’s drive for accumulation. Again, it may be proper to argue that value is nothing but ‘alienated, reified labour’, but such a claim that labour is the ‘stuff’ of value, so to speak, does not prove that it created it, any more than the marble created the statue.

What we need to do is to start from Dussel’s explication of living labour as ‘the Other’ of capital to enter into their dialectic. Each, by being incorporated in its other, becomes other than itself. Thus, living labour in the ‘exteriority’ is Other than capital, but, subsumed under capital, it is at the same time Other than itself, alienated labour. The same thing happens to capital when it descends from the self-referring ideality of value to the materiality of production. But, of course, this process of mutual othering is not balanced; the struggle for dominance is won by capital, which successfully returns from the sphere of production with surplus-value, while living labour returns from the factory exhausted and deprived of its own product. Realisation of capital is de-realisation for the worker. But, if this is so, it cannot be living labour as such that creates value but wage-labour, that is alienated labour which is reified in value. This is because what creates value is not the ahistorical labour process but only that under capital’s totalisation, whereby capital produces value out of its exploitation of labour. Labour ‘is objectified as capital, as not-labour’.

Dussel’s conceptualisation of living labour as the ‘creative source’ of value is part of his self-confessedly ‘Schellingian’ reading of Marx which I have already explained. This also results in a slightly wrong picture of their relation. Dussel typically provides charts in which the capital-totality and its exteriority are pictured side-by-side with input from the latter to the former. What is missed here is Marx’s continual reference to the inversion characteristic of capital. In Dussel’s picture, it seems implausible to speak of the capital-totality at all, since the ‘outside’ is perfectly obviously subverting capital’s claim to be a whole. The true picture is that the exteriority is subsumed (or ‘overgrasped’ in Marx’s phrase: übergreifen) by the totality, since what is real and what is its mediation change places as a result of inversion. As we shall see in the next section, it is capital’s ‘identity’ and ‘non-identity’ with its Other that provokes confusion. Evidently, these remarks of mine go beyond Dussel to Marx himself. Dussel’s interpretation of Marx, so far as it goes, is fair as an interpretation.

Is labour everything?

Because Dussel insists that living labour is the creative source of value, he misreads a passage in which Marx is glossing the views of the socialist Ricardian, Piercy Ravenstone. This is what Marx said:

Ricardo’s phrase ‘labour or capital’ reveals in a most striking fashion both the contradiction inherent in the terms and the naivety with which they are stated to be identical . . . It was natural for those thinkers who rallied to the side of the proletariat to seize on this contradiction . . . labour is the sole source of exchange-value and the only active creator of use-value. This is what you say. On the other hand, you say that capital is everything, and the worker is nothing or a mere production cost of capital. You have refuted yourselves. Capital is nothing but defrauding of the worker. Labour is everything . . . Just as little as [Ricardo] understands the identity of capital and labour in his own system, do they understand the contradiction they describe.

Dussel seizes on the phrase ‘Labour is everything’ and treats it as Marx’s own (pp. 130–1; p. 190; p. 196); but it is clear Marx here speaks for the socialist Ricardians; it does not follow he endorses it; in truth, he does not; he regards this claim as equally as one-sided as that of the bourgeois theorists who think capital is everything. Neither side has understood that there is an objective contradiction here; both claims are true, and neither makes sense on its own.

It is worth exploring this issue in some detail. In doing so, we can quote Dussel against himself, by drawing on this passage in which he recognises the power of the capital-totality:

This ontological act by which the ‘exteriority’ of ‘living labor’ is denied (and by which the latter is totalized or subsumed) is the laborer’s ‘alienation’: negation of the Other (different from capital) and constitution of living labor as ‘wage labor’. (p. 12)

By this act of constituting labour as wage-labour, capital constitutes itself and embarks on its inherent dynamic of accumulation. This cannot be explained on the basis that ‘labour is everything’, any more than the claim that I am ‘nothing but’ water and carbon explains my life-cycle. Once a system has achieved sufficient complexity, powers emerge that cannot be reduced to those of its constituent elements. The capital system exhibits precisely such emergent powers, regardless of whether or not it emerges from some such original ‘ontological act’ as Dussel maintains. Successfully subsuming living

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labour, and consistently reproducing the capital relation, capital has a fair claim to assert ‘I am everything’; that labour-power has to be reconstituted in a non-capitalist domestic sphere it can dismiss as a secondary derivative function, to be treated as a black box in the circulation of commodities. Dussel, when driven to qualify his view, says the converse. He states that Marx’s system of categories ‘is nothing but the development of the concept of “living labor” . . . within which the development of the concept of “capital” is a secondary and founded moment . . . Everything is labor: capital is nothing but labor’ (p. 196).

