THE REBEL GUIDE TO

MARXISM

Marxism 101

Socialist Workers Network

Theme 1: Marxism 101

Contents

Topic 1: Historical Materialism

Marxism is best defined as the theory and practice of how working people can emancipate themselves. To achieve this liberation, it was necessary to analyse the way that society functioned. The society that Marx investigated was characterised by exploitation, oppression and poverty for the masses, alongside great wealth and power for capitalists. Marx wanted to study capitalism in order to find out why this was the case. More importantly, he wanted to encourage the working class to replace oppressive and exploitative social relations with relations allowing people to reach their full potential.

Marx's theory of history is known as historical materialism. It is crucially important because it seeks to explain (1) the nature of society and (2) the ways that societies have changed historically.

However this was no purely academic study. Marx famously argued that philosophers had only ever interpreted the world in various ways. The really important point, however, was to change it.

Historical materialism provides the foundation stones for understanding the world and how to change it. Marx's first task was to replace all forms of mystical thinking with a scientific approach. In philosophy, this meant replacing idealism with materialism.

Materialism

In philosophy, 'idealism' and 'materialism' are not used in the way people normally use them. When someone is described as 'idealist', it often means that they will fight for their ideals and are not bothered by material consider-

ations. Marx, however, was using the term in a very different way.

In philosophical language, a supporter of idealism assumes that the material world was created by a supreme consciousness that stands outside of nature and is more powerful than anything natural or material. Idealists often hold to a religious outlook.

There are two key problems with this approach. For one thing, it creates a block on understanding the physical world in its own right. Instead of investigating the way that nature actually operates, religions put forward a worldview and then stuck rigidly to it. Thus, when some Christian fundamentalists were confronted by the AIDs epidemic in the 1980s, they saw it as a punishment that God imposed on those who led an 'immoral life'. Similarly, in the 18th century, Voltaire had to challenge an idea that an earthquake in Lisbon was a punishment from God.

An idealist outlook also puts a block on humans fully realising their own power. Instead of trying to take control of the world around them, humans defer to the greater power of a God or Spirit – usually through obeying the hierarchy of a church.

The first major revolt against this way of seeing the world came with the Enlightenment. This was an intellectual revolt that began with the English revolution of the 1640s and culminated in the French revolution of 1789. It challenged the idea that a king was God's representative on earth and that the hierarchy of society had been designed by God. It was partly a movement to replace religion with reason and science.

The philosopher, David Hume, explained the revolt as follows:

> *Traditional learning tied to Christian theology and ancient classics was a wicked effort to curtail human power over nature and produce a deliberate artificial despair. This despair confounds the promptings of hope, cuts the springs and sinews of industry and makes men unwilling to put anything to the hazard of trial.*

Instead of understanding the world as created by a Spirit/God, science starts by investigating the workings of material reality itself. This is the first step in giving working people the power they need to change the world.

Marx was a great believer in the sciences. He rested his whole system on the power of science to investigate social reality using evidence to help to change the world in the interests of humanity. In order to do this, it was necessary to have a materialist outlook.

By materialism, here is meant that reality is composed of matter and that spirit or consciousness cannot exist independently of matter.

Chris Harman captures the materialist aspect of Marxism well - “Marx regarded materialism as a great step forward over the various religious and idealist notions of history. It meant that you could argue scientifically about changing social conditions, you no longer depended on praying to God or on ‘spiritual change’ in people. The replacement of idealism by materialism was the replacement of mysticism by science”.

Historical change

Replacing idealism with materialism was an important first step, but there are different forms of materialism.

During the 17th and 18th centuries, the dominant view of the material world was mechanical. This viewed nature as underpinned by mechanical laws in which things moved regularly but without any development or transformation (think of a clock or the regular motions of the planets).

In the social sciences, this led to a view of human nature as eternal and unchanging. It also meant that society could never be fundamentally transformed. Human beings were supposed to be subject to certain laws, and their actions were determined by either the climate or geography or even their food. So even if there was political or economic change, the fundamentals of human nature would assert themselves because humans were naturally greedy, or competitive or aggressive.

Luckily this mechanical view does not fit nature at all. Today we know that the entire universe is in a constant process of change and development. Moreover, Darwin showed that humans evolved from earlier species meaning that we have a biological and evolutionary history.

Marx applied this approach to society and suggested that society too underwent constant change. The key to this was the particular relationship that humans had with nature and each other.

Unlike all other living species, human beings consciously organise their relations with nature through social pro-

duction. Animals meet their needs by passively accepting what nature gives them (for example, a sheep eating grass in a field) or by instinctively changing nature to meet their needs (for example, a bird building a nest for its young). This gives them a natural history but not a social one. A sheep 5000 years ago did the very same thing as a sheep will do today.

This is not true of human beings, who consciously organise their production in ways that were undreamt of by people 5,000 years ago.

As humans produce, they change the world to suit their needs. But this also changes humans themselves by changing the society around them.

Living in a hunter/gather society is fundamentally different to living as a stock broker in the City of London. Because we transform the world around us and in the process transform ourselves, there is no fixed human nature. We are not naturally greedy or naturally kind – it often depends on the type of society we have created around us.

Social class and production

For about five thousand years, humans have organised production through class relations. One small group controlled the land or the instruments of labour and forced others to work for them. This allowed them to grab the surplus of the producers. By surplus, we mean that extra resources were made available to a ruling class that was no longer compelled to work. There are different ways in which this can be done, and the exact manner in which it is done plays a decisive role in shaping society.

In all class societies, producers do both necessary labour and surplus labour. Necessary labour refers to the amount of labour time required to feed and clothe each other, whereas surplus labour provides for their exploiters. The way the surplus is extracted – whether through slavery, serfdom or wage labour – shapes the wider political and legal forms.

- Under slavery, surplus is extracted from unfree individuals who are owned by their masters.

- Under feudalism, the surplus is extracted through the political threat of violence from serfs who must give some free labour or produce to their lords.

- Under capitalism, it occurs through 'free' labour that is sold to employers to be exploited in the process of production.

Each of these different forms of exploitation requires a different legal system and different type of state.

Base and superstructure

In order to analyse the role that production played in shaping society, Marx developed a base and superstructure model.

According to this, the economic structure of society can be analysed in terms of two elements: the forces of production and the relations of production.

The forces of production include both human labour power and the objects on which it is expended. Human labour power can be enhanced by science, skill and cooperative or-

ganisation.

Nevertheless, labour has to be applied with, and to, the means of production. These include machinery, tools, buildings, raw materials and energy supplies. Together, labour power and the means of production constitute the material conditions for production no matter what society we live in.

The relations of production refer to the bonds we form with each other to carry out production. They are the social forms through which human labour and the means of production are united.

Once a class society arises, the relations of production refer to the specific ways in which a surplus is extracted from the producers for the benefit of the upper classes. In legal terms, they are the property relations, but it is important also to look at effective control. They are, therefore, relations of control and ownership.

These relations of production pre-exist the individual, and they are entirely independent of his or her will. In a capitalist society, for example, workers cannot choose to make their own produce or give over part of it to a lord in return for land. They may choose not to work for this or that employer, but they must sell their labour to some employer. In other words, the elements may change, but the dominant capitalist–wage labour relationship persists.

Upon a base composed of the forces and relations of production, there arises a superstructure of legal and political forms.

The legal system of modern capitalism, which regulates private ownership and the sale of commodities, arises from its economic base. So too does the type of state structure. And in a broader sense, the dominant culture and forms of family life are shaped by the economic base of society.

This relationship between the base and superstructure is not mechanical, and there is certainly no inevitability about the 'fit' between them. But the economic base sets limits on the type of society that is possible and poses contradictions for the wider society to solve.

Marx's argument is that there is a certain correspondence between the relations of production and the level of development of the forces of production. This correspondence is not automatic, and it is possible to find many anomalies or combinations in history. The US cotton plantations of the nineteenth century were linked to the most advanced form of capitalism of the day, but they used slave labour. Broadly speaking, however, certain types of class relations are more appropriate to different levels of the forces of production, and, at some point, non-class relations become more appropriate.

Up to the tenth century in Western Europe, for example, forms of slavery lingered on in great estates, but after that it generally declined. One of the key reasons was that productive techniques had developed which made slavery inappropriate. The heavy wheeled plough and the extensive use of cow dung led to improvements in soil fertility. People learnt to harness horses and use them instead of oxen. They also discovered how to plant beans and legumes to replenish their soil. Monasteries brought water mills into greater use to grind corn for flour, and all of this led to a significant

rise in productivity.

Slaves, however, had no incentive to embrace any of these new agricultural techniques, but serfs, who could control their own land and keep a part of the produce for themselves, did. Even the stupidest landlords found that, if their peasants were free to produce more, they in turn could grab more of the surplus. Serfdom, therefore, became a more common practice in this era.

The fetters that can break

The purpose of the base–superstructure metaphor was to examine how social change occurred.

Marx argued that the forces of production tended to develop and, at a certain point, this posed problems for the wider class relations that surrounded them. The property relations acted as a brake on the material process of production, and this eventually threw society into turmoil. When these contradictions ripened, class struggles and social upheaval reached a new pitch.

It is fairly easy to see why there is a tendency for the forces of production to develop over time. One simple reason is that people generally want to spend less labour time on producing goods and will seek to produce more goods for the same amount of labour time or the same number of goods for less labour time. Once they achieve either of these goals, they will rarely forget how particular technologies work.

