


EDITORIAL PERSPECTIVES

IMMISERATION, EMPOWERMENT AND REVOLUTION: RETHINKING CAPITALIST CRISIS

Capitalism is not the same *kind* of system of exploitation as its predecessors. That statement sounds rather obvious, but I am becoming increasingly convinced that its full implications are often lost on us.

What we forget (among other things!) is that, unlike slave, feudal and state-based systems of surplus extraction, capitalism “simplifies class antagonisms,” to the point where middle classes and strata progressively dissolve, leaving a polarized structure in place in which the only *agent* (potential or actual) other than the ruling capitalist class is the directly exploited class itself: “. . . the emancipation of the workers must be conquered by the workers themselves” (all quotations in this essay are familiar ones from the classics; sources on request). In earlier eras, the decisive agency belonged to intermediate classes (such as the bourgeoisie), and the only role available to the subaltern masses was to rise up in massive opposition to their oppression. This, indeed, is what was needed by emerging exploiting classes, which periodically spur these masses into action against the established rulers (in the late Middle Ages in Europe this would be the feudal nobility and the urban aristocracies and monarchies to which it gave rise), only to retreat from their own revolutions and re-ally themselves with the upper classes in fear of the demons they have called forth. For this role, the subordinate laboring classes need to starve, and suffer. That’s all.

If capitalism worked the same way, then capitalist crisis would result from its immanent need to generate mass suffering: unemployment, poverty, privation. Capitalism certainly does this, as witnessed by the unprecedented polarization, inequality, precarity, and reversion to antique forms of exploitation visible around the world in our neoliberal era. The question, however, is: Does this create the conditions for working classes to *assume power*? Remember: in past revolutionary transitions, the subordinate classes had only to challenge the existing power, not to actually replace that power with

their own; the new exploiters would take care of that, thank you very much. Now the proletariat (sometimes the old term feels right) must itself develop the organizational, intellectual, and ideological capacities to take the reins — which means *preserving and creating*, mastering the entire scientific and cultural heritage from which the new social system will emerge.

It's a tall order. We are on the precipice of the most momentous transition ever faced by humanity: the transition to genuine social and economic democracy. From this standpoint, we may ask: what trend, within the economic system of the present, would most decisively lay foundations for this ultimate challenge to capitalist power and privilege? Will increasing hunger and privation do the job? Or is the actual *crisis*, from the standpoint of capitalism and its private and public guardians, exactly the opposite? (These are leading questions, of course.)

Quite simply, I am arguing that a *rising real wage* (either the absolute wage or the real wage *rate*, wages per unit of labor) is an immanent critical tendency, in the context of capitalist production relations.¹ Rising wages means advancing standards of living, opportunities for formal and informal education (capitalists, like other ruling classes, have always been ambivalent, to say the least, about educating their inferiors), improving health and cultural independence, increasing opportunities for organization, development of political capacities and ideological maturity, and much more. In the context of the workplace, a rising wage narrows the range of possible degrees of devolution of managerial and creative functions to the mass of workers, between an upper limit above which capitalist priorities and political control are challenged, and a lower limit below which morale and incentives suffer, given the nature of modern productive forces. In sum, for a capitalist social system *rising real wages* are an immanent threat — a critical tendency. This is, in fact, a simple projection from the vision in the earliest document of mature Marxism, *The Communist Manifesto*, in which the most fundamental contradiction of capitalism is seen as its need to call into existence its gravediggers, the proletariat. Rising wages are then but an outward expression of the increasing power of that class, and simultaneously the ultimate guarantee of that increasing power.