This view gives inadequate attention to the concept of capital. Capital seizes living labour under the wage-labour form and reifies it in the value of commodities. As value, labour is the opposite of ‘living labour’; it is negated, de-realised rather than realised labour. It is implausible to think labour could perpetrate this crime against itself; it has to be the result of something else, capital; albeit that capital is ‘nothing but’ labour, it has become autonomous, labour’s own other. ‘Capital shows itself more and more as a social power . . . an alienated social power which has become independent, and confronts society as a thing’.33 This objective social power of capital ‘Hodgkin regards . . . as a pure subjective illusion which conceals the deceit of the exploiting classes. He does not see that the way of looking at things arises out of the actual relationship’.34

True, if the concept of capital is developed it leads back to labour as we see in Marx’s Capital by Chapter Seven, but, as labour’s Other at the same time, it requires recognition of its own effectivity. Marx is capable of taking both perspectives in a single passage:

In the first appearance of capital, these presupposition themselves [material, instruments and labour capacity] appeared outwardly to emerge from circulation, to be given in it . . . These external presuppositions now appear as moments of capital itself, as results of its own production process, so that it itself presupposes them as its own moments and conditions . . . All the moments which confronted living labour capacity as alien, external [powers], consuming and using it under certain conditions independent of it, are now posited as its own product and result.35

In such passages as these, Marx seems simply confused about what has priority, capital or labour. But the truth is that these are so closely intertwined that both perspectives have validity. In a sense, capital totalises and reproduces all its presuppositions, while, in another sense, this totality is itself the result of the alienation of labour. The capital

relation is a contradictory unity. Any attempt to remove the contradiction ideologically by claiming ‘all is capital’ or ‘all is labour’ will find such a reductionist programme impossible to carry through coherently. Labour’s alienation and capital’s self-constitution are inseparable. It is of the highest importance to understand that the contradiction in the capital relation is not between capitalist and labourer (that is merely a conflict); the inner contradiction arises because both ‘capital’ and ‘labour’ have claims to constitute the whole of their relation; hence ‘capital is nothing but (alienated) labour’ and ‘labour nothing but (variable) capital’. In a word: capitalism is characterised by a ‘contradiction in essence’.36

The standpoint of critique

The problem of rightly interpreting Marx’s critique is that for much of Capital he has to enter into the capital-totality; in a sense, therefore, there is the risk that the reader becomes engulfed in this and sees even labour as nothing but a factor of production organised by capital. Dussel’s work is a wonderful corrective to this, and he pinpoints the problem just noted:

From the moment at which totality (capital) subsumes exteriority (living labor), Marx’s discourse starts, showing all the intrinsic determinations of capital, of the totality. Thus ‘totality’ may seem to be the ultimate category, for it absorbs almost all of his later discourse. (p. 245)

Misreading is possible since much of Marx’s analysis is about the already constituted totality, for example the problem of fixing prices of production. Dussel’s merit is to draw attention to the grounding of the totality on its exterior input: living labour. Much criticism of Marx (such as from the neo-Sraffians) is from the standpoint of the always already constituted reified system, ignoring how living labour becomes subsumed in it.

Capital shows us the production of capital by means of capital.37 In this sense, the self-identity of capital is its main theme and it was possible for readers not to grasp the dependence of capital on what is radically ‘Other’ than capital, living labour that is conceptually separable from its subsumption under capital as wage-labour. Dussel is absolutely right to stress this point: “The other” than “totality”, in the “exteriority”, is nothing for the being of the system, but is still real. The “reality” of the other resists from beyond the “being” of totality’ (p. 242).