Moreover, once new technologies and new forms of labour organisation are employed, it becomes difficult to reverse out of them. The use of fertilisers and tractors has revolu-

tionised agriculture and, by doing so, helped to increase life expectancy, but this made it harder to return to more primitive forms of subsistence farming.

Economic regression, however, is possible on rarer occasions. Many different social strata develop an interest in conserving society as it is and will sometimes seek to hinder economic development if it threatens their privileges.

One of the classic cases of stagnation and regression occurred in China in the seventeenth century. Impressive centres of industrial activity had appeared at Soochow for silk textiles, Sung kiang for cotton goods and Chingtechen for porcelain, but the Ming dynasty put a sudden stop to naval voyages to India and Africa and restricted overseas trade. The reason, it appears, was that they were frightened of the rising merchant class which might destabilise their rule.

Marx's overall point, however, is that the productive forces generally develop – often slowly and imperceptibly in pre-capitalist societies and at a much quicker rate in capitalist societies, where they are constantly revolutionised. For long periods, the wider class or property relations facilitate their growth, but, at a certain point, these developments stretch the existing relations of production too far and society at large is thrown into chaos. More intense class struggles break out, and sometimes the ruling elite are no longer able to cope with the surrounding environment.

The key question becomes, who can resolve these contradictions and offer society a new way of organising its relations of production?

Marx's wider argument may be presented through two simple propositions: first, that the productive capacity of human beings comes up against limits imposed by a particular class society at a certain point; and second, whether or not society regresses or moves forward to provide a better world depends on the outcome of the class struggles that arise in these conditions.

Today, for example, it is becoming evident that modern production, which relies on immense cooperation, is coming up against the barrier imposed by private corporate ownership. It is possible to start reducing the working week and the number of years that individuals must work. But neither of these objectives is possible due to the present social relations. Work intensity and the time spent at work have even grown despite the enormous expansion in productive capacity. If account is taken of festivities and holy days, the average US worker probably spends as much time at work each year as a peasant in the Middle Ages.

Capitalist social relations lead to the production of an ever-growing number of consumer goods. Employers rely on fossil fuels to expand quickly. But all of this has dramatic effects on the environment. Today the social relations of capitalism have become a threat to the planet itself.

The contradictions, therefore, between the real productive possibilities and the fetters of private ownership pose problems for society. There are no guarantees that these contradictions will be resolved.

It depends on whether a new social class has the energy, political insight and fighting spirit to make itself the focal point for society's grievances. Marx had every confidence

that the working class could do this and had contempt for all theories that paralysed revolutionary action or encouraged a passive contemplation of the inevitable.

People, he argued, not economic forces, make history, but they do so in conditions not of their choosing.

The central issue for modern society, therefore, is whether the working class can organise itself politically to bring about change. If it does, it can unlock the productive capacity of society, but, if it does not, there can be terrible social regression.

Test yourself: Discussion questions

(1) Can you give an example of idealist forms of thinking? Think of an explanation that relies on a spiritual or non-material force to explain current events.

(2) Why is a scientific world view useful for people trying to change the world

(3) Is there a fixed human nature?

(4) What distinguishes humans from the rest of the animal kingdom?

(5) Explain in your own words the base and superstructure.

(6) Why was Marx not a mechanical materialist?

Further reading

Molyneux, J., 2012. The Point of Marxist Philosophy. [online] Socialist Worker. Available at: <https://www.socialistworker.co.uk/art/28937/The+point+of+Marxist+philosophy>.

Royle, C., 2013. Marxism and History. [online] Socialist Worker. Available at: <https://www.socialistworker.co.uk/art/37436/Marxism+and+history>.

Molyneux, J., 2013. How Ideas Change. [online] Socialist Worker. Available at: <https://www.socialistworker.co.uk/art/33188/How+ideas+change>.

Harman, C., 1979. How Marxism Works (2. Understanding history). [online] Marxists.org. Available at: <https://www.marxists.org/archive/harman/1979/marxism/ch02.html>.

Video

Hallas, D., n.d. Historical Materialism. [video online] Socialist Workers Party. Available at: <https://www.youtube.com/watch?v=ZugwXRGqUyI>.

Topic 2: Class & Class Struggle

When Marx was writing, capitalism was still in its infancy. Today, wage labour is a reality for billions of people around the globe, but in the 1840s, it only applied in Britain, parts of Northern Europe and parts of North America.

Marx understood that the wealth of society comes from a combination of nature's resources and the work done to turn these resources into useful items. This work is done by billions of workers, but most of the rewards are captured by the tiny class of property owners – roughly, the 1 %.

Workers produce all of the output, but they don't get to keep it all. The owners of corporations take as much as possible. This share flows to the capitalist class in the form of profits, dividends and interest. For their part, workers want enough to survive, rear a family and have some comfort and security. Their share comes in the form of wages.

Wages and profits are the shares of the social output taken by the two main classes. If capitalists want to increase their profits they must take more from the working classes – this often means pushing down wages.

This creates class conflict as capital and wage labour have interests that are opposed to each other. The profit system introduces struggle and conflict into capitalist society regardless of how well this conflict is managed. The power and privileges of the capitalist classes come directly from the work of the working classes. The harder the working classes work, the more profits go to their bosses. Marxism wants to arm workers with this knowledge by showing them how class society really works.

The historical emergence of class society

Socialists want a classless society with production organised democratically for the good of all. Some say that this can never happen because human nature is against us. They claim that there will always be leaders who will dominate others. But for most of human history, people did not live in a class society.

The human species is between 100,000 and 150,000 years old, and, for 90 per cent of that time, there were no social classes. People lived as hunter-gatherers, foraging for food – wild animals or fish, fruits and nuts – and moving about in bands of between 30 and 40 people.

For most of our history, humans were forced to hunt and gather. Their collective understanding of nature was very low, meaning that, although nature was capable of providing endless amounts of material resources, humans were incapable of harnessing these forces in their own interests. This effectively meant living 'hand to mouth'. It also meant that there was no surplus in society.

There was no state or private property and the small social groups were organised on the principle of sharing.

These societies could only survive through cooperation. A hunt, for example, required that people work together to trap and make a kill, but, as hunting was not always successful, the hunters had to rely on the generosity of the mainly female gatherers. The relatively precarious nature of the food supply meant that it was typically not consumed by individual families but was shared among the group.

There was also no obsession with private property because goods had to be carried when the nomadic bands moved on when food supplies ran out. There were also few storage facilities and so an accumulation of wealth was not possible. The only items individuals owned were a few spears, axes or a bow and arrow.

The anthropologist Richard Lee sums up the pattern:

> *Before the rise of the state and the entrenchment of social inequality, people lived for millennia in small scale kin based social groups in which the core institutions of economic life included collective or common ownership of land and resources, generalised reciprocity in the distribution of food, and relatively egalitarian political relations.*

This began to change after the Neolithic revolution – the shift from foraging to agriculture. New forms of social relations developed as people began to live in village settlements based on a number of small households. The development of tools, cooked food and agriculture eventually allowed a surplus to emerge. For the first time in history this meant that not everyone had to work. This presented the possibility that class society would emerge with a small sub-group of elites freed from work and living from the labour of others.

The first signs of a ruling class appear to date from about 6,000–5,000 BC in Egypt, Iran and China. The ties that bound tribal chiefs to their clans were loosened, and they were allowed to own property and pass it on to their offspring. Soon the road was opened to a new history based on states and class division.

At first, it was very useful to have a small group of non-labourers looking after the surplus. They could specialise as warriors, for example, and make sure that the surplus was protected for everyone's benefit. Class society also helped humanity to progress, as it freed up a small group to think more deeply about the world. This sparked a process that eventually led to science, technology and the arts.

For this reason, Marxists understand class society as historically necessary. Without class relations, the surplus would have been quickly consumed, meaning that society would never have raised itself above a basic level of production. Over the course of many generations, however, this class of non-labourers began to see their own interest as bound up with controlling the surplus for themselves. Over time, the new upper class appropriated more and more of the social surplus for themselves. They would put their private appropriation above the interests of the wider society and were, therefore, at some point also capable of hindering its development. Class society is now a block on progress, where once it was necessary for progress to occur.

Analysing the history of humanity a number of lessons become clear:

(1) For most of their history, human beings have lived co-operatively. This provides the historical evidence that socialism is possible.

(2) For the last five to ten thousand years human beings have lived in class societies. This was initially essential to raise the whole of humanity up as without it science, the arts and technology would never have developed.

(3) Today, class society is a block on the further development of humanity. Unlike any previous societies, capitalism has enough material wealth to make life rewarding for the whole of humanity. The block on this is the ruling class, and, for this reason, they have to go.

Modern class society

In modern society, there are two main classes: workers and capitalists. Capitalists are defined as the group who control the surplus labour of other people and who live from their exploitation. At its core are the dominant shareholders of major corporations, boards of directors and chief executive officers. They have surrounded themselves with an outer ring of top managers that organise the exploitation of workers and the sale of products and services. In return, they receive a portion of the surplus labour of others.

The corporate elite are linked by tight networks to those who control the state hierarchy. Together, they constitute the core of the ruling class.

Control over society's surplus gives the capitalist class five main forms of direct power:

(1) They decide on the location of production. This gives capitalists enormous power over working people, who rely on capitalist investment to make a living.