When wages fall, workers suffer. That may lead to protest and resistance; but protest and resistance are ultimately demands for *someone else*

1 I use the term “immanent critical tendency” to mean a general (macroeconomic) trend that is a) inherent in the system rather than a chance product of particular circumstances or policy; and b) necessarily conducive to crisis, where “crisis” is understood from the standpoint of the system and its dominant actors. The prototype of an immanent critical tendency, in the literature of Marxist political economy, is the falling rate of profit. See S&S, October 2016, Special Issue: “Crises and Transformations of Capitalism: Marx’s Investigations and Contemporary Analysis.” “Real” in the text above of course means actual goods and services, as opposed to a corresponding quantity of money.

to do something. (This insight was an important element in the thinking of the Occupy Wall Street movement.) Moreover, once the falling-wage crisis is past, the rebellion subsides and full power is conceded back to the ruling class. This is the traditional problem of *permanent revolution* — how to keep revolutionary activism from subsiding — that was widely debated in the early 20th century (see Lars Lih, “Democratic Revolution *in Permanenz*,” in *SC&S*, October 2012). When wages rise, workers are empowered. That *may* (note the conditional!) lead workers to do something *for themselves* (“the emancipation . . . must be conquered . . .”, etc.). It is rising, *not* falling, wages that are thus the ultimate threat to capitalist power, and consequently an immanent source of crisis. This line of thought may seem strange to much casual left thinking, but I seriously recommend that we pursue its implications.

OK. Now for the mathematical economics. (Just kidding! Nothing here but the most basic arithmetic and geometry.)

Use these symbols: Y = output. L = labor. W = the (absolute) real wage. “Output” here means *net* output: the output resulting from a period of production after replacements for used-up raw materials, depreciated machinery and buildings, and other inputs have been deducted. W is one portion of that output, which divides neatly into wages and profits: $Y = W + P$. Note that we ignore, for the moment, the existence of intermediate classes and strata, and of divisions within the two major classes, focusing in on the fundamental social division only. Finally (and obviously), we also ignore differences among different categories and grades of labor, treating the quantity of labor expended in the period as a homogeneous magnitude, L .

A simple and necessary connection exists:

$$\frac{Y}{L} = \frac{W/L}{W/Y} \Rightarrow y = \frac{w}{\omega} \quad (1)$$

This is a relation among three ratios. The expression on the right simply provides notation for each of them. So $y = Y/L$, output per unit of labor expended, or what we usually call “labor productivity,” or (simply) “productivity.” w is the real wage *rate* or wages per unit of labor expended, W/L . And finally, ω (the Greek letter “omega,” to distinguish it from w) is the wage *share* of income, W/Y . This latter is a measure of Marx’s *rate of exploitation*; a higher rate of exploitation would mean a higher profit share, P/Y , and a lower wage share, ω . The two shares of course add up to 1, or 100%.

A look at (1) will reveal a simple, yet powerful, relationship. First, note that it is an almost unchallenged long-term tendency that productivity, y , rises

over time.² Capitalists are under constant and intense pressure to raise output per unit of labor continuously; this is essential to their search for greater profits and market shares in the competitive struggle to accumulate and survive. If y is increasing, then, from the right side of (1) we can conclude: *either* w (in the numerator) must be rising, *or* ω (in the denominator) must be falling. The critical tendency of rising productivity (something that would *not* be critical in a non-antagonistic social system) imposes a dilemma, for capital: *either* the wage *rate* must be rising, invoking the critical potentials we have seen; *or* the wage *share* must be falling (or, of course, both tendencies at once). A falling ω , or rising rate of exploitation, undermines effective demand and leads to stagnation (this is the *piece* of the Marxist puzzle that Keynesians are able to perceive), which in turn is the final basis for financial crisis. (This last point is complex, and would require separate treatment.) This system of critical tendencies, with increasing y driving two other critical branches, can be summarized this way:

$$y \uparrow \Rightarrow \left\{ \begin{array}{l} w \uparrow \Rightarrow \text{control crisis} \\ \omega \downarrow \Rightarrow \text{demand / financial crisis} \end{array} \right\}$$

All of these links, of course, need to be properly elaborated; this is a sketch only.

