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How Revolutionary Were the Bourgeois Revolutions?

I owe at least two debts to Isaac Deutscher. The first is general: his personal example as a historian. Deutscher was not employed as an academic and, for at least part of his exile in Britain, had to earn his living providing instant Kremlinology for, among other publications, The Observer and The Economist. It is unlikely that the Memorial Prize would be the honour it is, or that it would even exist, if these were his only writings. Nevertheless, his journalism enabled him to produce the great biographies of Stalin and Trotsky, and the several substantial essays which are his real legacy. For someone like me, working outside of the university system, Deutscher has been a model of how to write history which combines respect for scholarly standards with political engagement. I did not always agree with the political conclusions which Deutscher reached, but the clarity of his style meant

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1 Delivered on 9 October 2004 at the Historical Materialism Conference, ‘Capital, Empire and Revolution’. This version also incorporates elements of Neil Davidson’s response to a paper by George Comninel, ‘The Feudal Roots of Modern Europe’, delivered at the same conference on the following day. Davidson was cowinner of the Isaac and Tamara Deutscher Memorial Prize for his book Discovering the Scottish Revolution, 1692–1746 (2003). The second part will appear in the next issue of Historical Materialism.
that, at the very least, it was always possible to say what these conclusions were – something that is not always true of the theoretical idols of the Left.  

My second debt to Deutscher is more specific, and directly relates to my theme: his comments on the nature of the bourgeois revolutions. Deutscher was not alone in thinking creatively about bourgeois revolutions during the latter half of the twentieth century, of course, but, as I hope to demonstrate, he was the first person to properly articulate the scattered insights on this subject by thinkers in what he called the classical-Marxist tradition.  

I am conscious of the difficulties I face, not only in seeking to defend the scientific validity of bourgeois revolution as a theory, but also attempting to add a hitherto unknown case (and potentially others) to the existing roster. Since Scotland never featured on the lists of great bourgeois revolutions, even in the days when the theory was part of the common sense of the Left, arguments for adding the Scottish Revolution to a list whose very existence has been called into question might seem Quixotic, to say the least. Therefore, although I will occasionally refer to the specifics of the Scottish experience, my task is the more general one of persuading comrades – particularly those who think me engaged in an outmoded form of knight errantry – of the necessity for a theory of bourgeois revolution.

Bourgeois revolutions are supposed to have two main characteristics. Beforehand, an urban class of capitalists is in conflict with a rural class of feudal lords, whose interests are represented by the absolutist state. Afterwards, the former have taken control of the state from the latter and, in some versions at least, reconstructed it on the basis of representative democracy. Socialists have found this model of bourgeois revolution ideologically useful in two ways. On the one hand, the examples of decisive historical change associated with it allow us to argue that, having happened before, revolutions can happen again, albeit on a different class basis. (This aspect is particularly important in countries like Britain and, to a still greater extent, the USA, where the dominant national myths have been constructed to exclude or minimise the impact of class struggle on national history.) On the other hand, it allows us expose the hypocrisy of a bourgeoisie which itself came to power by revolutionary means, but which now seeks to deny the same means to the working class.

2 Davidson 2004b, pp. 97–9, 101–8.
Whether this model actually corresponds to the historical record is, however, another matter. For it is doubtful whether any countries have undergone an experience of the sort which the model describes, even England and France, the cases from which it was generalised in the first place. This point has been made, with increasing self-confidence, by a group of self-consciously ‘revisionist’ writers from the 1950s and, particularly, from the early 1970s onwards, in virtually every country where a bourgeois revolution had previously been identified. Their arguments are broadly similar, irrespective of national origin: prior to the revolution, the bourgeoisie was not ‘rising’ and may even have been indistinguishable from the feudal lords; during the revolution, the bourgeoisie was not in the vanguard of the movement and may even have been found on the opposing side; after the revolution, the bourgeoisie was not in power and may even have been further removed from control of the state than previously. In short, these conflicts were just what they appeared to be on the surface, expressions of inter-élite competition, religious difference or regional autonomy.

Even though the high tide of revisionism has now receded, many on the Left have effectively accepted the case for the irrelevance of the bourgeois revolutions – or perhaps I should call them the Events Formerly Known as Bourgeois Revolutions – to the transition from feudalism to capitalism. There are, of course, different and conflicting schools of thought concerning why they are irrelevant, four of which have been particularly influential.

**From society to politics**

The first retains the term ‘bourgeois revolution’, but dilutes its social content until it becomes almost entirely political in nature. The theoretical starting point here is the claim, by Arno Mayer, that the landed ruling classes of Europe effectively remained in power until nearly half-way through the twentieth century, long after the events usually described as the bourgeois revolutions took place. One conclusion drawn from Mayer’s work by Perry Anderson was that the completion of the bourgeois revolution, in Western Europe and Japan at least, was the result of invasion and occupation by the American-led Allies during the Second World War. The wider implication is that the bourgeois revolution should not be restricted to the initial process

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of establishing a state conducive to capitalist development, but should be expanded to include subsequent restructuring in which the bourgeoisie assumes political rule directly, rather than indirectly, through the landowning classes. But if the concept can be extended in this way, why confine it to the aftermath of the Second World War, when direct bourgeois rule had still to be achieved across most of the world? In *The Enchanted Glass* (1988), Anderson’s old colleague, Tom Nairn, also drew on Mayer’s work to date the triumph of capitalism still later in the twentieth century,

> to allow for France’s last fling with the quasi-Monarchy of General de Gaulle, and the end of military dictatorship in Spain, Portugal and Greece.  

If the definitive ‘triumph’ of capitalism requires the internationalisation of a particular set of political institutions, then it had still not been achieved at the time these words were written. By the time the second edition was published in 1994, however, the Eastern-European Stalinist states had either collapsed or been overthrown by their own populations, events which had clear parallels with the end of the Mediterranean dictatorships during the 1970s.

From being a decisive sociopolitical turning-point which removes obstacles to capitalist development, the concept is stretched to include subsequent changes to the state systems of existing capitalist social formations which bring them into more perfect alignment with the requirements of the system. But there can be no end to these realignments this side of the socialist revolution, which suggests that bourgeois revolutions are a permanent feature of capitalism, rather than one associated with its consolidation and extension. Instead of categorising events such as the Indonesian revolution or the revolutions now opening up in the former Soviet Republics as bourgeois revolutions, as we would have to on this basis, they seem to me far better understood as examples of the broader category of political revolutions – political because they start and finish within the confines of the capitalist mode of production. In other words, I am suggesting that the bourgeois revolutions are, like socialist revolutions, examples of that very rare occurrence, a *social* or *societal* revolution. These are epochal events involving change from one type of society into another and certainly not only changes of government, however violently achieved.  

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6 Nairn 1994, p. 375.
7 Davidson 2003, p. 5.
'a’ – bourgeois revolution in Germany or Japan during the Second World War, there is no logical reason why they cannot bring one about ‘from above’ in Iraq (or Iran, or Syria, or Saudi Arabia) today. Christopher Hitchens used precisely this argument to justify his support for the invasion and occupation of Iraq. Here, ‘bourgeois revolution’ simply means conforming to the political arrangements acceptable to the dominant imperialist powers.

**From event to process**

A second way in which the meaning of bourgeois revolution has been reduced in significance is through extending its duration in time until it becomes indistinguishable from the general process of historical development. The first interpretations of bourgeois revolution as a process were serious attempts to deal with perceived weaknesses in the theory. And there is nothing inherently implausible about bourgeois revolutions taking this form rather than that of a single decisive event. (In fact, I argue precisely this in relation to the Scottish Revolution.) The problem is, rather, that adherents of ‘process’ have tended to expand the chronological boundaries of the bourgeois revolutions to such an extent that it is difficult to see how the term ‘revolution’ can be applied in any meaningful way, other than, perhaps, as a metaphor. As a general proposition, this dovetails with the influential views of the French *Annales* school of historiography, which has always been distrustful of event-based history. Whatever there is to be said for these views, they are incompatible with any conception of bourgeois revolution involving decisive moments of transition, particularly where, as in several recent variants, there is no concluding episode.

On this basis, bourgeois revolutions are no longer even political transformations that bring the state into line with the needs of capital, but can be detected in every restructuring of the system, including the prior process of economic change itself. Some writers on the Left have even begun to speak of capitalist globalisation as ‘a second bourgeois revolution’. But, by now, enumeration is clearly meaningless, since ‘bourgeois revolution’ has simply become a metaphor for an ongoing process of capitalist restructuring.

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9 See, for example, Thompson 1965, p. 321.
10 Davidson 2003, p. 10.
11 See, for example, Teeple 2000, Chapter 7.
that will continue as long as the system exists. Aside from devaluing the analytical value of the concept, such a redefinition is – once again – open to appropriation by ex-revolutionaries seeking a ‘progressive’ justification for supporting the system. Nigel Harris, one ex-Marxist convert to neoliberalism, writes that the ‘original’ bourgeois revolutions were ‘far from establishing business control of the state’:

Thus, it is only now that we can see the real ‘bourgeois revolution’, the establishment of the power of world markets and of businessmen over the states of the world.12

‘The capitalist world system’

The third position that I want to consider is a component of the capitalist world-system theory associated with Immanuel Wallerstein and his co-thinkers. Here, the focus completely shifts from revolution – however conceived – to the transition to capitalism itself. Unlike the first two positions, Wallerstein thinks that bourgeois revolutions are no longer necessary, but his position is also more extreme in that he thinks they have never been necessary. Wallerstein regards the feudal states of the sixteenth century, like the nominally socialist states of the twentieth, as inherently capitalist through their participation in the world economy. Bourgeois revolutions are, therefore, not irrelevant because they failed to completely overthrow the feudal landed classes, but because, long before these revolutions took place, the lords had already transformed themselves into capitalist landowners. Capitalism emerged as a conscious response by the lords to the fourteenth-century crisis of feudalism, the social collapse which followed and the adoption, by the oppressed and exploited, of ideologies hostile to lordly rule. The lords therefore changed the basis on which they extracted surplus-value over an extended period lasting two centuries.

Two aspects of this account are notable. One is that the key social actors are the very class of feudal lords regarded as the enemy to be overthrown in the conventional model of bourgeois revolution. Although Wallerstein and his school do not deny the existence of a bourgeoisie proper, it is the self-transformation of the lords which is decisive, not the actions of the pre-existing bourgeoisie. The other is that the nature of the capitalist world

12 Harris 2003, pp. 89, 264.
system which the lords are responsible for bringing into being is defined by the dominance of commercial relationships. Indeed, Wallerstein defines ‘the essential feature of the capitalist world economy’ as ‘production for sale in a market in which the object is to realise the maximum profit’.13 Although wage-labour certainly exists at the core, it is insertion into the world market which defines the system as a whole as capitalist, since productive relations in the periphery continue to include modified forms of slavery and serfdom, in addition to wage-labour. Anyone who produces for the market can, therefore, be described as a capitalist.

The strengths of this position should not be underestimated. It treats the question — so important for Mayer and those influenced by him — of whether the ruling classes possessed land and title or not as less significant than whether income from these sources was derived from feudal or capitalist methods of exploitation. It also gives due weight to the fact that the advanced nature of the ‘core’ of the system is, at least, partly dependent on the enforced backwardness of the ‘periphery’.

But there are problems too. World-systems theory certainly does not see episodes of bourgeois revolution in every political upheaval that changes the relationship of the state to capital, but it equally wants to dissociate them from the ascendancy of capitalism. Wallerstein himself continues to use the term, but it has lost all relation to the creation of a capitalist world economy. Theoretical pluralists, for whom there are no necessary connections between aspects of human existence, might find this acceptable, but Marxists surely cannot. However, there are also difficulties with the theory that must be equally evident to non-Marxists. One is the voluntarism which underlies it. Capitalism apparently arose because the existing class of lords made a conscious decision to transform the basis on which they exploited their tenants and labourers. But, if they were already in such a commanding position, why did they feel the need to change? The most fundamental issue, however, is whether the system described by Wallerstein is actually capitalist at all. It is not only in relation to the periphery, but also the metropolitan centres themselves that a definition of capitalism based on the realisation of profit through trade is problematic. The key issue, which Robert Brenner more than anyone else has placed on the agenda, is whether the formation of a world market is equivalent to the establishment of capitalism. As Brenner has pointed out, the argument

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that expansion of trade is the prime mover in generating capitalist development is often assumed to be that of Marx himself, but it is, in fact, derived from Adam Smith. Hence, despite their differences, Brenner can legitimately describe Sweezy, Gunder Frank and Wallerstein as ‘neo-Smithian’ Marxists. Brenner’s own definition of capitalism, to which we will turn next, is also deeply unsatisfactory, but his negative critique is well founded in this respect.

‘Capitalist social-property relations’

The fourth and final position that I want to consider is the ‘capitalist social-property relations’ approach of Brenner himself. Unlike Wallerstein, Brenner does not see the mechanism by which capitalist development occurs as being the expansion of trade and commerce, but, rather, the introduction of a distinctive set of ‘social-property relations’. (He uses the latter term in place of the more conventional Marxist concept of ‘relations of production’, although the two are by no means synonymous.) So distinctive are these relations that, rather than encompassing the entire world by the sixteenth century, as capitalism does for Wallerstein, they were still restricted to a handful of territories even a hundred years later. Where Wallerstein is broad, Brenner is narrow. But there are also similarities. Like Wallerstein, Brenner treats bourgeois revolution as irrelevant and does so for essentially the same reasons, namely that capitalist development – albeit confined to a very limited number of countries – occurred prior to and independently of the events which are usually described in this way.

I regard the Brenner thesis as the most serious of the four theoretical tendencies under review here. No serious attempt to construct a defensible version of the theory of bourgeois revolutions can avoid meeting the challenge it poses. I should perhaps begin by saying that the comments which follow are not offered, as it were, in self-defence of my own views. In fact, my position on Scottish capitalist development is – and I choose my words carefully here – not incompatible with the Brenner thesis. Nevertheless, I think the thesis is wrong, although wrong in a stimulating and productive way which has forced those of us who disagree with it to think rather more seriously than we might otherwise have done about, for example, the very nature of capitalism. Discussion of the thesis is complicated by the fact that there is far from complete unanimity among ‘the Brenner school’, by which I mean by it those hard-core supporters – Ellen Wood, George Comninel and my fellow Deutscher
Memorial Prize-winner, Benno Teschke – who, in many respects, have taken up more extreme positions than Brenner himself. We cannot hold Brenner directly responsible for every interpretation they have made of his original thesis, or even assume that he is necessarily in agreement with all of them. In what follows, I will therefore try to distinguish between Brenner’s own positions, those which are common to the entire school, and those which are held by individual members.

Elements of the Brenner thesis are less original than some of his supporters appear to realise. Nevertheless, it is also true that these elements have never before been brought together into such a coherent synthesis. Originality may, in any case, be an over-rated virtue in these days of instant revisionism. What is more important is that the Brenner school has rightly challenged several positions which Marxists have carelessly adopted in common with their intellectual opponents – above all, the assumption that capitalism is somehow innate, always existing in some subordinate form, and only waiting to be released from feudal or other constraints. Many Marxists make this assumption by default, through their inability to explain how capitalism comes into existence, thus inadvertently aligning themselves with the position of Adam Smith and his contemporaries, for whom the emergence of capitalism is, in Brenner’s own words, ‘human nature reassert[ing] itself’. If it were true that capitalism had existed virtually since the emergence of civilisation, then the possibility of socialism – at least in the form of anything but a totalitarian dictatorship – would be non-existent, for capitalism would indeed have been shown to be congruent with human nature – a point which bourgeois ideologues have been making with increasing stridency since the fall of Stalinism in 1989–91. The insistence of the Brenner school on the radical break which capitalism involves in human history therefore retains all its relevance.

On a less obviously ideological level, Brenner’s work has made it more difficult – if not, alas, impossible – for historians of the late-medieval or early-modern periods to write about ‘economic development’ or ‘economic growth’ as if...
these automatically involved *capitalist* economic development and growth, and without specifying the social relations within which economic activity took place. These qualities have ensured that Brenner’s work received an acceptance which is wide, but often not, I think, very deep. Beyond the fairly narrow ranks of the Brenner school proper, his thesis is often cited approvingly, but without the full implications necessarily being understood. In fact, in its initial form at least, the thesis is not one which can be accepted in part, or synthesised with other interpretations. On the contrary, its rigour and internal consistency is such that the positive alternative which it offers can really only be accepted or rejected in full. Although Brenner has correctly identified major problems with the way historians, including Marxist historians, have dealt with the development of capitalism, his alternative involves a different set of problems.

Brenner argues that ‘modern economic growth’ – the systematic growth associated with capitalism and with no other exploitative mode of production – only takes place when two conditions are satisfied. One is that the direct producers are separated from both their means of production and their means of subsistence, and therefore have no alternative but to satisfy their needs by recourse to the market. The other is where the exploiters can no longer sustain themselves by simply intensifying extra-economic pressure on the direct producers, but, instead, have to increase their efficiency. Unlike in precapitalist economic formations, both sides are compelled to be competitive, most importantly by cutting costs. Without these conditions, there is no incentive for either class to innovate. Any direct producers who attempted to introduce new techniques would meet resistance from their fellow agriculturalists, who would regard it as a breach of collectivist solidarity. Any exploiters who attempted to introduce new techniques would require a labour-force motivated to adopt them and, in its absence, they would be more likely to invest instead in more effective methods of coercion. Even if new methods were successfully adopted by individuals of either class, there is no reason to expect them that they would be adopted by anybody else, not least because technical advances introduced once and for all do not themselves bring economic development or the compulsion to innovate with a view to reducing costs. Brenner, of course, is aware that, for example, peasants adopted more efficient ploughs from the eleventh century onwards, but denies that this had any significant impact on social relations because community control resisted systematic improvement, specialisation and market dependence. ‘The only significant
method by which the feudal economy could achieve real growth was by opening up new land for cultivation’.16 Nor was the situation different in the towns, since they were also unable to act as spontaneous generators of capitalism:

their potential for growth was strictly limited because urban industry was almost entirely dependent upon lordly demand (as subsistence-orientated peasants had only limited ability to make market purchases) and lordly demand was itself limited by the size of agricultural surplus, which was itself constrained by limited growth potential of the agrarian productive forces.17

How could this closed circuit, in which the same feudal relations of production are endlessly reproduced according to a given set of ‘rules’, ever be broken? In the case of peasant communities, where the means of production were collectively owned, Brenner thinks that they would never have been. Where peasants possessed the means of production individually, he proposes three possible alternatives, all unintended consequences of actions designed to produce quite other results. First, peasants could lose land through selling it or through demographic growth. Second, the lords could increase the level of surplus extraction to such an extent that peasants could no longer pay their rent or, if they could pay it, could no longer retain enough produce for their own subsistence. Third, the lords might be forced to expropriate those peasants who had asserted their independence to such an extent that they were virtually defining themselves as owners, not merely in effective possession. From the enormous difficulties involved in subverting feudal ‘rules for reproduction’, Brenner draws two conclusions:

The first is that pre-capitalist economies have an internal logic and solidity which should not be underestimated. The second is that capitalist economic development is perhaps an historically more limited, surprising and peculiar phenomenon than is often appreciated.18

If Brenner is right, peasant small production could have carried on almost indefinitely beneath the surface of precapitalist social structures, had it not been for the unhappy accident which gave rise to capitalism. What was the nature of this apparently unfortunate series of events?

Recall the two sets of economic actors which Brenner claims must be present and compelled to accumulate capital: an exploited class of direct producers, who are forced to sustain themselves through the market, and an exploiting class of property owners, who cannot sustain themselves through forcible extraction of a surplus. In England, both classes become simultaneously subject to these conditions. Following the non-Marxist historian Lawrence Stone, Brenner argues that, by the accession of the Tudor dynasty in 1485, non-economic coercion was of declining significance to the English lords, since the peasantry were no longer subject to the serfdom which required it and, in the aftermath of the Wars of the Roses, an exhausted nobility faced a strengthened state which would no longer tolerate magnate insubordination. But they could increase their incomes through the exploitation of their lands, or, more precisely, the exploitation of commercial tenants who increasingly came to occupy their lands. 20 This is a way of offering an explanation here for why the lords were increasingly compelled to turn to systematic commercialisation of their estates, but what allowed the peasants to abolish serfdom while preventing them from successfully resisting when the lords attempt to turn them into commercial tenants? Brenner has a two-fold answer to this question, both of which involve comparisons with nations which did not take the road to capitalist development at the same time as England.

The first part concerns different outcomes of the class struggle in Eastern and Western Europe. After the period of demographic collapse during the second half of the fourteenth century, the lords attempted to discipline a numerically reduced peasantry which was consequently in a much stronger bargaining position. Successful peasant resistance to these impositions permanently ended serfdom in Western Europe, but failed to do so in Eastern Europe, where it was either re-imposed in areas where it had been weakened, or imposed for the first time in areas which had previously escaped subjugation. These differences could be seen most clearly on either side of the Elbe. Brenner rejects the relative weight of the urban sector as the main explanation for this divergence. 20 Instead, he identifies another factor as decisive:

The development of peasant solidarity and strength in western Europe – especially as this was manifested in the peasant’s organization at the level of the village – appears to have been far greater in western than in eastern

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Europe; and this superior institutionalization of the peasant’s class power in the west may have been central to its superior ability to resist seigniorial reaction.  

But outcomes were by no means uniform even within Western Europe.

The second part of his answer identifies the source of this further divergence as the extent to which the various peasancies of Western Europe were able to retain possession of the land, won during the late feudal revolts from actual or potential exploiters:

This is not to say that such outcomes were arbitrary, but rather that they tended to be bound up with certain historically specific patterns of the development of the contending agrarian classes and their relative strength in the different European societies: their relative levels of internal solidarity, their self-consciousness and organization, and their general political resources – especially their relationships to the non-agricultural classes (in particular, potential urban class allies) and to the state (in particular, whether or not the state developed as a class-like competitor of the lords for the peasants surplus).

It is the last point which is crucial for Brenner in explaining the difference between England and France. The English feudal state was centralised, but not in the sense that it drew in power from the periphery. It was established with the consent of the feudal ruling class, and largely ruled in alliance with it. As a result, its power was less than the French state, which centralised later on an absolutist basis and in opposition to the individual interests of the lords. In England, the absolutist project was aborted, leaving the peasants free from the burden of state taxation, but also without protection from the lords:

It was the English lord’s inability either to re-enserf the peasants or to move in the direction of absolutism (as had their French counterparts) which forced them in the long run to seek novel ways out of their revenue crisis.

In France,

the centralized state appears to have developed (at least in large part) as a class-like phenomenon – that is as an independent extractor of

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22 Brenner 1985a, p. 36.
23 Brenner 1985b, p. 293.
the surplus, in particular on the basis of its arbitrary power to tax the
land.24

The very success of the French peasantry in resisting the power of the lords,
left them exposed as potential sources of taxation by a much more powerful
opponent, the absolutist state, which was in competition with the lords for
surplus which the peasants produced. Paradoxically, however, the French
state also protected the peasants from lordly impositions, in rather the same
way as a farmer protects his chickens from the fox. The English lords,
constrained by neither peasant ownership nor absolutist restriction, were able
to consolidate their lands in the interest of economies of scale by forcing some
peasants to accept competitive leases. Those peasants, who were unsuccessful
in gaining leases, were either compelled to become wage-labourers for
now-capitalist farmers or to leave the land altogether in search of work
elsewhere. In both cases, their labour-power had become a commodity to be
bought and sold on the market.

In the Brenner thesis, the emergence of capitalism is, therefore, an unintended
outcome of the actions of the two main feudal social classes, peasants and
lords. One former Deutscher Memorial Prize-winner, James Holstun, has
written that this position provides socialists with an approach which ‘resists
the binary blackmail threatened by revisionists or postmodernists, for the
results are neither inevitable nor purely contingent’.25 But contingency
is precisely what is involved. In a position which has curious parallels
with Althusserianism, Brenner conceives of feudalism as of a self-enclosed,
self-perpetuating system which cannot be undermined by its own internal
contradictions. It is claimed that Brenner has an explanation for the – in his
terms, highly unlikely – appearance of capitalism: the class struggle. Even
outside the Brenner school proper, the claim is repeated by writers with quite
different attitudes to the thesis. Consequently, many socialist readers must have
gone to Brenner’s key articles, eagerly anticipating detailed accounts of peasant
resistance to the lords, only to be disappointed by the scant attention which
he actually devotes to the subject. In fact, it is the outcome of such class
conflicts that Brenner is interested in, not the conflicts themselves. The rural
class struggle only acts as a mechanism for explaining why capitalist social
relations of production supposedly emerged only in England, and not in
Prussia, France or China. But why does Brenner need such a mechanism?

Marxists have previously argued that capitalism emerged in the countryside through a series of transitional forms, initially combining different modes of production, but progressively becoming more purely capitalist in nature. Lenin’s discussion of Russian agriculture after the abolition of serfdom in 1861, in *The Development of Capitalism in Russia*, is one of the most outstanding examples of this type of analysis. Brenner might well agree with this assessment in relation to nineteenth-century Tsarist Russia. From his perspective, such gradual transformations were possible because the system which began in England established an international context in which other countries were both pressurised into adopting capitalist social-property relations, and provided with a model to which they could aspire. Russian landowners therefore have a motivation for introducing capitalism, albeit under tightly controlled conditions. But, since English landowners and peasants were the first to be subject to these relations, they could have had no such motivation. The outcome of class struggle provides Brenner with the situation in which the necessary determinations come into effect.

Marx saw no need for a special mechanism with which to explain the appearance of capitalism in England (or the United Provinces and Catalonia, the other areas where Brenner, if not his followers, concedes that capitalism had emerged). The most obvious explanation for this omission on his part is that he did not think that the development of capitalism was unique to England, but a general phenomenon, at least in Europe. Consequently, the entire elaborate hypothesis about the different outcomes of the class struggle is totally unnecessary. In effect, members of the Brenner school do not seem to recognise that there is an abstract model in *Capital*. Brenner himself apart, they think that England was the only site of endogenous capitalist development and therefore assume that Marx takes English development as a model for the origin of capitalism because, in effect, it was the only example he had. Now, I do not dispute that England was the country where capitalism developed to the greatest extent. It was for this reason that Marx made it the basis of his analysis, in the same way that he always took the most developed form of any phenomena as the basis of his analysis. But, in his mature work, Marx repeatedly states that capitalist development took place beyond England in space and before England in time.\textsuperscript{26} He certainly believed that, by 1648, the capitalist mode of production had become dominant in England to a greater

\textsuperscript{26} See, for example, Marx 1973a, pp. 510–11 and Marx 1976, p. 876 and note 1, pp. 915–16. When confronted with those sections of Marx’s writings which contradict their views, members of the Brenner school either, like Ellen Wood, pretend that they...
extent than anywhere else, but that was perfectly compatible with believing that capitalist production had developed elsewhere, within otherwise fundamentally feudal economies.27

If, as I have suggested, the argument from contingency is a speculative answer to a non-question, then it may explain why Brenner has some difficulty explaining why the class struggle resulted in such different outcomes across Europe. His attempts to deal with this problem are among the least convincing aspects of the entire thesis. Brenner points to the different capacities deployed by the classes involved: these lords had better organisation, those peasants displayed less solidarity; but, without an explanation for the prior processes by which these classes acquired their organisational or solidaristic qualities, these are mere descriptions which, to borrow a favourite expression of Ellen Wood’s, ‘assume precisely what has to be explained’. His inability to explain the differing levels of peasant resistance to the lords (as opposed to the consequences of that resistance) means that he has to fall back on what Stephen Rigby calls ‘a host of particular historical factors which cannot be reduced to expressions of class structure or of class struggle’.28 It was for this quite specific reason that Guy Bois described Brenner’s Marxism as involving ‘a voluntarist vision of history in which the class struggle is divorced from all other objective contingencies’.29 But he is only a voluntarist in relation to that part of the period before the different settlements of the land question occurred. After, precisely the opposite applies, and his interpretation becomes overly determinist. In the case of England, far from being free to opt for a particular course of action, he sees no alternative for either the lords or the peasants but to become market-dependent. As soon as the mechanism has produced the required result, the element of choice disappears from his account, to be replaced by that of constraint.

However, let us accept, for the sake of argument, that capitalist social property relations arose only in the English countryside and that they did indeed do so as a result of the indeterminate outcome of the class struggle.

mean something else or, like George Comminel, issue disapprovingly admonitions about Marx’s failure to understand his own theory. See, for example, Wood, 1999, p. 175 and Comninel 1987, p. 92. Rather than speculate on what Marx really meant, would it not be simpler to accept that Marx meant exactly what he said and that, consequently, they and their co-thinkers have a theory of capitalism which is different from his?

27 See, for example, Marx 1973a, p. 278 and Marx 1976, p. 875.
29 Bois 1985, p. 115.
There are still other problems. Brenner is surely right to reject the counterposition of a supposedly feudal countryside to supposedly capitalist towns, but are we not being asked to accept an equally implausible reversal of these terms? Indeed, it is difficult to envisage how there could have been an inescapable ‘market compulsion’ in the countryside in the first place, while the urban economy remained untouched by capitalist social-property relations, given that the former was not and could not have been isolated from the latter. Furthermore, it is by no means clear how capitalist social-property relations were then extended to the towns, which presumably remained feudal, or post-feudal, or, at any rate, non-capitalist until something – but what? – brought about the introduction of these relations. Members of the Brenner school are either silent on this issue or apparently fail to realise that it represents a problem. To whom did the dispossessed peasants sell their labour-power, given that no capitalist class existed outside of the landlords and tenant farmers in the English countryside? In order to buy the commodities they required, the new workforce needed jobs. Who employed them? Could it be that enterprising merchants or artisans saw – whisper who dares – an opportunity? For urban employers could not, at this stage, have been subject to market compulsion. At the very least, there is a missing link in the chain of argument here. I am not suggesting, of course, that agrarian capitalism had no effect on other sectors of the economy. It both transformed the existing service sector and generated a requirement for new services, but this does not explain the emergence of capitalist production in the towns or – for that matter – the non-agricultural areas of the countryside. I understand how the Brenner school accounts for the establishment of capitalism in the English countryside. I also understand how the Brenner school accounts for the spread of capitalism beyond Britain. I do not understand how capitalist social-property relations spread from the English countryside to the rest of England. Nor, for that matter, how the same process took place in Holland or Catalonia, the other areas where Brenner himself thinks that capitalism existed.

This is not a problem in Marx’s own discussions of the rise of capitalism. In a section of the Grundrisse (‘The Chapter on Capital’) much admired by the Brenner school, Marx argues that ‘the dissolution of the old relations of production’ has to take place in both the towns and the countryside, and that the process in the former is partly responsible for it in the latter:

Urban labour itself had created means of production for which the guilds became just as confining as were the old relations of landownership to an
improved agriculture, which was in part itself a consequence of the larger market for agricultural products in the cities etc.  

Marx had earlier presented this argument specifically in relation to England in an 1850 review of Francois Guizot’s book, *Why Was the English Revolution So Successful?* (which should, incidentally, be required reading for anyone who believes that Marx simply adopted the views of the French Restoration historians as to the nature of bourgeois revolutions). Two aspects of this argument are particularly interesting. First, Marx is already fully aware of the capitalist nature of the majority of the English landowners, but he does not consider that they are the only capitalists in England. Second, despite the pre-existence of capitalist social relations, Marx did not regard the transition to capitalism as having been completed, even by 1688:

> In reality . . . the momentous development and transformation of bourgeois society in England only began with the consolidation of the constitutional monarchy.  

In other words, Marx conceptualises an uneven, but broadly simultaneous, development across the rural and urban sectors with mutually reinforcing results. Such an explanation is impossible for members of the Brenner school, however, as it would involve conceding that, in some circumstances at least, people could willingly choose to become capitalists rather than only do so when the role was imposed on them. As a result, they have no explanation at all for urban capitalist development, other than by osmosis.

For the members of the Brenner school, capitalism is defined by the existence of what they call market compulsion – the removal of the means of production and subsistence from the direct producers, so that they are forced to rely on the market to survive. There is, of course, a venerable tradition of thought which defines capitalism solely in market terms, but it is not Marxism, it is the Austrian economic school whose leading representatives were Ludwig von Mises and Frederick von Hayek. In the Hayekian version of their argument, the reductionism involved has a clear ideological purpose. It is to declare any forms of state intervention or suppression of market mechanisms, from the most modest public provision of welfare services through to full nationalisation of the economy, as socialist, incompatible with capitalism and consequently

30 Marx 1973a, p. 508, where he also refers to the tenants of the landed proprietors as ‘already semi-capitalists’, albeit ‘still very hemmed in ones’.

liable to lead down ‘the road to serfdom’. The members of the Brenner school are, obviously, on the other side of the intellectual barricades from Hayek and his followers, but this is why I find it so curious that they similarly define any kind of economic activity which do not involve ‘market compulsion’ as non-capitalist, particularly since Hayek’s position is extreme, even by the standards of contemporary bourgeois ideology. It might be worth recalling, in this connection, what John Maynard Keynes said of Hayek, since the remark evidently has wider application: ‘It is an extraordinary example of how, starting with a mistake, a remorseless logician can end up in Bedlam’.32 For Marx, capitalism was defined, not as a system of market compulsion, but as one of competitive accumulation based on wage-labour. Both aspects are equally important.

Marx starts with wage-labour. He writes in Capital, Volume I, that the emergence of capital as a social relation is the result of two types of commodity owners: on the one hand, ‘the owners of money, means of production, means of subsistence’, and ‘one the other hand, free workers, the sellers of their own labour-power, and therefore the sellers of labour’. He concludes: ‘With the polarization of the commodity market into these two classes, the fundamental conditions of capitalist production are present’.33 Wage-labour was by no means universal in England by 1789, let alone by 1688. But since the Brenner thesis is insistent that capitalist social relations were already completely dominant in England before the Civil War, what were these great social struggles for ‘moral economy’ against ‘political economy’, for ‘just price’ against ‘market price’, which occurred as late as the end of the eighteenth century actually about? The logic of this position is that the origins of capitalism need not involve wage-labour. Wood, in particular, has followed this logic through to its conclusion and claimed that, rather than being constitutive of capitalism as Marx had thought, wage-labour is, in fact, a consequence of it:

In the specific property relations of early modern England, landlords and their tenants became dependent on the market for their self-reproduction and hence subject to the imperatives of competition and increasing productivity, whether or not they employed wage-labour. . . . The fact that market-dependence and competition preceded proletarianization tells us something about the relations of competition and their autonomy from the

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32 Keynes 1972, p. 243.
33 Marx 1976, pp. 874, 975. See also Marx 1973a, p. 505.
relations between capital and labour. It means that producers and possessors of the means of production, who are not themselves wage-labourers, can be market-dependent without employing wage-labour.34

For Wood, the removal of the means of subsistence from the direct producers is the fundamental moment in their subjection to market compulsion. It is true, of course, that, in a context where the economy is already dominated by the capitalist mode of production, tenant farmers can play the role of capitalists whether or not they employ wage-labour, but this has nothing to do with whether or not they possess the means of subsistence. Independent farmers in the south-west of Scotland, and even in parts of the Highlands, were already dependent on the market long before the transition to capitalism was imposed during the second half of the eighteenth century, for the simple reason that they were restricted by environmental constraints to pastoral farming, and could not meet their needs in any other way. If capitalism is based on a particular form of exploitation, on the extraction of surplus-value from the direct producers through wage-labour, then I fail to see how capitalism can exist in the absence of wage-labourers. Where does surplus-value come from in a model which contains only capitalist landlords and capitalist farmers? Surplus-value may be realised through market transactions, but it can scarcely be produced by them. The only means by which Wood proposes that surplus-value can be extracted is the competition for leases among tenant farmers (that is, in that the latter compete to hand over the greatest proportion of their output to the landlord in order to acquire or retain a tenancy). But there is nothing distinctly capitalist about this mechanism. In seventeenth-century Scotland, it was common for feudal landlords to conduct a ‘roup’, or auction of leases, which included the full panoply of labour services as part of the rent. Indeed, pioneering improvers like Fletcher of Saltoun and Seton of Pitmedden regarded this as one of the main means through which the peasantry was exploited.35

Is Wood therefore right to claim that all critiques of Brenner, including this one, assume ‘that there can be no such thing as a Marxist theory of competition’?36 By no means, but it important to be clear what such a theory must involve. I referred earlier to competitive accumulation, rather than market competition. The watchword of Moses and the prophets, it will
be recalled, was ‘accumulate! accumulate!’ Accumulation takes place in the context of competition, but not all competition between capitals is market-based. Nikolai Bukharin pointed this out in *The Economics of the Transition Period* (1920), one of a series of classic works which, it seems, have still to be fully absorbed into the Marxist tradition:

> ... every economic phenomenon in the capitalist world is, in some way or another, bound up with price and, hence, the market. This does not mean, however, that every economic phenomenon is a market phenomenon. It is the same with competition. Up to now, the chief consideration has been of market competition, which was characteristic of the pattern of horizontal competition in general, but competition, i.e., the struggle between capitalist enterprises, can also be waged outside the market in the strict sense of the word. Such, for example, is the struggle for spheres of capital investment, i.e. for the very opportunity to expand the production process. In this case too, it is clear that other methods of struggle will be used than those of the classical case of horizontal market competition.\(^{37}\)

What were these ‘other methods of struggle’? The most important, at least among state-capitals, is war. Contrary to a widely held misconception, the classical-Marxist theory of imperialism, to which Bukharin made a significant contribution, was not mainly concerned with the domination of the colonial or semi-colonial world by the advanced capitalist states. Its main concern was with inter-imperialist conflicts *between* the advanced capitalist states, and these conflicts were seen as the inevitable expression of their capitalist nature.

An overemphasis on markets as the defining characteristic of capitalism is not the only curious affinity between the Brenner school and the Austrians. There also appears to be a common conception of human nature. Hayek focussed on the emergence of a market order – ‘the spontaneous extended human order created by competitive capitalism’ – and held that it was a formation which evolved over several thousands of years with the gradual development of institutions, rules and laws which are quite contrary to the instincts of human beings.\(^{38}\) These instincts remain essentially egalitarian and collectivist, biological remnants of the attitudes which were appropriate to tribal groups of foragers, but which are destructive of the market order if

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\(^{37}\) Bukharin 1979, p. 78.

\(^{38}\) Hayek 1988, p. 7.
they were given free reign, as he believed would happen under socialism. According to Hayek, the very amorality of the market order, the fact that it often rewards the worst and penalises the best, means that it runs counter to the instincts of the mass of people. But the market is the only rational means of economic organisation, and so these instincts must be suppressed in the interests of what Hayek calls, following the terminology of Adam Smith, ‘the Great Society’. For Hayek, capitalism is only possible through the transformation of human nature, or, rather, the suppression of the behaviour characteristic of human nature from almost the entire period since we completed our evolution from the primates.39

The Brenner school obviously rejects the positive value that Hayek ascribes to the overthrow of these supposedly ancient human characteristics, but it nevertheless makes very similar assumptions. As Ricardo Duchesne writes: ‘[Wood] thinks that capitalism is too unnatural and too destructive of human relations for anyone to have wanted it, least of all a collectivist peasantry’.40 But there are as many problems with a conception of human nature which sees it as being uninterested in economic development as there are with a definition of capitalism based on the existence of market compulsion. The rejection of one form of bourgeois ideology should not blind us to the dangers of accepting another, albeit with the inversion of its value system; there is no advantage to us in rejecting Smithian Marxism only to embrace Hayekian Marxism instead.

No mode of production is intrinsically alien to human nature. This is not to imagine that human nature is infinitely plastic or malleable, and has no stable qualities at all. The point was made in a wonderful passage – perhaps my favourite from the entire Scottish Enlightenment – by Adam Ferguson in *An Essay on the History of Civil Society*:

> If we are asked therefore, where the state of nature is to be found? We may answer, it is here; and it matters not whether we are understood to speak in the island of Great Britain, at the Cape of Good Hope, or the Straits of Mallegan. While this active being is in the train of employing his talents, and of operating on the subjects around him, all situations are equally natural.41

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39 In Freudian terms, capitalism is the triumph of the market Super-Ego over the collectivist Id.
41 Ferguson 1966, p. 8.
In other words, human beings may not have a ‘natural propensity to truck and barter’, as Adam Smith thought, but they can develop such a propensity under certain conditions. What I am suggesting, therefore, is that the entire elaborate edifice of the Brenner thesis is based upon a conception of human nature in which it is seen as innately opposed to capitalism – indeed, in which it is seen as innately opposed to economic development as such – and will only be induced to accept capitalist relations under duress. While this may allow us the comforting thought that capitalism need not have happened, it also has certain implications for socialism. For, if capitalism is essentially a contingent or accidental historical outcome, then so too is the possibility of socialism. One does not have to accept, in classic Second-International or Stalinist style, that human social development has gone through a succession of inevitable stages to reject the ascription of absolute randomness to key historical turning points as a viable alternative. Marx’s own position lends support to neither of these positions. For Marx, the core human quality, the one which distinguishes us from the rest of the animal world, is the need and ability to produce and reproduce our means of existence. This is why production, not property, is the \textit{sine qua non} of Marx’s own Marxism, and why his theory of social development privileges the development of the productive forces over productive relations.

For several decades now, the Left has tended to downplay or deny altogether the significance of the development of the productive forces and the Brenner school has played a leading role in providing intellectual support for this tendency. Whatever their differences with the capitalist world-systems theorists, members of the Brenner school are equally dismissive of the development of the productive forces in explaining the transition from feudalism to capitalism. One consequence is a tendency to portray peasant life before capitalism as essentially based on a natural economy of self-governing communities, which have no incentive to develop the productive forces, and into which the lords or the Church only intrude superficially and occasionally in order to acquire their surplus. I do not recognise this picture. In a great passage from one of the early classics of Scottish vernacular literature, \textit{The Complaynt of Scotland}, published anonymously in 1549 (and which I have here translated into modern English), the character of ‘the labourer’ rages against the misery of his life:

\begin{quote}
I labour night and day with my hands to feed lazy and useless men, and they repay me with hunger and the sword. I sustain their life with the toil
\end{quote}
and sweat of my body, and they persecute my body with hardship, until I am become a beggar. They live through me and I die through them.  

Four centuries later, the power of that final sentence is undiminished. Developing the productive forces seems to me to be at least as rational a response to the feudal exploitation it so vividly describes as ‘fight or flight’, the alternatives which are usually posed. Let us assume, as Brenner does, that fear of risk is the main factor preventing peasants from opting for profit maximisation. What could overcome these concerns? Only such insecurity that the risk was worth taking because it could scarcely be worse than current conditions. In situations where the direct producers have to hand over part of what they have produced to someone else, a part which tends to fluctuate upwards, they clearly have a motive – one might almost say, an imperative – to increase their output, a motive which need not have anything to do with markets. Increasing production, if it leads to greater disposable income, might give peasants the wherewithal to buy their way out of performing labour services, to hire wage-labour to carry out work which would otherwise destroy the health and shorten the life of family members, or perhaps even to acquire heritable property which would remove them from feudal jurisdictions altogether. ‘Rather than retreating from the market’, writes Jane Whittle, ‘peasants used the market to escape from serfdom’. And, in conditions of crisis, such as those which shook European feudalism in the fourteenth and seventeenth centuries, the pressure on the ruling class to raise the level of exploitation, and consequently on the peasantry to look for ways of escape, was, of course, heightened still further.

There is a very limited number of ways in which human beings can economically exploit each other. ‘Slavery, serfdom and wage labour are historically and socially different solutions to a universal problem’, writes Fernand Braudel, ‘which remains fundamentally the same’. Given this highly restricted range of options, the chances of something like capitalism arising were actually rather high, given certain conditions. The slave, tributary and feudal modes of production emerged directly from pre-class societies and so did the elements – wage-labour, commodity production, market competition – which eventually combined to create the capitalist mode. The Brenner school is quite right to insist that the existence of these elements does not indicate

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42 Wedderburn 1822, p. 123.
43 Whittle 2000, p. 310.
44 Braudel 1985, p. 63.
the existence of capitalism as such. One can further agree that the socio-economic activities which ultimately ended producing capitalism were not, initially at any rate, necessarily undertaken with capitalism as a conscious goal. One can, however, explain the original making of the capitalist system without reference to either the commercialisation model or to the prior necessity for changed ‘social-property relations’, by drawing on Marx’s own model of the development of the productive forces. The desire of peasants to escape from feudal constraints was only one cause for their being developed. Another, much more important for industry than agriculture, was the increased need for armaments and other instruments of war by absolutist states engaged in the great dynastic and territorial struggles of the early modern period. Cannon, let alone battle-ships, could not be manufactured by a handful of artisans in a workshop. And, from this, certain necessities followed, including the expansion of wage-labour and dismantling of feudal guild restrictions on who could be involved in production.

If, as I have suggested, Brenner is wrong about the geographically limited and socially contingent nature of capitalist development, then this has certain implications for his critique of the theory of bourgeois revolution. Brenner claims that the theory is ‘based on a mechanically-determined theory of transition’ which ‘renders revolution unnecessary in a double sense’:

First, there really is no transition to accomplish: since the model starts with bourgeois society in the towns, foresees its evolution as taking place via bourgeois mechanisms, and has feudalism transform itself in consequence of its exposure to trade, the problem of how one type of society is transformed into another is simply assumed away and never posed. Second, since bourgeois society self-develops and dissolves feudalism, the bourgeois revolution can hardly play a necessary role.45

The first point is valid as a criticism of many accounts of the transition from feudalism to capitalism, but the second misses its target. The theory of bourgeois revolution is not about the origins and development of capitalism as a socio-economic system, but the removal of backward-looking threats to its continued existence and the overthrow of restrictions to its further expansion. The source of these threats and restrictions has, historically, been the precapitalist state, whether estates-monarchy, absolutist or tributary in nature. It is perfectly possible for capitalism to erode the feudal social order in the way Brenner

describes while leaving the feudal state intact and still requiring to be overthrown if the capitalist triumph is to be complete and secure. Fortunately, there is no need for me to pursue this argument because Brenner himself has already done so.

In his critique of the work of Maurice Dobb, Brenner suggested in a footnote that an interpretation of the English Civil War as bourgeois revolution was not ‘ruled out’. The postscript to his massive monograph, Merchants and Revolution, is essentially an attempt to substantiate that footnote. In order to maintain consistency with his earlier work, Brenner has to maintain that feudal relations had been virtually overcome in England by 1640. The effect, however, is that he also has to treat the English state as virtually an autonomous body. It apparently has interests opposed to that of the dominant capitalist class, but these neither embody those of a feudal class, nor balance between the capitalist and feudal classes, since the latter no longer exists. There were, of course, states based on what Brenner calls ‘politically constituted property’ at this stage in history, but these were the great tributary empires of China, Byzantium and Russia. In these cases, the state acted as a collective feudal overlord, exploiting the peasantry through taxation and, where capitalist production had begun to emerge (as it had in China), successfully preventing it from developing to the point where a capitalist class might challenge the political rule of the dynastic régime.

Any serious comparison of the resources available to the Ming Emperors and the Stuart Kings would show the sheer absence of autonomous state power available to the latter. According to Brenner, Charles I relied for support on three forces, his courtiers, the High Anglican clergy and the traditional merchants, but it is difficult to believe that the war would have lasted longer than a handful of months if this was all that he could muster. Brenner places great emphasis on the fear of popular intervention in forcing capitalist aristocrats into supporting the Crown. This certainly took place, and Charles consciously played on these fears in his search for support among the nobility and gentry. Yet this will not do as a complete explanation. First, Charles had already assembled formidable forces to his side before the interventions of the London crowd in December 1641. Second, Parliament was just as anxious as the Crown to gain the support of the (decidedly feudal) Scottish Covenanting armies after hostilities broke out, precisely as an alternative to relying on the people.

* Brenner 1978, p. 139, footnote.
Third, even after the Independents had taken over from the moderate Presbyterians, Cromwell was ultimately prepared to crush the Levellers, who were the largest, but by no means the most radical of the social movements. In short, distrust and opposition to the mass movement was quite compatible with support for Parliament, even after its radicalisation and militarisation. The most obvious answer to the question of where Royal support came from, but one which Brenner is unable to accept, is that at least part of it came from sections of English society whose socio-economic position derived from local ‘patrimonial’ (or feudal) interests comparable to those of Charles himself. Charles did not, after all, simply invoke the general threat of disorder in his search for support, but the fact that any weakening of the monarchy, even such as that proposed by Parliament prior to the outbreak of the Civil War, would lead to commensurate weakening of the aristocracy. But weakening in what sense? Not their position of capitalists, surely.

Even with these difficulties, Brenner’s complex argument shows why a revolution – let us leave aside for the moment whether the designation of ‘bourgeois’ is appropriate or not – was necessary in England, even though the economy was already largely capitalist. However, Brenner’s position only allows for revolutions under such conditions. Effectively, this reduces the field to England and the similarly capitalist Holland, where the threat to capitalism came not from the native dynasty, but from the foreign rule of the Spanish Habsburgs. What happened in the rest of the world? Brenner has not explicitly dealt with this question, but his fellow-thinkers have offered answers based on his theoretical framework.

As with Brenner, the autonomous role of the state is decisive, although in the opposite direction from that of the English state under the Stuarts. Benno Teschke claims that European capitalist development was entirely due to the competitive pressure of the British state on other states and did not, even to a limited extent, emerge from processes internal to the latter. Teschke talks about ‘revolutions from above’, but not bourgeois revolutions, presumably on the grounds that the bourgeoisie was not involved in these events, although they did lead to the development of capitalism. His timing, however, closely resembles that of the Mayer thesis with which I began this survey: ‘This long period of transformation lasted from 1688 to the First World War for Europe, and beyond for the rest of the world.’47 In short, Brenner’s insistence that the

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47 Teschke 2003, p. 12.
transition to capitalism was virtually complete by the time of the English (and possibly Dutch) revolutions is matched by his follower’s insistence that it had barely begun by the time of subsequent ‘revolutions from above’.

I have no difficulties with the concept of bourgeois revolution from above and have used the concept in my own work. Yet, as I have already noted in relation to the theory of ‘process’ discussed earlier, it is difficult to say whether the notion of ‘revolution’ (even if ‘from above’) is appropriate here, when dealing with such an extended period of time. There are difficulties too with the periodisation. Identifying the crucial period as between 1688 and 1918, as Teschke does, rather elides the inconvenient fact that, outside of Scotland, the major transitions to capitalism occurred not after 1688, but after 1789. And, here, we come to the elephant in the sitting-room or, if you prefer an allusion to the Scottish Play, the ghost at the feast. I say inconvenient, because every member of the Brenner school, without exception, is committed to the proposition that the Great French Revolution had nothing to do with the development of capitalism either at home or abroad. (This is another respect in which they are at one with Wallerstein and the capitalist world-system theorists.) Why? Because the people who made the Revolution were not capitalists. One response might be that at least some of the revolutionaries were people who wanted to exploit peasants and artisans in new capitalist ways, but were prevented from doing so by the Old Régime. George Comninel will have none of this:

The French Revolution was essentially an *intra-class* conflict over basic political relations that at the same time directly touched on relations of surplus extraction.48

By ‘intra-class conflict’, Comninel means that the Revolution involved a struggle over the possession of state offices between different wings of a ruling class which combined both nobles and bourgeoisie. So, the most cataclysmic event of the eighteenth century, perhaps of human history down to that point, whose effects were felt across the world from Ireland to Egypt, and which, until 1917 at least, defined the very nature of revolution itself, was . . . a squabble over who gets to be the local tax-farmer in Picardy.

I find these arguments deeply unsatisfactory. Apart from anything else, the parallels between the English Revolution, which took place in a society where

capitalism was supposedly almost fully developed, and the French Revolution, which took place in a society where capitalism had supposedly not developed at all, are remarkable, even down to quite specific incidents, yet these must presumably be coincidental, if the societies were as different as the Brenner school would have us believe. But the difficulties here are not simply reducible to empirical questions about England in the seventeenth century or France in the eighteenth; they stem from a fundamental misunderstanding about what is meant by bourgeois revolution in the Marxist tradition. It is to this issue that I will turn in the final part of this lecture.

References


Jean-Jacques Lecercle

Deleuze, Guattari and Marxism

Opening

The Marxist who opens *Anti-Oedipus* and reads the celebrated first lines finds himself in a strange universe, one that is entirely foreign to him.1 To be sure, ‘it [*ça*]’ works, but ‘it’ also eats, shits and fucks. Such activities are not unknown to the Marxist, but neither are they activities that his pet theories usually account for. However, if he goes beyond the first feeling of surprise, and reads on, familiar features will soon emerge: this ‘it’ that shits and fucks is also engaged in production. Indeed ‘it’ is a machine, an assemblage of machines. And, before he reaches the opening lines, our Marxist has crossed two thresholds: the title of the first section, ‘Desiring Production’, and the title of the whole opus, of which *Anti-Oedipus* is the first volume: *Capitalism and Schizophrenia*. This is where the Marxist who attempts to read Deleuze and Guattari has a problem: he is threatened with a form of schizophrenia, inscribed in the ‘and’ of that title. Those are indeed machines (a term Marxists are rather fond of), but they are also *desiring* machines; an analysis of capitalism is duly promised, but in relation to schizophrenia. And, after a few chapters,

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1 A shorter version of this essay was published in Lecercle 2003.
the Marxist will be interested to note that this is a coherent practice: whatever
the concept, however graphic its name (nomadism, assemblage, war-machine),
however great the distance from concepts that are familiar to him, the general
impression is that Deleuze and Guattari’s concepts are always constructed
in relation to Marxism. Thus, the famous analysis of nomadism and its
war-machine (as opposed to the state apparatus), with its smooth or striated
space, has a relation, albeit a distant one, with the Marxist concept of the
Asiatic mode of production. The question is, of course: how relevant is this
relationship, and what is the extent of the displacement? Marxist concepts
are indeed present in Deleuze and Guattari (obviously, not all of them), but
the bearded prophet would find it difficult to acknowledge them as his own.

Proximity
There are historical and biographical explanations for such propinquity.
However, they are contingent. All those who became philosophers in France
in the immediate aftermath of World War II had some relation to Marxism,
sometimes critical, more often enthusiastic. We remember that Foucault burst
into tears when he was told that Stalin had died. This did not prevent him
from claiming, at a later stage, that Marxism was nothing but a storm in a
tea cup. And, if Bourdieu always strenuously maintained that he was not a
Marxist, this might denote a proximity too great for comfort. The spectre of
Marx haunts French philosophers, even the greatest of them.

We know that Guattari was, or at least had been, a Marxist. A one-time
member of the French Communist Party (PCF), he was long associated with
left-oppositional groups, and never denied his origins. Deleuze, on the other
hand, was never a committed Marxist, although he sometimes hinted that he
might be. In his youth, he says, he was too busy doing philosophy to join
the Party and waste his time in political meetings. Later in life, he became
what he himself called a ‘run-of-the-mill leftist’: he was an active member of
the GIP (Groupe d’Information sur les Prisons – the Prisons Information
Group, an inmates support platform), and supported the attempt made by
Coluche, the comedian, to run as candidate in a presidential election. It is in
the course of those campaigns, as is well known, that he met Foucault and
became his friend. All this is highly interesting, but not to us: we are interested
in the proximity of concepts, not in their thinkers’ political views.

In order to assess that proximity, or distance, I need some kind of standard,
or a set of criteria. I must say what a Marxist in search of a kindred spirit
expects from a text, in a conjuncture where the old dogma of Diamat is no longer with us, but where the discourse on the end of grand narratives is not acceptable either, at least for a Marxist. Here, it is clear that ‘our’ Marxist is this Marxist, that our using the anaphoric pronoun ‘he’ for the noun ‘Marxist’ – instead of the politically correct epicene s/he or any other substitute – is not merely an instance of male chauvinism. I shall take the risk of stating what I mean by Marxism, as strictly as possible, in four theses.

In a Marxist text, I expect to find: firstly, an analysis of capitalism, in terms informed by the analyses of Capital, with whatever adaptations to the current conjuncture are needed; secondly, a political programme derived from this analysis – the Marxist is not content to wait for the revolutionary event to erupt as an epiphany, he wants to prepare for it; thirdly, a general conception of history that sheds light on how the seeds of the future are contained in the past and in the present – as a Marxist, I find micro-analyses of the utmost interest, but I wish to cultivate the point of view of historical and social totality, to speak like Lukács. This conception of history, of course, runs the risk of teleology: Marxists have often indulged in this, but this is not Marx’s fault. Finally, I expect to find a conception of time centred around the concepts of conjuncture and of a moment in the conjuncture, which is capable of guiding political action by distinguishing strategy from tactics, the principal from the secondary aspect of the contradiction. Here lies Lenin’s major contribution to Marxist theory.

My four theses are of immediate concern to political activists, to political economists, and to historians. However, you can be a Marxist without being a member of one of those categories. You can specialise in the fields of literature, linguistics or the philosophy of language: I am preaching, as we say in French, for my own chapel. And the Marxist who does not spend his intellectual life analysing the current state of capital needs broader Marxist theses, within which he will be able to insert his own practice. I suggest six, in the shape of dichotomies. Taken together, they form a correlation, a philosophical device I borrow from Deleuze, who was fond of using it.

Our first dichotomy concerns the point of view of collectivism rather than methodological individualism. For Marxism likes to appeal to collective entities like class or party, and treat them as social agents, whereas methodological individualism will not treat society as anything else than an aggregate of individual agents whose individual rational choices will combine into social

\footnote{See Bensaïd 1995.}
movements. The second dichotomy entails subjectivation as the process of production of subjects rather than the traditional subject as person, as centre of consciousness and action. This dichotomy is entirely coherent with the one before: if the ‘subject’ is a collective entity, there will be no necessity for a prominent role given to the individual subject (which is nothing but a historical construct), in the guise of author, speaker or moral agent. The third dichotomy involves ideology as a necessary frame for human understanding and action, rather than ideology as simple illusion or mystification. This dichotomy is internal to Marxism, as this ambivalence has sadly affected the Marxist concept of ideology. A Spinozist conception of the positive aspects of error (interesting for both its necessary nature, and the account it demands), or Judith Butler’s concept of ‘enabling constraints’ (those constraints that are not merely a form of oppression, but a guide for action), will enable us to understand the framework for the production of subjects. Our fourth dichotomy opposes materialism to idealism. We shall also use this contrast, in the fashion of Althusser, as a thesis for philosophical demarcation (we must choose our side, in which case, of course, the concept of ‘matter’ remains suitably vague), but, perhaps more relevantly, as a series of positions that cohere into a system. In the field of language, for instance, it will imply an insistence on the materiality of the speaker’s body, which is excluded by the idealism of langue conceived as a ‘system’, or by a concept of communication that turns speakers into angels, but an insistence also on the materiality of institutions, and of the rituals and practices in which they are embodied (you will have recognised an allusion to Althusser’s concept of interpellation and to its development, through the possibility of counter-interpellation). The fifth dichotomy involves the opposition of historicism to naturalism. This allows us to understand why Chomsky’s philosophy of language, in spite of our sympathy for his political positions, is unacceptable for a Marxist. Chomsky’s approach inscribes language in a non-historical, almost immobile, time of evolution, rejecting any possibility of historical change that affects language, with the twin disadvantages of excluding most of the phenomena that we identify as language from the field of science, and preventing us, in his insistence on synchrony, from grasping the complexity of what a Marxist will be tempted to call a ‘linguistic conjuncture’. This is why Chomsky has been called, polemically, but not entirely without justice, ‘a linguist for creationists’: such a rejection of history for the timelessness of human genes and human nature is a fundamentally

3 On counter-interpellation, see Butler 1997, and Lecercle 1999.
religious attitude. Our sixth, and last, dichotomy confronts the point of view of *agon* to that of *eirene* – the point of view of (class) struggle in opposition to that of peaceful co-operation. If class struggle is indeed the engine of history, then linguistic practice cannot ignore conflict, that is, the determination of *rapports de force*, the hierarchy of places that are imposed on the speakers. Grice’s ‘co-operative principle’, or Habermas’s ‘communicational competence’, mistake our desires for realities. The first dialogue in the history of humankind involved Cain and Abel, and we all know how that ended.

I am aware of the debatable character of these last ten positions. I am aware that they say more about *this* Marxist than about Marxism in general. I am also aware that none of my six dichotomies on its own is sufficient to characterise a general Marxist position. Still, taken together, they do mark such a position. They are useful in constructing ‘another’ philosophy of language, the elements of which, as we shall see, are already present in Deleuze and Guattari. And, since this essay is about them, rather than me, I wonder whether they have anything to do with the ten theses or dichotomies. The answer is that they do: a relationship that is sometimes close and sometimes distant, but always a relationship.

Let us take the narrow theses. It is clear that *Capitalism and Schizophrenia* seeks to provide an analysis, albeit a strange one, of the workings of capital, and not merely, as is the case with Derrida, of a new ‘world order’, which necessarily remains vague. This does imply a relation to Marxism: a relation of translation, of addition, which includes and focuses on what classical Marxism ignored, the questions raised by madness, by sexual orientation, and so forth. Such questions are treated as *social*, not merely individual questions (for Deleuze and Guattari, the delirious patient is not indulging in his mediocre personal fantasies, but rather, the subject of his/her delirium is *history*). There is a sense in which Deleuze and Guattari belong to the tradition of development of Marxism: they go in the same direction as *The Origins of the Family, Private Property and the State*, except they take a slightly different path. Their analysis of capital may not inform a political programme for a Marxist party, but it involves one or several *lines*, and, as we know, the concepts of a plane of immanence, of lines of flight, and of rhizome are essential in Deleuze and Guattari.\(^4\) Such multiple lines are the source of a politics of desire, often described as a form of anarchism (there is a difference within Marxism here: the party line, in the Leninist version, is unique – only

\(^4\) See Lecercle 2002.
one set of slogans is just in a given conjuncture). And, it is truly difficult for the Marxist that I am to approve of such politics, just as much as, in the past, Marxists hardly approved of Deleuze and Guattari’s concrete political choices, most notably their decision to support Coluche’s attempt to run for president. However, I have to acknowledge that this politics is indeed derived from an analysis of capitalism. According to their usual philosophical practice (they are explicitly hostile to the use of metaphors), Deleuze and Guattari take the metaphor of the body politic seriously. Any reader of Negri and Hardt’s Empire knows that such politics, far from being a curiosity of the post-68 scene, is relevant to the current conjuncture.

Deleuze and Guattari also indulge in a global concept of history, in the typically Marxist form of a succession of stages or periods. To be true, the organising principle is not the succession of modes of production, but of what they call ‘régimes of signs’, a concept which is specific to their work, and is linked to the concepts of flow and coding. Here, the distance is evident: the displacement is no translation, and, nevertheless, it is also obvious that the task of the philosopher is to divide history into stages, even if the contents of such periodicity change.

Lastly, I shall find it more difficult to establish that their conception of temporality is of a Marxist type: instead of concepts such as conjuncture and moment of the conjuncture, they refer to syntheses of time that owe more to Bergson than to Marx.

If we turn to the six wider theses, or dichotomies, the yield will be greater. Although they are keener than most about the personal aspect of the political, Deleuze and Guattari, who heartily despise analytic philosophy (in a moment of honesty, or provocation, in the Abécédaire, Deleuze even calls Wittgenstein an ‘assassin of philosophy’), do not condone methodological individualism. For them, the origin of utterances is not to be found in the individual speaker, but in a collective assemblage of enunciation. This concept shifts the focus in the study of language from result (fetishised into an object of science) towards process: the process of enunciation (they share this position with the so-called French ‘enunciation linguists’, such as Benveniste and Culioli). It also shifts it from the individual to the collective stance: the individual speaker is no longer in her usual central position. Deleuze is perhaps the philosopher that moves furthest away from the concept of subject. In his work, the subject

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5 Deleuze and Parnet 1997.
is not distributed between the four corners of a Z-shaped diagram, as in the early Lacan, nor is it the result of a process of interpellation, as in Althusser: it is simply absent. A number of concepts do the philosophical work usually carried out by the subject: collective assemblages of enunciation, *haeccities* (an impersonal, non-individual, non-subjective singularity, the canonical examples of which are a haiku and a shower of rain), and bodies without organs. We are no longer in the field of the personal subject, a centre of consciousness and an origin for action: we dwell among machinic assemblages and within what Deleuze and Guattari call the *socius*. And, since we no longer need an interpellated subject, we do not need an interpellating ideology either. Deleuze and Guattari explicitly reject the concept in its Althusserian version. However, they do suggest a replacement that will fulfill the same philosophical function: the collective assemblage of enunciation, with its ontological mixture of bodies, institutions and discourses. By abandoning the subject, Deleuze and Guattari reject any form of transcendence. They have nothing to do with idealism, since they are much closer to the Stoics’ pan-somatism, which informs Deleuze’s *Logic of Sense*. They are closer, therefore, to the narrow materialism of the pre-Marxist tradition than to the wider materialism of the philosophy of *praxis*. In their texts, we do not find a materialism of institutions, but rather of bodily assemblages, of the hitching up, without metaphor, of desiring machines. And they can hardly be accused of naturalism: human nature never appears in their work, in whatever form, and history is everywhere. Lastly, they explicitly choose *agon* (which they call “philosophical athleticism” in *What is Philosophy?*) over *eirene*. For them, the basic type of utterance is not the proposition/judgement/statement, but, rather, the slogan. The point of interlocution, therefore, is not the co-operative exchange of information, but the construction of a *rapport de forces*.

Deleuze and Guattari’s relation to Marxism is not in doubt. In order to account for this mixture of distance and proximity, we shall carefully avoid the religious language of filiation and haunting, and will use ‘para-Marxism’, which implies displacement through a form of translation or transfer, rather than the term ‘post-Marxism’, which implies overcoming and reconstruction.

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7 The usual translation of *mot d’ordre* as ‘order-word’ is, to my mind, misguided, not so much in that it introduces a new word in the English language, whereas the French phrase is part of everyday language, but in that it loses the Leninist origin of the concept.
Displacement

I shall suggest — again, the number is arbitrary — a series of six displacements.

First displacement: a change in periodicity. *Capitalism and Schizophrenia*, as we saw, is a historical fresco characterised by an obsessive need to periodise. Although there is no mention of modes of production, of productive forces and relations of production, this is replaced by a parallel series, translated from the original Marxist series: régimes of signs, flows of libidinal energy, coding. Marxism here is almost unrecognisable, because it has taken a semiotic and corporeal turn. And, indeed, we understand why Deleuze and Guattari’s main objection to Marxism is the vertical metaphor, which carefully separates two ontological planes, of base and superstructure.

Second displacement: the shift from history to geography. One gets the impression that Deleuze and Guattari are interested in the analysis of capitalism, but not of the modes of production that came before (despite the fact that the feudal assemblage is used as the canonical example of ‘assemblage’): this is true, except of the most marginal one, the Asiatic mode of production. The Asiatic mode of production is the only one whose name has a geographical rather than a historical origin. What is, in fact, occurring is a re-interpretation of the whole of Marxist periodicity, from the point of view of its most eccentric component, the result of which is a series of new concepts; ‘geographical’ and no longer simply historical concepts (here, we may remember the importance of the concept of ‘plane’, of immanence and of consistency, in Deleuze’s thought): smooth versus striated space, *nomos* and war-machine, maps and strata, and so on. The usual series of modes of production is, therefore, the object of a double displacement: a displacement through translation from the economic to the semiotic and the corporeal, and a displacement through inversion of the centre and the periphery, with a consequent change of the plane of organisation (space and no longer time). Such displacement, a source of puzzlement for the traditional Marxist, will come as no surprise to the reader of Braudel or Wallerstein. And we now understand why the concept of *socius* is not identical with the concept of society. Deleuze and Guattari are taking the metaphor of the body politic literally — a familiar tactic with them. The social body is as material and corporeal as the body of the earth, it is animated by flows of energy and segmented by operations of coding. Such a material body is also, of course, a collective body, whereas the term society, at least in the liberal version, is a collection of individuals. Despite all this, the Marxist will also realise, with
a certain sadness, that, in the reshuffling implied by such double displacement, the concept ‘class’ has vanished.

Third displacement: from work to desire. The concept of class is rooted in the productive structure of society, in the contradictions that push it forward, and in the struggle that such contradictions involve. And the productive structure posits that work is the fundamental human practice, the standard of value. Reconstructions of historical materialism often seek to get rid of work as the foundation stone of the whole edifice: the best known attempt is Habermas’s, who substitutes work with communicative action. Deleuze and Guattari, and we may take this as a reflection of the Zeitgeist, are not particularly fond of productivism, of the appropriation of nature by man – as we know, towards the end of his life, Guattari developed an ecological philosophy of his own, with little success. So we shift from the centrality of work qua praxis to the centrality of desire, as the source and the fuel of flows of energy – and, it has to said, their concept of desire is fascinating. Unlike the Freudian concept of desire, which is predicated on lack, and therefore negative (the essence of Freudian desire is that it is never fulfilled, except by the death of the subject, which puts an end to it), it is a positive concept: desire is an energy that flows through and animates a machine. In his Abécédaire, where the letter D is for Desire, Deleuze insists on the fact that there is only desire within an assemblage. Again, the subject has vanished from a site where its presence was deemed essential. The binary relation, a subject desires an object, has been replaced by the complex structure of an assemblage. Desire is the energy that holds assemblages together and circulates within them. We understand the new meaning that Deleuze and Guattari give the term ‘machine’ (in one of his early texts, Guattari explicitly contrasts machine and structure): a machine is not an instrument, a complex tool that intervenes at a necessary but transitory stage in the metamorphoses of commodities, but an organ ‘ex-centric to the subject’, inhabited by what Guattari (in his Lacanian period) still calls ‘the subject of the unconscious’, whose function it is to cut and code the flows of energy. This makes us think of the eccentric machines of Heath Robinson, or of the episodes of the adventures of Tintin, where the hero almost disappears into a huge corned-beef machine, the input of which is a procession of cows chewing the cud, and the output, a series of tins of corned-beef.

8 Guattari 1972.
Fourth displacement: from ideology to assemblage. As we saw, Deleuze and Guattari place no trust in the concept of ideology, especially in its Althusserian, structuralist version, in that it implies a separation of base and superstructure, of the world of objects and the world of representations. Theirs is a reductive vision of the concept, but it is clear that coupling desire with machines (this occurs in what they call ‘machinic assemblages of desire’) means that such separation is no longer possible. The advantage of machine over structure is that it works, it functions, it compels us to envisage the phenomena from the point of view of process, and not the classification of objects. But Deleuze and Guattari need a concept to do the philosophical work usually done by the concept of ideology, understood as a necessary part of social life, and not merely in its pejorative sense of false consciousness (one recalls Althusser’s famous definition of ideology as both illusion and allusion): subjectivation, the active production or interpellation of subjects. The concept of assemblage does precisely this philosophical work. The idea of assemblage has two aspects: a material and corporeal aspect, the machinic assemblage of desire, as we have seen, and a social-institutional aspect which has its own form of materiality, but which is also ideal, the collective assemblage of enunciation. The two aspects are inseparable, even though Deleuze and Guattari give a more detailed account of the second than of the first. Their inseparability accounts for the most striking characteristic of an assemblage: the ontological mixture of which it is the site. We shall understand this better by looking at Deleuze and Guattari’s canonical example of the feudal assemblage. It is composed of a certain number of physical bodies (castles, knights and their armour, horses and ladies, not to forget a number of peasants and priests), of a body of texts (for example poems of courtly love), of a body of legislation, of myths and beliefs, together with the institutions (in both their material and their ideal aspects) that are in charge of them (courts of justice, convents, etc.). This implies a determinate organisation of space (from the castle to the church), a hierarchical social body (the King and his vassals, etc.), a body of rituals and practices (tournaments, etc.). I must stop here, otherwise the whole of feudal society will end up being subsumed under the concept. But the main interest of the concept lies elsewhere, precisely in the ontological mixture, in the materiality of processes that produce both the discourses and their speakers. Thus, although Deleuze and Guattari make no mention of it (the text became available in French only at a later date), their concept of collective assemblage of enunciation is close to Bakhtin’s concept
of the chronotope, the difference being that they insist on the ‘-tope’ rather than on the ‘chrono-’ aspect.

Fifth displacement: from the party to the group. Here, we reach the most explicitly Marxist (or para-Marxist) text written by Deleuze, his preface to Guattari’s *Psychanalyse et transversalité*, entitled ‘Trois problèmes de groupe’ (‘Three Group Problems’). The text already operates the four displacements so far mentioned, and they are explicitly presented as shifts from Marxism, celebrating Wilhelm Reich and Guattari as figures embodying the fusion of the political militant and the psychoanalyst. The text is devoted to a critique of the political positions of Communist Parties in the West (we are in 1972). The theory of ‘state monopoly capitalism’, which was the PCF’s contribution to Marxist economic theory, is analysed, thus, in terms of a compromise between the internationalisation of capital and the defence of the national framework of the state. Deleuze describes the degeneration of the Soviet Union in terms, which today sound prophetic (and, which vaguely remind us of revolutionary-Marxist analyses of bureaucratic state capitalism). The main point of the text, however, is the distinction between two types of groups. The *subjected group* [groupe assujetti], on the one hand, is an association obsessed with its self-perpetuation, which tend to be reduced to the reified skeleton of an organisation: the Bolshevik Party as early as 1917 is a case in point. The *subject group* [groupe sujet], on the other hand, is a group in a constant state of variation, which is always on the verge of announcing its own dissolution. What we have here is the political equivalent of the contrast between structure and machine, under the opposed names of party and group (or groupuscule: I have already mentioned Deleuze’s run-of-the-mill leftism). This analysis, even if the dissolution of the concept of a revolutionary party is difficult to accept for the palaeo-Marxist that I am, raises a real, essential even, question: how are we to prevent the vanguard from taking itself for the main body of the army, or from appointing itself the permanent Headquarters that blithely ignores the plight of the foot-soldiers in the trenches, and uses them as human cannon fodder?

There is, finally, a sixth displacement which recapitulates the whole series: from the molar to the molecular. Those concepts, notoriously, come from *Anti-Oedipus*, though we must note that, in Deleuze’s own work, or in the communal work of Deleuze and Guattari, they did not survive long. Because it altogether does without a concept of subject, the philosophy of assemblages (as one talks of the ‘philosophy of praxis’), is not particularly keen on the
individual subject of bourgeois liberalism. But neither is it keen on the massive subject of Marxism (class as a collective subject). The agent which is the origin of actions is, in their case, an unstructured, as yet un-refied, group: a group in a constant state of variation and metamorphosis. This undoubtedly smacks of the atmosphere of May 1968 and the anti-authoritarian revolt. It also allows us to account for the emergence of new political subjects (women, mental patients, prisoners, immigrant workers). Some of these new subjects have vanished from the scene, others are very much in the foreground: the priority granted to the molecular over the molar is still in need of assessment. But this couple of concepts, in a shift that is internal to the work of Deleuze and Guattari, gave birth to another couple of concepts, which, to me, are far more important, the concepts of minor and major. We are no longer dealing with the socially molecular, or with political minorities, but with the linguistic and literary minor. A major language, like standard English, is constantly ‘minorised’ by a multitude of minor dialects, registers and styles. A minor literary text (Deleuze and Guattari’s canonical example is Kafka) need not explicitly call for the socialist revolution, nor need it describe, in graphic detail, the direct effects of capitalist exploitation: from the very start, as a minor text, it is collective, political and deterritorialised.

Deleuze and Guattari operate a systematic displacement of Marxist concepts. They think within the tradition of Marxism, probably in a more direct fashion than Derrida in *Spectres de Marx*, even if their wanderings, or their lines of flight, take them further away from their starting point. All we have to do to realise this, is compare the treatment of Marx and Freud in *Capitalism and Schizophrenia*: Marx is hardly ever mentioned, but he provides a framework for thought. Freud is mentioned on almost every page, in person or through one of his avatars, but he is subjected to relentless and systematic criticism.

If the point that there is displacement, and therefore origin, is granted, one question remains: why do they take that road, and why should we, as Marxists, follow a couple of philosophers who do their best to deserve the label of ‘anarchists of desire [philosophes anarcho-désirants]’? Had we not better abandon them to a more congenial ‘anarchist’ reading, which has the advantages of obviousness and immediacy, and which is of interest for a Marxist, for instance in Deleuze’s concept of event, which he develops in *Logique du sens*, or his critique of representation, including political representation? Would not this prove more useful than reading them against the grain? In Daniel Colson’s

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9 Deleuze and Guattari 1975.
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Petit lexique philosophique de l’anarchisme,10 Deleuze comes second for the number of entries in the index, behind Proudhon, but before Bakunin. I shall give a simple answer to that question. There is, at least, one field where the Marxist tradition is notoriously undeveloped, and where Deleuze and Guattari enable us to move forward, in the criticism of mainstream philosophy, as well as in the reconstruction of more acceptable positions: the field of language.

Another philosophy of language

A Marxist interested in the question of language finds himself in a quandary. On the one hand, he can draw on a vast but fragmented tradition of Marxist thinking about language, from Tran Duc Thao on the origin of language and consciousness, to Rossi-Landi on language as labour and market, Renée Balibar on class language and the emergence of national languages, Alfred Sohn-Rethel on abstraction and the division of labour, Raymond Williams on historical semantics, Jean-Joseph Goux on the metaphoric shift from monetary exchange to linguistic exchange (he calls this ‘numismatics’), and Michel Pêcheux on the semantics of ideology,11 with apologies to anyone I might have forgotten. But those fragments are more in the nature of sketches, of ruins rather than monuments. Our Marxist can draw, on the other hand, on the founding fathers, who have almost totally neglected the question of language, with the very salient exception of Voloshinov,12 who deserves to be canonised. Marx has a few asides on the nature of language as practical consciousness. Engels, in his Dialectic of Nature, has a famous page on the origin of language in the relationships of work, with a touching digression on cats and dogs who would like to talk but have neglected to evolve the requisite organs of speech, and on the skill parrots show at hurling insults, an exercise in which they favourably compare with the costermongers of Berlin. Lenin, in his Philosophical Notebooks, has a marginal comment, ‘history of thought = history of language?’, surrounded by a circle surrounded by a square. Not enough to construct a doctrine, not enough even for a coherent tradition to develop. The reason for this sad state of affairs is well-known: Stalin’s notorious intervention in the field of linguistics had the result of stifling any serious Marxist discussion of language for decades, through the

imposition of a form of common sense which is undistinguishable from the dominant ideology of language.\textsuperscript{13}

But the class enemy has not neglected the field of language. They have imposed their dominant ideology in its three versions: the \textit{doxa} that Stalin uncritically adopted (it can be formulated in one thesis: ‘language is an instrument of communication’, but it is even stronger when left unformulated, as a piece of obvious common sense); what Althusser calls the spontaneous philosophies of scientists,\textsuperscript{14} to be found in the first, general pages of treatises of linguistics, when the linguist gets rid of first principles in order to come the more quickly to the serious business of grammatical analysis; and full-fledged philosophies of language, the main contemporary examples being, the speech-act theory of Austin, Searle and Grice, Chomsky’s naturalist innatism, and Habermas’s theory of communicative action.

The mainstream philosophies of language share with linguistic common sense, of which they are sophisticated versions, and, as such worth discussing, a number of characteristics, which I can formulate in the form of principles. Briefly, I suggest six.

The first is the principle of immanence. This is the fundamental structuralist principle in the field of language. It states that the scientific study of language cannot take into account any phenomena that are not strictly linguistic. The relationships between language and the world, the fact that language \textit{is} in the world and \textit{of} the world are deemed irrelevant for the purposes of science. The second is the principle of functionality. It states that language fulfills functions (Jakobson famously lists six of those), hierarchically organised around the central function of referentiality, that is, the exchange of information about states of affairs: language is an instrument for such exchange, I use it to say what I mean. The third, a consequence of the second, is the principle of transparency: if language is a mere instrument, the best thing that it can do is let itself be forgotten. What is important is the contents of the exchange, not its means, or its medium (you do not have to have a clear conscience of the exact semantic value of the present perfect to state that you have just arrived). The fourth is the principle of ideality: language is an abstract ideal system, what Saussure calls \textit{langue}, which is actualised in \textit{parole}, just as the sonata \textit{qua} type is realised in the tokens of its various interpretations. The

\textsuperscript{13} On this, see Lecercle 2004 [Editorial note: a translation of this work will appear shortly in the \textit{Historical Materialism} Book Series].

\textsuperscript{14} Althusser 1974.
fifth is the principle of systematicity: what is relevant for the rational study of language is not the chaos of parole, in its infinite variety, but the system of rules, the fixed code that langue provides. This, of course, is based upon, and in turn confirms, the principle of immanence. The sixth principle is the principle of synchrony: the system is essentially stable, it is not concerned with history. Since it is only too painfully obvious that language changes all the time, this change is reserved to a sub-discipline, a marginal region of the field, called diachrony, the task of which is to study the passage from one stable state of the system to another. In Chomsky, not even this is conceded.

Not all versions of the dominant philosophy of language would defend all the six principles. The doxa certainly does not have to, being largely and blissfully unformulated. But a family resemblance will hold: you will have recognised the founding version of scientific linguistics, the Saussurean concept of the system of langue, but whiffs of Chomsky or even of Habermas are also perceptible. And the reason why I have indulged in such apparent digression is double. It seems to me that a Marxist who seeks to theorise language, must attempt to criticise and leave behind the mainstream philosophy. This is precisely what Voloshinov seeks to do in his book: the main object of his criticism, for obvious historical reasons, is Saussure. It also seems to me that this is exactly what Deleuze and Guattari do when they think about language, mostly in the fourth chapter, or plateau, of Mille plateaux.

Plateau no 4 is entitled ‘November 20th, 1923. Postulates of linguistics’. The date (all plateaus have dates, sometimes explained in the body of the text and sometimes not) refers to the German hyperinflation crisis that played its part in Hitler’s coming to power (the implicit link established here between language and monetary exchange is relevant to the Marxist, who has read Goux on the subject). The body of the plateau launches a ferocious critique of linguistics, later echoed in Deleuze’s angry exclamation that ‘linguistics has done a lot of harm’, as constructing itself through a process of exclusion that rejects most of what we think of as the phenomena of language. This it does by founding itself on four postulates. Firstly, language is informative and communicative; secondly, language is an abstract machine, without any exterior influence; thirdly, language is a homogeneous system; and fourthly, language is best studied in the from of standard language. The English translation unavoidably loses an important aspect of the formulation of the postulates: each time, the verb is in the conditional (‘le langage serait informatif et communicatif’).
That language is informative and communicative is, as we have seen, the essential tenet of the dominant ideology in the field of language. It is an essential aspect of contemporary ‘democratic’ politics. This has nothing to do with old-style propaganda (in which Marxists notoriously indulge), which seeks to mobilise the masses by producing effects of conviction, and nor has it anything to do with truth, as the various Iraq ‘dossiers’, each dodgier than the one before, amply demonstrate. The new style politics of the Third Way has replaced the old slogans, which exerted material force in that they moved the masses, with the communicative ‘statement of fact’, purporting to be uncontroversial and merely present the facts that impose ‘the only way’, at the very moment when it is a blatant example of linguistic manipulation. I do not claim to be the first to have noticed the importance of ‘spin’ in the politics of the Third Way, or of the position of the ‘director of communication’. Nor am I the first to notice that, through an inversion which will not come as a surprise to Marxists, the ideology of communication provides an account of the situation that stands on its head: behind this obsession of communication and transparency what we find is the total absence of democratic discussion and the utmost secretiveness. This is where Deleuze and Guattari’s critique is closest to the Marxist critique: they make us aware that the basic utterances of language are not constative, statements of fact, but *mots d’ordre*, that is slogans. And here their closeness to Marxism, is entirely explicit, as their theory of slogans is inspired by Lenin’s pamphlet, *On Slogans*. Language, they say, is not meant to be believed, but to be obeyed. Their canonical example is the teaching situation, though the leap to politics is an easy one: the teacher does not inform the students about the rules of English grammar, she imposes them. Teaching is commanding, and the relation of interlocution, far from being, as Habermas would have us believe, an equal relationship of trust and cooperation, is a *rapport de forces*, an agonistic social relationship. By making the slogan coextensive with language (in the way traditional linguistics makes the statement, as medium for the proposition, coextensive with language), Deleuze and Guattari use Marxism in order to undermine the dominant philosophy of language. For the slogan is not merely a carrier of force, it is an always-already collective utterance: there can be no individualism of speaker mastering her own competence and putting it to use – the ‘speaker’ is not an individual subject but a collective assemblage of enunciation. The main consequence of such collectivism is that the generalised pragmatics they

15 Lenin 1964, pp. 183–90.
advocate (a rather different one from Habermas’s), is a politics of language. Language is not merely a social and material phenomenon, it is also, constitutively, a political one.

The second postulate they criticise is the structuralist principle of immanence: if language is ‘an abstract machine’, it means that linguistics must be not an internal, but an external science. And they are very much in favour of an external linguistics, even as Bourdieu and Marxists of all description are. Their critique of this principle again uses the concept of assemblage, but the construction here is carefully distinguished from classical Marxism, and also from the Stalinist vulgate in the matter of language. For Stalin famously reiterated, much to the relief of Western linguists, that language was an instrument at the disposal of the national community as a whole, not a superstructure caught in the class struggle and the historical revolutions it involves, against his opponents — the old Russian linguist Nikolai Marr, a late convert to Marxism, and his disciples —, who maintained that language was a superstructure, duly to be revolutionised by the socialist revolution.16

What Deleuze and Guattari seek to avoid, in rejecting both positions, is the architectural metaphor of base and superstructure: for them, utterances, in that they are material, exert the material force of slogans, intervene in the productive base. Not that production is the secret of language: replacing the metaphor of exchange with a metaphor of production (as in the works of Rossi-Landi or the French Marxist linguist Robert Lafont17), is not useful: Deleuzean sense is not the result of a process of production (the production of meaning), but an effect of the mixture of bodies within society. We are back to the description of the assemblage as both machinic and enunciative.

Language is not a homogeneous system either. Here, the butt of the critique is Saussurean linguistics, which they seek to replace with a form of sociolinguistics mainly inspired by Labov. The critique of the third postulate is not a direct contribution to a Marxist philosophy of language, since it seeks to construct a concept of style as a-grammaticality and reaching for the limits of language, but it does insist on the historicity of language through constant variation. This goes back to the analysis of the Leninist slogan, the justness of which lies in its capacity to adapt to and name the moment in an ever changing conjuncture: thus, Lenin is described as the ‘abstract machine’, at the heart of the Bolshevist assemblage of enunciation.