(2) They have control over what is produced. They can decide whether to produce genuinely necessary goods and services or useless, wasteful items.

(3) They have control over how the goods and services are

produced. They can decide whether machinery will add to or diminish the skills of workers.

(4) They have disciplinary control over their employees. Not only can they fire or suspend workers, they can also impose dictatorial control within the workplace.

(5) Control over economic resources gives this class huge influence over wider political decision-making in society. They can use their wealth to bribe, lobby or blackmail politicians.

Workers are those who are obliged to sell their labour, which is then controlled by others. It matters little whether one is working in manufacturing or services, or whether you are a blue- or white-collar worker. This large class of people is shaped through their relation with capital. They are employed to serve capital and can therefore never achieve permanent security in wages, salaries or conditions. A high-earning building worker or office worker with an apparently secure pension can lose everything if the market changes and they no longer create profits.

Ever larger numbers of white-collar occupations are drawn into the broader category of workers. Whereas, at one stage, they might have had a high level of control over their work, this is often eroded over time. In the past, teachers and lecturers were barely supervised and were assumed to be professionals who could manage themselves. But in many countries, this has changed and they are subject to constant monitoring, targets and performance management. This process is known as 'proletarianisation' and applies to many white collar jobs.

While workers and capitalists constitute the two main classes, they are by no means the only ones in modern society.

- Landlords constitute a distinct class because they draw their income from rent rather than profit or wages.

- The petty bourgeoisie make a living by working with their own assets or employing their families to do so. To this category belong many publicans, small shopkeepers, solicitors and a host of other occupations not controlled by large corporations.

- The peasantry are possibly still the largest class in the world and survive either as subsistence farmers producing food for themselves or cash crops for the global economy.

- The new middle class did not exist in Marx's time. They are people who occupy contradictory locations because, on the one hand, they receive a salary from an employer but, on the other, they exercise a high level of control over the nature of their work. They include middle managers in the public and private sectors.

A social class refers to positions that people occupy in a system of production, in the broadest sense of both making objects for sale and providing services.

People form relationships with each other to produce, and one's social class depends on one's position within those relationships. The dividing line between classes is primarily determined by answering two questions:

(1) Do I sell or buy labour power?

(2) Is my work controlled by myself or by another?

If my labour is bought and controlled by another, then I belong to the broader class category of workers. If my means of livelihood rests on the purchase of another's labour and I am controlling that labour to make a profit, then I belong to the capitalist or the petty bourgeois class.

Modern capitalism, however, is not based on isolated factories which produce goods. It is an integrated system whereby a collective labour force produces surplus value, which is then distributed among the various capitalists through market mechanisms. This system needs the supply of an educated, healthy workforce whose 'socially necessary labour' – labour at the average skill and literacy level of the twenty-first century – allows for the continual expansion of capital.

Today, the state educates the next generation of workers, keeps them relatively content through a welfare system and ensures they remain healthy through its hospitals and clinics. Those who contribute to this 'reproduction' of the working class help to raise the productivity of labour, and this in turn adds to the surplus value available to the capitalist. Public sector workers who sell their labour and whose labour is controlled by managers are part of the working class. They have the same interests as private sector workers in increasing their own wages or eventually doing away with the capitalist system.

It's not about lifestyle

It is sometimes claimed that class conflict is at an end because the majority of people in industrialised countries are middle-class. Working-class life is often stereotyped by television and Hollywood. To be working-class according

to this imagery is to live on a large council estate, to talk with a distinct accent and to frequent pubs and chip shops. Against this image many white- and blue-collar workers define themselves as 'middle-class'.

Marx's approach to social class is not based on a particular lifestyle. One can be working-class and not conform to the stereotypes of working-class culture. So a baker who spends his time playing guitar music to a virtual cyberspace 'community' in Japan is as much a worker as someone who follows Chelsea and drinks heavily every time they play. The modern working class is more ethnically diverse, more female and more white-collar than the traditional image of middle-aged men in overalls.

Another problem with this argument is that the term 'middle-class' is extremely confusing. How can one lump together routine clerical workers who earn low wages with top managers who boss them? How could both groups have an interest in common as 'middle-class'?

The majority of white-collar employees have become 'proletarianised'. Their jobs are often low paid and insecure. They are subject to intense management scrutiny as they are measured for 'performance'. The days when professionals such as teachers or nurses were allowed to control their own working lives are over.

Overall, therefore, the term 'middle-class' needs to be deconstructed into its constituent elements.

The majority of routine clerical workers are in a similar class situation to manual workers, and other occupations formerly known as lower professionals are rapidly under-

going a processing of proletarianisation as greater control is exercised over their labour.

Still other groupings retain a high level of autonomy and are often engaged in the control of other people's labour. Only the latter category could accurately be called a 'new middle class', even if their social and political trajectory is quite contradictory.

Class struggle

Class struggle is an inevitable feature of our divided society no matter how much it is denied. It arises both because there is a conflict of interest between workers and capitalists and because capitalists intensify exploitation in order to respond to competition.

As Marx put it, 'it does not, indeed, depend on the good or ill will of the individual capitalist. Free competition brings out the inherent laws of capitalist production, in the shape of external coercive laws having power over every individual capitalist'.

The reality of class struggle is reflected at many levels in modern society. The mere existence of trade unions whose organisation depends on the exclusion of one class of people – the employers – is one indication.

Employers also organise on class lines, forming employer confederations to coordinate strategies against unions or using elite lobby groups such as the European Round Table of Industrialists to promote their interests.

Class struggle implies that there is some resistance to ex-

ploitation, but the scale and quality of that resistance varies. Unionised workers employ a variety of tactics, ranging from work-to-rule or go-slows, to systematic non-cooperation, to strikes and occupations. Sometimes these generalise into highly political confrontations that convulse the wider society, and, at other times, there are long periods of seeming social peace.

The reality of class struggle is best captured by an image of trench warfare during the First World War. Occasionally, there are great battles when one side charges the others' defences and considerable casualties ensue, but, for much of the time, the opposing forces hunker down and individuals try to avoid being picked off. Yet the trenches remain and the war continues.

Why the working class?

The largest and most oppressed class in the world today is still the peasantry. So why did Marx focus on the working class as the main agents of revolutionary change?

It has nothing to do with a claim that workers are morally superior or noble or never subject to reactionary ideas. Rather, it rests on three interlinked features of working-class life under capitalism.

(1) Workers tend to organise collectively because of their conditions of life. They are brought together in large workplaces where they must co-operate to produce goods or services. As Hal Draper put it, 'workers are taught organisation not by their superior intelligence or by outside agitators, but by capitalists'.

(2) The spontaneous outlook of workers implicitly challenges aspects of capitalism because they want security in their lives. Most opinion polls in Western Europe show strong support for a welfare state where there are entitlements to health care, pension provision and education. Yet even when workers get these concessions, they are often undermined by the relentless drive for profit.

(3) Workers are the only class that have the power to bring change because their social situation puts them at the heart of an economy from where profit is pumped out. There is no profit without workers, and there is no ruling class power without profit.

Test yourself: Discussion questions

(1) Why did hunter-gatherers not create a class society?

(2) Who are the working class?

(3) Who are the capitalist class?

(4) How are white collar jobs being proletarianised?

(5) Why is the class struggle inevitable? How is it pursued by the capitalists?

(6) Why did Marx put his faith in the working classes?

Further reading

Draper, H., 1971. Self-Emancipation in Marx and Engels. [online] Marxists.org. Available at: <https://www.marxists.org/archive/draper/1971/xx/emancipation.html>.

Draper, H., 2012. Why the Working Class. [online] SocialistWorker.org. Available at: <https://www.socialistworker.org/2012/09/14/why-the-working-class>.

Harman, C., 1979. How Marxism Works (7. The working class). [online] Marxists.org. Available at: <https://www.marxists.org/archive/harman/1979/marxism/ch07.html>.

Harman, C., 2002. The Workers of the World. [online] Marxists.org. Available at: <https://www.marxists.org/archive/harman/2002/xx/workers.htm>.

Socialist Worker, 2013. What do we Mean by Class? [online] Socialist Worker. Available at: <https://www.socialistworker.co.uk/art/32961>.

Video

Harkin, S., 2011. Marxism and the Centrality of Class. [video online] Available at: <https://www.youtube.com/watch?v=9IPykCCZLGY>.

Orr, J., 2013. What is Class? [video online] Socialist Workers Party. Available at: <https://www.youtube.com/watch?v=Zmrd3WlqTIU>.

Sherry, J., 2013. What Does the Global Working Class Look

Like Today? [video online] Socialist Workers Party. Available at: <https://www.youtube.com/watch?v=tMnKxALt-W9Q>.

Topic 3: Capitalism & Exploitation

Commodity production

All human societies must meet their physical needs for food, shelter and clothing through production. We organise this on a social basis, but the manner in which we do so varies from society to society.

In capitalism, socially organised production is based around commodities. A commodity is any good or service that is produced for an anonymous market. Its price is not set in advance but is determined by market conditions. It may or may not be sold – again, this depends on a market of anonymous consumers.

Commodity production normally begins when a tribal group have a surplus beyond their own needs which they exchange with others. Over time, there is a shift from commodities being produced as an accidental element to their becoming the main purpose of production.

Capitalist society is, according to Marx, a system of 'generalised commodity production'. Every day, billions of commodities are bought and sold around the world.