However, rather than put the point in this neo-Schellingian fashion, it would be better to follow the model of Feuerbach’s anti-Hegel critique. According to Feuerbach,

because Hegel inverted the relation between thought and reality, his philosophy construed the latter \textit{negatively}, as merely the Other of the Idea; the Idea posits itself in negating this its negation. But, asked Feuerbach, ‘why should that which owes its certainty only to itself not stand higher than that whose certainty depends on the nothingness of its opposite’?\footnote{Feuerbach 1972, p. 229.} Hegel’s inversion must itself be inverted, so as to put at the centre ‘man on the basis of nature’, positively grounded on himself.

The parallel move in the critique of political economy begins from the incontestable fact that, without use-value, there is no value. However highly self-mediated the value-form becomes, no matter how remote from reality are certain financial instruments, the ‘topsy-turvy’ world of capital must mediate itself in the labour process. The labour process, by contrast, however distorted by the requirements of valorisation, does not in itself require its current mediation in the latter.

But the analogy with Feuerbach must not be pressed too far. To follow him in his passion for ‘immediacy’ here would be to miss the point that production must always be \textit{socially mediated}. The problem with the value-form is that it is an alienating, and alienated, mediator, rooted in the inversion of concrete and abstract.

To conclude: Dussel is right to identify living labour as the appropriate \textit{standpoint of critique} (see Chapter 12, Section 2). The reality of this standpoint of critique is still historically open-ended. Given total alienation, our critique (‘refusal’: Marcuse) would be utopian in the scientific sense of \textit{unlocated} or even \textit{dislocated}. Only revolutionary practice can ‘prove the truth’ of this unknown Marx.\footnote{See Chapter 12 of Arthur 2002b.}

In spite of occasional defects,\footnote{Here I list some errors and omissions not otherwise mentioned above: a) p. xxxii, paragraph 3: the references here to ‘MEGA II 7’ should read ‘MEGA II 4’; b) p. xxxv, last paragraph: ‘The chapter on money’ should obviously be ‘the chapter on capital’; c) p. 20: Dussel says Engels wrongly added a page on the subject of class at the end of Book III. But this page was right there in Marx’s manuscript of Book III, published as MEGA II 4, volume 2, under the head ‘Chapter 7, Section 5’. How could Engels be ‘wrong’ to include it? d) p. 75: the wrong date is given for \textit{The German Ideology} (1845–6); e) p. 247: top, note 1, ‘1876’ should be ‘1976’; f) The index does not cover the notes.} this is an original and thought-provoking work. And Dussel is surely right in his confidence that – more than the first (1883–1983) – ‘Marx’s second century’ will be the source of an ongoing critique of global capitalism (p. xxxii).

However, \textit{Towards an Unknown Marx}, at £70, is likely itself to remain ‘unknown’ unless you bully your library to get it.
References


This book, originally published in hardback in 1997, has now appeared in a very welcome paperback edition. Its author, Fritz Ringer, is well versed in German intellectual history. This enables him to offer the reader an excellent reconstruction of Weber’s views on methodology, situate them in the major contemporary debates in Weber’s Germany, and assert their continuing (and, indeed, insufficiently appreciated) relevance to current issues in the cultural and social sciences. Ringer’s approach is influenced in part by Pierre Bourdieu’s notion of the intellectual field. He therefore interprets Weber’s attempt to unify the methodologies of the historical, cultural and social sciences in the light of the specific debates that structured Weber’s own formulation of problems and his attempts over time to respond to the issues raised therein. In this context, Ringer sees Weber as a good example of ‘the clarifying critic who restates, rationalises, and thus partly transcends the assumptions of his own culture’ (p. 168).

Thus he was ‘at once a causalist and a sophisticated interpretationist, and he simultaneously renewed and transformed his methodological heritage’ (p. 6). In reviewing this work, I have three aims: first, to set out the main arguments; second, to locate them in relation to contemporary debates in critical realism; and, third, to show the relevance of Weber’s work to a reconstruction of Marxism and historical materialism.