Now expression (1) (the right-side version) can be written as follows:³

$$\omega = \left(\frac{1}{y} \right) w \quad (2)$$

In this form, we can see the relation between ω and w (the wage share and wage rate) as a simple straight line, beginning at the origin (see Figure 1) and rising to the right, with slope $1/y$. Call this a y -ray. Then, as y increases, the y -ray rotates downward, as shown. I have added to the Figure a horizontal thick line representing a range of *minimum* ω — a region at which the critical tendency in question, involving interacting stagnation and financial crises, becomes chronic. Similarly, a vertical thick line suggests a range of *maximum* w , at which the control and political crises — for capital — become chronic. The onward march of increasing productivity — rather than providing opportunities for the enrichment of human life, as it should — forces the capitalist system into

- 2 I say “almost”: deep ecological thinking worries that rising y may indeed be thwarted by global warming, resource depletion, waste sink exhaustion, etc. This important perspective will not be addressed here; but see “Editorial Perspectives,” April 2013.
- 3 If the working class is ever going to take power, its members will have to be able to do simple calculations, including manipulation of fractions. (Among many other things.) The ideological guardians of the capitalist present would like us to believe that we are not capable of doing this; that we should leave it all to the “experts.”

an ever-closer confrontation with the two barriers (the horizontal and vertical thick lines). One can even spot an *ultimate crisis point*, Z, but I would urge us not to reach for a mechanistic “breakdown” interpretation of that point.⁴

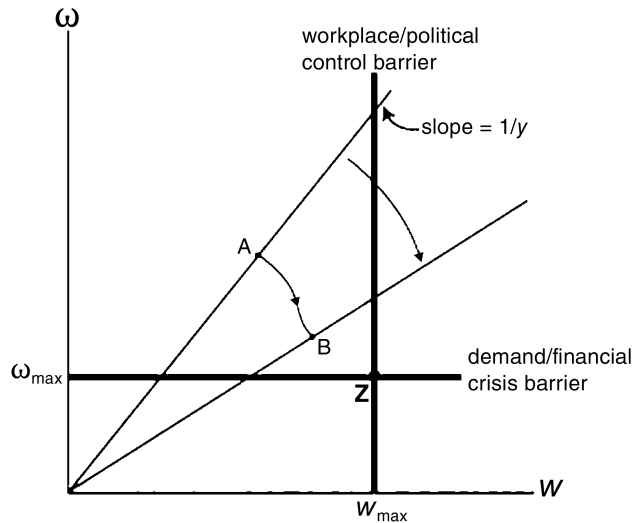


Figure 1

From a point such as A in Figure 1, capitalists (and their neoliberal political handmaidens) wish to push toward the southwest along the y -ray, with falling w and ω . Keynesians, the trade unions, U. S.–style liberals and the Bernie Sanders OurRevolution coalition, in turn, wish to push in the opposite direction, toward the northeast, raising w and ω . Each side imagines that it has the solution in hand; Marxists, contrary to the usual “political spectrum” conception that places Marxism at the extreme left, find themselves in the middle, alone grasping the contradictory whole. The actual movement in a given historical period, from point A to point B, is shown as a curvy line to represent the fact that this path depends on all sorts of contingent factors and does not follow a predetermined trajectory.

⁴ “Z” stands for *zusammenbruch*, breakdown. This construction was suggested to me many years ago by the work of the late Martin Bronfenbrenner, a mainstream neoclassical economist who nevertheless paid respectful attention to Marx and to Marx’s followers. His diagram concerned the relations among the organic composition of capital, rate of surplus value and rate of profit. It first appeared — where else? — in *Science & Society*, in his article “*Das Kapital* for the Modern Man” (Fall 1965).