Commodification spreads like a virus through society. Early 19th-century capitalism started by turning clothing into a commodity rather than an item of domestic production. But soon, many new arenas opened up and there was a relentless drive to commodify every aspect of human life. In the 21st century, there is barely an area of human life that is not commodified.

Sex is a natural human activity, but today the 'sex industry' has become a vast network which distorts our desires in or-

der to sell fantasy and pleasure. Water was once a simple drink drawn from rivers or lakes. Today, 17 million barrels of oil are needed for the plastic containers that hold America's bottled water. Football was once a village game where people jostled and kicked a leather ball around a field. Today, footballers and their associated brands are marketed as commodities. Art was once intrinsically connected with wider social activities where craft workers poured their creativity into mundane objects such as chairs or into special decorative objects for festivities. Today, art students are taught courses on entrepreneurship and the 'art market' stands aghast at Jeff Koon's achievement in selling his magenta Hanging Heart for €23.6 million. One of the most disturbing trends is the commodification of childhood itself. Today, the average American child views 40,000 commercials annually and makes 3,000 requests for products and services. There is virtually nothing that capitalism has not turned into a commodity.

Through this economic system, we become more dependent on each other. Today few people in modern Western society can receive even a fraction of the food we need without the help of others. Getting a cup of coffee in a work canteen requires the collective effort of Ethiopian farmers, clerical workers in a New York trading exchange, sailors on Greek-owned ships, retail assistants, truckers and waiters. In fact, commodity production leads to greater social dependency than in any previous human society.

Yet there is no mechanism by which we can openly acknowledge and organise our dependence on one another. We relate to our cooperative social labour solely through the exchange of commodities. Goods or services and their market price then assume a life of their own.

They conceal the social relationships that we forge with each other and create the conditions in which our productive life becomes a power over us rather than a means to satisfy our needs.

Marx is really interested in the social relations that are hidden behind the exchange of commodities. So he follows the classical economists, Adam Smith and David Ricardo, by starting his investigation of capitalism with commodities.

Commodities are both physical things and social things. Making a table, for example, requires certain physical resources to be moulded in particular ways. Once this is done, the table will be useful for people. For this reason, Marx argues that commodities must have a use-value. But tables have been made under very different socio-historical conditions.

In the past, most tables were made by carpenters who were commissioned by neighbours. This is no longer true today. Under capitalism, tables are made for the express purpose of being exchanged to make a profit. This process of producing for profit turns them into a commodity with an exchange value.

Commodities have a useful, material side. But they also have a social side determined by the particular ways that labour is organised in our society. Exchange-value is clearly social as it signals how valuable a commodity is by putting it into (social) relations with all other commodities.

Socially necessary labour time

The most important scientific question to ask is: how do

commodities relate to each other? Another way of dealing this question is to ask: why, for example, do 100 loaves of bread (€1) trade for one Smartphone (€100)?

To answer this question, Marx points out that all commodities result from labour processes that take place through time. If it takes a society 6 minutes to produce a loaf of bread using the average skill and technology existing in that society and it takes 600 minutes to produce a phone under similar conditions, then the phone should exchange for roughly 100 loaves of bread.

Why is this? The owners of commodities will not sell them for any less than the average labour time used to make them. Moreover, competition between commodity producers will not allow any of them to sell above this socially necessary labour time. If one tries to charge extra for their commodity, they will be undercut by rivals. The price of a commodity is thus underpinned by the amount of socially necessary labour (measured in time) that goes into it. Marx calls this the commodity's Value.

Money is the visible representation of Value, meaning that the price or exchange value represents the amount of socially necessary labour time needed to produce a commodity.

A couple of examples may help to bring out the social side of Value.

If it takes an average carpenter 8 hours to make a table using average skill and average tools, then that table will bring its owner an equivalent of 8 hours of Value in exchange.

If a less skilled carpenter makes the same physical table in

10 hours, the use value will be exactly the same, but even though he has taken two hours longer, the socially necessary labour time hasn't changed and he will only create 8 hours of Value - not the ten hours he took to make it.

Another way to put this is that his last two hours are private hours that are not socially recognised or rewarded.

Similarly, if someone can make the table in six hours, they can create 8 hours of Value as this is the social reward for this particular object.

What would happen if a new method developed that could allow carpenters to make the table in say 4 hours using the average skill in society and the average tools? Suddenly the table would only be worth 4 hours of socially necessary labour time and anyone taking more time would not be able to receive social validation for this in the form of exchange value or money.

Marx's theory of exploitation

One of the reasons that Marx begins with the commodity is that he wants to apply the results of his analysis of commodities to the relations between capitalists and wage labourers.

As we have seen, everyone sells the commodities they own at an exchange value that reflects the socially necessary labour time.

Capitalists sell the millions of commodities that emerge from production processes – chairs, phones etc. But workers don't have these commodities to sell.

They can only sell their ability to work for a wage. Their own labour time has become a commodity and is sold to the capitalist. The wage that a worker will get covers the costs of food, shelter, transport, clothing and enough to both relax and socialise and bring up a family. In other words, the socially necessary time that produces and reproduces human labour.

On the surface, the exchange between the worker and the capitalist is apparently a fair exchange. It is all perfectly legal and free – both parties are treated as free commodity owners. However, there is a problem.

Even though bourgeois economic theory suggests that the labour–wages transaction is just another commodity exchange, there is a major difference: the worker is a human being and their labour is not a thing or a service that can be traded like any other. What is being sold is something that is inseparable from basic humanity – it is their physical and mental energy that is sold to the capitalist for a definitive period. Strictly speaking, workers don't sell their actual labour, they sell their ability to labour. Rather than seeing labour as a definite, specific thing, it is more correct to refer to it as labour power.

What is being exchanged, therefore, is something indefinite – the ability of workers to use their energy. Skill and creativity – rented to the employer for a set amount of time and a set amount of money.

You can see how this works if you try an experiment. According to the rules of the market, you are allowed to bargain over your wages before the contract with your employer is signed. (Most, of course, do not because they are

desperate for a job but, theoretically, you can.)

Let's say, however, you try to bargain over your work commitment. You could try a line like 'I will give you 80 per cent commitment or work effort if you give me €400 a week.' Your prospective employer would quite literally consider you mad. They want your total work energy and creativity made available to them while you are employed, even though they are giving you a fixed wage. In other words, they want to establish their property rights in your full labour power during a particular time-frame. The reason is that this most unusual commodity can create more Value than it receives in a 'fair exchange' of wages.

To see why this occurs, let us ask what happens when the worker goes through the factory or office door. Once the owner has taken possession of the commodity labour power, they are entitled to its full use value like any other, and the worker is put to work under the control of the capitalist to whom their labour now belongs. The basis of the wage labour system is that workers can make no claim on the goods or services they create because these belong to the capitalist. The capitalist will employ the most modern managerial techniques to get the maximum possible labour out of the worker. They will remind the workers repeatedly that 'time is money' and that not a minute can be wasted because 'they are not on their own time'.

This occurs because labour power has the capacity to produce more Value than the price it was bought at. The workers will produce enough goods or services in the first few hours of the working day to cover the cost of their wages and for the rest of the day will be working for free for the capitalist. The working day is, therefore, divided between

paid labour time and unpaid labour time. Workers create surplus value because there is a difference between the cost of their wages and the Value that their labour produces.

Behind the appearance of a fair and equal exchange, there is, therefore, an unequal exchange. When someone is forced to give something for nothing, we can reasonably call this exploitation.

Profit arises from this exploitation of workers, and this in turn explains why there is a conflict of interest between employers and workers. It also explains why every effort to improve wages meets with resistance from employers and why they constantly seek to squeeze extra effort out of workers to boost their profits. They know that the working day can be divided into two periods: necessary labour time, when workers produce enough Value to cover their wages, and surplus labour time, when they are working for free to make profits. If they can cover the cost of wages quicker by squeezing more effort from workers and then selling the goods, more surplus value will be created.

So far, we have used a model of an individual corporation and its workforce to show how surplus value is created, but Marx's concern was how society as a whole functioned. He therefore sees surplus being extracted from the collective mass of workers in different corporations, which then creates a general pool of surplus value. Different capitalists fight it out between each other to see which one will get the bigger share.

Much of the surplus value returns to the capitalist who originally hired the workers in the form of profit. But different slices of the total surplus value are also re-allocated

according to the conflicts between individual capitalists. Microsoft, for example, demands a licensing fee based on the use of its software. This means that it claims a slice of the surplus value produced by other corporations as well as its own workforce. Similarly, banks demand interest payments as the price for lending money. Still other capitalists specialise in accelerating the turnover time in which goods are sold, and they too demand an extra share of the surplus value created from goods imported from, say, China. Finally, other capitalists in heavy machine-producing industries charge high prices and so demand a greater share of the surplus value of others to compensate for their higher capital investments.

Capitalism is therefore a system of vertical and horizontal conflicts. Capitalists fight with workers to increase the rate of exploitation. But they also fight with each other to see who will get the biggest share of the surplus value extracted from workers.

Test yourself: Discussion questions

(1) What is a commodity?

(2) Did commodities exist before the rise of capitalism?

(3) Can you give some other examples of commodification?

(4) What is the difference between labour and labour power?

(5) How is surplus value produced?

(6) Does each individual capitalist get the surplus value

produced by their workers?