16 [Editorial note: for more on Marr and Marrism, see Brandist 2005.]
17 Lafont 1978.
The critique of the last postulate is, I think, Deleuze and Guattari’s major contribution to the construction of a Marxist philosophy of language. It defines the contrasted concepts of one major, and a host of minor, dialects (the major dialect is by definition unique in order to dominate, whereas minor dialects multiply and threaten to subvert). The question they ask is: if language is a variable and heterogeneous set of phenomena, why do linguists of all description need to extract from it, through a scientific coup de force, a homogeneous system? And the answer they suggest is typical of Marxist analysis: because the scientific model is only a reflection of the political model in which a centralised, homogeneous, standard dialect is imposed upon a variety of other dialects as the language of power. The syntactic hierarchy established by Chomsky’s grammatical ‘trees’ is the guarantee of another type of hierarchy: no-one is allowed to remain unaware of the rules of grammar, as of the law of the land. The ‘laws’ of language are not, as Chomsky would have us think, laws of nature to be captured by positive science: they are laws in the social and political sense, the expression of relationship of power, instruments of domination so that the unity of a language is a political, not a natural, necessity. We understand why English is sometimes called the language of imperialism.

We also understand why the concepts they choose to describe this state of language, majority and minority, are borrowed from politics. And their analysis is not as reductive as it may seem to be at first sight. For the major dialect is not merely the vehicle of an imposition of power that dominates all other forms of language; nor is it simply the medium of the replacement of brute force by ideologically constrained consensus. It lives, and is constantly threatened with death, by the process of ‘minorisation’ to which it is submitted by the minor dialects it dominates. Thus, standard English is constantly transformed by a multitude of accents, registers, jargons, ‘New Englishes’, regional or social dialects, and all manners of language-games. I use the term ‘multitude’ advisedly, for, again, we understand why Negri and Hardt make such extensive use of Deleuze and Guattari. Linguistic imperialism faces the same contradictions as the common and garden variety: it is constituted by such contradictions.

The first effect of this critique of linguistics is to enable us to move away from the dominant philosophy of language and its ideology of communication (Deleuze’s hostility to ‘communication’, even in its academic version of ‘scientific conferences’, is notorious). As a first step, it allows us to formulate the six inverse principles that embody the critique of mainstream philosophy.
of language. They will be duly couched in the temporary language of negativity.

The first principle is one of non-immanence (I carefully avoid the usual antonym, ‘transcendence’): it states that there is no separation between language and the rest of the phenomena that constitute the world. The second is the principle of dysfunctionality: it rejects the idea that language is an instrument, and the hierarchy of functions (at the top of which lies the referential or communicative function), which the metaphor implies. The third is the principle of opacity: the transparency of language, its capacity to let itself be forgotten, to transmit meanings by what Roy Harris, in his powerful critique of mainstream linguistics, calls ‘telementation’, is an illusion. Words always mean more than I mean them to mean. Incidentally, this principle establishes not only the possibility, but also the crucial importance, of literature as a practice of language: we understand why Deleuze’s para-Marxist critique of linguistics co-exists with a constant attempt to account for literary texts, why the climax of his alternative philosophy of language is to be found in the apparently old-fashioned concept of style. The fourth is the principle of materiality. Language not only has a material aspect, on which Marx tirelessly insisted (most notably in *The German Ideology*), in the shape of sounds or letters inscribed on a surface, but it also partakes of the materiality of institutions and apparatuses, which endow it with material force: language is not an ideal system, because it is first a material body acting among and on other bodies. Hence, an agonistic concept of language, which has nothing to do with the eirenic versions presented by Grice and Habermas. The fifth is the principle of part-systematicity. A natural language is not a system, but a set of subsystems, or part-systems, in a state of constant variation. The term ‘subsystem’ is not a way of having one’s cake and eating it. It notes the fact that, in language, there are regularities, usually captured under the term ‘rule’ (for instance, in English, you cannot have two modal auxiliaries to modify the same verb, as in ‘He may will do it’ – note that there is no semantic impossibility here, since we do say ‘maybe he will do it’), but that such rules are riddled with exceptions, almost always defeasible for expressive purposes and hardly ever applicable to all of the innumerable dialects of what is known as English. And such regularities are not stable: ‘rules’ of grammar are temporary, subject to historical change. Hence the sixth principle, the principle of historicity. A language, any language, is partly chaotic and partly organised because it is not a rational creation of the human mind, nor is it inscribed in our genetic

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18 Harris 1998.
programme in the form of a universal grammar and a set of parameters: it is the sedimentation of rules, maxims and meanings, in which the history of a culture is inscribed. This is why Gramsci said that a language is a ‘conception of the world’.

Deleuze and Guattari’s concept of language corresponds, sometimes explicitly so, sometimes implicitly, to those six alternative principles. But it allows us to go further than this towards the construction of a Marxist philosophy of language. They suggest a cluster of concepts, collective assemblage of enunciation, slogan, variation, indirect free speech, style and stuttering, and minority, that allow such construction, even when they have at first sight little to do with Marxism.

I shall take one example of this: the concept of free indirect speech, which belongs to the field of literary studies rather than the analysis of social formations. There is a strange occurrence here: one of the privileged sites for the development of this ‘literary’ concept is a chapter in Voloshinov’s Marxism and the Philosophy of Language, and another locus is the analysis of the language of films by another Marxist, Pasolini. This is no mere coincidence. Deleuze and Guattari’s introduction of the concept occurs in the course of their Leninist analysis of slogans. If the slogan is coextensive with language, if the building bricks of discourse are not judgements but slogans, it is because language is not an instrument of reference and representation, enabling the subject to go from perception to meaning via the medium of articulated language, but because there is no such thing as pure perception represented in words. The utterance is always a link in a chain of utterances, not a representation of the world perceived, but a report of the already said. In other words, the ‘original’ utterance is not literal and direct, but always already indirect discourse. Language is about the transmission of words that function as slogans, not the communication of signs that inform us about the state of the world. All discourse is indirect discourse.

Out of the sometimes florid conceptual language of Deleuze and Guattari, a Marxist can therefore begin to construct a Marxist philosophy of language. Since the task, although it is politically urgent, can hardly be said to have begun, I shall merely suggest four theses, which can be found in embryo in Deleuze and Guattari. Language for a Marxist is, firstly, a social phenomenon, secondly, a material phenomenon, thirdly, a political phenomenon and, fourthly, a historical phenomenon. Such statements are not so obvious as they may

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seem, as they go against the current of all mainstream philosophy of language. We owe it, at least in part, to Deleuze and Guattari to be able to formulate them with any amount of clarity. If such a Marxist philosophy of language is ever formulated, it will be heavily in debt to the work of Deleuze and Guattari: this alone should justify their inclusion in the Marxist canon.

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Rick Kuhn

**Henryk Grossman and the Recovery of Marxism**

Marxists are ambitious. We set out not only to understand the world but, more importantly, to change it. We regard ideas as part of the world and seek to understand and change them too. Marxism, as a set of ideas, has no privileged status in this regard. It, too, can be explained within the framework of historical materialism. For Marxism is not only a theory of the working class’ struggle for its own emancipation. This theory is also the product of that struggle and the efforts of real human beings committed to and involved in it. The history of Marxism can only be grasped in the context of the working class’ victories and defeats.

This article uses an historical-materialist framework to explore Henryk Grossman’s recovery of Marxist economic theory, its preconditions in Grossman’s own experience and its relationships with the recoveries:

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1 I am grateful to Sam Pietsch, for his insights and perceptive advice; to Gerda and Kurt Kuhn, Mary Gorman and Alyx Kuhn Gorman who have supported and tolerated my work on Grossman for over a decade; and to *Historical Materialism*’s two referees, for their valuable comments. My biography of Grossman will be published in 2006 by University of Illinois Press.

2 He generally signed himself ‘Henryk Grossman’. This was how his name appeared in Polish publications and those of his works whose appearance in English he oversaw himself. ‘Henryk Grossmann’ was the most common German rendition of his name and the one used in most of his own publications in German. In the references below, the name under which each publication originally appeared is used.
of Marxist politics and philosophy undertaken by Lenin and György Lukács. The paragraphs below provide some background on the history of Marxism and especially of the Marxist theory of economic crisis. The next section sketches Grossman’s political life up to 1933. It is followed by an outline of his recovery and renewal of Marxist political economy. Instead of relying on a few passages selected from his best known work, The Law of Accumulation and Breakdown of the Capitalist System: Being also a Theory of Crises,3 as most of his critics have, this discussion seeks to understand Grossman’s approach in the context of his work as a whole, including his published and unpublished replies to critics. The final section discusses the effects of the rise of Stalinism and fascism on Grossman and their implications for his legacy.

Marxism only became a possibility when the working class emerged as a force capable, for the first time, of replacing class society with a higher, classless mode of production. Karl Marx’s work was not only the result of his own studies of contemporary social relations. His efforts were fundamentally conditioned by conclusions about capitalism’s basic features (notably in the work of the classical political economists, Hegel and the utopian socialists) not possible at an earlier stage of capitalist development, and the growing experience of the working class, in whose struggles he participated.4

Marx drew on the experience of the Silesian weavers’ uprising of 1844. From 1843, Friedrich Engels and later both he and Marx had close ties with the radical wing of Chartism, the first mass, working-class political movement. From 1847, Marx and Engels led the Communist League, established on their initiative by German workers as a political organisation with the novel strategy of achieving socialism from below. Mass, revolutionary, working-class action was the guiding principle of the Communist Manifesto, rather than the implementation of the egalitarian dreams of an inspired individual or élite.

In 1872, Marx and Engels noted that the Manifesto ‘has in some details become antiquated’. Most importantly, drawing on the experience of ‘the Paris Commune, where the proletariat for the first time held political power for two whole months’, they re-affirmed that ‘the working class cannot simply lay hold of the ready-made state machinery, and wield it for its own purposes’.

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3 I refer to the English translation (Grossmann 1992), except where material in the original (Grossmann 1970) is missing from its abbreviated text.
4 For the relationship between Marx and Engels’s political analyses, in particular, and their involvement in the class struggle see especially Draper 1977; Draper 1978; Nimtz 2000.
The Commune, Marx had argued the previous year, demonstrated that it was essential to ‘smash’ the capitalist state.\(^5\)

The circumstances of the revival of the international workers’ movement, after the suppression of the Commune, led its leaders to play down some key aspects of Marx and Engels’s politics and theory. After Engels’s death in 1895, the movement’s most prominent theoretician, Karl Kautsky, set the tone for the Second International. For him, revolution and socialism were less the result of creative acts of self-liberation by the working class and more the product of inexorable historical processes, in practice personified in the deeds of Social-Democratic parliamentarians, trade-union officials and party leaders. The Marxist parties affiliated to the International nevertheless still formally stood for the principle of independent working-class politics. But, at the outbreak of the First World War, most sided with their own ruling classes. By this time, Kautsky had convinced himself that capitalism did not inevitably give rise to war. The blood of millions of working people did not dampen his ardent commitment to scientific objectivity and the view that the War was not in the interests of the modern, imperialist bourgeoisie.\(^6\)

Marx and Engels’s conclusions about the working class’ capacity to emancipate itself through revolution and the necessity for it to smash existing capitalist states, if it was to be successful, were obscured and even denied by a growing and influential section of the labour movement. A similar process affected Marx’s economic analysis. The *Manifesto* provided a lyrical outline of a theory of capitalist crises and breakdown.

\[The\ history\ of\ industry\ and\ commerce\ is\ but\ the\ history\ of\ the\ revolt\ of\ modern\ productive\ forces\ against\ modern\ conditions\ of\ production,\ against\ the\ property\ relations\ that\ are\ the\ conditions\ for\ the\ existence\ of\ the\ bourgeoisie\ and\ its\ rule.\ It\ is\ enough\ to\ mention\ the\ commercial\ crises\ that\ by\ their\ periodical\ return\ put\ on\ its\ trial,\ each\ time\ more\ threateningly,\ the\ existence\ of\ the\ entire\ bourgeois society… And\ how\ does\ the\ bourgeoisie\ get\ over\ these\ crises?\ On\ the\ one\ hand\ by\ enforced\ destruction\ of\ a\ mass\ of\ productive\ forces; on\ the\ other,\ by\ the\ conquest\ of\ new\ markets,\ and\ by\ the\ more\ thorough\ exploitation\ of\ the\ old\ ones.\ That\ is\ to\ say,\ by\ paving\ the\ way\ for\ more\ extensive\ and\ more\ destructive\ crises,\ and\ by\ diminishing\ the\ means\ whereby\ crises\ are\ prevented.\]


... The growing competition among the bourgeois, and the resulting commercial crises, make the wages of the workers ever more fluctuating. The unceasing improvement of machinery, ever more rapidly developing, makes their livelihood more and more precarious; the collisions between individual workmen and individual bourgeois take more and more the character of collisions between two classes.

... The modern labourer... instead of rising with the progress of industry, sinks deeper and deeper below the conditions of existence of his own class. He becomes a pauper, and pauperism develops more rapidly than population and wealth. And here it becomes evident, that the bourgeoisie is unfit any longer to be the ruling class in society, and to impose its conditions of existence upon society as an over-riding law. It is unfit to rule because it is incompetent to assure an existence to its slave within his slavery... Society can no longer live under this bourgeoisie, in other words, its existence is no longer compatible with society.

This was a compelling report of work in progress on the contradictory logic of capital accumulation. But it was not a thoroughly worked-out analysis. Marx elaborated that in Capital. The first volume, published in 1867, explained the fundamental features of the capitalist mode of production and, again, insisted on the contradictions of capital accumulation. The systematic analysis of the mechanisms of capitalism’s tendency to break down Marx reserved for the third volume. He died in 1883. Volume II appeared in 1885 and Volume III only in 1894, when Engels finished editing Marx’s manuscript. By then, circumstances were less than favourable for the appreciation of Marx’s extension of his analysis or its integration into the already ossifying orthodoxies of official Second-International Marxism.

In his widely read and, in the labour movement, widely accepted justification for the Erfurt Programme of German Social Democracy, Kautsky had already explained capitalism’s recurrent economic crises in underconsumptionist terms. The purchasing power of the bourgeoisie, the proletariat and intermediate classes was restricted by the development of capitalism and could not be indefinitely supplemented by foreign markets. As a result,

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8 The same can be said for the presentation of the issues in Engels 1976, pp. 354–6 and Socialism: Utopian and Scientific, the pamphlet extracted from it, which was immensely popular within the Social-Democratic movement as a basic introduction to Marxist politics.
commodities are periodically and increasingly ‘over-produced’. Presumably through his close association with Engels, Kautsky was aware that the analysis of the falling average rate of profit was an important feature of Marx’s account, even before the publication of the third volume of Capital. But he inoculated the Social-Democratic movement against seeing this mechanism as a central element in capitalist crises and capitalism’s tendency to break down. For Kautsky, the significance of the decline in the rate of profit was that it reduced the size of the capitalist class.

Eduard Bernstein’s ‘revisionist’ argument in 1899 that capitalism need not suffer from general and severe economic crises was rejected by orthodox Marxists at the time. Kautsky reaffirmed that crises were an inevitable consequence of underconsumption. His response to Bernstein was, however, ambiguous. Unlike Rosa Luxemburg’s critique, Reform or Revolution, Kautsky’s denied that Marx and Engels had ever propounded a theory of breakdown. He maintained that the class struggle could bring an end to capitalism before it reached a stage of ‘chronic over-production’, which constituted the extreme boundary of the system’s viability. Later, Rudolf Hilferding and Otto Bauer elaborated sophisticated arguments, based on the work of Mikhail Tugan-Baranovsky, to demonstrate that the logic of capital accumulation did not include a tendency to break down. After the War, the mainstream Social-Democratic movement, from which most radicals had split to establish Communist Parties, embraced Bernstein’s view that capitalism could experience crisis-free growth.

Major advances in Marxism have often been a consequence of powerful class struggles, although Reform or Revolution demonstrated that this has not always been the case. In his own perceptive account of the history of Marxism, however, Grossman pointed out that, from the end of the nineteenth century, there was a sharpening of both interimperialist rivalry and an intensification of class conflict which sustained the Marxist critique of revisionism. Within

11 Kautsky 1910, pp. 60–2. Note that Engels only read the Introduction to the manuscript of this book, The Class Struggle, and suggested that most of it could be deleted, letter from Friedrich Engels to Karl Kautsky, 5 March 1892, Marx and Engels 1968, p. 287.
a few years, their involvement in the 1905 revolution in the Russian Empire provided the impetus for Trotsky’s theory of permanent revolution as well as Luxemburg’s account of the bureaucratisation of the labour movement, the logic of mass action and the interpenetration of political and economic struggles.15

The next period of even more widespread revolutionary action, starting in 1916 with the Easter Rising in Dublin and ending with the stabilisation of German capitalism after the Communist movement mishandled the economic and social crisis of 1923, powered a particularly impressive revival of Marxist theory. The experience of contemporary struggles made possible both the recovery of earlier Marxist insights and their extension. Lenin, especially in *State and Revolution*, re-affirmed the active role of the working class in Marxist politics and that the replacement of the capitalist state by a more democratic, proletarian structure was a fundamental task of the socialist revolution. The Russian Revolution in November 1917 gave weight to his arguments and attracted millions of working-class militants to the new international Communist movement that soon took shape. Some traditional intellectuals were also drawn towards and into this movement. Amongst them was Lukács. Even as he played a leading role in the Hungarian Communist Party, during the revolution of 1918–19 and after its defeat, he was re-instating the proletariat to the core of Marxist philosophy, through an analysis of ‘reification’ and of the working class as both the object and (potentially) the subject of history.16

In 1903, Rosa Luxemburg had attributed the relative stagnation of Marxism in the late nineteenth century, and then, the neglect of the third volume of *Capital* to the theoretical inertia of the Social-Democratic movement. More tellingly, she argued:

[O]nly in proportion as our movement progresses, and demands the solution of new practical problems do we dip once more into the treasury of Marx’s thought, in order to extract therefrom and to utilise new fragments of his doctrine.17

In 1924, when he was researching Marx’s theory of capitalist breakdown, Henryk Grossman developed Luxemburg’s argument and explained the

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16 More recently, struggles for women’s liberation and over the environment were the contexts for recoveries of previously neglected, distorted or obscured analyses of women’s oppression and capitalism’s implications for the natural world: Draper 1972, Leacock 1975, Sacks 1975, Burkett 1999, Foster 2000.
stagnation of Marxist economics in the late nineteenth century as a consequence of the limited development of the class struggle and the fact that the transition to socialism had not, therefore, been immanent. The subsequent poverty of ‘Marxist’ theory, despite the revolutionary nature of more recent class conflicts, had to be explained in terms of the emergence of ‘an élite labour bureaucracy and labour aristocracy which accepted the capitalist system and did not see any reason to abolish it’.18

Grossman’s return to Marx, in order to overcome the stagnation of Marxist economics, paralleled the recovery by Lenin and Lukács of Marxist politics and philosophy. He shared with them more than a political starting point: their commitment to the project of constituting the working class as a conscious historical actor. All three also grasped the importance of Marx’s theory of the fetishism of commodities, his method in Capital and the intractability of capitalist crises. Grossman concentrated his efforts, in particular, on the question of the relationship between capital accumulation and economic crises, which he theorised in two distinct but complementary ways.

Today it is necessary and possible to undertake a full recovery of Grossman’s achievements and, through them, to insist on the continuing relevance of Marx’s approach. Both can help us in the fight to understand and change a capitalist world order whose fantasies during the 1990s about a ‘new economy’ of sustained economic growth came unstuck,19 and in which the connections between economic crisis, imperialism and war have become violently obvious.

**Who was Henryk Grossman?**

Henryk Grossman’s background was bourgeois, and he was trained to be a traditional intellectual, serving the established order.20 He was born on 14 April 1881 in Kraków, to an upwardly mobile Jewish family, rapidly assimilating to the Polish high culture of Galicia, the Austrian-occupied sector of partitioned Poland. Although he gained an academic education and pursued a successful and conventional career, Grossman did not become a traditional intellectual. His outlook was not only sympathetic to the working class, it was formed through his involvement in the organised labour movement and engagement in working-class struggles.

19 Shepard 1997; Greenspan 1997.
20 For more details of Grossman’s activities before 1925, see Kuhn 2000a, pp. 111–70; and Kuhn 2001, pp. 133–54.
At school, he joined the Polish Social-Democratic Party of Galicia (PPSD) and began to organise fellow students. At Kraków’s Jagiellonian University, he continued to assist the political activities of high-school students and was soon prominent amongst socialist university students. He became a leader of the radical student group Movement [Ruch] and was involved in smuggling socialist literature into the Russian Empire for the Social-Democratic Party of the Kingdom of Poland and Lithuania, led by Rosa Luxemburg and Leo Jogiches, and the General Jewish Workers’ Union of Lithuania, Poland and Russia – the Bund. In late 1904 and early 1905, Grossman was the founding editor of Unification [Zjednoczenie], established by young socialists, most of them aligned with organisations in Russian Poland to express more radical positions than those of the nationalist leadership of the PPSD and its close ally on the Tsar’s Polish territory, the Polish Socialist Party (PPS).

From about 1901, Grossman led efforts to rebuild Social-Democratic organisations amongst Kraków’s Jewish workers. When the nationalist and assimilationist PPSD moved to liquidate the general associations of Jewish workers affiliated to it across Galicia, Grossman and their other leaders set up a new Jewish workers’ party. He developed a theoretical rationale for such a party and led the practical preparations for its establishment. The Jewish Social-Democratic Party of Galicia (JSDP) was proclaimed on May Day 1905 and soon had 2,000 members. On behalf of the new Party, its secretary, Grossman, and seven other members of its organising committee immediately applied for affiliation to the federal General Austrian Social-Democratic Party. The General Party, dominated by an alliance between its largest component, the German-Austrian Party, and the PPSD, rejected the application, although the JSDP had announced its adherence to the General Party’s programme. Like the Bund, Grossman and the majority of the JSDP favoured a federal approach to the national question within social democracy and national cultural autonomy as the means to resolve national conflicts at the level of the Austrian state.

The JSDP was formed in the course of massive class struggles in Austria-Hungary, triggered by the Russian Revolution of 1905. Working-class militancy in successful campaigns for improved wages and hours resulted in the rapid growth of the union branches and associations which were the basic units of the Social-Democratic movement. From September, the General Party conducted a campaign for universal suffrage that mobilised hundreds of thousands in militant demonstrations and marches across the Austrian half of the Empire.
The involvement of Jewish workers in Galicia was largely a consequence of the activities of the JSRP.

At the end of 1908, during a downturn in the class struggle, Grossman left Kraków to pursue legal and academic careers in Vienna. Although he remained a member of the JSRP’s Executive Committee until 1911, he was not involved in the day-to-day politics and management of the Party back in Galicia. Between 1912 and 1919, there is no evidence that Grossman was actively involved in politics. But his publications during this period expounded views compatible with a Marxist analysis, carefully phrased to avoid destroying the prospect of an academic post.

As befitted a member of his class, Grossman became an officer during the First World War. From 1917, he served in an élite research organisation, alongside many of the most prominent Austrian economists of his own and the previous generation. This experience was important when, in 1919, he moved to Warsaw and a senior position with the Central Statistical Office. He was in charge of the conduct of Poland’s first national population census. Differences over the treatment of ethnic minorities in the reports of the census led him to leave the Office in 1921, for a post at the Free University of Poland [Wolna Wrzechnica Polska], teaching economic policy.

It is clear that Grossman’s politics were profoundly influenced by the Bolshevik revolution. He joined the Communist Workers’ Party of Poland in 1919. His main contribution to the Party’s work was as the secretary and soon the chairperson of the People’s University (PU) from early 1922 until 1925. The PU was a large adult education institution under Communist leadership. Given the Party’s illegal status, the PU provided not only a vehicle for legal cultural and educational work but also a means for bringing together a range of militants from different sectors – workers, students, intellectuals, peasants – in a way that trade unions, for example, could not.

The Polish secret police harassed Grossman, like thousands of other Polish Communists. So he left the country, in late 1925, to take up a job offer from his academic patron in Vienna, Carl Grünberg, by then the Director of the Institute for Social Research in Frankfurt am Main. In order to retain access to his family and friends in Poland, Grossman seems to have made an unofficial deal with the Polish authorities for a kind of qualified exile. He would leave Poland but could return for two weeks a year, so long as he only saw his family and did not engage in political activity. As the pair had planned, Grossman was awarded a higher doctorate [Habilitation], a prerequisite for a
university post, primarily for the research project Grünberg had supervised in Vienna, before the War. In 1929, the University of Frankfurt appointed him to a professorship [ausserordentlicher Professor].

In Frankfurt, he played it safe politically. As a Polish national whose situation in Poland was precarious, he decided not to join the German Communist Party (KPD), although he was a close sympathiser. As a consequence, he was not subject to the full blast of Stalinisation, as the counterrevolution in Russia imposed centralised bureaucratic structures and doctrines concocted in Moscow on the international Communist movement. From 1927, Grossman combined his well-paid and permanent post at the Institute with university teaching. Financially secure, and outside the discipline of a political party, he had far greater freedom than the vast majority of Marxists at that time to elaborate, advocate and defend, publicly and without major apparent risks, economic theories that did not accord with Social-Democratic, Communist or conservative academic orthodoxies.

**Grossman’s recovery of Marxist political economy**

There was a fundamental consistency in Grossman’s work on the political economy of capitalism between his earliest surviving public statement on the topic, a lecture to the Polish Academy of Sciences in 1919, and his death. This was despite shifts in his political loyalties. His views certainly developed: it seems that he first identified the tendency for the rate of profit to fall as the core of Marx’s theory of breakdown in the early 1920s. But key elements were already present in his lecture: the relationship of economics to the class struggle, the importance of the distinction between use- and exchange-value, Marx’s method in *Capital* and the inevitability of economic crises under capitalism. The account below therefore presents Grossman’s positions as a systematic analysis, rather than focussing on the chronology of his work.

**Working-class struggle**

A commitment to socialist revolution as the product of mass working-class struggle and as a precondition for the abolition of class society was at the centre of the politics of the Communist movement which Grossman joined in 1919. But it had long been a feature of Grossman’s outlook. Twelve years earlier, in contrast to the PPSD’s position that there was no need for Jewish workers to take up the Jewish question, because their distinctive problems
would be solved by the victory of socialism, he had invoked Marx’s fundamental and distinctive conception of socialism:

The words of the *Communist Manifesto* that ‘... the emancipation of the workers must be the act of the working class itself ...’ mean, as far as the Jews are concerned, that their emancipation can only be the product of their own political struggle.

And really, equal national rights for the Jewish proletariat are not at all an exotic blossom, ripening somewhere outside the sphere of the day-to-day struggle, that will somehow bring the Jews good fortune on the victory of socialism. Equal rights can only be the result of an inner development which includes both a subjective factor, i.e. the Jewish working class, and an objective factor, i.e. the rest of the capitalist society.  

A Jewish working-class party, Grossman insisted, was a crucial element in this process. His understanding of the relationship between class interest and political organisation already paralleled Lenin’s polemics on the issue and anticipated Lukács’s and Gramsci’s postwar discussions of the role of the party in the promotion of class consciousness.

Recognition, based on scientific socialism, that all forms of social consciousness are to be explained in terms of class and group interests is of great practical significance in the assessment of a proletarian party, i.e. social democracy. This is also significant to the extent that it is true in reverse, that is, the class interests of the proletariat find their expression in party consciousness (in the form of a programme); party consciousness is the multi-faceted expression of the proletariat’s class interests and the most far-reaching interpretation of conclusions drawn from the objective trends of real social development. Workers’ parties do not always fulfil this requirement (as evidenced by the PPSD). Both the character and the content of collective party thought remain directly dependent on the particular party’s adjustment to the very working class whose expression it should be.

The task, therefore, of establishing the Jewish workers’ movement on the basis of Marxism (that is, of fulfilling the above-mentioned tasks, of making abstract socialist theory into the flesh and blood of the workers’ movement;  

21 Grossman 1907b, p. 46. Here and elsewhere in this article, the emphasis is in the original.  
in other words of adjusting it to the development of Jewish society and its particular problems), could, we repeat, only be achieved through the closest possible adaptation of the party organisation to the historical forms of the Jewish proletariat’s condition. It could only be achieved through the mutual organic growth of the party organisation and the workers’ movement itself, just as the latter has grown out of capitalist society.23

Given the constraints faced by Jewish Social Democrats in Galicia – the nationalist hostility of the PPSD and its opportunist alliance with the similarly nationalist German-Austrian Party inside the General Party – such a relationship could only emerge between the Jewish working class and a separate Jewish Social-Democratic party. The features of their national party, imposed on him and his comrades in the JSDP by specific circumstances, and also the pursuit of national cultural autonomy, Grossman mistakenly regarded as principles.24 Elsewhere, large socialist organisations had better relations with Jewish workers, engaging in more serious struggles against anti-Semitism and for the rights of Jews than the PPSD in Galicia or the German-Austrian Party did before the First World War. For example, German Social Democracy from the 1870s and Jaurès and his supporters on the French Left, particularly in the course of the Dreyfus affair, had devoted substantial resources to campaigns against the oppression of Jews.

Grossman placed the class struggle at the centre of the simultaneous processes of transforming working-class consciousness and the material world. The Jewish working class, organised through its own party, faced a paradox. It needed national cultural institutions in order to become politically conscious. But such institutions could only be the result of the mobilisation of a class-conscious working class.

The resolution of this apparent contradiction will be achieved through the very class struggle of the Jewish proletariat itself. Through its political struggle the Jewish proletariat achieves its national and cultural requirements in the state and also becomes both class and nationally conscious. To the extent that it becomes nationally conscious and develops itself, by achieving class consciousness through political struggle, the Jewish proletariat forces its opponents to make concessions and thus both transforms its environment, capitalist society, and makes that environment ready to take its national-cultural needs into account.

24 Grossman 1907b, p. 43.
The above-mentioned, subjective and objective conditions for achieving equal national rights for Jews are bound together and influence each other. The means for realising this struggle and the whole evolutionary process is precisely the independent organisation of the Jewish working class.\textsuperscript{25}

Grossman eventually abandoned the illusion that national cultural autonomy could resolve the national question under capitalism.\textsuperscript{26} But he retained a dialectical understanding of the role of a revolutionary party in transforming the working class into an historical subject.

In his work after 1919, Grossman exposed two perspectives that undermined the revolutionary capacities of the working class. Contrary to what he called the Social-Democratic ‘neo-harmonists’ and most currents of bourgeois economics, he insisted that capitalism is incapable of experiencing sustained, stable and crisis-free growth. Not only Kautsky but ‘Marxist’ economists of Grossman’s own generation, Hilferding and Bauer, who explained crises in terms of disproportions in the outputs of different industries, argued that the policies of parliamentary states could prevent major economic fluctuations and, at the same time, gradually institute socialism.

During the 1920s, Hilferding and Bauer were leaders of the largest parties of the German-speaking working class. Hilferding represented the Social-Democratic Party in the German parliament from 1924 until 1933 and was German Finance Minister in 1923 and 1928–9.\textsuperscript{27} Bauer was the most important figure in Austrian Social Democracy after the War. Despite their formal adherence to Marxist orthodoxies, therefore, they drew the same practical conclusions as Bernstein and the top officials and ideologists of labour and social-democratic parties into the twenty-first century.

Although capitalism is inherently crisis-prone, Grossman maintained that revolution is not possible at all times. Only when objective circumstances have weakened the power of the ruling class is it possible to overthrow the bourgeoisie. Economic crises are an important factor which can undermine the ability of the capitalist class to rule. Grossman was therefore very critical

\textsuperscript{25} Grossman 1907b, p. 47.
\textsuperscript{26} In a multi-national state, national cultural autonomy, the allocation of the cultural and educational affairs of nations to separate institutions that they elect, does not ensure that the national question is politically disarmed, as Grossman, following the Bund and Karl Renner, argued. The national question cannot be reduced to educational, cultural and linguistic matters. When people think in nationalist categories, all political and economic questions are potentially issues in national conflicts. For a detailed discussion see Kuhn 1998.
\textsuperscript{27} [Editorial note: on Hilferding’s political career, see Harman 2004.]
not only of reformist socialists but also of voluntarism, embodied, for him, in the work of Fritz Sternberg. But the belief that the main obstacle to socialism was a lack of revolutionary will was also a feature of the politics of some Communist Parties in the early 1920s and especially of the Communist International after 1928, when it maintained that the political stabilisation of capitalism from the mid-1920s had ended, ushering in a ‘Third Period’ in the postwar era.

Rosa Luxemburg’s work provided a starting point for Grossman’s critiques of reformism and voluntarism. She had identified the centrality of the theory of economic breakdown to Marxism and the implications of Bernstein’s position in both Reform and Revolution and her major economic work, The Accumulation of Capital. Lukács regarded Luxemburg’s insistence that capitalism had a tendency to break down as a fundamental proposition of Marxism, and simply accepted her economic arguments for it. He defended her position against Bauer’s economic critique in philosophical and political terms. The longest essay in his History and Class Consciousness and, indeed, the book as a whole, focussed on ‘the ideological problems of capitalism and its downfall’ and did not ‘discuss the central importance of [the commodity-form] for economics itself’. Grossman also regarded Luxemburg’s grasp of the significance of capitalist collapse as correct.

It was a great historical contribution of Rosa Luxemburg that she, in a conscious opposition to the distortions of the ‘neo-harmonists’ adhered to the basic lesson of Capital and sought to reinforce it with the proof that the continued development of capitalism encounters absolute limits. Frankly Luxemburg’s efforts failed . . .

Her own deduction of the necessary downfall of capitalism is not rooted in the immanent laws of the accumulation process, but in the transcendental fact of an absence of non-capitalist markets. Luxemburg shifts the crucial problem of capitalism from the sphere of production to that of circulation. Hence the form in which she conducts her proof of the absolute economic
limits to capitalism comes close to the idea that the end of capitalism is a distant prospect because the capitalisation of the non-capitalist countries is the task of centuries.\textsuperscript{32}

In contrast to Lukács, then, Grossman, sought to expose the flaws in Luxemburg’s economic analysis, the most influential and systematic account of capitalist breakdown to date. By developing an alternative and superior economic explanation of why capitalism tended to break down, Grossman provided a more solid foundation for her conclusions and complemented the case Lukács grounded in philosophy and politics.

The meaning of a Marxist theory of breakdown is that the revolutionary action of the proletariat receives its strongest impulse only when the existing system is objectively shaken. This, at the same time, creates the conditions for successfully overcoming the resistance of the ruling classes.\textsuperscript{33}

If capitalism can go on forever, consistently increasing the production of wealth, then economic problems, at least, could either be overcome through working-class action to re-allocate wealth or ameliorated into unpleasant but bearable irritants. In these circumstances, Grossman pointed out, the working class could just as easily reconcile itself with capitalism as voluntaristically attempt to realise socialism.\textsuperscript{34}

As Giacomo Marramao insightfully observed:

\begin{quote}
It is no accident that it is precisely in Lukács’ \textit{History and Class Consciousness} that one finds the philosophical equivalent of Grossmann’s great attempt at a critical-revolutionary re-appropriation of Marxian categories.\textsuperscript{35}
\end{quote}

This complementarity was apparent in their restoration of contradictory class interests and perspectives to the centre of Marxist philosophy and Marxist economic theory. Both, however, drew on Lenin; something that neither Marramao nor Grossman’s council-communist supporter, Paul Mattick, acknowledged. What is more, in rejecting Second-International Marxism,

\begin{itemize}
\item\textsuperscript{32} Grossmann 1992, pp. 41–2, 125–6. Also see Grossman 2000, pp. 171–80; Kuhn 2000b; Grossmann 1971c, pp. 318–22.
\item\textsuperscript{33} Grossmann 1971c, pp. 335–6.
\item\textsuperscript{34} Grossmann 1992, pp. 56–7.
\item\textsuperscript{35} Marramao 1975, p. 64. Marramao also highlighted the similarities between the arguments about the consequences of economic crises for working-class consciousness in Lukács’s \textit{History and Class Consciousness} and Grossman’s \textit{The Law of Accumulation} (Marramao 1975–76, pp. 162–3). See, in particular, Lukács 1971, pp. 30, 40, 70.
\end{itemize}
Lenin, Lukács and Grossman all developed an appreciation for Hegelian aspects of Marx’s thought.36

There were already some parallels, before the War, between the positions on the role of a revolutionary party that Grossman and Lenin held. From the early 1920s, Grossman’s political activities and his publications demonstrated that, for him, Lenin was the pre-eminent figure amongst Marxists who ‘have written extensively on the political revolution’ and had established the framework for his own economic analysis.37 In Elster’s *Dictionary of Economics*, Grossman expounded and approved of Lenin’s view that

> The spontaneous struggle of the proletariat will never become a real class struggle, so long as this struggle is not led by an organisation of revolutionaries. The revolution cannot, indeed, be ‘made’; its growth is an organic ripening process; there must, however, also be a revolutionary reaper, who brings in the ripe crop. To the Mensheviks’ ‘tactics as process’, i.e. as spontaneous process of becoming, Lenin counterposed ‘tactics as plan’, as conscious leadership. The task of the party as the avant-garde of the proletariat should not consist of lagging behind the spontaneous course of events. The party has, much more, to actively support all expressions of protest against the established régime, take on their organisation, finally proceed to prepare and carry through the armed uprising. During the whole period, therefore, the party fulfills the function of collective organiser and leader, which is not dissimilar to the position of a commander in chief during a war.38

Like Lukács, in his 1924 essay on the leader of the Russian Revolution, Grossman also endorsed Lenin’s account of the circumstances under which a socialist revolution can take place.39 Against Sternberg’s voluntarist argument – that revolution was an act of the will – and his mistaken view that Marx believed revolution would be the ‘automatic’ consequence of entirely economic forces, Grossman cited ‘a specialist in revolutionary matters and at the same time a Marxist’.

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38 Grossmann 1971b, p. 45.
Marxists, said Lenin in 1915, know perfectly well that a revolution cannot be ‘made’, that revolutions develop from crises and turns in history, which have matured objectively (independently of the will of parties and classes). . . . Only then is a further subjective condition of significance . . . ‘the capacity of the revolutionary class for mass revolutionary action’, which presupposes an organisation of the unified will of the masses and long experience in everyday class struggles.\[40\]

Lukács expressed Marx’s dialectical conception of revolution in Hegelian terms. The working class was an object of history, created by the process of capital accumulation. The experience of the class struggle, which was also a consequence of capitalist relations of production, meant that the working class could also become the subject of history, conscious that its interests could only be realised through socialist revolution.\[41\] This was, no doubt, one of Grossman’s reasons for describing *History and Class Consciousness* as a ‘beautiful and valuable book’ in his survey of Marxism after Marx. He also summarised Marx’s political position in distinctly ‘Lukácsian’ terms:

The main result of Marx’s doctrine is the clarification of the historical role of the proletariat as the carrier of the transformative principle and the creator of the socialist society. . . . In changing the historical object, the subject changes himself. Thus the education of the working class to its historical mission must be achieved not by theories brought from outside but by the everyday practice of the class struggle. This is not a doctrine but a practical process of existing conflicts of interests, in which doctrines are tested and accepted or discarded. Only through these struggles does the working class change and re-educate itself and become conscious of itself. Marx’s attack on the ‘fatalistic economists’ is only an illustration of the fact that his dialectical concept of history has a twofold significance. In this he follows Hegel, for whom history has both an objective and a subjective meaning, the history of human activity [*historia rerum gestarum*] and human activity itself [*res gestas*]. The dialectical concept of history is not merely an instrument with which to explain history but also an instrument with which to make history.\[42\]
Use-value and exchange-value

The everyday functioning of capitalist exchange serves as a form of automatic self-camouflage for capitalist relations of exploitation. In *Capital*, Marx identified this as the ‘fetishism of commodities’. Lenin’s study of Hegel, during the First World War, led him to recognise the need for historical-materialist explanations of both the fundamental logic of capital accumulation and the way it obscures itself in capitalism’s surface appearance. Lukács used the concepts of totality and reification to explore the same issues of appearance and reality in greater depth. As early as 1919, Grossman, similarly, drew attention to the importance of grasping the contradictory unity of capitalist commodities as ‘use-values’, with particular material characteristics, and as ‘values’, the products of human labour. Capitalist production is, consequently, the unity of the labour process, that gives rise to use-values, and the valorisation process (revolving around the extraction of surplus-value from the working class). The socially necessary labour expended in the creation of commodities determines their value, which takes the form of ‘exchange-value’ in market relations. The economic implications of the use-value aspect of capitalist production are concealed by the obviousness of exchange-value. Hence the inadequacy of the work of mainstream economists and even many of those who identified themselves as ‘Marxists’, which does not look behind capitalism’s camouflage.

To Max Horkheimer, Grünberg’s successor as Director of the Institute for Social Research, Grossman explained, in 1936, that Marx had not wanted to complete but rather ‘to revolutionise’ the categories of classical political economy. His discovery extended beyond identifying the use-value and exchange-value sides of the commodity and human labour to analysis of the dual character of the production process, the reproduction of social capital, capital itself and the organic composition of capital. Understanding the two-fold nature of economic phenomena entails criticism of ‘previous theory for only looking at individual, isolated sectors, instead of grasping the concrete totality of economic relations’. Marx’s critique of Ricardo’s categories of value,

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and the changes he made’, Grossman pointed out ‘closely resembles Marx’s critique and transformation of Hegel’s dialectic’.\textsuperscript{46}

In a draft of his 1941 essay ‘Marx, Classical Political Economy and the Problem of Dynamics’, the affinities between Grossman’s approach to Marxist economics, Lukács’s contribution to Marxist philosophy and also Lenin’s recovery of Marxist politics were particularly apparent. By means of the distinction between use-value and exchange-value and an analysis of commodity fetishism, Grossman focussed the insight that the working class was not only an object of the historical process but also a creative subject to illuminate the heart of capitalist production.

Here, in the labour process, labour takes the form not of a tool, but ‘labour itself appears as the dominant activity’; here the world of objects does not control labour; rather all of the means of production [i.e. the machinery, equipment, buildings and raw materials used in the production process] are subordinate to labour.\textsuperscript{47}

The contradiction between capitalist production as a labour process and as a process driven by the creation of value through the exploitation of wage-labour was, for Grossman, the ultimate cause of capitalism’s breakdown tendency:

\begin{quote}
[A]s a consequence of this fundamentally dual structure, capitalist production is characterised by insoluble conflicts. Irremediable systemic convulsions necessarily arise from this dual character, from the immanent contradiction between value and use-value, between profitability and productivity, between limited possibilities for valorisation and the unlimited development of the productive forces. This necessarily leads to overaccumulation and insufficient valorisation, therefore to breakdown, to a final catastrophe for the entire system.\textsuperscript{48}
\end{quote}

The capitalist valorisation process also conceals the labour process. Both the fetishism of commodities and capitalism’s tendency to break down therefore

\textsuperscript{46} Grossmann 1977, pp. 44–5. Grossman made the same point and included a critique of Otto Bauer’s mistaken view, expressed in 1907, that Marx’s dialectical method was identical to Hegel’s, in Grossman 1937, pp. 133–41.

\textsuperscript{47} Grossman 1937, p. 111.

have their roots in the double nature of production under capitalism. Freed from the valorisation process, Grossman argued, production could be organised on a social basis and become a technical labour process, without crises and without the mystification that arises from the commodity-form:

Where the social interrelations of individual production processes are directly determined and planned, there is no room for the law of value, whose most important task consists in the production of these social interrelations. Social equilibrium, calculated in advance, no longer has to be restored subsequently by means of the mystical veil of value. 49

Grossman developed two, complementary theories of capitalist crises. The distinction between use- and exchange-value was vital to his first explanation of the inevitability of crises, in terms of the impossibility of consistently maintaining proportional outputs amongst industries. This is hard enough in terms of exchange-value: each industry has to produce just the right amount of products of the correct exchange-value to match other sectors’ demands and capacities to purchase them. But crisis-free production also requires that the physical amounts produced have to match the material (use-value) requirements of purchasers of specific means of production and consumption.

Agreement between the two movements can only be an accident, and their disproportion is a constant and unavoidable phenomenon of the economic mechanism under investigation, a disproportion resulting from the double character of its essence, which is on the one hand a process of making pay [valorisation process], on the other, one of work [labour process]. 50

Crises would arise even under conditions of simple reproduction, that is, even when the scale of production remained the same over time. 51 This account of crises due to disproportionality, grounded in the dual nature of the capitalist commodity, was more radical than the disproportion arising from capitalist competition to which Hilferding and Bauer had drawn attention. Their concentration on exchange relations suggested that economic planning by capitalist states could eliminate crises and, with Social-Democratic ministers at the helm, open the way to a gradual and crisis-free transition to socialism. 52

51 Grossmann 1977, p. 41; also Grossmann 1992, pp. 119, 128.
52 In an unpublished manuscript, Grossman provided an example of how, when commodities are treated as use-values as well as exchange-values, Bauer’s utopia of proportional accumulation falls apart, Grossman ‘Entwertung’.
Marx’s method

His recovery of Marx’s understanding of the totality of social relations and the need to explain the appearances of the surface of the capitalist economy in terms of its fundamental structures, was also the basis on which Grossman developed the most systematic and compelling account, to that point, of the structure of Capital. His work in this area, from 1919 (or earlier), paralleled Lenin’s then unpublished comments on the relationship between appearance and reality and Lukács’s analysis in *History and Class Consciousness*. Like their insights, it was connected with an appreciation of Marx’s debt to Hegel.53

In his first published discussion of capitalism’s tendency to break down, Grossman argued that, as in the natural sciences, it is necessary to abstract from ‘accidental and external influences’ and abandon ‘naïve empiricism’ in order to grasp ‘whether crises result from the essence of the economic mechanism under consideration’.54 A decade later, he published an essay which he called a ‘small programmatic work’.55 ‘The Alteration of the Original Plan of Marx’s *Capital* and Its Causes’ dealt with much more than the differences between drafts of Marx’s economic study. It was concerned with Marx’s method and its implications for the Marxist understanding of capitalism. In this sense, the article provided a justification for the method used in *The Law of Accumulation*, and highlighted some of the book’s most important conclusions.56

In his 1859 *Contribution to a Critique of Political Economy*, Marx had foreshadowed that the structure of his study of capitalism would deal successively with capital, land ownership, wage-labour, the state, foreign trade and the world market. That is, it would reflect certain basic, empirical features of capitalism. But the four volumes of *Capital* (including *Theories of Surplus-Value*) eventually dealt with the capitalist production process, the circulation process of capital, the process as a whole, and the history of economic theory. The final presentation was much more theoretical.57

In 1924, Grossman had linked Sismondi’s reproduction scheme and method of abstraction.58 Now, on the basis of Marx’s correspondence, he pinpointed the decision to change the structure of *Capital* to July–August 1863, coinciding

54 Grossman 2000, p. 175.
55 Grossmann 1969, p. 86.
56 Grossmann 1929, pp. 305–38.
57 Grossmann 1929, p. 311.
with Marx’s work on the reproduction scheme that was eventually an important element in the argument of Volume II. In order to lay bare the process through which capitalist production, from the perspective of total social capital, is sustained over time, Marx set out abstract models consisting of just two departments of production: the first combined variable capital (labour-power) and constant capital (means of production) to create surplus-value – (that is, new value) by producing means of production; the second by producing articles of consumption. Marx considered the exchanges between the two departments and the conditions which must hold true if reproduction is to take place smoothly, both when the level of output remains constant and when it expands. As we have seen, these conditions relate to the proportions, in both material and value terms, amongst the inputs and outputs of commodities in both departments of production.

Grossman pointed out that the perspective underpinning Marx’s schemes, in particular a series of simplifying assumptions or abstractions, had already been elaborated in Volume I of *Capital*. These abstractions laid bare the relations which determined capitalism’s basic logic in the creation of surplus-value. The abstractions Marx made in the first stages of his analysis included a focus on industrial capital, to the exclusion of circulation and the credit system; the assumption that commodities sold at their value and therefore the exclusion of foreign trade, fluctuations in supply, demand and the value of money; putting aside the different forms that surplus-value takes (taxes, ground rent, interest and commercial profit), apart from industrial profit; and the temporary assertion that society only consisted of the two classes of capital and labour, whose relationship defines the capitalist production process.

In the literature, there was a great deal of confusion about Marx’s method. György Lukács, Grossman acknowledged, had grasped it, unlike Luxemburg. Lukács had understood that Marx abstracted to a society without any classes but workers and capitalists, ‘for the sake of argument, i.e. to see the problem more clearly, before pressing forward to the larger question of the place of this problem within society as a whole’. But, Grossman pointed out against Lukács, *Capital* was not ‘a fragment’ and Marx himself, rather than Luxemburg, undertook the return journey to the living whole, re-introducing into his now clarified analysis elements previously abstracted from. For, as *The Law of

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59 Grossmann 1929, p. 329.
60 Grossmann 1929, pp. 312–21.
Accumulation demonstrated, ‘to every simplifying, fictional assumption’ in Marx’s system, ‘there corresponds a subsequent modification’. Particularly in Volumes II and III of Capital, Marx introduced complicating factors, step by step, exploring their effects and progressively revealing and explaining specific features of empirical capitalism. By means of this account, Grossman dissolved objections by critics of Capital that there were contradictions between the first and the subsequent volumes. Although neither Marx’s preliminary draft of Capital, subsequently published as Grundrisse, nor his later drafts were available to Grossman, his pioneering treatment of the logic of Capital is still widely acknowledged.

Grossman’s grasp of Marx’s scientific method in Capital was also apparent in his work on the history of science. In a devastating critique of Franz Borkenau’s work, he demonstrated that the extensive use and study of machines during hundreds of years of capitalist development had facilitated the process of abstraction embodied in early modern physics.

Capitalism’s breakdown tendency

Grossman is best known for his explanation of capitalism’s ‘law of breakdown’ in terms of the tendency for the rate of profit to fall, his second theory of capitalist crises. It drew extensively on Marx’s account in Volume III of Capital. Standard presentations of Grossman’s work ignore the political argument about the circumstances under which revolution is possible, that he explicitly established as the context for his economic analysis. They similarly ignore his method of presentation, that followed Marx’s in Capital, and Grossman’s own systematic discussion of counter-tendencies which bolster profit rates.

The dual nature of commodities underpinned Grossman’s second theory of crises as it did the first.

This same duality serves to reveal the category which occupies the central place in Marx’s system: the falling average rate of profit, the ‘motive power

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64 Kenneth Lapides (1992) provides an excellent survey of the debate on the completeness of Capital, Marx’s modifications of its structure and their implications, as well as Grossman’s contribution. The article includes translations of passages from Grossmann 1929. Morf (1970, pp. 104–8) and Rosdolsky (1980, pp. 23–6), however, were critical of Grossman’s explanation of the changes in Marx’s plan for Capital. Also see Sweezy 1970, p. 18.
of capitalist production’. In *Capital* we find it repeatedly stressed that ‘the inner opposition of use-value and value hidden in the commodity’ develops and grows along with the development of capitalist production. The nature of the opposition between use-value and value in the commodity, and why it assumes constantly growing proportions, was never treated as a problem. However, when seen in connection with the presentation of the development of the productive power of labour in Volume I, the presentation of the tendency of the rate of profit to fall in Volume III of *Capital* shows that Marx also derives this category from the dual character of labour, namely the inverse movement of the mass of use-values and values as a consequence of the increase in the productive power of labour: the richer a society becomes, the greater the development of the productive power of labour, the larger the volume of useful articles which can be manufactured in a given period of labour; however, at the same time, the value of these articles becomes smaller. And since the development of the productive power of labour means that a constantly growing mass of means of production (MP) is set in motion by a relatively constantly falling mass of labour (L), the unpaid portion of labour (surplus-value or profit) must progressively fall.\(^66\)

Eventually, the valorisation process, through the fall in the rate of profit, brings capital accumulation to a halt, even though, ‘[f]rom a purely technological aspect, as a labour process for the production of use-values, nothing could impede the expansion of the forces of production’.\(^67\) The very mechanism through which capitalism increases the productivity of human labour necessarily undermines the rate of profit\(^68\) and hence gives rise to economic crises. Contradictions at the heart of the capitalist production process constitute the ‘law of capitalist breakdown’. In Marx’s words ‘The real barrier of capitalist production is capital itself’.\(^69\)

For polemical purposes, Grossman demonstrated the mechanisms at work by using a simplified version of Otto Bauer’s reproduction scheme.\(^70\) Bauer

\(^{66}\) Grossmann 1977, p. 41 also see pp. 47–8; and Grossmann 1992, pp. 61, 119, 123–4, 144–7.


\(^{68}\) Grossman ‘Entwertung’.


\(^{70}\) Grossman’s more abstract model had the advantage that conclusions derived from it would be true even when the equalisation of profit rates across industries or departments of production transformed commodities’ values into the ‘prices of production’ Grossmann 1932a, pp. 63–4. Gurland (1930) and Neisser (1931), two of Grossman’s early critics and more recently Howard and King (1989, p. 330) were
had developed it, on the basis of Marx’s schemes of capitalist accumulation in Volume II of *Capital*, to refute Rosa Luxemburg’s argument that accumulation could only occur when ‘third parties’, outside the framework of capitalist production, provided markets for a portion of capitalist output. Bauer’s numerical model made assumptions about the rate of accumulation (ratio of new investment in labour-power and constant capital to outlays on these in the previous cycle), the rate of surplus-value (ratio of surplus-value to the value of the labour-power which created it) and the rate of population growth. For four cycles (‘years’) of production, the model ran quite smoothly, and showed that capitalism could survive without external markets, that the system would not break down in the way Luxemburg argued it would. A realistic feature of Bauer’s scheme was the assumption that constant capital accumulated at a more rapid rate than variable capital. In other words, over time, capitalists’ outlays on means of production grow compared to what they pay on wages to purchase labour-power. The *organic composition of capital* tends to rise. Because only living labour creates surplus-value, given a constant rate of surplus-value, this means that the rate of profit (the ratio of surplus-value to capitalists’ total outlays on variable and constant capital) tends to fall.

Grossman noted that:

> Bauer’s scheme is insufficient on many grounds... I wanted to demonstrate that the result of even this, his mistaken scheme is breakdown and not equilibrium. I do not want, however, to identify myself with Bauer’s scheme under any circumstances.71

By letting it run for thirty-six cycles rather than just four, Grossman showed that this very model, designed to refute Luxemburg’s theory of breakdown, actually confirmed the validity of her conclusion. Bauer’s own model demonstrated that there are definite limits to capitalism’s capacity to grow, although these were not a consequence of the mechanism Luxemburg had identified.72

Like his fellow neo-harmonists, Bauer thought that the rate of profit could tend downwards, indefinitely getting closer and closer to zero without ever disappearing entirely. Grossman demonstrated why this is not the case. His oblivious to this consequence of the difference between Grossman’s and Bauer’s models.

explanation remains important as a refutation of the reformist illusion that capitalism is capable of sustaining crisis-free growth.

After twenty cycles of the Bauer/Grossman model, the incentive for capitalists to invest begins to decline because the absolute amount of surplus-value available for the private consumption of the capitalists has to fall, if the assumed rate of accumulation of constant and variable capital is to be maintained. This is despite the fact that the total mass of profit continues to rise. Grossman argued that, as a consequence, capitalists will start seeking outlets for profitable investment outside production, especially in speculative activity and the export of loan capital.\(^\text{73}\) By year 35, no surplus-value is available for capitalists’ private consumption at all. What is more, the total amount of surplus-value is now not even sufficient to purchase the additional constant and variable capital required to sustain the model.

So either working-class wages have to be reduced or previous assumptions [of the model] must be broken. In particular the assumption that, with a 5% annual increase in population, constant capital must accumulate at 10% a year if technological progress is to match population growth has to be lifted. \ldots \text{The tempo of accumulation must decline from now on and indeed slow down continuously and progressively. Accumulation cannot keep up with population growth. Fewer and fewer machines etc than are really required can be put in place, which means nothing else than that the development of the productive forces is constrained. As a consequence, from this year on an increasingly large reserve army [of unemployed workers] emerges. The slowing of the tempo of accumulation and the emergence of a reserve army occur, not as Bauer thinks, because wages have risen, but despite the fact that, in accord with our assumption, wages have been constant for the whole time!!}\(^\text{74}\)

Whatever the rate of accumulation assumed in the model, the rate of profit eventually declines to a level at which the mass of surplus-value is not great enough to sustain that rate of accumulation.\(^\text{75}\) Furthermore, because accumulation takes the form of investment in concrete use-values, it will ultimately become impossible to invest the arbitrarily small fragment of


\(^{75}\) Grossmann 1992, p. 103; also see Grossmann 1971c, pp. 331–2.
additional surplus-value produced as the rate of profit declines. The rate of profit cannot fall indefinitely without triggering a crisis. It was this mechanism, which he identified as intrinsic to the process of capital accumulation, that Grossman regarded as ‘the decisively important’ factor in Marx’s theory of economic crisis and breakdown. What is more:

The limits to accumulation are specifically capitalist limits and not limits in general. Social needs remain massively unsatisfied. Yet from the standpoint of capital there is superfluous capital because it cannot be valorised.

Grossman developed a formula for calculating when these limits are reached, in order to highlight the factors which slow down or accelerate the collapse. The crisis is accelerated by a higher organic composition of capital and a faster rate of accumulation of constant capital. The effects of a rise in the rate of accumulation of variable capital is ambiguous, while a higher rate of surplus-value slows down the tendency for capitalism to break down.

Offsetting mechanisms, Grossman pointed out, mean that capitalism’s tendency to break down will take the form of recurring crises, rather than an uninterrupted collapse. ‘In this way the breakdown tendency, as the fundamental tendency of capitalism, splits up into a series of apparently independent cycles which are only the form of its constant periodic assertion’. A crisis is both a consequence of capitalism’s breakdown tendency and, ‘from the standpoint of capitalist production, a healing process through which the valorisation of capital is restored’, for the time being. During crises, the means of production of enterprises that experience difficulties are sold off at a discount. The new owners can therefore achieve a higher rate of profit even if they extract no more surplus-value from the same number of employees. When unemployment rises, as a result of a crisis, workers’ bargaining power declines, so capitalists are also generally better placed to drive down wages and hence to increase the rate of surplus-value.

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77 Grossmann 1992, p. 83.
Counter-tendencies

Having established the fundamental causes of capitalism’s tendency to break down, the next stage in Grossman’s second account of economic crises was to examine the consequences of both automatic mechanisms and deliberate policies which off-set falling profit rates. He considered the consequences of lifting Bauer’s unrealistic assumptions.82 In doing so, Grossman drew on and extended the discussion of counter-tendencies in Capital and reinforced Marx’s conclusions.83

Commodities can be produced with the expenditure of less labour as a consequence of the introduction of new technologies and superior means of production. This applies to both commodities which are means of production and to the means of consumption that workers require to reproduce their labour-power. If means of production are produced at a lower cost, the organic composition of capital will decline and the rate of profit will rise. Nevertheless,

[T]he factors which bring about the tendency for the rate of profit to fall indeed win the upper hand ‘in the long run’, because in the end there really is an increase in the productive forces of all branches of industry. Temporarily, in specific branches of a particular industry, the tendency for the rate of profit to fall can, however, be checked and indeed because the elements of constant and variable capital are cheapened.84

In the short term, random improvements in the productivity of labour may reduce the value of constant capital more than that of variable capital in a branch of industry, lowering the organic composition of capital and raising the rate of profit. But in the longer term, declines in the value of constant and variable capital balance out. What remains is the incentive, outlined by Marx at the end of the chapter on ‘The law as such’ in the third volume of Capital, to increase the productivity of human labour (and the profitability of the first capitalists to innovate) by raising the organic composition of capital.85

In an unpublished response to critics, Grossman identified the question of whether the growth in the mass of means of production is offset by the decline in their value as an empirical one.

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Experience, indeed the experience of more than one hundred years, teaches that the value of constant capital, thus also of the total capital, in relation to variable capital grows more quickly than variable, that is, in the relationship \( cv \), \( c \) [constant capital] grows faster than \( v \) [variable capital].

Cheapening the cost of variable capital increases the rate of surplus-value, by reducing the proportion of the working day workers have to spend reproducing their labour-power. The depression of wages below the value of labour-power has a similar effect. Both mechanisms, the first a consequence of the process of capital accumulation itself, the second the result of the conscious actions of capitalists and governments, raise the rate of surplus-value, increasing the rate of profit and postponing the onset of crises. What is more, the tendency for the rate of profit to fall is accompanied by a tendency for the rate of surplus-value to increase.

Desirable as the defence of working-class living standards is for its own sake, Grossman pointed out that

[O]nce this connection is clear, we have a means of gauging the complete superficiality of those theoreticians in the trade unions who argue for wage increases as a means of surmounting the crisis by expanding the internal market. As if the capitalist class is mainly interested in selling its commodities rather than the valorisation of its capital.

It makes sense for workers to struggle for higher wages and against wage cuts. This is the only means they have to defend and improve living standards and can also lay the foundations for struggles that consciously challenge the continued existence of the capitalist order. But, to the extent that they are successful, campaigns to maintain or increase wages will prevent employers from increasing the rate of profit or will reduce it. Higher wages intensify rather than alleviate crises deriving from the tendency for the rate of profit to fall.

Grossman identified a series of other factors which affect the rate of profit. Decreasing the turnover time of capital means that it can give rise to more

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86 Grossman ‘Entwertung’. The emphasis is Grossman’s rather than Bauer’s. For a recent illustration of the decreasing weight of labour costs in manufacturing capitalists’ outlays see The Economist 2003.
87 Anwar Shaikh (1990, p. 308) has, nevertheless, demonstrated that ‘no matter how fast the rate of surplus-value rises, the rate of profit eventually falls’.  
89 Grossmann 1992, p. 140.
surplus-value. This can also free a portion of money capital for productive investment. New commodities may emerge whose organic composition of capital is lower than the average, leading to a higher average rate of profit.\footnote{Grossmann 1992, pp. 147–9.} The extension of capitalist production on the basis of existing technology – simple accumulation – will slow the tendency for the rate of profit to fall.\footnote{Grossmann 1992, pp. 154–5.}

As the ability of productive capitalists to dominate the whole of the circuit of capital grows, they are in a better position to reduce deductions from surplus-value, in the form of the claims of landowners (groundrent), commercial capitalists (commercial profit) and banks (interest), and thus to sustain their profitability.\footnote{Grossmann 1992, pp. 149–52, 199–200.} Decreasing the income of intermediate social strata, bureaucrats and professionals, who are not involved in production operates in the same way.\footnote{Grossmann 1992, pp. 153–4.} The destruction of means of production in military conflict also weakens the breakdown tendency.\footnote{Grossmann 1992, p. 158.}

Imperialism generates a series of other mechanisms which can offset the tendency for the rate of profit to fall. For Grossman, as for Luxemburg, ‘the growing tendency to break down and the strengthening of imperialism are merely two sides of the same empirical complex’. Imperialism is a means of ‘securing the flow of additional surplus-value from outside’ a country. But, Grossman asserted, Lenin’s critique of underconsumptionism and emphasis on the export of capital as a characteristic feature of imperialism since the late nineteenth century refuted Luxemburg’s analysis of imperialism primarily as a means to realise surplus-value.\footnote{Grossmann 1992, pp. 318–22. Also see Grossmann 1970, pp. 527–9.} Like the other Marxists who had dealt with the export of capital, in the form of loans, credits and speculative investments, Lenin’s account was, however, more empirical than analytical.\footnote{Grossmann 1970, pp. 519–20; Grossmann 1992, pp. 179–85, 194.} Rather than being directly related to the level of monopolisation of industry, as Lenin suggested, capital export is a consequence of the lack of opportunities for adequate returns on domestic investments of liquid funds, due to low profit rates. Capitalism’s tendency to break down, in other words, encourages the export of capital. By instituting control over sources of cheap raw materials at the expense of competitors, for example, capital export and the policies of imperialist states which promote it can boost the profitability of metropolitan
capitalists. Rampant gambling on the stock exchange is often similarly motivated by the declining opportunities for profitable investment in advanced capitalist countries.

Just as the diversification of domestic economies into new areas of production expands the scope for creating surplus-value by making different use-values, so foreign trade also slows the breakdown tendency by increasing the variety of use-values. In addition, foreign trade raises profit rates by allowing greater economies in the scale of production and distribution.

Imperialism off-sets capitalism’s tendency to break down in a further way. The formation of a world rate of profit means that trade can involve the transfer of surplus-value from less to more developed countries. Commodities produced with a lower organic composition of capital sell below their value, while those produced with a higher organic composition sell above theirs. This was a rigorous formulation of a theory of ‘unequal exchange’, a term Grossman used, long before the idea became fashionable in the 1970s.

At advanced stages of accumulation, when it becomes more and more difficult to valorise the enormously accumulated capital, such transfers [from underdeveloped to developed countries] become a matter of life and death for capitalism. This explains the virulence of imperialist expansion in the late stage of capital accumulation.

Grossman’s conclusion about the logic of imperialism has a particularly contemporary resonance.

It is also, therefore, clear that the struggle for spheres for investment is the greatest danger to world peace. That this does not involve prediction of the future should be clear to anyone who studies the methods of ‘Dollar Diplomacy’ with the appropriate attention.

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Economic crisis and socialist revolution

In the final stage of his explanation of capitalism’s breakdown tendency and crises, in terms of the tendency for the rate of profit to fall, Grossman operated at a concrete level of analysis, focusing on implications for the class struggle.103 Counter-tendencies can temporarily offset the decline in the rate of profit and moderate crises so that they do not result in total economic collapse. But the counter-tendencies become progressively weaker.

If crisis, for him [Grossman], is a tendency to break down that has not fully unfolded, then the breakdown of capitalism is nothing but a crisis that has not been limited by counter-tendencies.104

Hilferding argued that planning, within the framework of capitalism, could prevent crises. He did so because he attributed crises to the anarchy of production.105 But, Grossman countered, capitalism is a global system that makes effective planning in individual countries impossible. Even more importantly, as the proneness of the capitalist mode of production to crises does not arise directly from competition but rather indirectly from the overaccumulation of capital and its effects on the rate of profit, ‘organised capitalism’ will not resolve the underlying problem.106

Economic crises, such as the Depression from 1929 onwards, are unavoidable and can trigger sharp class struggles, as employers attempt to sustain their own consumption as well as capital accumulation, at the expense of wages. If bosses generally win in these conflicts, labour-power will not be fully reproduced, in other words, the working class will be paid less than the value of its labour-power. If workers maintain or improve their living standards, then the rate of accumulation will slow, technological change stagnate and the crisis will become more acute. So ‘the breakdown, despite its objectively given necessity, can be influenced by the living forces of the struggling classes to a large extent and leaves a certain scope for active class intervention’.107

103 The final chapter of Grossmann 1970, which concludes Grossman’s argument at the most concrete level of analysis, focusing on implications for the class struggle, is missing from Grossmann 1992.
104 Grossmann 1971c, p. 335.
The prospects for socialist revolution are increased by the circumstances of deep economic crises, ‘when every major economic struggle necessarily becomes a question of the existence of capitalism, a question of political power’. Revolution is ‘a result of immediate everyday struggles and its realisation can be accelerated by these struggles’.  

Far from propounding a theory of the automatic collapse of capitalism, as his critics alleged, Grossman’s second theory of capitalist crises explored the objective preconditions for successful revolutionary action by the working class. In explaining his approach to Mattick, Grossman emphasised points he had made previously in print.

Obviously, as a dialectical Marxist, I understand that both sides of the process, the objective and subjective elements influence each other reciprocally. In the class struggle these factors fuse. One cannot ‘wait’ until the ‘objective’ conditions are there and only then allow the ‘subjective’ factors to come into play. That would be an inadequate, mechanical view, which is alien to me. But, for the purposes of the analysis, I had to use the process of abstract isolation of individual elements in order to show the essential function of each element. Lenin often talks of the revolutionary situation which has to be objectively given, as the precondition for the active, victorious intervention of the proletariat. The purpose of my breakdown theory was not to exclude this active intervention, but rather to show when and under what circumstances such an objectively given revolutionary situation can and does arise.

**Recovery and loss**

Grossman’s recovery of Marx’s theory of economic crisis proved to be a short interlude of illumination between the fog of orthodox Second-International Marxism and the violent storm clouds of Stalinism. The international working class experienced disastrous setbacks during the late 1920s and early 1930s. Stalin’s faction was victorious in Russia. It subordinated the international Communist movement to the interests of the state-capitalist ruling class now in control of the Soviet Union. The Nazis destroyed the German labour movement in 1933. The upsurge in working-class struggle and organisation

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which were the context of the recoveries of Marxism undertaken by Lenin, Lukács and Grossman had ended and the international working class was generally on the defensive. The space for the revolutionary-Marxist tradition that rejected both social democracy and Stalinism contracted dramatically.

The Stalinised Communist movement substituted justifications for Russian nationalism, hyper-exploitation of workers in the Soviet Union and dictatorial authority, that is, ‘Marxism-Leninism’, for Marxism. This new conservative ideology negated Lenin’s internationalism, his understanding of the nature of proletarian state power and insights into the relationship between a revolutionary party and the working class. Most prominent Communists made an accommodation with Stalinism. They included Lukács who repudiated his own contributions to the recovery and development of Marxism.111 Very small numbers of people, amongst whom Trotsky and his supporters were the most effective, continued to defend revolutionary Marxism.

A few exceptions aside, the initial reception of The Law of Accumulation was very unfriendly.112 The reviews were shaped by the Stalinist, bourgeois and social-democratic politics of their authors. Grossman was a Communist sympathiser until 1933. But, unaffected by party discipline, he was unaware of the implications of Stalinism and regarded his views, based on Marx and Lenin and shaped by his own experiences of working-class organisation and struggle, as compatible with the outlook of the official Communist movement. Stalinist ideologues were, however, very conscious of the contradictions between his work and their orthodoxies.

On the level of politics, Communist attitudes to Grossman’s work were conditioned by the emergence of a dogma in economic theory, paralleling developments in many other areas. It was based on Stalin’s unchallengable utterances and presided over by his high priest in economics, Jenő Varga. Any theory which did not accord with their radical underconsumptionist explanation of economic crisis was a challenge to Stalin’s authority and that of the hierarchy of the Communist International.

In terms of specific content, Grossman’s work embodied ideas that might prompt unwanted scrutiny of social relations in the Soviet Union. This could be a dangerous consequence of his critical focus on the fetishism of commodities

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112 For details about the reception of Grossman’s book and his responses to critics see Kuhn 2004.
and their dual nature, as use- and exchange-values; his location of the roots of economic crises in contradictions at the heart of capitalist production; his identification of the working class as a potential historical subject; and his advocacy of a method that abstracted from surface appearances to reveal the essence of social reality. For, despite state ownership of the means of production, the Russian economy was still organised according to the logic of commodity production and was periodically disrupted by economic crises. The régime's rhetoric about planning and the dictatorship of the proletariat denied the reality of arbitrary decision making and the dictatorship of a new bureaucratic, capitalist class.

Bourgeois economists and social democrats were just as understandably hostile to Grossman's theory. It maintained that capitalism was necessarily crisis-prone and ruled out a crisis-free transition from capitalism to socialism. The judgements in the first hostile reviews of his book, particularly that Grossman was guilty of arguing that capitalism would break down automatically, have been regurgitated ever since in standard accounts of Marxist economics.\(^\text{113}\)

The politics of the Social-Democratic and Stalinist organisations which dominated the Left meant that positive assessments of the core argument in *The Law of Accumulation* were confined to the margins of the international labour movement. In France, Mohan Tazerout, a professor in provincial lycées, praised the work.\(^\text{114}\) Paul Mattick espoused Grossman's contributions to Marxist economics in English and German for fifty years.\(^\text{115}\) Until the 1960s, however, his political audience was tiny. During the 1930s, translations of Grossman’s work only appeared in Japanese, Czech and Serbo-Croatian, but not French, Spanish or English, let alone Russian. With two exceptions, it was not until the late 1960s that more of Grossman's work was republished in any language.\(^\text{116}\)

The circumstances of what Victor Serge called the midnight in the century, when Stalinism and fascism were triumphant, help explain the political

\(^{113}\) For instance, Howard and King 1989, pp. 316–36; and Hansen 1985, pp. 65, 142. Sweezy (1970, pp. 211–13, 215) asserted that Grossman’s crisis theory was mistaken and ‘exhibits in extreme form the dangers of mechanistic thinking’ but did endorse some of his other conclusions and refrained from the common accusation that Grossman thought capitalism would collapse without the need for working-class intervention.\(^\text{114}\) Tazerout 1932.

\(^{115}\) For example, Mattick 1934; Mattick 1974.

\(^{116}\) The exceptions reinforce the basic point. They were a Czech edition of an essay, published in 1946 before the Communist takeover; and a Serbo-Croatian edition of *The Law of Accumulation*, published in 1956, well after Yugoslavia’s departure from the Soviet bloc.
trajectories of Grossman, his immediate associates and many working-class militants. The labour movement’s defeats during this period also destroyed or obscured much of the tradition of revolutionary Marxism, including Grossman’s contribution.

After the Nazi seizure of power in 1933, Grossman left Germany for Paris, where he lived until moving to London in early 1936. The disastrous policies of the German Left, which had allowed Hitler to take over without a serious fight, led Grossman to reassess his attitude to official Communism. At least for a period, his views were influenced by participation in a discussion group whose other members included Paul Frölich and Jacob Walcher, founding members of the KPD who had became leaders of the Socialist Workers’ Party (SAP). A left-wing breakaway from the SPD in 1931, the SAP had about 17,500 members in January 1933. Grossman adopted highly critical positions, like those of the SAP, that paralleled Trotsky’s on the Soviet Union and on the policies of the Communist International, in both their sectarian ‘Third-Period’ and class-collaborationist ‘Popular-Front’ incarnations. In private correspondence, he expressed some bravado at the worsening situation in early 1935, by which time the SAP had moved to the right and away from Trotskyism.

Sadly, the political situation is hopeless. The IIIrd International morally bankrupt, Trotskyism having perished miserably, other little groups without hope in the future of the workers’ movement. In short we have to start the whole work from the beginning. But despite all this I am an optimist because the objective economic situation of capitalism is hopeless. 117

A few days later, Grossman wrote that

I gave up the hope that the Muscovites would indicate a fruitful path in the area of philosophy. Over there, Stalin has to be celebrated as the greatest philosopher, the greatest economist, the greatest thinker in general. 118

But Grossman abandoned his negative assessment of Russia between October 1935 and November 1936, the period during which the Communist International’s Popular-Front strategy had its greatest successes: the election of Popular-Front governments in Spain and France. The civil war in Spain,

after the military insurrection against the government in July 1936, seems to have had a major effect on Grossman. The Soviet Union was the only major power to back the Spanish Republic against the nationalist rebels, while Communists everywhere were enthusiastic supporters of the Republican cause. Grossman would not credit accurate reports of the counterrevolutionary role of Spanish Communists, carrying out policies formulated in Moscow.\(^{119}\)

It was more comforting to revert to the belief that socialism was being constructed in the Soviet Union, which was fulfilling its duty to the international working class in the fight against fascism. Until the end of his life, Grossman held fast to this fantasy, through the increasingly desperate efforts by Stalin’s régime to reach an accommodation with British and French imperialism, then the Hitler-Stalin Pact, the nationalism of the ‘Great Patriotic War against Fascism’ and the Cold War.

Nevertheless, in London, New York, where he lived from 1937 until 1949, and finally Leipzig, Grossman continued to defend and develop his economic analyses. The synthesis of Grossman’s contribution in the previous section draws, in particular, on his 1941 ‘Marx, Classical Political Economy and the Problem of Dynamics’ and 1943 ‘The Evolutionist Revolt against Classical Economics’.\(^{120}\) He was (again) oblivious to the contradiction between his own theories, on the one hand, and, on the other, his faith in the state-capitalist régime in Russia and its influence on Communists around the world. Grossman’s loyalty to his own contribution to Marxism can, at least in part, be explained in terms of his very high self-regard, attested to by friends and colleagues, and the momentum of his earlier work. The impetus for that work derived from his experiences as an activist amongst Jewish workers and socialist students, as a leader of the Jewish Social-Democratic Party, on the left wing of the international labour movement, and as a member of the Polish Communist Party. An organic intellectual of the working class at an early age, Grossman’s international profile arose from publications that embodied his recovery of Marxist economics.

The situation of Grossman’s younger colleagues at the Institute for Social Research in the immediate circle of Max Horkheimer was different. They had been radicalised by the revolutionary atmosphere in Germany between 1918 and 1923. None had personal experience in the organised workers’ movement.


\(^{120}\) Grossmann 1977, 1943a and 1943b.
Their publication records during the 1920s and 1930s were much more modest and the intellectual capital they had sunk into Marxism, compared to Grossman’s work, was therefore of much less significance for their reputations. Following the collapse of the mass workers’ movement in Germany and the Moscow show trials from 1936, their commitment to Marxism waned. By the early 1940s, Horkheimer had abandoned historical materialism and the idea that the working class could liberate society.121 Leo Löwenthal, a member of Horkheimer’s inner group, later recalled, ‘We didn’t feel that we had deserted the revolution, but rather that the revolution had deserted us.’122

Throughout his exile in France, England and the USA, the Institute for Social Research supported Grossman financially. But conflicts over politics, as Horkheimer and his friends moved to the right, and salary, as the Institute’s resources diminished under the financial management of the economist Fritz Pollock, culminated in Grossman’s estrangement from most of his colleagues in 1941. Although the Institute continued to provide him with a small income, occasionally supplemented by payments for translations of his current work, and he still insisted that, legally, he was one of its members, from then on he had very limited contact with the Horkheimer group.

In 1949, when he accepted a lump sum payment to terminate the Institute’s obligations to him, Horkheimer and Pollock were happy to see Grossman’s back. The severance money financed a move to East Germany, where he took up a professorial post at the University of Leipzig. Although keen to contribute to the ‘socialist’ reconstruction in East Germany, Grossman’s ability to engage in teaching and research were soon curtailed by ill health.

In exile and back in Germany, Grossman was keen to find a new and wider audience for his work. In the United States, he explored the possibility of publishing an English translation of ‘Marx, Classical Political Economy and the Problem of Dynamics’ and prepared an English version of a monograph on Descartes. In Leipzig, he was enthusiastic about passing on his understanding of Marxist economics to students and about publishing and republishing his work. The year he died, 1950, he submitted a collection of his essays from the 1930s to Dietz, the principal publishing house of the East-German Communist Party. It issued neither this volume, nor any other book or essay by Grossman.


For the same reasons that Grossman’s theories had been criticised by apologists for capitalism and Stalinism during the early 1930s, they remained uncongenial for Moscow as well as Washington during the Cold War, despite his allegiance to the Soviet Union. The contributions Grossman had made to Marxist economics were largely dormant until the late 1960s. Then a new generation of young Marxists – initially activists in the West German ‘New Left’ – began to recover them and Grossman’s own recovery of Marx’s insights.123

References124


123 While the German New Left republished Grossman’s work, his positions were more widely adopted in the English speaking world; see Yaffe 1973, Shaikh 1978, Harman 1984, Harman 1993.

124 There is an extensive bibliography of Grossman’s work in Kuhn 2000a, pp. 163–70.


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Thomas Marois

From Economic Crisis to a ‘State’ of Crisis?:
The Emergence of Neoliberalism in Costa Rica

Macro-economic development promoted by globalization has not translated into social benefits for the people of Central America. . . . Out of a total population of 37 million, 12 million Central Americans are now living in conditions of misery.1

[Costa Rica] is not a country of crisis. There are indeed people who are living them, but not the country.2

Introduction

At first glance, the largely Spanish-speaking democratic republic of Costa Rica, nestled between Nicaragua to the north and Panama to the south, may not be seen as integral to analyses of the dynamics of neoliberalism’s emergence in crisis.3 What can critical scholars hope to gain from looking at a relatively small

1 Executive Director, Inter-American Institute of Human Rights, Roberto Cuéllar, in Rogers 2001.
2 Helio Gallardo in Judson 1993, p. 162.
3 I am very grateful to the referees for their insightful comments as well as to Eric Newstadt (York University) and Alejandro Colás for their helpful input. All remaining omissions and errors are, of course, my own.
country with a population of around four million, many of whom live in and around the capital city of San José? Most mainstream analyses point out that, since the end of World War II and the formal abolition of its standing army, Costa Rica has come to be one of the wealthiest countries in Central America, boasting a stable and extensive welfare state into the 1980s. Costa Rica’s gross domestic product (GDP) per capita currently rests around $4,200, with levels of per capita income growth that have surpassed those of all other Central-American states. Relative to others in Central America, Costa Rica’s income has averaged more than double that of Honduras, El Salvador, and Nicaragua, and has, in the last decade, overtaken Panama. Through the mid-1990s, the United Nations Development Programme Human Development Index ranked Costa Rica as the most developed country in Latin America. If one is to be satisfied with surface analyses, then this story, popular amidst Costa-Rican technocrats, élites, and international financial institutions for the celebrated success of neoliberal reform, has been told. This is not the whole story, however, and certainly not the only story when looked at through a critical lens. Rather, one sees that, across Central and Latin America, ongoing harsh economic adjustment, recurrent crisis, and stagnant to volatile socio-economic growth is the more common day-to-day story. The popular response to this reality has been a rash of strikes across healthcare, education, and public service related sectors that involve a rainbow of men, women, ethnicities, and socio-economic classes. What this dissent suggests is that, however dominant, neoliberalism’s legitimacy, or its ability to govern, remains a struggling, albeit theoretically stabilised, project. The task of critical scholars, and the point of this study, is to unveil neoliberalism as more than mere policy prescriptions and to reveal its underlying class basis as part of a wider project of emancipation.

To this end, the following study seeks to re-interpret the post-1980s emergence of neoliberalism in Costa Rica by recognising the centrality of social classes and the role of state in defining and shaping class conflict, and the effects of historical class conflict on the state, through changes in the social relations of production.\footnote{In Fox 1998.} From the onset, I reject the dominant ‘common-sense’ understandings of neoliberalism that are expressed merely as a core set of ahistorical neoclassical economic policies, often cited as ‘the Washington Consensus’. Ironically, these common-sense discussions are typically framed in overly technical and narrowly economic terms, focusing uncritically on

\footnote{Poulantzas 2000; cf. Panitch 1994; Soederberg 2001.}
the efficiency of the market within liberal or institutionalist frameworks. More critical accounts exist, but they have tended to draw upon the so-called globalisation thesis – the idea that states are withering away under the sweeping powers of transnational actors and corporations. In contrast, I begin by adopting an analytical framework that emphasises a synthesis of three interrelated dimensions, namely global capital, crisis, and state. This triad itself comprises a moment within the same wider social relations of capitalist production. As opposed to policy-based analyses, I suggest neoliberalism is best understood as a historical, class-based ideology that proposes all social, political, and ecological problems can be resolved through more direct free-market exposure, which has become an increasingly structural aspect of capitalism. Drawing on this framework, I argue that the emergence of neoliberalism in Costa Rica not only reflects a new form of political domination but also expresses a new form of imperialism; both of these aim to overcome recurrent barriers to progressive capital valorisation, and to reconstitute American power. It should be emphasised that this critical exploration will be approached not by looking solely within the confines of the national borders but rather by analysing neoliberalism’s historically specific emergence within the wider capitalist world market.

To make this argument, I look first at Costa Rica’s pre-1980s social relations of production within Central America and, second, at how the crisis of the 1980s opened a door for neoliberal reform. In the third section, I present a detailed examination of the relationship between US assistance and Costa Rican social forces in the subsequent restructuring of the state and its

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9 Soederberg 2001c, Clarke 1988, and Duménil and Lévy 2002.

10 Panitch and Gindin 2003, Albo 2003, and Wood 2003. The new imperialism spoken of here refers to reconstituted American power and associated informal imperial rule that must be understood through a rejuvenated state theory. To this end, I define the state as a material, institutional, and discursive condensation of a balance of class forces; as such, the state is, at its core, a social relation that implies the capital-labour relation (see Poulantzas 2000; Panitch 1994; Langley 2003).

11 The world market is aptly described by von Braunmühl as consisting of an international, state-organised and specifically structured, all-encompassing effective international context of competition (von Braunmühl 1978).
associated class compromises. A brief look at efforts to privatise its national banking system serves to introduce us to the rising neoliberal financial orthodoxy. To round off this study, Section IV assesses Costa Rica’s ‘successes’ within Latin America’s failures to achieve substantive development over the last twenty years. By way of conclusion, I place this analysis within the context of the new imperialism.

I. Costa Rica: a historical overview

The relative prosperity of Costa Rica has given rise to a number of interpretations. It is true that the class structure of Costa Rica has developed somewhat differently than elsewhere in the region, given a general absence of the larger haciendas of, for example, Mexico and Guatemala. This absence, and relative wealth and stability, have given rise to a widespread ‘myth of exceptionalism’ that has wrongly argued that Costa Rica is a harmoniously democratic state, one that has emerged from a particularly egalitarian colonial and postcolonial history. In contrast to this dominant ‘rural democracy’ or ‘yeoman’ thesis, however, Costa Rica was not, and is not, a classless society of subsistence farmers. Social stratification and class conflict have been quite present and many of the dominant élites today can trace their lineage back to early Spanish conquistadores, and their associated class privileges. The modern expression of this class cleavage became evident with the introduction of coffee production in the early nineteenth century, when the landed oligarchy solidified state power and labour shortages made large estates unfeasible. As a result, smallholder farming dominated production while the larger and wealthier growers dominated processing, financing, marketing, and exporting, creating a commercial and financial oligarchy. This was the historical context for a more unified power bloc after World War II, and a political system that was more reliant on ideological hegemony than direct physical coercion.  