The grand Marxist project — to deepen the spontaneous movement of working people into a cohesive and powerful force that can eventually contest for power and transform social relations at their root, *i.e.*, radically — thus faces its own profound dilemma. On the one hand, the spur to action on the part of the oppressed and exploited takes the form of attacks upon, or at least threats to, their standard of living: real wages, jobs, security, and ultimately dignity. For people to *want to* act and to take risks, they must be hurt, or at least pressed to oppose the hurting forces. On the other hand, their *ability* actually to achieve significant social change depends on the pendulum swinging the other way, raising living standards and therefore possibilities. But then socialism, in the famous phrase of Werner Sombart, risks coming to ground on shoals of roast beef and apple pie. We have a low-level equilibrium trap: it seems impossible for both the desire and the capacity for decisive social transformation to be present simultaneously. With one or the other absent, we are stuck with a seemingly impregnable fortress of capitalist power.⁵

But no fortress is ever absolutely impregnable. If it took six centuries to get from feudalism to capitalism in Europe, the passage was eventually found. Capitalism's hegemony may seem unshakeable, but it is riddled with instability and vulnerability. The key in the present is to build the capacity to win and defend new social ground for the working class — to press toward the workplace/political control barrier of Figure 1. Winning “things” for “people,” then, while intrinsically worthwhile (since we are, after all, also part of those “people” and need the “things” just as much as anyone else), is also, and decisively, a matter of learning *how* to win, and defend, and advance. And that is the way we “take care of the future within the movement of the present,” to borrow one last phrase from the classics.

DEREK R. LOVEJOY (1928–2016)

With sadness we announce the passing of Derek Lovejoy, in September last year. Derek was part of the *Science & Society* editorial family from 1994 onwards, only curtailing his activity in the most recent years because of illness. The following recollection is based on one provided by his son, Shaun Lovejoy.

5 Other low-level traps appear throughout history. The original transition to class-antagonistic social forms is delayed for thousands of years by, again, rising standards of consumption, or population growth, which prevent the potential surplus from becoming actual. Again, in the late Middle Ages trade-based classes of free peasants and merchants are blocked from using their own accumulations, feudal surpluses, or forms of coercion that have not yet come into existence, to overcome the resistance of a reduced but fortified manorial–aristocratic sector and secure the transition to capitalism. See David Laibman, *Deep History* (SUNY Press, 2007), ch. 2.

Derek Lovejoy was born on January 19, 1928 to working-class parents in south London, England. He was an only child. His mother, Ellen Langford, died when he was seven and his father Herbert soon remarried. Derek was strongly marked by the war, first from the battle of Britain, and then later when he witnessed a V2 rocket exploding only a block from his house. At age 16 he was already working during the day, completing his high school “A levels” by studying in the evening. In January 1946, he was conscripted into the Royal Navy and was trained as a radar technician and assigned to support a Mosquito aircraft stationed in Belfast. Due at least in part to the blatantly class-based military hierarchy, his navy experience was profoundly politicizing.

Profiting from a serviceman’s grant, he completed a BSc degree in physics at Imperial College in 1950, after which he moved to Toronto, Canada to do a PhD in experimental low-temperature physics. In 1953 he married Margot Macdonald, a young artist from Campbellton, New Brunswick. In 1955, after completing his degree he began working for Canada’s National Research Council (NRC) in Ottawa.

His work focused on metrology: setting up accurate procedures for measuring low temperatures. In 1963, he was contracted by UNESCO to set up a physics laboratory at the University of Cairo in Egypt, returning to the NRC in 1965. In 1966, seeking to use his knowledge in service to humanity, he moved to New York to join the United Nations Development Program (UNDP). At first he was assigned to purely administrative positions, but by the mid-1970s his expertise in renewable energy was recognized and he became responsible for many of the UNDP renewable energy projects. This notably included the development of biogas generators that helped improve the lives of hundreds of thousands of Chinese peasants. Later, he pioneered the installation of wind and solar generators in numerous third-world countries.

Derek retired in 1994. He had been friends with David Goldway, *Science & Society*’s long-time Editor; thus began a long association with the journal. Derek sat on the Editorial Board and contributed regularly to its pages, with two articles, one communication, three review articles, and 16 book reviews, the latest in 2011. He was always an avid reader and debater, and loved opportunities to discuss world events, history, philosophy and science. Until the end of his life, he considered himself a Marxist and he continued to believe in the necessity of socialism. He felt a deep attachment to the British “Social Relations of Science” movement and its leading figures, such as J. D. Bernal and J. B. S. Haldane. He was deeply concerned with the ecological aspects of human life, and helped put together *Science & Society*’s Special Issue on “Marxism and Ecology” in 1996.