Further reading

Choonara, J., 2005. Marx's Idea of Value. [online] Socialist Worker. Available at: <http://www.socialistworker.co.uk/art/6444/Marxs+idea+of+value>.

Harman, C., 1979. How Marxism Works (5. The labour theory of value). [online] Marxists.org. Available at: https://www.marxists.org/archive/harman/1979/marxism/ch05.html>.

Leather, A., 2008. What is Exploitation? [online] Socialist Worker. Available at: <http://www.socialistworker.co.uk/art/15188/What+is+exploitation>.

Video

Cardwell, J., 2014. An Introduction to Marxist Political Economy. [video online] Socialist Worker. Available at: <http://www.youtube.com/watch?v=7auUxUTXzdM>.

Cooney, B., 2014. Kapitalism 101: The Law of Value. [video online] Brendan Cooney. Available at: <http://www.youtube.com/watch?v=dGT-hygPqUM&list=PL3F695D-99C91FC6F7>.

Topic 4: Capitalism & Economic Crises

Conventional economists think capitalism is a self-regulating system. They assume that there are insatiable human consumer wants but only a limited availability of resources. Only the 'laws of supply and demand' can regulate this greed efficiently.

They claim that if there is too great a demand for a particular item, prices rise and send a signal to capitalists to invest in producing more of this good or service. Conversely, when demand is low, prices fall and capital migrates to a different sector of the economy. In this way the 'invisible hand' of the market is said to allocate scarce resources efficiently.

This means that economic crises cannot be an intrinsic part of the system. They only occur because of external causes which are blamed on either Nature (e.g. crop failures) or Human Nature (e.g. bouts of over-optimism, herd instinct or wrong decisions made by politicians).

However, Marx challenged this dogma by asserting that capitalism is not a system that is geared to consumption. It is driven by the need to produce more and more profit.

That capitalism is not set up to rationally allocate resources can be seen with a simple example. Each day, 5,000 children die through a lack of clean water, and that could be remedied, in the short term at least, if they received water purification tablets that cost less than €2 for a packet of 50. Yet capitalism cannot provide for this modest need even though there is an abundance of water purification tablets. It is clear, therefore, that the laws of supply and demand do not work for the poor. It has never been about supplying for need. Supply is only forthcoming when there is money on the other end (demand).

The system is ultimately based on the self-expansion of capital. Capital, however, is not a thing but 'a process by which money is sent in search of more money' and it achieves this by being joined, directly or indirectly, with human labour to produce commodities. The immediate purpose is profit, but this is then reinvested to accumulate more capital in order to make more profit, in order to accumulate more capital, and so on. It is a system built on competitive accumulation or, as Marx put it, 'accumulation for accumulation's sake'.

Booms and slumps

Booms and slumps are inevitable within this chaotic system. If we take any specific good or service, we can view it as a circuit in which the different forms of capital undergo constant change. Money is first assembled – normally through the credit system – to be used to buy machinery, premises and other resources. Workers are hired, wages are paid and supplies or parts are purchased from other capitalists. When the finished goods are produced, they are passed on to commercial capitalists, such as Tesco or Home Store, who organise the sale in the shortest possible time because the faster the turnover, the more profit can be achieved. After the goods or services are sold, a high proportion is reinvested to accumulate more capital and more profit.

Within this circuit, individual capitalists have to cooperate to buy raw materials or machinery from each other. They have to hire transport companies that move their products, or they avail of the services of outsourcing agencies that take care of marketing. The circuit, therefore, involves separate decisions being taken by individual enterprises, even though these directly affect each other. The sole purpose of each of these enterprises is their own profits through the

sale of their commodities.

Should the market price of these commodities fall below their cost price or endanger profit rates, these companies will curtail production, and this creates the possibility of breakdowns at many points. A firm producing mother boards for computers, for example, is affected not only by the decisions of their immediate purchasers but also by all other capitalists whose actions impact the market for the finished product.

If bankers in America cause a crash in the property market, for example, this will affect the sales of computers. While economists are correct to emphasise how competitive accumulation imposes a certain order, they are wrong to see this as balanced growth and equilibrium. Disorder and disruption are built into its very nature.

Marx stressed how disruption can occur when he quipped, 'We see then that commodities are in love with money but that the course of true love never did run smooth'. Far from a smooth equilibrium arising from a stable 'balance' between supply and demand, there is often chaos and breakdowns. There are a number of specific reasons for this.

First, as the interval between sale and purchase lengthens, lack of coordination increases the possibility of breakdown. Construction involves a vast social division of labour where builders must purchase cement, timber, electrical equipment and copper. Additionally, they have to find land in areas where planning permission is required. They have to hire subcontractors to organise gangs of carpenters, bricklayers and plumbers.

Each capitalist who controls these distinct operations wants to achieve the maximum rate of profit, yet no one has organised the circuit to achieve this harmoniously. No one planned to make extra land, labour or raw materials available to facilitate a quickening tempo of construction. So, when a boom develops, there are shortages of land, labour and materials and each capitalist will try to drive up prices to maximise their profits.

The result is an inflationary spiral that sends some builders out of business. They will try to save as much of their investments as possible by selling their houses at below the market rate. But this in turn triggers a chain reaction, causing house prices to fall further because of over-supply.

Second, capitalists strive continually to raise productivity and cut unit costs. The more successful each one is, the more surplus value they can achieve. However, when this is generalised, it leads to a lack of demand for the goods and services. The less each worker has to spend, the fewer products he or she can buy. So a contradiction emerges between the expansion in productivity and the realisation of profit through sales. As Marx put it:

There must be a constant tension between the restricted dimensions of consumption on the capitalist basis and a production that is increasingly striving to overcome these immanent barriers.

In late capitalism, the gap between the rising productivity of workers and wage compensation has sharpened dramatically. Since 1973, for example, total productivity growth in the US has risen by 83 per cent, while the overall compensation package for workers grew by only 9 per cent. One

way that this contradiction was overcome was by encouraging workers to get into debt to help buy the consumer goods that were available. But this only increased a speculative financial bubble that helped trigger a crash in 2008.

Far from the system being stable, then, it moves from crisis to crisis. There is considerable evidence to suggest that economic crises are intrinsic to capitalism. According to the World Bank, there were 117 banking crises in 93 countries between 1970 and 2003, the crash of 2008 being unusual only in its scale.

Nor is economic disruption confined to banks. In the United States, there have been 35 economic cycles in the 180 years since 1834. Two of these – the Great Depression of 1873–93 and the Wall Street Crash of 1929 whose effects lasted until 1941 – qualify as general crises.

Rising mass of profit and falling rate of profit

Alongside the pattern of booms and slumps, capitalism also suffers from another major problem – the tendency for the rate of profit to fall. Marx regarded this as 'in every respect the most important law of modern political economy' yet 'despite its simplicity, [it] has never before been grasped'.

To understand it, we need to return to the labour theory of value. This asserted that all value must come from the active application of human labour to the natural environment. All surplus value must also come from human labour. This has the counter-intuitive implication that machinery is not a source of surplus value or profit.

In Marx's analysis, machinery is the product of human

labour and so has a value equal to the amount of socially necessary labour needed to produce it. This value can be passed on to commodities in the production process, but machines do not themselves create any new value. For this reason, Marx refers to machinery as constant capital (capital that cannot vary its value in production) and human labour power as variable capital (capital that does increase value in production).

This leaves an obvious question: If capitalism is based on the constant pursuit of profit, why would capitalists use machines that in themselves are not capable of producing profits?

To explain this, Marx argues that machinery is essential to individual capitalists as it helps to speed up the production of commodities. If it takes an average of 10 hours of socially necessary labour to make a table using the existing machinery, then any capitalist that can make the table in less time using a newer machine can make supernormal profits.

For example, if they could make the table in 8 hours, they could still charge the social average of 10 hours.

Another way of saying this is that the introduction of machinery helps capitalists to get ahead of their rivals. If you are ahead of the socially necessary labour time needed to produce a commodity, you can capture some of the value being produced by your rivals. The history of capitalism has been one in which each worker tends to use an ever-greater amount of machinery (including computers, production lines, farm appliances etc.).

Adding machinery helps the most competitive capitalists to

capture surplus value from their rivals even as it reduces the amount of surplus value overall.

If a competitor has introduced new technology that reduces their costs, a rival must do the same. As a result, the level of machinery that is employed in any one sector rises compared to the number of workers. This leads to a change in the technical composition of capital because there is now a greater mass of machines or, as Marx calls it, 'dead labour' compared to living labour.

Marx refers to this change in the value of capital as the organic composition of capital because there has been a change in the ratio of its two components. Constant capital, which is locked up in machinery and the physical means of production, rises compared to variable capital, which is the amount spent on the wages.

This, however, creates a problem because the source of profit is living labour. The fall in the number of workers compared to fixed capital means that there will be a fall in the rate of profit.

Technology will help the firm produce more goods for less but, as these methods become generalised throughout the sector, their price will fall. Computers that are made today are much cheaper than those made ten years ago. Radios, televisions and video recorders have also fallen in value. Yet, in each of these sectors, capitalists have to spend more on plant and machinery, while the number of workers has decreased. Each capitalist must, therefore, seek to gain a profit from products that cost less with a smaller workforce and a much higher initial investment.

They may still manage to increase the mass of profit – in other words, the figure on the bottom line. Nevertheless, the rate of profit, by which we mean the return on investment employed, will drop.