Politically, Costa Rica has come to be a generally stable constitutional democracy, wherein its 1949 Constitution arose out of falling standards of living, general social unrest foreshadowed by the July 1947 popular strike ‘Huelga de Brazos Caídos [dead-arm strike]’, and the brief 1948 civil war. The civil war’s most immediate cause was the annulment of that year’s presidential elections – allegedly won by Otilio Ulate Blanco of the opposing Party of National Unification – by the constitutional congress still loyal to

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the exiting president Calderón (1944–8), and his hand-picked successor, Teodoro Picado.\textsuperscript{13} The triumphant political expression of the civil war was the newly formed National Liberation Party (PLN). A staunchly anti-communist consensus formed within the national power bloc, later led by industrial capital, which favoured the institutionalisation of social conflict and technocratic solutions to overcoming barriers to progressive capital valorisation.\textsuperscript{14}

The postwar economic model was an expression of state-led capitalist accumulation, marked by extensive nationalisations (among the most significant, that of private banks), expanded agro-export, and a contradictory import-substitute industrialisation (ISI) development model, which remained consistent with Keynesian capitalism.\textsuperscript{15} Regional trade and ISI, a development model supported by the Economic Commission for Latin America and the Caribbean (ECLAC), and the Prebisch modernisation thesis, were first pursued through a series of bilateral trade agreements within Central America.\textsuperscript{16} Early attempts to minimise export dependence, however, were put aside because of European economic recovery and expanded American consumption that doubled the price of coffee from 1950–5. Thus, while earning the much-needed foreign currency for ISI diversification, the short-term boom actually deepened dependency upon US-based export earnings – a dependency that was encouraged through the Costa-Rican Ministry of Agriculture and the now-nationalised banking system.\textsuperscript{17} By the late 1950s, the need to diversify agricultural export commodity (EXA) production, which had been extended to its ecological limits, became increasingly salient. Resisting such change was the politically and economically entrenched agro-export capital that in the 1950s still accounted for 90 per cent of all export earnings.\textsuperscript{18}

\textsuperscript{13} A complete analysis of the 1948 civil war is beyond the scope of this paper; suffice it to say that controversy exists amongst Marxist, liberal, and institutionalist analysts as to why crisis occurred and why Costa Rica resorted to violence to resolve its conflict (see Lehoucq 1990, Gudmundson 1986, Seligson and Muller 1987, Wilson 1998, Booth 1998, and Bulmer-Thomas 1987).

\textsuperscript{14} Goss and Pacheco 1999; see also Mesa-Lago 2001. Since this time, Costa Rica has maintained a largely two-party system: the moderate-left PLN and the centre-right Social Christian Unity Party (PUSC). This recently changed in the 2002 presidential elections, when PLN-defector Ottón Solís formed the Citizen Action Party (PAC), making a historic breakthrough by winning 26 per cent of the popular vote, causing a run-off vote between the PLN and PUSC. The PUSC leader, Abel Pacheco, took the final vote and remains at the head of the Costa Rica government until 2006.


\textsuperscript{17} Wilson 1998, Chapter 4; see also Bulmer-Thomas 1987, pp. 110, 150, and Mesa-Lago 2001.

\textsuperscript{18} Bulmer-Thomas 1987, p. 111.
At the same time, Central America was experiencing declining terms of trade that led to a balance of payments crisis due to continued reliance on imports for intermediate goods.\textsuperscript{19} Globally, inter-regional trade had grown while competitive pressures emanated from the Far East in the form of cheaper wages, thereby putting increased pressure upon the Costa-Rican government to capture and maintain emerging multinational corporations (MNCs) and their production facilities that were beginning to shift sites globally.\textsuperscript{20} In response, the Central American Common Market (CACM) was established in 1963 as a strategy to recreate capital valorisation opportunities regionally. However, this counter-strategy was merely grafted onto the pre-existing dominant export-led model in order to minimise EXA capital’s political opposition to the CACM.\textsuperscript{21} This capitalist-class-friendly approach gave rise to a schizophrenic state-led policy of ISI-promotion and EXA export-accommodation.\textsuperscript{22} Costa-Rican technocrats, co-opted by ECLAC into adopting the model, well understood that the schizophrenic model would deepen export dependency but they proceeded in the belief that they ought not to alienate the traditional oligarchy and also in the faith that the model would reap ECLAC’s professed political and social modernisation.\textsuperscript{23} The result was the stillbirth of an alternative growth model. Production remained capital-intensive, biased towards consumer goods, heavily dependent on imports, and with few opportunities for backward linkages because of import preferences inherent to the system.\textsuperscript{24}

Through the global decline of the late-1960s and early-1970s, the CACM industrialisation benefits, shaped and financed by US President Kennedy’s ‘Alliance for Progress,’ remained substantial and attractive – so much so, that they were taken up by foreign, largely American, capital, which began to acquire a dominant position within leading Costa-Rican industrial branches.\textsuperscript{25} In contrast, domestic capital, cajoled by state-appeasement strategies, remained, by-and-large, within the EXA sector. Nevertheless, within the facilitating context of the Alliance for Progress, Costa-Rican industry thrived with more than one hundred new industrial companies being established between

\footnotesize{\textsuperscript{19} Bulmer-Thomas 1987, p. 171.  \\
\textsuperscript{20} Bulmer-Thomas 1987; also see Germain 1997.  \\
\textsuperscript{21} Goss and Pacheco 1999; Bulmer-Thomas 1987, p. 173.  \\
\textsuperscript{22} Wilson 1998, p. 95; Mesa-Lago 2001.  \\
\textsuperscript{23} Wilson 1998, Chapter 4; Bulmer-Thomas 1987, p. 197.  \\
\textsuperscript{25} Wilson 1998, p. 107; Bulmer-Thomas 1987, p. 176.}
1963–75, and annual profits growing by 19 per cent between 1962 and 1973; this profitable framework was made possible by the Costa-Rican government (with US assistance) via tax incentives, labour negotiations, and the centralisation of infrastructure within the Central Valley.26 Industrial foreign capitals’ relative power thus grew into the 1970s through a series of fluid relationships with traditional power holders within the Costa-Rican power bloc (EXA, finance, commerce) such that it was now in a position to have much greater degree of influence upon the emerging, post-CACM development model that was now experiencing the end of the so-called ‘easy’ phase of ISI.27

In the 1970s, both the PLN administrations of Figueres (1970–4) and Oduber (1974–8), continued to give high priority to industrial development in attempts to decrease vulnerability to the still dominant EXA model. The 1970s oil shocks, however, kept EXA commodity prices high, especially coffee, and therefore important to overcoming rising import costs.28 This period nevertheless experienced a switch in development strategies toward establishing state-owned enterprises (SOEs) as a means of channelling finance into industry with a majority domestic-shareholding through the newly-formed, state-run development corporation, Corporación Costarricense de Desarrollo, or CODESA (Costa-Rican Development Corporation). For the first time, CODESA gave the Costa-Rican state an important share of industrial output through its majority-equity shares;29 this, in turn, briefly shifted the balance of class forces to the side of labour and public production within the state. On the other hand, the manoeuvre shifted financial resources towards industry thereby implying cutbacks elsewhere – such as in available credits for small, campesino (peasant) farmers. By the early 1980s, and in the wake of world recession, the financing of large SOEs proved an unbearable strain as Costa Rica’s finances was laid bare by the effects of the 1982 debt crisis.

II. Neoliberalism’s opportunity in crisis

The 1974–5 and 1979–82 world recessions led Costa Rica, like much of Latin America, into a period of economic crisis from which its social relations of

26 Goss and Pacheco 1999, Richards 1997, and links between tax incentives and class-based booms.
29 Bulmer-Thomas 1987, p. 208.
production emerged under neoliberalism and a more aggressive export-led growth model. In 1980, Costa Rica’s foreign debt reached 56.8 per cent of GDP (2.7 billion dollars), an early indicator of the deteriorating terms of trade that eroded significantly from 1980–5, greatly hindering its ability to repay loans taken during the 1970s – a situation further exacerbated by higher oil prices and interest rates. The 1982 debt crisis also manifested in a drop in industrial production (a 4.3 per cent fall in 1981, a 7.7 per cent fall in 1982), skyrocketing inflation, dramatic price increases (65.1 per cent in 1981, 81.8 per cent in 1982), contraction in public and private investment, rising unemployment and underemployment, a growing fiscal deficit, a drop in external commerce, and the associated balance of payments disequilibria – all of which led to an overall standard of living decrease for the majority of Costa Ricans. Significantly, external public debt, already high due to the recessions of the 1970s and state enterprise financing, grew even more to a level of $3.825 billion in 1984 or, in other words, to a level, the service of which engulfed 44 per cent of the total value of exports from 1983 to 1984. The overall severity of Costa Rica’s experience with the 1980s crisis is testified to, in part, by the fact that 1990 GDP levels were below 1980 levels.

The 1982 presidential election occurred at the height of the debt crisis and saw the quietly centre-left PLN Monge administration take power (1982–6). Despite its left-leaning rhetoric, significant neoliberal restructuring was initiated under Monge as deep economic reforms were initiated and a very profound relationship with the International Monetary Fund (IMF) and the United States Agency for International Development (USAID) was nurtured. Initial macro-economic recovery began with an attempt to restore domestic and international confidence through the PLN-authored ‘100-Day Plan’ of austerity measures that sought to regain control of the exchange rate, cut government and semi-autonomous institutions’ budgets, remove price controls on basic consumer goods, and raise taxes – that is, the very conditions required by the IMF to re-open stalled negotiations and thus receive desperately needed bridging loans.
Here, as in much of Latin America, we see Costa Rica’s debt crisis as opportunity for neoliberal restructuring in crisis\textsuperscript{34} – for just one year prior, in August of 1981, the IMF was expelled by the conservative, centre-right, Carazo administration (1978–82).\textsuperscript{35} President Carazo argued that the unreasonable conditions demanded by the IMF were overtly harming the poor and that Costa Rica need not, by the mere fact of the IMF proposing adjustments, initiate them to the detriment of the nation.\textsuperscript{36} Now, however, the materiality of crisis and the discourse of conditionality quickly came to be used as a pretext to do what was politically impossible earlier – as Monge would later declare, ‘with or without the IMF, it was indispensable that we initiated adjustment and stabilisation . . . without this adjustment, however painful or unwelcome it has been, Costa Rica would have been overwhelmed by social turbulence’.\textsuperscript{37} Central Bank President, Dr. Carlos Manuel Castillo, was quick to reiterate the ‘inevitability’ of adjustment.\textsuperscript{38} To the credit of the 100-Day Plan, nonetheless, the Gross National Product (GNP), which had fallen to 11.5 per cent in 1981–2,\textsuperscript{39} began to improve, while exports recovered, leading to what has been called in macroeconomic terms the \textit{milagro costarricense} [Costa-Rican miracle].\textsuperscript{40} In the aftermath, the institutional form of state was now judged as the source of economic crisis by the IMF and global capitalist power blocs with the common-sense solution being ‘less state, more market’ – a solution, as we know, that demanded the reconfiguration of the role of state away from its direct stake in production.\textsuperscript{41} Reconfiguration thus implies a shift in the balance of class forces within the state as it becomes increasingly articulated relative to the capitalist world market.

Since crisis emerged in part as an expression of labour’s productivity (but is experienced by capital as a crisis of competition),\textsuperscript{42} a more sustained assault

\begin{itemize}
\item[34] Cypher 1989.
\item[35] Sojo 1991, p. 16.
\item[36] Carazo in Sojo 1991, p. 16.
\item[37] In Sojo 1991, p. 17.
\item[38] Breñes 1990, p. 148.
\item[39] Seligson and Muller 1987, p. 315.
\item[40] Sojo 1991, p. 15.
\item[42] On crises of overaccumulation/overproduction, it is worth quoting Marx at length:
\begin{quote}
We thus see how the method of production and the means of production are constantly enlarged, revolutionized, how division of labour necessarily draws after it greater division of labour, the employment of machinery greater employment of machinery, work upon a large scale work upon a still greater scale. This is the law [of competition] that continually throws capitalist production out of its old ruts and compels capital to strain ever
\end{quote}
\end{itemize}
on labour and the popular classes was endorsed domestically. The domestic consensus included the PLN Monge administration, neoliberal technocrats (American and Costa-Rican), Central Bank President Carlos Manuel Castillo, and the domestic power bloc composed of commercial, industrial, agro-export, and finance capitals. Together, these actors exercised collective class agency to overcome crisis through strategising and proceeding to renew progressive capital accumulation in Costa Rica as follows: firstly, a generalised repression of workers’ wages, rights, and unions; secondly, the disciplining of labour through massive layoffs and de-capitalisation of industry; thirdly, the opening up of the labour market to more competition; fourthly, a reduction in social programmes and subsidies; and, finally, the introduction of new production methods by seeking new markets. As part of this renegotiation of existing class compromises, the Monge administration assured the USA that Costa Rica would demonstrate that ‘democracy and liberty’ are possible in Central America despite the looming Sandinista ‘threat’ in Nicaragua. Since Monge, practically all subsequent neoliberal reforms and state restructuring have been couched in fatalistic terms by successive PLN and PUSC governments.

III. USAID, the parallel state, and state restructuring

... [W]hat we created was a cascading conditionality where we got the Costa Ricans to agree to do what the World Bank wanted, with what the IMF wanted, and with what the commercial banks wanted. And we coordinated the whole thing so that they got a loan package... and they in turn did what was necessary to make what all of us wanted to see done, work.

more the productive forces of labour for the very reason that it has already strained them – the law that grants it no respite, and constantly shouts in its ear: March! march! This is no other law than that which, within the periodical fluctuations of commerce, necessarily adjusts the price of a commodity to its cost of production. (Marx 1891.)

45 Sojo 1991, p. 18; see also Molina and Palmer 1997, p. 29. While many authors point to the geopolitical significance of the fall of Somoza and the rise of the Sandinistas in Nicaragua vis-à-vis the USAID role in the so-called soft-restructuring of Costa Rica (which I do not dispute), this is a debate that will not be entered into here. Suffice it to say that I do not separate America’s interest in Nicaragua’s ‘communist threat’ from the wider crises of capitalism and America’s reconstituted imperial bid within Latin America.
...Some people within the administration, myself included, tried to use the multilaterals to fight within the PLN, to use the AID, to use the World Bank. Sometimes we would try to sell them some ideas so that they would not be presented as my ideas, XX's ideas, but would appear like the World Bank or AID was pushing an idea. Sometimes we were able to go through the back door to get our ideas accepted.47

Vanguard Economic Institutions (VEIs) and USAID

The class-based nature of re-orienting capitalist social relations of production is well illustrated in Costa Rica, where the emergence of neoliberalism has been underwritten by massive amounts of financial resources from the Inter-American Development Bank (IDB), IMF, World Bank (WB), and especially USAID. These ‘Vanguard Economic Institutions (VEIs)’48 helped facilitate an end to economic crisis through the wider restructuring of global social relations of capitalist production.49 In Costa Rica, the IMF and WB helped manage its re-articulation to the world market via four signed loan agreements with the IMF from 1980–90 and three structural adjustment programmes (SAPs) initiated under the auspices of the World Bank in 1985, 1989, and 1995. Each of these aimed at restructuring the institutional state’s role in the economy and to open Costa Rica to the logic of the free market. Whereas the IDB and WB loans were for large infrastructure projects (projects that now serve as foundations for further privatisation projects and public-private partnerships), IMF loans and USAID funds were largely used for balance of payments support and debt servicing (compare Table 1 and foreign aid to Table 2 and imports/exports below).50 This financial support helped ensure the continued

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48 In contrast to institutionalist usages of ‘Multilateral Economic Institutions’ to describe the IMF, WB, USAID, etc., I suggest they are better understood as VEIs. Doing so helps us recognise that their central, unitary purpose is to act in the interests of capital in general, not ‘states’ understood narrowly as governments, by ensuring progressive capital valorisation opportunities. What is more, removing the idea of ‘multilateral’ helps one see that the IMF, WB, and even USAID do not act just for the ‘USA’, or just for ‘Costa Rica’ understood as black boxes devoid of class struggle but, rather, VEI power is activated by class agency for the interests of various global capitals. As such, using VEIs helps us to overcome institutionalist understandings of the world economy that reify states as distinct ‘subjects’ or ‘things’ that can act or are acted upon as individual members within the so-called multilateral institutions. Rather, states can be better understood in a Poulantzian sense, as a field of struggle and balance of contesting class forces within the wider context of capitalist social relations. For a discussion of MEIs and legitimacy, see Andrews, Henning, and Pauly 2002.
49 Soederberg 2001b.
50 Drawn from: Honey 1994, p. 62; Sojo 1991; See also Barry and Preusch 1988, for a discussion of the use of USAID funds.
legitimacy of capitalism and guarded against alternative modes of production taking root in Costa Rica and Central and Latin America generally (for instance, revolutionary Cuba, Nicaragua, Chile).

Table 1. Costa-Rican Foreign Aid, 1980–90 ($US millions)\textsuperscript{51}

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<tbody>
<tr>
<td>USAID</td>
<td>14</td>
<td>13</td>
<td>50</td>
<td>212</td>
<td>168</td>
<td>207</td>
<td>157</td>
<td>181</td>
<td>102</td>
<td>115</td>
<td>75</td>
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<tr>
<td>WB</td>
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<td>0</td>
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<td>26</td>
<td>100</td>
<td>95</td>
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<tr>
<td>IMF</td>
<td>60</td>
<td>330</td>
<td>100</td>
<td>0</td>
<td>52</td>
<td>0</td>
<td>66</td>
<td>0</td>
<td>53</td>
<td>0</td>
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Table 2. Costa-Rican Imports and Exports ($US millions)\textsuperscript{52}

<table>
<thead>
<tr>
<th></th>
<th>1980</th>
<th>1985</th>
<th>1990</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exports of goods and services</td>
<td>1195.1</td>
<td>1213.8</td>
<td>1963.2</td>
</tr>
<tr>
<td>Imports of goods and services</td>
<td>1661.4</td>
<td>1282.7</td>
<td>2346.4</td>
</tr>
<tr>
<td>Current account balance</td>
<td>–663.9</td>
<td>–291.1</td>
<td>–494.0</td>
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</table>

Of these VEIs, perhaps the most important in Costa Rica was USAID\textsuperscript{53} – an entity established by President Kennedy in 1961, falling under the US Secretary of State’s direction, and self-described as an independent federal government agency that supports American foreign-policy goals by providing economic, developmental, and humanitarian assistance.\textsuperscript{54} Its foreign assistance policy entails the two explicit goals of expanding democracy and free markets and improving the standards of living in the developing world.\textsuperscript{55} Explicitly, its 1984 ‘Private Enterprise Development’ policy paper encourages economic liberalisation, reliance on competitive markets, private enterprise for productive growth, self-sustaining income, and market-based job production. Reflecting

\textsuperscript{51} Honey 1994, p. 62.
\textsuperscript{52} ECLAC 1999.
\textsuperscript{53} While each of these VEIs are important, I shall be limiting my analysis largely to USAID. This in no way suggests the others’ involvement was unimportant, although it should be noted that the US, and especially the Reagan administration, was quite hostile to the IDB and its sympathy to ISI, and therefore successfully pressured them to conform to the dominant neoclassical and neoliberal views (Cypher 1989, pp. 71–2).
\textsuperscript{54} USAID 1984.
\textsuperscript{55} USAID’s ‘Human Rights Policy Determination’, 26 September 1984. Ironically, while the USAID mission is to promote democracy, it was only after of few years of its intensive presence that, in August 1984, Costa Rica neared a coup situation and President Monge called his country into the streets to ward off US pressure for support in the war against the Sandinistas (Honey 1994, pp. 84–5; Molina and Palmer 1997, p. 29).
a Hayekian constitutionalism, these strategic goals are said to create a society in which individuals have the freedom of economic choice, of ownership of the means of production, to compete in the marketplace, to take economic risk for profit, and to receive and retain the rewards of economic decisions. As we see, focusing on the alteration of social relations of production is more than an analytical tool for historical materialists; it is, in fact, the goal of USAID.

In Costa Rica, a key function of USAID was to secure domestic support and minimise social resistance.56 The way USAID managed this has been dubbed the ‘parallel state’ by John Biehl, economist and advisor to President Arias (1986–90), stating USAID restructuring efforts constituted an American attack upon Costa Rica’s quiet socialism.57 Made up of a set of USAID-created and financed private institutions, including a foreign investment agency, university, road construction company, and banks, the parallel state duplicated and weakened existing Costa Rican state institutions. Of primary importance was the creation of foreign investment opportunities by underwriting and financing the privatisation of SOEs, encouraging the deregulation of banking, offering neoliberal technical advice, and placing guarantees and insurances on foreign investment.58 Initial USAID restructuring loans, which, by the mid-1980s, were converted largely into grants designed to bypass legislative (read: democratic) approval, were offered in tandem with IMF and WB funds. As such, neoliberal restructuring ensued via the cross-conditionality and co-ordination of neoliberal SAPs between the VEIs engaged in Costa Rica and domestic social forces.59

Restructuring class compromises

To help appease popular dissent, the target of USAID-supported social compensation was employed by both PLN and PUSC post-1980s administrations.60

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56 Drawn from Goss and Pacheco 1999; Sojo 1991.
57 Honey 1994, p. 75.
58 Honey 1994, Chapter 3; Sojo 1991; Richards 1997.
59 Franco and Sojo 1992, p. 28. Because, as Cheru and Gill 1997 point out, the distinction between the IMF and WB is blurry and because the US has a controlling interest within them, it is unlikely that highly contradictory policy prescriptions would emerge out of USAID – suggesting a certain neoliberal ideological convergence exists among these three key economic institutions. Of note, cross-conditionality was prohibited in 1984 in the Kemp-Kasten Act; nonetheless, a close relationship remained amongst these institutions. (See Honey 1994, p. 65.)
60 Drawn from Honey 1994, Judson 1993, Sojo 1991, and Wilson 1999, p. 769. Mexico has also undertaken similar social compensation efforts through PRONASOL. (See Soederberg 2001c.)
As USAID-Costa Rica director during the 1980s, Daniel Chaij, acknowledged, support for social compensation was imperative because the economic programme was certain to impoverish certain people.\textsuperscript{61} To this end, President Monge provided food aid, financial credits, and job training to \textit{campesinos}, later President Arias offered additional housing compensation programmes and basic education programmes, and President Calderón continued compensation that attempted to shield the poorest of the poor and smooth the costs of continued adjustment.\textsuperscript{62} True to neoliberal ideology, many social compensation packages were served out through the private sector, effectively transferring public monies directly to the private sector.\textsuperscript{63} Where cuts or the elimination of state subsidies of traditional agriculture for both export and domestic consumption occurred, USAID funded non-traditional agricultural exports to help fill the labour gap and re-orient the economy.\textsuperscript{64} In part, this mandate was allocated to CINDE (Coalition to Promote National Development and Exports),\textsuperscript{65} to help re-organise how co-operatives, small businesses, \textit{campesinos}, labour, artisans, and women produced goods and to orient their production towards the export market.\textsuperscript{66}

To further shape the processes of social re-organisation and institutionalise popular dissent, USAID also created the ‘shock-absorbing’ umbrella organisation Association of Costa-Rican Development (ACORDE) in 1986 to finance, organise, and exert ideological influence upon existing non-governmental organisations (NGOs).\textsuperscript{67} With US dollars in hand, ACORDE quickly overshadowed established women’s and local developmental NGOs, who had previously received USAID funds directly with fewer strings attached but who were now cut off – in other words, for larger social projects, the ideologically-charged ACORDE had become the only game in town.\textsuperscript{68} So, too, was neoliberalism furthered via a free-market education strategy, wherein USAID adopted a relatively aggressive position by establishing a private university (EARTH), funding a private religious school, supporting private

\textsuperscript{61} Honey 1994, p. 100.
\textsuperscript{62} Wilson 1999, p. 769.
\textsuperscript{63} Drawn from Wilson 1999, p. 769.
\textsuperscript{64} Judson 1993, p. 154.
\textsuperscript{65} Established in 1984 by USAID funding and the efforts of Costa-Rican businessmen, PUSC and PLN politicians, and USAID officials, CINDE is a private-sector-led investment and export promotion institution. The mandate of CINDE is to promote foreign investment, encourage domestic export-oriented production, and provide export-oriented business training.
\textsuperscript{66} Honey 1994, p. 99.
\textsuperscript{67} Ibid.
\textsuperscript{68} Ibid.
school library improvements, and financing the printing of ‘democracy’ school textbooks. Post-secondary scholarships were also made available to pro-American Costa-Rican students to study the logic of the private sector in the USA.

The re-organisation of state power also came in the form of restructured public-sector employment, such that employment levels were, in fact, not drastically altered from 1980–8, as the public/private employment relation remained relatively stable. That is, neither the distribution of public expenses nor public employment levels show that there was a substantial reduction in the government’s participation within socio-economic matters. However, reconfiguration did occur in the form of an inward shift and centralisation of power toward more economic and financial-institutional apparatuses. This power shift largely occurred between 1980–8, when it was only the central government that realised an increase in spending relative to GDP, whereas other public and semi-autonomous government institutions realised overall decreases. On the other hand, while public labour-power was centralised, much of labour’s overall post-war power waned. From 1980–6, the majority of union-based activity was displaced in the private sector by the solidarismo [solidarity] movement – a type of worker-employer labour organisation sponsored by business – that was linked to the post-war catholic anti-communist movement. While solidarismo permitted certain worker benefits to be accorded, the main difference is that individual employees negotiated directly with their employer, so that class was not the basis of organisation. The growth in solidarismo has been phenomenal – from only seven per cent of negotiations between labourer and employer in 1980, to 51 per cent in 1986; while in 1994 there existed 600 unions, there were 1,694 solidarismo associations. So successful was solidarismo that this form of labour organisation was exported to other Central-American countries and Mexico. More importantly, solidarismo has

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69 Honey 1994, p. 102. The participation of capitalist social forces have continued with, for example, Intel sponsoring computer labs and producing children’s environmental books in conjunction with localities (for instance, San Antonio de Belén) that emphasise individualistic, versus social, responsibility.
70 Honey 1994, p. 102.
73 Sojo 1991, p. 52.
75 Bejarano 1992, p. 207.
become the labour association of choice in the 1990s for over 90 per cent of incoming multinational companies.\textsuperscript{78}

**Popular resistance**

While USAID-sponsored state restructuring was designed to mitigate resistance (and boost profitability), these efforts to shift power relations within Costa Rica could not eliminate class struggle. Popular dissent has manifested itself through various forms of social resistance from liberation theology (active in defence of the poor during the crisis years of 1980–5) to women’s social movements, that rose up in response to their increasing marginalisation within the newly so-called ‘democratised’ economy.\textsuperscript{79} Often at the forefront of popular resistance are the broad-based, rural \textit{campesino} movements composed largely of small farmers and peasants.\textsuperscript{80} \textit{Campesinos} marched, blocked highways, and conducted sit-ins at government buildings in protest of social programme cutbacks, and in efforts to preserve their livelihood and existing class compromises. To this end, the rural poor formed domestic alliances with wealthy farmers, negotiated with politicians, and first recruited, then rejected, charismatic outsiders who came to live among them and to speak in their name. Despite cross-class alliances, confrontation between the capitalist power-bloc and small farmers occurred. In 1988, amidst an intra- and inter-organisational political setting in Santa Cruz, Guanacaste, a strike took place where a few government buildings were occupied by several dozen angry peasants. While the direct action led to an increase in cheap credits for peasants and, thus, in some small way softened economic restructuring, so too did the direct action result in additional government repression with, for example, the arrest of peasant leader Marcos Ramírez following the occupation. Over time, given USAID social compensation and the structural power of capital, peasant organisations were forced to shift from confrontation to negotiation. The downgrading in resistance strategies is made all the more understandable given the fact that the so-called US ‘Food for Peace’ aid programme effectively wiped out thousands of local producers and destroyed the nation’s food self-sufficiency by dumping massive amounts of cheap corn, wheat, and rice onto the Costa-Rican market.\textsuperscript{81} That is, by eliminating their material basis for

\textsuperscript{78} Wilson 1998, p. 69.
\textsuperscript{79} Molina and Palmer 1997, p. 31; Cruz and Facio 2000.
\textsuperscript{80} The following analysis on peasants’ resistance to globalisation is taken from Edelman 1998, and 1999.
\textsuperscript{81} Edelman 1998, and 1999.
production and continued self-sufficient existence, US food aid also eliminated much of the peasants’ material basis for resistance to neoliberal adjustment.

Breaching the National Banking System

Originally hailed in 1948 as a staple of Costa Rican national development and for its ‘democratisation of credit’, the National Banking System (SBN) came under intense privatisation/denationalisation pressure due to the significance of capital mobility within neoliberal financial orthodoxy and to providing benefits for domestic capitals seeking additional credits.\(^{82}\) Eduardo Lizano Fiat (Central Bank president from 1984 to 2002) summarised the renewed financial orthodoxy, arguing that

\[
\text{you cannot expect to have a vigorous business sector if you don’t have a vigorous banking system, and you cannot build a modern industrial sector based on the four state banks.}^{83}\]

To initiate SBN privatisation, a neoliberal coalition formed BANEX – a bloc of Costa Rican capitals and political élites composed of private bankers, industrialists, and coffee exporters who were seeking injections of fresh capital in the midst of the 1979–82 world recessions.\(^{84}\) The BANEX bloc was viewed as a potential domestic ally for diversifying Costa Rica’s export base and liberalisation reforms by USAID, who made an initial ten-million-dollar loan to BANEX in 1981, to be used exclusively as a private enterprise ‘special credit line’.\(^{85}\) Daniel Chaij, then USAID director, subsequently initiated bi-weekly breakfast meetings with BANEX from which the USAID’s offer to fund CINDE arose, with a board of directors selected during USAID/BANEX meetings.\(^{86}\) Additional efforts to breach the SBN had also begun to crystallise in 1982 when the USAID provided over $60 million in incentives towards financial reform that allotted private banks favourable access to exchange rates that paralleled those available to state-owned banks through the Central Bank.\(^{87}\)

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\(^{83}\) See Honey 1994, pp. 79, 85; Lizano retired in November 2002, and his successor, Paula Gutiérrez, has assured all that she will follow the same financial and credit policies (‘Noticias’: <www.capitales.com>, 5 November 2002).

\(^{84}\) Clark 1997.

\(^{85}\) Clark 1997; Honey 1994, p. 66.

\(^{86}\) The board was composed of seven businessmen tied to financial, industrial, and coffee capital, an economist, a political scientist, and an engineer/government technocrat; the majority had links to the ruling PLN government (See Clark 1997).

\(^{87}\) Brenes 1990, p. 74, Goss and Pacheco 1999. The deadline given by USAID for Costa Rica to comply, March 1983, was deemed unrealistic given the general economic crisis and they were therefore not held to it (Wilson 1998, p. 127).
Financial liberalisation pressure did not relent when, in 1984, the important Money Law [Ley de la Moneda] was passed after twenty-three hours of straight legislative deliberation amidst intense pressure from President Monge, PLN ruling élites, state technocrats, domestic capitals, US ambassador Winsor, La Nación, 88 USAID director Chaij, pressing IMF conditionality, and rumours of a coup. Once passed, the Money Law effectively breached public controls on domestic savings by allowing private banks to receive term deposits of more that 180 days, and by permitting certain transactions in US dollars. 89 This was a victory for both domestic and foreign capitals that stood to benefit from liberalisation. In the lead up to its passing, both used the other to obscure the fact that each wanted these reforms.

Into the late-1980s, the IMF maintained denationalisation pressure making the approval of the Modernisation of the National Banking System Act (1988), which sought to further deregulate the banking sector, a requirement of Costa Rica’s second structural adjustment loan. 90 The 1988 Act shifted state power configurations by removing the Minister of Planning and the Minister of the Economy from the Central Banks’ Board of Directors, which had hitherto favoured social development over monetary considerations, handing the majority of Board seats to the national private sector. 91 So, too, did the 1988 Act now guarantee deposits (notably following the October 1987 Wall Street crash) in private banks and finance companies by the state. The SBN’s originally intended ‘democratisation of credit’ now had been replaced by the ‘socialisation of risk’. This means, as Ottón Solís put it, that ‘profits are privatized while losses are the responsibility of the state’. 92 Following subsequent SBN reforms in 1995 that allowed private banks to compete on equal footing with the three remaining state banks, PLN President Figueres attempted to sell these remaining state banks in 1997. The sell-off has not yet occurred as it continues to be a socially contentious issue. Nonetheless, there has been an explosion of over twenty private commercial banks and financial institutions that are now regulated by the Central Bank through the General Superintendent of Financial Entities (SUGEF). Of these, the largest private banks include Banco Interfin, HIMA 13,3_f5_101-134I  8/23/05  3:31 PM  Page 118

88 La Nación, Costa Rica’s leading daily paper, ran an aggressive campaign during the early bank privatisation period denouncing the ‘dogma of the nationalized banking system’ (Honey 1994, p. 82).
92 Ibid.; Solís, a 2002 presidential candidate, was then Costa Rica’s PLN Planning Minister.
Banco San José, Banco Banex, BanCrecen, and the global Canadian bank, Scotiabank.

**State restructuring as transnationalisation or internationalisation?**

The role of VEIs and the parallel state, renegotiated class compromises, popular resistance, and an emergent financial orthodoxy, are historically contingent moments that initiated, shaped, and modified the emergence of Costa-Rican neoliberalism within the context of a capitalist world market. The broader implications of these changes have become a point of debate within historical materialism. Does neoliberalism represent emerging transnational or intensified international processes? On the side of transnational processes, Robinson’s exceptional analysis of Central America suggests, with globalisation, we are witnessing an epochal shift and the re-organisation of social structures everywhere. While there is no space here to give justice to the richness and nuances of Robinson’s thesis, he signals two pivotal points: firstly, the rise of transnational capital and, secondly, the supercession of the nation-state as the axis of world development. New patterns of accumulation and production have been made possible by technology that have helped mould the world into a single, functionally integrated global system. Global capitalism is defined as the transnational integration of national economies, related through external exchanges. A new capital-labour relation, shaped by the relative power of global capital over global labour, has been fixed under associated patterns of flexible accumulation. Transnational capital has emerged as the dominant fraction of capital. Nation-state institutions are being superceded by a set of transnational institutions. Indeed, a new transnational social structure is emerging wherein the state is no longer the appropriate unit to examine the global political economy. As such, Robinson posits the transnational state as a constellation of class forces and relations, made up of a set of supranational, political and economic institutions and practices, that transmit the transnational capitalist agenda within now captured and re-organised nation-states everywhere. For Costa Rica, it is yet another local state captured by transnational fractions that then use the state to globalise the country.

While Robinson and I emphasise many of the same historical developments, several points of theoretical contention arise that can only be highlighted, but which are supported within my broader analysis. First, I suggest that capital

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93 Robinson 2003, Chapter 1.
94 Robinson 2003, p. 145.
has not yet ‘transcended’ and is as yet not de-linked from states everywhere. While capital has been global from its inception, profits are still realised, contracts and property protected, money guaranteed, labour disciplined, social and class reproduction occurs and is reproduced, and the international accumulation of capital carried out within domestic spaces, not transcendental ones.\footnote{Panitch and Gindin 2003, Albo 2003. The geography of money literature offers much to be appreciated in this regard (see Corbridge, Thrift, and Martin 1994).} It remains within and across domestic spaces that class struggle rages and strategies are institutionalised. Second, while Robinson is clearly sensitive to the capital-labour relation, he nonetheless overemphasises the agency of the capitalist class, specifically his dominant transnational fraction.\footnote{For a critique of the tendency of the transnational historical materialists to reify ruling-class agency, see Colás 2002.} Be it a strategic focus or not, this freezes the capital-labour relation and functionalises the state as a tool of transnationals. By fetishising the power of transnationals, global and domestic inter-capitalist conflict seems to wither away. In this sense, not only is it misrepresentative of capitalist competition but it becomes almost impossible to see how change and/or crisis can occur. Third, it is only by fetishising transnational capitalist power as embodied within ‘capital alone’ that Robinson can posit the transnational state as a transmitting agent. However, he cannot begin an analysis of ‘capital’ and ‘state’ based on the social form and then suddenly allow that capital-labour relation to slip away within a supposed (trans)national space or state. Thus, while Robinson agrees with Nicos Poulantzas that the state is a social relation,\footnote{Robinson 2003, pp. 42–3, 47.} the TNS itself cannot be the embodiment of transnational capital alone if he wishes to remain true to the social form. Moreover, even to begin by grafting a Poulantian state onto a transnational one is exceedingly problematic – even more so since, as Robinson acknowledges, the TNS has not yet materialised.

To avoid these problems and maintain the social form and class struggle as central to historical-materialist analyses, neoliberal state restructuring is better conceived as ‘internationalisation’, a process which has yet to occupy a fictitious space beyond states.\footnote{By fictitious space I am referring to Robinson’s transnationalism. My conceptual differences are captured lucidly by Albo who, referring to international capitalist competition, speaks of ‘local and particular forms of value production’ that are connected with the ‘abstract and universal flows of money in the world market’ (Albo 2003, p. 94).} While at first a reaction to crisis, the internationalisation of the state has become an increasingly structural feature of
neoliberalism wherein the institutional form of state has come to accept responsibility for managing its domestic capitalist order in a way that contributes to the overall management of the international capitalist order.\footnote{Panitch and Gindin 2003, p. 17.}

In the case of Costa Rica, as we know, structural adjustment has been facilitated by the IMF, World Bank, USAID, and so forth, but this does not imply that these institutions have transcended or de-linked from domestic interests or that neoliberalism is a transnational dictate. Rather, internationalisation is such that domestic and foreign capitals become linked within power blocs – for reasons including access to labour, protection of private property, realisation of profits, guarantee of contracts, and security of money to name but a few. Rather than a smooth transnational transitional process, competing domestic capitals try to shape to their advantage the interventions of international financial institutions, just as much as competing foreign capitals do. Historical analysis illuminates the real contours of how this plays out differently in different places.

We can see this domestic specificity in efforts to privatise the national banking system (SBN), a process which is located relative to two broader and interrelated aspects of US imperialism. On the one hand, we recognise aspects of ‘financialization’: the post-1980s increasingly structural feature of speculative capital accumulation through credit practices.\footnote{Langley 2002.} On the other hand, we recognise aspects of the Dollar-Wall-Street Régime (DWSR): the essence of the emergent global dynamic, wherein the centrality of the dollar directs people towards Wall Street for finance, and the strength of Wall Street, as a financial centre, reinforces the dollar as an international currency.\footnote{Gowan 1999, pp. 24–5; Soederberg 2001b.} Turning to the domestic sphere, we see how USAID financial involvement was formidable and achieved much in terms of gaining domestic allies and overcoming some of the harsher moments of crisis and neoliberal restructuring. Via this US-sponsored transfer of money to the capitalist class, domestic and foreign capital enjoyed many benefits in Costa Rica through new and safe capital valorisation opportunities. In this, we see the parallel state as an institutional expression and form of US imperial power that was also enjoyed by domestic élites – by design. This power was used to alter production and power relations among Costa-Rican élites, that is, power relations within the domestic power bloc, between the power bloc and popular classes, and within
popular classes, thereby allowing for more effective and legitimate intervention in economic restructuring. In this sense, pre-existing Costa-Rican structural dependencies, such as an agro-export economy and international debt-financing, were altered and grafted over by a new and emerging SAP-dependency. In short, the above serves to illustrate that whatever neoliberal reforms the American and domestic power blocs wanted done, they still had to occur through, and be institutionalised in, the Costa-Rican state in order to overcome existing class compromises and gain and maintain legitimacy (in other words, neoliberalism is not merely imposed). The Costa-Rican institutional form of state was involved because of its role in the organisation of competing capitals, control of labour, and its mediatory role between capital and labour. The question remains, however, some twenty years on from the initial 1980s crisis and 100-Day Plan: has neoliberalism succeeded or failed for the majority of Costa Ricans?

VI. The lessons of twenty years of neoliberalism

USAID lessons learned

Ostensibly, as a result of fifty years of intervention, USAID suggests that its financial and technical assistance has significantly contributed to Costa-Rican welfare, as testified to by a healthier, wealthier, and better educated populace, characterised by a more equitable income distribution and a better maintained environmental base than it would have had without USAID. Costa Rica has met the expectations of Americans because it remains strongly democratic and respects human rights (for instance, civil and political rights have been maintained). Citing Chile as a more problematic experience with neoliberal adjustment, Costa Rica serves as a model for Latin America because, since the challenges of the early 1980s, its economy has successfully integrated into the new world economy while being a leader in ecosystem management. For USAID, if only

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102 Judson 1993, p. 152. SAP-dependency has evolved into what Panitch and Gindin have referred to as a ‘new imperial bond’, or foreign direct investment dependency (Panitch and Gindin 2003, p. 19).
103 The following is drawn from Fox 1998, and 2003.
all developing countries had matched Costa Rica’s progress on economic, social, and political indices, there would be fewer complaints about the effectiveness of foreign aid.\textsuperscript{104}

Indeed, the American public and Congress should consider USAID successful, to the extent that Costa Rica no longer requires American economic aid. This is especially so if Costa Rica were itself to assist in the development of its poorer neighbours, proffering ‘the ultimate evidence to the American public that U.S. assistance had succeeded in broad moral terms’.\textsuperscript{105}

The heralded success of USAID in Costa Rica, thus, is immensely relevant to other Latin-American countries. Hailed as the best Latin-American example of global economic integration and solidified democracy, certain generalisable lessons have been deduced by USAID. These lessons include USAID comparative advantage as a donor-aid agency, the value of good governance and institution building, the critical importance of a willing elite, pragmatic government towards restructuring, and the general success of liberal economic policy. With liberal economic policy, there is a need to attract export-oriented foreign investment, to maintain good macro-economic policies (for instance, a favourable exchange rate for exporters), and generally sound macro-economic policies for a predictable business environment. Early trade liberalisation is less critical, so long as exporters have access to inputs at world prices. Finally, USAID has learned that countries must ‘seize the day’, as Costa Rica has, so as to take advantage of opportune access to global markets to expand export growth.

The proof is that Costa Rica has experienced dramatic growth in exports over the past three decades, evidenced by new export products that have supplemented its traditional agricultural exports of coffee and bananas. In hard numbers, from 1970 to 2000, exports from Costa Rica grew from 281 million dollars to 7.45 billion dollars. Much of this has been as a result of the apparel industry’s rise from one per cent of exports in 1970 to 17 per cent in 1995 (although down to 11 percent in 2000) and ‘other manufactures’ rise from zero percent in 1970 to 17 per cent in 1995, and 41 per cent in 2000 (due largely to Intel, whose exports reached 36 per cent of all exports in 2002). Meanwhile, traditional exports have fallen from 60 per cent in 1970 to 12 per cent in 2000. USAID also notes that tourism has risen in importance as well.

\textsuperscript{104} Fox 1998, p. 41.
\textsuperscript{105} Fox 1998, p. 42.
as several other products, such as cut flowers, ornamental plants, and melons. Services, such as computer programming and cosmetic surgery, also have become sources of export earnings. As a result, by 1995 Costa-Rican exports outside of Central America, still mostly directed towards the USA, were dramatically larger than they had been in 1983. This increased diversity of export products (if not destinations) has altered Costa Rica’s economy, such that, as USAID argues, the world collapse in coffee prices by half between 2000–2 did not destroy its economy as it would have three decades earlier. Indeed, Costa Rica has clearly achieved what most less-developed countries want – a dramatic change from production of one or a few primary products to competitive production of manufactures and services in world markets.

The enthusiasm of USAID, however, begs the question of whether the Costa-Rican experience is in fact generalisable to the rest of Latin America. Intuitively, this is doubtful, for not all countries can become über-export platforms and minimal importers, much less doing so successfully without receiving the fifth largest per capita amount of USAID dollars – a condition of Costa Rica’s success that is certainly not generalisable to all others.106 Rather, the reality of Costa Rica and the rest of Latin America points more to the general failures of neoliberal reform than its success.

Lessons left out

While Costa Rica’s successes should not be lightly disregarded, what USAID has not mentioned are neoliberalism’s short-comings in Costa Rica, partly testified to by the post-1980s wild swings in gross domestic product (GDP) growth rates. The swings range from 8 per cent in 1983 and to less that 1 per cent in 1984, from 2 per cent in 1990 and to 8 per cent in 1991, from less than 1 per cent in 1996 and approximately 8 per cent from 1997–9, to once again crashing down to 1 per cent by the end of 1999, 1.8 per cent in 2000, 1.2 per cent in 2001, and 2.8 per cent in 2002.107 Putting into sharp relief this generalised instability, a run on US dollars investments early in 2004 saw over 1 billion dollars and 15,000 investors leave, resulting in capital and accumulated interest losses, once contained, of over 123 million dollars.108 By contrast, the pre-1980s debt crisis period, or the so-called ‘Golden Era’ of

106 From 1945 to 1995, Costa Rica received 2.9 billion dollars in aid – only Israel, Vietnam, Egypt, and Jamaica have received more per capita (Fox 1998).
state-led development, witnessed much more stable growth: from 1962 to 1979, GDP growth remained stable and largely between five to eight per cent per year, with minimal inflation. In the post-1980s period, Costa Ricans are living in a constant state of crisis, despite being a showcase of US- and IMF-led post-1980 neoliberal reforms and despite being one of the highest per capita recipients of USAID dollars in the world.

The lessons left out by USAID in its dubious celebration of Costa Rica are even more suspect when the net is cast wider. As Dani Rodrik argues, not only has the ‘Washington-Consensus’ model run out of excuses but the financial system is essentially broken; indeed, anyone ‘who still thinks this is an efficient system for resource transfer is mad’.109 Joseph Stiglitz also weighs in within the mainstream, arguing that the promises of neoliberal reform have not produced their promised rewards of rapid and sustained economic growth.110 Latin Americanists Judith Teichman and Carlos Sojo agree. Looking at Mexico and Argentina, Teichman argues that Latin America exemplifies the failure of market reforms, reforms that have not provided sustained growth and equitable prosperity. Rather, in most Latin-American states, inequality and poverty have worsened while unequal power structures and political practices persist. Big business alone has been able to take advantage of export promotion, pushing aside small- and medium-sized enterprises, and undermining the government’s ability to undertake more equitable reform. Costa-Rican scholar Sojo similarly argues that neoliberal development in Latin America has faltered, criticising the dominant market-based, export-oriented strategy of the last two decades that has not resulted in significant gains for Latin America’s population.111 Rather, poverty reduction needs to be addressed differently as part of social policy, and be understood as the result of a sustainable means for social mobility, both inter- and intra-generationally, over the long-term. Sojo, like Teichman, concludes that the neoliberal export-oriented model has created ‘socially-concentrated economic growth’.

Reinforcing their condemnation of neoliberalism, we can look to the 2003 ECLAC report, Preliminary Overview of the Economies of Latin America and the Caribbean 2003. It illustrates that, across Latin America, and in the last twenty years, economic growth has been unstable, highly vulnerable, and running an ambiguous path. Over and above the lost decade of the 1980s,
the late-1990s and start to the new millennium have further exemplified this turbulent failure, prompting ECLAC to dub these years another ‘lost half-decade’. The Latin-American and Caribbean region grew by 1.5 per cent in 2003, while the region’s GDP per capita remained flat at 1.5 per cent below 1997 levels – meaning six years of negative per capita growth. There are now 20 million more poor people in Latin America than in 1997, mirroring the 2 per cent increase in unemployment to 10.7 per cent (only Costa Rica, Colombia, and Ecuador improved, though almost imperceptibly). There remain 227 million people, or 44 per cent of the population, below the poverty line. While outlooks appeared brighter for 2003, there remains wide uncertainty as to a broad-based global recovery. Regardless, capital continues to flow out of Latin America, the total for 2003 being 29 billion dollars, or 6.9 per cent of the region’s total exports of goods and services! Gross external debt as of December 2003 is at 744 billion dollars, representing a 2.4 per cent increase after some decline in 2000 and 2001, which had been ‘manageable’ due to lower interest rates. This, however, may explode once again as the USA warns of interest-rate increases. Amidst this disarray, it ought not to be forgotten that the IMF has introduced ‘collective action clauses’ following the deferral of its sovereign debt restructuring mechanism (that is, state bankruptcy law), which give greater power to debt-issuing governments and investors to expedite the further restructuring of indebted states through dispute settlement processes, if necessary.¹¹²

Within this ‘unpleasant’ Latin-American context, Costa Rica, as USAID is at pains to illustrate, has done comparatively well. As ECLAC notes, Costa Rica has been stronger than other Central-American states, with a 2003 GDP growth rate of 5.6 per cent, largely due to fruit and the high-tech industry (that is, Intel). Unemployment has at least not increased in the last half-decade. Moreover, Costa Rica is among the most democratically stable Latin American states. For investors, the protection of private property, investment, and the rule of law appear to be under no threat. Global economic instability is being managed, but not resolved.¹¹³ The role of the post-1980s institutional state-form now rests not so much in preventing these predestined, if not predictable, crises but in containing them, something which is given only in extreme instances to the VEIs emphasised within Robinson’s transnational state.

¹¹² For a critical review of collective action clauses, see Soederberg (forthcoming).
¹¹³ Pauly 1997.
Unable to fully resolve the social contradictions that arise with socio-economic restructuring, what has come to be a relatively stabilised ‘set of neoliberal policies’ still manifests itself in popular dissent. Recently, a group of Costa Ricans along the poorer Caribbean Coast and the Natural Resources Defence Council have been leading an international campaign to prevent the establishment of ecologically harmful foreign-owned petroleum drilling in Costa Rica – drilling that has political ties with President George W. Bush. This particular struggle has a history rooted in the earlier privatisation of the port in Limón, and the closing of the railway, the culmination of which was a violent protest in June 1996.114 Just a couple years earlier, a historical class struggle was fought against the third IMF SAP and PUSC president Calderón’s (1990–4) calls for privatisation of Costa Rica’s electrical and telecommunications industry, ICE – the result of which was a short-lived working-class victory and halted privatisation plans.115 Privatisation calls were raised again in 1998–9 by president Rodríguez (1998–2002), but, again, put to rest with national discontent. Less successful was the 1995 national teachers’ strike under PLN president Figueres (1994–8), which closed schools for thirty-two days, but that failed to achieve most of their demands aimed at compensating the drastic cuts in the education system.116 However, public-sector unions did effectively rally and organise an information campaign and staged a strike in October 2001, under PUSC president Rodríguez, to protest against the proposed privatisation of the national water and sewage systems (AyA).

Amidst these social contradictions, neoliberalism has pressed forward and deepened institutionally. Costa Rica and Canada exchanged ratifications of a new Free-Trade Agreement on 1 November 2002 in Quito, Ecuador – at the Seventh Ministerial Reunion for the Free-Trade Area of the Americas.117 The symbolism of both the new FTA and the timing of exchange served as capitalist libations towards the broader FTAA negotiations.118 Just the previous day, the US government announced how FTAA was fundamental to its ability to compete at a global level with other large economic blocs such as Asia and

116 Booth 1998, p. 165; Wilson 1999, p. 770. Interestingly, a similar month long national teacher’s strike recently occurred in Honduras (June–July, 2004). The teachers won the majority of their demands, celebrating their victory even while new IMF president Rodrigo Rato was holding meetings in Honduras.
the European Union. However, four days later in the Eighth State of the Nation Address, the Costa-Rican government stated that each year is less and less equitable and that the country continues to suffer from the consequences of faltering social programmes, especially in education, and its export-promotion strategy that has not brought greater social benefits. Rather, a concentration of exporters has occurred while smaller producers suffer. The week following, ironically, during a state-sponsored export-promotion exposition, Alberto Trejos, current Minister of Trade, testified to the importance of *intensifying* export promotion to countries with which they hold free-trade agreements. Just one month earlier, however, in protest to US imperial pressure to privatise ICE (again), and to deregulate the insurance sector, Costa Rica had pulled out of CAFTA negotiations. Recalling their 1994 and 1999 resistance to ICE privatisation, trade unions and social groups have vowed to fight CAFTA approval in Congress, stating that protest is inevitable. Even former conservative President Carazo (1978–82), who expelled the IMF in 1981, has come forward saying CAFTA is a mystery and a threat to the public. While neoliberalism has become the structural feature of contemporary capitalism, it does not remain uncontested and outside of capital and labour’s domestic class conflict.

**Conclusion: new imperialism and Costa Rica**

It’s the neoliberals who are anti-global. They’re the ones who’ll end up destroying the world.

USAID claims of Costa Rica’s exemplar status are dubious when examined critically and within the wider lens of Latin America’s neoliberal experiences. Why, then, does USAID bother? Costa Rica, at a mere fraction of the American GDP, is not of any decisive economic benefit – the USA and the global capitalist economy could certainly persist without it. Nonetheless, Costa Rica’s heralded successful global integration is of vital importance to critical scholars as an example of the new imperialism. This is so because the reconfigured Costa-Rican state engenders material, institutional, and discursive moments of a reconstituted American empire. Materially, US tax-based financial resources

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have had very real economic and developmental effects in Costa Rica, albeit volatile, and by necessary extension on everyday Costa-Rican life mitigating the worst of popular resistance in the processes of internationalisation. The transfer of resources from the public to the private sector has been also used to prompt, support, and further macro-economic structural adjustment and neoliberal reform as part of the wider puzzle of financialisation. Associated vanguard processes of privatisation, as Stuart Hall suggests, facilitates legitimacy and class-based benefits, displacing

\[\ldots\] an existing structure of oppositions – ‘them’ versus ‘us’. It sets in its place an alternative set of equivalents: ‘them and us equals we’. Then it positions we ‘the people’ – in a particular relation to capital: behind it, dominated by its imperatives (profitability, accumulation): yet at the same time yoked to it, identified with it.\[124\]

Institutionally, USAID has learned valuable lessons about how to facilitate and preside over neoliberal state structuring through, for example, the centralisation of power in the Executive and Central Bank and the construction of a parallel state. Civil and political rights, that is, formal democracy and private property, are valued and safeguarded far more that any form of substantive democracy. What is more, Costa Rica demonstrates the importance of maintaining an ‘effective’ institutional state through transition (that is, internationalisation, not transnationalisation) – a growing concern of the WB, IMF, and the USA since the late-1990s. Discursively, hailing Costa Rica as the Latin-American exemplar of successful global integration becomes a powerful ‘how possible’ of development that buttresses claims of success by capital and neoliberal state technocrats. This is exceedingly important because the aims of neoliberal reforms can only be pursued to the degree that they can be rendered legitimate. These three moments thus represent a class-based form of collective agency seeking to shape to its benefit the historical-structural sites of social action and reaction, while overcoming barriers to progressive capital accumulation. Integral to this analysis is recognising how the Costa Rica state-as-a-social-relation has come to envelop crisis so as to become a material, institutional, and discursive mediating buffer within the world market. The management of the global economy has now increasingly shifted

\[123\] For a discussion of finance and everyday life, see Langley 2003.
\[125\] Pauly 1997.
from the USA and other advanced capitalist states to more aggressively include all emerging markets and effective states. This illustrates the core of reconstituted US power and internationalisation, namely, how states are charged, at least in the first instance, with managing recurrent crises within neoliberal financial orthodoxy.

This shift implies a form of imperialism that differs from classical forms, then premised on a world that was not yet predominantly capitalist.\(^\text{126}\) The new imperialism does not depend on direct military interventions or direct political control, although these may co-exist. Rather, power is exercised by a dominant hegemon, like the USA, such that it directs the global economy and instructs others how to serve the interests of its own domestic capitals by manipulating debt, trade rules, the financial system, and, of course, foreign aid.\(^\text{127}\) This power does not mean the USA can simply resolve the contradictions of capitalism in the precarious balance between their particular needs and the general needs of global capitalism – these must be constantly managed, a job assigned primarily to domestic state managers, then, more generally, to the US Treasury and to VEIs, such that effective states are indispensable. Indeed, it would not be too much to say that the state is the only non-economic institution truly indispensable to capital, as neoliberalism and global capital are by no means able to eliminate the state’s social functions.\(^\text{128}\)

Because this is a process of altering social relations, it demands renegotiated class compromises such that the opportunities for progressive capital accumulation do not occur ‘beyond’ the state, but rather occur between states and are state-authored.\(^\text{129}\) The state organises class conflict while intervening in the global and local economy, the benefits of which become evident as the USA virtually alone has prospered among advanced capitalist economies,\(^\text{130}\) while income gaps worsen globally.

In conclusion, then, we can see the importance of Costa Rica as a case where substantial resources were poured into one state in order to make neoliberal restructuring work and seemingly work legitimately. Aside from immediate profit, the benefits are that Costa Rica can be held up as an exemplar
to the rest of Latin America and used to condone all sorts of restructuring interventions and unequal property relations. The Costa-Rican state, rather than being bypassed, has been central to these processes of reconstituted imperialism. The foregoing thus points to the continuing importance of class-based analyses – analyses, however, that consider the material, institutional, and discursive moments of power and domination in a historical context of an empire of capital. In contrast, through their highly normative and narrowly prescriptive foundations, liberal traditions merely obscure the power relations inherent in global capitalist restructuring, seeking to reinforce, rather than liberate, pre-existing and exploitative social relations. For mainstream institutionalists, the failures of capitalism are simply failures of policy that can be fixed over time. For historical materialists, the failures of capitalism are inherent and objective in the capital-labour relation and associated unequal distributional arrangements. These unequal structural power relations undermine, but do not eliminate, everyday struggles for organisation and emancipation. However, working-class counter-strategies must be conceived of in the context of neoliberalism as a now historically stabilised policy configuration and distinct phase of capital accumulation.

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Bob Cannon

Retrieving the Normative Content of Marxism: From a Transhistorical to a Modern Conception of Self-Constitution

This article is concerned with the question of self-constitution and the rival claims to be its ‘subject’. This theme is central to Moishe Postone’s book Time, Labor and Social Domination and the recent symposium upon it in this journal.¹ According to Postone, Marx in his ‘mature’ writings regards capital (rather than labour) as the self-constituting subject of valorisation.² To this end, he cites Marx’s contention that value comprises an ‘automatic subject’, which valorises itself, firstly in the sphere of commodity exchange but, ultimately, by imposing itself upon the sphere of material production.³ From this perspective, capital comprises a ‘self-moving substance’ in the manner of Hegel’s Geist, which acts independently of the individuals that comprise it.⁴ Postone then contrasts this with a ‘traditional’ reading of Marx, which regards a transhistorical modality of labour as the self-constituting subject of valorisation.

² Postone 1993, p. 269.
³ Postone 1993, p. 75.
⁴ Postone 1993, p. 224.
At the core of all forms of traditional Marxism is a transcendent conception of labor. Marx’s category of labor is understood in terms of a goal-directed social activity that mediates between humans and nature, creating specific products in order to satisfy human need. Labor, so understood, is considered to lie at the heart of all social life: it constitutes the social world and is the source of all social wealth.\(^5\)

Postone criticises traditionalists for adopting a ‘positivist’ reading of Marxism, that aims to penetrate beneath the false appearance of self-valorising value (capital) to ‘unmask’ the true subject of self-constitution – human labour. This, argues Postone, assumes that Marxists have privileged access to an ‘ontology’ of labour, which provides the scientific basis for an objective critique of capitalism.\(^6\) In contrast, Postone proposes an immanent critique of capitalism, grounded in a social account of subject-formation, which not only does justice to the historicity of capitalism but also its oppositional other.

Such a reflexive social theory of subjectivity contrasts sharply with those critiques that cannot ground the possibility of fundamentally oppositional consciousness in the existing order, or do so only objectivistically, implicitly positing a privileged position for critical thinkers whose knowledge inexplicably has escaped social deformation.\(^7\)

Rather than seeking to ‘unmask’ the secret subject behind the appearance of self-valorising value (capital) to which the later really belongs, Postone aims to rethink the subject of opposition along social and historical lines. To this end, Postone argues that labour’s capacity for self-constitution is not a natural attribute of a self-objectifying subject, but is conferred upon it by capitalism.

Labor does not play such a role in other social formations . . . the function of labor in constituting a social mediation is not an intrinsic attribute of labor itself, it is not rooted in any characteristic of human labor as such.\(^8\)

This, argues Postone, is the position that Marx reaches in his mature writings.

Far from considering labor to be the principle of social constitution and the source of wealth in all societies, Marx’s theory proposes that what uniquely characterizes capitalism is precisely that its basic social relations are constituted by labor . . . \(^9\)

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\(^5\) Postone 1993, pp. 7–8.
\(^6\) Postone 1993, pp. 82–3.
\(^7\) Postone 1993, p. 38.
\(^8\) Postone 1993, p. 167.
Postone rejects the traditional view that self-constitution is a transhistorical capacity of ‘concrete labour’, in favour of viewing self-constitution as an attribute of a historically specific modality of ‘abstract labour’. To this extent, Postone can be said to belong to the Rubin school, after the writings of the Russian Marxist Isaak Illich Rubin, for whom abstract labour is the source, substance and subject of valorisation under capitalism.

Granted the problems that attend a transhistorical account of self-constitution, it is not however clear that Postone’s historicist alternative resolves them. On the contrary, his account raises as many questions as it answers. For example, if, as Postone argues, capitalism comprises a unified system, in which the parts take their social and historical identity from the role they play in reproducing the whole, why assume, then, that capitalism contracts out the valorisation process to one of its parts (abstract labour)? Why privilege a part over the whole rather than assuming that the whole system is responsible for valorising value? Especially when there is no phenomenological evidence that labour, rather than capital, is the subject of valorisation. More to the point, Postone fails to resolve the central question that characterises this debate. Is labour, or capital, the subject of valorisation under capitalism? As Chris Arthur notes:

> If, as Postone sees, capital is the subject, and only its totalising activity posits value as an actuality and abstract labour as a practical truth, then it seems plausible to argue that labour is not the self-mediating ground social ground, but, rather, a moment in the self-mediation of capital, with value as both origin and product of this subject.\(^{11}\)

In other words, if, as Postone argues, capital is a self-constituting subject, then labour (even in its abstract historical guise) cannot be the subject of valorisation. To argue that capital confers the capacity for self-constitution upon labour means that capital only appears to be a self-constituting agent. Like the traditional reading of Marx, Postone assumes that, beneath the surface appearance of capitalism, dwells the hidden subject of valorisation. In which case, his account of self-constitution is no less positivist than that of traditionalists, insofar as he adopts the role of an objective expert that ‘unmasks’ capital’s secret dependence upon (abstract) labour. In both cases, labour comprises the truth of valorisation and capital’s appearance of independence.

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\(^{10}\) Ibid.

\(^{11}\) Arthur 2004, p. 98.
is merely a distortion of this reality. This allows Postone to argue that capitalism is not only unjust (because it usurps the self-constituting powers of abstract labour), but also objectively unjust. But, in so doing, he abandons the attempt to ‘ground the possibility of fundamentally oppositional consciousness in the existing order’, in favour of adopting an objective stance that posits ‘a privileged position for critical thinkers whose knowledge inexplicably has escaped social deformation’.12

Like traditionalists, Postone denies that social agents play a role in constituting the critique of capitalism. On the contrary, their standpoint is irrelevant to the normative status of capitalism. To this extent, Postone fails to provide an immanent critique of capitalism, grounded in the standpoint of ‘flesh and blood’ social subjects. Instead, he grounds the critique of capitalism in an ‘invisible and abstract’ subject and then imposes this normative framework upon social agents. This means that Postone does not treat social agents as self-constituting, in the sense that they constitute their own normative standpoint. Rather, he presents social agents with a set of pre-constituted norms, which renders capitalism objectively unjust. As with capitalism, Postone treats social agents as ‘social actors’ performing normative roles written for them by another. In neither case are the former allowed to author their own normative performances, in the manner of autonomous agents. Indeed, Postone denies that he is even engaging in normative critique of capitalism – preferring to keep to an epistemological register that contrasts the ‘true’ with the ‘false’ subject of valorisation. Social agents that disagree with Postone’s analysis are, by definition, suffering from ‘false consciousness’.

Postone’s failure to redeem an immanent critique of capitalism prompts Guido Starosta to suggest that we need to ‘to develop a historical theory of revolutionary subjectivity, based on the specific forms of social mediation characteristic of modern society’.13 To this end, I propose to ground the critique of capitalism in the standpoint of social agents for whom capitalism’s self-constituting imperatives are unjust, invalid and oppressive. This has the merit of taking the self-constituting status of capital seriously, while locating its critique in social agents that constitute themselves in opposition to it. Here, I am thinking primarily of the labour movement, insofar as it struggles initially to mitigate, but ultimately to overcome, capitalism’s autopoietic imperatives. From this perspective, it is not a question of peeling back the deformed façade

12 Postone 1993, p. 76.
13 Starosta 2004, p. 47.
of capitalism to reveal humanity secretly constituting itself through abstract labour. It is a question of overcoming capitalism’s capacity to prevent humanity from constituting itself in a free, fair, open and democratic fashion. From this perspective, capitalism is not unjust because it usurps worker’s capacity for self-constitution. It is unjust because it prevents workers from exercising their right to self-constitution. I say ‘right’, rather than ‘capacity’, to avoid implying that workers’ already exercise this facility under capitalism, when what is wrong with capitalism is that they do not. For this reason, I propose to treat self-constitution not as an innate capacity of people, workers, labour, humanity or individual human beings but as a modern norm that is redeemed through an act of self-constitution by those struggling to achieve it. It follows that the labour movement is not only struggling to achieve its own economic interests; it is also struggling to achieve the normative ends of modernity. Herein resides the labour movement’s claim to be ‘progressive’. And, just as the legitimacy of worker’s opposition to capitalism is grounded in the modern norm of self-constitution, so capitalism’s illegitimacy is grounded in its capacity to prevent them from exercising this norm. This, I argue, comprises the normative foundation for Marx’s critique of capitalism. However, Marx fails to provide self-constitution with an overtly normative guise. Instead, he channels the modern norm of self-constitution into labour’s transhistorical capacity for self-objectification. My aim then is to retrieve the normative content of Marxism, by grounding the critique of capitalism in the struggles of the labour movement to redeem the normative promise of modernity. This however means extending Postone’s critique of traditional Marxists to Marx himself.

**Traditional versus non-traditional readings of Marx**

Postone is unwilling to criticise Marx directly, preferring to direct his criticism against a traditional reading of Marx. But this begs the question, why have so many Marxists got him so wrong for so long? In answer, Postone argues that traditional readings of Marx have their source in the fetishistic appearance of capitalism. ‘The appearance of labor’s mediational character in capitalism as physiological labor is the fundamental core of the fetish of capitalism’.14 If Marx sometimes gives the impression that concrete (physiological) labour is the subject of valorisation, then this is because capitalism conceals the social and historical identity of labour.

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The fetishized appearance of labor’s mediating role as labor in general, taken at face value, is the starting point for the various social critiques from the standpoint of ‘labor’ I have termed traditional.\(^\text{15}\)

This, argues Postone, explains why Marx’s account of labour is so ‘easily misunderstood and that quotes and concepts torn out of context can so easily be used to construct a positive “science”.’\(^\text{16}\)

But, if Postone is correct, this means that capitalism is not only responsible for rendering (abstract) labour the (true) subject of valorisation. It is also responsible for rendering (concrete) labour the (fetishistic) subject of valorisation. No wonder it is difficult to comprehend the truth of capitalism. First, capitalism obscures the role it plays in rendering abstract labour the ‘subject’ of valorisation, then it falsely confers this role upon physiological labour. It is, therefore, fortunate that we have Postone to guide us through the labyrinthine deceits of capitalism and trace value back to its true source in abstract labour. But is this a plausible explanation for the passages in Marx that support a traditional reading? I do not think so. In the first place, this assumes that the fetishistic form of labour under capitalism is transhistorical (physiological). However, this is not what Marx argues. On the contrary, he argues that self-valorising value comprises the epitome of fetishism. The view that the traditional reading of Marx is based on a fetishistic standpoint – with physiological labour at its core – contradicts Marx’s identification of fetishism with the non-material aspects of capitalism. Hence Marx’s decision to employ transhistorical categories such as concrete labour, use-values and means of production to unmask the fetishistic appearance of capital.

Far from traditional accounts of labour being grounded in a fetishistic form of labour, which the former mistake for Marx’s own, there is substantial textual support for a transhistorical account of labour in Marx’s ‘mature’ writings. And there is a very good reason for this. Only by assuming that labour objectifies itself in use-values is it possible to argue that exchange-value is an expression of (abstract) labour in production. To this extent, a historically specific abstract labour theory of self-valorisation is dependent upon a transhistorical concrete labour theory of self-objectification. If labour plays a special role in constituting value under capitalism, then it is because there is something special about labour, which renders it self-constituting. This special something is labour’s capacity to objectify itself in use-values. And it is not only Marx but also Postone that argues this.

\(^{15}\) Ibid.
\(^{16}\) Postone 1993, pp. 170–1.
Since labor is an activity that necessarily objectifies itself in products commodity-determined labor’s function as a socially mediating activity is inextricably intertwined with the act of objectification: commodity-producing labor, in the process of objectifying itself as concrete labor in particular use-values, also objectifies itself as abstract labour in social relations. 17

In which case, it is wrong to oppose a transhistorical to a historical labour theory of valorisation, as the latter is predicated upon the former. And, in turn, labour’s status as the subject of self-constitution is not conferred upon it by capitalism but arises from its self-objectifying powers. The same transhistorical argument can be found in Rubin. As when he argues that the quantitative characteristic of abstract labour is causally conditioned by a series of properties which characterise labor in terms of its material-technical and its physiological sides in the process of direct production, before the process of exchange and independent of it.18

In short, rather than counterposing a historical to a transhistorical account of self-constitution Rubin, like Postone and Marx, argues that, just as the former is dependent upon the latter, so the self-objectifying powers of labour are independent of the historical form they take under capitalism. This, then, explains why traditional readings of Marx have acquired the authority of a tradition.

In denying that this is Marx’s mature view, Postone not only provides a one-sided reading of Capital: he also obscures the tensions in Marx’s writings. Rather than acknowledging these tensions and seeking to explain them, Postone adopts the side with which he agrees, and then banishes the other to a traditional (mis)reading of Marx. Postone can then claim to speak with the authority of the mature Marx, in opposition to traditionalists who, we are told, tear concepts out of context and base their reading on a fetishistic standpoint. Nevertheless, Postone’s claim to orthodoxy comes at a price. His refusal to acknowledge the textual support in Capital for a traditional reading of labour undermines the credibility of his reading of Marx.

Unlike Postone, I am not concerned to invest my standpoint with Marx’s authority. My concern is to identify the tensions in Marx’s writings, which Postone at best neglects and at worse suppresses. The most important of these tensions concerns the status of the subject that valorises value. If, as Postone

17 Postone 1993, p. 152, emphasis added.
18 Rubin 1972, p. 158, emphasis added.
argues, capital and not labour is the subject of valorisation, then he cannot argue that (abstract) labour comprises the ‘true’ subject of valorisation. Nevertheless, Postone is reluctant to pursue his analysis of self-valorising value to its logical conclusion, as this would undermine a labour theory of valorisation. This is not something Postone can do and claim the authority of Marx. But, then, as Bonefeld, Fracchia and Kay and Mott argue, there is a great deal more support for a traditional reading of Marx in Capital than Postone acknowledges. As we shall see in the next section, on Postone’s definition, Marx, too, is a traditionalist.

**Production in general and the critique of capitalism**

In response to Postone’s attempt to dissolve the self-constituting powers of labour into those of capital, Bonefeld and others have argued that Marx’s critique of capitalism rests upon a transhistorical notion of ‘production in general’. In this, they find a great deal of support in Marx’s mature writings. Indeed, there is evidence to suggest that, far from providing a more historical conception of production as his approach ‘matured’, the opposite is the case. In the Grundrisse, Marx argues that production in general is a mere abstraction, albeit a ‘rational’ one. However, in Capital, the notion of production in general forms the basis not only of Marx’s critique of capitalism but also political economy. To this end, he distinguishes between the specifically social and the universally natural aspects of production.

On the one hand, we name the elements of the labour process combined with the specific social characteristics peculiar to them in a given historical phase, and on the other and we add an element which forms an integral

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20 Marx 1973, p. 85. It is worth noting that the Penguin edition of the Grundrisse translates both Werwirklichung and Verwertungsprozess as ‘realization process’ (Marx 1973). In contrast, the Penguin edition of Capital translates the former as ‘realization process’ and the latter as ‘valorization process’ (Marx 1976).

21 In the Economic Manuscripts of 1861–1863, which were written after the Grundrisse but before Capital, Marx states that: ‘The labour process itself appears in its general form, hence still in no specific economic determinateness. This form does not express any particular historical (social) relation of production entered into by human beings in the production of their social life; it is rather the general form, and the general elements, into which labour must be uniformly divided in all social modes of production in order to function as labour’ (Marx 1988, p. 63).
part of the labour process independently of any particular social formation, as part of an eternal commerce between man and nature.22

In support of a traditional reading, Derek Sayer argues that Marx, in Capital, systematically and consistently reformulates the categories of his predecessors as unambiguously transhistorical or historical concepts, the former on the basis of his analysis of production in general and the latter on the basis of the conclusions of his analytic.23

To this end, Marx distinguishes a process of ‘material exchange [Stoffweschel]’ (translated as ‘metabolic interaction’ in the Penguin edition of Capital), in which humanity interacts directly with nature, from a process of ‘social exchange’, in which humans relate to each other in a socially mediated fashion. He then argues that material production is not changed by its subordination to value production under capitalism. On the contrary, ‘the production of use-values, or goods, is carried on under the control of a capitalist and on his behalf . . . does not alter the general character of that production’.24 This is because labour is first of all a process between man and nature, a process by which man, through his own actions, mediates, regulates and controls the metabolism between himself and nature.25

Having distinguished production in general from the particular form production takes under capitalism, Marx argues that the former is characterised by the purposive transformation of nature.26

A spider conducts operations which resemble those of a weaver, and a bee would put many a human architect to shame by the construction of its honeycomb cells. But what distinguishes the worst architect from the best bee is that the architect builds the cell in his mind [Kopf] before he constructs it in wax. At the end of every labour process, a result emerges which had

22 Marx 1976, p. 998.
23 Sayer 1979, p. 147.
25 Ibid.
26 In Theories of Surplus Value, Volume I, Marx writes that: ‘Man himself is the basis of his material production, as of any other production that he carries on. All circumstances, therefore, which affect man, the subject of production, more or less modify all his functions and activities, and therefore too his functions and activities as the creator of material wealth’ (Marx 1967, p. 280).
already been conceived by the worker at the beginning, hence already existed ideally.\footnote{Marx 1976, p. 284.}

According to Marx, the labour process comprises a process of self-objectification in which the ‘subjective’ ends of labour inform the ‘objective’ properties of nature. ‘Labour becomes bound up with its object. The object is laboured upon [verarbeitet] and labour is objectified [Vergegenständlicht].’\footnote{Ibid. Translation modified.} Marx then summarises his position as follows.

The labour process, as we have just presented it in its simple and abstract elements, is purposeful activity aimed at the production of use-values. It is an appropriation of what exists in nature for the requirements of man. It is the universal condition for the metabolic interaction [Stoffwechsel] between man and nature, the everlasting nature-imposed condition of human existence... it is therefore independent of every form of that existence, or rather it is common to all forms of society in which human beings live.\footnote{Marx 1976, p. 290.}

It would therefore appear that traditionalists are right to argue that Marx employs a transhistorical account of labour in his mature writings, grounded in production in general. If Postone finds this stance problematic, then he should take issue with Marx, rather than consigning the problems to an erroneous reading of \textit{Capital}. Postone’s desire to retain Marx’s authority not only conceals the tensions in his writings, but also the extent to which Marx regards labour as a self-constituting subject. Marx’s tendency to ascribe promethean powers to living labour can be seen from the following passage.

A machine which is not active in the labour process is useless. In addition, it falls prey to the destructive powers of natural, processes. Iron rusts; wood rots... [L]iving labour must seize on these things, awaken them from the dead, changes them from merely possible into real and effective use-values. Bathed in the fire of labour, appropriated as part of its organism, and infused with vital energy for the performance of the functions appropriate to their concept and to their vocation in the process, they are indeed consumed, but to some purpose, as element in the formation of new use-values.\footnote{Marx 1976, pp. 289–90.}
Marx leaves us in little doubt that, for him, labour comprises a self-activating, self-animating and self-actualising agent in its own right. Rather than conferring these powers onto labour, capital usurps them for its own alien ends. The more living labour animates the lifeless materials of production, the more capital acquires the character of an ‘animated monster’.

By turning his money into commodities which serve as the building materials for a new product, and as factors in the labour process, by incorporating living labour into their lifeless objectivity, the capitalist simultaneously transforms value, i.e. past labour in its objectified and lifeless form, into capital, value which can perform its own valorisation process, an animated monster which begins to ‘work’, as if its body were by love possessed.31

Herein resides the injustice of capitalism for Marx. The valorisation process rests upon and is powered by living energy stolen from human labour. Capitalism is unjust because it takes the self-constituting vitality of labour and transforms it into an autopoietic system. The process of self-valorisation may be unique to capitalism, but the process of self-constitution upon which it rests is not. It is on this basis that Marx refers to capitalism as a ‘topsy-turvy world’,32 which perverts the proper relationship between labour and capital.33 To this end, Marx depicts capitalism as a ‘deranged [verrückte]’ system, in which dead things are brought to life and living labour is reduced to a mere instrument of production,34 in which concrete labour acquires abstract form and abstract economic forces acquire concrete content, in which the relationship ‘value and the force that creates value’ is inverted, and value takes on a ‘fetishistic’ life of its own.35 This, then, comprises the normative content of Marx’s critique of ‘capital fetishism’.36 Unfortunately, Marx fails to

32 The term ‘inverted’ or ‘topsy-turvy world [verkehrte Welt]’ was widely employed in Germany during the late eighteenth and early nineteenth centuries to denote reversals that contravened the natural order of things (Flay 1998).
33 In an otherwise perceptive account of Derrida’s Specters of Marx, Alex Callinicos argues that, while Marx returns to the Feuerbachian theme of inversion in Capital, it only figures as a ‘metaphor’, because there is no ‘“present” or “living” reality that Marx invokes in order to set the “upside-down world” of commodities and capital back on its feet’ (Callinicos 1996, p. 39).
34 This aspect of Marx’s critique is obscured by the Penguin edition of Capital, which translates Verrückung as ‘distortion’, Verrücktheit as ‘absurdity’, and verrücken as ‘absurd’ (Marx 1976, p. 169 and p. 425) – while the term verkehrte Welt is misleadingly translated as ‘distorted world’ (Marx 1981, pp. 966, 969).
36 Dimoulis and Milios 2004.
ground this critique in a social and historical subject of self-constitution. Instead, as we shall see in the next section, Marx contrasts the historical fetishism of capital with the transhistorical materiality of labour.

**Marx’s critique of fetishism**

Marx’s application of the term fetishism to capitalism has generated more debate than perhaps any other aspect of his writings. Nevertheless, its normative content has passed largely unnoticed. And, yet, a modern sense of self-constitution lay at the heart of fetishism from the outset. This can be seen from Hegel’s use of the term to place African religions on the lowest rung of the spiritual ladder.37

In the fetish . . . the arbitrary will of the individual does seem to be faced with an independent entity, but since the object in question is nothing more than the will of the individual projected into a visible form, this will in fact remains master of the image it has adopted. What they regard as their ruling power is therefore not an objective entity with an independent existence distinct from their own.38

All the elements of fetishism are present in this description. Although individuals appear to confront an independent power, they are merely confronting an entity into which they have projected their powers. According to Hegel, once the individuals concerned become conscious of this fact, they are in a position re-claim their alienated powers. Marx adopts the same epistemological stance towards fetishism, but argues that it requires more than a change in consciousness to overcome it. This is because the fetishism of capitalism is more than a question of ideology, as it is with religion. It is also a question of an economic system which imposes its autopoietic imperatives upon humanity. In the process, Marx transforms what, for Hegel, is an expression of the West’s superiority over African belief systems into an indictment of the West’s own ‘backwardness’. To this end, Marx argues that the West remains enthralled to ‘metaphysical’ forces analogous to those of religion in premodern societies.

In order . . . to find an analogy we must take flight into the misty realm of religion. There, the products of the human brain appear as autonomous

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38 Hegel 1997, p. 131.
figures endowed with a life of their own, which enter into relations both with each other and with the human race. So it is in the world of commodities with the products of men’s hands.39

This suggests that capitalism is not a fully modern phenomenon: firstly, because it treats human beings as mere means to its own autopoietic ends, and, secondly, because it endows mere things with self-animated powers.40

The form of wood... is altered if a table is made out of it. Nevertheless the table continues to be wood, an ordinary, sensuous thing. But as soon as it emerges as a commodity, it changes into a thing which transcends sensuousness. It not only stands with its feet on the ground, but, in relation to all other commodities, it stands on its head, and evokes out of its wooden brain grotesque ideas, far more wonderful than if it were to begin dancing of its own free will.41

However, Marx is prevented from exploiting the disjuncture between modernity and capitalism by grounding the critique of the latter in a transhistorical account of production. Despite employing the normative language of modernity to criticise the autopoietic imperatives of capitalism, Marx resorts to transhistorical conception of self-objectifying subjectivity, grounded in production in general. Rather than grounding his critique of capitalism in the modern norm of self-constitution (and the struggles of agents to redeem it), Marx grounds it in the transhistorical capacity of labour to objectify itself. To this extent, Marx’s account of fetishism retains an epistemological guise, whereby the appearance of self-valorisation by capital masks the reality of self-constitution by labour. In contrast to a normative critique of fetishism, which juxtaposes the social and historical reality of self-valorising value to the struggle by workers to implement the modern norm of self-constitution that capitalism violates.

Marx’s decision to by-pass the struggles of workers for greater autonomy in favour of an objective critique of capitalism leads him to contrast the deranged world of capitalism with modes of production in which the connection between labour and value takes a sensible form. To this end, Marx argues that:

40 According to Ross Abbinnett: ‘The concepts of ideology, alienation and commodification, through which the negative unity of “capital” is described, are determined by an originally Kantian opposition of human (productive) spontaneity and the “natural laws of capitalist production”’ (Abbinnett 1998, p. 112).
The whole mystery of commodities, all the magic and necromancy that surrounds the products of labour on the basis of commodity production vanishes once we turn to other modes of production.42

Rather than identifying fetishism with self-objectifying labour, as Postone argues, Marx identifies fetishism with the ‘illusion’ of self-valorising value. To unmask this illusion, Marx turns to modes of production in which labour’s self-constituting role is not obscured by the appearance of an autopoietic system. But the problematic character of this strategy, announces itself immediately in the first of these alternatives.

Despite having denounced political economists for using tales of Robinson Crusoe to illustrate the workings of capitalism, Marx argues that Crusoe (presumably prior to ‘Friday’s’ arrival) was uniquely placed to regard the various concrete activities he undertook as expressions of the same abstract labour.43 This, argues Marx, allows Crusoe to abstract from the various empirical forms his labour takes in order to ascribe value to its products on the basis of labour-time alone. In which case, Crusoe’s labour contains ‘all the essential determinants of value’.44 Similarly, continues Marx, the medieval serf, despite being ‘shrouded in darkness’ and steeped in ‘personal dependence’, knows that ‘what he expends in the service of his lord is a specific quantity of his own personal labour-power’.45 To this extent, ignorant serfs are in a better position than educated workers to understand the true nature of production relations.

Precisely because relations of personal dependence form the given social foundation, there is no need for labour and its products to assume a fantastic form different from their reality. They take the shape, in the transactions of sociality, of services in kind and payments in kind. The natural form of labour, its particularity – and not, as in a society based on commodity production, its universality – is here its immediate social form. The corvée can be measured by time just as well as the labour which produces commodities.46

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42 Marx 1976, p. 169.
43 Ibid.
45 Ibid.
46 Ibid.
The same is true of the patriarchal rural industry of a peasant family (Marx’s third example). Here, workers have no trouble converting their various forms of concrete labour into a uniform expenditure of labour-time.

The fact that the expenditure of the individual labour-powers is measured by duration appears here, by its very nature, as a social characteristic of labour itself, because the individual labour-powers, by their very nature, act only as instruments of the joint labour-power of the family.47

This implies that labour duration comprises the measure of ‘value’ in all modes of production, and not just capitalism. This is supported by a letter to Kugelmann in which Marx asserts that: ‘Natural laws cannot be abolished... [W]hat can change in historically different circumstances is only the form in which these laws assert themselves’.48 Under capitalism, these ‘natural laws’ assume a mystified and mystifying guise which operates ‘behind the backs’ of its producers. Consequently, ‘value’ no longer emerges directly from the conscious calculations of empirical individuals – on the basis of (socially necessary) concrete labour-time – but indirectly from the unplanned activities of the system – on the basis of (socially necessary) abstract labour-time.

This, however, undermines Postone’s attempt to hold ‘traditional’ Marxists responsible for a position that Marx himself holds. At the very least, it suggests that the criticisms Postone levels against the former also apply to the latter. In which case, Marx is vulnerable to the critique that he levels against political economy, namely that it takes categories specific to capitalism and projects them onto a natural state of production in general, thereby naturalising capitalism. Although Postone makes this point against a traditional account of self-objectification, he does not extend this critique to Marx’s own use of the term. And, yet, insofar as Marx grounds his critique of capitalism in a transhistorical conception of self-objectifying labour, it, too, is complicit in the system that it aims to critique. Instead of providing a critique of fetishism, Marx’s conception of self-objectifying labour, as I seek to demonstrate in the next section, shares its fetishistic status with capitalism.

47 Marx 1976, p. 171.
48 In Sayer 1979, p. 21.
Marx’s fetishistic account of labour

According to William Pietz, Marx’s account of fetishism operates on three levels. The first level is concerned with the personification of things and the ‘reification [Versachlichung]’ of people.49 The second level is concerned with reified social relations and personified material relations, and the third level is concerned with the ‘chiasmic fetishization at the level of systems’50 – where ‘chiasmus’ refers to the dialectical inversions that flow from capitalism’s autopoietic properties. To simplify matters, I shall restrict my comments to levels one and three above.

Level one describes a process in which the self-animating properties of human subjects take the inverted form of self-animating objects. In Marx’s words, the mysterious character of the commodity-form consists . . . simply in the fact that the commodity reflects the social characteristics of men’s own labour as objective characteristics of the products of labour themselves, as the socio-natural properties of these things.51

However, when we examine the notion of self-objectifying subjectivity that underwrites Marx’s critical strategy, we discover it is fatally entwined with the mode of production it criticises. Despite criticising capitalism for ‘personifying things’ and ‘reifying persons’, the socialisation of things by labour and the objectification of labour in things is, according to Marx, characteristic of all modes of production. Indeed, it is only insofar as labour possesses the capacity to objectify itself in things, that Marx is in a position to trace the source of value in exchange to labour in production. If things were incapable of ‘embodying’ the purposes of labour, then the latter could not express themselves in exchange relations. In which case, neither the ‘reification’ of purposes (in things) nor the ‘personification’ of things (by labour) is unique to capitalism. On the contrary, they are both essential features of Marx’s transhistorical account of self-objectifying subjectivity.

