

21st Century Marxism

Paul Cockshott

In certain respects the situation of Marxism in the early 21st century has much in common with that in the late 19th century. In both cases Marxism is faced with a world in which the capitalist mode of production dominates. During what Hobsbawm called the 'shorter 20th century', the period from 1914 to 1990, world politics centered round the epochal struggle between capitalist and socialist economic systems, and that reality gave to Marxism a quite different character than in its first period 1948-1914. In historical terms then, we are some 17 years into the 21st century.

In each period Marxism has had to address itself to the theoretical and political challenges of the moment. The 19th century addressed two main problems:

- 1) The constitution of the proletariat as a class and thus as a political party - (The Manifesto of the Communist Party 1848)
- 2) The critique of bourgeois political economy and the establishment of a political economy of labour - (Capital 1867)

Certain questions were only touched on the form of a future communist society (Critique of the Gotha Program) and the political form of the rule of the working class (The Civil War in France).

If we look at the 20th century we see a quite different set of questions being addressed.

How were communist ideas to be propagated (What is to be Done, 1902)? How was the communist movement to actually take power (The State and Revolution)? Once the revolution had taken place how was the economy to be re-organised (The New Economics, 1926)? How were revolutions in societies that were not yet fully capitalist to take place (Why is it that Red Political Power can exist in China 1928)? After the revolution how was the danger of counter-revolution to be combated (Documents of the Shanghai Left 1967)?

In retrospect one can see that the mid 1970s represented the high water mark of the socialist tide. Whilst the Vietnamese revolutionaries were driving the US out of Saigon, and the last colonial empire in Africa, that of Portugal, was falling, the failure of the cultural revolution in China was setting the economic scene for the triumph or reaction in the 80s and 90s. When, after the death of Mao, Deng threw open the Chinese economy to western capital investment, the balance of class forces across the whole world was upset. An immense reserve army of labour, hire able of the lowest of wages, was thrown onto the scales. The bargaining position of capital in its struggles with its domestic working classes was, in one country after another, immensely strengthened.

So today we are faced with a whole new set of questions. The general intellectual/ideological environment is much less favourable to socialism than it was in the 20th century. This is not merely a consequence of the counter-revolutions that occurred at the end of the 20th century, but stems from a new and more vigorous assertion of the classic tenets of bourgeois political economy. This re-assertion of bourgeois political economy not only transformed economic policy in the West, but also prepared the ideological ground for counter revolutions in the East.

The theoretical preparation for the turn to the free market that occurred in the 1980s had been laid much earlier by right wing economic theorists like Hayek and Friedman. Their ideas, seen as extreme during the 1950s and 60s gained influence through the proselytising activities of organisations like the Institute for Economic Affairs and the Adam Smith Institute. These groups produced a series of books and reports advocating free market solutions to contemporary economic problems. They won the ear of prominent politicians like Margaret Thatcher, and from the 1980s were put into practice. She was given the liberty to do this by a combination of long term demographic changes and short term conjunctural events. Within Britain, labour was in short supply, but across Asia it had become super abundant. Were capital free to move abroad to this plentiful supply of labour then the terms of the exchange between labour and capital in the UK would be transformed. Labour would no longer hold the stronger bargaining position. The conjunctural factor making this possible was the surplus in foreign trade generated by North Sea oil. Hitherto, the workers who produced manufactured exports had been essential to national economic survival. With the money from the North Sea, the manufacturing sector could be allowed to collapse without the fear of a balance of payments crisis. The deliberate run-down of manufacturing industry shrank the social basis of social democracy and weakened the voice of labour both economically and politically.

The success of Thatcher in attacking the working class movement in Britain encouraged middle class aspiring politicians in the East like Klaus and presaged a situation in which Hayekian economic doctrines would become the orthodoxy. Thatcher's doctrine TINA, There Is No Alternative, (to capitalism) was generally accepted.

The theoretical dominance of free market economic ideas had by the start of the 21st century become so strong, that they were as much accepted by social democrats and self professed communists, as they had been by Thatcher. In policy making circles they remain unchallenged to this day. They owe dominance both to class interests and to their internal coherence. The capitalist historical project took as its founding documents the Declaration of the Rights of Man, and Adam Smith's Wealth of Nations. Together these provided a coherent view of the future of Bourgeois or Civil Society, as a self regulating system of free agents operating in the furtherance of their private interests. Two centuries later when faced with the challenge of communism and social democracy, the more far-sighted representatives of the bourgeoisie returned to their roots, restated the original Capitalist Manifesto, and applied it to current conditions. The labour movement by contrast had no such coherent social narrative. Keynes's economics had addressed only

technical issues of government monetary and tax policy, it did not aspire to the moral and philosophical coherence of Smith.

The external economic and demographic factors that originally favoured the turn to the market are gradually weakening. Within the next 20 years the vast labour reserves of China will have been largely utilised, absorbed into capitalist commodity production. Globally we are returning to the situation that Western Europe had reached a century ago: a maturing world capitalist economy in which labour is still highly exploited but is beginning to become a scarce resource. These were the conditions that built the social cohesion of classical social democracy, the conditions that gave rise to the IWW and then CIO in America, and led to the strength of communist parties in Western Europe countries like France, Italy and Greece post 1945. We see in South America this process in operation today.