This is the Achilles heel of capitalism as profit rates fall and the whole system goes into crisis. Exploiting human labour power is the only source of surplus value in the system. Any process that replaces human labour power with machinery will tend to put downward pressure on the overall level of profitability. Capitalists will, however, try to do something about the decline in the rate of profit. If they can intensify the rate of exploitation, this will help compensate for the decline of living labour compared to dead labour. By squeezing more from fewer workers, they get more surplus value and so offset a decline in the rate of profit. This gives rise to what Marx called a number of 'countervailing tendencies' that seek to reduce or even reverse the tendency for the rate of profit to fall. If we think of these as strategies employed by different capitalists, we can start to see the power of Marx's theory.

Three methods may be typically employed here.

One is to increase the absolute level of surplus value by ensuring that a smaller number of workers work longer hours. They can force workers – within legal limits – to work an extra hour or so a week. They can introduce a system of annualised hours that ensures there is no downtime throughout the working year. They can eliminate overtime rates and shift premiums to achieve round-the clock production, thus serving their heavy investment in machinery. They can move production to countries where longer working hours are legal.

A second method is to increase the relative level of surplus value through an intensification of work effort. Here the working day stays the same but instead of producing goods to the value of their own wages, in say four hours, workers do so in three or even two. In this way, more of the working day is devoted to working for nothing for their employer. If we imagine the working day as a piece of Swiss cheese, in which there are several holes called 'downtime', the employer will try to fill as many as possible. Under the cry of 'flexibility' all sorts of methods are used to achieve this. Workers will be told to 'multi-task' to increase their skill levels. Team working may be used to enforce a collective effort to meet group bonuses. The overall result, whichever method is employed, is that downtime is reduced and work effort is increased.

A third method is wage cuts. Economic crises provide employers with an opportunity for 'downward adjustments', but, even in normal times, more subtle methods may be used. Younger workers may be hired at lower rates than older workers; wage increases may be granted below the rate of inflation; pension contributions may be reduced; special holiday bonuses may be eliminated; workers can be sacked and rehired on lower pay rates; production can be moved to countries with cheaper labour. As the increased use of machinery leads to job losses, workers can be compelled to accept these changes.

All of these strategies have become familiar features of modern society.

Take the issue of work intensity, for example. Few conventional economists can explain why work has become harder, more stressful and more poorly paid even though tech-

nology exists to make it easier. In the 1960s, for example, there were academic debates about how people would fill increased leisure time caused by automation. Today, however, many people live with the paradox that they are more stressed than before automation was introduced. Only Marx's theory of how capitalists respond to the falling rate of profit can help to explain it.

Test yourself: Discussion questions

(1) Very few 'experts' predicted the crash of 2008. Why do conventional economists often get it wrong?

(2) How can a boom suddenly change into a slump?

(3) How does a slump lead to a recovery?

(4) Can Keynesian methods of increasing consumption prevent an economic crisis?

(5) What is the falling rate of profit?

(6) What strategies will capitalists use to reverse this tendency?

Further reading

Choonara, J., 2009. Can Capitalism Recover? [online] Socialist Worker. Available at: <http://www.socialistworker.co.uk/art/17240/Can+capitalism+recover>.

Marx, K., 1894. The Law of the Tendency for the Rate of Profit to Fall. [online] Marxists.org. Available at: <http://

www.marxists.org/archive/marx/works/1894-c3/ch13.htm>.

Socialist Worker, 2008. Explaining the Toxic Crisis of Capitalism. [online] Socialist Worker. Available at: <http://www.socialistworker.co.uk/art/15712/Explaining+the+-toxic+crisis+of+capitalism++questions+and+answers>.

Video

Choonara, J., 2012. Explaining the Crisis This Time. [video online] Socialist Workers Party. Available at: <http://www.youtube.com/watch?v=aepGYHslFjs>.

Choonara, J., 2013. The Rate of Profit and Capitalism Today. [video online] Socialist Workers Party. Available at: <http://www.youtube.com/watch?v=bCPc1sIlJns>.

Topic 5: The State & Capitalism

In Marx's day, the capitalist state was only emerging in many parts of Europe. Looking at the French Revolution, the German philosopher Hegel thought that the banner of Liberty, Equality and Fraternity meant that the state in capitalist society was the highest point of human rationality. He accepted that capitalism was riven with conflict and contradictions, but he thought that the state took the form of a neutral referee. Following liberal thinkers like Thomas Hobbes and John Locke, he assumed that the state stood above society working to protect the common good, and this is still the dominant view put across in the media. Marx disagreed with this view profoundly.

In a number of early critiques of Hegel's philosophy, Marx argued that the capitalist state, which includes the civil service, the judiciary, the army and local government, was hierarchical, unelected and deeply authoritarian. Rather than working in everyone's interest, the core of the state was a body of armed men that sought to control the wider population. This was done through a combination of ideology and the threat of violence. Governments come and go, being elected to manage the state every few years. The state itself is permanent. It is usually populated by the elites and always works to reproduce the power of the ruling classes. Under capitalism, this is done by sanctioning, legitimising, protecting and facilitating the exploitation of working people.

The state and class

States have not always existed. For the majority of human history, people lived without the need for a state. This changed when a surplus emerged. Once a minority in society had control of the surplus, they began to form rules

around how the surplus could be used. While the vast majority produced the wealth, a small group of priests and warriors took control of it. In order to sustain this control, they began to form the first states. This shows that the state and class society are inextricably linked. As different classes came to dominate society, moreover, different forms of the state emerged. For example:

- **Warrior states.** Warrior States were controlled by a tight knit network from one or more families, usually in slave holding societies;

- **Monarchy and barons.** A king arises above other barons and lords and forces them to pay tribute. They in turn extract a surplus from the peasantry. This type of state is often upheld by religious beliefs that God designed society so as to pick out one family to be his representative on earth. This type of state characterised feudal society;

- **Absolutist monarchy.** The king or queen comes to dominate the feudal barons more fully and define themselves as an absolute monarchy. This type of state often emerges in late feudalism where the king or queen balances between the aristocracy and the rising capitalist class.

The capitalist state

In modern capitalist societies, the most common form of state is a parliamentary democracy. The capitalist class can also, however, rule through dictatorships or, when they are pressed, through fascist regimes. The capitalist state helps to co-ordinate the interests of the dominant class and

keep the lower class in their place. When conflict develops, the state helps the upper class to strategise and mobilises its forces of repression to put down strikes, riots or mass demonstrations.

The best way to see parliament is to think of it as the front stage of a wider state apparatus. Just like in any theatre, there can be sound and fury on public display, but the real framework for decision-making is elsewhere. There are two key safeguards that capitalists have built into their state:

- **The unelected elements of the state.** These include the top civil servants; the CEO's of local councils; the heads of the army and police and the judiciary.

- **The separation of political decision making from economic decision making.** The parliament can pass resolutions, but control of the key economic resources of society is in the hands of the rich. Industrial and financial corporations can effectively dictate policies through economic blackmail. They will not invest if certain policies are proposed or they can withdraw investment to cause social disorder.

Added to this, the key political decisions are usually made by a cabinet who meet in secret. This places a barrier between the wider population and political decision makers. Parliamentarians are also paid very well to give them a life that is different to their constituents. The constituencies themselves are mixed class constituencies so that elected representatives have to appeal across the board. Finally, there is no right of re-call, and so conventional politics often consists of organised lying.

It is, therefore, not possible to achieve socialism through parliament and the existing state. Revolutionaries understand the impossibility of reforming our way into socialism as the state is specially designed for ruling over workers. Added to this the real power is economic and will not be taken from the ruling classes though elections.

Concessions can and historically have been won, however. It was mass action by the Chartists and the Suffragettes that got the limited forms of democracy we have today. Socialists therefore stand for elections because the mass of workers still see the parliament as a place where their grievances can be aired. It provides us with a platform to encourage workers to mobilise outside parliament and to use their collective strength, 'people power', to achieve results. This understanding of the nature of the state also shapes our attitude to the idea of a left government.

Revolutionaries generally support the formation of such a government – without necessarily joining it. This is because they understand that the formation of left government will intensify class conflict, rather than reducing it. It will frighten the rich and encourage the poor to seek more. It is, therefore, even more important in this situation to have party organisation that is mobilising outside the parliament.

The alternative

The history of capitalism reveals the need to dismantle the capitalist state through people power, i.e. mass revolution from below. According to Marx and Engels "The executive of the modern state is nothing but a committee for managing the common affairs of the whole bourgeoisie". The bour-

geois state cannot therefore be used for widening genuine democracy and uprooting the power of capital. It needs to be replaced with a 'workers state' which promotes the control of working people over society and the economy. Such a state would be based on councils or assemblies where working people come together to mandate delegates. Such a state must necessarily embody the power to re-call elected representatives. It must also break the links of politics and economics and ensure that decisions made by elected delegates carry over into economic changes which benefit working people. By doing all of this it would move beyond a 'talk shop' parliament to combine discussion with implementing its decisions. This type of state would be profoundly more democratic because it is designed to secure the rule of the majority over the wealthy minority. It is still, however, a state because it claims for itself the right to exercise a monopoly on violence and is still designed to promote the rule of one class, the majority working people.

In the longer run, genuine socialists are for the 'withering away of the state'. The state exists, as we have seen, where society is split apart in a conflict between different social classes. In the longer run, as classes disappear socialists are hopeful that there will be no need for a centralised state that stands above society. Where Marxists disagree with the anarchists is in the assumption by the latter that the state can be abolished immediately, even if the conditions that gave rise to such a state have not been abolished.