Ringer’s book is concerned with three main themes: (a) the principal German debates that framed Weber’s approach to methodology in the cultural and social sciences – drawing particular attention to the threat to the German academy and its self-understanding in terms of Bildung and Wissenschaft posed by radical social change and the rise of ‘interest politics’ along with the challenge to the German historical tradition posed by positivism, the prestige of the natural sciences, and the pressure for disciplinary specialisation; (b) a reconstruction of Weber’s methodology, noting

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1 Ringer defines the intellectual field as ‘a constellation of positions that are meaningful only in relation to one another, a constellation further characterised by differences of power or authority, by the opposition between orthodoxy and heterodoxy, and by the role of the cultural preconscious, of tacit “doxa” that are transmitted by inherited practices, institutions, and social relations’, p. 5.
different stages in its development where appropriate, and paying particular attention to his distinctive approach to causal analysis and the way in which reasons can also function as causes; and, more briefly, (c) a comparison of Weber’s methodology with more recent contributions from philosophers, historians, and social scientists. The first two themes are pursued with particular clarity and are especially illuminating on Weber’s intellectual debts as well as his originality as a methodologist. The discussion is less satisfactory, however, when it comes to current debates. Perhaps because he is an historian of ideas, Ringer is less acquainted with some of the more recent developments in the philosophy of the social sciences (especially around critical realism), with recent work in historical materialism and the critique of political economy, or with recent advances in institutional and evolutionary analyses. This means that some of his claims about the superiority of Weber’s approach depend on rather selective readings of the philosophy of social science.

Ringer’s main argument is that Weber developed an approach to explanation in the cultural and social sciences that successfully unified explanatory (causal) and interpretive (hermeneutic) analysis. This is a surprising outcome given the heated disputes about the possibility of reconciling Erklärung (explanation) and Verstehen (understanding) in his and our time. Weber could achieve this for two main reasons. First, he rejected the Humean model of constant conjunctions as well as related arguments that anticipated Hempel’s neo-positivist, deductive nomological ‘covering law’ model of causal analysis. And, second, Weber came to appreciate that ‘reasons’ could be causes. It followed that an adequate explanation of a specific historical, cultural or social phenomenon must be adequate both in terms of motivational intelligibility (namely, its social meaning for the relevant actors) and its production through the contingent interaction of causal processes in specific circumstances. In contrast to nomological sciences, disciplines concerned with the historical specificity of particular events or processes (whether micro or macro) had to adopt ‘an intricate and flexible scheme of singular causal analysis, a type of analysis in which particular events, historical changes, or outcomes are traced to their causally relevant antecedents’ (p. 3). This analytical model did not depend on straight deduction from causal laws, but on probabilistic and counterfactual reasoning applied to the internal as well as external causal conditions of the phenomenon in question. He

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2 Bhaskar’s first critical realist defence of the possibility of naturalism incorrectly cites Weber as seeing constant conjunctions as necessary for an adequate explanation. See Bhaskar 1989, pp. 137–8. He presents Weber as combining a neo-Kantian methodology with methodological individualism and contrasts this approach with Marx’s realist methodology and relational ontology. See Bhaskar 1989, p. 31. He also argues that there are two key differences between Weberian sociology and transcendental realism: (a) whereas Weber accepts, realism rejects, constant conjunctions; (b) whereas Weber denies, realism accepts, that the correction of agent’s perceptions may be a necessary part of a social scientific investigation. See Bhaskar 1989, pp. 135–8. Bhaskar is wrong on both counts since Weber also discussed ‘wrong thinking’ and other forms of irrationality.
held that reasons for acting may be causes of actions; yet he never claimed that all the causes of actions and beliefs are reasons, not to mention good reasons. He was thus necessarily committed to the view that interpretation is a subset of singular causal explanation. (p. 170)

Ringer argues that Weber aimed to clarify and transcend a number of competing positions in the Methodenstreit (contest over methods) that occurred in late nineteenth- and early twentieth-century Germany. Thus, from Heinrich von Rickert, Weber took the idea of the infinitely extensive and intensive nature of the objects in the world. This excludes any copy theory of knowledge such that the result on an inquiry is just to reproduce the world in all its complexity; instead, it requires that we select simplifying entry points into that complexity. To investigate reality is, therefore, to simplify it conceptually from a specific viewpoint and to transform it in the light of a cognitive strategy (p. 36). Several cognitive strategies are possible in this regard. The nomological sciences, which abstract from the real world to discover general laws and law-like regularities that are low in content, offer only one such strategy; another is provided by the Wirklichkeitswissenschaften (disciplines concerned with reality), with their interest in the singularity of specific events and processes, whether these be relatively micro- or macro- in nature. Here, Weber argued that developing a ‘singular causal explanation’ involves selecting specific causal processes or causal intersections from many others to show how they intervened to produce something that would not otherwise have happened. Inspired on this point by the physiologist and statistician, von Kries, he also stressed the importance in such an explanation of establishing both ‘objective probability’ and ‘adequate causation’. To resolve the resulting forensic problem of causal attribution in the face of many competing explanations could well involve a resort to counterfactual and/or comparative reasoning (p. 169). The same basic strategy applies to all types of singular causal explanation – it does not change with the generality of the historical developments and outcomes to be explained. Thus the Defenestration of Prague or the rise of capitalism are both intelligible on the same lines, that is, they are both particular historical outcomes explicable in terms of specific causal antecedents (pp. 48–9, pp. 71–2, p. 156).