49 To my knowledge, Marx does not employ the term Verdinglichung but, rather, Versachlichung in his writings. This, however, is a source of some confusion in that the Penguin edition of the Grundrisse translates Versachlichung (along with Vergegenständlichung) as ‘objectification’, while the Penguin edition of Capital translates Versachlichung as ‘reification’ and Vergegenständlichung as ‘objectification’. As with the term Verwertung (above), I have brought the Penguin edition of the Grundrisse into line with the Penguin edition of Capital.


As such, Marx’s account of production in general shares the same fetishistic characteristics as the capitalist mode of production. Far from describing a transhistorical set of properties Marx projects capitalist social relations upon production in general.

The same can be said for Pietz’s level three, in which human agency is immured in an autopoietic economic system. In the ‘chiasmic fetishization at the level of systems’; the purposes of labour find their alienated expression in the objective imperatives of the economic system. However, this state of affairs is indistinguishable from Marx’s claim that the ‘objectivity’ of capitalist sociality is a natural expression of the purposive transformation of nature by labour. By equating self-constitution with self-objectification, Marx naturalises the external, independent and autonomous status of capitalism. This suggests that, even after the overthrow of capitalism, human beings will be confronted by an objective form of sociality. It is this pessimistic conclusion that led Max Weber to argue that modernity terminates in an ‘iron cage [stahlhärtes Gehäuse],’ to which socialism makes no difference.

In his essay ‘Reification and the Consciousness of the Proletariat’, Lukács sought to offset this conclusion by arguing that self-objectification is not a natural attribute of labour but a social and historical attribute of capitalism. Under the rubric of reification [Verdinglichung], Lukács argues that the objective status of capitalism is not a natural consequence of labour’s purposive transformation of nature but a social and historical consequence of its autopoietic (autocephalous) status. However, Lukács fails to put the critique of capitalism on a normative basis. Instead, he posits a subject (in this case, the proletariat) that comprises the true source of sociality. Overcoming the objectivity of capitalism therefore means restoring the subjectivity of the proletariat. This left Lukács vulnerable to the charge of idealism, a charge he accepts in his later writings.

Lukács’s failure to overcome Marx’s naturalisation of self-objectification infects critical theory to this day. It underwrites the Frankfurt school’s identification of labour with reification, which persists in the writings of its most famous contemporary representative: Jürgen Habermas. It is therefore no coincidence that Postone’s criticises traditionalists for naturalising the notion of self-objectifying subjectivity. In contrast to a traditional reading of

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52 Lukács 1971a.
53 Lukács 1971a, p. 92.
54 Lukács 1971b.
Marx, Postone, like Lukács, identifies objectification with ‘alienation’.

But this raises the question, who or what is alienated in this process? Postone’s answer is ‘people’. Despite being ‘controlled by what they have constituted’, argues Postone, people ‘make these relations and this history’. Even though labour appears to be ‘made’ by capitalism, people continue to ‘make’ capitalism by means of labour. But the more the social and historical character of labour is ‘made’ by capitalism the less plausible it becomes to claim that labour is secretly ‘making’ itself in an alien guise. Without resorting to a transhistorical account of self-objectifying subjectivity, it becomes impossible to sustain a social and historical account of abstract labour – hence Marx’s decision (pace Postone) to retain it.

The appeal of abstract labour lies in its capacity to sustain a labour theory of valorisation without regressing to a naturalistic account of self-constitution. To this extent, abstract labour is a halfway house between a transhistorical account of labour as the natural subject of sociality, and a historical account of capital as the social subject of valorisation. It is for this reason that Postone argues labour’s capacity to valorise value is a purely social and historical facility, conferred upon it by capital. But this implies that, having transformed labour into a self-constituting subject, capital then conceals this ‘fact’, by making it appear that the capacity for self-constitution is exclusively its property. Like the ‘productive subject’ that haunts Kant’s account of natural causation, abstract labour comprises the transcendental condition that makes capitalism possible. But, because it lacks a phenomenological form, its presence can only be inferred from the functions it secretly performs for capitalism. In the next section, I want to explore what these functions might be.

**The ghostly work of abstract labour**

How do we know that abstract labour is the secret subject of valorisation? As we have seen, the Rubin school argues that the ghostly presence of abstract labour can be deduced from the role it plays in socialising exchange relations.
To this end, representatives of the Rubin school argue that the social relation between commodities in exchange derives from the activity of labour in production. This claim, in turn, rests upon two related assumptions: firstly, that labour does not acquire a social form prior to exchange and, secondly, exchange is not a social process in its own right. In support of this claim, Marx argues that:

Objects of utility become commodities only because they are the products of the labour of private individuals who work independently of each other. The sum total of the labour of all these private individuals forms the aggregate labour of society. Since the producers do not come into social contact until they exchange the products of their labour, the specific social characteristics of their private labours appears only within this exchange.\(^{59}\)

On the assumption that the independent labour of ‘private individuals’ only acquires its social form in exchange, Marx argues that exchange acquires its social content from labour in production. Similarly, Rubin argues,

The comprehensive equalization (through money) of all concrete forms of labour and their transformation into abstract labour simultaneously creates among [the producers] a social connection, transforming private into social labour.\(^{60}\)

However, the socialisation of labour in exchange veils its origins in production. Consequently, it is necessary to deduce this process from the workings of the capitalist system. The Rubin school bases its argument for abstract labour on the assertion that labour is ‘abstracted’ in exchange and exchange is socialised by labour.

However, as Diane Elson notes, the claim that the ‘producers do not come into social contact until they exchange the products of their labour’ is based upon an ‘abstraction’.\(^{61}\) At this stage in his argument, Marx is ‘abstracting from the internal organization of each producing unit’.\(^{62}\) The assumption that labour does not possess a social form prior to exchange and therefore finds its social expression in the exchange process is vitiated by the ‘real subordination of labour’ to capital.\(^{63}\) In the opening chapters of *Capital*, Marx assumes that

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\(^{59}\) Marx 1976, p. 165.

\(^{60}\) Rubin 1973, p. 130.

\(^{61}\) Elson 1979, p. 146.

\(^{62}\) Ibid.

\(^{63}\) Marx 1976.
production is not ‘socialised’ by capital. However, in later chapters, Marx
details the historical process whereby labour is absorbed into and becomes
a component of capital. To this end, Marx identifies three stages of
‘subordination’: firstly, co-operation; secondly, the division of labour and
manufacture; and, thirdly, machinery and large-scale industry. But, even in
the first stage, labour is set to work by and is incorporated into capital.

[Workers’] co-operation only begins with the labour process, but by then
they have ceased to belong to themselves. On entering the labour process
they are incorporated into capital. As co-operators, as members of a working
organism, they merely form a particular mode of existence of capital. Hence
the productive power developed by the worker socially is the productive
power of capital.64

It follows from this that labour (whether concrete or abstract) cannot comprise
the subject of valorisation. On the contrary, labour is only ‘productive’ of
value insofar as it is a moment of capital.

[The question whether capital is productive or not is absurd. Labour itself
is productive only if absorbed into capital, where capital forms the basis of
production, and where the capitalist is therefore in command of production . .
labour, such as it exists for itself in the worker in opposition to capital, that
is, labour in its immediate being separated from capital, is not productive.65

This comprises the textual basis for Postone’s claim that capital rather than
labour comprises the ‘subject’ of valorisation. Further support for this claim
can be found in Marx’s assertion that the:

entire development of the productive forces of socialized labour (in contrast
to the more or less isolated labour of individuals) . . . takes the form of the
productive power of capital. It does not appear as the productive power of
labour . . . and least of all does it appear as the productive power either
of the individual worker or of the workers joined together in the process
of production.66

It follows that, the more capital subordinates labour to its autopoietic ends,
the more self-constitution becomes a property of capital.

66 Marx 1976, p. 1024.
As the dominant subject [übergreifendes Subjekt] of this process, in which it alternatively assumes and looses the form of money and the form of commodities, but preserves and expands itself through all these changes, value requires above all an independent form by means of which its identity with itself may be asserted.  

At which point, capital becomes a self-valorising subject in its own right.

It is no longer the worker who applies the means of production, but the means of production which apply the worker. Instead of being consumed by him as material elements of his productive activity, they consume him as the ferment necessary to their own life-process, and the life-process of capital consists solely in its own motion as self-valorising value.

We thus arrive at a fully social and historical account of labour under capitalism, in which production is a social process in its own right, constituted and controlled by capital. However, Marx is reluctant to accept the conclusions of his analysis. In order to preserve a labour theory of valorisation, he locates the subject of valorisation in the ‘actual labour process’. But if, as Marx argues, production acquires its social character from capital, it follows that labour’s capacity for self-constitution must be an asocial property of individual workers.

Labour as a social and natural force does not develop within the valorisation process as such, but within the actual labour process. . . . Productive labour – as something productive of value – continues to confront capital as the labour of the individual workers, irrespective of the social combinations these workers may enter into in the process of production. Therefore whereas capital always represents the social productivity of labour vis-à-vis the workers, productive labour itself never represents more than the labour of individual workers vis-à-vis capital.

This represents a crucial turning point in the development of Marx’s thinking. Faced with the (social and historical) incorporation of labour into capital, Marx could have abandoned the attempt to discover a secret subject behind the façade of capital in favour of grounding the critique of capitalism in the social and historical opposition of the labour movement to it. Instead, Marx regresses to an individualistic account of capital’s other grounded in the ‘actual’,

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69 Marx 1976, p. 1056.
'real' or 'simple' labour process. Abandoning his own account of individuality, as a social and historical product, Marx makes common cause with 'bourgeois' commentators for whom autonomous subjects comprise the starting point rather than the outcome of civil society.\footnote{Marx 1973, p. 83.}

From this point on, capital's status as a self-valorising subject assumes an illusionary guise. This however creates a dilemma for Marx. If the true subject of self-constitution is not capital but labour, then labour must possess a natural capacity for self-constitution. In which case, the critique of capitalism rests upon transhistorical premise concerning the 'ontological' properties of labour. And the movement to overcome capitalism is merely a means to realise this predetermined end. Postone seeks to avoid this conclusion by arguing that labour's capacity for self-constitution is bestowed upon it by capital. But, as we have seen, in the absence of a transhistorical account of self-objectifying subjectivity, there is no bridge to connect value-in-exchange with labour-in-production. Only by positing a subject that constitutes itself prior to capital is it possible to locate the source of valorisation in a subject un tarnished by capital. But, even if we were to accept Postone's explanation for labour's self-constituting powers (and their obfuscation by capital), this critique continues to assume an epistemological rather than a normative guise.

Capitalism, from this standpoint, is not 'invalid' because it violates the modern norm of self-constitution; it is 'false' because it only appears to constitute itself. Ultimately, abstract labour comprises a ghostly placeholder for an absent subject, whose task is to deny capitalism legitimacy. To this extent, the work that abstract labour performs is primarily normative. By denying the autopoietic status of capitalism, it makes room for humanity to constitute itself. But, because this role is ascribed to labour by another (in this case, Postone), it denies workers the right to constitute their own normative critique of capitalism. If we are, therefore, to redeem Postone's critique of positivism, we must renounce the suggestion that self-valorising value is merely an illusion masking the truth of abstract labour's ghostly work in favour of a social and historical account of self-constitution grounded in the struggles of workers to constitute their own social relations. Herein resides the importance of Habermas's normative account of critical theory.

\footnote{Marx 1973, p. 83.}
Towards a modern account of self-constitution

Like Marx, Habermas places self-constitution at the heart of his account of modernity. But, unlike Marx, Habermas argues that there are two modalities of self-constitution: one performed by self-objectifying labour and another by communicative action. According to Habermas, the former results in an autopoietic system that is permanently beyond the control of its members, while the latter results in an intersubjective lifeworld through which agents constitute their own social identities. Habermas then argues that modernity can avoid ‘pathologies’ if each modality of self-constitution keeps to its own sphere of influence. This means preventing the economic system from straying into the intersubjective lifeworld and vice versa.71

To this extent, Habermas’s contribution to critical social theory is an ambivalent one. On the one hand, he grounds critical theory in a modern norm of self-constitution while, on the other hand, he treats the autopoietic status of the economy as an inevitable consequence of modernity.72 But if, as Postone argues, self-objectification is not a transhistorical attribute of labour but a social and historical expression of capitalism, then there is nothing to justify restricting the modern norm of self-constitution to the intersubjective lifeworld.73 On the contrary, there is every reason to apply the principles of communicative action to the economic system, including Habermas’s suggestion that ‘human beings act as free subjects only insofar as they obey just those laws they give themselves in accordance with insights they have acquired intersubjectively’.74 From this perspective, the autopoietic imperatives of capitalism violate the modern norm of autonomy. Indeed, it is this violation that underpins the critique of capitalism as ‘reified’. For, as long as human beings continue to be ruled by objective forces beyond their conscious control, they retain the status of ‘objects’ ruled by causal laws. Modernity refutes reification by conferring upon human beings the status of ends in themselves, with the ‘right’ to constitute their own social identities in an autonomous fashion. In which case, the ‘unfinished project of modernity’ will remain unfinished, while the economy retains its autopoietic status.75

However, while everyone under capitalism is subject to the autopoietic imperatives of the system, not everyone experiences them in the same way.

71 Habermas 1987.
72 Habermas 1996.
73 Postone 1993, p. 236.
There is a class divide, which places workers at the blunt end of the system’s objective logic. This explains why workers have led the struggle against the system’s reduction of labour to a mere instrument of production. In treating the instrumental status of labour as natural, Habermas excludes workers from the normative content of modernity and sides with capital against labour. But, in so doing, Habermas violates the norm of communicative action, which requires agents to participate freely, fairly and openly in the construction of their own social identities. Thus, insofar as capitalism impedes this process it is antithetical to the modern norm of self-constitution and workers are fully justified in struggling to overcome its autopoietic imperatives.

Concluding remarks

I end where I began, with the premise that capital comprises the subject of valorisation under capitalism. Although I share this premise with Marx and Postone, neither is able to redeem it. Instead, both resort to a transhistorical critique of capitalism, grounded in a productive subject (labour) ‘behind’, ‘before’ and/or ‘below’ the valorisation process, which is the real source of capital. Although Postone argues that the subject of valorisation is a not a transhistorical modality of concrete but a historical modality of abstract labour, in the absence of a transhistorical subject of objectification, it is impossible to trace valorisation back to labour. While Postone is right to argue that the social and historical character of labour is conferred upon it by capitalism, he is wrong to argue that capitalism also confers world constituting powers upon labour. Rather than being erroneously imposed upon Marx by ‘traditionalists’, he evokes a transhistorical account of self-objectifying subjectivity to render the social and historical formation of labour by capital, a mere form of appearance.

Hence the tension in Marx’s writings between a transhistorical account of labour, as the subject of production, and a historical account of capital as the subject of valorisation. In the former case, capital’s status as a self-valourising subject is purely illusionary and the critique of capitalism takes an ‘epistemological’ guise, unmasking the hidden truth of labour’s role in constituting capitalism. In the latter case, capital really is an autopoietic subject and the critique of capitalism assumes a ‘normative’ guise, grounded in the modern ethic of autonomy. Postone’s reading of Marx is closer to a historical than a transhistorical account of labour. But he fails to acknowledge that a
fully social and historical account of labour precludes regression to a transcendental subject that – unbeknown to its empirical bearers – secretly valorises value. Nevertheless, Postone is unhappy with the positivistic implications of this critical strategy. As he notes, to argue that capitalism is unjust because it usurps labour’s capacity for self-constitution is to argue that critical theorists have penetrated beneath the surface appearance of valorisation to reveal the ‘objective’ truth of self-constitution.

The irony of this approach is that it denies the very thing upon which its critique of capitalism rests – namely the norm of self-constitution. By rendering self-constitution a property of abstract labour, Postone circumvents the standpoint of concrete workers, other than to assess the degree to which they are conscious of the role they (already) play in producing capitalist sociality. In struggling to overcome the autopoietic imperatives of capitalism, workers, from this perspective, are merely struggling to become what they already are (albeit in an alienated guise) – the constitutors of society. In which case, workers are not self-constituting, in the sense that they ‘create’ their own social identity. Their social identity has already been ‘discovered’ by scientific Marxists. Workers are merely tasked to throw off the alien integument of capitalism and assume their inherent guise as self-constituting subjects. Rather than allowing workers to intersubjectively constitute their own critique of capitalism, scientific Marxists determine the latter’s normative status on the basis of an objective account of self-constitution.

To this extent, scientific Marxism comprises a premodern account of morality, grounded not in the intersubjectively expressed ends of social agents, but the natural attributes of labour (as discovered by scientific Marxists). This not only makes an objective critique of capitalism possible, it also allows scientific Marxists to speak on behalf of workers. Indeed, it assumes that the former know better than the latter what is in their true interests. Kant refers to such an account of morality as ‘heteronomous’, because it is imposed upon social agents by another – although a better term might be authoritarian. Kant contrasts this with a modern account of morality, grounded in the norm of ‘autonomy’, in which agents create their own moral identities. By depicting capitalism as objectively unjust, scientific Marxists usurp the right of modern social agents to constitute their own norms and values. In which case, scientific Marxism violates the very norm of self-constitution upon which its critique

76 Kant 1970.
of capitalism rests. By putting self-constitution onto an ‘ontological’ foundation, it prevents agents from constituting their own critical standpoint. In Kantian terms, it treats agents as lacking the ‘maturity’ to govern themselves.⁷⁷ Instead, they are presented with the moral truth of capitalism by objective experts.

If we, therefore, wish to render self-constitution consistent with its own normative content, then we cannot treat self-constitution as an ontological property of labour (even assuming that it is conferred upon labour by capital). This stance does not allow for an ‘immanent’ critique of capitalism. Rather, it assumes that the ‘otherness’ of the other of capitalism pre-exists its own self-constituting activity. In which case, it is not a genuinely self-constituting subject. For the other of capitalism to comprise a self-constituting subject, it must constitute itself as the other of capital. This is the case with the labour movement. In opposition to the reduction of labour to a mere instrument of self-valorising value, workers create their own social identity. They do not create it out of nothing, but the something upon which this oppositional identity rests, is not the power to (secretly) valorise value. Their part in the valorisation process is dependent upon labour comprising a moment of capital. It is only by breaking from their designated role as instruments of self-valorisation that workers constitute themselves in opposition to capitalism’s autopoietic imperatives. In that moment, the system’s capacity to valorise itself is challenged by an alternative social force struggling to impose its ends upon society. But this means treating self-constitution not as a transhistorical capacity of labour but as a modern norm. Thus, insofar as capitalism prevents social agents from exercising their right to govern themselves, capitalism is not only unjust – it is also not fully modern. Herein resides the normative ground for Marx’s critique of capitalism as fetishistic.

Rather than equating modernity with capitalism, as Fredric Jameson argues,⁷⁸ Marx’s critique of fetishism is grounded in the modern norm of autonomy. From this perspective, capitalism resembles a premodern form of sociality, governed by forces independent of its members will. In the case of religion, the independent force is ideological, although it is grounded in an authoritarian form of sociality. In the case of capitalism, it is systemic, insofar as sociality is governed by a set of autopoietic imperatives. To this extent, capitalism

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⁷⁷ Kant 1970. Kant defines enlightenment (and by extension modernity) as humanity’s escape from ‘immaturity’, in which rules imposed upon agents (by others in the name of natural laws) are replaced by rules agents impose upon themselves (through the public use of reason).

shares the same external, independent and oppressive characteristics as a premodern form of sociality. But, rather than putting his critique of fetishism on a normative foundation, Marx transforms the modern norm of self-constitution into a transhistorical capacity for self-objectification. To retrieve the normative content of Marxism, it is therefore necessary to reverse this process by placing self-constitution on a normative foundation.

Postone is, therefore, to be congratulated for revealing the problems that arise from equating self-constitution with self-objectification. Nevertheless, he fails to avoid these problems in his own version of self-constitution: partly because he is reluctant to criticise Marx directly and partly because he fails to take the autopoietic status of capitalism seriously. In contrast, I argue that not only is the latter ‘real’ but it is also what renders capitalism unjust from a modern perspective. This, then, precludes the possibility of labour (abstract or concrete) comprising the hidden subject of valorisation. In which case, we must look elsewhere to ground the critique of capitalism. To this end, I turn to the struggles of the labour movement to redeem the normative promise of modernity. From this perspective, capitalism is unjust not because it usurps labour’s transhistorical capacity for self-constitution, but because it violates the modern right of agents to constitute their own social identities.

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Interventions

Karl Beitel

The US, Iraq and the Future of Empire

Introduction
The US invasion of Iraq provoked widespread international opposition and marked the occasion of an unprecedented split within the NATO alliance. US actions were opposed by both permanent non-NATO members of the UN Security Council (Russia and China), and triggered a massive outpouring of popular protest around the globe; factors that in sum seemed to indicate that the US was becoming an increasingly isolated superpower opposed by a vast cross-section of non-US constituencies. Given both the domestic and international political risks inherent in the occupation of Iraq, the actions of the Bush II administration may seem reckless, and even irrational, from the vantage point of the longer-term perpetuation of US imperial power. The question is thereby posed as to why the Bush administration committed itself to an aggressive and high-risk gamble of seeking to impose a new political order on Iraq? Can we explain US policy as the result of the hijacking of US foreign policy by a neoconservative faction of the ruling establishment,
whose actions run counter to the longer-term strategic interests of the US imperium? Or are there systemic problems and weaknesses confronting the US economy and global imperium that the invasion of Iraq is an attempt to solve?

In this article, I argue that the actions of the Bush II administration should be understood as a strategic response to emergent threats posed by the EU/euro project, and the economic ascension of China, to US imperial power. While the objectives of US policy in Iraq are multiple and complex, an overarching motive compelling US action is the pre-emption of a potential realignment between Iraq and contending neo-imperial blocs centred in the EU and China/East Asia that would undermine US ability to act as protectorate of Western security interests in the region, exert control over Europe and China’s access to regional energy supplies, and preserve the centrality of the dollar-oil link that buttresses the international role of the dollar. Arguing that the actions of the Bush II administration are attempts to shore up systemic weaknesses in the US imperial order seems to run counter to the reality of overwhelming US military power, and the ability to act unilaterally, if and when deemed necessary, to defend US interests. The current status of the US as the sole reigning global superpower is beyond dispute. What is also undeniable, however, is that the end of the Cold War undermined the former terms of US hegemony within the Western alliance. European and East-Asian governments are moving to consolidate independent trade, investment and security agreements that bypass direct US control, raising the spectre of a realignment of the international system around a tripartite multipolar structure centred on the US, Germany/France and China. In the absence of the former containment provided by the Cold War, these efforts to expand and secure spheres of influence outside US jurisdiction will preclude any return to consensual re-integration under the terms of a new pax americana. Far from being a sign of imperial irrationality, the actions of the Bush II administration are based on a sober recognition of the threats posed to US imperial power by an emergent multipolar system, and a clear determination that the interests of US imperialism are best served by a unilateral pre-emption that exploits uncontested US supremacy in the military arena.1

1 The arguments that follow are not intended to deny the existence of internal divisions within the US ruling establishment over the desirability of pre-emptive unilateralism in Iraq. Concerns were raised prior to the invasion by leading figures within the Republican foreign policy élite such as James Baker concerning the prudence of the invasion, and the Democratic Party establishment remains committed
The new *pax americana*?

Both the seemingly unassailable reach of US imperial power, and the current contradictions of the US economic model, are rooted in three interwoven political-economic policy initiatives launched under the Volcker-Reagan régime that marked the transformation from a Keynesian to neoliberal accumulation model. Firstly, there was a shift to a policy of tight money (monetarism), coupled with a draconian attack on organised labour and the social-welfare state, which was intended to affect a decisive shift in the balance of power between capital and labour. Secondly, the US Treasury, under the direction of James Baker, would exploit the Third-World debt crisis to begin to dismantle the national developmentalist state throughout the global South. Conditionalities where attached to bail-out loans provided by the IMF and World Bank that required debtor nations to phase out existing governmental controls on trade and foreign investment, and impose sharp deflationary dynamics on the domestic economy in order to weaken working-class organisations, shift income from labour to capital, and release funds to service the foreign debt. The regulatory régime that has emerged from this forced restructuring – neoliberalism – marked the advent of a more direct recourse to economic coercion, exercised through the market, to secure the (re)subordination of the global South to the accumulation imperatives of the core on terms favourable to Western rentier interests. In so doing, this new régime has undermined the political foundations of the post-war developmentalist class alliance. Thirdly, the Reaganites aggressively promoted the phase-out of capital controls in Europe during the 1980s which, in tandem with the market opening measures imposed on governments in the South, laid the basis for a progressive liberalisation of global financial markets that re-centred the international financial system squarely on the dollar. Despite some shifts in rhetorical emphasis, and a less belligerent tone towards labour, the Clinton administration would preside over the institutionalisation of key components of the Volcker-Reagan neoliberal agenda, securing the 1994 passage of NAFTA and the 1996 TANF (Temporary Assistance to Needy Families) reform, marking
an important embrace by the Democrats of a neoliberal, anti-welfare social platform which decisively repudiated the terms of the New Deal.

The sum-effect of these initiatives was to place the Wall Street-IMF-US-Treasury complex at the centre of a new global regulatory régime predicated on price stability, social austerity, and market liberalisation. The US economic boom of 1995–9 appeared to confirm the prognosis and remedies initiated under Reagan and furthered under Clinton. By the second half of the 1990s, US capital had regained leadership in cutting edge technological sectors (computing, telecommunications, biotechnology and complex systems design). The much vaunted ‘flexibility’ of the US labour market – the ease of hiring and firing workers, lax labour protections, high rates of contingent employment and contract labour – and low corporate tax rates allowed firms to rapidly redeploy capital and labour in response to profit and price signals, favouring dynamic adaptation of new technological possibilities and spurring a renewed wave of entrepreneurialism that fuelled the US economic ‘miracle’. By the end of the 1990s, the contours of a revived US global pre-eminence seemed clearly in place: not only had the US vanquished its primary adversaries of the post-war period – state Communism and Third-World nationalism – but the prior fifteen years of forced economic restructuring appeared to have laid the basis for a durable revival of American competitive pre-eminence and global economic leadership.

Despite the resurgent US economic performance and higher rates of growth in both GDP and labour productivity in the US, as compared to Europe and Japan, over the last decade, significant contradictions presently confront the US imperium. For one, the postwar rebuilding of Europe and the emergence of new centres of accumulation in East Asia have eroded the once unassailable advantages of the American corporate sector. In 1950, the US accounted for nearly half of total global output; in 2002 this figure stood at 21 per cent. US manufacturer’s share of global output has fallen from 60 per cent to 25 per cent over this same period. By 2002, nine of the ten largest electronics and electrical equipment producers, eight of the ten largest automotive manufacturers, seven of the largest ten petroleum companies, six of the largest ten telecommunications companies, five of the largest ten pharmaceuticals, four of the largest seven airlines, and finally, 19 of the world’s largest banks were non-US firms. In 1960, the US accounted for 47 per cent of the world’s foreign direct investment; by 2001 this figure had fallen to 21 per cent. What is significant here is the pattern of ongoing relative decline, reflecting the
combined effects of the rebuilding of Europe after WWII and the emergence of Asian producers since the late 1960s that have eroded the global market share commanded by US firms. Hence, the triumphal celebration of US corporate performance over the last decade must be qualified by the recognition that global parity has been achieved in many sectors by non-US producers and financial interests, which compete on highly successful terms with their US counterparts.3

Second, cross-national comparisons indicate that labour-productivity growth in the US has consistently lagged behind that of Germany, France and Italy over the last forty years (see Table 1). The apparent reversal of this trend since 1998, unless sustained over a significant period, cannot as yet be taken as a clear indication of a decisive turnaround of the prior four-decade trend. Furthermore, once output is adjusted for hours worked per capita, output per worker is higher in absolute terms in Germany, France and Italy than in the US. Although productivity growth in the US has outpaced Europe and Japan since 1998, the data is indicative of a longer-term erosion of US technological leadership relative to the position enjoyed in the immediate aftermath of the postwar era. This suggests that the relatively favourable US economic performance over the 1990s was predicated as much upon labour intensification and stagnant wages for large sectors of the US working class, as upon increases in output per hour worked.

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<td>0.9</td>
</tr>
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Third, the growing ‘financialisation’ of the US economy has engendered new problems of macro-economic management and a growing external exposure of the US economy. Financialisation – that is, the series of post-1970 financial innovations and regulatory reforms which have allowed rentiers to mobilise vast financial surpluses used for purposes of financial speculation –

has complex and contradictory effects on system performance. On the one hand, the relentless demands by Wall Street for higher earnings and equity appreciation places management under constant pressure to cut costs and restructure unprofitable operations, in order to increase the rate of flow of surplus-value back into the financial sector in the form of interest and dividend payments. These financial flows generate vast pools of capital that provide the financial war chests deployed by rentiers when launching further predatory attacks on productive capital. The attendant re-organisation of ownership structures through forced measures such as leveraged buyouts, hostile takeovers, and mergers and acquisitions has spurred the centralisation of capital, increased rentier power, and effected a massive upward transfer of wealth in US society. In this sense, the capital markets substitute for the former effects of falling prices during capitalism’s ascendant competitive phase in imposing cost discipline on the productive sector, and are a key factor driving the relentless ‘sweating’ of large sectors of the US labour-force that has underpinned the revival of US corporate profitability since 1982.

On the other hand, the increased absorption of surplus-value by the financial sector drains off investment reserves that might otherwise have been available for productive investment. While this can be seen as an ‘adaptive’ response to problems of overaccumulation (for instance, the existence of surplus-capital and labour-power that cannot find profitable investment outlets), the result has been a systemic ‘disaccumulation’ within the manufacturing sector of the US economy. Further, given the inherent difficulties such a finance-lead régime has in sustaining high levels of private investment, market growth is increasingly dependent on the expansion of government and consumer borrowing that expands demand without a corollary expansion of productive capacity. The net result of this pattern of under-investment and overconsumption is seen in the steadily rising trade deficit over the last two decades shown in Figure 1. Disarticulation between the rate of growth of domestic consumption and output remains viable so long as foreigners are willing to accept dollars as payment for international transactions – foreigners’ acceptance of dollars allows the Federal Reserve to ‘monetise’ the US current account deficit, through accommodating the banks demand for additional liquidity to support domestic credit creation, with the resulting outflows of dollars, subsequently recycled back through the US capital account.
Figure 1: US Trade Balance

Source: Economic Report of the President
This system of deficit financing confers both enormous privileges to the US and a significant degree of vulnerability. On the one hand, the US Treasury and Federal Reserve both operate in an international environment characterised by a high demand for dollar-denominated debt, given the dollar’s role as the world’s pre-eminent international reserve currency. Because of this, the Central Banks and the private banking systems of outside the US hold a significant share of their short-term debt in dollar-denominated assets, underpinning a strong structural need for a dollar-denominated debt that is independent of current US interest rate. As a result, the US Treasury can confidently issue new liabilities on the international market to cover short-term operating deficits, in anticipation that new issues of Treasury-bills will be absorbed into foreign bond portfolios at the going rate of interest set by the Federal Reserve. Furthermore, the US can confidently expect that maturing liabilities can be rolled over given the willingness of foreigners to stock their portfolios with dollar-denominated liquid assets. Portfolio demand for US assets supports the price of T-bills, traded on the secondary market, allowing the US to issue new debt under the assumption that past liabilities will not suddenly impose onerous repayment burdens. Similarly, because the US government can borrow in its own currency, these debts are repaid in dollars. Debt servicing costs are accordingly reduced, and the US is largely sheltering from higher repayment burdens in the event of any sustained depreciation in the international price of the dollar. Foreign portfolio and transactions demand for dollars likewise allow the US Treasury to pursue a weak dollar policy if deemed necessary to enhance the competitive position of US exporters by effectively decoupling portfolio demand for dollar-denominated assets from realignments in the dollar exchange rate.

Of equal significance, is the fact that the need of non-US actors to hold savings in short-term US debt confers extensive latitude on the Federal Reserve in setting the domestic price of credit. As indebtedness rises and growth begins to falter at the end of the expansionary phase of the business cycle, the Fed can lower interest rates to allow over-leveraged US borrowers to

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4 The dollar remains the primary currency used by foreign central banks in conducting interventions on the international currency markets. In addition, the dollar is used as the unit of account and the main transactions currency in a wide range of goods and services markets, including global oil trade.
roll-over existing liabilities at new, lower rates. This reduces current payment burdens and lays the basis for a reflation of the credit structure and the renewal of economic growth, without triggering a massive flight from the dollar. Dollar hegemony is therefore crucial to the current degree of operational autonomy enjoyed by the US Central Bank, and affords the Fed ample room to manipulate interest rates in light of the short-term domestic stabilisation objectives.

Finally, it should be noted that the ability of the US to guarantee foreigners continued acceptance of US debt has provided successive American administrations with a ready recourse for the deficit financing of US militarism abroad. Because any operating shortfalls can be covered through borrowing, the projection of American military power is freed from both internal and external financing constraints, a fact that has allowed the Bush II administration to undertake actions intended to weaken the very powers that presently are financing the US occupation of Iraq.

Despite the vast prerogatives conferred to US policy makers, the vulnerability this system is significant, although difficult to quantify precisely. All debt involves a leveraged bet on the future. For US creditors, this is a bet that the US can and will honour its outstanding obligations; it is this confidence that allows the dollar to continue to function as the pre-eminent international reserve currency even as the US trade deficit reaches historically unprecedented heights. For the US, a far more audacious and high-stakes gamble is taking place, namely that the day of reckoning on the mounting total debt, now at over 2.4 trillion dollars and counting, can be perpetually deferred. Concretely, this means betting on foreigner’s willingness to refinance outstanding US liabilities by rolling over due obligations or, if payment is demanded, by issuing new debt.

As a result, European and Japanese investors exercise significant potential leverage over the US economy, as any movement of funds out of dollar-denominated assets – reparation to the euro and/or into East-Asian assets markets – would constrain the independence of the Fed in setting the price of domestic credit and expose the highly leveraged balance sheets of US households and firms to higher interest rates. Any significant rotation of funds out of dollar-denominated assets would, similarly, impose constraints on the ability of the US to engage in deficit financing of military adventures abroad. In this sense, the present contradictions of the US status as the world’s
largest debtor nation are quite striking, for, as will be argued below, US military actions in Iraq are aimed at weakening the very neo-imperial blocs that are currently financing the US occupation.5

The dollar, the euro and the spectre of China

This dual position of power and vulnerability is the context within which emergent challenges to US economic and financial power posed by the EU and East Asia, and the US counter-response, must be understood. At present, the post-Cold-War international system is evolving towards the organisation of three spheres of geo-economic influence centred on the US (North America, but also the Western Hemisphere and, to some significant extent, the rest of the world, in so far as the US remains the global superpower), the German-France partnership (the EU and Eastern Europe), and Japan/China (East Asia). There are signs of growing international discord amongst the dominant powers, evidenced in the failure of the major Western powers to forge a viable basis of multilateral agreement on international trade and investment rules, and, of even greater significance, conflicts pertaining to international geo-economic realignments that pose potential, albeit nascent, challenges to US global power.

The EU/euro project would appear to constitute, in the near to medium term, the more immediate threat to the US. The EU is an attempt to institutionalise an élite strategy of rollback of the postwar European social-democratic compact. The Maastricht Agreement of 1992, which tied entry into the EU to observance of principles of fiscal austerity and tight money, formalised this élite exit strategy from the terms of the social-democratic accord, and continues to provide the regulatory framework for efforts to rescind key elements of the European social-welfare state.6 Recent violations of the terms of the stability pact by Germany and France do not alter this basic fact: on the contrary, fiscal overuns will intensify efforts to limit social entitlements and shift payment burdens onto workers, given that raising business taxes has been placed off limits by the present political calculus of Europe’s major political parties. European capital has, similarly, sought to drive down costs

5 On the contradictions of the US deficits, see Haveli and Lucarelli 2003.
6 Convergence criteria included current fiscal deficits no greater than 3 per cent of GDP, total government debt no greater than 60 per cent of GDP, and inflation at or below 3 per cent per annum. See Albo and Zuege 1999, Carchedi 2001.
by stepping-up attacks on labour through calls for greater labour market ‘flexibility’ (that is, greater ease in firing workers and the elimination of employer retraining and severance payments), efforts to weaken binding national wage settlements through the regionalisation of bargaining agreements, and cuts in unemployment benefits tied to forced entry into paid employment at sub-minimum wages. Efforts to extend the working day without increases in compensation comprise yet another front in this assault, as seen in recent concessions extracted from French and German trade unions to work longer hours with any pay increase – concessions extorted under threats of plant relocation into the low-wage EU periphery. The compelling logic in each case is the same: drive down wages, increase worker insecurity and boost ‘flexibility’ to enhance the competitive position of European firms.

Principles of social austerity, the attack on labour, and market liberalisation point towards a comprehensive strategy intended to transform the European social model along US lines by replicating aspects of the harsh labour régimes characteristic of the Anglo-US model, and, as such, are indicative of a shared trans-Atlantic élite interest in dismantling the framework of industrial relations and welfare entitlements underpinning the postwar social compact. At the same time, European integration and the launching of the euro poses an objective threat to the economic and financial foundations of US imperial power. This threat is structural in nature, and exists independently of the overtly stated intentions of the chief architects of the EU project. Financial market integration, and the creation of a tariff-free zone, along with free capital mobility within the EU, is an attempt to forge the world’s largest and most dynamic market economy that will position European capital on a par with the US and, over time, allow the euro to challenge the dollar as the world’s pre-eminent international reserve currency. European multinationals and financial conglomerates have similarly used European integration to expand and consolidate spheres of influence within the Euro-German ‘hinterland’ of Eastern Europe, the Balkans and the Baltic. European capital, not US-based multinationals, have been the major players in post-Cold-War privatisations in Eastern Europe. European, and particularly German, financial conglomerates are the dominant investors in Eastern Europe and the Balkans, and currently control the vast majority of the region’s banking and financial sectors. German banks are presently seeking to extend their reach into Russia, were they currently compete with US banks (Citibank in particular) in serving large Russian oil and export firms.
Financial integration on the basis of the euro is central to this project of expanding European, and particularly German and French, geopolitical and geo-economic influence. The euro currently predominates over the dollar in Eastern Europe, the Balkans and the Baltic states, serving as the primary foreign currency for the denomination of deposits and accounting for a large portion of foreign exchange turnover. The euro also serves as the region’s pre-eminent currency for anchoring exchange-rate policies; at present around fifty per cent of Central Bank reserves in Eastern Europe and the Balkan/Baltic corridor are held in euros.

Of even greater long-term impact is the recent shift by Russia away from a tightly managed exchange-rate float, based exclusively on the dollar, to a dual price index more heavily weighted towards the euro. Discussions between Russia and the EU have also taken place regarding the possible invoicing of Russian oil exports into the EU in euros. Given that Europe currently absorbs more than fifty per cent of Russia’s total external trade, fifty per cent of Russia’s oil exports, and sixty-two per cent of its natural gas exports, trading oil on the euro would shift the majority of Russia’s energy trade away from the dollar, threatening dollar pre-eminence and the privileges this affords the US. Such a move would give additional foundation to the euro’s role as potential competitor with the dollar, and could, over time, lay the basis for Russian integration into the euro-zone financial system under the aegis of the major European banking interests.7

A far greater threat to US power is the spectre of an emergent East-Asian bloc, centred on a Japanese-Sino axis. At present, the productive economy of the East-Asian region remains centred on Japan’s leading capital-goods industries, which provide the main source of advanced technologies used to support regional export platforms. In contrast to Europe, however, the region’s productive economy is not integrated through a single currency. China and South Korea, the region’s second and third largest economies after Japan, maintain currency indexing pegged to the dollar: the dollar, not the yen, forms the region’s reference point in setting exchange rates and managing integration into the US-dominated dollar zone. This arrangement has both advantages and limits for Japan. On the one hand, pegging regional currencies to the dollar provides Japan with a means of hedging against fluctuations in the price of the yen – if the yen depreciates against the dollar, Japanese

7 Tumpel-Gugerell 2003.
exporters are direct beneficiaries, while conversely, if the yen appreciates, the fall in demand for Japanese exports is offset by increased demand for Japanese producer equipment throughout the rest of the East-Asian complex. On the other hand, this mechanism places limits on Japanese regional leadership by subordinating the internal economic dynamics of the region to policy decisions undertaken in Washington, and, thus, constitutes an objective restriction on Japan’s ability to consolidate a sphere of privileged economic and financial influence.\textsuperscript{8}

The rapid economic ascension of China is transforming the structure of intra-regional trade and FDI flows, and East Asia’s linkages to the rest of the global economy. The prior pattern, based on Japan exporting advanced capital technologies to support the development of regional export platforms, sustained through trade surpluses with the USA, is now overlaid with a new configuration, wherein Japan continues to supply advanced producer equipment to South Korea and Taiwan, who, in turn, manufacture complex components that are shipped to China for final-stage labour-intensive assembly operations, before being exported to the US and Europe.\textsuperscript{9} This arrangement allows China to run a current account deficit with its major trading partners in East Asia, offset by large and growing trade surpluses with the US and the EU. China now absorbs almost the same amount of the Japanese trade surplus as does the US, and has become the region’s leading recipient of FDI, with net flows from Hong Kong, South Korea and Japan, far exceeding the US share of total FDI over the last decade.\textsuperscript{10}

Chinese dependence on FDI to fuel industrialisation has been mistakenly interpreted by some as indicative of reliance on a low-wage growth strategy, marking the new terms of China’s subordinate reintegration into the international division of labour.\textsuperscript{11} This interpretation overlooks two critical facts. Firstly, the Chinese leadership is using this inflow of foreign capital to develop nationally controlled technology-intensive sectors in software, computers, telecommunications and car production through joint partnership arrangements that will, over time, transform the basis of Chinese integration into the global economy. The Chinese state has pursued a tightly controlled and phased transition to a more market-based private enterprise system, and

\textsuperscript{8} Haveli and Lucarelli 2002.
\textsuperscript{9} Hale and Hale 2003.
\textsuperscript{10} See Deutsche Bank Research 2004.
presently retains control over key domestic sectors through limits on foreign ownership of Chinese enterprises and extensive conditionalities placed on FDI, intended to affect the transfer of technological capacity to domestically controlled firms. This policy is being pursued with particular vigour in the auto sector, where the government requires foreign multinationals to enter into fifty-fifty joint partnerships with Chinese nationals. The explicitly stated goal of the Chinese government is the development of a nationally-owned, world-class, car-production complex over the next ten years. If this establishes the basis for the development of an advanced domestic capital-goods sector, it will mark the advent of China’s emerging as a leading global competitor to the US, the EU and Japan.

Secondly, the growing density of intra-regional trade and investment linkages is laying the basis for formal regional integration into a single common market. This process, when completed, will mark East Asia’s emergence as a significant global counterweight to the power of the US Treasury-Wall Street-IMF complex. On the trade front, since 2002, Japan has signed a bilateral free-trade deal with Singapore, and has initiated similar talks with South Korea. Policy architects in the LDP have been quite explicit that their pursuit of greater regionalism is a response, in large part, to US neomercantilist strategies. The most significant regional free-trade initiative to date, however, is the 2002 agreement between China and the ten member ASEAN bloc which, on completion, will compose the world’s largest single free-trade zone, surpassing both NAFTA and the EU in terms of population and total market potential. The terms of the agreement commits China and the ‘ASEAN six’ (Brunei, Indonesia, Malaysia, Singapore, Thailand and the Philippines) to phase out all tariff and non-tariff barriers to trade in goods and services by 2010, while extending the compliance period to 2015 for ASEAN’s newer members (Vietnam, Cambodia, Laos, and Myanmar). China recently concluded the final terms of an agreement to scrap tariffs on all but ‘sensitive’ goods by 2010, and there is every indication that this initiative will move forward towards final completion. Japan and ASEAN have likewise entered into talks on the need for greater cooperation and support, in principle, for the formation of free trade agreement – the Japan-ASEAN Comprehensive Economic Partnership – along similar lines to the China-ASEAN initiative. These initiatives are laying out the basis for a more formal regional integration, underpinning the eventual development of a regional trading bloc that could pose a significant challenge to US economic, financial and geopolitical
interests – by some estimates, trade discrimination from East Asian regional agreements could cost US firms over 20 billion dollars in lost sales revenue.\(^\text{12}\)

Discussions regarding more formal financial integration are likewise advancing. The 1997–8 East-Asian financial crises revealed the need for financial protections to counter the destabilising effects of free flows of capital and the power wielded by the Treasury-Wall Street-IMF complex. While the Japanese proposal to create an Asian Monetary Fund (AMF), initially financed with Japanese dollar reserves, was summarily defeated by the US Treasury, the proposal did lay the basis for the Chiang Mai Initiative of the ASEAN+3 (Japan, Korea, and China), launched in 1997–8, which established a series of bilateral swap agreements to protect currencies from future attack, initially funded with Japanese commitments of 44 billion dollars in reserves to support regional currencies. East Asia’s central banks have also launched two new bond funds that will use the region’s accumulated dollar reserves to finance the purchase of bonds denominated in local currencies. While initial capitalisation is low, totalling around three billion dollars, the initiative is widely regarded as a first step towards the creation of a more regionally integrated bond market to insure higher regional retention of domestic savings, with the longer-term objective of reducing dependence on international capital markets to finance regional investment projects.

Asian finance ministry officials have explicitly affirmed the need for closer financial co-ordination amongst East-Asian central banks, with the long-term goal of an eventual regional monetary integration based on a single reserve currency.\(^\text{13}\) Beyond the defensive imperatives of protecting the region’s currencies from speculative attacks, integration is driven by a desire to transform East Asia’s presently ‘disarticulated’ financial system, in which the region exports surplus-capital to Wall Street and then borrows abroad to finance regional investment projects, in favour of an integrated system of intermediation that will directly channel domestic savings into regional investments. Here also, China’s ascendancy could prove to be the lynchpin of a far-reaching transformation of the present geographical distribution of capital flows to the detriment of the US-dollar régime. While China’s development will remain export-dependent for the foreseeable future, continued industrialisation

\(^{12}\) Bergsten 2002, Gordon 2003. At present, it appears Japan will continue to emphasis bilateral trade agreements to annex key regional markets, given its (for now) dominant position in the Chinese market and continued regional technological leadership.

\(^{13}\) Mallet 2004.
will fuel the growth of a proportionately narrow but not insignificant middle class, given the sheer size of the Chinese population. Higher consumer demand will spur greater household borrowing, increasing the absorption of regional financial surpluses presently invested in US assets, placing longer-term structural pressures on US interest rates. East-Asian financial integration will therefore undercut Wall Street control over the recycling of global dollar surpluses and, particularly if a monetary union takes shape on the basis of a common currency, will mark the end of the era of uncontested dollar hegemony.\(^{14}\)

The immediacy of the threats posed by the EU and China should not be overstated. US economic power is deeply entrenched, the profit rate of the US corporate sector currently exceeds that of many of its leading European and Japanese rivals, and the size of the US economy continues to underpin the role of the dollar as the international reserve currency. At the same time, regional integration of Europe centred on the Franco-German alliance, and the re-organisation of the East-Asian region through the formation of a free-trade zone and currency bloc, threaten to undermine the ability of the US to control emergent geo-economic and geopolitical realignments occurring within and between these blocs. The current trajectory of US foreign policy cannot be understood independently of these emergent threats to American economic and financial pre-eminence, and the determination to use military superiority to guarantee an international balance of power favourable to the perpetuation of US imperial prerogative.

**Oil, the dollar and the war in Iraq**

I will not at present review the events surrounding the Gulf War, other than to note that the decision not to push into Baghdad in 1991 signified a tactical decision at the time to leave Hussein in power. It was only around 1994 that régime change would emerge as the official goal of US policy towards Iraq. Amidst all the twists and turns of the sanctions and inspections process, at stake were the terms of any re-integration of Iraq into OPEC and the

international oil market after sanctions. Conflicts centred on disputes over the integrity of Article 22 of UN Resolution 687, that specified that sanctions would be lifted once Iraq had demonstrated full compliance with the UN supervised disarmament effort, and agreed to submit to ongoing inspections. Russia and France strongly defended the integrity of Article 22, while the US remained opposed, and by the mid-1990s, the Clinton administration made it clear that no level of Iraqi compliance would suffice to guarantee the lifting of sanctions so long as Saddam Hussein was in power.\textsuperscript{15}

To better understand both the evolution of US policy and the divisions within NATO and the UN Security Council, consider the implications for the US, had Iraq been allowed unconditional re-entry into OPEC and the global oil market following full verification of Iraqi compliance with UN disarmament mandates. For one, Iraq is known to possess the world’s second largest proven oil reserves. This fact alone guarantees Iraq’s centrality to the architecture of US geopolitical power in the twenty-first century. Second, in an effort to forge divisions within the G-7, NATO and the UN Security Council, Iraq had given preference to French, Russian and Chinese petroleum conglomerates, granting them contracts to develop Iraqi greenfield oil reserves, following the removal of UN sanctions. Given that these reserves represent the largest single source of proven untapped supplies in the world at present, control over their development represents both a highly lucrative investment opportunity and a major source of geopolitical power, given the leverage this will confer over access to long-term energy supplies. There is every reason to believe the integrity of these contracts would have been upheld Iraq after sanctions: a major factor, no doubt, underlying the divisions between France, Russia and the US over the integrity of Article 22.\textsuperscript{16}

The threats posed by such a re-orientation of Iraqi foreign and commercial ties were exacerbated by the deepening links between Iran, China and the EU. Iran is currently China’s leading oil supplier, having surpassed Saudi Arabia in 2001, and is the Middle East’s second largest oil exporter overall. Developing trade ties between China and Iran provide Beijing with an

\textsuperscript{15} The intentions of the Clinton administration were made quite clear in several statements by leading figures such as Warren Christopher and Madeline Albright. In 1994, Christopher wrote in the \textit{New York Times} that: ‘The US does not believe that Iraq’s compliance with Paragraph 22 of Resolution 687 is enough to justify lifting the embargo’, a position that was subsequently affirmed by Madeline Albright in 1997. See Rai 2002, pp. 46–7.

\textsuperscript{16} Deutsche Bank 2002.
independent source of long-range oil imports and, equally critically, with a beachhead for expanding Beijing’s geopolitical presence in the Middle East. Iran and the EU have similarly pursued deepening commercial and diplomatic ties, entering into talks aimed at developing of long-term energy and trade co-operation and negotiations over a range of counter-terrorism and nuclear policy initiatives. These factors no doubt underlie European and Chinese preference for a diplomatic solution to the problem of Iranian compliance with non-proliferation mandates, coupled with promises of economic and technological aid, and mark the opening of yet another division between the US and the other major powers with direct stakes in the outcome of the Iranian case.  

The imperative to invade Iraq was given added impetus by Hussein’s decision in 2000 to switch to pricing oil exports in euros. Had a post-sanctions Iraq been allowed to fully re-integrate into the international oil market on the basis of the euro, this could have prompted a more general move within OPEC away from trading oil in dollars. Such a shift is a distinct possibility, and OPEC policy analysts have begun to openly court the notion of an eventual switch to the euro, given that the EU is the largest single market for OPEC oil exports. Iran has entertained similar notions since 1999, while Chavez’s Venezuela has similarly floated the idea of a possible shift to a dual pricing system. Given the centrality of the dollar-oil link in securing the dollar’s role as the international reserve currency, any OPEC shift towards the euro would expose the systemic vulnerability of the entire US neoliberal accumulation model, and would not be lightly countenanced by any US administration intent on containing emergent challenges posed by the EU/euro and East Asia.

All this – the size of Iraq’s known reserves, the preferential access offered US competitors to long term development contracts, the spectre of Iraq’s re-integration into the oil market on the euro after sanctions, and Iran and Iraq shifting to a trading and investment régime centred on Europe and East Asia – would have reconfigured spheres of influence within the Middle East to the decided detriment of the US, had Iraq been allowed full re-integration

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17 Washington’s counter-strategy of seeking to isolate Tehran and neutralise Iran’s ability to compose a regional counter-weight to US geopolitical influence was clearly evident in the immediate aftermath of the Iraq invasion, when the Bush II administration upped the pressure on Iran over alleged violation of non-proliferation agreements in hopes of driving a wedge into any EU-Iran diplomatic reproach.

into OPEC following demonstration of compliance with UN inspections resolutions. This was true in the immediate sense of contract awards and the (partial) delinking of oil from the dollar, which would have frozen the US out of post-sanctions development opportunities and removed a crucial support for the dollar’s role as the international reserve currency. Over the longer term, Baghdad’s efforts to engineer political divisions within the UN Security Council portended a potentially far-reaching geopolitical realignment of spheres of influence within the Middle East centred around a possible Iraqi rapprochement with Europe and the formation Iraq-China developmental alliance. This would have afforded Europe and China the means to circumvent US influence in the region, and to secure direct access to longer-term energy supplies. Understood in this context, the potential implications of Iraq’s unconditional re-entry into the oil market for the US were enormous, as failure to block Iraqi re-integration would have left the US frozen out of the Iraqi development bonanza, possessed of a structurally weakened dollar, and with reduced influence over the Middle East and its prime geo-economic competitors in the struggle for international control in the twenty-first century.

**Will the grand strategy of US imperialism work?**

International divisions over Iraq cannot be reduced to conjunctural and transitory dynamics explainable through the aggressive unilateralism of the neoconservative wing of the US ruling establishment, but are rooted in more fundamental geopolitical and geo-economic realities. What we are witnessing is the weakening of the former terms of postwar US hegemony, and a bolder recourse to military power in order to secure the foundations of US Empire over the next decades. The emergence of contending centres of accumulation – itself the result of the success of the *pax americana* – has left the US vulnerable to shifts in economic dynamism towards the EU and East Asia, which would further erode the US share of total global output. Given Europe’s efforts to assert greater autonomy in the post-Cold-War era and the potentially far-reaching implications of a major reconfiguration of East Asia around an emergent Sino-Japanese axis, the US ruling class must either reconcile itself to a more genuinely multipolar world, or commit to an increasingly unilateral course of action to pre-empt any looming or potential threat. The actions of the Bush II administration in Iraq are both an expression of this larger political
The argument here is similar to that in Wallerstein 2003, pp. 13–27, also pp. 55–6.

Despite overwhelming US military superiority and the recent revival of American economic fortunes, there are reasons to doubt the ability of the US to insure the imperial subordination of Europe and East Asia in the long-term. As regards Europe, the dual nature of the EU/euro project as both the expression of a distinctly revanchist class offensive, and the embodiment of a neo-imperial challenge to US economic pre-eminence, explains the complexity of the US response to European integration. The US has consistently supported European integration, in so far as the EU, in institutionalising principles of ‘free markets’, liberalised capital flows, social austerity and labour flexibility, can be seen as a means for propagating patterns of US social organisation within Europe. By contrast, the EU, in so far as it promotes the interests of major multinationals headquartered in member states, is a potential competitive threat to US capital. Furthermore, the internal political dynamic of the EU is not subject to direct US control, and hence contains the possibility of launching initiatives that run counter to US interests, as seen in the on-going integration of Russia into the euro-zone. Hence, throughout the post-Cold-War era, the US has simultaneously supported unification while pursuing a policy of strategic containment through NATO expansion and regional security alliances with the CIS states to isolate Russia and limit any German-Russian rapprochement that could result in a deepening incorporation of Russia into a euro-centred accumulation complex.

While mounting a full-scale challenge to the US is neither feasible or presently seen as beneficial for the strategic interests of Europe’s major powers, evidence from the last decade suggests a growing US-EU divergence around a range of policy issues. For one, significant differences characterise US and European negotiating positions at the WTO, and neither of the major trading blocs has a unifying strategy for overcoming North-South divisions over the issue of restricted access to Northern markets for Southern agricultural products and rules governing FDI in services, procurement of government contracts and competition policy. The lack of policy coherence within the trans-Atlantic Alliance, and growing recourse to competitive trade strategies, was visibly evident in the US and European responses to the breakdown

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19 The argument here is similar to that in Wallerstein 2003, pp. 13–27, also pp. 55–6.

20 Gowan 2000. See also Achcar 2000.
of the Dora trade round in Cancun in September 2003. The US reacted by aggressively ratcheting up pressure on several Latin-American countries to sign bilateral trade deals and by trying to extend NAFTA through concluding a new round of negotiations over the FTAA. The EU has sought to counter US hemispheric initiatives by concluding a free-trade agreement with Mercosur, with Europe offering a phase-out of tariffs on industrial and agricultural imports, in exchange for commitments by Mercosur members to open their service sectors to European multinationals and guarantees of non-discriminatory treatment granted to European capital in bidding over government contracts.

Trade negotiations are similarly underway with members of the APC in preparation for the impending expiration of the Cotonou Agreement, with the EU offering APC countries tariff- and duty-free access to the EU market in exchange for commitments by APC members to liberalise rules governing services, government procurements, and foreign investment.

The consolidation of preferential trading and market access rights for firms headquartered in each of the three major market zones of North America, Europe, and East Asia, and the use of these trading and monetary blocs to annex markets outside the core zones, suggests the international trading system will likely evolve towards a set of arrangements characterised by relatively free trade flows within each bloc, coupled with barriers to the free trade and investment flows between blocs, maintained through limits on takeovers in strategically sensitive sectors and preferential trading and investment rights reserved for regionally headquartered firms. Growing regionalisation would pose distinct threats to the collective prospects of US firms due to the globally distributed pattern of US exports, which are fairly evenly divided between North America (37 per cent), the EU (24 per cent), and the Pacific Rim (26 per cent). As a result, recourse to neo-mercantilist strategies will exacerbate competitive tensions between these blocs and, given the conditions of over-saturation of the global investment circuits, there is little reason to expect these tensions to subside over time.

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21 It is significant to note that Brazil has countered US efforts to expand the FTAA mandate to include full liberalisation of investment rules and open access to government procurements by maintaining that such issues properly belong within the jurisdiction of the WTO. Brazil’s success, in this regard, is clearly indicative of the growing difficulties confronting Washington’s in imposing terms on its Southern trading partners, and the degree to which the growing importance of China, as well as established ties to the EU, in the overall trading profile of Brazil, has emboldened the Lula governments to openly embrace a multipolar trading strategy to the detriment of US influence in the region.

22 Raghavan 2003, see also Brown 2000.
The launching of the euro is likewise a source of potential exacerbation of US-EU conflict. Adoption of the euro lays the monetary foundations for deepening regional integration, and through the (in principle) adherence to the dictates of Maastricht Agreement, constitutes the political-economic foundation of Europe’s emergent neo-imperial project. The immediate threat posed by the euro should not be overstated – the dollar continues to serve as the pre-eminent international reserve currency, and the US can still use dollar pricing to impose adjustment costs on Europe (for instance, dollar devaluation) without having to worry about incurring inflationary pressures. At the same time, the euro has far-reaching implications for the structure of US imperial power. The significant inroads made by the euro in Eastern Europe, the Baltic, and Balkan region, with possible extension into Russia, pose a threat to US seigniorage rights and the ability of US policy makers to manipulate the price of the dollar in the unilateral pursuit of national strategic objectives. This threat will be exacerbated by a shift of OPEC off the dollar, and could reach crisis level dimensions if euro extension is eventually tied to a return to more robust growth within the euro-zone.

The principal limits on Europe’s neo-imperial ambitions are therefore internal to the EU itself, rooted in divisions amongst the EU political leadership and problems of democratic legitimacy that presently constrain the ability of the EU/euro project to mount a sustained challenge to the US. European divisions over support for the US invasion of Iraq demonstrated the lack of a unified EU political will. Europe does not possess the capacity to finance the requisite security and defence structures that could provide Europe with an independent means for projecting power outside the European theatre on a level anywhere near par with the US. Divisions amongst Europe’s political class are similarly evident in disputes between large and smaller states over the architecture of the EU constitution, in particular, over national voting rights and the seating of commission appointments. Political divisions are likewise evidenced in the relative desirability of future alignment with the US military-security axis, and in the degree to which European engagement with the Middle East and China should seek to establish a clear counter-weight to American unipolarity, even at the risk of further alienating the US.23

Of equal consequence, the EU project lacks legitimacy amongst large sectors of Europe’s working class, who remain opposed to efforts to weaken existing

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23 Chirac’s pursuit of vision of a multipolar order represents the most clearly articulated neoimperial challenge to US unilateralism. Other segments of European
collective bargaining structures and rollback the social entitlements of the European welfare state. From the Right, the EU project is increasingly receiving criticism from conservative elements, opposed to the perceived threats to national cultural heritage posed by enlargement, and rising xenophobic sentiments articulated, ironically, in terms of the threats immigration presents to the institutions of the welfare state and social cohesion. The requisite level of a unified European identity, or a trans-continental political consciousness, that could form the basis of support for a more openly imperialist European project is not present either, particularly since the costs of funding such a project could only be born through a massive reduction in social entitlements.

The ability of the EU leadership – in particular, elements within the German-Franco alliance seeking to position the EU as a counterpole to US power – to push ahead with this project will ultimately depend on handing the European working class a decisive defeat to prepare the way for greater militarisation and re-orientation around a more aggressive imperial agenda. The future of the EU thus hinges on the internal balance of forces within Europe itself, particularly whether opponents of Europe’s current neoliberal course can recompose a new populist alliance around an anti-liberal policy agenda able to address issues of long-standing stagnation within a framework of expanded social protection. Whatever the outcome, either scenario has potential costs for the US. Defeat of the EU project by domestic forces would repudiate the universality of the US neoliberal model as the sole way out of European, and by implication, global stagnation. Conversely, should European capital succeed in dealing Europe’s working class a historical defeat, comparable to that suffered by US labour under Reagan, this would embolden European élites in their quest to compose a counter-pole to US power and intensify global competitive tensions amongst these rival imperial blocs.

In either case, the fact that the architects of the EU are determined to extricate themselves from the umbrella of the US military-imperial protectorate established at Yalta and challenge the role of the dollar is a shift of major historical consequence. French and German support for UN Resolution 1483, and forced post-occupation rapprochement with the realities of
the new position of the US in Iraq, should not be taken as evidence of a return to European acceptance of subordinate junior partner status within a US-led Western imperial alliance, but rather, they represent realistic accommodations to the ability of the US to radically reconfigure the international environment within which European leaders must act. US unilateralism is opposed by majority of the political leadership of Europe, who remain wedded to a vision of a post-Cold-War imperial order predicated on the rule of law, enforced through multilateral agreements that override national sovereignty in key policy arenas. Whatever pragmatic concessions are reached with the realities of de facto US unilateralism, European élites seem determined to develop independent military and logistical capacities capable of rapid out-of-theatre deployment outside NATO jurisdiction and re-oriented around a Berlin-Paris-Moscow security alliance to compose a credible counter-weight to US geopolitical power. The EU-Russian axis has been strengthened over the last decade through strategic industrial partnerships in energy and space sectors, and closer cooperation over regional security issues, including direct integration of Russian defense contractors into the EU weapons procurement system. The aggressive unilateralism of the Bush II administration will accelerate this geopolitical and geo-economic realignment, favouring longer-term strategic disengagement from the US.24

China and East Asia presents US élites with a problem of a different type. In contrast to Europe, where geography limits the emergence of a single state of sufficient size to rival the US, China’s vast internal population could eventually position China as a single-state competitor for global superpower status. If China eventually achieves world-class competitive capacity in leading capital-intensive sectors, this would mark the emergence of a new economic centre capable of exerting a significant pull on the rest of the global economy. Given that labour absorption and domestic wage increases will be checked by the sheer size of China’s vast internal rural labour reserves, the likely pattern of development will therefore be towards a bifurcated economy characterised by the rapid development of capital-intensive sectors such as autos, telecommunications and some producer service sectors, co-existing

24 See <www.paris-berlin-moscow.info>. It should be noted that the recentralisation of power within the Kremlin, and Putin’s consolidation of control over the commanding heights of the Russian economy could exacerbate tensions with Europe and impede the deepening of strategic alliances aimed at countering US global power. Despite this fact, the economic ties linking the EU and Russia strongly favor closer co-operation in key policy areas, and appear as the dominant trend at present.
with a large labour-intensive manufacturing, service and tertiary sectors characterised by persistently low wages and laggard capital investment.

While China’s industrialisation will continue to provide additional impetus to global growth, the long term implications of the emergence of Chinese as a major industrial power will intensify inter-regional and inter-capitalist tensions over the longer term, given the realities of widespread global overcapacity that is rampant across numerous industrial sectors. Estimates are that, if China achieves targeted production capacity in the auto sector, worldwide capacity utilisation in this sector could fall to fifty per cent. Equally problematic is the eventualty of China matching US and EU productivity levels in key capital- and skill-intensive sectors while preserving a (relatively) low-wage labour force. In addition to exacerbating existing overcapacity problems, Chinese exports could impose deflationary pressures on the US and Europe, with attendant pressures on the rate of profit. In either case, China’s ongoing integration into the international market will exacerbate international trade conflicts. It is unclear how US recourse to the military force will solve these problems over the long term. Short of bombing Chinese factories to eliminate surplus capacity, the only other scenario through which US military protectorates throughout the Middle East could be used to directly thwart China would involve overt oil rationing controlled by the US. The implications are nothing short of catastrophic in threatening to induce an explosive global confrontation between the major state powers, now armed with enough destructive capacity to obliterate human life from the planet.25

The future configuration of geopolitical power in the East-Asian region will be determined by the evolving contours of the Sino-Japanese relationship. American strategists are hoping to move towards greater regional co-operation by pursing a policy of military encirclement towards China, while simultaneously seeking to drive a wedge between any possible Sino-Japanese regional axis through the incorporation of Japan into a US-controlled regional security umbrella that explicitly excludes Beijing. Washington is calculating that Japanese anxieties over Chinese ascension will favour Tokyo opting for closer security ties to the US to contain rising Chinese regional influence. Over the

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25 Deflationist pressures could be moderated when China eventually switches to a convertible currency, with resulting capital inflows driving up the exchange rate of the renminbi and increasing the relative prices of Chinese goods. In this case, however, the dollar would come under increased pressure as global savings are rotated out of dollar-denominated assets, with attendant pressures on US interest rates, an equally unpleasant scenario.
short term, it appears the US strategy may succeed. Tokyo has actively sought
greater integration into the US-designed regional nuclear missile defence
system aimed at countering Chinese nuclear capacity and, on the American
side, creating a credible threat of US first-strike capability. The leadership of
the LDP has also pushed through changes in the Japanese constitution allowing
for Japanese military forces to participate in joint military operations beyond
those required to secure the direct defence of the national territory. Given
current military and logistic capacities, any future Japanese deployment will
most likely involve missions conducted under the auspices of a US-directed
command and control structure, or in direct partnership with a US-lead
coalition. Further evidence of a US tilt is seen on the issue of Taiwan, which
has been declared a joint US-Japanese security concern, indicating Japanese
alignment with the US in the event that Beijing launches a military invasion
Taiwan in response to any unilateral declaration of independence on the part
of the Taiwanese state.

Given Japan’s anxieties over Chinese ascendancy, and the realities of
emerging regional geopolitical and geo-economic competition, it is safe to
assume that, over the short to medium term, Tokyo will continue to pursue
the American option as a strategic counter to a regional power-sharing
arrangement with China. At the same time, powerful centrifugal forces are
at work that will place limits on US ambitions to drive a geopolitical wedge
between China and Japan, and which will tend to drive Beijing and Tokyo
towards greater regional co-operation. Trade between the two East Asia giants
is expanding. Japan is the largest foreign investor in the Chinese economic
boom – de facto economic integration and the impetus driving the formation
of a single currency zone are binding the fate of the region’s national economies
into an ever-tighter web of interdependency. Deepening economic ties lay
the foundations for a longer-term reorientation around a regionally-based
accumulation project, buttressed by preferential trade arrangements and the
eventual formation of a single common market through currency unification.
If Chinese economic growth continues, and if China eventually ascends
to legitimate superpower status, the reality of the deepening linkages
between the Japanese and Chinese economies may well force Tokyo into
acceptance of a reduced regional role, and favour a longer-term strategic
realignment towards an Sino-Japanese regional balance-of-power approach
as the optimum means to enhance Tokyo’s status within the emerging
geopolitical and geo-economic configuration. Regional initiatives to develop
élite dialogue on regional security issues are also underway, prompted by a growing recognition of the increased divergence of US and East-Asian interests on a range of crucial regional security concerns. While the regional situation is complex and subject to multiple contingencies that preclude any definitely statement regarding longer-term outcome, it is clear that these developments could undermine Washington’s longer-term regional strategy, and hence constitute clear threats to the longer-term preservation of the regional balance of power on terms favourable to the US.

What lies ahead?
The ability of the US to reconsolidate a global hegemonic project, reminiscent of the first two decades following World War II, can be ruled out. On the economic front, restoration of US hegemony would require a renewed economic boom that would lift the global economy out of its current state of prolonged stagnation. This scenario looks increasingly unlikely. Furthermore, one can surmise that, should the fiscal and trade deficits of the US continue to rise, at some point foreign bondholders will decide to pull the plug. Given projections of record fiscal deficits over the next ten years, this is hardly cause for comfort, as any rotation of funds out of dollar-denominated assets could undermine the Fed’s ability to underwrite credit reflation sustained through capital inflows from abroad. The probability of deepening co-ordination failure and growing inter-capitalist disputes is high, and will, in all likelihood, increase over time. US military power will prove a far from sufficient weapon with which to assuage these problems. Even if OPEC remains on the dollar, which is an increasingly questionable outcome given ongoing discussions within OPEC over whether to shift oil trade onto the euro, the underlying problems confronting US imperialism – European and East-Asian corporate parity with the US, the hollowing out of the US industrial structure and the high level of leverage and systemic risk embedded in the US financial structure – will not be resolved through the occupation of Iraq.

Contrary to the intended effects, the continued recourse to military means to shore up US Empire would only serve to accelerate European efforts to create a credible military alternative to NATO and spur the Franco-German partnership into a closer alliance with Moscow. Despite efforts at rapprochement

26 Abramowitz and Bosworth 2003.
between the US and Europe over Iraq, EU support for the occupation remains tepid, as evidenced by France and Germany’s steady refusal to commit troops and low levels of financial support for the occupation. Meanwhile, new trans-Atlantic divisions have emerged over Iran, China and the future of NATO. Both France and Germany are pushing to establish the EU foreign ministry as a viable framework for project a more unified European foreign policy outside of the US-NATO umbrella, and have recently moved to deepen ties with China, which is now the EU’s second largest trading partner after the US. Recent moves to lift the ban on arms sales to China, a decision undertaken despite American objections, is evidence of the ongoing realignment of spheres of influence within the Eurasian continent, and marks a subtle yet significant shift in the centre of geopolitical influence in Europe away from exclusive reliance on a US dominated unipolar axis. Conflicts over US actions in Iraq revealed the underlying differentiation of interests and the emergence of durable cleavages within NATO and the UN Security Council that will be exacerbated by US unilaterism. In the new post-Cold-War configuration, the US can no longer credibly claim to act on behalf of some more general system-wide interest, but will rather be seen as increasingly engaged in the pursuit of self-interested unilaterality to the determinant of any shared Western objectives.

Conclusion
Given the growing struggle over markets and influence within the international trading system, any reconstitution of a viable US hegemonic project can be considered highly unlikely. In confronting challenges to imperial prerogative, the US will either have to reconcile itself with a more genuinely multipolar world, or continue to offset a relative decline in productive leadership and challenges to the dollar through recourse to the military option. Pursuit of the first policy course is unlikely, given the significant advantages conferred on the US in this struggle by current American military and financial superiority. The geopolitical significance of US actions in Iraq lie in the willingness to exploit military advantage to bypass, if and when deemed necessary, multilateral bodies (the UN, NATO) that act as potential constraints on US prerogative – this legacy will form the inheritance of any successor to the Bush II administration. This does not imply that the invasion and long-term occupation of Iraq are the only possible courses of action open to defenders
of the US imperial order. Divisions exist within US ruling circles over how to best advance American power objectives, between those favouring multilateralist approaches and those advocating for crude pre-emptive unilateralism. Whatever tactical divisions exist, however, the fundamental objectives driving the Bush II administration are widely shared throughout the US foreign-policy establishment, as is the legitimacy of pre-emptive invasion as a guiding principle of US future engagement. The question is to what extent strategic differences over how to best advance unilateralist prerogatives in the face of potential opposition from European allies may eventually lead to a reluctant US accommodation of multipolarity, given the objective attenuation of US power such an accommodation would necessarily entail. Recent events suggest such an eventuality is unlikely, raising the spectre of increased geopolitical conflict, and widening division amongst the major global powers in the years ahead. The explosive contradictions inherent in this rapacious quest for absolute global power does not bode well for our common future, indicating that the struggle to develop a real alternative to militarism and imperialism remains a central historical task of our time.

References


Dimitri Dimoulis’s and John Milios’s essay 1 on the significance of the concept of commodity fetishism within Marxist theory opens up the opportunity to return to some key questions around the concept of ideology, which has largely died an unnatural death within the social sciences and cultural theory. In particular, it raises questions around the relationship between ideology and the mode of production, consciousness and practice, the determinate and reciprocal relations between mode of production and the superstructure, and the epistemological foundations for knowing an object that systematically presents itself to the subject as it really is, but as it ‘really is’, is in fact partial, misleading and spontaneously (but not seamlessly) ideological. 2 While their essay is to be welcomed as an invitation to further debate, it is, I think, rather problematic and in need of a rejoinder. The theoretical source for much

1 Dimoulis and Milios 2004.
2 ‘...there is a kind of dissembling or duplicity built into the very economic structures of capitalism, such that it cannot help presenting itself to consciousness in ways askew to what it actually is. Mystification, so to speak, is an “objective” fact, embedded in the very character of the system: there is an unavoidable structural contradiction between that system’s real contents, and the phenomenal forms in which those contents proffer themselves spontaneously to the mind’. Eagleton 1991, p. 86.
of what is problematic in their essay is easily identifiable in terms of a name: Louis Althusser. There are no doubt many Althussers but it is a very orthodox one which Dimouls and Milios recycle in their essay, in largely unmodified form, and as if all the critiques of Althusserian Marxism undertaken in the wake of its decline – not all of them wholly unsympathetic – had never taken place. The rigour with which they articulate their high-Althusserian critique of fetishism does, however, have the merit of starkly posing key questions which remain outstanding despite the break-up of the Althusserian paradigm all those years ago. Two questions are particularly apposite here: a) is there a general form of ideology (in capitalism)? b) If there is, how do we theorise it? Althusser’s answer to the first question was, correctly, yes. Without such a proposition, we cannot think the unity of ideology across a socially differentiated field occupied by multiple ‘players’. However, his answer to the second question, which so influences Dimouls and Milios’s essay, was fundamentally flawed. The makings of an alternative answer can be derived from Marx’s theory of fetishism which is a critique of the modes of consciousness tacit in our social relations, as they are determined by the value-form. Analysis of the value-form – the forms which value takes in production and circulation – provides an understanding of the general principles which capital seeks to impose throughout a differentiated social structure. A theory of ideology (and the subject) grounded in fetishism provides the makings of an understanding of the relations between mode of production and the superstructure, which avoids both the problems of expressive causality, which Althusser subjected to critique, and the problems which his own
Reading Dimoulis and Milios

Let me begin with a summary of the Dimoulis and Milios argument, as I understand it. Their essential thrust is that the theory of commodity fetishism supposes that ideology is generated up automatically, from the very act of exchange, and that this automaticity feeds into a view of commodity fetishism as having a generalised undifferentiated and seamless purchase throughout society.8 Lukács, in particular, is held up as the founding father of this mode of cultural/superstructural critique.9 However, Dimoulis and Milios argue that Lukács’s analysis of reification is, in turn, built on the erroneous foundations laid by Marx. Dimoulis and Milios are critical of Marx’s initial sketch of the theory of commodity fetishism, in the fourth section of the first chapter of the first volume of Capital, because, they argue, it introduces the concept prior to an adequately concrete framework of capitalist commodity production (prior to the introduction of the capital/wage-labour relation). Marxists who have based their theory of commodity fetishism on the first appearance of the concept in Capital are therefore prone to developing an over-generalised ‘phenomenology of alienation’,10 actually based on implicit bourgeois legal categories (the subject ‘owns’ something, which is then alienated from her in exchange). Dimoulis and Milios usefully remind readers that Marx made a substantive (and in their view, more useful) return to the theory of fetishism in Volume III of Capital, where it now re-appears in the context featured in the Hegelian totality, including the “sphere” visible in this totality (civil society, the State, religion, philosophy, etc.), all these differences, are negated as soon as they are affirmed: for they are no more than “moments” of the simple internal principle of the totality, which fulfils itself by negating the alienated difference that it posed’. Althusser 1982, p. 203.

7 Montag 2003, p. 133.
9 Lukács can sound, at times, as if the spread of commodity exchange has snared its victims in a seamless web of reification: ‘Just as the capitalist system continuously produces and reproduces itself economically on higher and higher levels, the structure of reification progressively sinks more deeply, more fatefully and more definitely into the consciousness of man’ (Lukács 1971, p. 93). A central purpose of this essay is to re-introduce contradiction and breakdown within a theory of ideology grounded in fetishism.
10 Dimoulis and Milios 2004, p. 38.
of more conceptually concrete categories analysing various manifestations of capital and its fetishistic forms, particularly, interest and interest-bearing capital. Commodity fetishism is, as Dimoulis and Milios rightly note, a form of the ‘fetishism of capital’, but, given that the commodity is the ‘simplest form’ of the capitalist mode of production, a theory of fetishism ought, they argue, to be based on capital fetishism and its concrete economic forms. Much can turn on the meaning of a ‘simple form’, as we shall see. It is clear, though, that Marx’s analysis of fetishism in Capital, Volume III, is far more to their liking because it is less open to what Dimoulis and Milios perceive as an over-generalised critique of the human condition (itself essentialised) within capitalism. Ultimately, the aim of their argument is to find a more modest role for the concept of what they now redefine as capital fetishism. Crucially, a more modest role for fetishism means that it does not itself have ‘an ideological causality or force’. As a self-generating consequence of the mode of production, the structural characteristics of capital fetishism provide ‘significant raw material’, such as the ‘primacy of the individual’ for the specific regions of the superstructure. But, in their view, it is the superstructure, especially the state apparatus and its various arms, which are solely responsible for the production and elaboration of ideologies. Superstructural agencies work to ‘make available interpretive schemes for politics and the exercise of power’. For Dimoulis and Milios, the political implications of this demotion of fetishism to a supporting role as ‘one element in a theory of ideology’ is that it makes more realistic the possibility of overcoming fetishism, for it is no longer virtually inscribed into the human condition. Ideological struggle – contesting the use that the dominant ideologies make of fetishism – thus becomes possible, and, as a consequence, so does social transformation.

11 Dimoulis and Milios 2004, p. 27.
13 Dimoulis and Milios 2004, p. 29.
15 Ibid.
16 Ibid.
17 This is a widely shared concern about the theory of commodity fetishism: ‘the claim that capitalist relations of production generate their own ideological misrecognition automatically, merely by virtue of their daily functioning, suggests that capitalism can reproduce itself indefinitely’ (Callinicos 1983, p. 131). A distinction should be made between a theory of fetishism which argues that it spontaneously secretes ideology as an inseparable part of capitalism’s socio-economic practices, and a theory of commodity fetishism that assumes that such a secretion achieves an automatic purchase throughout society. Trying to address the latter by severing ideology from fetishism, necessarily severs from the mode of production the category which ideology is but a subset of, namely, consciousness itself.
There are, I think, a number of problems with this argument which I will explore in more detail below. There is nothing wrong with their aim to remind Marxists of the crucial role of the superstructure in the production and elaboration of ideology. However, by expunging ideology from what is left of the theory of fetishism, they grant too much autonomy to the realm of the superstructure. Reducing fetishism to ‘raw material’ turns it into a very passive phenomenon and fails to give sufficient theoretical clarity to the determination of fetishism (and therefore the mode of production) on the superstructures. The old problem of how to think a relation of mutual interdependence and reciprocity, while also retaining the ontological priority of one term in the relationship, is badly resolved by letting the superstructure effectively break free from any substantive determination by the base. With the superstructure becoming the exclusive site for the production of ideology, we have little materialist grounds left for understanding what is the real basis for the unity of ideological production by the superstructure across its different regions and through many different kinds of ‘content’.

Commodity fetishism, I shall argue, is no more than a materialist (and not economistic) account of how social relations and the forces of production, within a given configuration and at a given level of development, are inscribed with a tacit ideological consciousness, ‘appropriate and rational . . . to a particular typical position in the process of production’,18 as Lukács writes of class consciousness generally. This tacit ideological consciousness constitutes the conditions of possibility for a wide and creative variety of interpretations of society. The particular typical position which commodity fetishism designates is the logic of capital, which, of course, penetrates, in variable and contradictory ways, the consciousness of the working class and the intelligentsia at the level of individuals. The tacit consciousness of fetishism is, ‘therefore, neither the sum nor the average of what is thought or felt by the single individuals who make up the class’.19 We are talking here of the ‘langue’ of social relations, perhaps less a consciousness than ‘a class-conditioned unconsciousness of one’s own socio-historical and economic condition’.20 Labour, however, is subjected not only to the forces of commodity fetishism (variable and historically specific as that will be amongst individuals), but is also constituted within the collective social relations which capital depends on, while also repressing. Gramsci, as much as Lukács, recognised that the contradictory consciousness of the

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18 Lukács 1971, p. 51.
19 Ibid.
20 Lukács 1971, p. 52.
working class was fought out, not just between rival philosophies derived from the superstructure, but also between that contestation and the worker’s consciousness ‘implicit in his actions, which unites him with all his colleagues in the practical transformation of reality’.21

The ideology of fetishism derives from its form and its tropes (equalisation, inversion, repression, fragmentation, autonomy, and so forth), which are no mere discursive figures, but real material practices, are numerous. The superstructure, I shall argue, then produces and elaborates ideological forms and contents that work in conjunction with the ideology of the fetishistic form, in all its tropes. In arguing that fetishism is vital to any theory of ideology, I also aim to demonstrate that Dimoulis’s and Milios’s reading of Marx’s first chapter in Capital, where the theory of commodity fetishism appears, is fundamentally wrong. Marx’s commodity fetishism theory is not constructed on ahistorical and idealist foundations abstracted from the historical specificity of capitalism. In Chapter 1 of Capital, Marx is discussing the commodity-form of capital, and Section Four reflects on the consequences for consciousness that this form has. Moreover, Marx starts with the commodity-form and commodity fetishism for reasons that are absolutely integral to his dialectical method of immanent critique, and it is this that Dimoulis and Milios, following their guides on this matter, Althusser and Balibar, fail to appreciate. I will show that this failure to appreciate Marx’s methodology has consequences for their theory of ideology, which ironically reproduces the same tendency towards a seamless and inescapable social purchase that they say commodity fetishism theory promotes.

**Marx’s method**

Strongly influenced by Althusser and Balibar, Dimoulis and Milios argue that the analysis of commodity exchange in the first chapter of Capital, Volume I, (and, indeed, the first three chapters where commodities, money and value are explored) is insufficiently grounded in an analysis of the capitalist mode of production.22 The result is an ahistorical and therefore idealist account of mystification which ascribes to commodities, which clearly pre-date the capitalist mode of production, the automatic tendency to successfully obscure the real relations between people simply by the act of exchange itself. Thus,

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21 Gramsci 1967, p. 66.
22 Dimoulis and Milios 2004, p. 23.
Marx develops his initial theory of commodity fetishism by drawing uncritically on the category of the bourgeois subject (the subject being a particular bête noire for the Althusserian school). The theory of commodity fetishism is seen as presupposing a subject whose essence exists prior to, and outside of, the act of exchange, and, who is then ‘alienated’ in it. The political consequences of this mistake on Marx’s part are not hard to see. Essentially, ‘exchange’ itself becomes a form of alienation and ideological confusion, which would make any advanced postcapitalist society impossible, and require some sort of regression back to self-sufficiency. This makes the theory of commodity fetishism ‘makeshift and fanciful’. The section on commodity fetishism ought to be read, Dimoulis and Milios suggest, following Balibar, as an ‘ironic comment on the intellectual limitations of bourgeois thought’, namely, the political economists who form Marx’s antagonists. It is hard to see why only political economists would be susceptible to fetishism, but, if it is the case that the first chapter of Capital is not sufficiently grounded historically, then Balibar’s alternative explanation for the premature presence of the theory of commodity fetishism would have to do.

However, did Marx open his most important work by making such an elementary mistake as Dimoulis and Milios suggest? It does rather beggar belief that Marx would have made such a fundamental error as to have blurred what is historically specific about capitalism, especially when just such a blurring or eternalisation of the capital relation by bourgeois political economists was a key feature of his critique. There could well be problems with Marx’s presentation, because Dimoulis and Milios are not the first to suggest that the opening chapter is about ‘generalised simple commodity production’ and ‘generalised commodity circulation’, not capitalist commodity circulation and production. Thus, while accepting that the concept of value is intrinsic to Marx’s definition of capitalist relations, Dimoulis and Milios argue that Marx’s initial presentation of value in Chapter One is detached from the capitalist mode of production. Value is further generalised (and made ahistorical) by ‘its examination in correlation with a plethora of “commodity”’

24 Dimoulis and Milios 2004, p. 29.
26 This reading of the opening chapter of Capital derives from Engels but has been increasingly subjected to critique in recent years. See Arthur 2004, pp. 17–37, and De Angelis 1996, p. 10.
forms and modes of production’. Again, there is the suggestion that Marx is conflating different commodity forms (capitalist and precapitalist) and modes of production. The latter point is easily dealt with. Where Marx refers to the feudal mode of production, to peasant self-sufficiency or to a postcapitalist mode of production, it is always by way of contrast with commodity exchange and production, not conflation. Elsewhere, Dimoulis and Milios applaud Marx’s ‘comparative methodology’, but in ways which are (as we shall see later) just as problematic as their apparent suspicion of it in the first chapter.