Finally, while living in a capitalist society, it is necessary to mobilise to ensure that public funds are used to provide high-quality services for the mass of people. Typically, about 30% of the country's GDP passes through the state in taxation. Much is grabbed by the elite to promote their

privileges. As part of a strategy to raise the confidence and fighting ability of working people, socialists therefore press for social housing, a national health service, cheap or even free public transport. These demands can win on occasions by building up huge pressure. But we also never hide the fundamental belief that a society that really looks after the majority will have to move beyond capitalism by means of revolution.

Test yourself: Discussion questions

(1) If we don't believe in parliament, shouldn't we refuse to vote or stand in elections?

(2) If the state is an instrument of class oppression, what is our attitude to the police and criminals?

(3) Marx and Lenin called the workers' state 'the dictatorship of the proletariat'. What do you think they meant by this?

(4) After the revolution, in a workers' state, would there be freedom of speech?

(5) Why do socialists want the state to wither away eventually?

Further reading

Socialist Worker, 2010. State and Revolution: Why We Need to Smash the State. [online] Socialist Worker. Available at: <www.socialistworker.co.uk/art/22566/State+and+Revolution%3A+Why+we+need+to+smash+the+state>.

Molyneux, J., 2008. How The Rule Us. [online] John Molyneux. Available at: <www.socialistworker.co.uk/art/15712/Explaining+the+toxic+crisis+of+capitalism++questions+and+answers>.

Granell, J., 2016. The State Of The Nation - Lenin On The State. [online] Socialist Worker. Available at: <www.socialistworkeronline.net/the-state-of-the-nation-lenin-on-the-state>.

Lenin, V. I., 2004. State and Revolution (abridged edition). Bookmarks Ireland.

Audio

Callinicos, A., 2015. State and Revolution Today. [audio] Socialist Workers Party. Available at: <www.swpradiocast.bandcamp.com/track/state-revolution-today-marxism-2015>.

Topic 6: Marxism & Oppression

Any society that functions through exploitation will also be oppressive. Marxism is above all the theory and practice of working class self-emancipation from the brutalisation of capitalism. This emancipation must be an act carried out by the working class itself if it is to be successful.

But it is not straightforward. Marx argues that the prevailing ideas in class-based societies are the ideas of the ruling class. This is crucial, as the ruling class is numerically tiny in relation to the working class and must use oppression and ideology to divide working people and maintain control.

One important form these ideas take is the break-up of the unity of workers into different races, nationalities and genders. Oppression of black people by white people, of women by men etc. divides the working class and strengthens ruling class power. Oppression arises from structures in society that uphold class privileges. It does not arise primarily because of individual attitudes or because people are less educated.

Racism, for example, grew out of a slave trade that helped early capitalists to accumulate their initial wealth. While the rising bourgeoisie used the slogan of 'inalienable human rights' as their battering ram to tear down feudal privileges, at the same time, they economically benefitted from slavery. They responded to this contradiction by defining black people as less than human – hence the early emergence of racist language. The long history of Western imperialism amplified this by justifying its 'civilising mission' over the 'childlike' native sin of the colonies.

Modern capitalist society tries to bind workers to their na-

tion. We are encouraged to believe that all Irish people have common interests – whether you are a capitalist like Denis O' Brien or a low-paid, precarious worker. This ideology gives rise to the idea workers born in Ireland should receive certain privileges that the state should 'look after its own'. But the more workers accept this argument, the more they turn a blind eye to how the Irish rich exploit all workers, both native and non-native.

Oppression sharpens exploitation

How does their oppression affect the condition of workers who belong to the oppressed section of the working class? Migrant workers in Ireland are exploited as workers, and their experience of discrimination as migrants sharpens the exploitation. Their wages are lower and conditions at work are worse, while they suffer from poorer living conditions and other social deprivations. The same applies to women workers, who are still commonly forced to suffer a double burden of earning a wage and looking after children and the home. On average, women earn less than men and have less opportunity for promotion, while they are often forced to give up work to raise young children. In this way, their oppression sharpens their exploitation.

How does such oppression affect workers who belong to the oppressing section? They sometimes believe they are superior to the 'inferior' workers or think that they must be looked after first. But do they really benefit from this? White workers in the Southern states of the US think they benefit because they earn more than black workers, have better housing and so on. But white workers earn far more in the North; in fact, black workers in the North earn more than Southern white workers.

Some Protestant workers in Northern Ireland may think that beating Catholics is good for them, otherwise they would not do it. So the Protestant worker is more likely to have a job and be marginally better off than the Catholic worker, but the same worker earns less than a worker in Birmingham or Glasgow. Any small privileges that these workers currently have are also susceptible to being competed away. This is true of the white workers in the southern states of America and of unionist workers today.

The same applies to the relations between a male and female worker. To keep markets segmented it is important that men earn more than their female counterparts. Therefore, on the face of it, he benefits from her oppression. But, as Tony Cliff points out, 'this is a very shallow view of the situation. Think about it. A male worker writes to his friend, "Have you heard the marvelous news? My wife gets peanuts in wages, the nursery costs the earth, her job is under threat all the time, and to put the cap on it, she is pregnant again and there are no means to get an abortion. Marvelous news!"

'If I'm travelling on a filthy dirty train, as a white man under capitalism, I will have a seat next to the window. The woman or the black will have a seat away from the window in even worse conditions than me. But the real problem is the train itself. We all have to endure the same train. We have no control over a driver who is taking us all into the abyss'.

These examples serve to show that what is really going on is a divide and conquer tactic that encourages the relatively better off group to punch down at those even worse off than them. But in doing this they actually make their own lives worse, increase reaction in society and make life more se-

cure for their oppressors.

The most oppressed section of the working class always reflects the extreme horrors of capitalism. Trotsky once wrote that if one wants to grasp the need for a transition to a new society, one needs to look through the eyes of women. If one wants to grasp the nature of decaying, senile capitalism, one needs to look, since the last world war, through the eyes of Jews and Muslims. Similarly, if one wants to grasp the nature of Irish society today, one needs to look at how the police and the courts operate through the eyes of a Traveller.

Working class unity

To achieve unity between white and black workers, it is important that white workers move toward black workers and go a mile further. They must also be the most principled anti-racists. To achieve unity between male and female workers, the male worker must go out of his way to prove that he is not part of the oppressors. Lenin put it very simply in 1902. He wrote that, when workers go on strike for higher wages, they are simply trade unionists. Only when they go on strike against the beating of Jews or of students are they really socialists. A strike involving migrant and Irish workers helps to undermine racism. A strike strengthens solidarity and, therefore, has an impact beyond the immediate issue. The mental change in workers is the most precious result of the strike. But solidarity can start from an anti-racist demonstration that leads to a feeling of unity against racist attacks or solidarity with refugees. The bigger these demonstrations are, the greater their impact on future industrial struggles.

A strike in which men and women stand shoulder to shoulder helps to overcome sexism. But this solidarity repeatedly clashes with the way those in power seek to divide us. The media constantly present images and stories that focus on how one group of workers is taking from another. Meanwhile, the political elite pretend to represent the interests of 'their own'. To defeat racism and sexism, we need to link the fight against these evils to the system as a whole. The best way to challenge the racist ideas that some workers hold is to show how the capitalists are their main enemy - not fellow workers. Revolutionaries who are organised into a party are best placed to do just that.

Capitalism has created and reinforced many different forms of oppression. In addition to anti-black racism and sexism, there are homophobia and transphobia. In Ireland, there is particular oppression of Travellers, and there has been dreadful oppression of children. In parts of Europe, Roma are the main victims. In all these cases, as Cliff argued, 'a revolutionary has to be extreme in opposition to all forms of oppression. A white revolutionary must be more extreme in opposing racism than a black revolutionary. A gentile revolutionary must oppose anti-Semitism more strongly than any Jew. A male revolutionary must be completely intolerant of any harassment or belittling of women and so on. We must be the tribune of the oppressed'.

Test yourself: Discussion questions

(1) Has all this 'political correctness' gone too far? Are the white working class now the oppressed?

(2) What are the criteria for judging whether a group is oppressed?

(3) How are oppression and exploitation linked – what are the differences between them?

(4) What does intersectionality mean?

Further reading

Callinicos, A., 1992. Race and Class. [online] Socialist Worker. Available at: <www.marxists.org/history/etol/writers/callinicos/1992/xx/race-class.html >.

Olende, K., 2012. The Roots of Racism. [online] Socialist Worker. Available at: <www.socialistworker.co.uk/art/29197/The+roots+of+racism>.

Orr, J., 2007. Sexism and the System: A Rebels Guide to Women's Liberation. London Bookmarks.

Prasad, Y., 2011. The Origins of Racism. [online] Socialist Worker. Available at: <www.https://socialistworker.co.uk/art/24854/The+origins+of+racism>.

Socialist Worker, 2012. How Class Society Led to Women's Oppression. [online] Socialist Worker. Available at: <www.socialistworker.co.uk/art/27117/How+class+society+led+to+women%26%2339%3Bs+oppression>.

Video

Ahmed, T., 2015. Who Benefits from Racism and Sexism? [video] Socialist Workers Party. Available at: <www.youtube.com/watch?v=XzbCAxEZt-Q>.