In 2013, Derek began to suffer noticeably from dementia and by 2016 had developed full-blown Alzheimer's. On September 13, 2016, he died peacefully in his New York home from pneumonia. He was a loving father and he will be badly missed by his wife Margot, three children, Kristin, Megan, and Shaun, and Shaun's wife H el ene and their children, Vanda and Miro — and, of course, by his S&S colleagues.

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IN THIS ISSUE

As usual, we present a rich offering of critical and creative research, which leaves me wondering, Where to begin? Fortunately, I can take them in order.

Juan J. Rodriguez Barrera authors a new study of Langston Hughes, concentrating on the poet's celebrated autobiography, *I Wonder as I Wander*. Particularly as regards his reporting from and reflections on the Spanish Civil War, there is a disconnect between Hughes' earlier dispatches for the *Baltimore Afro-American* and other outlets, on the one hand, and the somewhat sanitized versions that made it into *I Wonder*, on the other. Rodriguez finds that, although Hughes "ultimately emerged from the McCarthy era with his literary career still in one piece, self-censorship had taken its toll."

Tom Brass continues his long-established work on the place of unfree labor in capitalist development, and the role of the "semi-feudal thesis" (the idea that unfree labor is a precapitalist holdover, and that socialists must first remove this remnant of the past before positing transition to socialism) in Marxist theories of transformation in the "third world." A number of crucial issues are present in this analysis, ranging from the place of Marx's conception of the valorization of labor power in *Capital* within a modern approach to the world capitalist economy, to the various strategic and tactical issues surrounding the relation between movements to overcome the worst instances of servitude, debt-peonage and the like, and the wider struggle to transcend capitalism as such.

The massive social crisis taking shape in Europe provides the backdrop for Spyros Sakellariopoulos' paper, "On the Class Character of the European Communities/European Union." At issue most generally is the question, What is a solidly Marxist approach to political and economic integration among capitalist nation-states? In particular, how should Marxists defend the ultimately progressive character of integration, its trope toward universality and transnationalism, in a period in which the world balance of class forces is shifting against the working classes, and the structure of an existing

international union such as the EU becomes a tool for reversing previous social and economic gains and eroding democracy?

Robert P. Jackson, in his study “Lebowitz, Lukács and Postone: Subjectivity in *Capital*,” interrogates the works of the two contemporary Marxists (Michael Lebowitz, Moishe Postone) in the light of the legacy of Georg Lukács, his *History and Class Consciousness* in particular. Weaknesses — perhaps “one-sidedness” would be a better term — in the contemporary works can be addressed *via* reconsideration of the place of subjectivity in Lukács’ interventions into both political economy and the theory of ideology. The contribution of the great Hungarian thinker is thus far from having been exhausted.

Among shorter papers, we have a Communication from A. W. Zurbrugg, “Bakunin and the IWA,” which continues one of the conversations emerging from our special issue, “Red on Black: Marxist Encounters with Anarchism” (April 2015). William K. Tabb reviews *The Enigma of Europe: Transform! 2016*, edited by Walter Baier, Eric Canepa and Eva Himmelstoss, which offers a full spectrum of leading European thinkers and activists’ latest ideas and proposals. Finally, Moscow-based authors Aleksandr Buzgalin and Andrey Kolganov assess the edited work by Stephen Lendman, *Flashpoint in Ukraine: How the US Drive to Hegemony Risks World War III*. Here a collection of U. S. authors shows the hand of NATO and the USA at work in promoting fascism in Ukraine, as part of an aggressive containment drive against Russia. Interestingly, the Russian authors chide the Americans for letting Putin and his “Jurassic capitalism” off the hook a bit: “. . . the only difference between Russia’s oligarchic–bureaucratic capitalism and the variety that existed in Ukraine under Yanukovich [before the 2013 coup] is that the degree of centralization in Russia is greater, with the oligarchs subject to a unified state regime.”

D. L.