The key issue, though, is their misunderstanding of the role of the concept of value in Marx’s method. They note that, in the course of Marx’s exposition in Capital, there is a shift from ‘the commodity and . . . the value-form in general . . . to the dual character of labour and the process of exchange’. Nevertheless, this shift does not mark a ‘break’ in Marx’s method, but the dialectical analysis of capital from the abstract to the concrete.

There are a number of key lessons to learn in this dialectical exposition. Value is the process of quantitative commensuration circulating through different forms in search of endless expansion (although the feature of endless expansion is not introduced until Chapter Four). Clearly, this is an abstract definition of capital, but what we take with us, as Marx progresses towards more concrete levels of the real, such as production, wage-labour, capital, and so on, is precisely that capital is abstraction, materialised abstraction and the abstraction of materiality. This ontological feature of capital is precisely what we are likely to lose sight of in any positivistic rush to the ‘concrete stuff’ of production. There is, in fact, an inextricable link between abstraction, abstract labour – labour made abstract – and the forms of appearance of capitalist social relations.

The opening five chapters of Capital (before the chapter on the buying and selling of labour-power) reprise in an abbreviated form the entire structure of the Grundrisse. There Marx made his methodological starting point clear:

> To develop the concept of capital it is necessary to begin not with labour but with value, and, precisely, with exchange-value in an already developed movement of circulation. It is just as impossible to make the transition directly from labour to capital as it is to go from the different human races directly to the banker or from nature to the steam engine.

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27 Dimoulis and Milios 2004, p. 23.
29 Dimoulis and Milios 2004, p. 18.
Marx starts *Capital* precisely with value in a developed movement of circulation, that is capitalist circulation. The opening of *Capital* is not about ‘generalised’ (that is, historically undifferentiated) commodity circulation/production. Marx tells us that he is concerned with the capitalist mode of production on the first page. He tells us that its wealth ‘presents itself’ in a mass of commodities and that, therefore, he wants to begin the investigation with this mass, whose unit is the single commodity. But, in moving to the commodity, does Marx lose his historical purchase? Marx’s first concern is to distinguish between exchange-value and use-value, and he notes that ‘the exchange of commodities is evidently an act characterised by a total abstraction of use-value’. This act of ‘total abstraction’ Marx does not associate with any other form in which products were produced or exchanged. The tension or contradiction between use-value and exchange-value is specific to capitalism and establishes one of the fundamental dimensions of fetishism: a poorly mediated relation between form (the value-form with its abstraction) and content (particular use-values).

At this very early point, Marx also introduces the notion that the labour-power, which makes the commodity, is also subject to the self same act of abstraction, because it is a definite quantity of labour that is measured in exchange. A little later in the same chapter, he notes:

> Every product of labour is, in all states of society, a use-value; but it is only at a definite historical epoch in a society’s development that such a product becomes a commodity, viz., at the epoch when the labour spent on the production of a useful article becomes expressed as one of the objective qualities of that article, i.e., as its value.

It is only under capitalism that the labour spent on the production of a useful article is compulsively regulated by the average socially necessary labour time it takes to make that article. The concept of socially average necessary labour (introduced on the fourth page of the first chapter) is inconceivable in any prior mode of production where ‘averages’ across space, encompassing large numbers of people unbeknown to each other, was impossible. So, we have already abstraction, compulsion and universality, all specific to capitalist commodity exchange, in the opening pages of *Capital*.

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33 Marx 1983, p. 46.
35 Marx 1983, p. 46.
From here, Marx moves conceptually onto the necessity for the value-form latent in the universal exchangeability of the commodity to split off from the commodity into ‘the dazzling money-form’. In exploring the circuit of the value-forms commodity-money-commodity, or C-M-C, Marx is analysing the first ‘layer’ of reality in the stratified ontology that is capital. Marx refers to this vantage point as his ‘present standpoint of simple circulation’. But what he means by ‘simple’ is emphatically not some ahistorical or even embryonic capitalist process. He means ‘simple’ in the critical and epistemological sense that, at this ‘level’ of reality, one is unable to comprehend the full workings of the social order and that, indeed, at this level, reality has characteristics which are confounded and contradicted by characteristics and processes which can be revealed at ‘deeper’ (more determinant) levels of reality conceived as a totality.

In the *Grundrisse*, Marx writes of ‘the simple exchange of exchange-values’ as an ‘infantile abstraction’, and it is precisely at this level of abstraction and the everyday circulation of goods and money, that the generation of ideology from below or fetishism, is to be found.

Thus, Marx wants us to learn an important lesson about the consequences which capitalism has, as an object of knowledge, for consciousness. Since the subject is part of the object with intrinsic dissembling powers, knowledge has to be built up by exploring the movement of the object itself and by exploring its contradictions.

Marx’s critique is much more sophisticated than a positivist rush to get to capitalist production. Instead, Marx installs his critical thought into those units of the object (commodities and money) which are historically determinate (they internalise key features of the system), familiar from everyday life (to aid comprehension), while being incomplete or inadequate vantage points

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36 Marx 1983, p. 54. The forms that value takes are not, pace Althusser’s critique of Hegel, an essence that remains unchanged by those forms and whose forms are merely the unmediated expression of the essence. Marx’s analysis of the forms which value takes (Marx 1983, pp. 54–75) through the simple, expanded, general and finally money form, are real determinations on value, transforming it from an accidental and sporadic form into a systematic engine for its own expansion/reproduction. These differences/differentiations matter because matter matters: it is only the fantasy of value that makes all matter the pliable/frictionless expression of itself.


38 The *Grundrisse* has always been an embarrassment for Althusserians, for here is Marx returning substantively to the language and method of Hegel after he had supposedly made his epistemological rupture from him.

from which to know the object as a whole. Marx’s method is one of *immanent critique* as Chris Arthur has brilliantly demonstrated:

> in a dialectical argument successive stages are introduced because they are demanded by the *logic of the exposition*, and they are so demanded because the exposition itself conceptualises the internal relations and contradictions essential to the totality.40

As Marx develops the chain of circulation, initially around commodities-money-commodities (C-M-C), it is clear that circulation of value is a process fraught with potential breakdowns between different moments of a process characterised by its unity of differences.41 It is important to note, then, that the economic relations which secrete fetishistic forms are not conceived as seamless and unified but, instead, as having the built-in foundations for contradiction and crisis. This has implications for thinking about the relative coherence and unity (or its lack) of fetishistic forms. For example, if one of the key tropes of fetishism is the independence which capitalism develops for individuals and organisations, any serious breakdowns in the circuits connecting C-M-C, forcibly remind one of their ‘intimate connexion’42 in the shape of a crisis. In such circumstances, the foundations for the fetishistic trope of independence, are themselves thrown into question.

But what further impels Marx’s analysis to transcend the circuit of C-M-C and reveal the contradiction between quantitative commensuration, on the one hand, and the expansion of value, on the other? It is the contradiction between the abstraction implied in the universal exchange of commodities, or between the abstract indifference to the *use*-value of commodities, and the fact that C-M-C denotes circulation for *use*. It is this contradiction which pushes Marx on to develop a second sphere of circulation which intermeshes with C-M-C, and that, of course, is money-commodity-money, or M-C-M. This is where value metamorphoses into its essence, capital.

The circuit C-M-C starts with one commodity, and finishes with another, which falls out of circulation and into consumption. Consumption, the satisfaction of wants, in one word, *use* value, is its end and aim. The circuit M-C-M, on the contrary, commences with money and ends with

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money. Its leading motive, and the goal that attracts it, is therefore mere exchange-value.43

Here, Marx establishes the economic conditions for one of the key tropes of fetishism: inversion. A circuit whose fulcrum is consumption for use, depends on, and is subordinated to, another antithetical circuit whose fulcrum is accumulation for the sake of accumulation. It is worth underscoring the link between the trope of inversion and the structures of capitalist reality – or, perhaps, that should be, realities. For we have here a double fetishistic structure, an inversion of an inversion. Firstly, we have the primary fetishism of M-C-M, where ‘[i]nstead of man being the aim of production, production has become the aim of man’.44 Then, within its imposition of a structural logic that is utterly hostile to (collective) democratic control, there is a secondary fetishism represented here by the C-M-C circuit, which inverts the inversion and represses the exploitative social relations which are the necessary condition for the primary fetishism. Here, we have to contest a familiar Althusserian complaint. Dimoulis and Milios make very heavy weather of the trope of inversion, finally dismissing its effectivity within the structure of fetishism largely because they exclusively associate it with the dreaded subject-object dialectic.45 However, what is being inverted in the primary fetishism of M-C-M is not some ahistorical essence of ‘Man’. On the contrary, the inversion is specific to the structure of capital. Never before in the history of humankind has labour been the source of such productive powers (mediated by technology and knowledge) and, yet, never before has the object world which human labour-power produces been more powerful over and independent/autonomous of human labour-power than in the era of capitalism.46 Whether one could really talk of ‘inversion’ in precapitalist modes of production, is debateable, but the content of the category would, in any case, be radically incommensurate with our own epoch of bourgeois production. Because of this inversion, one ought really to think in terms of the object-subject dialectic, in order to stress where primacy ordinarily holds, to locate the subject as

44 Taussig 1980, p. 32.
45 ‘. . . the question of fetishism cannot be posed in terms of an inversion’ (Dimoulis and Milios 2004, p. 30).
46 As Geras comments, on the difference between the Economic Philosophical Manuscripts and Capital: ‘In place of a concept of alienation founded on an essentialist anthropology we have one tied to the historical specificity of forms of domination’ (Geras 1971, p. 73).
constituted within the object and to avoid falling into the idealist and humanist 
positions criticised by Althusser. Marx certainly uses the object (commodities)-
subject (labour) model in Section Four of Chapter One of *Capital*. However, 
only if one abstracts Marx’s example from the overall movement of his critique 
does one come up with the sort of self-positing Enlightenment bourgeois 
subject which Dimoulis and Milios think Marx is working with in the first 
chapter.

Only when Marx has derived from the immanent contradictions of capital 
these two intermeshed modes of circulation which constitute the realisation 
of value, does he then move on to consider the production of value. The 
production of value, of course, is shot through with the fetishism of the sphere 
of C-M-C, since production is a moment (the moment of valorisation) in the 
circulation of capital. Although Marx does not mention the concept of fetishism 
in relation to the theory of surplus-value, it is clearly implicit in the possibility 
of its formulation. From the vantage point of C-M-C, the exchange between 
capital and labour (wages for work) appears fair and equivalent (or a whole 
trade-union politics is based on making it fair), but, from the vantage point 
of M-C-M, capital has bought that special commodity that produces more 
value than it requires for its own reproduction. The whole force of the theory 
of surplus-value is that it once again reveals a mode of exchange invisibly 
meshed with another mode of exchange, but highly antithetical to it. Thus, 
the concept of commodity fetishism does not simply drop away once Marx 
reaches the site of production and construction of wage-labour. I have 
argued that Marx’s analysis in Chapter One is sufficiently historically 
determinate to ground an analysis of commodity fetishism in the later more 
concrete analysis of capitalist production and capital fetishism. There is no 
epistemological break in *Capital*’s treatment of fetishism or in the transition 
from analysing the value-form to capitalist production.

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47 An object-subject dialectic is less likely to fall into the error of reducing fetishism 
merely to ‘false consciousness’, that is to a purely mental state, as here: ‘To the 
individuals concerned, this reality appears, paradoxically, to be a separate, even 
autonomous power vis-à-vis its creators’ and ‘an inverted form of thinking creates 
and expresses an inverted reality, an inverted man whom the products of consciousness 
dominate’ (Balaban 1990, pp. 5 and 8, respectively).


49 See DeAngelis 1996, p. 21 and Geras 1971, p. 81, who make similar points.
The general ideological form of fetishism

Dimoulis and Milios explicitly dispute that fetishism is itself an ideological practice, while the implicit thrust of their argument is that the ideological productions of the superstructure are overwhelmingly more determinate than the fetishism of capital. In this section, then, I want to ask: a) how does the primary fetishism of the value-form lay the basis for the ‘metaphysical subtleties and theological niceties’\(^{50}\) of secondary fetishism? b) How can we conceive the relation between fetishism as ideology and the ideological productions of the superstructure in a way that preserves creative agency for the latter, while insisting on the on-going determining force of the former?

Fetishism generated out of the economic mode of production is certainly a different kind of ideological production from the more systematic forms of symbolic production elaborated within the superstructure by capital’s organic intellectuals. But it is still a form of ideology, tacitly encoded in practices. Let us return again to the concept of value and its constitutive essence: abstraction. Marx uses the value-form, in its commodity manifestation, to reveal the violence of its abstraction, its sheer power of homogenisation, its emptying out of all particularity from commodities (whether labour or finished products), its indifference to use-value and its modus operandi by quantification. Quantification is not just an economic feature, but is the indispensable means for articulating social power, namely, the social power of a minority class to impose its interests onto the majority class. The social power of the minority class requires the imposition of a quantitative logic on all exchanges, mediations and comparisons within the mode of production. This necessarily means excluding as far as possible qualitative judgements and processes. There is an inextricable link (not often made by Marxists) between qualitative considerations and expanding the realm of participation, co-operation, democracy, collective judgements and assessments, in short, the fine-grained honing of human capacities, powers and democratic communication, which are systematically blocked and distorted by the one sided imposition and crisis-prone mediations of a brute quantitative logic.

If the dominance of the logic of quantitivity is social power, how is it that systemic and unequal social power is disguised by the projection of this quantitative logic throughout society? Or, why does the abstraction of the value-form lead to the ideological mystifications of secondary fetishism?

\(^{50}\) Marx 1983, p. 76.
One-sided quantitivity erases the particularity of any individual thing and, also, the qualitative differences between individual things that are gathered together under the same category or institutional practice (‘voters’ or ‘citizens’ for example). Formal equality becomes the ideological semblance that erases real particularities and differences (including substantive inequalities). This homogenisation under the sign of a very partial ‘equality’ (equalisation) is also inextricably connected to the process of erasing qualitative connections between people and things gathered together within different categories or in different parts or aspects of the social process. In the absence of qualitative relations, the universe of commodities hangs together as a totality of atomised fragments, the web of connections which make up that totality are only of the ‘crude’ quantitative kind, which suits the minority class who as consumers, have a greater quantity of money to spend (revenue), and as capitalists, personify a system driven by the pure expansion of quantity (money as capital).

Money conceived in its ‘simple form’, that is, as a means of measure and exchange between exchangers, presents those exchangers as formally equal, engaged in non-coercive relations and the exercise of ‘choice’. The starkest relations of inequality can be radically muted by the formal equivalence that the act of exchange with money grants all exchangers:

A worker who buys a loaf of bread and a millionaire who does the same appear in this act only as simple buyers, just as, in respect to them, the grocer appears only as seller.

This ‘scene’ of secondary fetishism is ideological because the qualitative relations which have made and are making the worker a worker, the millionaire a rich man, and the grocer a petty bourgeois, are dissolved in the abstraction of simple exchange. In the *Grundrisse*, Marx calls such a scene of exchange an *appearance-form*. The term designates critique of those appearance-forms and inadequacy on their part, not because they are unreal or false in themselves.

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51 Rhetorically, in both theory and popular culture, abstraction has been figured in the image of the ghost, as in the ghostly quality of our sociality, the ghostly disembodied spectral remainder after concrete materiality has been evacuated by exchange, the residue of something once human (such as labour) now ‘dead’, and haunting its living counterpart, the repression of social crimes (the ghost crying for vengeance), the possession of the body and object world by some powerful force indifferent to its materiality, the ghostly animation of the inanimate, and so on. See Arthur 2004, Keenan 1993, Miéville 1998, and Wayne 2005.

52 Marx 1993, p. 251.
On the contrary, the circuit of C-M-C does give individuals a real sphere of ‘independent’ activity – no matter how limited by financial considerations. There is a truth to these forms of experience, a truth to ideology, a truth to the subject. As Marx noted in the Grundrisse, using, interestingly enough, the mirror metaphor that has been so influential via Lacan:

Out of the act of exchange itself, the individual . . . is reflected in himself as its exclusive and dominant (determinant) subject. With that, then, the complete freedom of the individual is posited: voluntary transaction; no force on either side, positing the self . . . as dominant and primary.53

But, of course, there are systemic limits to that truth which it cannot recognise.54 The independence of the sphere of C-M-C is also characterised by a (disguised or repressed) dependence on (or mediation by) the totality of social relations which are their determining condition of existence (namely the primary fetishism of the value-form, M-C-M, accumulation for the sake of accumulation, and so on).

There is a clear line of continuity, then, in the category of appearance-forms and the category of fetishism in Section Four of Chapter One in Capital, Volume I, despite their different genealogies in Hegelian philosophy and anthropology.55 There is, however, a difference in the way Marx ‘spun’ the meaning of fetishistic ‘independence’ in the two works. In Capital, Marx sought to comment on a process whereby the products of the labour of human beings come to acquire an independence from the producers. The sense of semblance, or inadequacy, or incompleteness about such commodity fetishism is the extent to which this independence has its ultimate dependent foundations in the social relations and is not some fact intrinsic to the products themselves (naturalisation being one of the tacit ideological secretions of fetishism). But, in this usage of the term, the category of independence is imbued with an explicit negativity, giving horrific animation and power to those things that the producers themselves have made. In the Grundrisse, by contrast, the appearance-forms of independence are the basis, not for the independence of commodities, but the independence of the owners of commodities (or

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53 Marx 1993, p. 244.
55 Once we contextualise the section in Capital on fetishism in relation to the term Marx used in the Grundrisse, we can give a definitive answer to Dimoulis’s and Milios’s complaint that Marx gives ‘no explanation of the status of fetishism (Illusion? Symbol? Truth?)’ (Dimoulis and Milios 2004, p. 34).
money), an altogether happier bourgeois fantasy. As Amariglio and Callari suggest, the theory of commodity fetishism thus provides not only an account of the constitution of the subject but also a way into the great lacuna within Marxist theory, an account of the *subjectivity*, ‘psychology’, experiential world and consciousness ‘involved in the “exchange of equivalents” under conditions of generalized commodity trade’.\(^{56}\) And that subjectivity is very much fissured along the lines of the positive and negative poles of fetishism encompassed by the *Grundrisse* and *Capital*.\(^{57}\)

The fetishistic act of exchange itself provides the essential spontaneous ideological basis on which the systematic production and elaboration of political, juridical and cultural ideologies can flourish. Without the act of exchange, such ideologies would have little correlation with the real-life experience of the subject and hence have far less ‘sticking power’ than they, in fact, do have. Without the superstructural production of ideologies, the act of exchange would find its tacit modes of consciousness unable to provide the systematic modes of explanation that it requires in, for example, times of crisis. However, the ‘base’ has the greater role of determination here because the fetishistic form and its various tropes (equalisation, fragmentation, inversion, repression) is internalised *within* the superstructure. The state, for example, is, of course, a key means for producing ideologies and policies and it does so in response to a multiplicity of conjunctural factors, many of them having only a highly mediated relationship to the class struggle. But the *form* in which the state deals with subjects is structurally determined by the fetishism of the value-form. The state fragments the concrete social individual into a series of categories such as citizen, tenant, welfare claimant, voter, motorist, pedestrian, producer, consumer and taxpayer.\(^{58}\) The fetishised being is one conceived, as here, in categories whose content is emptied of their qualitative internal differences (within the category ‘consumers’ or ‘producers’ for example), while the relations between the categories can only be one of sealed blocs of homogeneity bumping into one another, rather than as potentially interpenetrating, with reciprocal interaction and interests.

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\(^{56}\) Amariglio and Callari 1996, p. 190.

\(^{57}\) See Wayne 2003, pp. 183–219 on the contradictions of the subject constituted within fetishism.

\(^{58}\) Clarke 1991, p. 64.
Reading Lukács and Pashukanis

Dimoulis and Milios come close to accepting this theory of deriving the ideological form of the superstructural production of ideology from the fetishistic value form of capital, in their discussion of the work of the Soviet jurist Evgeny Pashukanis. They give a largely approving summary of Pashukanis’s work, which finds a ‘structural similarity of a causal type’ between the material foundations of commodity exchange and capitalist law. As we have seen, in commodity exchange, the subject is tacitly constructed as an isolated subject freely entering (without visible violence) into contact and contracts with other independent subjects in order to exchange ‘property’ (money, labour-power) in the pursuit of their own interests (conceived as independent). Similarly, capitalist law treats the subject as a sovereign subject exercising free will and all being equal or equivalent before the law. Those institutions play a crucial role in developing and elaborating a content (the ideology of the individual) out of an economic practice that is already their essential precondition (the subject as ‘exclusive’, ‘dominant’ and ‘determinant’).

Dimoulis and Milios reject any charge that Pashukanis’s analysis is economistic:

...the charge is not well founded. Pashukanis does not assert that the legal system lacks autonomy, nor that the base determines what is to become law (statutes, court decisions, doctrines). His analysis aims at demonstrating in what way the structure of a society (the operating principles which comprise the semantic core of a mode of production) makes it necessary for there to be a system of rules for social regulation, adopting certain assumptions and forcibly imposing them as generally applicable (free and equal subjects, contract, structuring of public law on the basis of private, free will).60

We can see here how notions around the law, morality, personal responsibility, and so forth, constitute a normative content in contradiction to, as well as congruent with, the quantitative indifference of the value-form to any real norms. The contradiction between form (abstractly equal) and content (equality as an ideal) is precisely what makes the content ideological, but, at the same time, it can form the basis of ideological critique by revealing the impossibility of authentically realising the normative ideals within the fetishistic (value-)form. Again, this points to the fact that a theory of fetishism is very

far from being a monolithic, seamless, automatically secured production of ideology.

Two things have to happen for the authors to diminish the implications of their approving analysis of how fetishism influences the ideological form (but not the content) within which superstructural agencies produce ideology. Firstly, they have to sharply divide Pashukanis’s analysis off from Lukács’s analysis of the commodity-form and its more general implications for the superstructure. This they do in rather unpersuasive terms. While noting that both Lukács and Pashukanis have a key role for the theory of commodity fetishism, they differentiate them by categorising Lukács’s approach as ‘extensive-universalising’ while Pashukanis’s is ‘extensive-comparative’.61 What they mean by this is that Pashukanis offers a more specific analysis of the structural similarity between commodity fetishism and a precise region of the superstructure, the law, and one which is closely tied to state imperatives to regulate and protect through specific ‘contents’, the realm of production. Lukács offers a rather less precise analysis by comparison, since his target is not a specific region of the superstructure (or, at least, not one which has such directly traceable interactions with the mode of production) but, firstly, formal rationality itself and, secondly, bourgeois philosophy and its various reactions to the problem posed by the spread of formal rationality. For Lukács, the indifference of formal rationality ‘towards what is qualitatively unique, towards the content and the material substratum of the object concerned’62 constitutes what Althusserians used to call, the ‘problematic’ of bourgeois philosophy. As with Pashukanis vis-a-vis the law, Lukács finds a structural causality between formal rationality and the abstraction of the value-form. Thus the difference in method, at least, is less than categorical. Pashukanis can be read as offering a specific case-study of a more general problem. In their assessment of Pashukanis, Dimoulis and Milios argue that:

This kind of law [bourgeois law] is of a historically unique character because of its form and – we might add – because of the universal character of its implementation, in contrast with previous social norms.63

If one replaces ‘law’, in this sentence, with Lukács’s main target, formal rationality, the similarities in the methods of Lukács and Pashukanis are fairly striking.

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61 Dimoulis and Milios 2004, p. 16.
The second thing which the authors do with their approving summary of Pashukanis is to, then, ‘forget’ the implications of their agreement with him, after their introduction of Althusser and Balibar and their critique of Marx’s deployment of the term fetishism. The centrality of the state, for Althusser and Balibar, prompts Dimoulis and Milios to later comment on Pashukanis’s ‘mistake of designating the economic as the source of the legal structure’,64 even though their earlier summary offered a much more nuanced account of the nature of economic determination, and one that is potentially compatible with what they require: a suitably sophisticated understanding of the mutual interdependence of base and superstructure, or, as they put it,

simultaneous formation of the interacting elements of the CMP [capitalist mode of production], comprising, among other things, the formation of the (bourgeois) law and the ideology/philosophy which accompanies it.65

Yet, the ‘simultaneous formation’ formulation is, I would argue, a regression from their earlier exposition. By radically diminishing the force of the argument about how fetishism generates the ideological form within which the superstructure operates to secure the long-term reproduction of the mode of production, they are in danger of sliding into the impasse of the Althusserian problematic. As Gregory Elliott asks: is the Althusserian totality ‘a bona fide totality or a congeries of discrete interacting elements?’66 Conflating the philosophical enemy (Hegel) with the political enemy (Stalin), Althusser argued that the economic ‘essence’ ‘is never active in the pure state’,67 but, instead, fuses with a multiplicity of superstructural factors which are irreducible to, and not the mere causal expression of, the economic. Against accusations that Althusser had collapsed into liberal pluralism, he coupled his notion of multiple factors (overdetermination) with the concept of ‘a structure articulated in dominance’.68 The overdetermination/structure in dominance couplet, however, designates two concepts forever flying apart because they have no internal principle able to bind them together into a unity of differences. Indeed, the emphasis is very much on the overdetermination pole. Importing terms derived from Freudian dream analysis, such as condensation (the principle of fusion), and displacement (the swapping of

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64 Dimoulis and Milios 2004, p. 36.
65 Ibid.
what constitutes primary and secondary contradictions), only further reinforces a receding picture of the determinant and systematic dominant structures within the general structure. In short, because Althusser rejected any sense of identifying internal principles operating (with their own specificity) within different parts of the social totality, his totality is, indeed, ultimately a congeries of parts. At least, this is the case when his system leans on the ‘conjuncture’ side of the structure/conjuncture antinomy. Elsewhere, as we shall see, when it comes to the question of ideology, Althusser collapses into a raging ‘structural’ functionalism.

**Ideology and knowledge**

I have argued that the Althusser/Balibar lens, through which Dimoulis and Milios read Marx, means that they never really grasp the nature of Marx’s method. This, as we have seen, is to proceed through an immanent critique of the fetishistic appearance-forms of capital whose inadequacy provides the spur for critical knowledge to ground those forms in their more determining real relations that together constitute the stratified totality of the object that is to be known. Dimoulis and Milios, however, have a rather different sense of the social totality and how critical purchase on it can be achieved when that totality is systematically dissembling. Noting that the term fetishism derives from the discourse of colonial anthropologists looking at ‘primitive’ communities, Dimoulis and Milios suggest that Marx’s appropriation:

\[\text{transferred by analogy from the observation of an indigenous community to the community of the observer... retains an external reference, which enables the internal observer to carry out a distanced analysis of the elements of illusion which the members of her own community experience in their social relations.}^{69}\]

Analogy, however, seems to be a remarkably weak basis on which to establish an epistemology capable of producing a critique of capitalism, especially when the analogy is rooted in a discourse thoroughly imbued with the ideology of the bourgeois sciences, where objectivity (‘distanced analysis’) and transcendence of social interests are assumed.

They also suggest that the second string to Marx’s epistemological bow is that of the comparative method. This allows exteriority to the object one is

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69 Dimoulis and Milios 2004, p. 5.
a part of but seeking critical purchase on by counterpoising ‘capitalism to other communities, both real and imaginary’. 70 Marx certainly does this at various points, but this strategy of comparison works to illustrate what has already been argued and cannot be regarded as the fulcrum of Marx’s analysis of capitalism. Only when they are discussing the work of Pashukanis do their notions of ‘exteriority’ and ‘interiority’ come close to a Marxist sense of the totality. Here, it is argued that the terms capital fetishism and legal ideology cannot be conceived in their ‘interiority’ but have to be related to their exterior conditions of existence, which are, in fact, each other. 71 But, as I have argued, the full implications of their agreement with Pashukanis vis-à-vis the ideology of fetishism are never developed but are, instead, thwarted by their alignment with Althusser and Balibar. This is true too as they develop their theory of ideological production emanating from the superstructure.

Here, we see a shift away from flirting with objectivity and towards a headlong plunge into its opposite – relativism. Relativism achieves critical purchase by pluralisation and comparison: a paradigm is allowed its own internal validity but any claims to timeless and universal relevance is criticised by reference to other paradigms whose own claims are, in turn, relativised by other paradigms. Certainly, pluralisation and comparison are important critical tools, but, on their own, they cannot be the basis for historical-materialist critique. It should be clear, for example, that any sense of progress, from, say, the ‘paradigm’ of the feudal mode of production, to capitalism, or from capitalism to socialism, cannot be grounded in relativism. The comparison is ontological only, identifying ‘difference’ but not allowing for evaluation (different and better, or worse). These contradictions are very evident when Dimoulis and Milios attempt to recruit Marx to this relativistic constructivism:

Marx adopts the constructivist viewpoint on the question of fetishism. He refuses to distinguish between truth and falsehood, ideology and truth, and asserts that, on the bases of certain facts concerning the structure of social production, individuals construct a conception of reality which – without being true – corresponds to that structure, that is it is the only possible way of conceiving reality . . . [I]t is also asserted that it [the conception of individuals] can be replaced in a different historical context by a representation which will be subject to different criteria of truth and may be politically

70 Ibid.
71 Dimoulis and Milios 2004, p. 36.
desirable but, in any case, will be equally artificial as that of the present
day (for example, the transparency prevailing in human relations in a
communist society will not constitute the ‘truth’ of those relations . . . or a
conception of ‘actual reality’ freed from ideology, but a different way for
human subjects to conceive data). 72

However, Marx’s theory of the ideology of fetishism is not remotely one that
refuses to distinguish between truth and falsehood. There is a correspondence
between ideology and reality, but only at the level of the appearance-forms
of capitalist reality. The judgement of adequacy (‘truth’ is a little absolute
perhaps) is made by grounding the appearance-forms in relation to the totality
that they must contradictorily disavow. What happens in Dimoulis’s and
Milios’s critique is that the stratified ontology has no substantive methodological
place (despite the odd allusion to it) and, thus, the totality is flattened out,
with the effect that ideology is totalised so that there is, indeed, no other way
of conceiving reality. Critique is achieved by relativistic comparison, another
paradigm or historical context is invoked but quite how one could develop
criterion for assessing its desirability is hard to see, when it too will require
ideology. We can see here how the term ideology is transmuting under the
pressure of its relativistic framework and becoming something more neutral,
merely designating the discursive processing of social data. But, in that case,
it loses its unique ability to track the distortions of representation and
consciousness back to historically specific class contradictions.

Curiously, although Dimoulis and Milios write of exposing the ‘ontologised
discourse’ of constructivism to ‘fundamental criticism’ 73 it is precisely this
definition of ideology which they align themselves with a few pages later, as
they try to account for the effectivity of ideology:

[The only way its persistence can be comprehensible is for it to be regarded
as ‘truth’, as the truth which is both necessary and self evident in a given society.] 74

Again, this fails to make the distinction that the truth of ideology lies in its
correspondence with the appearance-forms of capitalism. Ideology is totalised
rather than relativised by the social totality that ideology conceals but cannot
explain. Dimoulis’s and Milios’s slide towards relativism is facilitated by their
dependence on the débris of Althusser’s theory of ideology. When they argue

72 Dimoulis and Milios 2004, p. 33.
73 Dimoulis and Milios 2004, p. 34.
that ideology is ‘a necessary relation between subjects and the conditions of their lives’,\textsuperscript{75} they are explicitly invoking Althusser’s theory of ideology in general.

Now, I have been arguing that the theory of fetishism offers an historically grounded and determinate explanation of the general form of ideology. Like the value-form, the general form of ideology has numerous forms or tropes. In his famous essay on ‘Ideological State Apparatuses’, Althusser, by contrast, offers us an account of the general form of ideology, its ‘structure and function’, that is transhistorical. If Althusser was proposing only that, so long as there are classes, there must always be ideology to explain away class division, one could hardly disagree. But Althusser’s argument is, of course, much more contentious, namely that, ideology is:

\begin{quote}
not transcendent to all (temporal) history, but omni-present, transhistorical and therefore immutable \emph{in form} throughout the extent of history.\textsuperscript{76}
\end{quote}

Thus, Althusser’s general form loses its anchorage in the mode of production and the historical specificity of the value-form which the theory of fetishism provides. In effect, Althusser blows up the bourgeois subject – monadic and (in its misrecognition of its real relations to the real) self-determining – into an ahistorical universal. Althusser glosses over the fact that the very concept of the freely self-determined subject posited as the key feature of the transhistorical form of ideology in general is the product of the bourgeois epoch.\textsuperscript{77} Had Althusser properly grounded his monadic ideological subject in the fetishism of the mode of production and the value-form, instead of an eternal ontology realised and contested in the sphere of the superstructure, his theory of ideology would not have so readily collapsed into ahistorical functionalism (because nothing can escape this general form – it lacks contradiction for a start) and relativism (because evaluation of class ideologies is subordinated to the general form which constitutes the \emph{necessary} relation, irrespective of social relations, between subjects and the real relations of production).

Sensing that the trap of relativism is about to spring shut on them, Dimoulis and Milios declare:

\begin{quote}
this does not mean that it is impossible for the ideological distortion of certain view[s] to be demonstrated, through suitable methods of criticism
\end{quote}

\textsuperscript{75} Dimoulis and Milios 2004, p. 39.
\textsuperscript{76} Althusser 2001, p. 109, my emphasis.
\textsuperscript{77} Althusser 2001, p. 115.
and comparison, as a distortion corresponding to a truth useful for the reproduction of a system with immediate consequences for individuals’ behaviour.\textsuperscript{78}

Their methods of criticism however are certainly not suitable, while the priority given to comparison pushes them towards relativism. How strong or Marxist can a critique of ideology be on the basis that it is functional for a system? The vagueness of the language here (‘consequences for individuals’ behaviour’) is a symptom of the way relativism undermines the epistemological basis with which to make judgements about class interests from within the system itself (as immanent critique allows us to do). In trying to establish the ‘relative autonomy of the political level’,\textsuperscript{79} they have reproduced the seamless and functional unity of ideological practices that they ascribe to the theory of commodity fetishism.

Discussing Georg Lukács’s claim that all problems of consciousness and ideology can be traced back to the commodity-form, Terry Eagleton finds the claim a trifle overweening. In what important sense, for instance, can the doctrine that men are superior to women, or whites to blacks, be traced back to some secret source in commodity production?\textsuperscript{80}

I have argued that under capitalism, there is a general form to ideology which can indeed be derived from the fetishism of the value-form. The general form of ideology has multiple dimensions (equalisation, fragmentation, repression, inversion and autonomy – although this is by no means an exhaustive list). Althusser was right to try and formulate a theory of ideology in general and right to insist that ideology is inscribed into material practices. He failed to give that inscription a sufficiently deep materialist basis – stopping at the level of the superstructure. The general form of ideology derived from fetishism cannot explain the specific content and development of, for example, sexist and racist ideologies, but it may well be able to offer an account of the unity of ideologies at the level of form.

The theory of fetishism provides a far better basis for a Marxist understanding of ideology as it is generated from ‘below’ and ‘above’ than Dimoulis and Milios have presented.

\textsuperscript{78} Dimoulis and Milios 2004, p. 39.
\textsuperscript{79} Dimoulis and Milios 2004, p. 41.
\textsuperscript{80} Eagleton 1991, p. 87.
References

Review Articles

Editorial Introduction: Brian Manning,
21 May 1927–24 April 2004, Historian of the People and the English Revolution
PAUL BLACKLEDGE

Brian Manning was one of the Left’s finest historians, and Historical Materialism is proud to publish this review, which he wrote and submitted to us shortly before his untimely death last year. Brian made an important contribution to the social interpretation of the English Revolution; a contribution which added to, and deepened the analyses of Maurice Dobb and Christopher Hill, while highlighting important weaknesses with those of Robert Brenner and Ellen Wood. In this brief introductory essay, I argue that the power of Manning’s analysis was rooted in the perspective from which he viewed the Revolution.

While traditional political historians have often denigrated history from below for producing irrelevant studies of the ‘lunatic fringe’, the influence of postmodernism on the study of history has tended to militate against the deployment of the best counter to this argument; that, in Christopher Hill’s words, ‘the worm’s eye view’ allows the historian to ‘obtain a deeper insight’ into the nature of society than is available to the practitioners of the traditional approach.1 The power of Hill’s argument is nowhere better realised than in Brian Manning’s oeuvre.

In its traditional interpretation, the English Revolution is understood as a struggle between two sections of the English ruling class. Manning agreed that this picture of the Revolution captured a superficial truth, but insisted that it was fundamentally inadequate as an account of either the narrative of the Revolution, or as an explanation for that narrative. To substantiate this claim, he, in his studies of the Revolution’s decisive turning points, The English People and the English Revolution, 1649: The Crisis of the English Revolution, and Revolution and Counter-Revolution in England Ireland and Scotland 1658–1660;2 pointed to the decisive part played in the Revolution (and the counter-revolution) by the ‘intervention of people from outside the class that normally dominated politics’.3 These three books do not merely add to our understanding of

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1 Hill 1975, pp. 14, 18.
the dynamics of the Revolution itself, they also contribute to the debate on the transition from feudalism to capitalism and the nature of the English Revolution therein.

Manning completed his DPhil in the late 1950s under the supervision of Christopher Hill, at Balliol. The subject of his thesis was the role of neutrals generally, and specifically the so-called Clubmen, in the Revolution. In the late 1950s, this was an unpopular subject, and Brian’s findings remained unpublished. In the early 1990s, he mentioned to me in conversation that he regretted that this was the case, as subsequent studies of the Clubmen tended to stress their local and apolitical character, while he remained insistent that, as he wrote in the introduction to the second edition of his *The English People and the English Revolution,* the risings occurred mostly in royalist areas and damaged the royalist cause much more than the parliamentarian cause, that they showed the capacity of peasants to act independently of their social superiors, and that in so far as they were conservative and traditionalist in their views... they illustrated the failure of the gentry-led royalist party to harness to the King’s cause much of the popular dislike of change, thus rendering conservatism and traditionalism less capable of preventing a parliamentarian victory.

Manning’s eye pierced beneath the superficial neutrality of the Clubmen, to argue that the failure of the royalists to mobilise this potentially supportive force demanded some explanation.

Similarly, in his studies of the emerging split within the ruling class in the period 1640–2, Manning looked beneath the surface story of the growing distrust felt towards Charles by large sections of the aristocracy in the decade up to 1640, to examine the role of popular struggles in shaping the opposing sections of the ruling class. In two early studies, he argued that, even when Charles bowed to the wishes of his opponents and impeached his two key ministers Laud and Safford, the trust of this class could not be regained, while Charles himself merely grew to hate those who forced him to execute Stafford. To a certain extent, therefore, it is true to say that the Civil War began as a conflict within the ruling class. Nevertheless, Manning argued that, whereas Charles was virtually isolated within his own class in 1640, by 1642 there had emerged...
a considerable royalist party that included the majority of the lords and a substantial minority of the commons. In his classic, *The English People and the English Revolution*, Manning explained this development by showing how the independent actions of the London crowd created such a fear within the ruling class that the bulk of that class fell into line behind the King:

The genesis of the royalist party arose from dislike of popular tumults: it was less the party of Episcopalians or Staffordians than the party of order. Eight

Conversely, ruling-class parliamentarians came to believe that the only force that stood between them and the King’s wrath was the London crowd.

Despite the hopes of some of the parliamentary leaders, the crowd could not be deployed against the King at their whim; for its members had interests of their own, and they began to fight for them in the space created by the divisions within the ruling class. At its heart, the independence of the core group of the crowd was rooted in the growing economic independence of the ‘middle sort of people’ in the century leading up to the conflict. Moreover, the middle sort of people not only acted independently, they also developed a form of ‘class consciousness’, which was expressed in their shared identity as the godly section of the community.

Manning argued that the ‘middling sort’ was not a class in the modern sense, but was rather a social layer which was beginning to bifurcate between, on the one hand, those who were moving up to become a bourgeoisie, and, on the other hand, those who were being pushed down to become a proletariat. This process was though very much in its infancy in the early part of the seventeenth century, such that these ‘independent small producers’ could, in the early 1640s, be readily distinguished from both the ‘class of rentiers . . . and financiers’ above them, and the ‘class of wage-earners’ below.

Manning’s analysis of the middling sort followed Dobb’s argument that English capitalism emerged from within the ranks of the direct producers, and that the nation divided in the 1640s along socio-economic lines such that

the rivalry between industrial or semi-industrial interests in the provinces and the more privileged trading capital of the metropolis was no doubt an important element in the antagonism . . . between Presbyterian and Independent.

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8 Manning 1991, pp. 71, 101; Manning 1973a, p. 80; and Manning 2000, p. 82.
9 Manning 1991, p. 130.
14 Dobb 1963, p. 170; and Manning 1994, p. 86.
Unfortunately, there existed a fundamental lacuna at the heart of Dobb’s thesis. As Brenner argued, because Dobb both equated feudalism with serfdom whilst simultaneously arguing that serfdom had been superseded from around the fifteenth century, then, on his reckoning, feudalism should have been ‘dead’ long before the upheavals of the 1640s. As a consequence of this, the viability of the concept of a bourgeois revolution in the seventeenth century was thrown into question.\textsuperscript{15}

In his alternative account of the transition from feudalism to capitalism, Brenner argued that capitalism originated not as a result of a victory of the peasantry over the feudal nobility in the class struggle, and still less the product of a rising bourgeoisie, but as an unintended consequence of the class struggle under feudalism.\textsuperscript{16} This is not to suggest that Brenner ignores the role of towns in the transition. For, on the one hand, he argues that his model of the transition from feudalism to capitalism is premised upon the ‘necessary precondition’ of the prior development of merchant capitalism in the medieval period,\textsuperscript{17} and on the other hand, he placed London’s merchant community at the centre of his analysis of the English Revolution. Nevertheless, Brenner argues that the ‘traditional social interpretation’ of the transition is untenable,\textsuperscript{18} because

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by the era of the Civil War, it is very difficult to specify anything amounting to a class distinction of any sort within the category of large holders of land, since most were of the same class.\textsuperscript{19}
\end{quote}

Conversely, he argues that, while the landowners as a whole had been transformed into a capitalist class in the previous centuries, the monarchy maintained its position at the head of the state via a medieval legacy: monarchs ‘were no mere executives, but were great patrimonial lords’.\textsuperscript{20} The fundamental conflict at the heart of the English Revolution was between the bulk of the landowning class and this ‘patrimonial group’. Perry Anderson believes that Brenner has produced the ‘most powerful social explanation for the breakdown of the Caroline monarchy we now possess’, although he also, and rather ironically, suggests that Brenner provides ‘no plausible answer’ to the question of ‘why did most of the countryside in the North and West rally to the King, in the South and East to Parliament?’.\textsuperscript{21} On this point, Anderson criticises Brenner’s utilisation of Weber’s concept of ‘patrimonial’ to describe the Stuart monarchy as a ‘self contained household’ against which the revolution was fought. Such a concept is a necessary component of Brenner’s schema, because he rejects the view that the

\begin{footnotes}
\begin{enumerate}
  \item Brenner 1978, p. 132.
  \item Brenner 1985, p. 30.
  \item Brenner 2002, pp. 276, 289.
  \item Brenner 1993, p. 638.
  \item Brenner 1993, p. 641.
  \item Brenner 1993, p. 653.
  \item Anderson 1993, p. 16.
\end{enumerate}
\end{footnotes}
monarchy rested upon feudal forms of exploitation, which fettered the expansion of capitalist relations of production. Whereas Anderson agrees with Brenner’s general characterisation of the dominant relations of production in early seventeenth-century England, he suggests that Brenner’s account of the process of revolution might be strengthened if he accepted that feudal property relations could be constituted not only politically, but also ‘ideologically’. He argues, citing Manning as an authority, that the monarchy could be understood to be feudal given the ‘ideological role’ that it played up to the Revolution.22 Anderson thus agrees with Brenner’s fundamental argument that the aristocracy was a capitalist class, but seeks to strengthen his thesis by attaching onto it the added complexity that the monarchy could be understood through the feudal role that it played at the ideological level.

However, while Manning did argue in The English People and the English Revolution that, when Charles fled to York in 1642, ‘the monarchy was reduced to its bare essence – the sentiment of loyalty to the person of the king’, he also insisted that ‘the monarchy was seen to rest, not upon the love of the people, but upon the interests of a class’: specifically, the ‘nobility and greater gentry’.23 Additionally, he pointed out that ‘as the war went on parliamentarians increasingly came to see the conflict, not so much as a struggle against the king, as a struggle against the aristocracy’.24 Developing this argument in his 1649: The Crisis of the English Revolution, Manning suggested that the gentry was a status group rather than a class, and that, at its upper reaches, it merged into the ruling aristocracy, while at its lower end it overlapped with the middling sort. Moreover, these differentiations were not mere gradations of wealth, but reflected an important distinction in the type of income: in the upper levels the main part of income came from the rents of tenants, but for many in the lower levels it came from the sale of agricultural produce.25

Manning has specifically criticised Brenner’s account both for ignoring the growth of industry in the decades that led up to 1640, and for overemphasising the growth of capitalist farming amongst the aristocracy before the Revolution.26 Interestingly, Manning did write that Brenner’s empirical findings, relating to the role of merchants within the Revolution, cohered with his own much more classical thesis that it was the ‘middling-sort’ who were the driving force behind the Revolution. He suggested that the growing importance of this group should be related to the development of industry; and because Dobb stressed this development, his model was better able

22 Anderson 1993, pp. 16–17.
than Brenner’s to explain why ‘industrial districts – not all of them – provided a main
base for the parliamentarian and revolutionary parties’. Following Dobb, therefore,
Manning argued that the English Revolution could best be understood as a bourgeois
revolution located within a framework dominated by ‘the rise of capitalism’.
According to Brenner, the traditional social interpretation of England’s bourgeois
revolution involved a ‘rising bourgeoisie’ coming into conflict with, and ultimately
overthrowing the ‘old aristocracy’. Nevertheless, as we have noted, Dobb’s account
of the disappearance of feudal social relations in the countryside in the fifteenth
century opened the door to Brenner’s critique of relevance of that concept to seventeenth-
century England. In what many have read as an attempt to subvert this problem, Hill
defined bourgeois revolutions by their consequences – creating the ‘conditions in
which bourgeois property can flourish’ – rather than by the agency, bourgeois or
otherwise, by which they were made. Indeed, he insisted that the concept bourgeois
revolution ‘does not mean a revolution made by or consciously willed by the
bourgeoisie’. Nevertheless, Hill did not merely reject the old model; thus he argued
that the Stuart state remained feudal, and that the monarchy, the biggest landowner
in the pre-revolutionary era, derived much of its wealth in a feudal manner through
feudal tenures, and that it is only if we understand the political importance of this
fact that we can develop a materialist understanding the Revolution itself. The bourgeois
nature of the Revolution is thus, in part, explained by the abolition of feudal tenures in
1646; the acceptance of which, according to Hill, was ‘one of the unspoken conditions
of the Restoration’. So, while it was true that the capitalist nature of much of English
agriculture in many respects pre-dated the Revolution, it was also true that the capitalist
elements within English society had grown slowly and unevenly, and that they had
to win a revolution in order to fully realise the potential of the new system. On this
issue, Manning followed Hill’s argument in so far as it stressed the break made by
the Revolution with the old order, but deepened this insight by insisting that the
pivotal role played by the middling sort in the Revolution linked the outcome to an
emerging bourgeois agency.
Manning’s argument in his three most important books is that at the key junctures
in the Revolution, 1640–2, 1647–9, and 1658–60, it was the intervention of the middling
sort that fundamentally shaped the course of events. He consequently criticised Hill’s
famous formula that

27 Manning 1994, pp. 84–6; Manning 1999b, p. 50; Manning 1965, pp. 261–8.
28 Manning 1999b, pp. 45, 51.
30 Hill 1974, p. 280.
34 Manning 1996b, p. 139; and Manning 2003, p. 199.
35 Manning 1999b, pp. 44–6.
there were two revolutions in mid-seventeenth-century England. The one which succeeded... [and] another... which never happened, though from time to time it threatened.37 By contrast, Manning argued that the revolution which succeeded was only possible because of the intervention from below of social layers who fought for a much better settlement than that provided by either Cromwell’s dictatorship or the Restoration: ‘it is misleading’, he wrote, ‘to separate out a “radical” or “democratic” revolution’.38

In Manning’s account, therefore, the Revolution was made by the middling sort, who were themselves a product of emerging of capitalist social relations within the petty mode of production under feudalism. Moreover, in the book that includes his most explicit engagement with Marxist theory, The Far Left and the English Revolution, he pointed out that the forces which gave rise to a bourgeois revolution also unleashed much more democratic proto-socialist movement below them: ‘in the English Revolution a revolt against capitalism as well as against feudalism was for the first time put on the agenda’. Nevertheless, he accepted the classical-Marxist perspective that, given the ‘circumstances of the time’, the victory of these forces ‘was probably impossible’.39 Manning thus combined sympathy for the lower classes with a realisation that the eventual defeat of the more radical of their ambitions was almost certainly inevitable.

Nevertheless, whilst Leveller victory was highly unlikely, and the appeal made by Winstanley to Cromwell, to which Brian refers in his review in this issue of *Historical Materialism*, was tragic, the view from below did not condemn Manning to a sterile investigation of the ‘lunatic fringe’, but rather informed his deepening of the Marxist understanding of the English Revolution as a bourgeois revolution made by the small property owners of the middling sort. As he wrote in his review of Neal and Ellen Wood’s book on political ideas in the seventeenth century;

> Viewing the revolution in terms of the relations between the king and the aristocracy is history from the top downwards. Viewing the aristocracy as already a capitalist class before the revolution is too simple. It diverts attention from where capitalism was actual developing – among large farmers and elements in manufacturing – and how that relates to the revolution. And it leaves little room for assessing the ways in which the revolution actually did facilitate the development of capitalism.40

Manning’s own contribution to our understanding of the Revolution in his monographs showed the power of his application of Hill’s ‘worm’s eye view’: it was the actions

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37 Hill 1975, p. 15.
38 Manning 1992, p. 15.
39 Manning 1999C, pp. 131, 111; see the concluding comments to his article in this issue of *HM.*
40 Manning 1997, p. 29.
from below of the ‘people’ that decisively shaped both the nature of the Revolution and its outcome. Fortunately, Brian not only expressed this argument in a number of profoundly original, and readable, studies rooted in primary research, he also condensed his overall thesis into his introductory text *Aristocrats, Plebeians and Revolution in England: 1640–1660*, which supersedes Christopher Hill’s *The English Revolution*, as the best single-volume overview of the period.

**References**


The publication of a volume of essays on *Winstanley and the Diggers* leads me to some reflections on its contribution, which does not go very far in connecting the Diggers with the revolution of which they were a part; and to some observations on the role of Winstanley in the revolutionary trends of the period, in particular the question of ‘revolution from below’ or ‘revolution from above’.

James Holstun’s ‘Communism, George Hill and the Mir: Was Marx a Nineteenth-century Winstanleyan?’ provides a broad context: ‘Marx and many of his followers chronically underestimated the importance of religion as a revolutionary ideology’ (p. 137) and ‘The peasant rebellion – the most globally widespread and important form of social revolution in both the modern and the pre-modern world’ is ‘almost always fired by religious ideology’ (p. 141). This could have provided a useful theme for the volume as a whole, but, unfortunately, it does not.

The Rising of the Diggers, was a peasant revolt, albeit a small one, inspired by religion. Leaving aside David Taylor’s belief, expressed in his essay on ‘Gerrard Winstanley at Cobham’, that God did actually speak to Winstanley because God does speak to ‘ordinary men and women in their time’ (p. 41), Christopher Rowland, in his contribution on ‘The Common People and the Bible: Winstanley, Blake and Liberation Theology’, shows how radical and revolutionary opinions do derive from the Bible:

> The experience of poverty and oppression is as important a text as the text of Scripture itself and remains in dialogue with it. . . . The God who identified with slaves in Egypt and promised that he would be found among the poor, sick and suffering reveals in everyday life of ordinary people that there is another ‘text’ to be read as well as that contained between the covers of the Bible or of the teaching of the church. (pp. 156–7.)

There is a dialogue between the poor’s experience of oppression and injustice and the stories in the Bible.

Questions about whether the Diggers were anarchists, and whether Winstanley moved from advocating revolution from below to accepting revolution from above,
are not considered in this book. George Woodcock characterises the Diggers as the ‘anarchistic wing of the English revolutionary movements in the seventeenth century’.¹ W. Schenck and Christopher Hill support the view that, originally, Winstanley was an anarchist, although they distinguished between his stance at the beginning of the Digger movement and his position after it collapsed: ‘Of his earlier anarchism there can be no doubt’² writes Schenck; and Hill says that in his early pamphlets ‘Winstanley seems to be advocating an anarchist form of communist society, without state, army or law’.³

This is evidenced in the vision which Winstanley had on the eve of setting up the first Digger commune on St. George’s Hill, between Cobham and Kingston upon Thames, on 1 April 1649:

None shall desire to have more than another, or to be lord over other, or to lay claim to anything as his; this phrase of ‘Mine and Thine’ shall be swallowed up in the law of righteous actions one to another, for they shall all live as brethren. . . . There shall be no need of lawyers, prisons, or engines of punishment one over another.⁴

Winstanley told Lord Fairfax, the commander-in-chief of the army, in defence of the Diggers:

We were not against any that would have magistrates and laws to govern, as the nations of the world are governed, but as for our parts we shall need neither the one nor the other in that nature of government; for as our land is common, so our cattle is to be common, and our corn and fruits of the earth common, and are not to be bought and sold among us, but to remain a standing portion of livelihood to us and our children. . . . And then, what need have we of imprisoning, whipping or hanging laws, to bring one another into bondage?⁵

People that have no land have been forced by poverty to rob and steal, but, in the Digger commune, they will all have a sufficient subsistence:

If any do steal, what will they do with it? . . . None shall buy or sell, and all the while that everyone shall have meat, and drink, and clothes, what need have they to steal?⁶

J.C. Davis, while agreeing that ‘Winstanley made a number of statements which appear at first sight to have anarchist implications’, maintains that he ‘was never an anarchist

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² Schenck 1948, p. 104.
⁴ Sabine 1965, p. 183.
⁵ Sabine 1965, pp. 282–3.
⁶ Sabine 1965, pp. 198, 201.
in the true sense of the word’. His thinking was that, in their communes, the Diggers would not need magistrates and laws, not because they were against government on principle, but because they had been spiritually and morally regenerated by the divine spirit, and magistrates and laws were for those not so regenerated. Timothy Kenyon takes a similar line, criticising Woodcock for assuming ‘that anarchism was the primary inspiration and achievement of Winstanley’s earlier thoughts and action’. Winstanley believed that it was because the Diggers were spiritually and morally regenerated that they were enabled ‘to dispense with private property and to live without restraint of any form of political authority’ or ‘any formal governmental institutions’. His fundamental concern was with that spiritual and moral regeneration through the divine spirit, to which his anarchism was merely attendant and ancillary. But, if it was this regeneration that enabled the Diggers to do without both private property and government, these must have been interdependent and not the latter subordinate to the former, and both must have been integral to regeneration.

Winstanley’s message, however, was to all mankind. He visualised that, at the outset, the Diggers would establish their settlements on the common and waste lands (unenclosed lands on which local tenants had rights to pasture animals and to take wood and fuel), without private property, without paying rents to landlords, without working for wages, but cultivating the land collectively; and that these settlements could exist alongside the traditional order of private property, landlords and magistrates, rent-paying tenants and wage-earning labourers. But the example and teaching of the Diggers would eventually lead to the incorporation of the traditional order into the communes.

Would this treatment of the whole society still be in line with anarchistic principles? The answer would appear to be in the negative, on the evidence of The Law of Freedom, which Winstanley published in 1652, after the collapse of the Digger communes, as a blueprint for revolutionising the whole nation. The arrangements devised for small local and autonomous communes would not be able to cope on a national scale with the administration of society as a whole. Winstanley therefore re-introduced laws and coercive government. Christopher Hill argues that he was facing up to the fact that the Digger movement had collapsed because of the opposition of landlords, rich farmers, clergy and lawyers, and that the power of the state would be needed to overcome the resistance of the ruling class and its allies to his ideal society. Also, the example and teaching of the Diggers had failed to precipitate a mass popular movement, so that civil institutions would be needed to bring about the moral and cultural regeneration of the people to accept the new way of organising society. What he now

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7 Davis 1981, pp. 180–1, 190.
visualised were transitional arrangements until the mass of the people would be able to take full control of their future.¹⁰

Had Winstanley fundamentally changed his political philosophy? He maintains that he had drafted *The Law of Freedom* before the Digger communes were crushed and dispersed. Davis argues that there was a degree of continuity in Winstanley’s thinking. He holds that he ‘was always more willing to accept the state, its agencies and its power than has been generally recognised’.¹¹ But the state he had in mind was not just any state, or the existing state, but as he wrote on 1 January 1650 a ‘righteous’ state:

> You blame us who are the common people as though we would have no government; truly gentlemen, we desire a righteous government with all our hearts, but the government we have gives freedom and livelihood to the gentry, to have abundance, and to lock up treasures of the earth from the poor, so that rich men may have chests full of gold and silver, and houses full of corn and goods to look upon; and the poor that works to get it, can hardly live, and if they cannot work like slaves, then they must starve.¹²

Davis further maintains that the various appeals which Winstanley made to Parliament, the City of London and the Army to support the Diggers’ programme while they were still working in their communes, show that he ‘always had respect for power and its personal and institutional manifestations’:

> He was never an anti-authoritarian. Indeed almost all his works contained some sort of appeal to the established authorities or to those he believed to be in command of the power to achieve his purposes. When he called upon the army and the House of Commons... he was by implication accepting their status and authority.¹³

Yet, as Warren Chernaik notes in his essay on ‘Civil Liberty in Milton, the Levellers and Winstanley’ in the present volume, Winstanley’s appeals to the established authorities always contained a note of menace to the ruling class:

> We whose names are subscribed, do in the name of all the poor oppressed people in England, declare unto you, that call yourselves lords of manors, and lords of the land... that the earth was not made purposely for you, to be lords of it, and we to be your slaves, servants, and beggars; but it was made to be a common livelihood to all, without respect of persons. ... Therefore we are resolved to be cheated no longer, nor be held under the slavish fear of you no longer, seeing the earth was made for us, as well as for you.¹⁴

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¹¹ Davis 1976, pp. 78–9.
¹² Sabine 1965, p. 361.
¹³ Davis 1976, pp. 78–9.
¹⁴ Sabine 1965, pp. 269, 273.
He told the Parliament and Army:

And this shall be your misery, O you covetous oppressing tyrants of the earth . . . The people shall all fall off from you, and you shall fall on a sudden like a great tree that is undermined at the root. And you powers of England you cannot say another day but you had warning, this falling off is begun already.15

He addressed the House of Commons:

And truly the hearts of people are much falling from you, for your breach of promises when you have power to keep them, and for your neglect of giving them their freedom, and removing burdens; and what danger may ensue by that to yourselves, and the nations, you know how to judge; and for our parts we are sorry to hear the muttering of the people against you . . . . Stop not your ears against the secret mourning of the oppressed . . . lest the Lord see it, and be offended, and shut his ears against your cries, and work a deliverance for his waiting people some other way than by you.16

The question at issue, which is not considered in this book, is one which caused tension throughout the English Revolution, and that was between a populist notion of ‘revolution from below’ and an elitist notion of ‘revolution from above’. The point which is neglected in the discussions of The Law of Freedom is that Winstanley moved from the former to the latter.

During the Digger experiment in 1649–50, Winstanley specifically rejected ‘revolution from above’:

But this is not done by the hands of a few, or by unrighteous men, that would put the tyrannical government out of other men’s hands, and keep it in their own hands, as we feel this to be a burden of our age.17

He called upon the poor to occupy the commons and wastes and establish communistic settlements. He announced that ‘the poor people . . . shall be the saviours of the land’.18 His slogan was ‘Let Israel Go Free’. Claire Jowitt, in her essay on “The Consolation of Israel”: Representations of Jewishness in the Writings of Gerard Winstanley and William Everard’ explains that ‘the Diggers used the captivity of the Israelites under the Egyptians as a parallel’ (p. 88) to the oppression of the English people ever since they were conquered by the Normans in 1066. Winstanley expected that ‘the lowest and despised sort of people . . . that are trod under foot’ would ‘rise out of the dust’ and set up Digger Communes: ‘I have an inward persuasion that the spirit

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15 Sabine 1965, p. 390.
17 Sabine 1965, p. 181.
18 Sabine 1965, p. 264.
of the poor shall be drawn forth ere long’, ‘which I believe will be within a short time’.19

It did not happen. Winstanley’s expectation of a mass popular movement was based on his faith that the spirit of Christ would rise in the people. It tells against Davis’s interpretation that, during the Digger experiment, Winstanley looked to the state and its institutions for help, for, as Cherniak observes, his ‘eloquent and moving peroration’ of A New Year’s Gift (1 January 1650):

does not appear to reflect the expectations that any person or group with ‘power in its hand’ will provide succour for the downtrodden and oppressed. Indeed, the apocalyptic vision here leaves little scope for human agency or for the gradual, piecemeal remodelling of society and correction of abuses.
(p. 113.)

The spirit of Christ had not risen in more than a few heroic souls who were soon crushed and dispersed. In the light of this experience, Winstanley retreated from action by righteous men, but he did not, like other radicals, relapse into passive waiting upon God.

The important point is not whether Winstanley drafted The Law of Freedom during the existence of the Digger movement but that now, in 1652, he added a preface addressed to Oliver Cromwell, not yet Lord Protector but the commander-in-chief of the army and the most powerful man in England, calling upon him to implement the plan: ‘And now I have set the candle at your door, for you have power in your hand . . . to act for common freedom if you will; I have no power’.20 The revolution was to be made from above.21

It is not commonly recognised, however, that there is an inconsistency between the address to Cromwell in the preface of The Law of Freedom and the text of the pamphlet itself which looks to Parliament to carry through the revolution, reflecting the tension of the 1650s over whether radical reforms would be achieved by dictatorship or by representative government, a tension which wrecked the Revolution. Winstanley said that

a parliament is the highest Court of Equity in a land . . . This court is to oversee all other courts, officers, persons and actions, to remove all grievances and to ease the people that are oppressed . . .

and that it is the work of Parliament to see the people delivered from oppression by ‘lords of manors, covetous landlords, tithe-takers [tithes were the tax for support of the clergy of the Established Church] or unbounded lawyers’.22 Winstanley was aware

20 Sabine 1965, p. 510.
that Parliament had sided with ‘the rich and the strong . . . and left oppression upon the backs of the oppressed still’, yet ‘I will not reap up former weaknesses, but rather rejoice in hope of amendment’.23

Gerald Aylmer in his essay on ‘The Diggers in Their Own Time’ sees it as ‘a serious mistake in Winstanley’s tactics’ that he expected that Parliament would cease ‘to uphold the authority of landlords’ and ‘the rights of lords of manors’ and sweep away ‘the existing legal system and the burden of unequal taxation’ (pp. 14–15). Winstanley, at first, had relied on persuasion by the combination of the practical example of the Diggers in cultivating the commons and wastes and the arguments in their written manifestos, as Nigel Smith describes in his essay on ‘Gerrard Winstanley and the Literature of Revolution’ (although the link of this to vegetarianism remains obscure to me), and, subsequently, by persuading Cromwell or Parliament to act. But, as Holstun argues, the persistent renunciation by Winstanley of the use of force and armed struggle left no prospect of overthrowing the ruling class (p. 137). Aylmer notes that the Diggers did not call for the expropriation of landlords.24 Their tactic was to persuade labourers to stop working for the rich, so reducing the latter to cultivating only as much land as they could work with their own hands and family.

Winstanley came to recognise that the gentry, clergy and lawyers were not alone the obstacles to revolutionary change, but the people themselves were trapped in the old order: ‘England has lain so long under kingly slavery, that few knew what common freedom was’.25 For generations, the people had been subjected to a system in which

one looks upon himself as a teacher and ruler, and so is lifted up in pride over his fellow creature; the other looks upon himself as imperfect, and so is dejected in his spirit, and looks upon his fellow creature of his own image, as a lord above him.26

The teaching of the clergy on the duty of obedience by the people to those set in authority over them promoted fear of damnation in hell if they disobey, and hopes of getting to heaven if they obey:

While men are gazing up to heaven, imagining after a happiness, or fearing a hell after they are dead, their eyes are put out, that they see not what is their birthright, and what is to be done by them on earth while they are living.27

The reason why people were ignorant of their freedom is because the clergy ‘nurse up ignorance in them’,28 while at the same time they were subdued by fear of the

23 Sabine 1965, p. 557.
25 Sabine 1965, p. 543.
26 Sabine 1965, pp. 252–3.
27 Sabine 1965, p. 569.
28 Sabine 1965, p. 544.
authorities and the ruling class: ‘for this is the shame of many in England at this day, they are drowned in the dunghill mud of slavish fear of men’.29

In common with many radicals in the 1650s, Winstanley’s faith in the people receded: ‘The body of the people are confused and disordered’ and therefore laws are necessary to ‘limit men’s manners’.30 He argued that:

because the spirit in mankind is various within itself, for some are wise, some are foolish, some idle, some laborious, some rash, some mild, some loving and free to others, some envious and covetous, some of an inclination to do as they would have others do to them, but others seek to save themselves, and to live in fullness, though others perish for want.

It was therefore necessary to have laws and officers ‘to be a rule and judge for all men’s actions’.31

In The Law of Freedom, Winstanley spoke of ‘the spirit of unreasonable ignorance’ and ‘the rudeness of the people’, so that the officers must possess force to make people obey the laws and Parliament.32 ‘A soldier is a magistrate as well as any other officer’, he wrote:

and indeed all state officers are soldiers for they represent power, and if there were not power in the hand of officers, the spirit of rudeness would not be obedient to any law or government, but their own wills.33

Winstanley came to endorse patriarchy as the basis of social and political control. Elaine Hobby in her essay on ‘Winstanley, Women and Family’ concludes that in the writings of the Diggers ‘the question of women’s position not infrequently edges its way into the pamphlets, but is never given focused attention’ (p. 65), adding that

Although Digger pamphlets are haunted by the possibility that their arguments for equality might be extendable to women, the case is never developed by them. (p. 71.)

However, despite ‘family’ being included in her title, Hobby restricts her essay to women and does not tackle the wider question of patriarchy, which also embraced children, servants and apprentices (the latter playing major roles in the Revolution), and was fundamental to the social and economic structure of England. She does not mention Winstanley’s remarkable and emphatic rejection of patriarchy in The New Law of the Righteous (1649):

29 Sabine 1965, p. 543.
33 Sabine 1965, p. 552.
Every one that gets an authority into his hands tyrannizes over others; as many husbands, parents, masters, magistrates . . . do carry themselves like oppressing lords over such as are under them; not knowing that their wives, children, servants, subjects are their fellow creatures, and have an equal privilege to share with them in the blessing of liberty.34

Winstanley’s most marked retreat into conventional thinking in *The Law of Freedom* (1652) is his emphasis on the role of patriarchy. The father ‘is the first link in the chain of magistracy’, he wrote, and is ‘not only a father, but a master and ruler’; furthermore, ‘out of this root springs up all magistrates and officers, to see the law executed, and to preserve peace in the earth, by seeing that right government is observed’.35 He is responsible for the education of his children:

He is to command them their work, and see they do it, and not to suffer them to live idle; he is either to reprove by words or whip those who offend, for the rod is prepared to bring the unreasonable ones to experience and moderation.36

John Gurney, in an essay on “‘Furious divells?’: The Diggers and Their Opponents’, shows how the Diggers provoked opposition from the gentry, by calling upon copyhold (or, customary) tenants to disobey their landlords and refuse to pay their dues; and from soldiers, by claiming for the common people a share in the crown lands (confiscated since the execution of Charles I and the abolition of the monarchy) which had been exclusively allocated to the settlement of the arrears of pay owing to the army. But it is necessary to go beyond this and note the gulf between the Diggers and any real potential of the peasantry for revolutionary action.

A struggle over common and waste lands went on throughout the Revolution, between, on the one hand, landlords and richer, capitalist farmers who would enclose them and divide them into private properties, and, on the other hand, poor peasants and rural artisans who sought to retain their rights to pasture a few animals on the commons and wastes and to take wood and fuel, which protected them from total dependence on wage-labour. This led to sporadic riots throughout the Revolution. Popular resistance to enclosures took the form of a combination of legal action reinforced by periodically tearing down enclosures and forcibly reasserting rights of commons. Although the Diggers addressed this issue by claiming that the commons and wastes belonged to the poor, who should occupy them and establish communistic communities, this threatened to take from the local people their traditional and customary rights in the commons and wastes. ‘Local communities had not fought lords of the manor

34 Sabine 1965, p. 158.
35 Sabine 1965, p. 538.
36 Sabine 1965, p. 545.
to protect their rights only to surrender them to the Diggers’, judges John Walter. 37 Davis stresses that Winstanley and the Diggers defended enclosures, albeit in the transitional period; 38 they disassociated themselves from enclosure riots and pledged to refrain from pulling down enclosures, and this cut them off from popular resistance to enclosures. Further, the Diggers condemned private property, but a high proportion of the population possessed some property, even if very small amounts, the few acres of the poor peasant and the workshop and tools of the artisan, and the mass of people aspired to own some property. The Diggers thus cut themselves off from the main thrust of the revolutionary struggle, which was between small property and big property. 39

References


37 Walter 1991, p. 121.
38 See Davis 1976, pp. 79–81.
39 See Carlin 1980, p. 120.
The Philistine Controversy
Edited by Dave Beech and John Roberts
London: Verso, 2002
Reviewed by Andrew Hemingway

The controversy from which this book takes its title was initiated by ‘Spectres of the Aesthetic’, an article by Dave Beech and John Roberts, which appeared in New Left Review in August 1996. At one level, the spur to this was what Beech and Roberts denominated ‘the new aestheticism’: a group of writings that marked a re-engagement of left literary critics, art historians and philosophers with philosophical aesthetics. Despite evident disparities in project and style, the common thread in these texts was a defense of great art and aesthetic experience as central to left critique of late capitalism because they stand for an irreducible moment in subjectivity, a moment that is both resistant to an omnipresent instrumental rationality, and is so because of an insistent particularity and resistance to subsumption in language. The ‘new aestheticism’ was, Beech and Roberts argued, partly prompted by the example of Adorno, and its appearance connected with the publication of that philosopher’s Aesthetic Theory in English translation in 1984. Three of the key texts that marked the trend – Terry Eagleton’s The Ideology of the Aesthetic, Fredric Jameson’s Late Marxism: Adorno, or the Persistence of the Dialectic, and Andrew Bowie’s Aesthetics and Subjectivity: From Kant to Nietzsche – appeared in 1990. A fourth, Jay Bernstein’s The Fate of Art: Aesthetic Alienation from Kant to Derrida and Adorno, was published two years later. The ‘new mood’ (p. 26) was also registered in art history, where a number of the Marxist-grounded social history of art’s erstwhile proponents – Charles Harrison, Paul Wood and T.J. Clark – moved, by various routes, to a defence of aesthetic value and art’s autonomy (the idea that ‘art’ denotes a specific and ontologically distinct category of experience). The political tone of the ‘new aestheticism’ is given by two factors: firstly, an assumption that traditional socialist conceptions of the working class as the collective agent of human emancipation are outmoded, belied by experience and literally incredible; and, secondly, that while questions of social justice remain of central concern to the Left, autonomous art raises key issues about the potential of human subjectivity in a world of totalitarian consumerism in which everyday life is utterly pervaded by the commodity-form and advertising aestheticises the whole environment for manipulative or downright repressive ends, issues that traditional
left politics have proved themselves inadequate to address. For the ‘new aestheticism’, art must serve, in key ways, to ground the ethical and the political.\(^1\)

Beech and Roberts pay tribute to the interest of this work by the attention they give it, but, nonetheless, its common project (insofar as it has one) is, for them, misguided, for, in seeking to defend value and autonomy, it effectively disavows the achievements of Marxist, postcolonial and feminist criticism in identifying ways in which those grand transcendent categories work to conceal actual social divisions. As they see it, the ‘new aestheticism’ has ‘tended to homogenize’ the content of categories such as subjectivity, value, ethics and art, thereby ‘degrading the achievements of the political cultures of the Left’:

The new aestheticism embraces ‘sensuous particularity’ by neglecting those social particularities which the left has brought to life. It is a political achievement that the grand humanist categories and canonic distinctions of dominant culture have been fractured according to the specificities and fault-lines of class, race, gender and sexuality. It is a political achievement that art has been ‘secularized’ through the liberation of the ‘meanings of the dominated’ across a range of subject positions and social locations. (p. 32.)

So, by contrast, Beech and Roberts seek to defend ‘art as a cultural category against the unreflective exclusions of the new aestheticism’ (p. 15), to see it as ‘a practical category of living and contested culture’ (p. 13). This, however, is not simply a defence of the *status quo ante*. The authors accept too much of the Adornian critique of late-capitalist culture for this to be an option for them. Their beef with the ‘new aestheticism’ is not that it takes Adorno as its reference point to a greater or lesser degree, but that it gets Adorno’s concept of autonomy wrong – that it thinks (and particularly in Bernstein’s case) it can have Adorno’s theory of art without his social theory (p. 24).\(^2\) The value of Adorno’s work, for Beech and Roberts, by contrast, is that it acknowledges that autonomous art is socially permeated: ‘the autonomy of art is an opposition to society produced through social relations’ (p. 42). It is for this reason that Adorno could recognise a certain legitimacy in the philistine’s ‘sneer at art’, and, indeed, they argue, the figure of the philistine is a shadowy and marginal presence throughout his aesthetic writings.\(^3\) Their object is to address this theoretical shortfall by filling out the philistine, and setting it against the disembodied disinterested subject of the ‘new aestheticism’ as voluptuously embodied, practical, and partisan. Neither an empirically observable type, nor merely a discursive formula, but an

\(^1\) Beech’s and Roberts’s perception that there was a distinctive new tendency has been confirmed by the publication of Joughin and Malpas (eds.) 2003. Roberts considers the reception of Adorno’s *Aesthetic Theory* at greater length in Roberts 2000.

\(^2\) As Gail Day points out in her contribution, there are problems with Adorno’s social theory anyway. See ‘When Art Works Crackles’. pp. 232–3, footnote 8.

\(^3\) On the basis of my own readings, I cannot see it as a developed category in Adorno’s work, in which it is used to designate a range of responses to art from the ignorant and hostile to the merely pleasure-seeking.
An annoying editorial shortfall in the current volume is that references are to the original *New Left Review* articles, making cross-referencing difficult.

5 See also Martin 2000.

The unstable conjunction of both, the philistine is to be understood dialectically as the ‘definitional other of art and aesthetics’, which brings to bear on both ‘the cost of their exclusions, blindnesses and anxieties’ (p. 45). The philistine speaks for all of those mundane pleasures and concerns that autonomous art seeks to repress and exclude.

Despite all the brouhaha over postmodernism, significant aesthetic debate on the Left is something we have not had since the 1970s. For that reason, the appearance of the present collection is to be greatly welcomed. As presented here, the controversy falls into two parts, namely a group of *New Left Review* articles, written in response to ‘Spectres of the Aesthetic’ by Bowie, Bernstein and Malcolm Bull, together with a counter-response by Beech and Roberts, followed by a set of commentaries on the philistine by Noel Burch, Esther Leslie, Gail Day and Malcolm Quinn. The book is introduced by a brief essay by Stewart Martin, which offers a helpful gloss on some of its motifs, and concludes with an editorial coda. Taken together, this is a meaty package, and I do not propose to review all the contributions with the same degree of depth but to pick out some salient issues and consider their implications. That which is most obviously at stake in this debate is the relative claims of philosophical aesthetics on the one hand, and cultural studies and the social history of art, on the other. But intermeshed with this are questions of the reconstitution of Marxist aesthetics and the role that Adorno’s work may play in it, and related questions concerning the value modernist art and the earlier achievements of European high culture can have for us in the condition of post-Cold-War capitalist triumphalism. Correspondingly, what also gives point to these disputes are differences among the protagonists over the value of contemporary art. For, while Beech and Roberts criticise the new aestheticism with reference to the insights of sociological and historical criticism, it would be a mistake to see them as unqualified supporters of the latter, for whom questions of judgement and validity are of no account. We need the philistine because of the work it can do in relation to art practices for which more traditional notions of aesthetic spectatorship are unserviceable – in a sense, its necessity (its truth) is revealed by them. As a practitioner of the social history of art myself, I want to pursue its implications in relation to Bernstein and Bowie, since the relationship between philosophical work and historical practice raises questions that are fundamental to both Marxist method and politics.

The nux of Bernstein’s differences with Beech and Roberts – as he conceives it at least – is the relationship between the condition of alienation and reification characteristic of capitalist culture and capitalism as a system of exploitation and oppression. Beech and Roberts assume that there is a causal connection between the two and that, by redressing the latter, one can also end or assuage the former. By contrast, Bernstein

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4 An annoying editorial shortfall in the current volume is that references are to the original *New Left Review* articles, making cross-referencing difficult.

5 See also Martin 2000.
sees societal rationalisation (modernity, in his terms) as a problem independent of questions of inequality and class power, and it is this which leads him to questions of art:

I take modernity as the proper object of critique and overcoming because, as a term of art, it can designate the fundamental mechanisms of social production and reproduction in a manner consonant with the claim that our social pathologies have deep structural causes that do not stand in a one-to-one relationship with the exigencies of the domination of one class or group by another. (p. 108, cf. pp. 105–7.)

It should be evident from this that Bernstein’s project is a development from within the traditions of German idealist and romantic philosophy, and their later issue in Weberian sociology and the Frankfurt school. Thus, the grounding assumption of The Fate of Art is that the cognitive differentiation between the spheres of ‘truth (knowledge), right and goodness (law and morality), and beauty (art and taste)’ inaugurated by Kant’s philosophy is the cultural counterpart to the differentiation of the capitalist economy from the modern state. Societal rationalisation brings with it an inevitable breakdown of the holistic world-view of Christian metaphysics, in which these separate spheres were unified, and correspondingly: ‘[C]ritical philosophy is modernity’s philosophical comprehension of itself’. The key claim of The Fate of Art is that:

Modern, autonomous art – the art whose forms have become autonomous from the dominion of the metaphysical assumptions and orientations of Christian faith – has been ‘expelled’ from modern societies, from the constitutive, cognitive and practical mechanisms producing and reproducing societal modernity.

It is for that very reason it can function to point up the limitations of scientific and ethical discourse, and it does so by its very attention to the sensuous particulars that both empirical conceptions of truth and moral and legal systems seek to subsume under laws and general theories. To approach artistic phenomena as more than merely aesthetic, merely matters of taste, to see them as bearing on questions of truth, must lead to the critique of enlightened modernity itself.

That Bernstein gives sensitive and revealing analyses of philosophical texts is not in doubt, but the apodictic and schematic character of his social and historical theory indicates why he has so little time for the social history of art, or, indeed, any kind

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6 Bernstein 1992, pp. 5–6, 229.
8 This might seem to be contradicted by Bernstein’s avowed admiration for the work of T.J. Clark, who has become almost the name for the social history of art in the academy, however much he might wish to dissociate himself from the work of others so labelled. But what Bernstein values in Clark has nothing to do with the social and political dimension of his interpretations as commonly understood, as Bernstein 1996 shows. [Editorial note: on Clark’s latest work, see Hemingway and Jaskot 2000.]
of empirical inquiry that might seek to qualify the absolutist claims he makes for modern art as a generic category. Although his philosophical problematic is Kantian in some respects, Bernstein writes of history in an essentially Hegelian mode as the history of mind, so that, for him, an abstraction-denominated modernity can think itself, as we saw above. My point is not that something like the differentiation of specialist knowledges he refers to has not taken place – it evidently has. The problem is that he presents this as a philosophical event (for which Kant alone is an adequate guide) rather than an ideological process. There is nothing like even the rough schema of Raymond Williams’s emergent, dominant and residual in this model, because Bernstein is blithely unconcerned with the actual history of human consciousness or the actual authority of particular philosophical discourses. So the immensely complex, uneven, contradictory, and still incomplete process by which the hegemony of Christian monotheism and metaphysical philosophies has declined is obscured, and, with it, a whole set of political problems and possibilities, historical and contemporary. At one point, Bernstein accuses Beech and Roberts of ‘sociological and theoretical nominalism’ (p. 113) because of their claim that the relationship between art’s autonomy and the external factors that constitute it is variable and needs to be addressed on a ‘case by case’ basis (p. 41), but he himself offers us a philosophical idealism buttressed by an utterly schematic macrosociology, in which a sequence of general categories march through time unimpeded by the gritty particularities of real social struggles or ideological complexities, with occasional rhetorical gestures to historical events that are simply perfunctory.9 The claim that there is no straightforward causal connection between the demands of capitalist exploitation and class oppression and the processes of societal rationalisation apparently obviates the need for taking any concrete connections between the two phenomena into account. Or, to put it otherwise, class struggle and class interests (or any other species of social division) do not feature as causal factors.

Bernstein’s account of modern art – to which he thinks Greenberg’s formulations in ‘Avant-Garde and Kitsch’ are some kind of adequate guide – are equally abstract and schematic.10 Following Greenberg, Bernstein claims that, in the face of the pervasive nihilism that is a feature of modern societies – the dissipation of common values and shared normative ideals – artists can avoid a ‘crushing scepticism’ only by turning avant-garde, that is by a dialectical move responding to negativity with negativity. ‘Partisan art’ only gives voice to sectional interests and thus colludes with the collapse

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9 His criticism of Malcolm Bull’s essay on this score (p. 124) is thus a bit rich, although in this and other regards, I think his critique of Bull is correct.
10 Bernstein tells us that Greenberg was an ‘avowed Marxist’ at the time of ‘Avant-Garde and Kitsch’ (p. 110), as if this somehow established the credentials of his theory in this regard. But in fact, Greenberg’s much vaunted Kantianism and aestheticism can not be so readily squared with Marxism, let alone with his alleged Trotskyism (a five-minute wonder at best) as is so often assumed. On this issue, see again Gail Day’s contribution – pp. 248–9. For Bernstein, too, the Kantian element is ‘the underlying and dynamic element of modernist painting’. See Bernstein 2000, p. 137 – my thanks to Stewart Martin for drawing my attention to this article.
of commonality, and so art must give up the ambition to be ‘socially formative’ if it wishes to have any value in redressing the ‘fragmentation besetting society’ (pp. 110–16), that is, to be ‘socially formative’. Bernstein makes art’s role as ‘socially formative’ sound like an either/or choice, but all art is socially formative, consciously or not – Third-International Marxists during the years of the Third Period line had that right, even if their solutions were wrong. Moreover, Bernstein writes as if there were some relatively recent era when social divisions had no cultural consequences and there were uniformly accepted common ideals, apparently oblivious to the fact that he is drawing on a Schillerean idealisation of ancient Greece that has no immediate relevance to the massively complex societies of the modern age. Further, as Marxist art historians and others have been showing since the 1920s, art has always been marked by such divisions: Western art (and this is the only art Bernstein is concerned with) has always spoken to sectional audiences.

Bernstein’s description of modern art is equally innocent of historical actuality. ‘High modernist art’ (which he collapses into abstract art) has pursued a ‘path of determinate negation’ through its ‘systematic refusal of extant symbols and assumptions’, and, following Greenberg, he tells us that it is ‘“independent of meanings”’ (p. 112). Thus ‘modernist works approximate to mere things’ and

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\text{transform their mediums \ldots from representational means to intrinsic bearers of meaning} \text{ thereby locating a ‘stratum of meaning that appears to resist instrumentalization. (p. 115.)}
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As a result, they are void of any use-value and serve ‘no tangible need’ so that they can take on any exchange-value and thus undercut the key principle of modern rationalisation (p. 114). Now, by any normal standards, such a characterisation of modernism is empirically unsustainable. Modernist art of the period up to 1939, when ‘Avant-Garde and Kitsch’ was published, had not in any of its multiple varieties simply made a ‘systematic refusal of extant symbols and assumptions’. Even the cubism of Braque and Picasso – which comes closest to this description – does not quite fit, since their innovations were almost immediately turned into powerful devices for signifying the distinctive experiences of the modern world, as in the art of the futurists and vorticists, among others. If modern artists sought to rework extant symbols or make new ones (often in ways that were naïve and mystical), this did not betoken a lack of concern with generalisable meanings for all that. The projects of the

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11 This is not to dismiss the value of primitive societies as a utopian propadeutic, as they were for William Morris, for instance. See Eisenman 2005, and, more generally, Gailey (ed.) 1992.
13 In effect, modernist art is a resolution to problems of Kantian epistemology in its materiality – see Bernstein 2000, pp. 159, 169. It is thus reduced to a philosophical exemplar, which only ever says one thing, though it must continually say it differently to say it at all (p. 167). The level of Bernstein’s understanding of art’s history is revealed by the fact that he thinks that, prior to impressionism, pictorial naturalism was simply about ‘sheer likeness to the world’ (p. 170).
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most radical abstractionists, such as Kandinsky, Malevich, and Mondrian, were utopian and unrealistic, but they did not entail a refusal of communication driven by scepticism and nihilism. They were, rather, premised on a profoundly optimistic attempt to purify art through the negation of a system of naturalistic representation that was seen to be tainted with the pervasive materialism of bourgeois society, and which should be succeeded by a more direct and intuitive artistic language. Although this project was informed by some elements of nineteenth-century aestheticism in its stress on the material means of painting, it could not be adequately comprehended within the stripped-down Paterian variant formulated by Greenberg and did not give up on art’s socially formative role – if anything, it marked a renewal of such ambitions.14 Indeed in the interwar period, one of the strong meanings of abstraction was as a symbol of a regenerated social order that could be realised through political struggle in the immediate future. It was partly for this reason that abstract expressionists such as Barnett Newman and Clyfford Still rejected it. But even abstract expressionism, the model of painterly abstraction apparently closest to Bernstein’s heart,15 does not quite match his claim for a refusal of representation and a reduction of artworks to simply ‘intrinsic bearers of meaning’, in that not only were the communicative aims of the artists concerned quite grandiose (precisely the kind of ‘transcendent spiritual meaning’ and profound ‘hermeneutical depths’ he dissociates from modernism, p. 115), but their works were meaningful through their complex relations with earlier phases of modern art, not simply as self-referential forms: they were products of a tradition even when they disavowed it. Pace Greenberg, they insisted on the importance of subject matter in the face of what they misread as the impoverishment of content in European abstraction.16

Moreover, the rapid and ready embrace of modernist art by elements within the European and American haute bourgeoisie from early on belies Bernstein’s claims for the uselessness of high modernism – after all, the Museum of Modern Art in New York was founded by such persons as early as 1929 and worked hard through its exhibition and publication programme to strip the art and architecture it promoted of all the troubling extra-aesthetic meanings it had had in the contexts of its production. (Bernstein should have given more attention to Meyer Schapiro and less to Greenberg on this score.17) Early collectors of modernism such as the Steins, Albert C. Barnes, Katherine S. Dreier, Duncan Phillips and Arthur Jerome Eddy found precisely a kind of ideological self-reflection in modernist art, and later collectors such as the Rockefellers

14 For Greenberg and Pater, see ‘Towards a Newer Laocoon’, in Greenberg 1988a, p. 32, n. 2.
15 Bernstein 1996. In a lecture at University College London on 8 February 1995, Bernstein claimed that abstract expressionism was the highest moment of modern art by virtue of its cruelty – were it not cruel, it would be the henchman of the powers that be.
would hire experts such as A.H. Barr to help them arrive at related comforting kinds of confirmation. This is not to say that modernist art is reducible to the meanings it had for such persons, but to see it as ideologically mute is simply implausible. Doubtless, some of its meanings were unserviceable, and the work of figures such as Barr was to give it ones that would be more so – usually by arguing for just the kind of formalist readings that Greenberg was to advance in more sophisticated and historically aware terms later. Indeed, modern art showed itself capable of fulfilling most of the ideological, decoration and status functions that the old kind had fulfilled. And, so far from it being characterised by a radical negativity necessary to ‘avoid cooption by the market’, most of it was market-oriented from the getgo. This was not just ‘a fate which, finally, cannot be avoided’ – it was a determining condition (p. 116, footnote 15), and it is sophomoric romanticism to think otherwise. The reality of modern art’s history is just a lot more contradictory than Bernstein’s schema acknowledges.