Richardson, B., 2016. The Police, Racism and the State .

[video] Socialist Workers Party. Available at: <www.youtube.com/watch?v=U8RBL3WZnxM>.

Topic 7: Capitalism & Imperialism

Marx was born as the wave of warfare that accompanied the French Revolution came to an end. These wars represented an important turning point in the history of humanity. War was becoming transformed from a method of conquest by rival dynasties into a means by which the new capitalist system expanded the sphere of profit making. The military thinker Von Clausewitz said that 'war was politics conducted by other means'. He understood that it was a violent extension of political policy, but Marx went a step further; he added that capitalism, as an economic system of competitive accumulation, had an inbuilt drive towards expansion and conquest.

The epoch of finance capitalism

When Marx was writing, capitalism was in its early stages and dominated by small and medium-sized firms based in national and colonial markets. In contrast, in the late 19th century, many sectors came to be dominated by a few giant firms. In the early 20th century, these firms would amalgamate to form cartels or trusts, dominating the market in each sector.

Lenin analysed the late 19th century as the 'epoch of finance capital', marked by 'an intensification of colonial policy'. For Lenin, monopoly was the 'deepest economic foundation' of this stage. He saw the export of capital, rather than commodities, as 'one of the most essential economic bases of imperialism'. The imperial powers, playing 'the role of rentier', were states of 'parasitic, decaying capitalism'.

Colonial expansion

The Age of Empire, as Eric Hobsbawn called the period from 1876 to 1914, coincides with the completion of the transition from pre-monopoly to monopoly capitalism and an increase in colonial expansion. Lenin wrote that 'the characteristic feature' of the last quarter of the 19th century is 'the final partitioning of the globe [...] in the sense that the colonial policy of the capitalist countries has completed the seizure of the unoccupied territories on our planet'.

Imperialism is defined by this struggle for colonial territory, as competition pushes the imperial states towards vast colonial expansion. With each round of production, the capitalists of every nation would plough as much of their profits back into production as they could, hoping with each subsequent round of investment to increase their profits and get ahead of rival capitalists. Soon, this led to a situation where there was too much capital and not enough profitable outlets. Unless an outlet for this profit could be found, an economic crash was likely. This tendency for profit rates to fall first became evident in Britain during the 1870s.

British capitalists solved this problem by exporting capital to their colonies.

During the 19th century, the British Empire expanded rapidly until it spanned the entire globe, involving the brutalisation of native populations. In 1914, nearly 1/4 of the world's landmass was under their control. This offered a number of economic advantages for British capitalists.

They gained important raw materials that were necessary for production. Poorer counties were full of oil, rubber, gold

and other metals needed to produce the machinery and energy of capitalist production.

They found many new customers for their output, at the same time as they stopped their rivals from gaining any. India had a population vastly greater than Britain in the 19th century, meaning endless markets for British manufactures. This also stopped rival Empires from getting the markets needed for expansion.

Colonies in India and Africa also offered endless supplies of human labour. By using cheap labour, British companies could grow more quickly, and, as an added bonus, poor people were brought into the British army.

Major geopolitical advantages, such as those gained by the control of the Suez Canal, were also important. Moving between Britain and India was made cheaper and quicker by controlling the small strip of water between Egypt and the Middle East. This was a major asset for the British as proved by the crisis that ensued when the Egyptians challenged for control of the canal in the 1950s.

British bosses also found new ways of pushing up their profit rates by investing in new forms of production abroad, where there were endless supplies of surplus value to be turned into profits and power by the Empire.

Finally, imperialism helped to bind part of the working class to the British elites as racism and xenophobia were used as the ideological justification for Empire.

Imperial rivalries: The drive to war

The intensification of colonial expansion by Great Britain occurred most sharply between 1860 and 1880, continuing at a significant pace to the end of the 19th Century. Given the benefits of Empire building, it was inevitable that other capitalist powers would follow suit. France amassed a major Empire in North Africa and parts of South East Asia. German capitalists responded to the pressure on their profits with a state led policy that forced smaller companies to amalgamate into giant firms. This was designed to make them more competitive. From 1870 until 1914, German capitalism grew so quickly that it became Britain's main imperialist rival.

The drive to compete for the expansion of colonial territory by rival imperial powers in a world where most had already been taken would bring Germany into conflict with other Empires and lead to the First World War. This war was the outcome of the drive to maintain profits and economic power in a competitive international world order.

The process of capital accumulation had led to a massive centralisation and concentration of wealth. Huge financial companies invested across the world and controlled huge swathes of production. While production under capitalism was international, these firms had a national base. The success of these giant companies was so vital to the interests of the state that the state acted in the interests of protecting these firms.

Protecting their economic operations beyond the borders of their home state meant going to war as economic competition spilled over into military competition. This showed

that the drive to war was not just a matter of personality or even political policy, but was built into the very foundations of capitalist society. As Trotsky commented in a 1938 interview, 'Imperialists do not fight for political principles but for markets, colonies, raw materials, for hegemony over the world and its wealth'.

World War II to the present day

As the 20th Century progressed, German capitalism's challenged to the dominance of the main capitalist powers – the USA and Britain – led to the Second World War, in which all of the European Empires were damaged through mutual destruction. The USA and the USSR emerged as the undisputed imperialist superpowers after WWII. Meanwhile, the British were forced to leave India and most of their other colonies under pressure from national liberation movements. France was also forced out of much of North Africa.

Soon, the patterns of capital investment also changed with the more developed nations investing in one another instead of in the colonies. Gradually, the imperialist powers shifted tack – preferring to enslave colonies through debt and/or rotten deals with local dictators. Since WWII, imperial rivalry has been based on grabbing strategic advantages and economic resources through wars, temporary occupations and deals with local military hard men.

Despite this shift away from colonial land grabs, and despite what the Western ideologues may say, there is no such thing as 'progressive' imperialism. All imperialist powers function by means of exploiting working class people, oppress people in their own national capitalist interests. This is the same for Trump's America as it is for May's Britain

and Putin's Russia.

We can see how this dynamic has played out in the current drive to a New Cold War. Since 1990, the West has moved steadily onto Russia's borders and brought many of the old Soviet Republics into NATO. They also supported a coup against the elected government in Ukraine and have sought to isolate Russia on the international stage. Putin has responded in kind, playing a brutal role in Syria, annexing Crimea and using brutal force in Chechnya. Now the tensions are even higher, with the UK using an attack on a former spy as a pretext to expel Russian diplomats.

This has everything to do with power politics and nothing to do with protecting human life. Trotsky wrote that 'Imperialism camouflages its own peculiar aims – seizure of colonies, markets, sources of raw material, spheres of influence – with such ideas as "safeguarding peace against the aggressors," "defense of the fatherland," "defense of democracy," etc. These ideas are false through and through. This is why socialists never support them but, on the contrary, unmask them before the people'.

The Western powers have the blood of millions on their hands from wars around the world (Afghanistan and Iraq for example), while they said nothing as Putin butchered tens of thousands of people in Chechnya and Syria. Their hypocrisy kills millions, making it important for socialists to denounce imperialism in all of its guises. The Irish establishment should not take sides in Cold War rivalries that make the world more dangerous and unstable. Only a socialist revolution that overthrows the international capitalist system can end war once and for all.

Resistance to imperialism

Socialists always resist imperialism, but not all resistance is by the working class. When Empires occupy a country, every class in the occupied nation may fight for freedom – even the capitalists of the oppressed nation may fight to be free.

The best tactic for socialists in the oppressor country is to support the fight for national liberation as it weakens the imperialist system and strengthens the fight against capitalism. This helps workers in both countries by weakening the system that oppresses both.

Socialists in the oppressed country need to join the movement against Empire, but organise separately to those who want to limit national liberation to the establishment of a 'free' capitalist nation. The best tactics for workers are people power, mass strikes and protests, so that the fight against imperialism spills over into a socialist revolution. Imperialism is rooted in capitalist accumulation and competition. To stop war, we need to stop capitalism.

Test yourself: Discussion questions

(1) Why are Empires part and parcel of the capitalist system?

(2) Why did many 'socialists' support imperialism and imperialist war in 1914?

(3) Does opposing imperialism involve supporting nationalism? Surely we are internationalists?

(4) What do we mean by the right of nations to self-determination?

(5) Is China an imperialist power now?

(6) Why is Ireland participating in the New Cold War?

Further reading

Callinicos. A., 2009. Imperialism and Global Political Economy. [online] Socialist Worker. Available at: <http://www.socialistworker.co.uk/art/17977/Imperialism+and+Global+Political+Economy>.

Socialist Worker, 2011. What is the Driving Force Behind Imperialism? [online] Socialist Worker. Available at: <http://www.socialistworker.co.uk/art/23981/What+is+the+driving+force+behind+imperialism>.

Socialist Worker, 2015. Imperialism is Terrorism on a Mass Scale. [online] Socialist Worker. Available at: <http://www.socialistworkeronline.net/imperialism-is-terrorism-on-a-massive-scale>.

Video

Callinicos, A., 2014. Understanding Imperialism Today. [video online] Socialist Workers Party. Available at: <http://www.youtube.com/watch?v=eCNcp7jHLz0>.

Sherry, D., 2014. Empire and Revolution – A Socialist History of the First World War. [video online] Socialist Workers Party. Available at: <http://www.youtube.com/watch?v=-98mnN1ufZ4>.