Singular causal explanations should be adequate at the level of meaning as well as external causation. This is where Verstehen comes in. Its role is to provide motivational understanding in relation to patterns or sequences of behaviour rather than in relation to isolated actions. As a form of causal attribution this demands, according to Weber, that one identify, as far as possible, the actual – not merely probable or plausible – motives or subjective intentions that operated as true causes (pp. 93–4). Depending on the nature of the explicandum, however, these motives may be attributed to a

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3 This distinction derives from Georg Simmel; it is not the same as the distinction between the natural sciences [Naturwissenschaften] and the cultural sciences [Geisteswissenschaften].
single individual, may be said to prevail on the average within a particular group, or even be ascribed to a hypothetically constructed “‘typical’ agent’ (p. 101). Moreover, while Zweckrationalität (purposive action) should provide the initial hypothesis in developing an adequate explanation at the level of meaning for patterns or sequences of behaviour, the investigator should be sensitive to a wide range of other possibilities.

The twin criteria of ‘objective probability’ and ‘adequate causation’ help to explain Weber’s distinctive use of the ‘ideal type’. Although the German state theorist Jellinek, for whom it had normative or teleological as well as scientific connotations, introduced the term, Weber’s own views on how they should be constructed and used actually owe more to the economist Carl Menger. Ideal types, as is well known, are constructed through the one-sided accentuation of empirically observable features of a situation to produce an ideal, but objectively feasible, description of a given phenomenon. This could be objective (such as a market) or subjective (such as the rational calculation of Homo economicus); an event or process; an action, a social relationship, or a social order. Depending on their precise form, ideal types perform several roles in Weber’s analysis: they can serve directly as explananda, they can help to identify deviations or anomalies from an ideal-typical model or path that define the explanandum, they can provide a basis for establishing a rank order among interpretive and causal relationships (p. 158).

The final theme in Ringer’s presentation of Weber’s methodology concerns the inevitability of value-relevance in the selection of objects for investigation and the choice of entry points in the face of the complexity of the real world. But, as Weber emphasised, this does not absolve a scientist from an obligation to objectivity (intellectual integrity) in conducting the investigation. The canons of a proper scientific investigation must still be respected.

Most of Ringer’s analysis is designed to show how Weber’s ideas emerged in a critical clarification of contemporary disputes. Thus, one way to understand his methodological views is to understand what he opposed. He had three principal targets: (a) naturalism (especially positivism and psychologism); (b) holism (especially organicism, emanationism – which sees social phenomena as manifestations of the development of spirit [Geist], essentialism, and methodological holism); and (c) irrationalism (notably the speculative defence of free will in opposition to rigid determinism) (pp. 52–60). But Ringer is also concerned to show how Weber’s views either anticipated subsequent arguments in the philosophy of social sciences and social theory or remain superior to them in key respects. Thus, he notes that Weber largely anticipated the arguments of MacIntyre and Davidson on causal explanation and on reasons as causes; the reflections of Lukes and others on rationality and interpretation. More generally, Weber ‘integrated interpretation and explanation, and he thus successfully challenged a false antithesis that has long been a serious obstacle to thought about the cultural and social world’ (p. 172).
In reading Ringer’s reconstruction of Weber’s methodology, I was struck by seven possible similarities between Weber’s positions and the claims of critical realism. These are worth addressing here because of their relevance to historical materialism. Specifically, Weber develops the following methodological arguments: (a) the complexity of the natural and social world means that scientific inquiry cannot completely reproduce the world in the form of scientific knowledge; (b) different disciplines focus on different aspects of reality and have different entry points into its investigation; (c) causal explanation is dynamic, it involves the idea of causes ‘acting’ \([\text{Wirken}]\) to bring about an effect; (d) inquiries concerned with singular causal explanation focus on issues of ‘objective probability’ and ‘adequate causation’ rather than on providing a deterministic nomological explanation from the viewpoint of one discipline or causal mechanism alone; (e) since explanations cannot fully explain a specific event or process in all its complexity, the investigator must consider ‘the degree of generalization and abstraction necessary – and defensible – in the “comparison” between imagined and actual antecedents, causal sequences, and outcomes’ or, again, think about ‘how best to conceptually isolate the set of antecedent conditions that more or less strongly “favor” the result to be explained’ (p. 66 and p. 67); and (f) there is a major role for counterfactual reasoning in causal analysis in identifying the relative significance or rank order of different causes in producing a given effect (p. 71).