Bernstein models his aesthetic on that of Adorno, for whom, also, art is not about communication – to conceive it as such is to subject spirit to utility and the principles of conceptual knowledge. Correspondingly, neither the intentions of the author nor the response of the audience determine the meaning of a work of art, which can only be ascertained philosophically. However, because the sedimentation of history and social relations in a work’s form mean that its meaning will always exceed subjective intentions, this does not entirely nullify the latter. On the other hand, since the ‘objectivation’ of art is produced through the division of labour, the relation of art to society is established in the first place through the sphere of production, and it is on this – rather than reception – that interpretation should focus. Yet, as anyone familiar with *Aesthetic Theory* or Adorno’s critical writings knows, they contain many assertions about audience response that bear directly on ‘the social truth content’ he claims for the art he favours, whether it is in the claim that ‘representational art... is a priori comforting’, or that ‘empirical social research’ and fascist propaganda alike confirm ‘the bond between a socially reactionary posture and hatred for the artistically modern’, or his characterisations of the meaning of jazz. Even Adorno seems to hesitate for a moment in noting that ‘nonrepresentational art is suitable for decorating the walls of the newly prosperous’. Might this diminish ‘the immanent quality’ of the works in question? But, no, the momentary doubt is quickly suppressed, for ‘the excitement with which reactionaries emphasise this danger speaks against its reality’. Thus, it is evident that meaning and reception are not as distinct for Adorno as he sometimes claims. Further, it would be wrong to conclude that he was so utterly committed to the principle of philosophical critique that he simply disdained the ‘facts’ put forward by empirical research. His critical evaluation of aspects of Marxism itself came not

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20 Adorno 1997, p. 228.
just from philosophy, but from an acknowledgement of historical and social facts. For him, Marxism should neither fetishise objective laws nor facts: ‘Dialectical theory, which reflects its own self critically’, cannot ‘make itself at home’

in the realm of generality. Its intention is precisely to break out of this medium. Even it is not exempt from the false separation of energetic thought and empirical research.23

Simon Jarvis has observed that, for Adorno, ‘attempts directly to seize for philosophy the subject matter of individual disciplines will end in dilettantism’, and, at the same time as he sought to go beyond the evaluative limitations of empirical histories of the arts, he also disavowed the empty ahistorical generalisations of conventional philosophical aesthetics.24 Yet, while his writings on music, such as In Search of Wagner, are both musicologically precise and deeply historically informed, his occasional observations on the visual arts might themselves be open to the charge of ‘dilettantism’. Still more so are Bernstein’s more extended forays in the field, to whose interpretations of modernist painting Adorno’s complaint about contemporary philosophical interpretations of literature precisely applies:

[they] fail to penetrate the construction of the works to be interpreted and instead prefer to work them up as the arena for philosophical theses: applied philosophy, a priori fatal, reads out of works that it has invested with an air of concretion nothing but its own theses.25

Doubtless, Bernstein would say that, like Beech and Roberts, I am against philosophy and macrosociology as such (p. 113, footnote 12), and that I have subjected modern art to the measure of ‘truth-only cognition’ (as he calls empirical truth) – or ‘mechanical understanding’ as he describes it elsewhere26 – and therefore missed its significance. However, in my view, Bernstein’s conception of ‘truth-only cognition’ is impoverished in that it does not register the variety of reason in truth discourses and fails to acknowledge the imaginative and intuitive aspects of science. Conversely, many complex artworks cannot be adequately apprehended without an exercise of the understanding. More fundamentally, what are at issue here are questions of testability and verification, for a philosophy and a macrosociology that lead to conclusions which correspond so ill with observed realities need to be either revised or jettisoned. Like Adorno, Bernstein’s aversion to scientism leads him to a distrust of social science per se, so that, as Habermas has said of critical theory more generally, his work takes ‘refuge in an abstract critique of instrumental reason’ because it sees the practice of social science as colluding with the imperatives of a pervasive instrumentalism, and thus is unconcerned with measuring theory against the empirically observable.

23 Adorno 1968, p. 3.
26 Bernstein 2000, p. 158.
Ultimately, his conception of truth seems more Hegelian than Kantian, and is irreconcilable with ‘the fallibility of scientific endeavour’. As such, I take it to be basically hostile to Marx’s conception of a science of history.

The stakes in *The Philistine Controversy* are better revealed in the exchanges between Beech and Roberts and Andrew Bowie, partly because Bowie does not tie his claims for the aesthetic to a tendentious characterisation of modern art as an emblematic form of negation but to the category of great art more generally – although this brings its own problems, as we shall see. It is also because his work is, correspondingly, more concerned with the ongoing possibilities of individual subjectivity and the cognitive significance of the skills artistic spectatorship brings in to play in a more democratic sense. *Aesthetics and Subjectivity from Kant to Nietzsche* is both a fascinating piece of philosophical exegesis, and a political polemic that was partly intended to reclaim aesthetics for the Left. As an exposé of the pretensions of poststructuralism, it complements Peter Dews’s essential *Logics of Disintegration* – and, indeed, both works are products of that gifted group of radical philosophers that came together at Cambridge College of Art and Technology in the 1980s, and was associated with the journal *Ideas and Production*. *Aesthetics and Subjectivity* is a critique of the reductionism of postmodern theories of the subject as an effect of discourse, a critique that seeks to counter facile denunciations of modernity by demonstrating that the subject was more complexly conceived within some types of modern philosophy (specifically within the German idealist and romantic tradition) than such theories acknowledge, and that, indeed, such philosophy can offer more adequate and politically serviceable accounts of subjectivity than its detractors do. Central to his case is the claim that one of the key failings of modern philosophy has been its inability to take music seriously as ‘a non-representational, non-conceptual form of articulation’. Through a re-examination of romantic aesthetics, Bowie aims to show that music’s complex relationship with language effectively draws attention to the ‘aesthetic component of all communication’, and offers a route to understanding those ‘other aspects of subjectivity that are not reducible to the cognitive, the ethical, or the emotive’. Paradigmatic of all art, music thus shows how

art in modernity can be seen as the place in which those aspects of self-consciousness that are excluded by the dominant processes of modernity find their articulation.

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27 Habermas 1992, pp. 56, 99. Cf. ‘I don’t think it is possible for Critical Theory in its strictest form to refer to any form of empirical or even discursive analysis of social conditions’ (p. 99). For Bernstein on Adorno’s method, see his Introduction to Adorno 1991, pp. 2–3, 8–9.

28 For Bowie, ‘the far end of the notion of high art leads to such ruinous notions as Adorno’s authoritarian idea of the most advanced “state of the material” which all serious art must live up to, on pain of it being devoid of critical truth potential’ (p. 91). Quite!


30 Although Marxists too are at fault in their tendency ‘to regard subjectivity as wholly comprehensible via its natural, historical and social determinations’ (p. 77).


32 Bowie 1990, p. 22.
Unfortunately, the debate between Bowie and Beech and Roberts reads at times like individuals speaking past one another, with the former saying that the Left must not cede great art to the Right, and the latter saying that it must not cede mass culture to it. Bowie seems to advocate an approach to art that is more educative and meliorative (a revival of social-democratic policies of cultural dissemination in the face of the Tories and New Labour’s actual philistinism, pp. 92–3, 163–7); Beech and Roberts advocate a more edgy and avant-garde strategy of engagement with popular pleasures (for example, pp. 156–60). However, Bowie misreads the Beech and Roberts position as being far more sympathetic to postmodern theory than it is, and as recommending the philistine as an alternative to the aesthete’s and intellectual’s modes of attention, rather than as a necessary supplement and corrective to them (for their response, see pp. 127–9). Beech and Roberts do not present the philistine as a panacea to the conundrums of aesthetics and politics, but as a way of defining a determinate absence, ‘a corrective to certain blindnesses in the questions of culture and pleasure’ (p. 148).

In his response to their second article (pp. 161–71), Bowie concedes that the critical work of the Left has produced gains in the understanding of how art is implicated in power relations that cannot be bypassed, but suggests that, despite this, it needs to develop ‘new, critically informed, ways of engaging with the unique possibilities for meaning-creation . . . of significant art’, because our inability to reduce the meaning of art to language statements can be a final reminder of the limitations of other ways of articulating the world and a spur to the development of new ways of communicating with and understanding each other. (pp. 170–1.)

However, ‘these ways must take account of the disenchantment brought about by recent theory if they are not to be merely regressive’ (p. 91). Although Bowie derides the ‘philistine’ concept as amounting to only a kind of ‘Third Way’ between these alternatives, he too is calling for some kind of median path, as yet undefined.

I want to explore this impasse in Bowie’s theory a little here. In Aesthetics and Subjectivity, Bowie attacks Marxist writers on art (exemplified by Terry Eagleton) who assume that ‘aesthetics should be subsumed into a theory of ideology’:

[This move tends to rely upon an uncritical acceptance of natural science’s role as the arbiter of truth in modernity, with anything which does not have scientific status being put into the basket of ideology.]

By contrast, he claims, the ‘significant Marxist aesthetic theory’ of the twentieth century – by which he means Lukács, Bloch and the Frankfurt school – ‘by no means adopts the view of art as ideology, and is concerned with the resistance of art to

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23 This does not seem at all the implications of Eagleton’s fine and nuanced discussion of ‘Marxism and Aesthetic Value’, in Eagleton 1998 [1976] pp. 162–87. (See especially the reflections on autonomy, pp. 176–7.) In any case, it all depends on how the category of ideology is construed.
ideological appropriation'. This claim seems to me a half-truth, since Lukács, Benjamin and Adorno valorised some kinds of art for what they saw as its cognitive purchase on social realities, and consigned a large body of other art to the realm of ideology, or, in Adorno’s case, to non-art. Further, any reader of Adorno’s writings on culture knows that the category of ideology is ubiquitous within it, and, in *Aesthetic Theory*, he tells us that ‘ideology and truth cannot be neatly distinguished from each other’, and that ‘thoroughly non ideological art is . . . probably completely impossible’. Although he famously argued that the traditional model of Marxist ideology critique had been rendered obsolete by the pervasive instrumentalisation of reason in late-capitalist societies, the practice of immanent critique, that Adorno argued should supersede it, had to be performed dialectically with constant reference to ‘knowledge of society as a totality’. Cultural criticism, in this mode, does not seek to demonstrate that ideology itself is untrue, but, rather, that ‘its pretension to correspond to reality’ is. Thus Adorno does not seek to establish the truth-content of works of art through transcendent ideology critique, but truth, dialectically arrived at, remains their measure, and the category of ideology remains an essential element in his armoury.

Moreover, I do not recognise the social history of art in its more sophisticated variants in Bowie’s either/or choice between aesthetics and ideology, which is not to say that there are not considerable problems in this area. The time when Marxist history of art seemed to entail an outright refusal of aesthetics as bourgeois ideology is long past37 – and some Marxist art historians never accepted that position anyway. In art history, at least, the issue is not, as Bowie claims more generally, that the Left cannot acknowledge that some works achieve status as a result of their richness and complexity, and that this arises from a relationship with tradition, or that some artists produce more of such works than others (pp. 77, 91–2). It is, rather, that, once works are established as being implicated in relations of exploitation or oppression, that is all there is to be said and ideology critique bears straightforwardly on issues of value. This would amount to a direct confusion between understanding and judgement. However, I am not convinced Bowie has posed the problem right through the model of music, for all the insights it permits him to offer on philosophical questions about subjectivity.

‘Music’, Bowie tells us, ‘makes limitations in conceptual thought and verbal language apparent in ways which then enable the irreducibility of other forms of art to be

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35 Adorno 1997, pp. 234, 236.
36 See Adorno 1967, pp. 27–34. Adorno defines ideology here as ‘socially necessary appearance’ (p. 31). Fredric Jameson has suggested that Adorno has a ‘relatively conventional and old-fashioned conception of ideology as mere “false consciousness”’, and that that what is needed is an approach that can show ‘how reactionary works can have value and even . . . reactionary ideas have their “truth content”’ (Jameson 1990, pp. 230–1). But this is precisely what Adorno does in say Adorno 1981, or in the essay ‘Spengler After the Decline’, in Adorno 1967.
understood’. This is effectively a restatement of familiar Paterian formulations, and it matches his claim that ‘the tendency of modern art to move away from representation – which happens most obviously in visual art – is pre-figured in music’. However, this claim is based on the common fallacy that the ineluctable tendency of modern art was towards ‘abstraction’, and that abstraction is tantamount to a rejection of representation as such. Not only does this miss the variety and complexity of modern art in the last century, which had no single unified logic, it also confuses representation with mimetic naturalism. Visual art does not abandon the informational aspect of the pictorial sign through abstraction, it refigures it. Pater’s claim in ‘The School of Giorgione’ that ‘in its primary aspect, a great picture has no more definite message for us than an accidental play of sunlight and shadow for a few moments on the wall or floor’ is extremely significant as a moment in the history of ideas, but it is not a useful guide to the complexities of pictorial meaning, which, surely, must be part of any worthwhile aesthetics of the visual arts. His attempt to valorise ‘the essence of what is pictorial in a picture’ at the expense of everything else can only lead to an impoverished response to the complex meaning possibilities of great art with which Bowie is so concerned. Pater’s insight that form and meaning are irreducibly intertwined was genuine enough (if not original to him), but this does not mean that the tendency to obliterate the distinction between them was the ‘constant effort of art’ as he claimed. To close down knowledge of a work’s informational functions does not enrich it by revealing the truly aesthetic qualities hidden behind what Pater called the ‘mere matter’ of the work, it impoverishes our response to it. Aesthetic and non-aesthetic cannot be separated out from one another in this way. Painting, poetry, the novel, drama – and music, too – are diminished when they are reduced to a purely formal experience. Anyone who has been through the struggle of trying to describe the qualities of a work of visual art verbally can register Bowie’s point that there are aspects of its effect that are incommunicable in linguistic terms. As he says vis-à-vis literature, ‘the potential for meaning of texts is never reducible to the explication of the text in psychological, historical, and other terms’. However, to borrow his example, while the ‘rhetorical and musical aspects of language’ in Jane Austen’s novels do help to explain their enduring interest, these cannot be simply distilled off from the matter of her narratives and her extraordinarily insightful depiction of intra-gentry social relations and their emotional forms in early nineteenth-century Britain. Or, as Adorno put it:

38 Bowie 1990, p. 211.
39 Bowie 1990, p. 34.
40 I borrow the term ‘informational aspect’ from Mukarovsky 1984.
41 ‘The School of Giorgione’, in Pater 1901, pp. 133, 135, 139. As Nelson Goodman pointed out: ‘That representation is frequent in some arts, such as painting, and infrequent in others, such as music; threatens trouble for a unified aesthetics . . .’ (Goodman 1981, p. 1).
That... to follow the course of action in a novel or drama and note the various motivations, or adequately to recognise the thematic content of a painting, does not amount to understanding the works is as obvious as that they cannot be understood apart from such aspects. 

So that, while Bowie makes a compelling case for the epistemological significance of music, the musical analogy, as commonly understood, does not help us comprehend how the effect of the work is produced through the conjunction of the two. At one point in his response to Beech and Roberts, Bowie tells us that ‘the era of great art may well be over’ (p. 171). I understand what he means, but this seems to me to point to one of the notable failings in the aesthetics offered by both Bernstein and himself, namely their complete neglect of film, surely the key art form of the twentieth century. In film we are confronted by extraordinarily complex objects that do much that the great art of the past is claimed to do, and that are just as worthy of the most refined and informed kinds of judgement. As Kracauer and Benjamin observed long ago, cinema can not be comprehended within established modes of aesthetic attention, but, if philosophical aesthetics can not come to terms with the challenge of film, it may as well pack up.

It is precisely the problems that cinema poses for high-modernist criticism that are the theme of Noel Burch’s ‘The Sadeian Aesthetic: A Critical View’, which opens the second part of the book. A well-known film-maker and writer on film, and one long-associated with an avant-garde position, Burch’s essay is in part an auto-critique and reckoning with his own past. But it is also an attempt to lay the ground for a ‘non-formalist poetics of popular narrative art’, in a context in which the film industry and popular novelists are producing ‘works just as good by my standards as any canonical art-movie or avant-garde literary text’ (pp. 175–6). Burch lives in France, and his argument partly hinges around differences between the dominant critical view of film there and that in the US. Thus, in the former, students are taught an aesthetics that eschews meaning and locates beauty solely in form and technique, while, in the latter, scholars based in cultural studies, women’s studies and queer theory produce wonderful insights into the meanings of films, but neglect to explore how these relate to the pleasures they produce. Burch suggests that the high-modernist aesthetic in postwar France was grounded in a self-denying capacity to find pleasure in ‘boredom or discomfort’, and that in ‘its most radical embodiment’ – as in the novels of Robbe-Grillet – it entailed Sadeian fantasies of sexual exploitation and violence against women. Arguing against Laura Mulvey’s famous hypothesis that the classic Hollywood cinema was oriented to the essentially sadistic gaze of a male spectator, he claims that the pleasures of such films resemble far more the contract of reciprocal desire characteristic of a masochistic relationship. Thus, it is the viewing position offered the

subject by high-modernist art that is Sadeian and repressive, by contrast with the potentially more sexually egalitarian and liberatory possibilities of the popular – although Burch does not simply idealise the latter (pp. 198–9). Within the traditions of a certain kind of Freudian-Marxian criticism, this is a rather brilliant essay, but it is effectively a text produced for another occasion (p. 175), and although Burch claims in an introduction penned for this publication that the ‘philistine mode of attention’, ‘being predicated on unthinking identification and suspension of disbelief’, amounts to an aesthetic which we all adopt at the movies, this claim is not really followed through.

If one test for the philistine will lie in its contribution to the formulation of a ‘non-formalist aesthetics of popular narrative art’, another will be the ways in which it illuminates the history of art, aesthetics and art criticism from the eighteenth century onwards. Beech and Roberts offer some indication of how this would work in relation to their practice in Britain in the second of their New Left Review essays, ‘Tolerating Impurities’ (pp. 134–43). Here, they argue that what had begun as a romantic critique by bourgeois artists of an indifferent bourgeois public, as a result of the transition to ‘specifically modern cultural and social relations’, was turned from an intra-bourgeois matter into an inter-class one. Beginning as the rejection of a narrow-minded judging by rules associated with the ‘over-educated connoisseur’, it was turned into a criticism of the ‘unnatural and brutal shortcomings’ of the industrial bourgeoisie, and finally proletarianised in the hands of the modernist criticism epitomised by Fry and Bell. While not wanting to make too much of the shortcoming of a nine-page historical sketch, I would certainly want to write this history differently. For instance, there is the extraordinary omission of any reference to utilitarianism: Bentham’s famous claim that the game of push-pin was of more value than poetry and music because it gave harmless pleasure to a greater number, must surely stand as one of the classic statements of nineteenth-century philistinism.44 But, more seriously, what Beech and Roberts miss is that the disputes over taste in the late eighteenth and early nineteenth century are partly the forms of the continuing struggle between the fraction of the bourgeoisie denominated as aristocratic in Britain and its industrial and commercial rivals.45 However, the fact that their genealogy needs to be made vastly more complex and empirically precise should not be taken to mean that it does not challenge us to a vital line of inquiry. And the reason that this is so is established in the section of the essay dealing with the ontology of philistinism (pp. 150–5). For Beech and Roberts, the philistine cannot be adequately addressed through sociological or ideological critique, it must be understood in terms of the early Marx’s concept of alienation, as

44 Bentham 1825, p. 206.
45 I address some of these issues in Hemingway 1993. Part of the problem is that the history of romanticism in the visual arts in Britain, in its larger social, political and ideological aspects, is so underdeveloped. Adorno registers that philistinism once had progressive functions in Adorno 1967, p. 39.
defined by a split in species-being. If it is accepted that social relations split species-being, and shape ‘experiences and conceptions of nature and activity through this split’ (p. 153), then ‘strictly speaking . . . the philistine is no more or less alienated than the aesthete’ (p. 154), and ‘rather than treating cultural values as relative to one another, the ontology of the philistine shows them to be necessary to one another’ (p. 155). It is this insistence on the grounding of the aesthete/philistine divide in alienation that means no retreat into a liberal and insipid cultural relativism is possible.

Esther Leslie’s ‘Philistines and Art Vandals Get Upset’ also puts the philistine to work in historical interpretation. The essay has a useful prologue, which delineates the genealogy of the philistine in Germany, but most of it is devoted to considering dada montage as a philistine tactic deployed against the philistine, both in the period of the German Revolution and its aftermath, when it was partly turned on the pretensions of expressionism, and, later, when it was directed against Nazi cultural strategy. This is a self-consciously Benjaminian piece, which echoes the famous ending of ‘The Work of Art in the Age of Mechanical Reproduction’ in claiming, à propos of montages by Hannah Hoch and Willi Baumeister: ‘Where the Nazis aestheticize philistinism, the Dadaists respond by “philistinizing” art’. Although the argument would have been much enhanced had it been illustrated, it is highly persuasive in its larger case. However, there are also problems with some particular moments. For instance, expressionism has an uncertain status for Leslie, having positive significance when it is advanced by Bloch against Lukács and Kurella, but being associated with ‘theosophical and bombastic philistines’ with a dangerous weakness for the seductions of Prussian militarism when it is being attacked by the dadaists (pp. 224–5, 208–9). This is perhaps partly a register of the movement’s complex history, but it also arises because it is not entirely clear how Leslie places its diverse manifestations in relation to the modernist/avant-garde continuum. The problem is compounded by the introduction of Greenberg’s concept of kitsch as a way of defining Nazi culture. In the context, it should have been worthy of mention that Greenberg was not a theorist of the avant-garde in the dada sense of that term. For him, dada (and surrealism) stood for ‘anti-institutional, anti-formal, anti-aesthetic nihilism’ and a ‘frivolous, hedonistic pessimism’, and the only dada collages he valued were those of Arp and Schwitters, precisely because they had formal qualities that (in his eyes) exceeded dada. All the rest of dada and surrealist work in the medium he dismissed as

\[\text{not works of art . . . but montages, truly stunts: rectangles littered with small pictures connected by no aesthetic necessity, rectangles that do not delight the eye and whose value is wholly exhausted in literary shock effects that have by now [1948] become unspeakably stale.}\]

With his utter aversion to any contamination of the aesthetic by the popular and philistine, Greenberg is thus a strange authority to invoke to support the case for the dada montage. Further, if he will not work as a theorist of the avant-garde in this instance, neither does Greenberg have much to offer as a theorist of mass culture. Despite the Shachtmanite politics of ‘Avant-Garde and Kitsch’, there is nothing distinctively Marxist about his concept of kitsch, which flattens a whole range of important distinctions. Indeed, in equating the cultures of Soviet Communism and Nazism, he was effectively adopting the contemporary liberal perspective of red fascism/brown bolshevism, which viewed both as an undifferentiated totalitarian menace. While the assumption that the art of both was essentially similar to the mass commercial culture of the United States could only be argued by one for whom ‘Hollywood movies’ were undifferentiated dross and aesthetic value was measured by a rarified conception of formal quality alone. Like Fry and Bell, Greenberg offers a proletarianised conception of the philistine, although, unlike them, he believed (in 1939, at least) that the proletariat could be aesthetically redeemed through socialism (pp. 139–42).

Despite these differences on points of detail, I have no doubt that the category of philistine can be usefully deployed to understand Nazi cultural strategy, but to do so it needs to register more the complexity of the phenomena concerned than Greenberg did. In fact, Nazi policy in this as in other areas was opportunistic and actually permitted a wide range of artistic tendencies to operate – it cannot simply be reduced to the sculptures of Arno Breker and the nudes of Adolf Ziegler. As John Heskett pointed out in a critique of the controversial 1974 exhibition Kunst im Dritten Reich: Dokumente der Unterwerfung, if the art works produced under the Third Reich are seen uniformly as simply a direct effect of fascist power and ideology, art is denied any autonomy:

The relationship between art and society is not discussed because there is no relationship, everything being part of an expressive totality, which by imposing a dominant interpretation of a work of art in relation to its specific context and to the possible perceptions of it. Art is regarded as objective, a fixed identity. The ambiguity of its possible interpretations is denied.47

The Left has moved beyond this, and however abhorrent the Nazi régime, this insight applies as much to the art produced under its rule as it does to that produced in more favourable circumstances – as I am sure Leslie would agree. Greenberg’s kitsch is thus a red herring in relation to her larger and important thesis.

47 Heskett 1978, p. 144. Many artists working under the Third Reich continued to produce the kinds of art they had produced before 1933, and it is inappropriate to designate it as Nazi unless it has specifically fascist connotations. Further, attachment to the NSDAP does not necessarily mean an artist was incapable of making significant art, as the example of Franz Radziwill illustrates – any more than Heidegger’s support for the regime simply nullifies his philosophy.
The two remaining essays are more directly related to issues in dispute in Britain now, namely the relationship between cultural studies and the Left, and the significance of the kinds of art practice associated with the term ‘Young British Artists’. Malcolm Quinn’s ‘The Legions of the Blind’ argues that Beech’s and Roberts’s philistine offers a more productive route to thinking cultural difference ‘at a time when other critiques of cultural studies from the Left are characterized by critical blindness and epistemological conservatism’ (p. 256). Quinn makes his case through criticism of Terry Eagleton’s *The Idea of Culture* (2000) and the well-known hoaxing of the journal *Social Text* by the left-wing scientist Alan Sokal.\(^48\) In effect, Quinn claims, opponents of cultural studies ‘fail to see how this situates them in a critical hegemony uniting both Left and Right, and confronts them with an epistemological impasse, in which one is either “for” or “against” a politics of cultural difference’. As will be evident from the above, I agree with Quinn that Beech and Roberts’s grounding of the philistine in alienation is highly productive. However, in other respects, I find his argument quite problematic. It is easy to get irritated by the over-generalising populist style of Eagleton’s recent writing, with its repetitive witticisms, resonant of the bonhomie of a chat-show host, but, while *The Idea of Culture* reads as hastily written, it is not a negligible book, and Quinn misrepresents its case. For instance, Eagleton’s complex investigation of different concepts can not be boiled down to ‘a benign equation of culture with a sense of belonging to the human’, and neither does he ‘uncouple the cultural and the political’ or claim that ‘“war, famine, poverty, disease, debt, drugs, environmental pollution, the displacement of peoples”’ are ‘impervious to being defined in cultural terms’ (pp. 257–8). Rather, he says that these are not ‘primarily’ cultural problems, and that cultural theorists may not have much to contribute to their resolution.\(^49\) Eagleton’s is a materialist and realist argument against postmodern cultural relativism, but that hardly constitutes it as epistemologically conservative.

Similarly, while even Sokal’s supporters expressed concern that his hoax would fuel the entrenched anti-intellectualism of the American media and public, it is simply inadequate to dismiss him as a positivist (p. 269) – a term that gets bandied around too casually these days – or to claim that the real cause of the divide between the old and ‘cultural’ Lefts arises because the former are uncomfortable with the gender politics of the latter, as some of his opponents did.\(^50\) The debate around Sokal’s spoof was not conducted at a high philosophical level, and Sokal is no adept in the philosophy of science, but Quinn effectively echoes the caricatures of his position penned by Stanley Aronowitz et al.\(^51\) As Sokal repeatedly made clear, he is not hostile to the sociology of science as such, but to an approach to it that seems to assume ‘one can

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\(^{48}\) A useful overview of the controversy this provoked can be found in Editors of *Lingua Franca* (eds.) 2000.  
\(^{49}\) Eagleton 2000, p. 130.  
\(^{50}\) For example, Bruce Robbins, quoted in Editors of *Lingua Franca* (eds.) 2000, p. 223.  
\(^{51}\) See Stanley Aronowitz in Editors of *Lingua Franca* (eds.) 2000, pp. 200–4. Aronowitz tells us that, ‘*Social Text* was founded and remains within, the Marxist project, which is profoundly materialist’. But not naturalist, it seems.
(and should) explain the history of science without taking into account the truth or falsity of the scientific theories.\textsuperscript{52} The substantive issue remains that the editors of Social Text seem to think one can do the history of science quite adequately with no reference to this question, or even that the question itself is illicit. The status of philosophical naturalism marks a massive division within the Left, and the fact that critics of both Left and Right may object to the epistemological weightlessness of much contemporary cultural studies does not simply make them equally conservative in their philosophical groundings or unite them in a ‘critical hegemony’ (pp. 255–6). Moreover, while to see cultural studies as ‘a colonizing discourse whose sole purpose is to further the aim of academic cabals’ (p. 270) would be a form of microsociological reductionism, that its success is amenable to sociological and political explanation in some degree is surely correct.\textsuperscript{53} As the editors of Social Text themselves acknowledge, cultural studies was originally a Marxist-inspired mode of inquiry, and what is in question is not the value of investigations into popular cultural forms or the sociology of science, but the basis on which such inquiries are pursued. Thus, Eagleton’s target is not cultural studies as such, but the postmodern consumerist-liberal variant of the same,\textsuperscript{54} and Sokal’s is not science studies per se, but a facile epistemological relativism. I doubt if either Eagleton or Sokal are ‘“against” a politics of cultural difference’, they simply believe that, without a common epistemological ground, the questions of truth that divide different ethnic and cultural groupings are not amenable to rational discussion and simply collapse into questions of feeling and belief.\textsuperscript{55}

If Quinn considers the philistine’s utility for cultural studies, Gail Day addresses it in relation to philosophical aesthetics as they bear on contemporary art, and, like Beech and Roberts, she seeks to turn Adorno against his latter-day admirers. Her essay is a valuable addition to the original debate on two counts especially. Firstly, she draws out the ways in which Bernstein’s insistence that the historian’s account of social and historical determinants has no bearing on the question of an art work’s validity comes over as a disciplinary turf war, and, more seriously, that it undercuts his own claim to ground judgement in its ‘sensuous particularity’. It is because Bernstein’s categories of the commodity and autonomy remain so fixedly in the realm of the universal that they are effectively embalmed, and, as a result, seem to function mainly as a way of bolstering a highly selective canon of modern art (pp. 240–4). This bears on the second point, which is the reasons for the failure of either philosophical aesthetics or critical theory to speak to younger artists today. Day argues, I think correctly, that Bernstein measures validity in relation to an historically frozen idea of value, which does not allow for the contingencies of contemporary practice, and that,

\textsuperscript{52} Alan Sokal in Editors of Lingua Franca (eds.) 2000, pp. 127–9.
\textsuperscript{53} Suggestive in this regard in relation to the US, is Barbara Epstein, ‘Postmodernism and the Left’, Editors of Lingua Franca (eds.) 2000, pp. 214–29. See also Mulhern 1997.
\textsuperscript{54} Eagleton 2000, Chapter 3.
\textsuperscript{55} For the dangers of multiculturalism in science, see Meera Nanda, ‘The Science Wars in India’, in Editors of Lingua Franca (eds.) 2000, pp. 205–13.
in relation to such, validity needs to be reanimated through a notion of viability, ‘the capacity to live’, which can register the critical charge of work that really engages with the new but is not amenable to any straightforward criteria based on earlier practice (pp. 247–53). This is where the philistine comes in. Although, in elaborating the concept, Beech and Roberts have done far more than simply offer a rationale for tendencies in contemporary British art with which they are associated as practitioner cum critic and critic respectively, it was, after all, the challenge posed by this art that galvanised their theoretical project. And it is the conviction that art is now produced in a context where ‘the popular enculturalisation of art, that is, the incorporation of art’s production and its forms of attention into a culture of art not immediately governed by professional academic criteria of success’ that gave it urgency. One may not like this development, but it is nonetheless, inescapably, the terrain on which art is now made and in relation to which its validity must be measured. It can not be assumed that reactionary times simply produce bad or invalid art, and it is also important to allow for the fact that kinds of contemporary art we dislike intensely may, in the long term, prove to be those that are most adequate. This can only be adjudged through practical criticism on a case-by-case basis.

Overall, The Philistine Controversy is an uneven and somewhat awkward collection, although this is not surprising in a collective work of this nature, and particularly one that seeks to initiate a major paradigm shift. I have found plenty to quarrel with in the individual contributions, and, doubtless, other readers will have their own points of contention with their different arguments. However, whatever the shortcomings of the parts, the fact that such significant figures were persuaded to enter the debate over the philistine testifies to the fact that Beech and Roberts have identified a concept that brings into focus many of the key issues in contemporary culture. We are now at a point where we can look back on eight decades of Marxist art history, and do so unencumbered by all the distractions and distortions that ‘actually existing socialism’ injected into debates on the Left. Fo all its limitations, this body of work has enormously enriched our capacity to understand the visual arts as social practices, and there have been analogous achievements in relation to the other arts. No philosophical aesthetics that aspires to truth value can afford to ignore this work, or that produced from the perspectives of feminism, gay studies, and postcolonialism. Neither can it simply substitute for the wealth of empirical knowledge historical studies have produced a few airy sociological abstractions of the kind Bernstein goes in for, or, at least, not...

57 Although I have little sympathy for the so-called YBAs (my limitation, perhaps), this is a trap I suspect that Julian Stallabrass falls into in Stallabrass 1999. Stallabrass has questioned the value of the philistine concept in relation to this art, but misses its larger import, I think. See Stallabrass 1999, pp. 118–23; and Stallabrass 1997, pp. 15–16.
58 Abstractions, it should be noted, that are tainted by the ideological hegemony of the Cold War, as an abundant scholarship has demonstrated. It seems to me that Adorno’s aesthetic is
if its exponents wish to appear credible. But, from the other side, the success of social history of art in exploding art as a transcendental category has led to a dismissive attitude to the high arts as such on the part of some, or a familiar tendency to collapse value into ideological utility, now dressed up as identity. The critical potential that continues to attach to art as a specific practice in bourgeois society is lost sight of, and the crucial difficult questions about subjectivity that have been addressed within the traditions of aesthetics are not drawn into the frame of historical inquiry. The methodological relationship between abstraction and induction in Marx’s work is difficult to unravel, but the tension it maintains between them is extraordinarily fruitful. We need an art history that takes more heed of abstraction, and a philosophical aesthetics that takes more heed of all art history reveals about the immensely complex practices that constitute the category of art. One may hope that the important work of abstraction that Beech and Roberts have performed on the philistine will contribute to a more complex and productive exchange between the two.

References
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more implicated in this context than most of his admirers seem interested in acknowledging. Something of this is suggested by Rubin 2002.


Financial Times columnist Gerard Baker is most clear about this: ‘Even if the transatlantic brickbats of the last year are replaced with bouquets and billets-doux, how America views a single Europe will never be the same again. A Europe united under its traditional Franco-German leadership would have been a catastrophe for US political and military ambitions in the last year. Now, as Europe concludes its deliberations on a constitution and the role of a common foreign and security policy within it, the US can no longer be a sympathetic observer’, Baker 2003. This is reflected by the recent activities of groups like the Heritage Foundation and the American Enterprise Institute, which are openly collaborating with British Eurosceptics in order to address the perceived threat to ‘vital American strategic interests’ posed by the proposed European constitution and the loss of an ‘independent’ British foreign policy entailed by a common European foreign policy. See Studemann 2004.

The events of 11 September 2001 have accelerated political processes already on course even prior to the assumption of power by the second Bush administration the previous January, whilst starting others that compound these. Put simply, the emergence of the European Union as a strategic rival to the United States, as opposed to a strategic partner, has most graphically been underlined by the diplomatic impasse involving the governments of France and Germany, on the one hand, and the US, on the other, over Bush’s policy of régime change in Iraq. While resentment and even partial resistance towards US hegemony has long been characteristic of French political élites, the real surprise for many observers was the unequivocal rejection of any endorsement of military action by the German Chancellor, Gerhard Schröder. Certainly, it rescued an otherwise lost election for Schröder in September 2002, and, while provoking unprecedented friction between Germany and the US, most expected Schröder to placate the Bush administration by diluting his antirwar stance following the election. This did not happen. Instead, helped by the strong opposition to the war from French President Jacques Chirac, Schröder’s stance hardened to the point of refusing to countenance military intervention, even with the sanction of the United Nations, which Chirac had promised, in any case, to veto in support of continued UN-administered weapons inspections. Even with the invasion completed in April 2003, both still insisted upon the primacy of the UN in any reconstruction of Iraq, against US wishes.

This is a far cry from the EU’s origins as a US-supported, Cold-War bulwark against the perceived threat of Soviet expansionism. Selective French exceptionalism aside, the making of an Atlantic ruling class was the central achievement of post-1945 US

1 Financial Times columnist Gerard Baker is most clear about this: ‘Even if the transatlantic brickbats of the last year are replaced with bouquets and billets-doux, how America views a single Europe will never be the same again. A Europe united under its traditional Franco-German leadership would have been a catastrophe for US political and military ambitions in the last year. Now, as Europe concludes its deliberations on a constitution and the role of a common foreign and security policy within it, the US can no longer be a sympathetic observer’, Baker 2003. This is reflected by the recent activities of groups like the Heritage Foundation and the American Enterprise Institute, which are openly collaborating with British Eurosceptics in order to address the perceived threat to ‘vital American strategic interests’ posed by the proposed European constitution and the loss of an ‘independent’ British foreign policy entailed by a common European foreign policy. See Studemann 2004.
According to this view, the New-Deal redistributionist policies of Franklin Roosevelt were institutionalised, first in the US and thereafter in Canada and Western Europe, subject to the mediation of each state’s laws and to each territory’s socio-cultural practices. Fordist mass production and mass consumption, Keynesian demand management, corporatist employment relations, and the expansion of the ‘welfare state’ were definitive aspects of a capitalism predicated on the nurturance of national productive capital by the respective states, which acted to restrain finance capital by imposing various regulatory restrictions and prohibitions that enabled productive capital to concentrate on expansion.

The reasons for the collapse of the Keynesian welfare national state (KWNS) and the concomitant rise of neoliberalism and its emergent state form, the Schumpeterian workfare post-national régime, have been recounted by many. One early manifestation of the crisis of the KWNS was the expansion of US productive capital into Western Europe during the 1960s and 1970s. This provoked both alarm and extensive enquiry into the newly ascendant, primarily US corporate form – the multinational enterprise (MNE).

Raymond Vernon’s product cycle theory and that of the Marxist ‘monopoly capital’ school explained the expansion of MNEs in terms of the saturation of domestic markets and the potential for expansion abroad. Vernon’s more conventional portrait of foreign direct investment (FDI) decisions as driven by straightforward cost calculations, augmented by attention to the multifarious barriers to trade that characterised the international economy during this period, was complemented by Baran and Sweezy’s underconsumptionist reading of the US economy – most prescient at a time of apparently endless growth. Soon, others were noting the less appealing aspects of multinational enterprise. Stephen Hymer’s analysis of MNEs showed them expanding where they possessed ownership advantages (monopolistic or oligopolistic) over indigenous firms. These derived essentially from the inherent advantage of a very large domestic market, often giving US companies a better access to capital, and therefore greater strength in new product development, differentiation and marketing. Hymer himself saw this as a continuation of strategies employed by US companies a century earlier, when they ‘developed a multi-city continent-wide marketing and manufacturing strategy’.

Before long, the dramatic rise in US FDI was prompting analysts to ponder the apparent threat to national sovereignty posed by MNEs. Again, Vernon was among the first to deal with this issue in depth, along with Robert Gilpin, but their

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2 Van der Pijl 1984.
3 Most recently by Bob Jessop, the author of the designations employed here. See Jessop 2002.
6 See Vernon 1971, 1977, and Gilpin 1976. Vernon’s book, although entitled Sovereignty at Bay, was, in fact, a cautious but no less affirmative welcome for a new era of declining importance for the nation-state. Gilpin, on the other hand, predicted grave problems for the US economy as more productive capital under US ownership was transferred or established elsewhere.
contemporary Marxist authors were examining the impact, international and local, of the spread of US investment capital. As might be expected, debates were particularly acute in France. Nicos Poulantzas, as part of his engagement in these, produced an analysis of US capital expansion and its impact on Western Europe which, still today, retains much of its explanatory power. As Leo Panitch explains it:

Poulantzas’s outstanding contribution was to explain: (i) that when multinational capital penetrates a host social formation, it arrives not merely as an abstract ‘direct foreign investment’, but as a transformative social force within the country; (ii) that the interaction of foreign capital with domestic capital leads to the dissolution of the national bourgeoisie as a coherent concentration of class interests; (iii) but far from losing importance, the host state actually becomes responsible for taking charge of the complex relations of international capital to the domestic bourgeoisie, in the context of class struggles and political and ideological forms which remain distinctively national even as they express themselves within a world conjuncture.7

And, while US productive capital spread its tentacles throughout the industrialised West (and elsewhere) to escape the confines of a saturated domestic market, US financial capital was undergoing its own ‘liberation’. In other words, the apparent relative decline of the US during the 1970s was merely a temporary effect of the necessary economic restructuring, as the limits of the KWNS became ever more apparent. The simultaneous collapse of the gold standard in 1971, prompted by the unilateral withdrawal of the US, heralded a major financial restructuring that has since taken on global proportions:

Drawing from the unique depth of its domestic financial markets, finance within the US became much more reliant upon short-term debt securities and short-term profits. This transition gave US intermediaries a competitive advantage in international finance and compelled Britain, Japan, and Germany to follow suit.8

US multinationals expanding beyond their national borders also heralded a reconfiguration of capitalist regulation in which the advantages of the domestic regulatory régime of the US were to be replicated, incrementally, on an international basis. Parallel to and supporting this development, Poulantzas observed ‘a widespread tendency for European capitals to merge with American capital, rather than to merge among themselves; the E.E.C. has only accelerated this tendency’.9 This tendency was more pronounced in some EEC member states than others, reflective of the more

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7 Panitch 2000, pp. 8–9.
8 Seabrooke 2001, p. 72.
9 Poulantzas 1975, p. 61.
Referred to by Poulantzas as the ‘internal bourgeoisie’, distinct from the comprador bourgeoisie because it ‘maintains its own economic foundation and base of capital accumulation both within its own social formation, and abroad’, but nevertheless still tied to the imperialist chain under dominance of US capital (Poulantzas 1975, p. 72).

Poulantzas 1975, p. 47.

Given the unleashing of finance capital under neoliberalism since Poulantzas wrote, and the concentration of finance capital in the US, it could not be otherwise.

Bastiaan van Apeldoorn’s *Transnational Capitalism and the Struggle over European Integration* is a very timely contribution to the study of EU development. Theoretically, it successfully marries structure and agency in a neo-Gramscian approach, termed by the author ‘transnational historical materialism’. Empirically, it breaks new ground by illuminating the activities of the European Roundtable of Industrialists (henceforth ERT), a policy forum and advisory organisation established in 1983 that has since become a major influence on European Commission policymaking and, more indirectly, that of EU member states. The result is a cogently argued work of analysis, in which the transnationalisation of class agency is charted as an ongoing process of struggle.
where competing fractions of European capital vie for hegemony over the course of European integration, as determined by the political institutions of the EU.

Van Apeldoorn is a member of the so-called ‘Amsterdam school’ of international political economy, some of whose members are editors of the series where this book is appears. In the words of one of these,

Central in this approach was the analysis of the structural conflicts of interest within the ruling class arising out of the fractionation of capital along functional lines and the division of the bourgeoisie into blocs clustering around competing comprehensive concepts of control, and in particular the transnationalization of these conflicts as consequence of the transnational expansion of capital.12

As van Apeldoorn himself explains:

Comprehensive concepts of control are strategic orientations on the part of a class or a class fraction aspiring for hegemony. As such, they are integrated political programmes, combining ‘mutually compatible strategies in the field of labour relations, socio-economic policy and foreign policy’. (p. 30; quoting Overbeek 1990, p. 26.)

Thus, his book is both an application and development of a growing body of theoretical work which has been at the forefront of Marxist efforts to fully grasp the process of European integration, itself understood as the outcome of ongoing struggles within and between classes.

Van Apeldoorn begins by placing his work within both Marxist theory and with academic debates in the discipline of international relations. Rejecting what he describes as the ‘structuralist perspective that merely focuses on the structural domination of capital over labour’ (p. 21), supposedly exemplified by Poulantzas, as well as the ‘historicism’ of Edward Thompson, van Apeldoorn emphasises the mutually constitutive roles played by structure and agency, employing Roy Bhaskar’s ‘transformational model’, in which transformation occurs via ‘position-practice systems’. In this case, the class actors are the chief executives and chairmen of European MNEs who set aside company-specific interests and collectively formulate policy on behalf of Europe’s productive capital as a whole; the circumstances are the reconfiguration of global capitalism following the economic crisis of the 1970s.

With respect to international relations theory, van Apeldoorn places his work squarely on the growing body of neo-Gramscian work whose progenitor is widely acknowledged to have been Robert Cox, and which has been developed further by, among others, Stephen Gill and Mark Rupert.13 In this view, international politics is not simply the

12 Overbeek 1993, p. x.
arena of utility-maximising state actors (the so called ‘billiard ball’ theory, because it treats states as given), whether in realist or liberal theory; rather, states are embedded in and related to capitalist relations of production. But, instead of focussing exclusively on those relations and deduce the political ‘superstructure’ accordingly, neo-Gramscians stress the importance of social, legal and cultural structures that are both the products of and (at least in part) determinants of capitalist development. Such a Marxian approach thereby avoids the bourgeois empiricism inherent in much conventional theorising, whilst transcending the traditional analytical and disciplinary dividing line between domestic politics (political science) and international relations. Conversely, it avoids the mistake of treating the state as a wholly autonomous, neutral arbiter of domestic disputes, identified with the interests of ‘society’, typical of Weberian historical sociology.14

Constructivism and international-relations theory

Nevertheless, van Apeldoorn is also making a conscious contribution to the growing quantity of literature within international relations and international political economy that may be described as ‘constructivist’. He situates constructivism as a ‘meta-theoretical alternative to the methodological individualism underlying mainstream IR discourse as it developed in the 1980s’ (p. 14). In other words, it is a direct consequence of the marginalisation of historico-institutionalist theories of international political economy by the rationalism of the hegemonic ‘neo-neo’ debate (neorealism vs. neoliberalism). The latter occupies the mainstream in international-relations discourse as practised in the US, and therefore is diffused throughout the global international relations discourse. The neorealism of Kenneth Waltz, which reduces the international system to a model markedly similar to the hypothetico-deductive rationalism of neoclassical economics, is pitted against the neoliberalism of Robert O. Keohane, whose similarly premised model of utility maximisation emphasises the collective gains to be had from co-operation, rather than competition. The debate is the contemporary equivalent of earlier policy disputes between mercantilists and liberals, such as the famous polemic between Alexander Hamilton and Thomas Jefferson concerning the direction of US economic policy after Independence. The neo-neo debate is essentially an extension of this long-running saga, given that its purpose is to determine how best to perpetuate US global hegemony.15

Both neorealism and neoliberalism are rationalist in their insistence upon the utility-maximising behaviour of states. Their divergence concerns how states act to

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15 The leading neoliberal advocate of a multilateral US foreign policy, Joseph Nye, is absolutely clear about this: ‘The success of US primacy will depend not just on our military and economic might but also on the soft power of our culture and values and on policies that make others feel they have been consulted and their interests have been taken into account’ (Nye 2002).
maximise their presumed utility. Whereas neorealists see other states as potential
rivals and stress, therefore, the importance of military strength, neoliberals, echoing
David Ricardo, emphasise the gains to be reaped from co-operation. International
political economy for them is a positive-sum game, rather than the zero-sum game
assumed by neorealists.

As their names suggest, these theories derive from forebears considerably more
equipped to tackle the nuances of actually existing political economy. However, such
attention to history, institutions and culture is time-consuming and lacks the elegance
of the hypothetico-deductivist rationalism typical of neoclassical economics, which
lends itself well to prediction (however inaccurate) at the expense of understanding –
spurious precision at the expense of truth. Having stripped realism and liberalism
of their historicist ingredients, the vacuum has been filled by an ‘innovation’, which
is, in fact, merely a repackaging of old, forgotten ‘truths’ – old wine in new bottles.
For some, this represents a new theoretical paradigm – constructivism – to rival the
‘neos’, but in such a way that it

has become a bumper-sticker term, a label appropriated by those who wish
to assert a degree of independence from mainstream American IR theory
while maintaining a certain level of respectability.17

In fact, at its best, it is best viewed as a methodological strategy rather than a theoretical
alternative.

This is exactly the approach adopted by van Apeldoorn and others seeking to make
sense of historical phenomena whilst simultaneously enriching theory. The implications
of a nominally constructivist approach are open-ended. While van Apeldoorn sees
constructivism as inherently critical ‘because it historicizes the present social structures’
rather than taking them for granted, and because it ‘treats all forms of intersubjective
knowledge as constituent elements of social reality’ and so assumes that ‘the theories

16 According to Chalmers Johnson, neoclassical economics was developed and propagated as
‘an American economic ideology that might counter the promise of Marxism’, and has since
‘gained an intellectual status in American economic activities and governmental affairs similar
to that of Marxism-Leninism in the former USSR… In attempting to forge a fully numerical,
scientific-looking model of the capitalist economy for purposes of the Cold War, Western ideologues
simply assumed that the institutions of modern capitalism must be those that existed in the
United States in the late Eisenhower era’ (Johnson 2000, pp. 180, 183). ‘A great help to promoting
the Washington Consensus has been the control over the academic training of central bankers
and diplomats so as to remove the dimension of political reality from the analysis of international
trade, investment and finance’ (Hudson 2003, p. 33). This scientism of numerate rational-choice
deductivism has spread across the social sciences, including international relations and military
strategy, where it is used to construct the war simulations employed in the Pentagon. According
to Anatol Lieven, ‘rational choice theory is seriously out of sync with the reality of international
relations, especially in times of rapid change, insecurity and crisis. It is really only suited to
periods when the international situation is settled and orderly, and when the number of actors
is limited, is made up of known states and state leaderships, and does not include new and
unpredictable non-state forces acting “from below”’ (Lieven 2000/1, p. 75). All of this is to say
that its application is so limited that even those with most to gain from its propagation and use
must augment it with more suitable conceptual tools, necessitating a reinvention of the wheel
so carelessly discarded in the pursuit of efficiency.

of the social scientist feed back in to the (re-)constitution of the object she studies’ (p. 16), David E. Spiro, for instance, augments a realist understanding of international relations with a constructivist approach to theorising the specific historical episode of petrodollar recycling during the 1970s. Spiro accepts realism’s state-centrism and the assumption that states behave as self-interested actors. Unlike especially neorealists, however, he does not assume identical processes of interest formation across all states:

It is possible to observe power and interests empirically, but it is difficult and misleading to interpret what we observe if the observations are taken out of their social context.\footnote{Spiro 1999, p. xiii.}

In other words, he is recovering that which was discarded by those seeking to streamline mainstream international-relations theory, according to the precepts of rational choice. Van Apeldoorn is not making any comparable revision or rejection of rational-choice neo-Marxism, however. He is using the popularity of constructivist approaches within mainstream international relations to advance his essentially Marxist reading of European integration – a reading that might otherwise remain ignored within the academic discipline on account of its Marxism. Nevertheless his appeal to the ‘inherently critical’ properties of constructivism is apparently true, given the past efforts of the international-relations profession, in common with its economist counterparts, to strip the academic discipline of its historicist elements – those that are now ‘constructivist’.

The origins and purposes of the ERT

Van Apeldoorn is not the first author to have studied the ERT in depth. Maria Green Cowles published the first detailed investigation of this organisation.\footnote{Cowles 1995.} Michael Nollert and Nicola Fielder have explained the ERT’s success as a result of the prior absence of an effective strategic forum for the heads of export-dependent European companies.\footnote{Nollert and Fielder 2000.} According to Justin Greenwood, the ERT

is well suited to exerting influence through the most effective methods of interpersonal contacts with key figures in the European institutions, and through the status of their firms and CEOs in member states.\footnote{Greenwood 2000, p. 86.}

The work of the Corporate Europe Observatory, based in Amsterdam, has used van Apeldoorn’s work in its doctoral dissertation form, among other sources, in its examination of ERT activities. In particular, it focuses on the ERT’s competitiveness agenda and the institutional means of its furtherance.\footnote{Balanyá et al. 2000, pp. 19–36.}
more systematic attention to, and theoretical interpretation of, the content of the ideas promoted by the ERT, and hence the ideological power that this forum of transnational capitalists exercises. (p. 5.)

In this, he expands significantly upon the earlier work of another Amsterdam school exponent, Otto Holman. He constructs a multi-layered analysis of European integration founded upon the basic class dichotomy characteristic of capitalism, deepening this with reference to the cleavages within capital, both functional (productive/industrial versus finance) and national (specifically French, German and British), in addition to the weakening but still relevant influence of social-democratic parties and trade unions.

The ERT was established in 1983, largely thanks to the efforts of Pehr Gyllenhammar, then chief executive of Volvo, and Viscount Etienne Davignon, at the time European Commissioner with responsibility for industrial affairs. Gyllenhammar had been actively advocating what he called a new ‘Marshall Plan for Europe’ in the preceding period, widely regarded as one of ‘eurosclerosis’ (p. 84). That his company was based outside the European Economic Community mattered less than the fact that Volvo’s continued success depended upon its consolidation and development of European markets. Meanwhile, Davignon’s tenure on the European Commission heralded a more pro-business approach to policy, after years of sometimes ‘explicitly adversarial’ (p. 85) relations between the two. This reached its climax in 1975, when the Commission published its Green Paper on a European company statute – a document influenced heavily by then-fashionable ideas on industrial democracy and co-determination of corporations by both shareholder and worker interests. Davignon had made his essentially pro-business orientations clear by overseeing the restructuring of the European steel industry, and, by 1983, was ready to create a more permanent consultative body which would harness business leaders’ ‘expertise’ in the formulation of Commission policies. In so doing, he bypassed the Union of Industrial and Employers Confederations of Europe (UNICE), described by van Apeldoorn as more ‘a more traditional lobby club than a partner with which dialogue could be developed’ (p. 85). The Corporate Europe Observatory is rather more precise in its description of UNICE as attending to the details of Commission policies and directives, ‘spitting influential position papers back into the policy-making apparatus’ in response. This contrasts with the ERT’s strategic focus on ‘big ideas’.

Unlike UNICE, the ERT has been, from the very beginning, a much more focused organisation, comprising the chief executives or chairmen of European multinational companies, representing different sectors and states, both EU and non-EU. At first, it numbered seventeen members; today its membership is forty-five, and a ceiling of fifty has been set (p. 89). Membership is by invitation only, and subject to certain

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criteria. First and foremost, the candidate must lead a company that is based in Europe, is industrial (as opposed to financial), and preferably private. Subsidiary companies do not meet this criteria, and, despite the requests of the heads of ‘European companies of American parentage’ (p. 89), representation is denied. The reason for this is that the effectiveness of the ERT would be compromised were any of its members unable to deliver on agreed policies, something most likely if they were either not sufficiently senior in their companies, or reporting to a parent company based outside Europe.

Secondary criteria include the requirement that representation of sectors and countries be roughly even, that the prospective candidate be in broad agreement with the objectives of the ERT and able to commit time and other resources to the pursuit of these, and the ability of the candidate to ‘get along’ with existing members.

Despite this last rather subjective and potentially haphazard criterion, to retain its legitimacy, the ERT must contain a variety of sufficiently broad perspectives to be able to represent the interests of European monopoly capital. In connection to this, another valuable feature of van Apeldoorn’s analysis is his charting of the evolution of the ERT, from its inception as a primarily Euro-mercantilist interest group to its present incarnation as dominated by its hegemonic neoliberal faction. A parallel process has been the European Commission’s own metamorphosis from an institution governed by an uneasy alliance of mercantilist and social-democratic interests to today’s more emphatically neoliberal version, tempered by residual mercantilist and social-democratic concerns (although the latter, as the author makes clear, have been effectively sidelined ever since the Maastricht Treaty of 1991). Thus the scene is set for a fascinating account of how actors, operating within a politico-economic discourse on the basis of their respective material interests, struggle among themselves to reach consensus on how best to advance their collective goals as a class.

This is not as easy as it might appear, because their struggles typify many of the contradictions inherent to capitalism. As representatives of productive capital, as opposed to finance capital, to the extent that they represent companies who retain productive operations within Europe, their interests encompass retaining the market-mitigating social protection typical of the KWNS. Karl Polanyi defines social protection as

> aiming at the conservation of man and nature as well as productive organization, relying on the varying support of those most immediately affected by the deleterious action of the market... using protective legislation, restrictive associations, and other instruments of intervention as its methods.25

In this respect, there is a natural political affinity between productive capital and organised labour, in addition to nationalist elements within the state apparatus. Van

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25 Polanyi 1957, p. 132.
Apeldoorn argues that, just as the KWNS was the instrument of embedded liberalism in the Bretton Woods era, so the vision of European integration at the centre of ERT policies is an embedded neoliberalism, defined as a class strategy that

fully asserts the control of capital over labour ... to weaken labour (as a political force) [while] it still adheres to the ideology of social partnership in order not to lose the benefits that go with that (such as a high degree of trust or ‘internal flexibility’) and because it is recognised that only in this way can hegemony be achieved. (p. 161.)

As will be argued below, this is an optimistic gloss on what, in reality, has been an accelerating retreat of corporatist social partnership, whose main exemplar, Germany, is now under severe pressure, domestic and international, to dismantle completely.

**British monopoly capital and the ERT**

The social-democratic elements of the Commission, led by Jacques Delors from 1985–94 attempted to use the structural convergence of interests between productive capital and organised labour to create a ‘supranational’ (or Euro-nationalist) social democracy geared to the protection and institutionalisation of what Delors himself called the ‘European model of society’ (p. 79). Based on a growing perception of the ‘decline of the nation-state’ – the ‘traditional power-base of social democracy’ – the logical course of action for Delors and like-minded allies was to construct the European ‘superstate’ that has become the *bête noire* of right-wing British Eurosceptics ever since Margaret Thatcher resigned as prime minister in November 1990. In this, Delors was making a calculated gamble that he could carry a sufficiently large segment of business interests with him.

Unfortunately for Delors, European capital was undergoing its own process of evolution towards a more neoliberal orientation, based on the rise of the ‘shareholder value’ cult (itself the by-product of the penetration of US capital and neoliberal reforms, enacted to varying degrees by European states, in the context of a global financial liberalisation) and the related search by European manufacturers for cheaper sources of labour. This has since become incorporated within a more general policy discourse of ‘competitiveness’. Much of this was prefigured by the British contingent invited to join the ERT at its inception in 1983. Van Apeldoorn traces the greater affinity of British capital with neoliberalism to the development of a British state whose policies were the product of classical liberal doctrines emphasising laissez faire and the protection of property rights. This ideology was particularly suited to the pursuit of empire, which gave British capitalism what van Apeldoorn calls its ‘internationalist’ orientation (p. 73), typified in the continuing predominance of finance capital centred in the City of London. But even productive capital was traditionally more focused on the
exploitation of colonial markets – the ‘imperial preference’ – than on those closer to home. And Britain, far in advance of its European partners, was at the forefront of a neoliberal restructuring which, in many ways, ‘successfully restored the continuity with the nineteenth-century liberal British state’ (p. 74). This was, in large part, due to the settlement imposed by the International Monetary Fund on the British government in 1976. Thus, the predominantly mercantilist composition of the first ERT, which proposed the creation of trans-European infrastructure networks that in no way interested the three British members (representing ICI, Shell and Unilever), prompted the latter to walk out in protest at what they perceived to be the ‘protectionist’ inclinations of the organisation (p. 122). They were replaced by three representatives of more Europe-oriented British companies.

Van Apeldoorn’s analysis is based on the view that MNEs are the historical products of particular national institutional configurations, which are key influences on their development and on the policies that they choose to adopt. Such a perspective more commonly informs much work that may be described as institutionalist, given its empiricist focus on the organisational forms and strategies pursued by individual firms. In the words of Glenn Morgan:

> multinational firms are social constructions; in particular, they are built out of specific national institutional contexts that shape how they internationalize.26

However, this sort of institutionalism soon parts company with Marxism, not least in its working assumption . . . that the result will not be convergence towards a single model of the ‘global firm’, as predicted by some commentators . . . but rather continued diversity and divergence between firms from different national contexts.27

To a large extent, van Apeldoorn’s analysis refutes this argument, given the clear evidence supporting the convergence of interests among the multinationals operating at a consciously European level and, beyond that, globally. Nevertheless, it is partly a result of asking different questions, and looking for their answers in diametrically opposite loci. But, whatever the ‘different competences’ of multinational corporations and their heterogeneous composition (as opposed to the assumption that they are homogeneous actors), ultimately their structure, conduct and performance is determined by the structural constraints and imperatives of capital, making institutionalist studies of organisational forms and behaviour, conducted without due reference to this basic feature of capitalism, somewhat academic, and certainly, irrelevant to considerations of transnational class agency.

27 Ibid.
Van Apeldoorn, therefore, in tracing the transnationalisation of particular fractions of industrial capital, is careful to emphasise the relative decline of explicitly national historical perspectives on the part of actors, driven by the expansionist imperatives of capital, to look beyond national borders and, where possible, create suitably congenial regulatory and market environments. But this decline is not absolute, and in any case, faced with a plurality of state actors at both the national and supranational levels, business leaders can afford to be selective about the particular aspects of transnationalisation, or indeed conservation of existing national regulatory structures, they choose to promote. National perspective is by no means defunct, even among the most globally-oriented multinationals. However, as a contributory factor to corporate decision making, it has been gradually supplanted by internationally-focused prerogatives. This is particularly the case, when a supranational state body, with power to override individual states’ respective sovereignties, already exists; companies derive leverage from this both domestically and globally, whilst that supranational body gains strength, as increasingly large fractions of capital realise the selective benefits of an increasingly unified regulatory environment.

**French monopoly capital**

The early British reluctance to become involved in the ERT is attributed to the predominance of French interests, which, at the time, were, ironically enough, insufficiently transnational in their focus. Of particular relevance is the ownership structure of these companies, and the traditional reliance of British companies on equity finance compared to the bank-dominated investment typical of Germany, itself contrasting with the historical importance of the French state in directing economic affairs there. Thus the nationalistic perspectives of the French contingent, which was beginning to apply such views to Europe as a whole, were out of tune with the ‘internationalist’ focus of the British. In this respect, therefore, Delors’s strategy could be seen as quintessentially French, and/or a calculated effort to buttress his social-democratic agenda with the support (however unwitting or coincidental) of a major segment of European capital. Nevertheless, as is explained below, this was not to be.

As van Apeldoorn describes it, the French political economy is almost the polar opposite of the classical liberal British ideal type, coming ‘rather close to a symbiosis’, formed by the state and the economy (p. 76). The lack of a sufficiently strong domestic capitalist class, coupled with the importance of the agricultural sector, meant that the state, equipped with a large bureaucracy, and relatively free of the formal constraints imposed by a countervailing civil society, occupied the leading position in determining the trajectory of French economic development. This was especially so after the devastation of two world wars. As Mark J. Roe points out:
Earlier in the twentieth century, when France was a more conservative nation, its securities markets were developing nicely, on a par with America’s. Wars and collapse reset the economic agenda, and by mid-century, France, still statist but by then on the left, did not provide the political milieu in which securities markets could further develop.28

For the benefit of his Chicago school-educated readers, Roe explains:

The problem is not theoretical, but factual; even modern authoritarian states worked satisfactorily with securities markets, if their politics was economically on the right. One has to go quite a way down the authoritarian dimension before pure statism (not left statism) thwarts securities markets: even Mussolini’s fascism saw a rise in stock market capitalization in the 1920s.29

Aside from clarifying an otherwise obvious point for the benefit of students indoctrinated with classical liberal mythology, this specific issue is of particular importance concerning the preference of transnational European capital regarding the nature of further European integration, a point to which we return below.

The French state’s dominating role changed only after the 1960s, when the promotion of national champions via the directed mergers of smaller companies into larger, internationally competitive corporations increased the influence of the capitalist class, such that the dependency relationship was reversed somewhat. But this occurred at the same time as trade liberalisation within the EEC made traditional, nationalist mercantilism less effective as a policy option. Instead, as European integration developed further, French business increasingly detached itself from the French state whilst pursuing what may be viewed as Euro-mercantilist political goals – the economic Fortress Europe. And the state itself, following the reversal of François Mitterrand’s Keynesian reflation in 1983, adopted instead a Europe-focused economic policy in recognition of an increased exposure to and dependency on international developments, eroding French exceptionalism. Yet, as Robert Boyer has highlighted, old habits die hard:

In France (as also in Russia) even strategies that resort to the market are imposed by government, in the absence of a powerful entrepreneurial group behind such a strategy.30

This might explain why the heads of even the largest French corporations would still expect, as a matter of course, the European Commission to play both an advisory and a strategic role in its pursuit of an overtly industrial policy.

28 Roe 2003, p. 69.
29 Roe 2003, p. 69, footnote 19.
30 Boyer 1997, p. 95.
German monopoly capital

Somewhere in between these two ‘extremes’ lies Germany, a country committed to free trade, price stability and a market economy, yet retaining the corporatist structures that had played such a key role in pre-1933 economic development. This fusion of classical liberalism with state-facilitated corporatism (‘ordo-liberalism’) has at its core the idea that the free market should be embedded in a regulatory framework, based on an overall social consensus, in which the market forces can operate efficiently. (p. 74.)

Thus, the German state is neither laissez-faire or nightwatchman, nor is it dirigiste – in Wolfgang Streeck’s phrase, it is ‘an enabling state’.31 In addition to this, the relative underdevelopment of German capital markets gave a greater role to banks as financiers of development, hence the characteristically long-term nature of both the finance and the planning horizons adopted by business leaders. The corporatist structure of the German economy meant that German executives were not accustomed to playing politics, leaving that to the leaders of the business associations of which they were members. Hence their initial attitude of ‘indifference at best’ (p. 96) – it is only during the last decade that German representatives in the ERT have asserted themselves more visibly.

Also, this denotes a more general convergence of interests within European monopoly capital. As the French influence on the ERT has declined relative to that of other states, so too has it become more globally-oriented, in line with the evolution of French business. Meanwhile British participation is much more robust, further reinforcing the neoliberal ascendency. The Germans, too, are actively involved, to the extent that the present chairman of ThyssenKrupp, Gerhard Cromme, is also the current chairman of the ERT, having succeeded Reed Elsevier’s Morris Tabaksblat in November 2001.

Cromme is especially influential, holding directorships in nine other major companies, including four represented in the ERT. He also led an influential government-sponsored review of corporate governance in Germany, itself a response to increasing pressure upon the German government to enact liberalising reforms. However, Cromme is careful to suggest that ‘Deutschland AG’ will survive, albeit in modified, liberalised form.32

Thus, the ERT has become more recognisably neoliberal in its policy advocacy, although by no means has its earlier mercantilist slant vanished completely. For example, in 2003, the ERT published a ‘hard-hitting paper’, in which the prospect of research and development shifting outside of the EU is raised should member states fail to enact the liberalising agenda agreed at the Lisbon summit of 2000. There, EU leaders had committed themselves to transforming Europe into ‘the most competitive

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31 Streeck 1997, p. 38.
32 Betts 2002b.
and dynamic knowledge-based economy in the world by 2010 via a combination of increased direct funding of R&D as well as investment in key infrastructure.\textsuperscript{33}

\textbf{The comprehensive concept of control}

As mentioned above, the discourse in which ERT internal debate and policy advocacy is conducted is centred on the idea of ‘competitiveness’. It is this that acts as the comprehensive concept of control, whose shared meaning determines the nature of policy discourse, and therefore the results of that discourse.

Like ‘mother’ and ‘apple pie’, no one is against ‘competitiveness’, at least not in the context of global capitalism (p. 171). The concept itself owes much to the flourishing, during the 1980s, of management ‘literature’, part of the more widespread ideological shift accompanying and supporting the economic restructuring of the time. The social Darwinism inherent in this concept is easily understood and readily accepted by those trained to view the economic environment as an arena of individual struggle unsupported by interventionist states of the old, Keynesian stripe. A prime source of this ideology has been the Harvard professor Michael Porter, whose management books, \textit{Competitive Strategy} (1980) and \textit{Competitive Advantage} (1985), while largely unreadable, helped to institutionalise a discourse that was subsequently applied to states themselves. For his next book, \textit{The Competitive Advantage of Nations} (1990), Porter engineered a major reworking of classical trade theory, in particular the Heckscher-Ohlin factor endowments theory. Porter’s chief innovation was the idea of selective factor disadvantages, which forced producers to develop compensatory technologies which subsequently became world leaders. In the field of policy, Porter’s work helped popularise the facilitation and promotion of industrial clusters as part of development or regeneration strategies. But his most influential contribution was an analytical framework that, with the appearance of scientific objectivity, made universal a key tenet of US ideology. For, while factor endowments, firm strategy and structure (especially industrial clusters and domestic competition), domestic demand patterns and ‘social capital’ (education and research institutes) are regarded as the four most important determinants of competitiveness, others, such as chance and government, are relegated to subsidiary status.

Given Porter’s status as an adviser to President Reagan, there can be no mistaking the meaning of this last point. Despite the fact that the state occupies a crucial, determining role in the development of all modern, industrialised economies, the myth of \textit{laissez faire} is given new life by Porter, consistent with what Seabrooke calls ‘international passivity and national activism’. The enactment of domestic regulations, are portrayed as being as light as necessary, and thereafter using the state’s structural

\textsuperscript{33} Betts 2003.
power to encourage or impose these upon other states under the guise of deregulation (i.e., making way for US investors). 34 This convenient ideological myopia has a long pedigree in US economic discourse: the *laissez-faire* protagonist Jacob Viner could argue against government regulation per se, whilst supporting US government efforts to ensure a liberal trading régime following the end of the Second World War,

a way of saying that its regulation must be taken away from foreign governments that might be tempted to try to recover their prewar power at the expense of U.S. exporters and investors. 35

Just as Poulantzas predicted, it is the establishment of the ‘relations of production characteristic of American monopoly capital’.

Van Apeldoorn demonstrates that, as this applies to European integration, the competitiveness concept has been secured by the neoliberal fraction of European monopoly capital, with a residual element of mercantilism remaining, whilst the social-democratic component that was once influential is now in full retreat. This means that ‘competitiveness’ depends upon greater labour market flexibility, a reduction of welfare-state provision, lower taxes (especially corporation taxes), and increased emphasis upon individuals’ entrepreneurship as opposed to reliance upon state assistance. The latter does exist, of course, but primarily to support potentially profitable initiatives that enhance the ability of European capitals to accumulate further. And, as if to accentuate the demise of social democracy, the 1975 Green Paper on a European company statute has been transmogrified into a part of the Nice Treaty of 2000, in which the original harmonising and corporatist intentions of the Green Paper have been replaced by a neoliberal mechanism allowing companies to opt out of the member state legal jurisdictions they do not like by registering as European companies in other member states with more congenial regulations pertaining to board structure, trade-union recognition and shareholder rights. The logical consequence of this is likely to be a jurisdictional competition of the kind practised by state governments within in the US, thereby facilitating further the trend ‘towards an Anglo approach that confers fewer rights and privileges on employees’. 36

While this is a very controversial agenda, the palpable sense of crisis that has pervaded Europe ever since German reunification and especially now, in the midst of a global recession, makes the assertion that ‘something must be done’ almost universally accepted. Coupled with the centrality of the competitiveness discourse to 34 Seabrooke 2001. Porter was commissioned by the UK Department of Trade and Industry to conduct a study of British competitiveness. His report was published in Porter and Ketels 2003.
35 Hudson 2003, p. 10.
36 See Plender 2003. Another manifestation of this ‘race to the bottom’ is in the area of corporation tax. According to a KPMG study, governments are competing to attract inward investment (and retain existing investment) by driving down rates of corporation tax. A spokesman for rival company PricewaterhouseCoopers states that ‘corporate tax is in near terminal decline’ (Swann 2003).
the debates within European capital, labour and state, the clear articulation of the neoliberal agenda is made that much easier. Van Apeldoorn notes that its augmentation with some minor compensatory measures to mollify the losing capital fractions means that the competitiveness concept ‘has become the linchpin of a process of hegemonic articulation in which an essentially neoliberal ideology is articulated with elements of contending orientations’, thereby maintaining transnational class solidarity (p. 173).

Further research and conclusion
In focusing on the ERT’s activities, van Apeldoorn has necessarily ignored other actors influencing European integration. Most of these are discussed to some extent by the European Corporate Observatory. However, neither mentions the role of the European Round Table of Financial Services (ERF). This newer body, founded in 2001, was the brainchild of Pehr Gyllenhammar (again), who, since leaving Volvo, has become chairman of CGNU, the UK’s largest insurer, in addition to being a managing director of Lazards, the investment bank. It comprises the heads of thirteen of Europe’s largest banks and insurance companies. Represented are Axa, Deutsche Bank, Allianz, the Royal Bank of Scotland and ING, among others. The logic of the ERF is the same as that of the ERT:

[N]early 20 years later we have free movement of people, capital goods and services but a single market for financial services still does not exist.

The ERF is pushing for pension portability between EU member states, equal tax treatment of pension savings, and a single capital market complete with global accounting standards and a single securities clearing and settlement system akin to that of the US, overseen by a unified regulatory framework.

That the ERF exists at all in contradistinction to the ERT offers empirical support to the theoretical approach taken by van Apeldoorn and the Amsterdam school: dividing capital according to its basic function as productive or financial. If the ERF were to get its way – and there are good reasons to expect such an eventuality – then even the embedded neoliberalism described by van Apeldoorn would be under threat to the extent that its embeddedness was seen as a hindrance to accumulation by an empowered transnational financial-capitalist class fraction. Productive capital would be even more subsidiary in the capitalist pecking order, whilst labour would be further cowed.

The constitutional convention led by Valéry Giscard D’Estaing has now formulated the framework by which a newly-expanded European Union will operate, subject to the ratification of member states. The position of the European Commission in all this
has come under severe scrutiny, with many key players arguing for a ‘Europe of nation states’ rather than a greater centralisation of power in the Commission. But prominent among the Commission’s supporters in this struggle are not only the smaller EU member states, afraid of losing their institutionalised ability to influence the EU agenda to France, Germany and Britain, but also the ERT and ERF.\textsuperscript{39} As van Apeldoorn makes abundantly clear, this is in good measure because of the Commission’s accessibility to these bodies and its unique position in setting the policy agenda within the EU. A weakened Commission would be a weakened neoliberalism, albeit temporarily, for it would also weaken the EU’s ability to present a united front against a US determined to impose its global agenda, whether in matters of trade (genetically modified foodstuffs), security (access to oil) or finance (dollar hegemony), especially when differences between member states would be exploited by the US, as happened during the invasion of Iraq.

Van Apeldoorn offers one scenario where all roads do not necessarily lead to US-sponsored-and-administered neoliberalism, with its emphasis on the shareholder value cult:

we might see the return of a convergence of interests between (the management of) industrial capital and labour, whose interests are of course directly threatened by shareholder capitalism, the two sides uniting against the rentier fraction of the capitalist class. (p. 189.)

Nowhere is this scenario more likely to occur than in Germany, yet its moment has, in all likelihood, already passed.\textsuperscript{40}

Schröder began his election campaign in 2002 by attacking the intrusive and overbearing European Commission, striking a very nationalist tone. His subsequent refusal to countenance German involvement in the invasion of Iraq was an opportunity for him to link opposition to neoliberalism with opposition to US imperialism, via a progressive nationalism that could unite the powerful German labour movement (Schröder’s ultimate political base) with the capitalists of the Mittelstand, Germany’s small-to-medium enterprise sector, against a financial sector eager to escape from the restrictions imposed by Deutschland AG. Eyeing enviously the pools of capital available in the US, and zealously restructuring with a view to competing for them, German banks are gradually withdrawing from their traditional role as long-term financiers of industry. Instead they are demanding higher returns, in line with those expected by their US and British counterparts.\textsuperscript{41} This will improve their competitiveness.

\textsuperscript{39} Betts 2002c.

\textsuperscript{40} In the jockeying for position prior to the next election, coupled with its effort to shore up its traditional support base, SPD figures have made overtly hostile criticisms of what are mainly US private equity investors presently circling German companies and assets. The electoral instincts of the SPD leadership are sharp, but their record of prolonged economic stagnation has reduced their credibility in the eyes of the electorate. See Williamson 2005.

\textsuperscript{41} Joseph Ackermann, CEO of Deutsche Bank, has declared it his priority to raise the share price of the bank, in line with the precepts of the 1990s shareholder value cult (Major 2002).
However, it is disastrous for the long-term prospects of the Mittelstand, which must now contemplate relocating production to cheaper labour sites or simply selling out altogether. But instead of the banks and the neoliberal agenda getting the blame for this state of affairs, opprobrium instead is heaped upon the unions and the welfare system, which must be ‘modernised’ (i.e. cut) in order for businesses to be more competitive. Weakened by his SPD-Green coalition’s wafer-thin majority, Schröder has chosen the path of political suicide by accepting the conventional prognosis of crisis and prescription of ‘reform’. In so alienating the unions, he loses the one sector of political support absolutely vital to his survival. More importantly, he has surrendered the ability of Germany to withstand the neoliberal onslaught, barring the ability of the labour movement to resist. But, with the state now allied fully with capital, the chances are slim. The situation is closest to that faced by UK Prime Minister James Callaghan after the IMF’s imposition of conditionality on Britain in 1976, alienating the Labour government from its natural support base and heralding the Thatcherite restructuring (class war from above) of the 1980s.

Thus, the stage seems set for a remaking of the Atlantic ruling class, albeit one in which US primacy is more rigorously enforced than before. And fully participant in this will have been European transnational capital, productive and financial, the former an unwitting dupe in its own eventual destruction by the latter.

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Evald Ilyenkov’s Philosophy Revisited
Edited by Vesa Oittinen
Helsinki: Aleksanteri-instituutti/Kikimora Publications, 2000
Reviewed by Paul Dillon

The essays collected in this volume were originally given as papers at a conference held in Helsinki on the 7–8 September, 1999, devoted to the ‘reconsideration’ of the Soviet philosopher, Evald Vassilievich Ilyenkov (1924–79). In the English-speaking world, Ilyenkov has received attention primarily among psychologists and social theorists influenced by the theories of the Russian Marxist psychologists Lev Semionovich Vygotsky, Alexei Nikolaevich Leontev, and Alexandr Romanovich Luria.\(^1\)

Ilyenkov’s materialist interpretation of dialectical logic – the method of ascent from the abstract to the concrete – and his ‘concept of the ideal’, share fundamental elements with Vygotskian lineages in psychology and with activity theory, concerning the social origin of the mind. In some respects, Ilyenkov could be considered a thinker of Vygotskian vintage, although, unlike Vygotsky’s direct heirs, he devoted himself to a number of problems that had been dogmatically suppressed since the 1920s. He considered himself to be following Lenin’s challenge to come to terms with dialectical materialism as the materialist reading of the Hegelian logic.\(^2\)

The contributions gathered in Evald Ilyenkov’s Philosophy Revisited converge on several fundamental themes: Ilyenkov’s social and historical situation with respect to Soviet theoretical orthodoxy; the possible relationships between Ilyenkov’s original ideas and social theory or philosophy; and the critique, from an Ilyenkovian perspective, of the postmodernist enchantment with the text. Two contributors critically develop the central elements of Ilyenkov’s theories of the ideal and dialectical logic. The volume includes highly technical articles in English, German, and Russian, and should not be considered an introduction to Ilyenkov’s philosophy, although several of its contributions expound specific areas of his philosophy in detail.\(^3\) The collection provides

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\(^1\) The only major English work on Ilyenkov, David Bakhurst’s Consciousness and Revolution, was completed while its author held the post of assistant professor at the University of California, San Diego, where under the leadership of cultural psychologist, Michael Coe, the Vygotskian and activity-theoretic directions have been actively pursued and propagated.


\(^3\) Both Ilyenkov’s Dialectical Logic and a version of his paper on the concept of the ideal, are available on line, and provide quite accessible and excellent introductions to his thought (see Ilyenkov 1977a and 1977b).
knowledgeable readers with an overview of the ways in which the work of this important (and largely unknown) Marxist philosopher are currently being used in psychology, philosophy, criticism and practical research. In the opening words of Ilkka Niiniluoto, the Ilyenkov symposium was an example of an effort ‘to distinguish the genuine philosophical ideas from the particular... politically correct form in which they were dressed in the historical contexts’ (p. 8).

**Ilyenkov’s social and historical context**

It is not uncommon for the work of creative thinkers and researchers from the former Soviet Union, Vygotsky and his successors in particular, to be given an ‘if only’ treatment: ‘if only these great thinkers had the advantage of having worked in better conditions (a nice advanced capitalist society, say), without the constraints of Soviet orthodoxy, etc.’. Yet it is becoming increasingly clear that the advances that Vygotsky, Leontev, and Luria made in developing the dialectical-materialist psychology (the same that the Vygotsky-inspired psychologists have appropriated) were products conceived and intended as elements for the creation of a socialist society and a new socialist human being.

Evan Van der Zweerde’s contribution describes the complexity of the issue of ‘philosophical culture’ in general, and of Soviet philosophical culture between the 1950s and 1970, in particular. He writes that

philosophical thought, because it is radically free in both its form and its content, is potentially subversive in its function, and hence presents a danger to any established order. (p. 61.)

One must ask whether and how genuine philosophy can be practised under conditions of dogmatic censorship such as those present in the Soviet Union during Ilyenkov’s lifetime.

For van der Zweerde, Ilyenkov’s life and work throw light on Soviet philosophical culture. He attributes Ilyenkov’s failure to extend his philosophical inquiries in the ‘obvious’ directions of critical social and political philosophy, as had philosophers in Poland and Yugoslavia, to his loyalty ‘to the idea of a society that “real existing socialism” was the imperfect realization of’ (p. 67); in other words, the Soviet Union. While the philosopher’s own creative and individual voice clearly stood out against the background of the ‘omnipresent langue de bois’ of official Soviet philosophy, it was not able to influence large numbers of students, mainly due to the isolation into which Ilyenkov was forced when he was deprived of the right to teach. This lack of influence was even greater at the international level. Like many Marxists philosophers in the

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4 For example, Wertsch 1985.
West, Ilyenkov was deeply concerned with the relationship between Spinoza and Hegel and ‘the related question of the feasibility of a materialist dialectic’ (p. 69). But his publications on this were, apparently, totally unknown to many Western Marxists who tended to be dismissive of Soviet Marxism. Van der Zweerde concludes:

On the whole, Ilyenkov can be regarded as a truly tragic figure, whose career and fate demonstrate that it was impossible to be at the same time a fully respectable and accepted member of Soviet philosophical culture and an independently thinking philosopher. . . . He tried to be a Soviet Marxist-Leninist philosopher, and fully demonstrated the contradictions contained in that expression. (p. 70.)

Ilyenkov’s philosophy sprang forth in the sterile terrain of Stalinist official ideology. While some see it as a resurgence of philosophical directions suppressed during the Stalinist period, Vesa Oittinen suggests that it is also reasonable to link it to currents in Western Marxism, in particular, to the late Lukács.5 Although Lukács may not have directly influenced Ilyenkov, there are parallel strands in their philosophical view, notably, the parallel between Ilyenkov’s concept of the ideal and Lukács’s insistence in his Ontology that logical categories are, in reality, not purely logical, and must be understood as forms of presence and determinations of existence. For Lukács, categories were not merely subjective forms, also existing outside individual subjects in society. Ilyenkov presents a similar perspective:

The forms of thinking, the categories, were not understood as mere abstraction from sensibility conceived of in an unhistorical way, but primarily as conscious reflection of the general forms of the sensible-objective activity of social man. (p. 12.)

Oittinen finds two paradoxes in both Lukács’s and Ilyenkov’s social ontology. Firstly, this ontology really reduces to a form of ‘philosophy of identity’, in which the differences between subjective and objective, ideal and material, disappear. Without some ‘material’, how can one have materialism? Secondly, and if, as Lektorski maintains, Ilyenkov’s notion of the ideal can be compared to Karl Popper’s ‘third world’, one will have to account for Popper’s rabid anti-Hegelianism cohabiting with Ilyenkov’s committed Hegelianism.