These circumstances set 21st century Marxism a new historical project: to counter and critique the theories of market liberalism as effectively as Marx critiqued the capitalist economists of his day.

The historical project of the world's working classes can only succeed if it promulgates its own political economy, its own theory of the future of society. This new political economy must be as morally coherent as that of Smith, and must lead to economically coherent policy proposals, which if enacted would open the way to a new post-capitalist civilisation, just as those of Smith opened the way to the post feudal civilisation.

21st century Marxism can no longer push to one side the details of how the non-market economy of the future is to be organised. In Marx's day this was permissible, not now. We can not pretend that the 20th century never happened, or that it taught us nothing about socialism. In this task 20th century Western critical Marxists like Cliff, Bettleheim or Bordiga will only take us so far. Whilst they could point out weaknesses of hitherto existing socialism, it did this by comparing it to an ideal standard of what these writers thought that a socialist society should achieve. In retrospect we will see that these trends of thought were a product of the special circumstances of the cold war, a striving for a position of ideological autonomy 'neither Moscow nor Washington', rather than a programmatic contribution to Marxism. The very psychological detachment that such writers sought, deflecting from their own heads the calumnies directed at the USSR, prevented them from positively engaging with the problems faced by historically existing socialism. It is only if you envisage being faced with such problems oneself, that one would come up with practical answers:

“It is not the critic who counts: not the man who points out how the strong man stumbles or where the doer of deeds could have done better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood, who strives valiantly, who errs and comes up short again and again, because there is no effort without error or shortcoming, but who knows the great enthusiasms, the great devotions, who spends himself for a worthy cause; who, at

the best, knows, in the end, the triumph of high achievement, and who, at the worst, if he fails, at least he fails while daring greatly, so that his place shall never be with those cold and timid souls who knew neither victory nor defeat.”
(Citizenship in a Republic, Roosevelt)

Instead we must recover and celebrate the advances in Marxist political economy that arose from the Russian experience: the method of material balances used in preparing the 5 year plans and systematised as Input Output analysis by Leontief; the method of linear programming pioneered by Kantorovich; the time diaries of Strumlin.

In the 19th century Marx's *Capital* was a critique of the political economy that underlay British Liberalism. 21st century Marxists must perform a critique of neo-liberal political economy comparable in rigour and moral depth to Marx's 19th century critique. In particular we must engage with and defeat the ideas of the Austrian school: Boehm-Bawerk, Mises, Hayek, whose ideas now constitute the keystone of reaction. Soviet Marxism felt strong enough to ignore the then, and the response in the West came in the main from non-marxian socialists like Lange and Dickinson. If we are to reconstitute socialism as the common-sense of the 21st century – as it was the common-sense of the mid 20th, then these are the ideas that must be confronted.

In attacking them we should not hesitate to use the advances in other sciences – statistical mechanics, information theory, computability theory. And, to re-establish Scientific Socialism there must be a definitive break with the speculative philosophical method of much of Western Marxism. We have to treat political economy and the theory of social revolution like any other science.

We must formulate testable hypotheses, which we then assess against empirical data. Where the empirical results differ from what we expected, we must modify and retest our theories.

To understand this new form of Marxist science consider the debate on the so-called 'transformation problem'. There was, in the 20th century, a huge and pointless literature attempting to rebut Boehm Bawerk's criticism of Marx's theory of prices of production. The net result of this debate was only to detract attention from the labour theory of value and Marx's analysis of exploitation. The eventual breakthrough, in the 1980s, against this Austrian critique of Marxism came from two mathematical logicians Farjoun and Machover. Their work 'The Laws of Chaos', was to my mind the most original contribution to Marxist theory of the late 20th century. They used methods derived from statistical mechanics to show that the assumption of a uniform profit rate, shared by Marx and Boehm Bawerk, was erroneous, and that in reality the classical labour theory of value (*Capital* vol I) operates. This was then confirmed by the empirical investigations of Shaikh and others.

This willingness to learn from other sciences and use them in the struggle against the reigning ideology can be seen in the work of Peters who brought the ideas of the computer pioneer Zuse into play in order to validate the possibility of rational socialist planning. We see again in Peters, what was evident in Shaikh and Machover, a re-assertion of the importance for Marxism of the labour theory of value. Whereas for Shaikh and Machover its role is causal in explaining the actual dynamics of capitalism.

For Peters it becomes both a moral principle and an organising concept for the future socialism.

The theoretical advances I refer to, occurred as the 20th century gave way to the 21st. Vladimir Lenin said: “Without a revolutionary theory there cannot be a revolutionary movement.” This is as true today as in 1902. In the late 20th century we came to lack such a theory. Thatcher’s idea that ‘There is no alternative’, only seemed credible because we lacked a revolutionary political economy, one which not only interpreted the world but explained how to change it, how to construct a different world.

21st century Marxism is starting out along the path to build that revolutionary political economy. Let us hasten its achievement so that when the next major restructuring crisis hits the capitalist world economy we are in a position to equip progressive movements with the ideas that they need if they are to prevail.

Paul Cockshott 2007