These claims would probably secure the assent of critical realists. But there are also major differences between Weber’s ‘causalism’ and critical realism. Adherents of the latter would certainly agree with Weber on ‘the inescapably “abstract” character of causal analysis’ and would also readily accept that ‘causal “moments” are not simply given in immediate experience’ (p. 71). However, whereas Weber would probably concur with critical realists on the need to distinguish between the empirical (the level of experience) and the actual (the level of actual events and processes), it is less certain that he would accept the level of the real, that is, a realm of underlying causal mechanisms, tendencies, counter-tendencies, liabilities, and so on. In using terms such as ‘pressing toward’, ‘developmental tendencies’, ‘moving forces’, and ‘impeding’ factors, Weber supported a dynamic conception of causal analysis. But he also argued that such notions do not constitute ‘real causal interconnections’ at an ‘elementary’ level but involve no more than tactically useful constructs in the practice of historical reasoning (p. 76). This is where Weber’s account of ideal types proves less than helpful in elucidating the distinctiveness of his position. For ideal types could be seen as tactically useful constructs intended to simplify the analysis of a particular event or process and to facilitate comparison among such events or processes; but they could also be seen as scientific constructs intended to identify specific dynamic properties (causal powers and liabilities, tendencies and counter-tendencies, etc.) that are the naturally necessary features of real objects. It sometimes seems that ideal types are no more than useful tools for comparative analysis. But confining their conceptual
status in this way fits ill with Weber’s emphasis on such apparently realist notions as ‘objective probability’ and ‘counterfactual analysis’; his praise for Marx’s identification of the ‘laws’ of capitalism as long as these laws are not reified or naturalised; his recognition that knowledge of social laws is not the same as knowledge of social reality, since general laws are low in content; or his view that social orders can only be said to exist to the extent that their associated forms of conduct are reproduced. In short, there appears to be a serious ambiguity in Weber’s ‘causalism’ that is rooted in his failure to draw a clear distinction between the real and the actual.

Thus Weber emphasised that causes and effects must be described at a level of abstraction that will permit them to be related to ‘rules of experience’ [Erfahrungsregeln]. This takes us beneath the level of empirical measurement to the level of the actual but may not take us beyond the latter to the level of the real. For, in Weber’s account of these rules, they resemble imperfect empirical generalisations; they are incompletely universal and less rigorously formulated than full-fledged scientific laws. Thus he suggested that causation involves the idea of a cause ‘acting’ [Wirken] to bring about an effect in conformity to observable ‘rules’ or laws (p. 76). He also spoke of the practical impossibility (and, in many cases, theoretical redundancy) of following causal relationships down to the microscopic level of necessary connections among the elementary constituents of reality (pp. 71–2).