Oittinen traces the sources of these problems to an ‘unsolved conflict’ at the very root of the Soviet philosophical programme that can be illustrated in Lenin’s philosophical work. In Materialism and Empririo-Criticism (1909), Lenin had defended

5 Ilyenkov ‘while still only a student . . . was planning to translate Lukács’ Young Hegel into Russian, and sent him a letter requesting some assistance. Lukács referred Ilyenkov to Mikhail Lifshits, who lived in the same town as Ilyenkov, although the latter had never heard of him’ (p. 10).
‘materialism as it was understood by the “orthodox” theoreticians of the Second International, such as Kautsky and Plekhanov’ (p. 14). By 1914, however, it became clear to him that ‘a new epoch had begun’, an epoch of imperialism and proletarian revolution. As such, he began to search for ‘an expression for the active role of the subjective factor in history’. Lenin’s *Philosophical Notebooks*, written in 1916, reflect his attempt to navigate a course between the ‘Scylla of objectivism’ of the Second International, and the ‘Charbydis of subjectivism’, the illusion of voluntarism, anarchism. As a consequence, Oittinen considers Lenin’s work only ‘half-done’, the ‘*fundamentum inconcussum*’ of Soviet philosophy was much more labile than generally assumed (p. 15). Furthermore, the paradoxes in Ilyenkov’s ‘situation in the field of the Soviet society and culture in general’ complement those of his social ontology. His life and work expressed the goals and flaws of the Leninist experiment in constructing an alternative form of modernity. Ilyenkov was not a Soviet dissident, but a member of the 1960s generation, the *shestidesiatniki*, who ‘aimed at reform of the everyday socialism by reviving the critical potential of Marxism which had petrified in clichés in the hands of Party ideologists’ (p. 18). Remaining true to the system meant imprisoning oneself in an illusion. This insight compares on a social-psychological level with Bakhurst’s considerations on Ilyenkov’s inability to appreciate modern art, and his commitment to classical aesthetics (more of which below).

**Ilyenkov’s philosophical and theoretical context**

Novakhatko’s contribution to the volume, ‘Ilyenkov and Spinoza’, looks at Spinoza’s role in Ilyenkov’s theoretical orientations. As the author argues, Ilyenkov ‘initiated a series of new, completely original aspects of research into Spinoza’s ideas which nobody had ever seen in the *Ethics* before’ (p. 294). For Ilyenkov, the principle of historicism preceded the nineteenth-century positions of Marx and Darwin, and has its roots in Fichte and Hegel. Historicism, as a central problem of contemporary psychology, cannot be satisfactorily understood without an appeal to the Fichtean legacy (p. 295). Fichte was the first to reveal the incomplete nature of a conceptual dialectic, reflecting the unconditional (absolute) limits of the relationship between teleology and causation, in the systems of Spinoza and Leibniz. The historicism of method is its dialectical character: the ability to hold fast to the contradiction and, speaking in the latest Hegelian language, resolving it.

Ilyenkov saw Vygotsky’s genius in his ‘going back to Spinoza’, and thereby opening up new horizons for psychological science. Vygotsky’s Spinozism gave great results
in concrete psychological investigations. But Vygotsky’s reflections on fate and free will are particularly interesting:

At this point, in our investigation a philosophical perspective opens out before us. For the first time in the process of psychological research the possibility appears of resolving a purely philosophical problem by means of psychological experiment and empirically demonstrating the origin of human free will. We propose to do this in another work specially devoted to philosophy. But we cannot but note that we have arrived at the same understanding of freedom and mastery over oneself that Spinoza developed in his ‘Ethics’. (Cited on p. 297.)

David Bakhurst dedicated his contribution to Ilyenkov’s aesthetics. In his prior work, he has explored in depth the two central elements of Ilyenkov’s philosophy of knowledge and ontology: the ideal and the movement from the abstract to the concrete. Here, he approaches Ilyenkov’s aesthetics ‘in search of a new perspective on his thought’ (p. 24).

Of Ilyenkov’s several papers on art, Bakhurst selects, ‘What’s There, Through the Looking Glass?’ (1969), ‘which displays some of the best of Ilyenkov’s philosophical style, and some of the worst’, but which also seems ‘to cast his entire philosophy in an unfavorable light’ (p. 25). According to Bakhurst, Ilyenkov endorses an ancient solution to the question of the relation between truth, goodness, and beauty: all three spring from the same source. For Ilyenkov, this source is human activity. Science, morality, and art are three different expressions of human self-consciousness. When the relations between human beings and with nature are harmonious, ‘the images of these three disciplines will coincide, and truth, beauty, and goodness will seen to be one’ (p. 26). This position requires Ilyenkov to define a criterion to determine what is ‘real’ or ‘proper’ art. Genuine art cannot be immoral, since ‘immoral art is always false art’. Art that reinforces false conceptions of the world is likewise bogus.

The result seems to be the view that genuine art is distinguished by the contribution it makes to human flourishing, to the furtherance of free and fulfilled humanity. (p. 26.)

Ilyenkov’s reactions to pop art, in particular to Andy Warhol, provide Bakhurst a ‘mirror’ for further exploring the philosopher’s aesthetics. In 1964, Ilyenkov attended a pop-art exhibition in Vienna where after a short time he found himself ‘overcome with a mixture of disgust, dismay, and abhorrence’. He found pop art depressing because ‘it is a true reflection of the world, it simply serves to affirm and perpetuate that mindless world’ (p. 27). Bakhurst grants that the phenomena of pop art does

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reflect something of the social reality of the 1960s, but rejects this explanation as ‘unduly sympathetic’. There are other possible reasons for the philosopher’s reaction. Firstly, Ilyenkov saw no place for non-representational art. He tolerated modernist art, but only where it reflected a social reality, as in Picasso’s Guernica.

As Ilyenkov sees it, if art does not reflect reality then its purpose can only be to amuse or entertain, and the latter role is far to frivolous to be the essence of art. (p. 29.)

Secondly, although the ‘contribution to human flourishing’ criterion of authentic art might be defensible, Ilyenkov did not address the political implications of this position; he made ‘no attempt to acknowledge how arbitrary such criticism can be and how much damage it can do to the entire intellectual culture’ (p. 29).

Having developed this socialist-realist interpretation of Ilyenkov’s aesthetics, Bakhurst cites two earlier articles that raise doubts as to whether Ilyenkov’s aesthetics are well represented in the 1969 piece. In these earlier articles, Ilyenkov still accorded art the purpose of developing the productive forces of humanity, but in the sense that it cultivates in us ‘a form of aesthetic sensibility that enables higher forms of perception’, that

art develops a universal sensibility, by means of which human beings enter into active contact [дественний kontakt] not only with each other but also with nature. (p. 30.)

For Bakhurst, Marx’s vision of non-alienated labour, his famous example of an individual doing different activities throughout the day in a communist society, lies behind Ilyenkov’s insistence on universal aesthetic sensibility. The division of labour and specialisation hinder the plasticity necessary for the mind’s adaptation to changing reality. Art enables us to break out of the cognitive patterns inscribed in our specialised activities.

These aspects of his earlier aesthetic writing enable Bakhurst to ‘better understand Ilyenkov’s hostility to modern art’ (p. 33). For one thing, modernism, consciously conceived as a break with tradition, does not fit within Ilyenkov’s ‘vision of the history of art as a coherent, ever expanding and developing a repository of resources for the education of the senses’ (p. 33). But also, whereas Ilyenkov looks to art to cultivate creative imagination, modern art conflates imagination and arbitrariness and does not submit imagination to ‘the service of genuine freedom, which is always constrained by reason’ (p. 34). Bakhurst deems the aesthetics presented in the earlier articles a ‘defensible and far from a crude, unreflective reduction of the aesthetic to the political’. For Ilyenkov, free, creative activity represents the fullest expression of life; it is a life-principle. Such activity
is only possible in a world laden with significance through the very 
objectification of human agency, the process which, as it were, gives life to
reason. (p. 35.)

Bakhurst states that Ilyenkov’s response to the problem of the ideal, the topic on
which most of the other symposium members focused directly, ‘can be seen as an
attempt to explain the origin of this principle, one that explores how free, creative
activity develops’ (p. 34).

**The Vygotskian principle**

In addition to its disciplinary embedding in the philosophical tradition in general,
and dialectical materialism, in particular, Ilyenkov’s work has significant relationships
to the psychological schools originating in the theories of the Russian psychologist,
Lev Vygotsky. Articles by Wolfgang Jantzen, Jan Derry, and Nicolai Veresov, all explore
the interconnections between key ideas in Ilyenkov’s philosophy and the Vygotskian
heritage.

Like Novahka’tko, Wolfgang Jantzen focusses on Ilyenkov’s use of Spinozan arguments
and suggests that the ideas of Vygotsky, Ilyenkov, Galperin, and Mescheryakov can
be understood as different explications of the Spinozan project of a non-classical (or,
in other words, non-Cartesian) philosophy and psychology. The relationship with
Spinoza is fundamental. Ilyenkov followed Hegel in his assessment that all modern
philosophy must take its point of departure in Spinoza and his radical monism.

On the other hand, Nikolai Veresov’s ‘Vygotsky, Ilyenkov and Mamardashvili:
Searching for the Monistic Theory of Mind (Methodological Notes)’ challenges a
prevalent belief that Ilyenkov is the ‘philosophical spokesman of the Vygotsky school’.
Whereas both Vygotsky and Ilyenkov maintained monistic theories of the mind,
Veresov proposes these are ‘different types of monism’ and for this reason [they] cannot
be considered to constitute a single school’ (p. 137, emphasis in the original). The
monistic basis is the same for both: the social origin of mind. Beyond this point,
however, the differences become significant. Ilyenkov holds that all specifically human
mental functions are internalised forms and modes of man’s activity as a social being.
Veresov reminds us that, according to Vygotsky, social relations ‘embrace more than
activity and should not be limited to activity’ (p. 139, emphasis in the original). For
Vygotsky, the point is not

the social origin of the mind but rather that the external and the internal
are viewed as two forms of existence of human mind, as two modes of the
same higher mental (social) function. (p. 135.)

Vygotsky’s psychology differs from both Ilyenkov’s philosophy and Leontev’s activity
theory. For both Ilyenkov and Leontev, activity is not simply a super-category, as with
Vygotsky, but a substance from which both subject and object derive. For Ilyenkov and activity theory,

The process of internalization is not the transferal of an external activity to a pre-existing internal ‘plane of consciousness’; it is the process in which this internal plane is formed. (p. 138.)

Veresov identifies this difference as ‘methodological’ versus ‘substance based’ monism.

Although the limitation imposed to activity by ‘social relations’ may be fruitful for philosophy, it constitutes a barrier for psychological description that lead to two ‘unavoidable’ contradictions: firstly, external activity is the process in which the internal is formed, although goal-directed activity also requires the internal plane; and, secondly, the structure of consciousness includes meanings \(znachenia\), and personal sense \(lichnostie smysli\). Meaning has a non-personal existence that personal sense lacks. This presupposes an element in the structure of consciousness that does not originate in social relations.

Does this mean that a monistic theory of mind is simply not possible? Veresov thinks it is not, and points to Merab Mamardashvili’s ‘psychology of consciousness’ as overcoming these contradictions with the proposal that ‘man and the social-cultural world together constitute a single system’ (p. 140). Consciousness is precisely the ability to experience those things or states of mind \(sostoiania\) not accessible through natural means as a result of physiological mechanisms. Rather, consciousness has its ‘body’. This body possesses extension, volume and movement. It is the collective ‘body’ of a history offering to us [a] certain environment of utensils and ‘tools of the soul’. (p. 141.)

One consequence of this position is that the symbols of culture contain more information about consciousness than the structure of the brain. Mamardashvili comes closer to Ilyenkov, according to this analysis, in the continuation of Vygotsky’s efforts to develop a monistic theory of mind.

**Mediating Ilyenkov**

Several contributors explore possible articulations of Ilyenkov’s philosophy with contemporary social theory outside the Vygotskian activity-theoretical schools of psychology and developmental research. Jussi Silvonen proposes ‘one simple picture’ of Foucauldian games of truth, a diagrammatic representation of the interrelations between Foucauldian power-domains and ‘games of truth’, which can supplement the analyses of the distinct ‘forms of activity’ that are central to Ilyenkov’s theory of the ideal (p. 103). Based on the analyses of the relations between subject, knowledge
and power, Foucault’s *oeuvre* concerns three technologies of truth: techniques of self, techniques of discourse, and techniques of government. The point of articulation between Foucault and Ilyenkov centres on the former’s claim that truth can and must be analysed in every manner of speaking, doing or behaving. In this sense, truth is understood as the very form of action. Since Ilyenkov’s key contribution, according to Silvonen, is the impossibility of separating ideal and practical activity, attention to Foucault’s specification of domains in games of truth might orient the continuation of the Ilyenkovian project into analyses of forms of activity, other than those of economic forms (value) taken from Marx’s *Capital*.

Silvonen makes another critique common to those who would mediate or cross-fertilise Ilyenkov with other trends in contemporary social theory:

> the Soviet philosopher failed to develop a concrete methodology for empirical research. . . . What is lacking is the mediation between theory and actual research activities. (p. 106.)

This conclusion parallels Bakhurst’s more detailed critique of the shortcomings in Ilyenkov’s account of contradiction: the central category of dialectical logic.\(^8\)

In ‘Semiosis and the Concept of the Ideal’, Tarja Knuutila explores Umberto Eco’s semiotic theory from the perspective of Ilyenkov’s theory of the ideal. Eco interprets the act of producing meaning in terms of the metaphor of artistic production, although most day-to-day production and use of meaning is conventional. A key problem in Eco’s theory concerns how and why the fruits of individual production that link the fundamentally self-enclosed worlds of semiosis ever become conventionalised. Eco develops the concept of ‘the encyclopedia’, ‘a self-sufficient, self-referring world of our semiotic systems’ (p. 192) to account for the process. However, the problem remains as ‘what keeps the coded . . . meaning-relations from collapsing and prevents this semantic/semiotic universe from turning into chaos?’ (p. 194).

Knuutila suggests that Ilyenkov’s concept of the ideal might resolve the difficulty. Eco loses sight of the social production process, or activities through which these artefacts assume conventional meaning. In fact, there are no such things as meanings existing independently of our life activities. Ilyenkov’s contribution is an elaboration of Marx’s basic insight:

> the history of industry and the established objective existence of industry are the open book of man’s essential powers, the exposure to the senses of human psychology . . . in the form of sensuous, alien, useful objects. (p. 198.)

The fundamental insights in Eco and Ilyenkov are the same: meanings, or the ideal, are objective phenomena, the explanation of which does not need any recourse to

mental phenomena or operations of the brain. On the contrary, mental phenomena should be explained with the help of intersubjective meanings that are embodied in material things.

In spite of this overt similarity, Knuutila states that Eco’s theory in fact detaches the sphere of meanings that make up the ideal, from their material embodiment in our actions and things. But the author warns against the idealist temptation to hypostatise meanings and criticises Peter E. Jones’s elaboration of the relationship between tools, symbols and ideality on two grounds. Firstly, for making the ideal a property per se. Knuutila argues that since the ideal ‘dwell in the relationship of representation that is always in a state of becoming’, since the ideal is something fluid, it cannot be ‘a property of a thing in the same way as the physical properties of things are’. Secondly, Knuutila criticises Jones for making the ideal a property of words and symbols, making language secondary to tool-making and tool-using. Similarly, with respect to the primacy of tools: any ‘first’ genuine tool had to carry in itself already an elementary sign function. Otherwise, it could not have been recognised as a tool of its kind. The theoretical narratives of origin should not usually be interpreted as histories. The fundamental relation between universal and particular grows from an elementary function in the tool itself.

Matti Vartiainen’s contribution compares Ilyenkov’s theory of the production of the ideal, with the knowledge creation-model of Nonaka and Takeuchi: and poses them as alternative yet comparable approaches in overcoming Cartesian dualism. While there is much potential in this attempt to relate the Western dialectical tradition to a model that is self-avowedly based on what Nonaka and Takeuchi call the ‘Japanese tradition’, a lack of coherence in the overall presentation and some dubious interpretations of Ilyenkov’s understanding of the ideal and its relationship to language, might leave the reader somewhat mystified as to what has been gained through the exercise. The author states that Nonaka and Takeuchi provide a clear theory of concept formation as a cyclical movement between tacit and explicit knowledge, in which ‘dialogue’ plays a central role, pointing to the historical-developmental characteristic of the concept that is central to Ilyenkov and the dialectical tradition since Hegel. But the abstract, decontextualised description of Ilyenkov’s theory of the ideal prevents a consistent comparison. It is simply not the case, as the author claims, that Ilyenkov fails to define the ‘concept clearly’ (p. 170 and p. 163). The total absence of reference to ‘The Dialectics of the Abstract and the Concrete’, the main work where Ilyenkov develops his theory of the formation of scientific concepts, limits the potential cross-fertilisation. On another level, the effort to link Ilyenkov with Nonaka and Takeuchi contains a certain ironic symmetry of its own: Ilyenkov struggled throughout his career against bureaucratic philosophy in an effort to further a socialist ideal, while

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9 Jones 1998.
the theories of Nonaka and Takeuchi have provided a model for dismantling unwieldy corporate bureaucracies with the aim of creating more efficient capitalist organisations in the West.

In light of the centrality of Marx’s theory of value to Ilyenkov’s theory of the ideal, Pertti Honkanen, an economist, provides a useful contextualisation of Ilyenkov’s theories in relation to the way past and present Marxist economists have approached value theory, the Marxian lynchpin of Ilyenkov’s work. He begins with a Brechtian classification: there is Marxism without Ricardo and there is Marxism without Hegel. An economist who analyses his subject-area as a system of quantitative relations between economic categories, rather than the categories themselves, ‘soon forgets Hegel and finds much in common with the Ricardian deductive way of thinking’ (p. 266).

Ever since Engels published his annex to the third volume of *Capital*, there has been intense disagreement amongst economists over the logical and historical character of Marx’s analyses, especially regarding the analyses of the commodity in the first volume. The extreme positions around this problem are well known (Althusser versus E.P. Thompson), but Honkannen believes that, in general, the fundamental question: ‘What is the interrelation between the logical and the historical in the economic theory of capitalism?’ (p. 270) has remained unanswered, with the ensuing confusion between logical and historical approaches. For Honkannen, Ilyenkov clearly gives primacy to the logical school:

In his analysis of economic theories and categories developed by his predecessors (not only Adam Smith and David Ricardo but even Aristotle), Marx confidently applies the logical mode of critique, using the historical mode only occasionally and as an auxiliary one. (p. 206.)

In Japan, the Uno school represents ‘a radical break’ with the tendency of some analysts identifying with the logical approach to *Capital*, in order to dissociate themselves from Hegel. Rather, they seek to develop ‘a logic of pure capitalism, cleaned from all historical features and contingencies’ (p. 271), and reject the interpretation of the theory of capital itself as a theory of the history of capital. They constitute a brand of Marxism engaging with ‘very much Hegel and also with Ricardo’. To accomplish this, a theory of stages is inserted between the pure, self-contained theory of the capitalist mode of production and the concrete history of its development.

The points of connection between general economic theory and specific sociological (or political, socio-political, etc.) studies require a very careful definition. (p. 273.)

Honkannen provides an example of how this separation of economy and history can resolve the feminist criticism that Marxist theory contains some patriarchal foundations.
From the Unoist perspective, these ‘lapses’ in Capital are not part of the economic theory itself but of contingencies, while the law of value can adapt itself to many family types and gender relations.

Since the Unoist school does not ascribe any historical determinacy to the theory of capital, they avoid the dangers involved in the historical interpretation of Capital of predicting a breakdown of the system, one that clearly has not come about. This abdication of determination by the economic base fits well with contemporary directions in so-called ‘post-Marxism’.11 However, and in spite of the quoted statements on the role of logic and history in Marx’s analyses, Ilyenkov’s concept of historicism is more complex than the one Honkannen presents. Ilyenkov distinguishes between abstract and concrete historicism.

The historical development of a concrete whole, conceived in its essence and expressed in logical development does not coincide with the picture that is to be found on the surface of events. . . . The essence and the phenomena here also coincide only dialectically, only through contradiction.12 Marx considered this form of historicism, involving the grasp of ‘phenomena in the sequence [in which] they follow one another in historical time’, to be ‘inexpedient and wrong’. Nevertheless, Ilyenkov does identify a genuine historicism. In fact, the

Logical development of categories in the system of science corresponds to the genuine historical sequence concealed from empirical observation, but it contradicts the external appearance, the superficial [accidental] aspect of the sequence. . . . The correctly established logical order of development of categories in the system of science discloses the secret of the real objective sequence of development of phenomena.13

The ideal and the text

Several contributors indicate that Ilyenkov’s theory of the ideal provides a framework for the development of the critique of the poststructuralist position that all knowledge and spiritual activity can be reduced to arbitrarily motivated texts. Two of the contributors, Jan Derry and Felix Mikhailov, confront this issue directly.

Derry addresses herself in particular to the anti-foundationalism represented by Kenneth J. Gergen and Jay Lemke, who aspire to take elements of the Vygotskian psychology, while discarding those which affirm the primacy of the social, the existence

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of what they would call ‘meta-narratives’ and a ‘uniquely defined real’ (p. 148). Derry argues that this stance leads to a flawed interpretation of Vygotsky. In Gergen and Lemke’s frameworks, there is ‘no privileged relationship’ between word and world, no ‘material constraint’ on our thinking laid down by our cognitive activity in the world, no ultimate means for ruling among competing descriptions, of declaring one as corresponding more ‘truly to the nature of reality than another’ (Gergen, cited on p. 147). According to Derry, Vygotsky adopted Hegel’s position that ‘while we must be anti-foundationalist at the start we cannot but develop foundations for our knowledge as we proceed’ (p. 151). Consequently, Vygotsky’s understanding of what a concept ‘is and does’ is ‘far richer’ than the decontextualised, abstract form it becomes in the work of J.V. Wertsch, Jay Lemke, and Kenneth Gergen. In consonance with other contributors to the volume, Derry stresses the embeddedness of both Vygotsky’s concept and Ilyenkov’s ideal in human activity, which is the matrix of its dynamic character. Derry’s ‘note’ concludes with a discussion of the British philosopher, Joseph Dunne’s notion of the ‘rough ground’ involved in teaching, ‘the part of the pedagogic situation which cannot simply be made the object of analysis but must rather be lived through’. Both McDowell and Ilyenkov recognise a ‘conceptual content/the space of reasons existing materially in the world prior to an individual’s deployment of concepts’ (p. 154).

In ‘Dialectics as the Logic of Reflexive Thinking’, the contemporary Russian philosopher, Felix T. Mikhailov, evaluates the twentieth-century discovery/interpretation of the ‘text’ as intermediary between an individual’s thought and the objective, but ultimately unknowable, order of real processes in relation to Ilyenkov’s analyses of dialectical logic as ‘the logic of scientific knowledge’. In Mikhailov’s view, Ilyenkov correctly understood Marx’s Capital, insofar as it is a critique of the categories of bourgeois economics. Although ‘the unanalyzable atom of practical-spiritual being of people is nothing other than their addressing... one another and themselves’, this ‘addressing’ must not be identified with the text, whose real ideality is simply what is objectified and embodied in it in this mutual addressing.

Understanding thought in the development of its content is only possible through a reconstruction of the universal, spiritually transformed modes of address of people to one another as these are given in the objective conditions, means and forms of their physical existence, the nature transformed by their labour. Mikhailov sees Ilyenkov’s ‘turn to the categories of the abstract and the concrete’ in Capital as the first productive step in this direction. The ontological foundation of logic is not laid by psychology but rather in the ‘contradictory process of becoming and re-establishing of identity of man with his species’, the basic characteristic that Marx identified as the truly unique human characteristic: the species-generative social labour process. Thus understood, dialectical logic is a foundational ontology, the ‘logic of the intellectual and creative resolution of contradictions in being, not in speech’.
The social production of the ideal

Unlike the other contributions in the volume, which either provide historical and social context, or relate Ilyenkov’s ideas to those of other philosophers and social theorists, Peter E. Jones and Andrew Chitty focus their attention directly on the analysis and elaboration of Ilyenkov’s fundamental concept of the ideal. They approach Ilyenkov’s theory of the ideal from different directions: Jones from that of symbolic mediation and Chitty from the structure of the value-form, but they end up with complementary accounts of the dynamic process of how the ideal is generated through activity.

Jones argues that the appropriation of Marx’s analyses of value, as an example of ideality in general, is not simply a metaphorical extension of the philosophical concept. The money-form of value is a typical case of ideality for three reasons. Firstly, it has all the characteristics which traditional philosophy and theology attributed to spirit; secondly, it is a large-scale, thoroughly completed, socio-historical process; and, finally, it is an integral component of social production and not a ‘superstructural’ or ‘ideological’ phenomenon. Money arises as a means of satisfying a need that has become immanent in commodity circulation. This ‘symbol, this material sign of exchange-value, is a product of exchange itself, and not the execution of an idea conceived a priori’ (p. 209). The idea of money is not ‘conceived a priori’, but is a reflection in people’s heads of a real state of affairs outside consciousness that exists independently of reflection. Nevertheless, the ability of any commodity to stand for any other commodity can only become actual when consciousness of this existence is brought into the forms of action. Money steps out of the simple role of commodity exchange (C-M-C) and removes itself from circulation – comes into existence as an element that can only exist in circulation, but which is not strictly subject to the ongoing circulation of commodities. In fact, in so far as it becomes necessary for the production of commodities, it exercises power over their circulation.

The emergence of the symbol is not arbitrary but issues forth, out of the social process itself, as the resolution of a limit that appears as a contradiction; an irreconcilable antagonism. In so doing, it introduces itself back into the process from which it originated. In the case of money, not only does it re-enter the process as a commodity alongside other commodities, but it also becomes the commodity whose production, in turn, governs the movement of the system of commodity production as a whole. This process in which symbolic and ideal forms issue forth from systems of social action and, in turn, re-enter and assume a role in the movement of those systems Jones terms, after Ilyenkov, ‘the law of spiral development’ (p. 211).\(^{14}\)

\(^{14}\) The dialectics of all real development, in which the universal necessary condition of the emergence of an object becomes its own universal and necessary consequence; this dialectical inversion in which the condition becomes the conditioned, the cause becomes the effect, the universal becomes the particular, is a characteristic feature of internal interaction through which actual development assumes the form of a circle or, to be more precise, of a spiral which extends the scope of its motion all the time, with each new turn (Ilyenkov 1982, p. 115).
On the basis of this analysis, Jones proposes the following general properties of the process of symbolic mediation, as exemplified by Ilyenkov’s interpretation of Marx’s analysis of money: firstly, a thing is converted into a symbol due to its emergent role as a mediator in an existent system of relations; secondly, while the symbol does not create the matter or substance which it represents, it gives a new form of appearance to things involved in that process, and creates a new and additional link in the causal chain of action and reaction in the system; thirdly, symbolic mediation can only be understood by analysing the dialectical development of the system within which the symbol is generated; fourthly, the symbol is the objective form of existence of an ideal form or ideal image, in the case of money, the ideal interconvertibility or potential equivalence of all products of human labour; fifthly, the symbolic function, its power to stand for, its meaning, does not derive from its natural material properties but is a purely social product: sixthly, the ideal is an abstraction, the symbol is ‘a means to accomplish this abstraction’; and finally, the symbol, generated as a ‘middleman by the system’, reacts back on the system.

Jones’s analysis of symbolic mediation bears a close relationship to Andrew Chitty’s discussion of value-form and form of value. Chitty distinguishes two types of form in Marx’s discussion of value form. A commodity’s attributive value is the physical form of commodity A as expression of the value-form of commodity B. On the other hand, a commodity also has a predicative value-form, in which the physical object A refers to its own possible exchangeability, insofar as it expresses and embodies a social relationship. Value-form in the predicative sense is the non-physical form of a thing that can also serve as a model. In the words of Marx, ‘a commodity’s relation with another commodity haunts a commodity’s head’. The very fact of being related to another commodity already expresses a social relation. Equivalent value-forms represents a form of human activity; ‘a form of life activity’ taken shape ‘behind the back of consciousness’ (p. 237).

But where is this ‘behind the back’ constitution of value, the place where the ideal is generated? Is it the result of market-place exchange? Of Adam Smith’s hidden hand? Ilyenkov opposes this interpretation; labour itself constitutes the object’s value. Market exchange cannot sustain itself unless it is part of a totality of activities of production-with-the-aim-of-exchange. As a consequence, the value-form must represent both the social relationship between people and a specific form of labour. These two aspects are in constant interaction. The existence of the market which presupposes the exchange of equivalent values itself presupposes production for the market: production of value.

According to Chitty, Ilyenkov did not recognise that the value-form ‘is a specific social form rather than the physical form’. Value exists as an oscillation between the
physical form and the social form, ideality itself exists only in the constant alternation between the two forms of external embodiment without coinciding with either. Ideality mediates the constant alternation between value in the form of an activity and value in the form of a thing. To illustrate this interpretation, an example of ‘cutting form’, which alternates between the act of cutting and the cutting instrument itself. As a form of the activity, the knife/cutting form enters back into society and acts as a norm, as an ideal for both cutting and knives.

Applying Ilyenkov?

Reijo Miettinen addresses one of the most important issues for evaluating ‘the living and the dead’ in Ilyenkov’s work: the method of ascent from the abstract to the concrete (MAAC), as a practical issue of research methodology. A schematic description of MAAC contains three steps. First, one starts from an initial positing of a chaotic whole. Second, the determining categories are abstracted on the basis of research into the particulars that make up the initial chaotic whole; and, thirdly, the whole rises again, using the abstraction – to the concrete whole, this time as a rich totality of determinations and relations. Although Marx’s analyses in *Capital* provide an example of this approach, what is lacking are smaller-scale example, in experimental contexts.

MAAC concerns the development of true concepts. A concept’s truth is revealed in practice; its correspondence to an object is proved when a subject reproduces or creates an object corresponding to the concept that she has formed. Although this aspect remained marginal to his own work, Ilyenkov pointed to the experiments of Russian psychologist, Alexander Meschcheryakov, as practical confirmation of the fundamental ideas of his philosophy. That Ilyenkov interpreted Meshcheryakov’s experiments in this fashion shows that he regarded the ‘ascending to the concrete’ as taking place also through experimental activity, through directly observing how an evolving phenomenon takes shape in societal practice. (p. 114.)

Miettinen proposes a correspondence between the stages of Developmental Work Research (DWR) and those of MAAC. First, the ‘ethnographic’ stage in DWR corresponds to the ‘chaotic conception of the whole’ in MAAC. It consists of a process of description and interview in which ‘the multiple perspectives of various people in the community are depicted’ (p. 115). This could be said to correspond to the collection of data and exploratory studies. In the second stage, the fundamental principle that the structure of any activity system is dynamic and that its motion is manifest in the emergence and resolution of contradictions, guides the historical analysis of the development of the activity (object-historical analysis) and the development of the theoretical tools (theory-historical analysis) used to form of theoretical abstractions. This is a very
problematic point of the presentation. For Ilyenkov, Marx did not ‘form a theoretical abstraction’ of the concrete whole, so much as reveal the concrete universal (the ideal), which the social process of the development of capitalism had created and which, as such, provided the basis for an understanding of totality. In other words, if smaller groups do in fact constitute the space within which ‘germ cells’ are generated and therefore can, in fact, provide a suitable object of analysis for MAAC, the ‘theoretical abstraction’ that is arrived at through the historical analysis must be something that exists already as an element in the group, one that is, like commodity exchange, the defining relation of the system. When we pass to the third stage of the DWR, defining the hypothesis for reconstructing the activity, no comparison with MAAC is provided. The fourth DWR stage, the experimental testing of the hypothesis and ‘new instruments’ is compared to the third stage of MAAC, the passage from the abstract to the concrete itself.

The proposed matching of DWR to MAAC is quite problematic. I will give one example. Miettinen states, that

What is particularly challenging in the method, is the transition from analytical-theoretical work (of defining contradictions) into experimental activity. (p. 116.)

Yet it is precisely this step of DWR that is given no analogue in MAAC. It is not clear what distinguishes DWR from other models of scientific investigation and hypothesis testing. The terms ‘contradictions’ and ‘germ cell’ are not magical incantations, and their use does not create a methodology based on the method of ascent from the abstract to the concrete.

If DWR is in fact a practical implementation of MAAC, then the role and nature of the hypothesis are crucial since this corresponds to the ‘cell’ from which the rest of the system is to be deduced. Miettinen writes:

The working hypothesis can also be understood as a future oriented form of a germ cell. Its development and growth into more complex forms and concrete manifestations starts with experimentation. The experimentation may then lead to transformation, expansion and stabilization of the practice as suggested by the germ cell hypothesis. (p. 116.)

At this point, Miettinen seems to abandon Ilyenkov and MAAC. Instead of returning to Ilyenkov to attempt to recreate, on the basis of Ilyenkov’s other concepts, a methodology for generating hypotheses, the author invokes the Chicago pragmatists’ concept of the ‘working hypothesis’. Additional concepts and tools, drawn primarily from Vygotsky and Engestrom, in turn, complement the pragmatist element. These concepts and theories are used to generate ‘abstract hypotheses’, hypotheses that, through the analytic theoretical process can become the ‘working hypotheses’ or ‘germ
cells’ of developmental research. These concepts/tools include two important elements. Firstly, it includes the contradictions between the basic elements of the activity system that have been used to define the contradictions in a way that helps the community design the working hypothesis. Secondly, there are the concepts used to characterise the transition (for instance, Vygotsky’s ‘Zone Proximal Development’). To make a hypothesis a working hypothesis, one must construct a new object and motive for the activity by taking one of the elements of the activity as its starting point.

To illustrate this, a concrete example is taken from the use of DWR in the planning of new courses at the Helsinki Business Polytechnic (HBP). Historical and ‘actual-empirical’ analyses led to the identification of a contradiction between the school’s subject, text- and lesson- and teacher-dominated teaching practice, and the aim to understand and master the changing work life (p. 120). This pattern of school learning has been the focus of a great deal of research and specific activity-theoretical formulations.

The history of curriculum at the HBP showed ‘specific and historically unique forms’ (p. 122), on the basis of the identification of the key contradiction of learning as ‘decontextualized text turned into an object of activity’. The experimental-practical stage was implemented as the collaborative planning of large thematic curriculum units, intended to overcome the traditional teaching methods. During two years, the curriculum-thematic-unit’s planning was extended to all school subjects in HBP, but the basic contradiction persisted. A new analysis led to the conclusion that it is necessary to include people who actually work in the corresponding organisations outside of the school. A new hypothesis, the ‘network organization of the unit’, was implemented. Student teams worked with partner organisations and created ‘alternate enterprises’ in which they develop strategies and tools to deal with really occurring problems in the partner organisations.

It is not clear to this reviewer how DWR differs from action research or other systems of participatory planning. The ‘hypotheses’ that must reflect the ‘germ cell’ to be developed seem to be imported and not to emerge, as Jones or Chitty might put it, as an element of the process that returns back into the process, despite the pronouncement that this is in fact the case. The attempt to match DWR to MAAC seems forced and has obvious gaps (for instance, the generation of the hypothesis has no strict correlate in MAAC). Elsewhere, Miettinen has reported on this research without the slightest recourse to Ilyenkov’s theories.

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16 Engestrom 1987; Engestrom et al. 1999.
17 Miettinen 1999.
Conclusion

What is living and what is dead in Ilyenkov's philosophy? The contributions to this symposium reveal a range of interpretations and some outright disagreement, but affirm the vitality of core elements of that philosophy: the non-subjective nature of the ideal and the social construction of the mind. Although several of the authors find points of agreement between Ilyenkov and philosophers as different as Foucault and Eco, it remains unclear what these cross-fertilisations will yield, although they have some promise of overcoming the lacunae in social and political philosophy that were a consequence of Soviet philosophical culture. Jones and Chitty clearly demonstrate the research directions in which *sui generis* investigations of the ideal, working within a Marxist framework, might proceed. Ilyenkov continues to provide a philosophical framework for researchers working within activity theory and some Vygotsky-inspired directions in psychology. Unfortunately there is a gap between the sophistication of theoretical analysis of the ideal and its practical application in such approaches as DWR. In the end, however, this volume demonstrates the living relevance of the late Soviet philosopher's legacy to a wide range of contemporary theoretical discourses.

References


Marx’s Theses on Feuerbach identified *praxis* as the touchstone of his new philosophy. ‘Revolutionary’ materialism was neither detached contemplation nor blind mechanism, but the unity, the friction, of the two.¹ This unity threatens to become undone in the post-Soviet era. Marxism’s strength as a theory of capitalism and capital’s effects is widely recognised. But this has sparked little interest in Marxist politics. If Marxism is to speak to the changed conditions of the twenty-first century, it must draw on its neglected liberatory traditions. A rich history of independent radicalism has been overshadowed by the official Communist movement, but can form the basis for a profound renewal of revolutionary *praxis*.

The recently published *Power of Negativity* returns the reader to a specially fruitful chapter in Marxist history. Its author, Raya Dunayevskaya, was a key figure of what Harry Cleaver has called the ‘autonomist’ strain of Marxism.² In the decades after the Second World War, Dunayevskaya developed a philosophical and political perspective that rejected the Sino-Soviet bloc as ‘state-capitalist’ and called for a new society based on, and brought about by, the self-activity of workers, women, minorities, and students. *The Power of Negativity* brings together her work on dialectics in Hegel and Marx. While Dunayevskaya addressed a Cold-War context very different from our own, her philosophy holds, perhaps, even more value in post-Soviet times. Dunayevskaya’s emphasis on workers’ self-activity, race, and gender anticipated the polymorphous anti-globalisation struggles and Hardt and Negri’s ‘multitude’. But her view of Marxism as the creation of the freely associated seeks capitalism’s abolition in a way that Empire’s demands for a guaranteed income do not.

Born in the Ukraine in 1910, Dunayevskaya’s family later settled in the Jewish ghettos of Chicago, in the wake of the famines that had devastated the region.³ At an early age, Dunayevskaya took an active part in radical politics as member of the

¹ Karl Marx 1978, p. 143.
² Cleaver 2000. The term is used with reservation, as Dunayevskaya never described herself as an ‘autonomist’.
³ Bibliographical information taken from entry on Raya Dunayevskaya in Schultz and Hest 2001.
Communist Youth Organization in the early twenties, and as a regular contributor to the newspaper of the American Negro Labor Congress, the Negro Champion.\(^4\) When, in 1928, Stalin had Trotsky expelled from the Party, and Dunayevskaya urged her comrades to listen to Trotsky’s response, she found herself thrown out of the Communist movement as well. Thereafter, she became involved in Trotskyist circles, working as a Russian language secretary to the famous revolutionary in 1938, and, despite the break with him over the nature of the Russian state, participating in the Trotskyist Socialist Workers’ Party during the next decade and a half. It was within this sphere that Dunayevskaya met Trinidadian Marxist C.L.R. James, with whom she was to form the State-Capitalist or Johnson-Forest Tendency inside the SWP.

As part of her work for the Johnson-Forest Tendency, Dunayevskaya translated Lenin’s ‘Abstract of Hegel’s Science of Logic’ into English. Dunayevskaya would later insist that, as opposed to Lukács’s History and Class Consciousness, Lenin’s ‘Abstract’ was the starting point for all Marxist understandings of Hegel; and, though not a Leninist herself, her work is unimaginable without his influence (p. 216).\(^5\) After James had been expelled from the United States and the Johnson-Forest Tendency was dissolved, Dunayevskaya established the News and Letters Committees in Detroit. From then on, her philosophical work beared closely on the organisational work of the committees, and the committees were thought to concretise the philosophy she would call ‘Marxist-Humanism’.

The term ‘Marxist-Humanism’ comes from her first book, Marxism and Freedom, which sought ‘to re-establish Marxism in its original form, which Marx called ‘a thorough-going Naturalism, or Humanism’.\(^6\) Dunayevskaya developed this philosophy through the course of three major works, each relating to a different subject. Marxism and Freedom saw ‘the movement from practice’ as decisive for Marx’s entire thought, from his early to his later works. Marxism, she argued, was not about suppressing market forces, or state-ownership of the means of production, but about ‘freely-associated labor’ at the point of production. In light of the many abortive revolutions of the twentieth century, Philosophy and Revolution posited the necessity of a philosophy of revolution: the dialectics of negativity as developed by Hegel and concretised by Marx. Absolute negativity, she argued, would explode each retrogression in the revolutionary movement. Rosa Luxembourg, Women’s Liberation, and Marx’s Philosophy of Revolution evaluated the life and work of Rosa Luxemburg, criticising – albeit sympathetically – her perspective on feminism and the anticolonial struggles, and contrasting this with the ‘new moments’ in Marx’s Ethnological Notebooks.

\(^4\) Dunayevskaya’s affiliation with African-American politics was to last a lifetime, and led to her path-breaking work on the early abolitionists, Marx’s writings on the American Civil War, and the ‘two-way road’ between African revolutions and the African-American civil rights struggles. See Dunayevskaya 1983.

\(^5\) Presumably, this did not mean that Lenin superceded Marx’s critique of Hegelian dialectics, but that his work provided for a new interpretation in the postwar reality.

\(^6\) Dunayevskaya 2000, p. 21.
The essays comprising this latest book, *Power of Negativity*, span the length of Dunayevskaya’s career. In general, they are more philosophy proper than its historic concretisation, and present Dunayevskaya’s thought in a much-needed spirit of abstraction. While the debate over Mao’s China seems firmly settled, the nature of dialectics provokes heated argument to this day. The editors have selected from a wide range of material, published articles, lecture transcripts, works in progress, and her correspondence with comrades in *News and Letters*, as well as with scholars such as Erich Fromm and Herbert Marcuse. *The Power of Negativity* follows the development of Dunayevskaya’s thought on Hegel and Marx. This development reflected her historical context, but always in relation to Dunayevskaya’s earliest work on Hegel’s Absolutes, which was decisive for her thought.

Dunayevskaya’s original contribution developed from her work on Hegel’s Absolutes. Following Engels, most Marxists have divided Hegel’s philosophy into method and system. While Hegel’s method, dialectics, is a revolutionary theory of change through contradiction, his system provides a reactionary defence of the Prussian state and the Christian religion. Adorno’s *Negative Dialectics*, so removed from Engels’s popularising style, nevertheless appropriates the latter’s argument whole:

> Although the structure of [Hegel’s] system would certainly collapse without this principle [positive negation], dialectic’s experiential content does not come from the principle but from the resistance of the other to identity.\(^7\)

Dunayevskaya rejected this interpretation. She saw in Hegel’s Absolutes the abstract expression of the ‘new society’ brought about by free proletarian subjectivity. How could she have arrived at such a singular view?

First of all, one must understand Dunayevskaya’s approach to reading Hegel, which was profoundly historicist in outlook. Hegel’s philosophy came of age in the period after the French Revolution and before the development of mass working-class activism. A Jacobin, Hegel felt that he had witnessed a new era in the history of humankind, a ‘birth time of the spirit’, calling for new concepts and categories to describe it. Chief among these was an idea that shook the *ancien régime* to its foundations, the notion of freedom. To a previous metaphysics of substance and necessity, Hegel posed the self-thinking idea, the notion, or freedom:

> If to be aware of the idea – to be aware, i.e., that men are aware of freedom as their essence, aim, and object – is a matter of *speculation*, still this very idea itself is the actuality of men – not something which they have, as men, but which they are. (Cited on p. 34.)

Hegel strove to express the Spirit’s new actuality in his philosophy. But, according to Dunayevskaya, because he lacked the example of a working class, in and for itself,

\(^7\) Jarvis 1998, p. 173.
Hegel fell back on mere philosophy, leaving actuality untouched. Hegel’s historical vantage point prevented him from seeing in the nascent working class a richer, more concrete manifestation of the new spirit. Dunayevskaya set out to read the working class back into Hegel. As C.L.R. James wrote during his collaboration with Dunayevskaya, ‘we’ were poles away from Hegel, ‘but now that the history of humanity is about to begin, the Hegelian concept of speculative reason comes to life with us, as never before, though on our basis’ (p. 28). This approach is nowhere more evident than in the ‘Letters on Hegel’s Absolutes of May 12 and 20, 1953’, which are included in the present volume, and which Dunayevskaya considered the ‘philosophic moment’ of ‘Marxist-Humanism’.

At the time, Dunayevskaya and the members of the Johnson-Forest tendency were combing exhaustively through the works of Hegel, Marx, and Lenin. James had singled out the Hegelian ‘transformation into opposites’ as instrumental to Lenin’s theory of monopoly capitalism. Johnson-Forest now retraced Lenin’s route through Hegel for a theory adequate to the post-World-War II reality (p. xxvi). The letters consist of lengthy extractions from Hegel’s *Science of Logic* (May 12) and the *Philosophy of Mind* (May 20), together with Dunayevskaya’s discussion. One step taken in her letters will seem indefensible to some: the translation of Hegelian logical categories into Marxist political ones. So, the ‘Absolute Idea’ becomes ‘Socialism’. The ‘Other’ becomes the ‘proletariat outside’, ‘absolute negativity’ becomes the rejection of Stalinism. These translations, plus the claim that but for an accident of birth – Hegel would have recognised proletarian subjectivity as his Absolute Idea, could well strike the reader as extravagant. But, in fact, Dunayevskaya makes a persuasive case for Absolutes as the new society. Hegel insisted that his Absolute was not a synthesis, not an equipoise from change. It was, instead, the unity of the theoretical and practical idea, brought about by ‘a subject, a person, a free being’ (p. 183). Theory by itself lacks actuality; what it posits merely ought to be rather than is. Practice lacks consciousness and is dogmatic, unfree. To transcend either limitation, Hegel did not, of course, call for the abolition of capitalism. Nonetheless, Dunayevskaya argued that his Absolute Idea points beyond the contradictions of the capitalist order to a new society based on free association. As she will write later, in ‘Absolute as New Beginning’, ‘Free creative power assures the plunge to freedom. It is the unifying force of the Absolute Idea’ (p. 183).

Hegel’s discussion of the Absolute sets him apart from a distinctly modern hostility to speculative thought. According to this perspective, philosophers can think what they will, but practice, fact – in Rorty’s twist, value – admits no reasoning reflection. Hegel roundly rejects these constraints on reason in his chapters on the Absolute.

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8 For example, take Hobbe’s statement that ‘there are of knowledge two kinds, whereof one is knowledge of fact – which is absolute –, the other knowledge of the consequence that of a philosopher, which is conditional’ (Hobbes 1994, p. 47).
Flipping the coin, Dunayevskaya saw these writings as an implicit critique of capitalism as well. If capitalism is the sphere of instrumental reason, it cannot easily be squared with Hegel’s demand that theory unite with practice. The unity of the theoretical and practical idea meant the end of the separation of mental from manual; and this, for Dunayevskaya, sounded the death knell of capitalism itself.

Dunayevskaya’s letters led to a profound break from Leninism on the issue of the party. Her new understanding took its direction from Hegel’s statement that ‘the transcendence of the opposition between notion and reality ... rests upon subjectivity alone’ (p. 102). Recall that Dunayevskaya regarded this subject, when concretised for the capitalist era, as the proletariat. Now what is the relationship between the proletariat and the organisational forms that represent it? How is the Absolute realised in practice? In her first letter on Hegel, Dunayevskaya wrote that ‘in the dialectic of the absolute idea is the dialectic of the party’; a party facing, on the one hand, the proletariat outside, and on the other, the universal of socialism. Prima facie, this sounds like an orthodox Leninist formulation for the party leading the masses on to communism. But Dunayevskaya goes on to show that the two are not first opposed, and then united, by the party. The proletariat and socialism are already mediated in themselves. Mass activity is ‘implicitly the idea’.

The new society will not be until it is; now we see intimations, approximations, but it is nevertheless all around us, in the lives of the workers and the theory of the party. (p. 102.)

This is because, as Hegel wrote, every beginning is made with the Absolute. Worker activity cannot be conceived as immediate or spontaneous. The wildcat strikes, the East-German protests that erupted after Stalin’s death expressed the Absolute Idea of socialism with or without party direction (p. 284). Indeed, Dunayevskaya considered the idea of party-as-external-mediator counter-revolutionary. Her ‘Letters on Hegel’s Absolutes’ spell out a philosophical and political position she was to spend the next thirty years refining, which saw practice as ‘a movement which is itself a form of theory’; that is, which was itself a manifestation of the idea. Johnson-Forest already opposed Stalinism. Dunayevskaya, once Trotsky’s Russian-language secretary, broke with him over the issue of whether the Soviet Union was state-capitalist or merely a degenerated workers’ state. But they still adhered to organisational concepts such as ‘the three layers’, James’s formulation for the relationship between party leadership, intellectuals, and the masses. Dunayevskaya abandoned these concepts in light of her work on Hegel’s Absolutes. The relationship between organisation and philosophy comprised a single dialectic, with each aspect expressing the new society as its living principle.

Dunayevskaya’s contemporaries did not at all share her view that the new society was everywhere in existence. Her arguments for working-class activity went against
the prevailing tendencies of Marxist theory, especially in the developed world. The Hegel-Marx nexus was still the chief preoccupation of Marxist scholars. But the direction their writings took was often away from revolutionary agency and into themes such as technology and aesthetics. Marcuse’s *One-Dimensional Man* is representative in this respect. A ‘comfortable, smooth, reasonable, democratic unfreedom’ prevailed in the developed nations of the postwar order, assimilating into itself contradictory social classes and rendering the prospect of social revolution increasingly obsolete. Advanced industrial society had contained negativity, so that its working classes no longer confronted it as a living contradiction.9

Still, Dunayevskaya determined that the ‘movement from practice’ captured ‘Marx’s Marxism’, as well as the actual tenor of the times. According to Dunayevskaya, Marx’s ‘new continent of thought’ began with his concept of revolutionary praxis, of human history as a dialectical movement of the subjective and objective. The development of praxis was closely tied to his study of Hegel; specifically, his insight into the revolutionary implications of Hegel’s ‘negation of the negation’. The second negation, for Hegel, was the free release of subjectivity posited ‘for itself’. Here the subject confronts, not an alien object, but its innermost self, externalised, and thus transcends the opposition between the real and the ideal. Marx viewed the second negation more concretely, as the end to all limitations to human development. The first negation, communism, was not the goal of revolutionary struggle. Rather it was the movement to a ‘positive Humanism, beginning from itself’ that had negated communism (p. 115). Marx humanised the dialectic of negativity, returning to it again and again at key moments: as ‘new humanism’ in 1844, ‘revolution in permanence’ in 1850, and as ‘new passions and new forces’ in *Capital* itself (p. 263).

It was Marx’s grasp of the negation of the negation in actuality, in the political and economic struggles of his day, which transformed his critique of political economy into a full-blown philosophy of revolution. Dunayevskaya faulted her contemporaries for isolating themselves from these same wellsprings. Her ‘Marxist-Humanism’ found its role in articulating the struggles of the post-WWII reality from within the context of Marx’s philosophy of revolution. For Marcuse, negativity, as Marx understood it, had been contained by the postwar era. But Dunayevskaya saw negativity’s reach as expanding into new realms, the working classes of the industrial world as well as the anticolonial struggles, the African-American civil rights movement, and feminism.

The post-WWII era was a period of extraordinary economic and social transformations, which ‘probabily changed human society more profoundly than any other period of comparable brevity’.10 Decolonisation swept Asia and Africa in the decades after the Second World War. Africa had had one independent nation in 1939; in a matter of

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years that number would reach fifty.\textsuperscript{11} In the developed world, oppressed minorities
organised to demand equal participation in the life of the nation. Women’s roles
changed dramatically as well; the percentage of married women workers in the United
States doubled between 1950 and 1970, and, in developing economies such as Mauritius,
it went from twenty per cent in the early 1970s to sixty per cent by the mid-1980s.\textsuperscript{12}

Dunayevskaya threw herself into the struggles then convulsing Eastern Europe and
the Third World, to show how each illuminated the new stage of freedom. In turn,
these movements influenced her theoretical work, especially on the issues of race and
gender. While her ‘Letters on Hegel’s Absolutes’ discuss revolution strictly in terms
of the proletariat, Dunayevskaya would go on to underscore the revolutionary agency
behind the civil rights struggles, feminism, and the anti-imperialist movements; an
enthusiasm not often found in the generations preceding the New Left.

Historically, these movements have presented the challenge to Marxism of producing
a coherent theory of revolutionary subjectivity that does not simply add feminism
and civil rights onto the proletariat without regard for difference. Marxism has been
accused of a productivist bias because of the centrality of wage-labour in \textit{Capital}.
Domestic labour and bonded labour in the colonies play no role Marx’s analysis of
capitalism, apart from his powerful chapters on primitive accumulation. How does
one relate these together without either jettisoning Marxism (Laclau and Mouffe’s \textit{Hegemony and Socialist Strategy}) or reducing everything to one simple logic (‘Gay,
Straight, Black, White, Same Struggle, Same Fight!’ as an old protest chant went)?

For Dunayevskaya, the problem ultimately rested on a misconception. If Marxism
was a theory of class struggle narrowly conceived, its relevance to the developing
world and to feminism and civil rights would be slight. But Marxism was first and
foremost a philosophy of revolution, of revolutionary \textit{praxis}.

\begin{quote}
Marx’s analysis of labor . . . goes much further than the economic structure
of society . . . His analysis goes not only to class relations, but to actual
human relations. (p. 126.)
\end{quote}

To prove this claim, Dunayevskaya drew from Marx’s philosophical discussions in
the \textit{1844 Manuscripts}, as well as his reactions to contemporary events such as the
Tai’ping Rebellion, the American Civil War, Russia, Algeria, and his establishment of
a separate women’s section in the International Workingmen’s Association. Here we
find Marx’s attitude strikingly different from that of a crude economic determinism.
His reaction to certain American Marxists on the eve of the Civil War is instructive,
and became part of Dunayevskaya’s presentation to a 1968 ‘Black/Red Conference’
in Detroit:

\begin{quote}
\textsuperscript{11} Hobsbawm 1994, p. 344.
\textsuperscript{12} Hobsbawm 1994, p. 310.
\end{quote}
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Some so-called Marxists said well, of course they were against slavery – but the slaves just wanted the freedom to be exploited by the capitalist. The so-called Marxists thought they were much wiser because they wanted freedom from the capitalists, too. Marx showed them that they were crazy because freedom and thinking are always **concrete**. And in the actual dialectic of liberation – that is, in the actual relation of thought to act, in the actual development, you have to arouse and elicit from the population many, many forces. Marx told the whites who thought they were superior because they were free: Look at you, you don't even have a national labor union – and you can’t organize one because labor in the white skin cannot be free while labor in the black skin was branded. (p. 148.)

Sartre, when discussing the African anticolonial struggles, claimed that black identity was particular and that the working class represented a more truly universal category.\(^\text{13}\) But Marx did not subordinate the anti-slavery movement to class struggles. Nor, with regard to Russia, did he insist that nation should schematically repeat Western Europe’s historical development before reaching socialism. Marx began from the concrete historical situation. In each case, it was the living subject that predominated, not an abstract, formal model. *Capital* represents Marx’s mature statement of his thought, and it is perhaps because of this that activists have often measured other struggles against its perspective. This has made for a Procrustean fit, and one Marx himself would surely have opposed. Dunayevskaya’s investigations into Marx’s writings on the Third World and race and gender recapture the vibrant, multidimensional quality of his thought.

With the apparent collapse of alternatives to capitalism, it might be argued that Dunayevskaya was naïve; that, far from being revolutionary, the ‘movement from practice’ effects local transformations to particular problems and this alone. Foucault, whose political life centered on the practices of just such ‘counter-institutions’ and who formed a Groupe d’Information des Prisons so that prisoners might speak for themselves, distrusted Marxism as an oppressive universal.\(^\text{14}\) His sentiments are widespread in the post-Cold-War era. The Brazilian PT shies away from revolutionary pronouncements, and this is perhaps the most radical party currently in power. The antiwar movements in Europe, the Middle East, Australia, and the United States concentrate their efforts on war alone, and have not triggered events like Paris 1968. Few expect that they will.

But, today, the value of the category ‘movement from practice’ is not so much to foster an apocalyptic world view, as to recognise that there are alternatives to the present order in groups such as the Landless Peasant’s Movement, the American

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environmental justice movement, and in heretofore unorganised individuals. The first order for revolutionaries must be to solidarise with these subjectivities. How this, in turn, will lead to a new social order is still an open question; not through vanguard leadership, but not with the ironclad necessity projected by theories of ‘crisis’, either. As the revolutionary optimism of the late sixties gave way to a climate of reaction, Dunayevskaya increasingly came to see philosophy as offering a key to the dilemma. Her later writings take up the theme of retrogression and the critical role of a ‘battle for ideas’ in building a revolutionary movement. Dunayevskaya saw philosophy as a crucial link between the many political movements and a new society.

Ironically, in Dunayevskaya’s own country, the movement most receptive to philosophy was from the Right, which entered into think tanks and private research institutions at the very moment its funeral seemed assured. A powerful understanding of freedom, formulated in Hayek’s *Road to Serfdom* and in Milton Friedman’s *Capitalism and Freedom*, cut across the American landscape in the late 1970s, upending the welfare state and putting the established Left on the run. While a simple idea, ‘market equals freedom’, bound together libertarians, religious conservatives, Wall-Street financiers, and the suburban middle class, the Left wrestles with the idea of a common language to this very day. In an article for the British newspaper *The Guardian, Nation* columnist Katha Pollit points out that

> what we think of as the left [in America] is really a collection of single or dual issues that network with each other but there really isn’t a home for them.15

This situation contradicts both a long history of mutual influence and the philosophical perspective of identity’s relation to other. ‘Difference from’ is, also, a relation to, and the effort to disentangle oneself from others leads, not to the affirmation of one’s own specificity, but to an abstract, empty negative. A politics of single issues jeopardises these very issues, by making the socially complex appear isolated, singular. The disparate groups that make up the left ‘have found themselves incredibly effective beyond their own field on the few occasions when they have been able to work together, as in Seattle a few years ago’.16

Dunayevskaya’s work shows that the choice between the universal or the particular is a false one. Like a B-movie monstrosity, Marxism’s universal aims are often feared to subsume particular issues beneath an indeterminate swell, the ‘masses’. Using Marx’s writings on gender and the Third world, Dunayevskaya argued that this was not true of Marx himself, nor was it something Marxism inevitably produced. A philosophy of revolution allowed one to move from local issues to a global alternative without swallowing the former whole. Moving beyond the particular does not mean

15 Younge 2003.
16 Ibid.
losing sight of the concrete. The particular, by itself, is abstract. It becomes concrete only through its relation to others, just as I become more than a disembodied ego by immersing myself in work, school, family, friends, and the life of my community.

Hardt and Negri’s *Empire* is the most celebrated work of revolutionary theory to appear in recent times. Like Dunayevskaya, these authors look for alternatives to capitalism in self-activity; or, in their terms, autonomy. They criticise the structuralist view of subjectivity as a socially-determined identity, positing it instead as an active, creative being. Both neoliberal capitalism and the bureaucratic state-capitalist model are rejected in favour of a ‘new society’ that would give free rein to these productive powers.

The mode of production of the multitude is posed against exploitation in the name of labor, against property in the name of cooperation, and against corruption in the name of freedom.17

These similarities are not surprising. According to Harry Cleaver, the work of the Johnson-Forest Tendency received wider discussion in Italy than in the United States, and in the autonomist circles with which Negri is associated especially.18 *Reading ‘Capital’ Politically* presents the American and Italian movements as complementary theoretical developments.

But the authors of *Empire* differ sharply with Dunayevskaya on the subject of dialectics. Their consequent positions on value and labour show what happens to theory in the absence of dialectics, and what use *Power of Negativity* might have for the present day. According to Hardt and Negri, production in the postmodern age becomes increasingly immaterial as the labour of the mass factory worker is displaced by intellectual, communicative and affective work.19 Capital extends to all aspects of contemporary life, and labour in hitherto uneconomic spheres – such as housework – is drawn into the capital nexus. Thus, a new theory of value is needed, and with it, a new political demand: a social wage and a guaranteed income for all.20 Now, the demand to revise Marx’s theory of value proceeds from a categorial error. Value is not affected by the kind of labour that produced it. Labour-power, the specific form of labour in value production, is the work of human nerves and brain ‘expended without regard to the mode of its expenditure’.21 Whether this labour is consumed in a factory or a research laboratory is beside the point; and indeed, if value is by definition immaterial, how could labour’s increasing immateriality bring about a change in its substance?

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17 Hardt and Negri 2000, p. 408.
18 Cleaver 2000, footnote to p. 66.
19 Hardt and Negri 2000, p. 29.
21 Marx 1967, p. 38.
But the differences between Dunayevskaya and the authors of *Empire* also stem from their rejection of dialectics in favour of a theory of pure positivity. As a result of their new understanding of value, Hardt and Negri call for an income to be guaranteed to each member of society regardless of whether they are employed or not. Because all labour is productive of value in the postmodern age, each individual is due a certain level of income as a right. This is Proudhon for the postmodern age, almost inexplicable in an author who wrote a book on the *Grundrisse*. Labour produces value, yes; but only under the conditions of capitalism.\(^\text{22}\) The latter’s abolition will require new social relations, totally other than those producing value. But wrestling with such absolutes is a transparently dialectical process. Without a theory of negativity, Hardt and Negri are left in *Empire* extending the positive fact of value production into a revolutionary demand. Dunayevskaya’s work on dialectics caused her to view any scheme that did not uproot value as an unfinished revolution. Absolute negativity became the vantage point for a new society.

Dunayevskaya’s thought represents a crucial point of departure for Marxism in the twenty-first century. Her theoretical refutation of the vanguard party and her embrace of the new movements from practice are essential to any future Marxist politics. Authoritarianism in theory or practice is intolerable to an age that witnessed the Soviet Union’s collapse. The new century requires a Marxism predicated on freedom instead. Dunayevskaya’s ‘Marxist-Humanism’ is one of the most consistently realised attempts to ground Marxism in freedom. The *Power of Negativity* is not, perhaps, a self-sufficient introduction to this philosophy. It generally lacks the element of the historical that breathes life into abstract categories. But the spare presentation allows us to see past history to a thought that pulses today.

**References**


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\(^{22}\) Marx is at pains to show that value is not a necessary attribute of labour, and that value results from capitalist mode of production alone. For example, with regard to the division of labor he writes: ‘The division of labor is a necessary condition for the production of commodities, but it does not follow, conversely, that the production of commodities is a necessary condition for the division of labor’ (Marx 1967, p. 42).


Conference Report

Peter Hudis

Rosa Luxemburg in China: A Report on the 'Rosa Luxemburg' Conference
21–2 November 2004 – South China Agricultural University, Guangzhou, China

The widely articulated need for a convincing rebuttal to the notion that there is no alternative to capitalism is fueling renewed interest in the work of Rosa Luxemburg, who developed one of the most comprehensive analyses of capital’s drive for self-expansion in the history of Marxism. Luxemburg’s work remains especially compelling because she did not separate an analysis of what is now termed the globalisation of capital from opposition to reformist, bureaucratic and centralist tendencies which stifle mass spontaneity and creativity. In light of the tragic outcome of so many efforts at social transformation over the past hundred years, the way she combined an economic critique of capital with the political defence of democracy and self-expression seems especially timely. That an incipient revival of interest in Luxemburg is underway today is reflected in several recent developments, such as new discussions of her work by important radical theoreticians, the
republication of her *Accumulation of Capital* and the appearance of *The Rosa Luxemburg Reader*, the first one-volume collection of her economic and political writings in English, and a conference on *The Accumulation of Capital* that was held at the end of 2004 in Bergamo, Italy.

The renewal of interest in Luxemburg especially characterised an important international conference in China on her ideas as a whole. Sponsored by the International Rosa Luxemburg Society, the Institute for World Socialism in Beijing and the Rosa Luxemburg Foundation in Berlin, the conference was held on 21–2 November 2004 at the South China Agricultural University in Guangzhou (formerly Canton). It included eighty participants from China, Japan, India, Russia, Germany, Austria, Switzerland, France, Norway and the US. While this was not the first time that a conference on Luxemburg had been held in China, it represented the most far-ranging and comprehensive discussion of her work in the history of the country.

The context in which the conference took place is important to keep in mind in discussing its content. China is in the midst of one of the most rapid industrial expansions in modern history. In 2004, its economy expanded by nine per cent, while industrial production grew by sixteen per cent. Over the past twenty-five years, per capita gross domestic product has grown by an average of eight per cent a year (in comparison, the strongest growth per capita in gross domestic product for any twenty-five-year period in the US, since 1830, averaged less than four per cent). This massive industrial boom is especially evident in the southern city of Guangzhou, which has served as a centre point of China’s industrial expansion for the past two decades.

The rapid changes of the past quarter century have largely obliterated physical evidence of Guangzhou’s long and storied history. Britain first tried to secure a foothold in China by using Guangzhou as a base for the opium trade in the eighteenth century, and it was from this city that the infamous opium wars of the 1840s were launched. Despite (or perhaps because of) such imperialist intrusion, Guangzhou had long been a centre of revolutionary activity and thought. It was from Guangzhou, that Hong Xiuquan launched the Tai’ping rebellion in the late 1840s, and Sun Yat Sen chose Guangzhou as the capital for the new Chinese Republic after the 1911 Revolution. Mao studied at the famous Peasant Movement Training Institute in Guangzhou in the 1920s, and Guangzhou’s workers became known as among of the most militant and best organised in the world in the 1920s until the crushing of the ill-fated Canton Commune of 1927.
Today’s Guangzhou, like most of southeast China and much of the country as a whole, is torn between rapid modernisation and industrialisation on the one hand, and rising income differentiation and worker and peasant discontent on the other. Hundreds of millions of peasants have been evicted from the land and form a gigantic migrant labour force, flooding into the cities in search of employment in sweatshops with low wages and largely unregulated working conditions. Such conditions are proving increasingly destabilising. According to official Chinese government statistics, 58,000 unauthorised strikes occurred in the country in 2004. In the last months of 2004, strikes involving as many as 12,000 workers at a time have occurred in Guangdong and the ‘special economic zone’ of Shenzhen, where labour shortages are becoming increasingly common. Though there is little co-ordination between these strikes, calls for higher wages, improved working conditions, and an end to rampant corruption and police abuse are commonly voiced around the country.

The grave problems associated with the ‘complete separation between the workers and the conditions for the realisation of their labour’ which Marx called ‘the basis of the whole process’ of capital formation and which Luxemburg so vividly detailed in her *Accumulation of Capital*, is no secret to those living in China today. At the same time, the lack of political reform in a country where discourse and debate are monopolised by a single party, remain an ever-present reality. To give but one example, in November 2004, the Chinese Communist Party banned further discussions on the role of intellectuals when *Southern People’s Weekly* devoted an issue to a discussion of fifty ‘public intellectuals’ who have made significant contributions in exposing the truth about social realities in China. In language reminiscent of the Cultural Revolution, the *Liberation Daily* of 15 November 2004, condemned any further discussion of ‘public intellectuals’ (the phrase has appeared only recently in China) on the grounds that

History has proven that only when intellectuals walk together with the CCP, become a part of the working class, and are one with the masses can they fully manifest their own talents.2

The *Southern People’s Weekly* was banned and copies of its issue on public intellectuals were confiscated.

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1 See Marx 1977, pp. 874–5.
The phenomenon of rapid capital accumulation coinciding with restrictions on freedom of expression, makes Luxemburg’s refusal to separate the economic critique of capital from the political defence of democracy all the more compelling. Though Luxemburg is by no means an unknown figure in China (an important Chinese-language edition of her major writings appeared in the early 1980s), official discussions of her work have tended to be highly critical or dismissive. This was not the case, however, at the Guangzhou conference. Every one of the nine papers delivered by the Chinese participants focused on Luxemburg’s concept of the inseparability of socialism and democracy. Each was supportive of Luxemburg’s overall approach, with the possible exception of the paper by Zhou Shang-wen of the Institute for Law and Political Science at the University of Hunan and Jiang Nai-bing of East China Normal University on ‘The Evaluation of Luxemburg’s Concept of Inner-Party Democracy’; their paper concluded that Luxemburg valued mass spontaneity so highly that she went to the other extreme... she demonstrates the tendency of blindly worshipping spontaneity and ignoring the party’s functions.

The predominant view on the part of the Chinese participants was that there is much to learn from Luxemburg’s critique of Lenin’s organisational centralism, her polemics with reformist elements within the German Social-Democratic Party, and her critique of Lenin and Trotsky in 1918 for installing a ‘régime of terror’ that negated democracy and freedom of expression.

In a paper entitled ‘An Analysis of the Thoughts of Rosa Luxemburg on Socialist Democracy’, Tang Ming of the Pedagogical University of Central China, and Yang Hengxi, of the Institute of Political Science at the Central China Normal University in Wuhan, discussed Luxemburg’s critique of ‘the wrongful notion of Lenin that confronted democracy with the dictatorship of the proletariat after the October Revolution’. They noted, ‘the improper criticisms of her by Lenin and Stalin have hobbled studies on Luxemburg’s discourse on socialist democracy’. Zhang Guang-ming, of Beijing University, noted in his paper ‘Rosa Luxemburg and the Tradition of Autonomous Marxism’ that Chinese Marxism has for too long ‘stood in the shadow of the Russian model’; in this very original paper, he argued that Luxemburg’s concept of socialism transcended the limits of political discourse that characterises both Western social democracy and Stalinism. He discussed Luxemburg as an expansive thinker who helped inaugurate the tradition of ‘autonomist Marxism’ that finds expression in Western Marxists such as Anton...
Pannekoek and Chinese Marxists such as Chen Du Xiu, who led the CCP before being purged as a ‘Trotskyist’ following the abortive 1927 Revolution.

The sympathetic treatment of Luxemburg by the Chinese participants did not fall into a crude counterposing of Lenin and Luxemburg, as if they were absolute opposites on all issues (which sometimes has occurred in the West). Several of the Chinese participants acknowledged Luxemburg’s respect for Lenin’s contribution and noted that they held similar views on many issues. However, several speakers quoted directly from her 1918 critique of Lenin’s role during the Russian Revolution:

> Without general elections, without unrestricted freedom of press and assembly, without a free struggle of opinion, life dies out in every public institution, and becomes a mere semblance of life, in which only the bureaucracy remains as the active element.3

With the possible exception of Zhang Guangming’s contribution, most of the presentations by the Chinese participants did not turn up new insights or findings, but it was nevertheless striking to see how openly and intensely the Chinese participants discussed the importance of establishing an integral connection between socialism and democracy on the basis of Luxemburg’s legacy.

This does not mean that the discussions by the Chinese participants covered everything that can be said regarding Luxemburg’s concept of revolutionary democracy. Wang Xue-dong, of the Institute for Publication and Translation of the Central Committee of the CCP (who gave a paper entitled ‘The Evaluation of Rosa Luxemburg’s Concept of Inner-Party Democracy’), and Zhou Sui-ming of the Chinese Academy of Social Sciences (who gave a paper entitled ‘The Analysis of Luxemburg’s Concept of Democracy and its Precursors in the New Marxism of the West’), presented incisive explorations of Luxemburg’s critique of organisational centralism, especially as found in her 1904 ‘Organisational Questions of Russian Social Democracy’. Luxemburg’s critique of excessive organisational centralism, they noted, has important ramifications for efforts to avoid reproducing the capitalist division of labour in contemporary social movements. Recent research has shown how persistent was Luxemburg’s critique of Lenin’s organisational methods. For instance, in her 1911 ‘Credo’, a particularly sharp critique of Lenin that has only recently been discovered and published in English, she stated:

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We felt obliged to stand up decisively against the organisational centralism of Lenin and his friends, because they wanted to secure a revolutionary direction for the proletarian movement by swaddling the party, in a purely mechanistic fashion, with an intellectual dictator from the central party Executive.4

Though it is not hard to see why Luxemburg’s critique of organisational centralism, and her calls for inner-party democracy, would resonate with a Chinese audience, it also bears noting that Luxemburg’s concept of socialist democracy did not end there. Luxemburg’s concept of revolutionary democracy also challenged the very notion that the monopolisation of political power and intellectual discourse in the hands of a single party can lead to an effective creation of socialism. As she wrote in her 1918 critique of Lenin and Trotsky,

> Freedom only for the supporters of the government, only for the members of one party – however numerous they may be – is no freedom at all.
> Freedom is always and exclusively freedom for the one who thinks differently.5

The important contributions by the Chinese scholars were matched by a number of probing discussions by participants from other countries. Subhoranjan Dasgupta, of the Institute for Development Studies at Calcutta University, challenged the notion, voiced all too often nowadays, that Luxemburg’s critique of Lenin flowed from a failure of radical nerve when it came to taking appropriate measures in the face of ‘the revolutionary Event’. He argued in his paper, ‘The Dialectical Core of Luxemburg’s Concept of Democracy’, that Luxemburg was always uncompromising in her calls to overthrowing the bourgeois-capitalist system. She did, as Dasgupta stressed, like ‘any misty-eyed liberal, accuse Lenin and Trotsky of applying force and violence’. Her critique of Lenin, he stressed, was motivated by the same concern as her critique of German Social Democracy: opposition to any tendency that counterpoises the form and content of social transformation. In his paper, which exhibited a very high level of intellectual quality and clarity, Dasgupta stated:

> What mattered to the visionary is the redemptive spirit of the socialist system which demolishes the unbridgeable dichotomy between the form and content plaguing all expressions of bourgeois democracy. The content of class

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4 Luxemburg 2004b, p. 271.
5 Luxemburg 2004a, p. 305.
exploitation encased in the supposedly faultless form of parliamentary
democracy cannot be the goal of socialist democracy whose form and content
should hold the individual and the collective in one indivisible digit of
harmonious liberation.

Similar themes were addressed in ‘Rosa Luxemburg’s Vision of Socialism and
its Meaning for Marxism in the 21st Century’, by Sobhanlal Datta Gupta, of
the Institute of Development Studies in Calcutta. He emphasised Luxemburg’s
confidence in the self-activity and reason of the masses, as seen in her statement
during World War I that

socialism is the first popular movement in world history that has set itself
the goal of bringing human consciousness, and thereby free will, into play
in the social actions of humanity6

and her comment during the German Revolution of 1918 that ‘the mass of
proletarians learn the necessary idealism and soon acquire the intellectual
leadership’.7 This confidence in the ability of working people to become agents
of their own liberation, Gupta argued, meant that, while Luxemburg

has not left for us any blueprint for the future socialist society, all the major
ingredients of a socialist society based on the principles of revolutionary
humanism and democracy, are present in a scattered manner in her writings.

He also discussed the similarities between Luxemburg’s positions and those
of Lukács and Trotsky. Indeed, it was noteworthy that Trotsky was mentioned
in a positive light several times at the conference.

Gupta also argued that Luxemburg’s and Gramsci’s approaches were closely
connected, since both had an understanding ‘of the socialist revolution being
an act of deep political, economic and moral transformation’. At the same
time, Gupta stated, ‘for [Luxemburg] socialism is not an ideal of absolute
humanism; rather it is situated “in the point of view of the revolutionary
proletariat”’. It should be noted that the two perspectives are in no way
contradictory; Gramsci surely rooted socialism ‘in the point of view of the
revolutionary proletariat’, yet he also wrote:

It has often been forgotten that in the case of a very common expression
(historical materialism) one should put the accent on the first term –

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6 Luxemburg 2004c, p. 320.
7 Luxemburg 2004d, p. 348.
One of the most interesting dimensions of the conference was the dialogue between Chinese participants and Luxemburg scholars from Germany and Japan, some of whom have spent decades exploring the significance of Luxemburg’s contribution. The German Luxemburg scholar Ottokar Luban, who has written a pioneering study of the Spartacus Uprising of 1919,9 delivered a paper on ‘Rosa Luxemburg’s Concept of Democracy’, which discussed Luxemburg’s repeated battles against the SPD’s separation between socialism as an ‘ultimate’ goal and the means used to reach it – a separation that was present from the moment the SPD adopted the Erfurt Programme in 1891. Theodor Bergmann, who has written a number of books on the history of the German communist movement,10 spoke on ‘The Luxemburg Tradition in German Communism’ focusing on the efforts of independent leftists such as August Thalheimer, leader of the Communist Opposition in Germany. Thalheimer had known Luxemburg personally (she recommended him as an editor of Die Rote Fahne in 1918) and he continued to defend Luxemburg’s positions against the slanders of the Stalinists until the end of his life. Thalheimer and other German critical communists are not well known in China, and Bergmann’s paper was an important effort to fill in a missing chapter of the history of the anti-Stalinist Left. He also related Luxemburg’s legacy to contemporary concerns, writing of the Party of Democratic Socialism (PDS) in today’s Germany:

The PDS also joined the governments in two of the federal ‘Länder’, where they have a stronger position . . . [yet] it is impossible to oppose bourgeois policies, when you are part of the government. In spite of its different intentions, the PDS has proved that Rosa Luxemburg was right even in this respect.

Luban’s and Bergmann’s papers, and the discussion on them, raised a number of questions regarding Luxemburg’s concept of revolutionary organisation.

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8 Gramsci 1971, p. 465.
9 See especially Luban 2004.
10 See Bergmann 2001.
As Luban noted, although Luxemburg was, in many respects, a product of German Social Democracy, she broke from aspects of its programmatic basis by 1918. As she stated in her speech to the Founding Congress of the German Communist Party in that year:

Until the collapse of August 4, 1914, German Social Democracy took its stand upon the Erfurt Program, by which the so-called immediate aims were placed in the forefront, while socialism was no more than a distant guiding star, the ultimate goal.11

She argued that this separation had proven to be the noose around the neck of the socialist movement:

August 4 did not come like thunder out of a clear sky; what happened on August 4 was the logical outcome of all that we had been doing day after day for many years.12

Rejecting much of the programmatic ground that had guided the SPD since 1891, she turned anew to Marx, proclaiming: ‘It has become our historical duty today to replace our program upon the foundation laid by Marx and Engels in 1848’.13 Luxemburg’s effort to reorganise the movement on the basis of Marx’s work of 1848 resonates with her earlier response to the 1905 Russian Revolution, when she developed her theory of the mass strike by returning to the ground that Marx left as theorist and organisational activist during the 1848 Revolutions.14

One question that this raises, at least in my mind, is that, despite Luxemburg’s efforts to steer a new course in 1918–19, she never broke fundamentally from the tradition of German Social Democracy, as reflected by the fact that she never cited Marx’s 1875 Critique of the Gotha Programme, even though it was first published in 1891 by Engels because of his dissatisfaction with the Erfurt Programme. Although Luxemburg may have recognised the need to break from the programmatic ground that defined the movement since 1891, in many respects, she remained within its theoretical and political parameters even in 1918–19. In particular, she never seems to have noticed that Marx’s critique of the organisational unity of Lassalleans and ‘Marxist’ Eisenachers

11 Luxemburg 2004e, p. 359.
12 Luxemburg 2004e, p. 362.
13 Luxemburg 2004e, p. 360.
14 For a clear expression of this, see Luxemburg 1907.
at Gotha in 1875 might provide the basis for a concept of organisation that was radically different from what had predominated in the socialist movement up to that point.

It seems to me that this blind spot about Marx’s *Critique of the Gotha Programme* speaks to an issue discussed at the conference – ‘Luxemburg and Lenin versus Luxemburg or Lenin’. While there was much discussion of Luxemburg’s criticism of Lenin’s organisational centralism, few rejected Lenin’s organisational concepts wholesale. Though the reasons for this varied, it makes sense to avoid posing the question as one of Luxemburg or Lenin. For all of her embrace of spontaneity, Luxemburg never rejected the need for the leading role of a vanguard party; and, for all of Lenin’s vanguardism, he never fully rejected the importance of spontaneous mass activity. Though Luxemburg and Lenin may have been opposites when it came to many organisational issues, they were not necessarily *absolute* opposites. But, can the same be said of Lenin’s organisational concepts vis-à-vis Marx, given the fact that Marx himself did not promote a concept of the leading role of a vanguard party? And did not Lenin likewise fail to acknowledge that Marx’s *Critique of the Gotha Programme* contained the ground for a distinctive concept of organisation, even though he built on Marx’s *Critique* when it came to the issue of smashing the bourgeois state in his *State and Revolution*? All of this raises the broader question of whether the tendency to skip over the organisational ramifications of Marx’s *Critique of the Gotha Programme* has left the radical movement bereft of an alternative concept of organisation that transcends the limits of post-Marx Marxism.

Thalheimer touched on this issue in a 1930 essay entitled (appropriately enough) ‘Rosa Luxemburg or Lenin’ – even if he did not draw the conclusions that we might today. He wrote,

Still in 1914–15 we did not exclude the possibility of being able to still raise the flag of revolution within the Social Democracy and cleansing it of opportunist elements. Only gradually did we become convinced that within this old framework there was nothing more to expect, nothing more to gain. One must be clear, however, that inside the Social-Democratic Party the severe factional struggles between the Lassalleans and Eisenachers were still fixed in the memory, the idea of a split met with the most difficult

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15 For a discussion on the impact on the history of Marxism of this lack of attentiveness on the part of Lenin and other post-Marx Marxists to the organisational ramifications of Marx’s *Critique of the Gotha Programme*, see Dunayevskaya 1991 and Mészáros 1995.
obstructions and the most grave hesitations among even the most progressive workers.  

Thalheimer thereby acknowledged that even as late as 1914 – 39 years after Marx wrote the *Critique of the Gotha Programme* –, the dividing line between Lassallean and Marxian organisational concepts remained blurred within the German movement. The question that needs to be asked is whether the fundamental difference was recognised even *after* the split from the SPD. Thalheimer himself never seems to have realised the full ramifications of the divide between Marxian and Lassallean organisational concepts – no great surprise, given the fact he remained a rather rigid orthodox Marxist, failing to rise to the level of Luxemburg’s theoretical or political insightfulness. Yet did any Marxist, including those who were far more insightful, recognise the distinctiveness of Marx’s approach to organisational questions? The difference between Lassalle and Marx may well have been understood when it came to the difference between Lassalle’s efforts to establish a reformist accommodation with Bismarck as against Marx’s revolutionary approach. However, that hardly meant that Lassallean *organisational* concepts did not continue to permeate revolutionary Marxists as well. Stalinism is the most extreme, but hardly the only, expression of such a phenomenon. The Marxists of Luxemburg’s generation did not seem to recognise that Marx’s refusal to separate the vision of a fully developed socialist society from the immediate tasks facing revolutionaries in his *Critique of the Gotha Programme* provided grounds for a distinctively Marxian concept of organisation. Indeed, one can question whether the fundamental difference between Lassallean and Marxian concepts of organisation has been fully recognised even today.

It would be hard to discuss the work of Rosa Luxemburg in a place like China without reflecting on her writings on precapitalist and technologically underdeveloped societies. Few Marxists of her generation took as lively an interest in what is now called the Third World, and few have matched her detailed analyses of how capital is driven to consume non-capitalist environments in order to satisfy its insatiable hunger for self-expansion.

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16 Thalheimer 1930, p. 3.
17 For a view of Lenin as a Lassallean, see Dunayevskaya 2000, pp. 179–80. For Luxemburg’s ambiguous relation to Lassalle, especially when it came to matters of organisation, see Luxemburg 1904, p. 417: ‘It was Lassalle who transformed into deed the *most important historical consequence* of the March revolution in finally liberating the German working class, fifteen years later, from the political *Herrbann* of the bourgeoisie and organising it into an independent political party.’
Professor Narihiko Ito, a noted Luxemburg scholar at the Central University of Japan, who is preparing a seventeen-volume Japanese edition of her collected works, spoke on an important dimension of Luxemburg’s writings on precapitalist society – a 1907 manuscript on slavery in the ancient Greek and Roman world that he discovered in the 1990s and published in 2002 (an abridged English translation now appears in *The Rosa Luxemburg Reader*, edited by Kevin B. Anderson and myself).18 His paper ‘On the Document “Slavery” in Antiquity from Luxemburg’s Lectures at the Party School’ discussed the context in which this remarkable document was written, and its connection to Luxemburg’s effort to comprehend the dissolution of precapitalist communal forms – an issue that also greatly concerned Marx, especially in his writings of the 1870s and 1880s on Russia, India and Sumatra, and on Native Americans. Ito also called attention to Luxemburg’s critique of Engels’s *Anti-Dühring* in ‘Slavery’. She wrote, ‘Unlike Engels, we do not need to place exploitation after the emergence of private property. The mark [community] itself allows for exploitation and servitude’.19 My own paper, entitled ‘New Perspectives on Luxemburg’s Writings on the Non-Western World’, addressed related themes. It consisted of a comparison of newly translated, as well as recently discovered, writings by Luxemburg on precapitalist communal forms, with Marx’s late writings on indigenous peoples and precapitalist societies. The paper also touched on the difference between Marx’s multilinear philosophy of human development and the unilinear evolutionist perspective, which has defined much of orthodox Marxism. It concluded:

Luxemburg’s firm opposition to imperialism, her appreciation of pre-capitalist communal forms, and her openness to forces of liberation – not just the proletariat but women as well – can inspire our generation to explore anew the totality of Marx’s Marxism, of which she could have but the faintest intimation. Our generation is the first to have all of Marx’s writings pried from the Archives – from the *Economic and Philosophic Manuscripts of 1844* to the *Grundrisse* to his writings on the ‘ Asiatic Mode of Production’ to the original drafts of his three volumes of *Capital*, to the writings from his last decade on India, China, Russia, Indonesia, Native Americans, and others. When Luxemburg’s passionate determination to achieve genuine human liberation is combined with a determination to absorb the totality of Marx’s

18 [Editorial note: an unabridged version of this text will appear shortly in *Historical Materialism*.]
19 Luxemburg 2004f, p. 112.
Marxism that our generation is the first to have access to, new doors can be opened to liberation.

It would also be hard to assess the significance of Luxemburg without discussing her contribution as one of the most important female theorists in the history of Marxism. Though it has often been assumed that Luxemburg was ‘not interested’ in women’s issues, recent studies have disclosed that she took a far more active interest in women’s emancipation than many have assumed. While Luxemburg’s connection to women’s issues did not receive a great deal of discussion at the conference, Tanja Storlokken, of Norway, gave a probing paper on ‘Women in Dark Times: Rosa Luxemburg and Hannah Arendt’. Storlokken discussed Arendt’s overlooked essay of 1966 in which she called Luxemburg an outstanding female theorist who forged an independent liberatory perspective. However, Storlokken took issue with Arendt’s contention that ‘Luxemburg was so little orthodox indeed that it might be doubted that she was a Marxist at all’. Arendt based her judgment partly on Luxemburg’s stated revulsion at the ‘elaborate rococo ornaments’ à la Hegel which adorn Marx’s Capital.21

My own view on this matter is that, if an aversion to Hegel was sufficient to render one ‘not a Marxist at all’, the pantheon of Marxism would be much smaller indeed. Luxemburg, it seems to me, did have limitations when it came to philosophy; unlike Lukács, Lenin or Gramsci, she never undertook a serious study of Hegelian dialectics. Yet that hardly appears to be exceptional among the Marxists of her time. It was only later, with the publication of the Economic and Philosophical Manuscripts of 1844 (in 1932), the Grundrisse (in 1939), Lukács’s History and Class Consciousness (in 1923) and Lenin’s Philosophical Notebooks of 1914–15 (in 1929–30), that it became much harder for serious Marxists to dismiss Marx’s Hegelian heritage as mere a ‘rococo ornament’.

In any case, Storlokken showed that Arendt’s misdirected ‘praise’ of Luxemburg for ‘transcending’ Marxism was rooted in a failure on her part to comprehend the Marxist core of Luxemburg’s theory of spontaneity and subjectivity. Arendt read Marx as a mechanical materialist who reduced humanity to homo economicus. She held that Marx conflated labour and work

21 The statement is from a letter of Luxemburg to Hans Diefenbach of 8 March 1917: ‘In theoretical work as in art, I value only the simple, the tranquil and the bold. That is why, for example, the famous first volume of Marx’s Capital, with its profuse rococo ornamentation in the Hegelian style, now seems an abomination to me’. See Luxemburg 1978, p. 185.
by reducing purposeful activity to manipulation and material production. As I see it, Storlokken’s paper suggests that Arendt mistook the object of Marx’s critique for an affirmation of a presumed eternal human essence. Given Arendt’s failure to grasp the anti-mechanistic and liberatory basis of Marx’s critique of value-creating labour, it is no accident that she wrongly concluded that so non-mechanistic a thinker as Luxemburg could not be truly considered a Marxist.

Other papers at the conference included one by Alexander Vatlin, of Moscow State University, on Luxemburg’s differences with Nikolai Bukharin; by Gerd Kaiser (a German author of a number of works on the European workers movement) on Luxemburg’s criticism of national self-determination in light of the subsequent history of Marxism, and by Evelin Wittich, of the Rosa Luxemburg Foundation, on contemporary studies and interest in Luxemburg in Germany. There are plans to publish the papers from the conference in book form in English and German.

The conference has also stimulated some discussion among its participants regarding where Luxemburg scholarship can go from here. Three issues especially come to mind in this respect. The first concerns the relation between feminism and social revolution. The widely-held notion that Luxemburg was not interested in women’s issues, since she refrained from direct participation in the German women’s movement, needs to be re-thought in light of the modest number, but still important, writings by her that have come to light regarding struggles for women’s emancipation. Luxemburg was surely critical of the bourgeois women’s movement of her time. Did this reflect an ingrained hostility towards feminism on her part, or did it instead reflect opposition to bourgeois domination over mass struggles? Was there an unspoken feminist dimension in Luxemburg that remains to be fully explored? This is an important issue in light of debates over whether or not a Marxian theoretical perspective centered on workers’ struggles necessarily leads to a downgrading or even denigration of feminist concerns. A second issue that calls for further scholarship concerns Luxemburg’s attitude toward non-Western societies. Luxemburg’s fervent opposition to calls for national self-determination has led many to assume that she suffered from a Eurocentric disregard for those not directly involved in class struggles against capital. This view becomes hard to support, however, in light of her intense studies of noncapitalist societies and the high regard with which she often viewed precapitalist communal forms. The full
range of her writings on the non-Western world is still in need of a comprehensive analysis, especially in terms of the tension they exhibit between her dismissal of calls for national self-determination and her insistent opposition to all forms of imperialist intervention into what we now call the Third World. Thirdly, and most importantly in my view, is the need to explore Luxemburg’s writings on socialist democracy in light of the central problematic of our age – working out a philosophically grounded response to the question of ‘what happens after a social revolution’. The failure of innumerable revolutions over the past century to surmount the capital relation compels radical theoreticians to rethink the very nature of a postcapitalist society. While Luxemburg did not write extensively on the economic or political content of postcapitalism, her concept of socialist democracy contains crucial grounds for rediscovering and rethinking the Marxian notion of what must be done to transcend alienation. The future of the socialist project may well depend on it.

This was certainly a major reason for the interest in Luxemburg at the conference in Guangzhou. Few countries are experiencing in a more direct manner the impact of the globalisation of capital and few can appreciate more profoundly Luxemburg’s emphasis on the inseparability of socialism and democracy. Whatever one thinks about the current political situation in China, one thing is clear: unlike Russia or Eastern Europe, Marxism is not considered a ‘dead dog’ in China. Many Chinese intellectuals are interested in exploring diverse strands of Marxism, including Western Marxism, and this is likely to continue for the foreseeable future. Given the hunger for ideas now prevailing in the most populous nation on earth, Luxemburg would no doubt be pleased to know her ideas are helping to enliven discussions of liberation in ‘the East’.

References


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Justice


1. Biblical tradition – The demand for justice is for social movements just as self-evident as it is theoretically contested. In everyday struggles about survival and the quality of life, it is experiences of injustice that prompt humans to engage in resistance. Here, the immediate hopes for reparation, for the eradication of injustice and the restoration of law can form the point of departure for the development of a fuller desire for justice as the quintessence of a new society free from oppression, exploitation and exclusion. Moralists and demagogues, however, also set out from this ‘hunger and thirst for justice’ (Mt 5,6), removing justice from struggles and transforming it into an abstract, ‘eternal’ value whose realisation is to be awaited from on high. The polemics of Marx and Engels were aimed above all against such ossification in ideological forms (e.g., MEÇW 6, 143, 193; 23, 377; 25, 18; 35, 94; 37, 337). The question is how such a necessary critique of ideology can communicate with attempts that seek to make fruitful the utopian-critical potential of ideas concerning justice rooted in the experiences of everyday life.

Even though social movements, not only in Europe but in all ‘Christianised’ parts of the world, have time and again appealed to biblical ideas of justice, it is precisely these ideas which have hardly been analysed in Marxism. Marx, despite his critique of Mammon and Moloch recalling those of the prophets, saw no positive starting-point in the biblical tradition with regard to the concept of justice. This may also be connected to his tendency, in the heat of the argument with religious communists such as Weitling and Hess, to regard references to the religious legacy as an obstacle to an analysis of society without illusions. The possibility of a reflexive relationship to a common tradition of hope was not taken into consideration. However, this is also the case, with concessions, for Ernst Bloch, who, in other respects, knew very well how to inherit the biblical writings. He saw perspectives for a concept of justice from below only in the natural law of the sects with their ‘social-revolutionary desire for an originary state’ (GA 6, 42), but not in the Old Testament, whose concept of justice he understood, under the influence of Marcion, only as despotic and patriarchal (52). Yet even he came close to a biblical understanding of justice when he saw the beginnings of a ‘real justice’ in the ‘images of retaliation of the Last Judgement’ which, as a form of justice ‘from below’, turned against the ‘intrinsic injustice’ of justice practiced as revenging and dispensing (228 et sqq.).

1. In the Hebrew Bible, justice is one of the foundational themes or even ‘the central theme par excellence’, ‘the centre’ (Dietrich 1989). ‘The fact that the relationship with the divine crosses the relationship with men and coincides with social justice is therefore what epitomizes the entire spirit of the Jewish Bible’ (Levinas 1998 [1963] 19). The diversity of relationships of the vocabulary of ‘justice’ and its conceptual milieu refuses precise definitions. The changing formations of social life have left behind numerous traces in the biblical understanding of justice, with different views, demands, experiences of injustice, images of law and ideals of justice. This extends from a tribal ethos to ideas of cosmic justice from ancient oriental kingdoms. The tension between positive law and critical ideas and tendencies of justice has worked in the favour of the poor and their legal positions – even if not always.

In the ancient oriental environment surrounding Israel, law and justice were worshipped as goddesses or gods who gave kings the capacity to govern justly. The name of Melchizedek (pre-Israelite king of Jerusalem) highlights this: ‘my king is Zedek’ (justice as divinity). In Egypt, Maat, the
divine daughter of the sun god Re, stood for truth and justice as the very quintessence of an adequate cosmic and social order as well as a personal praxis. Instructions for the implementation of justice by the divine Pharaoh, however, are not found in the legal codices as in Mesopotamia. There, Shamash, the sun god, was worshipped as the god of justice as well (Epsztein 1986, 4, 18 et sqq.; von Rad 1958, 374). The tradition of codification of social laws was effective all over Mesopotamia. The Codex of King Hammurabi claimed, in the name of Shamash, to establish justice and to destroy wrong-doers so that the strong did not oppress the weak. The laws were supposed to protect the rights of orphans and widows. The same Codex, however, divided society into three classes. There were echoes of the Babylonian tradition in the collections of the laws of Israel, but, just as much, important differences that were founded in God’s covenant with the people as a whole. Thus, justice was not worshipped as a separate divinity, but was regarded as an attribute of the single God in Heaven who allowed it to become operative upon the earth (e.g. Ps 85, 11 et sqq.). YHWH (Yaweh), therefore, as the subject of justice, defined not only that which was divine, but also that which was truly just (Ps 82).

The Hebrew vocabulary for justice, law and rectitude was related primarily to social justice, just as in the societies surrounding it. An overriding legal interpretation that predominated for a long time, mediated by the Latin translation of ‘iustitia’, is hardly held anymore in Old Testament scholarship. ‘The concept of a punishing tsedaqah is not supported; it would be a contradictio in adiecto’ (von Rad 1958, 375). Other words were used to talk about judgement, punishment and reward. Justice – as a translation of ‘tsedaqah’ – regarded a whole scale of relationships in which humans have to prove themselves to be ‘just people’ in relation to each other, to the world and to the environment and, in all of these, to God. As a relational concept for righteous [gemeinschaftstreue] behaviour, ‘tsedaqah’ included both personal conduct toward others and also the fundamental social relations in which problems of Law were posed concretely. Legal entitlements, particularly of the poor, and legal decisions were accordingly judged with a view to the restoration of community.

In the monarchical period – from David to the Exile – this usage of the word was connected to elements of the ancient oriental ideology of kingship and, when necessary, was used for the legitimation of new forms of domination. Justice was regarded in the ancient Orient as the foundation of the kingly throne (Koch 1976, 509 et sqq.). A similar perspective can be found in some of the Psalms and the Proverbs of Israel (e.g. Ps 89, 15; Pr 16, 12). By virtue of the divine gift of justice, the king was supposed to ensure the stability of the law, to protect the poor from exploitation and the weak from violence and thus guarantee a just order (e.g. Ps 72, 1 et sqq.; cf. W. Schottroff 1999, 5 et sqq.). Therefore, the cosmic order, which was supposed to bestow life and social well-being, was guaranteed by the king. Marx’s critique of ideology had, in such a courtly theology, a fertile field – which, of course, the prophets of Israel had long ago ploughed, preventing the deification of the kings of Israel from finding general acceptance. A theo-cosmic understanding of justice here functions without the mediation of earthly rulers (e.g. Ps 85) as it was directly and messianically promised to the people.

This is evidence for the fact that ancient oriental ideology of justice must not be assumed to be always on the side of power. If the protection of the poor and liberation from subjugation were formulated as duties of the king (Ps 72), criteria for the wielding of power were provided which could also be applied critically. This possibility arose under the conditions of a mode of production founded upon a system of tribute, due to the fact that the community structures from before the institution of the state continued to function on the local level – even if under pressure from the obligation to render tribute – and gave the material basis for an ethos of solidarity not based upon domination. The ethos of the association of tribes from before the state not only continued to be effective in the time of the kings, but also
survived the fall of the monarchy, so that the Torah republic after the Exile was able to hark back to it.

An exegesis of the Bible that interprets discussions in the Old Testament of justice and law only in the context of a way of thinking which confirms the established order fails to take into account this dimension of resistance. In contrast, the specificity of the case is demonstrated in the critique of injustice of the prophets. On the one hand, they referred back to the tradition of Exodus and the ethos of liberation from before the state; on the other hand, they anticipated the not-yet-realised justice of a coming, universal time of salvation, partly with the help of cosmic representations and images.

The social basis for the critique and hope of the prophets was predominantly among the free peasantry, the ‘people of the land’. In distinction to the surrounding great kingdoms, here there were forms of the public sphere that enabled the prophets to appeal both to the people – for example, at public meetings – and to the rulers. This democratic dimension was anchored in God’s Covenant with the people.

Under the pressure of a rising pauperisation and the enslavement of small farmers by their debts in the time of the kings, there was a massive experience of suffering and injustice. The complaints of the Psalms as well as the lamentations of the prophets employed a broad vocabulary which thus also spoke about justice when the matter explicitly treated was judicial and legal measures. It was the prophets, above all, who considered the structural aspects of injustice. The ‘woe’ over the large landowners who added ‘field to field’ (Isaiah 5, 8) was linked to the ‘woe’ over the civil servants who wrote unjust decrees (Isaiah 510, 1 et sqq.). The king who built his palace with ‘injustice’ and did not pay wages was sued, in opposition to the king who – also this was possible – ‘practises justice and righteousness’. ‘Is not this to know me?’ was God’s question to the King in the text (Jeremiah 22, 13–17) that became fundamental for Latin–American liberation theology. To the critique of unjust rulers was added – close to a class-based analysis – the critique of the rich, whose houses were full of stolen goods and who lay waiting to ambush the poor (Ps 10), alongside a critique of the economically stronger who displaced the weaker (Ezekiel 34, 17 et sqq.).

Accordingly, not only the kings were urged to practice justice and righteousness, but all people: ‘seek justice, help the oppressed’ (Isaiah 1, 17 et sqq.), do justice to one in a conflict against another, practise no violence against strangers, orphans and widows (Jer 7, 5 et sqq.). The practice of justice should include all of the fields of endeavour in a mode of living together in solidarity. The traditional ethos of solidarity of the tribal peasantry, falling under increasing pressure, was appealed to for such a practice, as well as justice and the law which had its foundation beyond the reach of the rulers in the divine Creator and Judge of the earth. They will kiss each other, states Psalm 85.

A practice of justice in living together and adjudication in the case of conflict required a collective understanding regarding that which was just and unjust. What served these ends in the Bible in particular was the Torah, the ‘Instruction’ (misleadingly translated into Latin with ‘lex’). The narrative, which was, for the most part, edited during the Exile, led the escaped slaves through the desert to Mount Sinai, where Moses received the Ten Commandments as guidelines for a free life in the Promised Land. The story is a late theological reconstruction that takes up the negative experiences of the times of the kings and the prophetic critique. The successive collections of commandments and laws reflected sociohistorical developments and conflicts of interests (Crüsemann 1992, 13 et sqq., 21 et sqq.). Thus, for example, the first version of the Decalogue did not yet count the ‘field’ of one’s neighbour as one of the objects of forbidden desires (Ex 20, 17). A later version took up the prophetic critique of the accumulation of land in the hands of great landowners and added ‘field’ (Dt 5, 21). This experience was also reflected in the legislation for the sabbatical year, which changed this from a year in which the land was left fallow (Ex 23, 10 et sqq.) to a year of debt cancellation (Dt 15, 1 et sqq.). Further developments were reflected in the
later law for the celebration of the fiftieth year (Jubilee), which was supposed to be celebrated as a year of return to one’s own land (Lev 25 et sqq.; cf. Veerkamp 1993, 91 et sqq.).

The entire Sabbath legislation anchored in an anticipatory manner the great hope of justice in the weekly rhythm of the working day and the day of rest, on which all were supposed to be equally free and no master or head of the household could demand work from dependent women, children, slaves or strangers. Disrupting the patriarchal framework, the free peasant was told in the commandments that all have the same right to rest, that ‘your manservant and your maidservant may rest as well as you’ – in remembrance of the liberation from slavery (Dt 5, 13–15). Cow, child-slave and stranger should be able ‘to breathe a sigh of relief’, as God the Creator did on the seventh day (Ex 23, 12 and 31, 17; cf. Wielenga 1988, 130 et sqq.). – The labour movement has taken up both ideas: that all should work and that all have a right to rest. The protest of the churches and unions against the undermining of Sunday rest can refer back to this common tradition.

The connection of the commandments and laws from the time of the kings and the Exile with the expression of God’s Will on Sinai and the form of the liberator Moses has a fundamental meaning in terms of ideology-critique. What was called justice and law was therefore not decreed by kings, even if individual kings ‘after God’s heart’, like Hezekiah, played a role in the implementation of reforms to the laws. Established interests have left behind traces, but, against the pressure from above, the right of the poor finds its expression in the commandments and the laws, thanks to the remembrance of God’s justice as the event of liberation from slavery which had remained alive ‘below’ or was newly re-awakened by the prophets. This is the case, for example, for the right to asylum anchored in biblical legislation (cf. Crüsemann 1992, 205 et sqq.).

Divine justice was represented ‘from below’ in Exodus as an empowerment to walk upright proudly: ‘And I have broken the bars of your yoke and made you walk erect’ (Lev 26, 13). This corresponds to the fact that justice did not appear as an abstract norm even in legal practice, but as a liberation from injustice. This was the case for the gods just as for humans (Ps 82). In the language of the Psalms, ‘judge me’ is identical with ‘save me’. Therefore, humans and the world of Creation rejoiced about the prophesised coming of the divine Judge as about an announcement of liberation (Ps 98, 9, and 76, 9 et sqq.; cf. Miranda 1974, 113). The critique of injustice not only led to instructions in the form of historical narratives, commandments and laws, but also to the articulation of a universal hope for justice. The ancient oriental association of God’s Kingdom with justice in the works of Creation (e.g. Ps 145) prepared the way for the hope of a coming Kingdom of God bringing justice on earth. An unknown prophet who lived toward the end of the time of the Exile (Isaiah 40–55) spoke in lyrical words of the liberating justice of God that would bring salvation to the ends of the earth. The Creator had not determined the world for chaos (Isaiah 45, 18 et sq.), and his suffering servant – be it a single prophet or the people – would not be discouraged until justice was established across the whole earth (Isaiah 42, 1 et sqq.).

In the ‘Torah republic’ (Veerkamp 1993, 82 et sqq.) of the post-Exile period, this all-embracing hope fell at first into the background, while life, according to the precepts of the Torah, was moved into the centre of the practice of the faith. That this in no way, as has often been claimed from a Christian perspective, must lead to petty moralism or legalism is demonstrated, for example, by the intervention of Nehemiah, who – supported by a great assembly of the people – carried through an historically effective liberation from debt-slavery (Neh 5). Together with the Wisdom Literature, the Torah had, at the same time, an important significance for personal endeavours to prove one’s self to be ‘just [tsedaqim]’ and to keep one’s distance from evil-doers. While justice was primarily related in this Torah-piety to the way of life (Ps 1, 119), apocalyptic hopes of justice, developed from the prophetic
tradition by scribes (Albertz 1992, Bd. 2, 633 et sqq.) flared up again and again in times of crisis, particularly among the poor strata.

2. Even though the Gospel of the New Testament took up the prophetic hope of a reign of God, it is conspicuous that the evangelists – except for Matthew – hardly ever use the conceptual vocabulary of justice associated with it. That may be connected to the fact that the vocabulary of justice was possessed by a Torah-piety, aimed at cultivating an honest way of living. In the interpretation of the Pharisees, this certainly aimed at the sanctification of the whole people, but, in reality, it was hardly practicable for the poor masses. The movement around the figure of Jesus with its predominant orientation to the poor and social outsiders expected a social transformation in the perspective of the Kingdom of God in which the excluded, treated in the meantime as ‘sinners’, would be given their due.

The scribe-evangelist Matthew made it clear that this in no way must mean an under-valuing of the Torah, as some Christian interpreters have believed. The announcement of the approaching reign of God was connected to the call to practise the abandonment of debt-slavery which was commanded in the Torah, as ‘good news for the poor’ and as an adequate preparation of the way for the new aeon (Yoder 1972, 34 et sqq.). The difference with the Pharisees (which at the time of Jesus was necessarily raised in dialogue and only later became unbridgeable) was related to the question of whether both dimensions of justice, the moral and the social, could be simultaneously recognised. The critique went against the tendency to limit oneself to details and to lose sight of the great perspective of justice as an instance of transformation (Mt 23, 23).

The appeal, ‘seek first the kingdom of God and his justice’ was not aimed against the Pharisees, but against the servants of the ‘unjust Mammon’, against the system of injustice that produced endless anxiety (Mt 6, 24 et sqq.). The search for the Kingdom should take place in giving, in sharing with the hungry, in clothing the naked, in visiting the sick and the imprisoned (Mt 25, 31 et sqq.).

An important reason for the shifting of the perspective of justice lay in the context of the Diaspora. In Galilee, Jesus could propose measures for social praxis (like, for example, the release of debts) that could not become effective outside of the region beyond the personal and communal sphere. The scribes endeavoured, as the Talmud proves, to develop legal regulations with the changing economic situation in mind also after the fall of Jerusalem (Arye Ben-David 1974). However, Synagogue just as Ecclesia were confronted in the Diaspora with the practical dilemma of only being able to answer structural injustice which led to massive amounts of beggary with organised welfare for the poor, but not with laws. ‘Doing justice’ was even equated in some texts of the Talmud and the New Testament with ‘giving alms’. In this, not only the commanded social attitude of the giver was considered, but also the entitlement of the recipient. Their ‘fundamental right to life’ should be materially assured (Kessler 1995, 85 et sqq.). In the absence of any state-financed welfare for the poor, the social application to the begging poor of the commandment to love one’s neighbour had a symbolic-critical meaning. The use of the vocabulary of justice moved the practice of love onto the horizon of the expected liberation. ‘Love is not love without a passion for justice’ (Miranda 1974, 62). Despite its limitedness, welfare for the poor proved itself to be a possibility to anchor in actual deeds the ideal of a ‘hunger and thirst for justice’ (Mt 5,6) that had been kept alive by the Torah, the prophets and Psalms in the Synagogue and Ecclesia, as the Sermon on the Mount demonstrated.

In the ‘household rules’ of the New Testament, of course, it also became clear how life in small diasporic communities, without a basis in the land of Israel, soon produced a tendency of adaptation and limitation to personal morality. This, in turn, contributed to a conception of justice exclusively as righteousness being moved into the centre of concerns, justice as the ‘being just’ of the pious or as justification of the single sinner...
in an unchangeable wicked world. The prophetic and apostolic hope for a socially transforming revelation of God’s justice disappeared over the horizon.

That was certainly not the intention of the apostle Paul, whose authority was used in the post-Pauline letters to support a conservative social ethos. A predominant mode of reading has interpreted the theology of Paul dogmatically and in a depoliticising way on the basis of the ‘household rules’, until it finally could be used ideologically for the legitimation of the powers and forces against which he had fought (cf. Elliott 1994, 3 et sqq.). Among other causes, this is to be traced back to the introduction of new elements into the interpretation of Paul by Luther. Luther certainly rediscovered the liberatory meaning of the justice of the Pauline God in his stand against the morality of obedience of the cloister, but he limited this to the personal relationship to God and restricted the expectation of salvation to the basis of the justification of the sinner. The Pauline discourse on God’s justice, on the other hand, turned back to the prophetic-apocalyptic traditions that had awaited a transformation which was to be cosmic as well as an intervention into the social. As Käsemann has shown in his exegesis of the programmatic sentence of the Revelation of God’s justice in Romans (1, 17), the ‘dikaiosúnê toû theou’, the ‘justice of God’, is not to be understood – in a Greek way – as a legal norm for God and human, and also not as just punishment, but as a forgiving, eschatologically liberating power and gift which was recognised – in Judaism – as ‘righteousness in the relationship of the Covenant’ in faith. It was a matter of a God ‘who brought the world back into the purview of his law’ (1974, 22.26). To that corresponded a messianic confrontation with the force and power of sin, described by Paul also as ‘adikía’, ‘injustice’ (Rom 1, 18; 1 Cor 15, 24 et sqq.).

The theological and political key to understanding Paul’s message is the messianic anticipation, the new ‘in Christo’. The mode of living together in a new way of the messianic communities was supposed to anticipate the expected overcoming of social conflicts and unjust relations. ‘There’, that is, in the ‘body’ of Jesus Christ, ‘there is neither Jew nor Greek, there is neither slave nor free, there is neither male nor female’ (Gal 3, 28). Where this levelling of relationships of domination and their overcoming became to some extent a reality, Paul saw the dawning of a new aeon in which God the all-embracing – ‘ta pánta’ is an apocalyptic keyword in Paul (Taubes 2004, 36) – will institute his justice (Rom 3, 21). In this perspective, the uneducated, the weak and the despised were called upon to ‘shame’ the powerful, the noble and the great names, as in their meetings ‘in Christ Jesus’ the wisdom and justice of God was already being realised (1 Cor 1, 26-30). The text from Jeremiah that is here partly quoted spoke of God as he who ‘practises grace, justice, and righteousness on the earth’ (Jer 9, 23 et sqq.). This vision contains the call for a real bodily practice of the struggle for justice: ‘Do not yield your members to sin as instruments of wickedness, but […] to God as instruments of justice’ (Rom 6, 13).

3. Justice in a feminist perspective – Jewish and Christian feminist theologians are in agreement that the Bible speaks a patriarchal language, assumes gender relations founded upon domination, often passes over in silence the experiences of suffering of women and approves, directly or indirectly, of women’s legal marginalisation – a fact which has been made even worse by patriarchal translations and the thought-paradigms of a male-dominated history of interpretation. While this has prompted some feminists to write the Bible off as irredeemable, others have set themselves the task of making visible the patriarchal reality in the texts of the Bible and in the society from which these texts emerged. At the same time, they have sought to interrogate the entire perspective of liberation and justice in the Bible regarding its meaning for the women of its time and for women today. Elisabeth Schüssler-Fiorenza described this mode of reading as a ‘hermeneutic of suspicion’, with whose help the Bible is to be subjected to a ‘dialectical process of critical reading and feminist evaluation’ (1988, 13 et sqq.). For Luise Schottroff, the Bible is the ‘most important school of justice’, an assessment
which she holds also to be valid for the feminist movement, if current social critique and women’s experiences represent the starting-point of interpretation (1994, 11 et sq., 68 et sqq.). Judith Plaskow argued that the women’s movement could by all means take up the prophetic connection of faith and justice without relinquishing the critical treatment of its militaristic and patriarchal image-world: ‘Feminists can affirm our debt to and continuity with prophetic insistence on connecting faith and justice, even while we extend the prophets’ social and religious critique beyond anything they themselves envisioned’ (1991, 216 et sqq.).

In terms of social history, it can be assumed that women in biblical times were marginalised most strongly in official religion, legislation and politics. This is also expressed in the texts which relate to these fields of social endeavour. On the level of the subsistence economy and of the large family, the men certainly exercised their leadership, but the position of women appeared socially and economically in no way to be so marginal as it is often assumed (cf. e.g. Pr 31 and the remarks of Schwantes in Tamez 1987, 89 et sqq.). The weakness of women is most clearly formulated in the fate of widows, whose protection is time and again demanded in the biblical justice commandments. Crüsemann (1992, 291 et sqq.) has pointed to a gradual improvement in the legal position of women, because public jurisdiction limited patriarchal rights and brought about greater legal equality.

In terms of exegesis, a question would be to what extent, how and on the basis of what social foundation women have insisted upon such improvement in the name of the postulates of justice proclaimed by the prophets and the Torah. In fact, there are biblical texts which suggest that women succeeded in articulating their critique also inside the biblical canon and to add feminist criteria to the reading of the Bible. Klara Butting showed with the help of later writings such as Ruth, Esther, Ecclesiastes and the Song of Solomon how ‘women enter from the margins in the history of the Covenant of the Divinity of Israel’ and testify that faith in God and the ‘mistrustful examination of all texts with regard to their patriarchal function [. . .] are not mutually exclusive’ (1994, 182 et sqq.). For the New Testament, Brigitte Kahl brought out how the andro-centric version of the Christian origins in Luke can not only be retrospectively analysed from the viewpoint of a modern feminism, but also on the basis of the opening chapter of St Luke’s Gospel itself (Lk 1), in which the intervention of women provides the hermeneutic key for the entire text: the messianic song of liberation of Mary (Lk 1, 55 et sqq.) undermines the patriarchal ‘codes’ of the text. ‘Luke 1 binds the Gospel for the poor and the Gospel of/for women “genetically” [. . .] together. An “archetype” is established that should be used as permanent criterion and criticism of what follows’ (1994, 237).

4. Ecological justice. – The pressure of the ecological crises and the charge which makes the biblical ‘dominium terrae’ of Genesis 1 responsible for the readiness to destroy nature has strengthened the perception that the biblical understanding of justice as righteousness [Gemeinschaftstreue] in accordance with the Covenant also included relationships with non-human nature. Actually, the Bible emphasises the particular role of humans, but this is in the sense that this role makes them responsible for the protection of creation, or, if they do not fulfill their role, condemns them for the destruction of the relationships of Creation. Rhetoric of human ‘dominion’ over the earth and animals (Gen 1, 28) meant, in that context, agriculture, irrigation and the breeding of livestock, and was complemented by reference to ‘tilling and keeping’ the garden (Gen 2, 15). With the animals and the trees, ‘Adam’ belonged to ‘adamah’, to the ‘earth’ from which he was taken (Gen 2, 7 and 9). An act of misconduct, which did not do justice to these relationships, was judged to be a breaking of the Covenant, leading to the pollution and the withering away of the earth (Isaiah 24, 5).

This apocalyptic text is related to Noah’s Covenant from pre-historical times, described as a Covenant with the earth and all living creatures (Gen 9, 9-16). The preceeding paradigmatic flood-saga, which is also found,
with different conclusions, in other ancient oriental cultures, presented the catastrophe of the flood as a consequence of the violence spreading across the earth. Noah as ‘a righteous man’ (Gen 6, 9), that is, as a non-participant in the destruction and violence, made possible the survival of the humans and animals with the help of the Ark, which can be regarded as a type of life-saving technology. Jewish commentators saw Noah’s justice in his dealing with the different types of animals, only together with whom humanity can survive.

The wide perspective of justice that reveals the connection of social injustice and ecologically damaging behaviour was based upon the declaration of faith in the oneness of God as the Creator and Liberator. This appeared in the conception of justice of the Sabbath-economy, which as an economy of ‘sufficiency’ and of just sharing made allowances for both ecological and social needs and functioned as an alternative to an economy of an uninterrupted accumulation. The commandment of rest on the seventh day included livestock. The reason for this day of rest was given as, on the one hand, the creation (Ex 20, 9-11), and on the other, the liberation from slavery (Dt 5, 14 et sqq.). The seventh Sabbath year was celebrated both as a year in which the land was left fallow and as a year for the cancellation of debts. The fallow period was supposed to stand the land in good stead just as much as the poor and game (Ex 20, 24 et sqq.). And, if the sermon on the Mount articulated the desired for justice (Mt 5, 1–8 and 6; 6, 33), it referred for encouragement to the birds and lilies as an alternative to the connection of social injustice and ecological behaviour.

5. The Bible is neither anthropocentric nor theocentric nor eccentric, because it is concerned with the covenant between God, humans and all life. Its wish for justice examines human claims to domination and at the same time posits the rights to life of the poor and the weak in the centre of discussion. This main feature divides the biblical tradition from all conceptions prepared to sacrifice the weak for the survival of the human species. God as the Creator of the human species cannot be separated from God the Liberator of the Hebrew slaves and Protector of the right of the poor, orphans and widows.

Thus, for example, the concrete behaviour of a human or their general mode of behaviour, the judgement of a court, the law or the bill before parliament, the war of a state, the practice of the police, the property relations and the hierarchies in a society, the relation of ethnic groups and of the genders to each others and of the state to them, the death penalty, racism, the censorship of a teacher, income tax, the privilege of education and even fate, the way of the world or the characteristics of real, imaginary or made-up beings, are assessed as just (or unjust). Such an assessment means also either a positive or negative judgement, either an approval or disapproval, appreciation or a condemnation. A standard gauge for the judgment of a behaviour as just or unjust can be both really existing and also merely imagined relations in the form of conceptions, goals or ideals. Negative judgement implies the demand to suppress unjust behaviour and to replace unjust relations with just ones.

Justice and injustice are mobilising concepts: in emancipatory movements for political, social, cultural, ethnic, national, and international or gender justice, they motivate the excluded, the exploited, the underprivileged and the oppressed to reform or revolutionise the social relations which are held to be unjust. With the help of demands for justice, however, also counter-revolutions and wars can also be incited. The use and misuse of versions of justice are at times difficult to differentiate.

1. The views of humans regarding what is just and what is unjust are embedded in their individually and socially conditioned structure of interests which reflect such views and upon which they at the same time exert an influence. Therefore a binary code of humanity of ‘justice/injustice’ is only able to be universally accepted at the price of its lack of content. However, there is a timeless valid measure of correct, that is, just, behaviour of all and for all in the kingdom of utopias and illusions. No definition of justice, but above all, no criterion of justice has yet proved to be immune to contradictions or even refutation. Hegel’s verdict is valid for many ideas of justice: ‘This...
grandiose talk of the best of humanity [. . .] such ideal essence and goals collapse as empty words which edify the heart and leave reason empty. They uplift [erbauen] but do not build [aufbauen] ‘(PS, §390). Brecht, coming to terms with experiences, noted that ‘There are states in which justice is highly praised. In such states, one can suppose, it is particularly difficult to practise justice’ (GA 18, 53).

Nonetheless, demands for justice as means for the critique of social relations which are judged to be unjust have always worked to mobilise, to demand progress, and also occasionally to hinder progress. Justice has helped to keep alive a critical distance between reality and ideality, between legality and legitimacy, between is and ought, between that which has been achieved and that which can be achieved. Aristotle had already registered that justice, just as equality, was demanded above all by the weaker (Pol 1318b). Just as justice without law proved to be powerless, so law without justice proved to be tyrannical.

2. Theories of justice in Europe can only be spoken of since Democritus, Plato and Aristotle. More than a thousand years previously in the most important legal document of oriental antiquity, the Babylonian king Hammurapi (1728–1686 B.C.E.) had claimed to have been called by the Gods ‘to win recognition in the land for justice’. In the Hebrew Bible (8th to 2nd centuries B.C.E.) the word justice [sadqa], appearing 52 times and described in the most comprehensive way the world and human order ordained by God (Monz 1995, 63 et sqq.). In Homer’s and Hesiod’s epics, justice was not distinguished from law, the goddess of law and order, Themis and Dike, or the decisions of the rulers acting according to divine decree (Odyssey 3, 133; Iliad 2, 206; Works and Days 248–85). And a stronger accusation of the ruling injustice is hardly more imaginable than Hesiod’s, which exposed it as the injustice of the rulers, for which he introduced the concept of the ‘devourers of gifts’, the ‘dôrophágoi’.

Democritus, the democrat amongst the classical Greek philosophers, thought justice as a horizontal relationship between citizens of the polis. Politics and the art of living well were combined in a justice that was practised. This made Democritus, the teacher of chance and the founder of atomism, at the same time the first theoretician of conscience. Like Socrates (cf. Grg, Crito), Democritus could therefore say: ‘Who commits injustice is worse for having done it/unhappier than who suffers justice’ – ‘ho adikôn toû adikouménou kakodaimonisthés’ (Frg 45). – In the context of his socially conservative idea (not a utopia!) of a state divided into three classes with a rigid division of labour in addition to slavery, Plato, the arch-enemy of the democratic materialist, characterised justice with the formula ‘tà autoû práttein’, which obliged each to fulfil their class-specific function and not to interfere in anything which was not their business. It is just when each has their own and does their own thing (Republic, 433a) as well as receives relatively the same (Laws, 757). This trinary formula of justice as a measure of having, doing and receiving is subordinated to a conception of a state whose ruler certainly wisely obeyed the law (Laws, 715), but who was allowed to use lies and deception for the benefit of those who were ruled (Republic, 459).

The theory of justice of antiquity with the most consequences was that of Aristotle. Justice was ‘political’ in the sense of ‘being appropriate for the polis’, ‘he dê dikaiosunê politikôr’, because justice [dikê] was the order [tásis] of the political community and judgement [krisis] about the just ([Pol I, 1253a38). Humankind, the political beings living in accordance with nature in community; they had a share in the distinction of the useful/the harmful [sumphéròn/ blaberôn] and of the just/the unjust [dikaios/adikon] (Pol I, 1253 a18). ‘Justice’ was expressed in many different ways [plemáchos légêsthai] ‘(EN V, 1129a23–31): on the one hand, ‘justice’ was called ‘the perfected virtue/competence in relation to others’, ‘aretê teleia prós héteron’ (1129b26 et sq., in a similar vein, 1130a4), that is, it is the social deployment of all attitudes to be gained by experience and education and all attitudes prescribed by the law [nómê] (1129b19–27, similarly, 1130 b25 et sqq.). In addition to this comprehensive meaning of justice, in
the fifth book of the *Nicomachean Ethics* Aristotle gave a presentation *en mérei*, that is, a presentation of different partial forms of justice (1130b16), whose definition he developed from the injustices which were remedied or avoided by these partial justices: the ‘unequal [*íson*]’ as a balancing of the ‘unequal [*dianemêtkon* or *nemêtkon díkaion*, 1132b24]’ oriented to the distribution of honours, offices and goods [*dianomais tonês é chrêmatôn*, 1130b31] and that justice which ordered contractual intercourse, ‘en tois sunallâgmâsi diorôthôtîkon’ (1131a1; 1132b24f). The latter divided, in its turn, into two further concepts: the first, that of the justice of exchange, regulated by ‘voluntary’ transactions, precisely, market dealings of all types; the other, that of the repayment of injuries which compensated the consequences of ‘involuntary’ transactions in the form of reparation or vengeance [*tales*] (1131a1–9), that is, such actions which in the modern state are covered by criminal law.

Common to all these partial justices is that their centre, in accordance with the Democritean formula, is a middle point between ‘too much’ and a ‘too little’, a type of equality in the sense of equilibrium. In the justice of distribution, it was a matter of a ‘geometrical’ equality, for the offices and honours of the *polis* should be awarded to the members of the *polis* in proportion to their competence and education. In the justice of exchange, on the other hand, it was superficially a matter of a numerical, arithmetical equality; though, even here, proportionality had to be established (Haacke 1994, 44). The commodities which were exchanged for each other were as different as the competence and with that also the rank of their producers; a bed and a house, for example, are not commensurable, ‘sûmmetra’ *(EN V, 1133b19)*. Only need/necessity [*chrêia*] justified the introduction of an artificial [*ex hypothéseôs*] means as a measure in order to make commodities for exchange equivalent [*íson*] (b20 et sq). Without exchange, however, no community [*koinônía*] was possible (b21). An orientation toward use-value and the establishment of community were for Aristotle the measure of just exchange and trade in accordance with nature *(Pol I, 1257a16)*. The deployment of money for its increase, however, be it by means of profit-oriented trade or by the payment of interest, which allowed ‘money [to come forth] from money’, was regarded by him to be unnatural (1257b28–58a10).

It was, among other elements, the realisation that commodities must first be made commensurable in order to be exchangeable which caused Marx to praise the genius of Aristotle, because he had discovered a relation of equality in the expression of value of commodities, even if he was not able to read out from the commodity-form the fact that it is human labours which are expressed in it as equally valid. Marx explained that this limitation of knowledge was due to the fact that Greek society was founded upon slave labour, that is, upon the inequality of humans and their labour-powers *(MECW 35, 69; regarding EN, 1133b)*. – Actually, for Aristotle, there was a legal relation between slaves and their masters only in a metaphorical way [*katà metakronía*]. He named this legal relation ‘dikaioin despotikón’ and compared it to the law of the rational [*lógon échon*] part of the soul [*psyche*] opposed to the irrational or speechless [*alógon*] part *(EN V, 1138b5–9)*. To the extent that the slave was a human and had a share in law [*nímos*] and contract [*sunthêkê*], there could be justice and also friendship for him; to the extent that he was a slave, that is, a mere tool [*árgonon*], there was not *(EN VIII, 1161b2–6)*. Even his foot had no right compared to the master *(Magna moralia, 1194b)*. The law between man and woman followed from the aristocratic principle of ‘kat’ arêtè’: to each of them was given that which was appropriate to them, ‘tò harmózôn hekástô’ *(EN VIII, 1161a23–5)*. It was just that, in the marital
relation, the man ruled over the women. The reverse would be against nature for Aristotle (Pol, 1299b1–3).

The understanding of justice which had already appeared in Plato (Republic, 331; Laws, 757) and Aristotle (EN, 1131a–b), and which occupied the position which for the Romans was assigned to the principle of ‘sumum cuique’, ‘to each their own’, reached its final form, via Cicero (De legibus I, 6, 19), in the version which the jurist Ulpian (circa 170–223) gave to it. This occurred in the work of codification under the Eastern Roman Caesar Justinian (compiled between 527 and 534, and since 1583 denoted with Corpus iuris civilis). From this work has been handed down a quotation which even today continues to be used often, though, of course, often misunderstood: ‘Iustitia est constans et perpetua voluntas ius suum tribunes’ (Initial sentence of the Institutes, also called the Digests, 1, 1, 10: ‘Justice is the unwavering and enduring will to give to each their right’), a conservative legal norm which guarantees the existing property relations. Cicero’s presentation (De officis II, 21, 73) logically follows: in the first instance, one who manages the community would have to see that each one would maintain their level of property and a reduction in the wealth of private persons, not through the intervention of the state, would be brought about.

It was Epicurus who removed justice from a transcendent perspective. He continued the contract theory that had been developed in the milieu of Protagoras (believed by some to have been a student of Democritus). There is no justice in itself, only as a contract [sunthêkê, súmbolon] between humans living together. In order to define the fundamental principle of such a contract as ‘just by nature’, ‘tês phuseôs dikaiôs’ (Ratae sententiae, 33), he chose the proven formula ‘not to harm [each other] and not to allow each other to be harmed’, ‘mê bláptein mêdè bláptesthai’ (Rs 33, excerpted by Marx in MEGA IV.1, 16, 603). By conceiving natural law as a law appropriate to human nature in place [tîpos] and time, Epicurus freed justice from being a canon of virtue pre-determined by God or dressed-up in any other mystical way. If the community of members of the polis recognised what was useful to them and what harmed them, they would be obliged to the corresponding commandments and proscriptions. A law that became unjust to the needs of the community would not have the nature of law and would therefore lack the validity of law. With that, the concept of justice was materialised, relativised and historicised. The birthplace of justice was not in the hereafter, but in the here and now, in the needs of humans, changing in time and with place.

The adherents of the Stoa who argued against Epicurus transferred the versions of justice tailor-made to the polis, the ancient Greek city-state, to a conception of justice which was aimed at the cosmos, at a world order. From that emerged the triad which was typical for the Stoics and which exerts an effect right up to the present day: human law – natural law – world law. The ‘lex humana’ was overlaid by a ‘lex naturalis’ and this, in its turn, was overlaid by a ‘lex aeterna’ (Chrysippos, De lege aeterna, 325; Cicero, De re publica, III, 22). What was just and unjust derived not from the satisfaction or non-satisfaction of earthly needs, but from the obedience to or revolt against an order of things pretending to be divine. The monopoly on definition and interpretation of the rulers ensured that such a conception of justice reflected their interests.

3. The Patristics and Scholastics less systematised the many and diverse and also contradictory ideas of justice of the Old and New Testaments than integrated these ideas, including the Aristotelian world-view, into an understanding suited to the papal church, the state and world domination. The great phrase of Augustine, ‘What are kingdoms if they are lacking justice than great bands of robbers?’ (De civitate dei, IV, 4: Remota itaque justitia, quid sunt regna, nisi magna latrocinia?), together with his other maxim, ‘There is only true justice in the community whose founder and ruler is Jesus Christ’ (II, 21), took a turn which was also oriented toward both internal and external sanctions.

The reversal of Protagoras’s saying, ‘man is the measure of all things, of their being how they are, of their not being how they are not’ (qtd in Plato, Tht, 151 et sq.), into the opposed formula of Plato according to
which God is the measure of all things (Laws IV, 716c) (which passed into Latin as ‘non sub homine, sed sub Deo et sub lege!’), belonged to the intellectual preconditions of the Christian mode of deriving the relation between the divine, the natural and human law, of ‘lex divina’, ‘lex naturalis’ and ‘lex humana’. Following that was the law which was valued more highly at the time of the standard of justice for the inferior law. Each ‘lex lata’ just as each ‘lex ferenda’ was subject to the standard of judgement, and thus also to a standard of condemnation, of a natural law derived from the order of the Creation. Its content had been equated with the regulations of the Old and the New Testaments by the Decretum Gratiani (circa 1140), eventually the first part of the later Corpus iuris canonici (official since 1580) (I, 1: Ius naturale est quod in lege et in Evangelio continetur).

St. Thomas of Aquinas denied a self-legitimation of right and law: Any ‘lex humana’ which did not agree with ‘lex naturalis’ (which, for its part, had its ground of validity in ‘lex divina’) is no law, but, rather, a ‘legis corruptio’ (Summa theologica, II–I, qu. 95, 2).

The earthly consequences of the above conception of justice derived from the participation of humans in the unfathomable will of God were marked by the power/powerlessness structure of feudal society and the claim of the Roman Church, with its head as Vicarius Dei on earth, to interpret divine right in the last instance. With the principle of justice of ‘to each their own’, St. Thomas justified slavery and serfdom (S.th., I, qu. 21; II–II, 57), and he gave the argument of equality as a reason why heretics should be excommunicated and burnt as believers in falsity (II–II, 11: non solum ab ecclesia per excommunicationem separari, sed etiam per mortem a mundo excludi), just as the authorities also justly killed the counterfeiter. With his Bull Divino amore of the 18 June 1452, Pope Nicholas V enabled the King of Portugal to conquer the lands of the non-believers and to force their inhabitants into eternal servitude [in perpetuum servitutem]. And with his Bull Regnans in excelsis of the 25 February 1570, Pope Pius V dismissed Queen Elizabeth of England, at the same time releasing her subjects from her oath of allegiance on the grounds that there is no salvation of the soul outside of the Roman Catholic Church [unam sanctam catholicam et Apostolicam ecclesiam, extra quam nulla est salus].

4. Christianity has thus certainly been increasingly instrumentalised by the rulers since the time of Constantine I (from 306 Roman Caesar in Byzantium). But Christian belief is innately no invention of those in power to justify their exercise of violence both internally and externally, no purposive invention of the ruling against the oppressed social classes. The early Christian verses on justice cannot fairly be understood as an ideology designed for the legitimization of war and colonisation, even if they were used as such for hundreds of years. With their help established legality has been legitimated, yet has also been delegitimated. With Christian verses about justice and injustice, the disciplining of the lower orders by the higher has certainly been further entrenched in the course of history. For example, the following sentences of Paul: ‘Let every soul be subject unto the higher powers. For there is no power but of God’ (Rom 13, 1); ‘Servants, be obedient to them that are your masters [ . . .] with fear and trembling’ (Eph 6, 5); ‘Wives, submit yourselves unto your own husbands, as unto the Lord’ (5, 22).

At the same time, the reigning power/powerlessness structure was undermined by verses concerning justice in the New Testament whose content can be interpreted in an opposed direction. For example: ‘Who believes in Christ is just’ (Rom 10, 4); ‘Bear ye one another’s burdens, and so fulfill the law of Christ’ (Gal 6, 2); ‘If any would not work, neither should they eat’ (2 Thess 3, 10); ‘He hath put down the mighty from their seats, and exalted them of low degree’ (Lk 1, 52). From its origins onward, Christianity, like other religions, has also reflected the longings and visions of the simple people, their illusory happiness (MECW 1, 149; MECW 3, 175).

It has been made manifest time and time again that opposed interests can hide behind the representations of justice of the biblical books – thus, in the sixteenth century, the pamphlets of the rebelling peasants partly
used the same biblical passages as the sermonising priests of their opponents well disposed to the nobility (Laube/Seiffert 1978, 26, 316). Acts of the Apostles 4, 32 was tortured out of Thomas Müntzer as a confession under duress (508): ‘And the multitude of them that believed were of one heart and of one soul: neither said any of them that ought of the things which he possessed was his own; but they had all things common’ (In the Vulgate, ‘multitudinis autem credentium erat cor et anima una, nec quisquam eorum, quae possidebant, aliquid suum esse dicebat, sed erant illis omnia communia’). Just ten years before, the pious Thomas More had written in the first book of his Utopia that private property and justice exclude each other: ‘I don’t see how you can ever get any real justice, so long as there’s private property’ (65). In England’s revolution of the seventeenth century, the eloquent Gerrard Winstanley published his pamphlets, among them The New Law of Righteousness (London 1649), with which he called to take away the monopoly of access to God from the priests, the land from the landowner, the law from the lawyers and the authority of the state from those who possessed it. His maxim, the ‘Law of Righteousnesse in the pure light of Reason’, was based exclusively on quotations from the Bible. In France’s revolution of the eighteenth century, it was two priests, the abbot Henri Grégoire and the curate Jacques Roux, who were among the sharpest critics of feudal society, but also, already, of bourgeois society. Roux explicitly equated justice with the rights of man, but declared that freedom, just as equality, was an empty delusion so long as one class of humans could starve out another (147, 173). In the Germany of the nineteenth century, Wilhelm Weitling regarded ‘to be rich’ to be a synonym for ‘to be unjust’ (Die Menschheit, wie sie ist und wie sie sein sollte, qtd in Kowalski 1962, 212). In The Poor Sinner’s Gospel of 1845, he compared justice with the community of property and opposed it to private property with reference to Lk 14, 33 (‘whosoever he be of you that forsaketh not all that he hath, he cannot be my disciple’) and a dozen further quotations from the Bible (86 et sqq.).

5. It was the great service of the European Enlightenment from Hobbes, to Rousseau, to Hegel, to have initiated the universalisation of a rationally worked-out terrestrial understanding of justice. Since the laws of this world were not made in an other-worldly realm, justice also, as a measure of correspondence between the actually valid and the really required law (between existence and reality), was to be found nowhere else than in the here and now. Not the revelation of a God, but the reason of humans was the means of argumentation: human rights were invoked as a measure of law from heaven at the most metaphorically. Hobbes, explicitly repudiating Aristotle, Thomas and Suárez, and turning instead to the tradition of the materialists Epicurus (Ratae sententiae, 31–8) and Bacon (Treatise on Universal Justice, Aph. 1–7), revolutionised the traditional connection of derivation of ‘pseudo-philosophical’ scholasticism between natural law legitimated by divine law and the law of humans by turning it the right way up. Natural law [das Naturrecht, ius naturale] is nothing other than the original freedom of every human, their own power to act according to their wishes, which must therefore be overcome. Otherwise the life of humans remains ‘solitary, poor, nasty, brutish, and short’. Only when humans recognise their interests by means of their reason could there emerge a legal system suitable for civil society [bürgerliche Gesellschaft] that would be the opposite of a war ‘of every man against every man’ (Leviathan, Ch. XIII). – John Locke held that it was impossible that the rulers of the earth could derive even the least shadow of authority out of that which they were wont to regard, by means of bibliically handed-down revelation, as the source of their power. Justice, that is, assumed that an elected parliament decided according to publicly stated laws and by means of authorised judges on the rights of subjects, since these had, after all, only united in a society in order to protect themselves and their property (Of Government, II, 136–9). – David Hume declared: ‘justice takes its rise from human conventions’ (Of Human Nature, III, 2). Justice, just like property, had its origin exclusively in general utility.
The emancipation of the legal system from a Christian/ecclesiastical standard was a part of the process of self-clarification of all anti-feudal classes concerning their interests and their opponents. Against the influence of the three Christian churches on the social and legal system, von Pufendorf insisted that there was just as little a Christian natural law as a Christian surgery (Eris scandica). Kant allowed neither religion nor morality to assume the throne of critique, but only autonomous human Reason purified by self-critique. He did not approve, however, of the ‘uncouth appeal to supposedly conflicting experience’ which would not even exist if one had judged at the appropriate time according to reasonable ideas (WA 3, 324; 11, 129).

The rejection of God as the source of justice, however, was not supposed to result, for example, in the declaration of justice as trivial, or free manoeuvre being given to human arbitrariness. To claim that there was no right or wrong except that which the laws ordered or forbade was, for Montesquieu, tantamount to the claim that the radii would not have been the same before the first circle was drawn (De l’Esprit des Lois, I, 1). It was much more a case of the objectivity of a criterion of justice. Hegel radicalised the problem by denying any scientific meaning to former modes of treating natural right, the apriori as well as the empirical, and by refusing to concede the possibility of existence of a perfect legal system with total justice (W 2, 437, 485 et seq.). On the one hand, hundred years’ old law justly went down if the basis which was the condition of its existence was no longer valid (W 4, 508), and, on the other hand, that which was only supposed to be, without actually being, had absolutely no truth (W 3, 192).

The philosophers of the Enlightenment did not content themselves with disqualifying traditional law as unjust by a verdict of critical reason. Their actual concern was a society in which law and justice tended to coincide. How that was to be managed was a matter of dispute among them. Montesquieu hoped for a constitution of freedom and justice in which the three types of ways in which the state exercised power (la puissance législative, exécutive, de juger) would be exercised by co-ordinated mutually interdependent controlling organs (De l’Esprit des Lois, XI, 6). Rousseau, on the other hand, favoured the identity of the governing and the governed, which excluded unjust laws because nobody could be unjust toward themselves (Du contrat social, II, 6). For his part, Kant put the touchstone for the justice of a law in the idea of reason of obliging ‘every law giver that they so write their laws as if they could arise from the united will of the entire people’ (On the Proverbial Saying, WA 11, 153). All of that was, at least, thought in an anti-feudal sense and in the direction of a civil society [bürgerliche Gesellschaft]. Hegel, of course, undermined their claims to absoluteness with his theory that this ‘civil society [bürgerliche Gesellschaft]’, by the contradiction immanent to it between an excess of wealth on the one side and poverty on the other, would ‘be driven beyond itself’ (PR, § 246; cf. MECW 6, 504, where bourgeois relations of production ‘outstrip themselves’).

In the development of versions of justice tending toward socialism before Marx and Engels, the question of property played a central role. Rousseau, certainly no socialist, was absolutely clear that inequalities and conflicts of interests were among the inevitable effects of property (Discours sur l’inégalité, 209). This was the reason why he counted among the preconditions of civic freedom not only equality before the law, but also equality of wealth, at least to the extent that nobody should be so rich as to be able to buy another person, and nobody so poor, as to have to sell themselves (Du contrat social, II, 11). The feminist Mary Wollstonecraft saw in freedom a beautiful idea never realised, because ‘the demon of property has ever been at hand, to encroach [upon] the sacred rights of men, and to fence round with awful pomp that war with justice’ (1790, 14). William Godwin (1793) indeed characterised reason as an important instrument of justice, but did not overlook the fact that the rich had a monopoly of state violence and transformed the legal system into an instrument of oppression over the poor, thus hindering justice (1976, 91 and 790).

At the same time the murmuring tendencies which had been around for centuries of
a ‘Christianity from below’ began to be amplified. Thus Saint-Simon demanded in his dialogue New Christianity to arrange society according to the principle of neighbourly love (Rom 13, 9; cf. already Lev 14, 18) and to turn proletarians into partners enjoying equal rights (400 et sqq.). Étienne Cabet radicalised his understanding of Christianity in the form of a Communist Confession of Faith (in Höppner, Vol. 2, 392–407). Weitling wrote in a manuscript (published for the first time in 1929) with the title Justice that, among all established principles, only the Christian led to a ‘satisfying definition of the concept of justice’ (123). Karl Schapper, member of the League of the Proscribed, later of the League of the Just (!), saw in community property that which Christ had actually wanted, and was of the opinion – at any rate, in 1838 – that one ‘could draw the most for our principles from, and have the best effect on the people with, Christ’s teachings’ (qtd in Förder, 105).

Finally, ‘the rights of man’, as they had been catalogued in different versions in France’s Great Revolution as foundations of the Constitution (cf. Klenner 1982, 226–41), had served as a criterion for judgement and condemnation of the social relations which were to be revolutionised. In Article 4 of her Declaration of the Rights of Woman and the Female Citizen of 1791, Olympe De Gouges had regarded as a consequence of ‘justice’ that women were given back their ‘natural right’ to equal rights (qtd in Schröder, 37). Mary Wollstonecraft denied the existence of a ‘divine right of husbands’ no less than that of a ‘divine right of kings’ (1790, 122). ‘Inequality and oppression are synonymous’, Babeuf and Buonarroti had both recognised (qtd in Höppner, Bd. 2, 97). From the Société des droits de l’homme to the Society of the Rights of Man and the League of the Proscribed, to the League of the Just (according to its statutes: the League of Justice!), the forerunner of the League of Justice (according to its statutes: the League of Justice!), the forerunner of the League of the Communities, the realisation of the rights of man and of the citizen was named as the political goal of the illegal organisations inclined toward communism as well as the labour movement (cf. Ramm, 6; Klenner, 257; Förder, 93). That corresponded to the view of Georg Büchner that ‘in social things [one must] depart from an absolute legal principle’ (Werke, 435). The Hessische Landbote (Hessian Land Herald) of 1834 that he helped to write had characterised the judiciary [die Justiz] as a ‘whore of the German princes’. Simultaneously, it had stated that the people had been robbed of the rights of man and citizen, and ended with the yearning for a ‘kingdom of justice. Amen’ (365).

6. Probably the earliest use of the word justice in the oeuvre of Marx and Engels (except for excerpts) comes from Engels in October 1843: ‘Show them that real liberty and real equality will be only possible under community arrangements, show them that justice demands such arrangements, and then you will have them all on your side’ (MECW 3, 397). The most likely last use of the word justice is also by Engels, who, in 1891, ironically characterised the kingdom of God on earth, translated into philosophical terms, as a place ‘where the eternal truth and justice is realised or should be realised’ (MECW 27, 191). In a letter of June 1879, he criticised the ethical socialism of Karl Höchberg and ‘his programme of the “Zukunft”, according to which socialism was to arise out of the concept of “justice”. Such a programme directly excluded from the outset all those who ultimately regarded socialism, not as the logical outcome of any idea or principle such as justice, etc., but as the ideal product of a material-economic process, of the social process of production at a given stage’ (MECW 45, 362 et sqq.).

With these three selected remarks, the range of the versions of justice of Marx and Engels becomes immediately clear. Initially, the doubled identification of justice with real freedom and equality, on the one hand, but also, on the other hand, the identification of German philosophy, which via detours has finally arrived at communism, with the concerns of French, English and German socialists from Babeuf to Proudhon to Weitling (MEGA I.3, 495 et sqq.). In a final move, justice was declared to be unsuitable for helping to found a programme for socialism.

In the complex understanding of justice of Marx and Engels at least five aspects can be differentiated:
6.1. As dialecticians, Marx and Engels refused to elevate the historical explanation for the coming into being of a situation into the standard of a justification for the continuance of this situation, as Savigny and his historical school of law had done (MECW 1, 203; MECW 3, 177). As historical materialists, besides an empirically pre-determined, self-legitimating legality, they also rejected an apriori ascertainable, eternal justice shaping (or which was supposed to shape) all humans at all times and in all situations. Particularly in his conflicts with Proudhon, Marx conducted a vitriolic polemic against all attempts to derive revolutionary demands from considerations of justice. The ‘inspiration of eternal justice’ (Poverty of Philosophy, MECW 6, 193), according to Marx, reflected civil society [bürgerliche Gesellschaft] itself as an ideal, which was the reason why it was hopeless ‘to want to reconstitute society on the basis of what is merely an embellished shadow of the actual world’ (MECW 6, 144, trans. modified; commentated on by Engels in MECW 26, 283). Proudhon drew ‘his ideal of justice, of justice éternelle, from the legal relations which correspond to commodity production, as a result of which [...] the proof which is for all petit bourgeois so comforting is also provided, namely, that the form of commodity production is just as eternal as justice. [...] Does one know anything more of, for example, usury, if one says, it contradicts “justice éternelle” [...]?’ (MECW 35, 94 et sqq.; trans. modified). To destroy the normative aura of an eternal justice together with its metaphysical basis was a life-long element of Marx’s and Engels’s ideology-critical modus operandi. Intuition provided them with no certainty of judgement. To judge or condemn something without having comprehended it was anathema for them (MECW 35, 503).

6.2. Even if Marx and Engels radically rejected the existence of an ahistorical and transcendental – that is, absolute – justice, they nevertheless acknowledged the historical (that is, temporary) inevitability of ideas of justice as well as the necessity of uncovering the material basis of these ideas. The ideal of ‘eternal justice’ was, for Engels, ‘the ideologised, glorified expression of the existing economic relations, at times from the conservative side, at times from the revolutionary side’ (MECW 23, 359). Thus the philosophers of the Enlightenment had announced that they wanted to liberate all of humanity from the former social states of superstition and oppression, and to introduce a kingdom of reason in which would reign, beside the eternal truth and the inalienable rights of man, also ‘eternal justice’. This had, then, of course, turned out to be ‘the idealised kingdom of the bourgeoisie’, with bourgeois justice, equality at the most before (but not under) the law and private property as a human right (AD, MECW 25, 19). As it turned out that the opposition of exploiter and exploited, of rich idlers and working poor had remained, communist utopians would have wanted in their turn to free immediately all of humanity and to introduce the ‘kingdom of reason and eternal justice’, an ‘eclectic average socialism’ as an expression of ‘absolute truth, reason and justice’ (19 et sqq.). Also here ideas of justice were regarded as necessary, even if illusory reflections of historical events, particularly in the consciousness of everyday life.

6.3. In a polemic with the English banker and economist James Gilbart, who had named the profit-seeking of those who loaned money a ‘self-evident principle of natural justice’ (MECW 37, 337), Marx declared that the assumption of a ‘natural justice’ in this context was ‘nonsense’ (ibid.). However, Engels differentiated between ‘what is morally fair, what is even fair in law’ from what is ‘socially fair’ (MECW 24, 376). By ‘fair in law’ he understood a relation corresponding to the currently valid juridical laws, which was thus legally just. By ‘socially fair’ (MECW 24, 376) he understood a behaviour or relation corresponding to the current mode of production, which was thus economically just. He therefore suggested replacing the long-standing slogan of the English labour movement, ‘A fair day’s wages for a fair day’s work!’ with ‘Possession of the means of work by the working people themselves’ (MECW 24, 378). And Marx held legal contracts about economic transactions as actions freely entered into by the participants...
to be just, provided that they corresponded to the current mode of production, and held them to be unjust as soon as they were inadequate for the mode of production; slavery, on the basis of the capitalist mode of production, was therefore as unjust, according to Marx, as the falsification of commodities (MECW 37, 337 et sqq.). In the *Critique of the Gotha Programme*, he provocatively claimed that the wage of the worker, which in bourgeois society ‘can in no way be calculated from justice’ is the result of the ‘only “just” distribution on the basis of the present-day mode of production’ (MECW 24, 84 et sq., trans. modified). Also the capitalist profited as a ‘necessary functionary of capitalist production […] with every right, i.e. such right as corresponds to this mode of production’ (Randglossen, MECW 24, 535).

Marx was not happy that he was obliged to adopt ‘truth, morality and justice’ in the preamble of the *Rules of the International Workingmen’s Association* (MECW 20, 14; 23, 4), ‘but these are placed in such a way that they can do no harm’ (MECW 42, 11).

6.4. The radical rejection of the derivation of political-revolutionary demands from an abstract concept of justice, since ideas had always disgraced themselves as long as they were differentiated from interests (HF, MECW 4, 85), meant for Marx and Engels in no way a lack of criticism in relation to the given mode of production together with its law and a justice appropriate to it. Since they understood bourgeois society as an historical process (i.e. as having become, as developing and temporary), they certainly acknowledged no natural justice. However, they did acknowledge, next to a juridical justice (what is fair in law) and a social justice (social fairness), also an historical justice. By this, they understood the degree of agreement of the behaviours and relations of humans with the objective requirements of social, progressive development. In this sense, they spoke of ‘historical justification’ (*AD*, MECW 25, 269), of a ‘legitimate tendency’ (MECW 20, 188), of an ‘historical inevitability’, that is, the ‘historical legitimacy’ of determinate social conditions (MECW 26, 597 et sqq.), occasionally also directly of ‘historically justified’ relations of production (MECW 37, 762) or ‘historical justice’ (MECW 16, 395). The general course of history thus appeared as the judge of that which was historically just or unjust. The enforcer of the judgement was, however, the proletariat (MECW 14, 656).

6.5 Since Marx and Engels refused to advocate ‘the requirements of truth’ (one could also say: of justice) instead of ‘true’ requirements (one could also say: just) and ‘the interests of Human Nature, of Man in general’ instead of ‘the interests of the proletariat’ (*Manifesto*, MECW 4, 511), they derived their communist demands from the (according to them) empirically perceptible collapse of the capitalist mode of production, not from a moral [sittlich] feeling or feeling of justice (MECW 26, 285). While the *League of the Just* still gave as its goal in Article 3 of its statutes of 1838 the ‘realisation of the principles which are contained in the rights of man and the citizen’ (qtd in Förder, 93), Article 1 of the 1847 *Rules of the Communist League* (on which Marx and Engels worked) stated that its goal was ‘the overthrow of the bourgeoisie, the rule of the proletariat, the abolition of the old bourgeois society which rests on the antagonism of classes, and the foundation of a new society without classes and without private property’ (MECW 6, 633). This ‘new society’ was defined in the *Manifesto* as an ‘association, in which the free development of each is the condition for the free development of all’ (MECW 6, 506).

With this characterisation, which was also proposed by the late Engels almost fifty years later as the foundational idea of the coming socialist epoch (MECW 50, 256), both a standard for judgement, but also for condemnation of behaviour and relations, is provided. Something similar is the case for the demand, already proposed by the young Marx in the form of a categorical imperative, to throw down all relations in which man is an enslaved being (MECW 3, 182); and also for the necessary transition of the previously merely partial emancipation of man to a universal, really human emancipation (MECW 3, 151, 155, 184); and also for the principle of socialism or communism formulated by the late Marx following
Saint-Simon (c.f. Ramm, 89) of ‘from each according to their ability, to each according to their work’ or ‘from each according to their ability, to each according to their needs’ (Gotha, MECW 24, 85 et sqq.). Even Marx’s insight that no society as a totality, no nation and not even all contemporaneous societies taken together are ‘owners of the globe’, but only its ‘usufructuaries’ who have ‘to leave their property improved upon to the following generations’ (MECW 37, 762; trans. modified) contains criteria, if not verbatim then certainly in its conceptual content, for the assessment of the ecological politics of the state as either just or unjust.

In summary: Marx and Engels operated with both an ideology-critique concept of justice and also a normative concept of justice. They preferred the reflexive compared with the constitutive properties of justice, the reflection of historical events in ideas of justice compared with their repercussions on the course of history. Exalted above all on the (in their opinion) imminent revolution in which capitalist relations of production would ‘shed their skin’ to reveal socialist relations of production (MECW 37, 762), they undervalued the reforming potency of demands for justice within the existing social formation.

7. Since the middle of the twentieth century, there has been a tendential inflation of literature concerning justice. In times of crisis, the need for an ambiguous vocabulary of justice, the reflection of historical events in ideas of justice compared with their repercussions on the course of history. Exalted above all on the (in their opinion) imminent revolution in which capitalist relations of production would ‘shed their skin’ to reveal socialist relations of production (MECW 37, 762), they undervalued the reforming potency of demands for justice within the existing social formation.

7.1. According to the agnostics, the fact that something is just can be just as little proved scientifically as the beauty of a gothic cathedral or a symphony of Beethoven (Ehrlich 1913/89, 163). To the scientist, justice is suspect as a rather political or religious concept (Dürrenmatt 1969, 18). Justice is incompatible with objectivity (Weber, WL, 505, 600). It could be an object of confessions of faith [von Bekenntnissen], but not of knowledge [von Erkenntnissen]. It is an irrational ideal, based upon arbitrary values (Perelman 1967, 82). It is a game with tautological concepts, burdened by no content, but ready to take up any and every content, that is, it is an empty formula, a concept smuggled in for disguising stereotyped compromises. Or: justice [Gerechtigkeit] has nothing in common with the law [Recht] except etymology. Viewed scientifically, the contents of all theories of justice are immediately valid, that is, indifferent. The six volumed Handwörterbuch der Rechtswissenschaft (Berlin-Leipzig 1926–37) includes not a single lemma on justice! All postulates of justice which have been previously put forward with claims of absoluteness (e.g. give to each their own; that which you do not want someone else to do to you . . .; an eye for an eye . . .; categorical imperative; to each according to their contribution) are tautological (Kelsen 1967, 350 et sqq.). The consequence: ‘I do not know what justice is’ (1957, 39).

7.2. The material theories of justice develop principles and criteria which, according to their own claims, allow an assessment to be made regarding content of modes of
behaviour and relations as just or unjust. With their help it is supposed to be able to be established whether a valid or planned law [lex lata or lex ferenda], a war which has occurred or one which is being planned, the actual or planned distribution of property in society, gender relations etc. are to be judged as just or as unjust. Particularly after the end of WWII, as the crimes committed throughout Germany’s Third Reich became apparent for all to see, the moral and legal philosophical controversies about the theory and practice of its brutal reign led to an episodic justice-renaissance, before legal positivism once more triumphed. Gustav Radbruch had still in 1932 named the sacrificium intellectus, ‘only to ask what is legal and never, if it is also just’ (84), as a professional obligation of the judge. In 1946, however, he stated that ‘turning away from the idea of justice’ was responsible for the fact that jurists had become defenceless against the criminal laws of the Nazis (196, 209).

Then there emerged theories of justice on Catholic (Auer, Messner, Utz) and evangelical (Brunner, Wolf, Weinkauff) foundations as well as value and existential philosophical arguments (Coing, Heydte, Fechner) of quite different content, in which assertions were rather rarely covered by proofs; ‘intuitive vision’, ‘belief in the triune God’ and a ‘metaphysical order of being’ replaced rational argumentation (cf. Maihofer 1966, 39, 195, 213). With the claim that justice could not be learnt but only experienced, not thought, but only observed, irrationalities were involved and an ideology antithetical to democracy – because it is not that the people want a law which makes it just.

Moreover, the overdue conflicts were for the most part carried out at a level of abstraction that allowed an approach to reality, above all to its contradictions, to be neglected. The return to a concept of justice valid for one and all times and all peoples was also partly used to avoid an analysis of the actual conditions of emergence and efficacy of the legal and illegal state terrorism from 1933 to 1945. Outdated hierarchies were also declared to be inviolable with the argument that they belonged to the ‘cornerstones of Christian European culture’. Thus, for example, the family is an ‘order for living together’ of the sexes ‘adequate to the Creation’, established by God and unable to be broken by the earthly law giver, in which, despite the equal rights of man and woman guaranteed by the constitution, the latter safeguards the inner structure of the family, whose survival and future the man has to ensure, representing the ‘head’ of the family to the external society (Bundesgerichtshof, cf. Maihofer, 572 et sqq.).

7.3. Legal-positivist and procedural approaches are numbered among the formal theories of justice. In the praxis of everyday life, especially that of the jurist, the view which predominates is that justice is, casually stated, an automatic consequence of law and order or, expressed in a highbrow way, the ‘adequate complexity of the legal system’, in which the complexity of a legal system is adequate ‘if and in so far as it is still compatible with consistent decisions in the system’ (Luhmann 1981, 388, 390).

Procedural theories have dominated for quite some time in the more detached thought practices. Currently, more than 30 different versions have been represented in monographs (cf. Tschentscher 2000, 143 et sqq.). Here it is a case of theories that are indifferent to content, which restrict themselves to a justice of procedure, in distinction to the material theories which strive for a justice of the outcome.

Thus, for example, John Rawls caused a stir with the following thought-experiment: a rational individual with it an ideology antithetical to democracy – because it is not that the people want a law which makes it just.

Moreover, the overdue conflicts were for the most part carried out at a level of abstraction that allowed an approach to reality, above all to its contradictions, to be neglected. The return to a concept of justice valid for one and all times and all peoples was also partly used to avoid an analysis of the actual conditions of emergence and efficacy of the legal and illegal state terrorism from 1933 to 1945. Outdated hierarchies were also declared to be inviolable with the argument that they belonged to the ‘cornerstones of Christian European culture’. Thus, for example, the family is an ‘order for living together’ of the sexes ‘adequate to the Creation’, established by God and unable to be broken by the earthly law giver, in which, despite the equal rights of man and woman guaranteed by the constitution, the latter safeguards the inner structure of the family, whose survival and future the man has to ensure, representing the ‘head’ of the family to the external society (Bundesgerichtshof, cf. Maihofer, 572 et sqq.).
possible for everyone’, and: ‘Social and economic inequalities must be such that: (a) they must [...] bring the least favoured the greatest possible advantage, and (b) they must be connected with offices and positions which are open to all in accordance with fair equality of chances’ (1999, 325). In this construct, in which freedom is granted priority before equality and neither private property nor monogamy are ‘subject of political bargaining’, values are radically de-linked from interests. Nevertheless, the categories of the welfare state, even if subordinated to those of the state founded upon the rule of law, become discussable and the justice-content of contemporary society is able to be analysed, at least in an academic context. Precisely for this reason, Rawls has already been exposed to a growing critique by neo-liberals, according to whom the compensation by the state for natural inequalities transforms the state into a ‘machinery for egalitarian redistribution’ (cf. Kersting 2000, 161, 299, 392).

According to Jürgen Habermas’s procedural theory of justice, all political power should be derived from the communicative power of citizens, which is why a legal system is just to the extent it uniformly ensures the equally originary autonomy of its citizens. Fundamental principles and norms which embody interests that can be generalised must be sought in a ‘communicative arrangement’ (1992, 109, 166). Justice is thus a consequence of discourses relieved of the necessity of activity and unconstrained by experience.

For the proceduralists, the justice of a law or of a social relation should, therefore, not be dependent upon whether their content is just, but whether they were produced in a just way. Thus the legitimacy of a claim should also not depend upon the truth of that which is claimed. Rather, the truth of that which is claimed depends upon the legitimacy of the claim. Certainly, just as for the truth, the way and not merely the result also belongs to justice. Nevertheless, all theories of justice which limit themselves to the realm of procedure conceal the fact that a future, more just, distribution of power can only be discussed and decided upon under the structural conditions of a present distribution of power/powerlessness which, for its part, is certainly not the result of a discourse concerning justice. Consequently, the discourse concerning justice is burdened exclusively on those who have an interest in the transformation of society, while those who feel at ease in and affirmed by the society as it is have no obligation to justify themselves.

8. Even if Marx and Engels have left behind no theory of justice, their influences on the ideas of justice of the thinkers who have followed in their footsteps (and even of their opponents) are of a many and diverse nature. However, up until now, they have only led to an independent, genuinely Marxist theory of justice in the case of Ernst Bloch.

In so far as Kautsky, Lenin, Luxemburg, Liebknecht, Renner, Bukharin, Korsch, Benjamin, Pashukanis and Stuchka have spoken about justice at all, they have concentrated – just as did Marx and Engels – on the characteristic of ideas of justice to reflect material interests and relations at the same time as they obscure them (Klenner 1998, 70 et sqq.). In the lands of ‘really existing socialism’, one restricted oneself in the main to an identification of socialist law with justice or to an unreflective rendition, for the most part one-sidedly, of selected comments by Marx and Engels – on the characteristic of ideas of justice to reflect material interests and relations at the same time as they obscure them (Klenner 1998, 70 et sqq.). In the lands of ‘really existing socialism’, one restricted oneself in the main to an identification of socialist law with justice or to an unreflective rendition, for the most part one-sidedly, of selected comments by Marx and Engels on justice (exceptions include, for example, Szabó 1973, 156; Peschka 1974, 129; Klenner 1982, 147).

Gramsci, in the context of his conception of civil society, offered sporadic comments which began from the janus-faced nature of natural law and proposed to introduce ‘“right” as it is understood by the people’ (Q 27, § 2), that is, their representations of justice, into the process of the continuous, by no means only revolutionary, transformations of society. In this, he understood the state as a rational ‘teacher’ and the law as a repressive and awarding activity of civilisation (Q 13, §11).

For Brecht, who, as both poet and thinker, often and suddenly expressed his views on problems of law and justice (cf. Klenner 1984, 210 et sqq.), justice was a ‘question of production’ (GA 18, 152). And a question of struggle: ‘Whoever does not insist upon their
just demands deals indecently [unsittlich]’ (GA 14, 179). As a materialist, he added cunningly that one could only struggle for justice when one struggled for one’s own interests; there is only a ‘justice for whom’ (GA 21, 399). For the oppressed, it was not that oppression should cease and then there would be justice, but that there should be justice, and then oppression would cease; the oppressed are not selless, just people (GA 18, 53, 153). Opposed to the universalism of the justice-form of ideas, Brecht stated regarding the famous verse from the Bible, ‘You should love your neighbour as you love yourself’ (Lev 19, 18; Mt 22, 39), that ‘If the workers did that they will never abolish a situation in which one can only love his neighbour when one does not love one’s self’ (GA 18, 152). Brecht extended Kant’s categorical imperative (WA 7, 51) in the sentence: ‘Create a situation in which your action can be the maxim for the action of everyone’ (GA 22, 279; a very similar idea appears in Gramsci, Q 11, § 58). Brecht was among the strongest critics of a substitution of values for interests which was appearing now and again even among those on the Left.

Ernst Bloch’s influential conception of natural law is at the same time a conception of justice. In agreement with Engels, who described natural law as a ‘an image of the conservative or revolutionary tendencies of his [Dühring’s] day’ (AD, MECW 25, 89), but also with Max Weber, who named it a form of legitimacy of forces which had been created in revolution but which had also historically become authoritarian (RS, 317 et sqq.), Bloch opposed to ‘justice from on high’ (1961, 50 et sqq.) a ‘justice, but from below’ (227 et sqq.). The ‘eye of the laws’ (206) on the face of the ruling class would not be endangered by the Sunday ideal of a justice from on high, but by the ‘radical, subjective natural law and its demand: from each according to their abilities, to each according to their needs’, to which corresponded ‘the radical objective natural law: solidarity’ (269; cf. 252). This natural law from below is not innate; for Marxism ‘the humanum’ was valid ‘as an historical goal, not as an apriori principle of deduction’ (219). The more suprahistorically natural law was traded, the more quickly it degenerated into hypocrisy (226). As a ‘necessary evil’, justice from below would also function as a ‘revolutionary tribunal’, ‘enduring only so long as is possible’, because: ‘No democracy without socialism, no socialism without democracy, that is the formula of an interaction which decides upon the future’ (231 et sqq.).

9. In modernity, ‘justice’ has also served a series of declarations concerning human rights and other laws as a word of intention without resonance on the legal terrain. The opening sentence of the Universal Declaration of Human Rights of the UNO of 1948 (presented as a ‘common standard of achievement’, that is, not bound to the laws of any particular people) declares that the recognition of human rights is ‘the foundation of freedom, justice and peace in the world’. This claim is repeated literally in the double catalogue of human rights of December 1966, International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights. Indeed, it appears in the opening sentences of both documents that have in the meantime become binding in international law for the great majority of the world’s states. It is the same in the Preamble of the European Convention for the Protection of Human Rights and Fundamental Freedoms of 1950 and the Fundamental Laws of the Federal Republic of Germany (Grundgesetz für die Bundesrepublik Deutschland) of 1949 (Art. 1.2). Judges in Germany have to swear that they serve only truth and justice (Richtergesetz of 1972, § 38). The German Sozialgesetzbuch of 1975 gives as its goal that it should contribute to ‘social justice’ (I, §1).

The more the vocabulary of justice is used in theoretical, programmatic and legal texts in a way which is empty of content, the greater is the danger that justice only serves injustice as window dressing (Bloch 11), instead of mobilising against this injustice. Whenever ‘justice’ is spoken of, one must always be mindful of whose interests are appealed to. Using the vocabulary of justice, the media of the powerful are advertising for a penetration of the forms of capital into the global society by suggesting to those without power the possibility of the generalisation of interests that cannot be generalised. Should one, therefore, renounce completely
the code of justice/injustice, since it is constantly misused as a façade of legitimation? Who ever gives up the uncovering of the power/powerlessness structure of society, whose mode of being is causal for the injustice of the powerful against the powerless, would only encourage those who do not shrink from draping a coat of moralistic-juridical non-conditionality and non-evasion around the money-making policies of the rich and the monopoly of violence of the ruling class.

In June of 1953 Brecht wrote of justice as the ‘bread of the people’ which, to be sure, must be baked by the people themselves (GA 15, 269).


Hermann Klenner

Translated by Peter Thomas

Anerkennung, Armut/Reichum, Bürgerrechte, Emanzipation, Ethik, falsches Bewusstsein, feministische Rechtkritik, Freiheit, Gegenmacht, gerechter Lohn, gerechter Krieg, Geschlechtervertrag.
III. After the collapse of administrative socialism and the triumph march of neoliberalism, there was a sudden increase of publications on the problem of justice in which neoliberal and post-Keynesian positions came into conflict. – The neoliberal positions worked on a conceptual decoupling of justice and equality. Justice was articulated as ‘sum cuique [to each their due]’, and the classical conception of ‘proportional justice’ was combined with one of the leading concepts of neoliberalism: ‘Every person should be entitled to the rights, respect, consideration and participation upon which they are able to make a claim on the basis of who they are and what they have achieved’ (Frankfurt 2000, 42). A ‘minimal welfare state’ was pleaded for (Kersting), which was oriented to the so-called sufficiency-principle: ‘To own less is in the end compatible with owning much, and doing less well than others does not imply that one is doing badly. [...] There is no necessary connection between life on the bottom rung of society and poverty in the sense that poverty is a serious and morally unacceptable obstacle to a good life’ (Frankfurt 2000, 40). It is the task of the state to guard the material interest of citizen as much as is necessary in order to keep them ‘ready for the market’ (Kersting 2000, 392).

Similar to the political terrain, here, in the first instance, conceptions oriented to a Keynesian notion of redistribution are attacked. The opponents of the anti-egalitarians who are most discussed are Ronald Dworkin and John Rawls. Rawls spoke out, with Keynes, for the ‘priority of justice over and above the ability to perform and greater sum total of profit’ (1999, 324).

While the neoliberal ‘new interpretation of the social question’, as Birgit Mahnkopf (2000) demonstrated, became established in the political objectives of social democracy thanks to the formula of ‘justice through inequality’, its critique has remained for the most part trapped in a helpless rhetoric of ‘values’. The articulation of justice as value has proved to be itself a method, even when it remains linked to ‘equality’, by means of which the renunciation of emancipatory politics becomes hegemonic or at least capable of exercising hegemony. Anthony Giddens formulated this affirmatively: ‘In the absence of a model of liberation the self-description of “left-wing” actually becomes in the first instance a question of values’ (2000, 45 et sqq.). Herlinde Pauer-Studer (2000) answered the social-philosophical ‘anti-egalitarianism’ with the construction of a universe of values in which equality as an ‘extrinsic, instrumental value’ arbitrated over ‘freedom’ as extrinsic value ‘in itself’, and the ‘intrinsic value’ of universal respect was assigned an admittedly subordinate but secure place. While the dispute about justice was centred on the question of whether ‘equality’ was an intrinsic or merely derived value (Pauer-Studer 2000; Frankfurt 2000; Krebs 2000), the social problematic disappeared over the horizon.

The so-called abilities-approach of Amartya Sen and Martha Nussbaum, supposedly serving ‘equality and justice’ (Nussbaum 1999, 63), was oriented, in contrast, much more strongly to praxis and needs. ‘What must finally be in the foreground’ argued Sen, ‘is the life which we lead: that which we are able or are not able to do, that which we can or cannot be’ (1987, 36). In opposition to the sufficiency-principle, Sen defined the standard of living necessary for the development of determinant abilities from the socially average level of reproduction. Significantly absent in this conception, however, are the practically active, social individuals who articulate their interests. That it concerns conceptions ‘from above’ which strive to fix what humans are and are...
not entitled to becomes particularly clear in Nussbaum’s ‘Aristotelian social democracy’. In order to concretise Aristotle’s concept of the good life, she undertook to present a list of fundamental needs and abilities that should give an answer to the question of what seems to belong to a life which we accept as a human life (199, 190). Nevertheless this ‘we’ has a dehumanising reverse-side: the handicapped – and also, in a problematic case, youth fallen on hard times – are regarded as examples of a life which ‘is so impoverished that it cannot be rightfully called a human life’ (198). The philosophical classification of human/inhuman has here taken the place of the question concerning the possibilities of the appropriation and shaping of one’s own conditions of life.

Nancy Fraser’s contribution to the debate about justice distinguished itself by departing from the politics of the social movements. In the ‘post-socialist situation’ she observed a shift in the articulation-forms of the social movements: Cultural domination supplants exploitation as the fundamental injustice. And cultural recognition displaces socio-economic redistribution as the remedy for injustice and the goal of political struggle’ (1997, 11). For Fraser, ‘justice today requires both redistribution and recognition’ (12). She developed a perspective against paternalistic social policy and exclusivist identity politics which combined ‘the socioeconomic politics of socialist feminism with the cultural politics of deconstructive feminism’ (29). The socialist component aimed at a ‘transformative redistribution’ which included a ‘deep restructuring of the relations of production’ (27). The deconstructive component was an ‘opponent of the sort of sedimentation or congealing of gender difference that occurs in an unjustly gendered political economy’ (30). With the formula ‘recognition and redistribution’ Fraser joined together the cultural and socio-economic dimensions of socialist politics in a purely additive way and detached from any real policies. Nevertheless, it became clear in her study that justice throws up questions of social transformation. Not whether the concept of justice can and should be connected with the concept of equality, but, rather, to what extent justice is linked to demands and proposals regarding the dismantlement of the domination of humans over humans, therefore moves into the centre of the debate. From a Marxist perspective, it is this question of the critique of domination which constitutes the centre of discourses concerning justice; and it is this horizon in which Derrida’s Benjaminian-Heideggerian claim gains its meaning: the ‘absolute and non-anticipatable singularity of that which is to come as justice’ is an ‘irrenunciable distinguishing mark of the Marxian legacy’ (50).


Susanne Lettow

Translated by Peter Thomas

Anerkennung, Distribution, Feminismus, Gleichheit, Keynesianismus, Leistung, Neoliberalismus, Sozialdemokratie, Sozialfürsorge, Sozialpolitik, Sozialstaat.

achievement, distribution, equality, feminism, Keynesianism, neoliberalism, recognition, social democracy, social politics, social welfare, welfare state.
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