All of this would suggest that Weber’s ‘causalism’ falls short of critical realism. But we should not be too hasty in drawing this conclusion. This is so for at least two reasons. For it is one thing to provide a general transcendental justification of the superiority of critical realism as a general account of the nature of the world and the conditions of its scientific investigation; it is quite another to justify a particular ontology, epistemology, and methodology within a general critical-realist framework and show its superiority to other particular critical realisms. In this sense, one is tempted to paraphrase Marx to the effect that there is no such thing as critical realism in general, only particular versions of critical realism and the totality of critical realisms. In this context, Weber argued against over-estimating the import of general methodological inquiries and, instead, preferred to develop particular explanations addressed to particular problems. It was for the same reason that he dismissed the general postulate of universal ‘determinism’ – which would seem to be implicit in critical realism – as extra-empirical, as a pure a priori assumption (p. 69). On the other hand, when he was addressing particular problems rather than speculating on general problems of studying an infinitely complex world, Weber was quite capable of pursuing the sort of strategy that critical realists also pursue in practice. This emerges very

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4 Ringer interprets this last argument as nominalist, but it could also be seen to refer to the ‘doubly tendential’ nature of the tendencies associated with any given object, i.e., tendencies exist only insofar as the object itself is reproduced. See Jessop 1990.
clearly from Tony Lawson’s recent account of critical realism in the field of economics. At stake here is the possibility of identifying demi-regularities, that is, non-spurious, rough-and-ready, partial regularities that come to dominate restricted regions of time-space, thereby indicating the possibility that an underlying mechanism (or underlying mechanisms) are being reproduced and that their effects are evident at the level of actual phenomena. The identification of demi-regularities is facilitated through comparison, the study of crises and turning points, and counterfactual analysis. All of this is strikingly reminiscent of Weber’s discussion of singular causal explanation and demi-regularities appear to correspond to Weber’s ‘rules of experience’ (see above). The principal difference appears to be that a critical realist tends to treat demi-regularities as generated by an underlying causal mechanism and Weber would refer them in the first instance to an ideal type, which may or may not involve the ascription of specific dynamic causal powers. Nonetheless, Lawson’s account, which contains far more that is relevant to a critical-realist re-interpretation of Weber (whilst mentioning him only once) than I can convey in this review, would certainly help us to make sense of Weber’s approach to singular causal explanation insofar as this involves reference to nomological questions. And, as Ringer shows, nomological knowledge is central to Weber’s causalist methodology.

This suggests that there may be greater affinities between Weber and Marx than is often recognised. For they are often juxtaposed in commentaries on the theoretical legacies of the classic period of social scientific development, especially as Weber sharply criticised the Marxism of the Second International for its economic reductionism. But this does not mean that Weber championed the primacy of spiritual forces, historical idealism, or the creative role of great men in history (p. 151). Instead, he extended the analysis of materialism in three new directions: (a) the plurality of ideal and material interests that could become the basis for meaningful social action, their discursive articulation, and their substantive interconnection; (b) an emphasis on the conditioning of economic processes, namely processes concerned with the material struggle for existence, by extra-economic processes and institutional orders (especially the juridical and political orders); and (c) an analysis of the relative autonomies and substantive interdependencies of institutional orders and their codetermination of social development. These themes can also be found in the more substantive historical analyses offered by Marx and Engels as opposed to the more nomological presentation of the logic of capital accumulation in a text such as Capital. The principal difference in this regard between them and Weber lies in their insistence on the relative primacy of the logic of capital accumulation over other institutional logics within capitalist

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5 Lawson 1997, p. 204.
7 See especially pp. 71–2.
8 And in his religious sociology, religion too.
social formations – a thesis that Marx and Engels lacked the conceptual tools to present in a coherent, non-reductionist manner\(^9\) and Weber could not accept in the form in which it came to be presented in the Second International.

In conclusion, Ringer has provided us with an interesting and provocative book on Weber’s methodology. He demonstrates the utility of locating a theorist’s arguments in relation to the intellectual field in which she operates and has shown the originality of Weber’s attempt to reconcile causal analysis and the hermeneutic approach. No doubt unintentionally, however, Ringer also reveals significant ambiguities in Weber’s position. Whilst he shows that Weber is neither a positivist nor an idealist but a causalist, he fails to resolve the question whether Weber was a constructivist critical realist or a constructivist using ideal types to interpret the actual. As I have tried to show above, a plausible case can be made that Weber had begun to move in the former direction; and I would also suggest that the reasons why he did not complete that move also had much to do with the intellectual field in Weber’s time, especially its understanding of the methodology of the natural sciences\(^10\).

References


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\(^9\) For an alternative formulation, in terms of the ecological dominance of the capital relation, see Jessop 2001.

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