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Translation of: “Ist der Kapitalismus eine Marktwirtschaft?”

<http://www.wildcat-www.de/zirkular/24/z24kapit.htm>

## **Is Capitalism a Market Society?**

It is a common view nowadays that acts of exchange and their logic are at the centre of capitalist society and that many social processes can be explained on the basis of exchange relations. From this viewpoint the current strategies of ‘privatisation’ and ‘neoliberalism’ become more plausible—both for followers and critics of these strategies. This notion has little to do with the reality of global accumulation of capital, but it is socially confirmed in our daily atomisation, which itself is only the flipside of a lack of open struggles and new collective relationships emerging from within them. To the isolated individual, social processes actually *appear* to be exchange transactions, or more precisely, it rationalises the experience of powerlessness, because the essence of exchange is just the assumption of the independence and autonomy of individualised subjects. By perceiving social relations as acts of exchange—social relations, which are essentially based on organised and institutionalised violence, exploitation and oppression—the idea of ‘freedom’ and ‘autonomy’ of the individual or certain social groups is rescued. For the individual the perception of social relations as being based on exchange is more than mere imagination. It is a very real experience, given that daily reproduction is mediated by markets and acts of exchange. This form of mediation seems to confirm our individual freedom—and in a certain way actually does confirm it (see below: ‘The Political Ambivalence of the Market’).

What is the contemporary relevance of this question?—a question which is everything but new in the theoretical debate about capitalism. Firstly, it is relevant because in our own debates we tend to reproduce these ‘myths of the market society’. Obviously, if openly confronted with the question whether capitalism is a market society we would answer swiftly and ‘correctly’: no, no, it is a class society. This in itself does not say much and does not prevent us from reproducing the myth of the markets behind our backs. Secondly, this myth runs through the debate of the contemporary German ‘Neo-Marxism’—with its disciples declaring that the commodity is the “basic form of society” (Robert Kurz). The logical conclusion of this interpretation of Marx is that the class conflict in itself is an insignificant sub-conflict of the market and exchange sphere. It is certainly not a coincidence that a wider interest in this ‘Marxist commodity critique’ emerged simultaneously with the general—and dead-end—political orientation towards the ‘freedom of the markets’. This is why we cannot ignore ‘Neo-Marxism’. Thirdly, the no-

tion of the determining force of the market shapes the so-called ‘race to the bottom’ debate on the (political) left which is concerned with the consequences of ‘neoliberalism’. Consequently the assumption that negative outcomes of ‘neoliberalism’ result from the withdrawal of the state and the violence of market forces, a reformist call for state intervention and regulation is then systematically inscribed into this debate. This becomes a powerful ideological source for the renewal of the legitimation of the state (as could be exemplified by referring to the debate about the ‘Endsendegesetz’ (labour migration law) or the demand for social standards within the framework of the GATT). Less contemporary, but still a part of the debate within the so-called social revolutionary current (*Autonomie/NF, Materialien für einen neuen Antimperialismus*) is the opposition to a ‘moral economy’, like is said to have existed during the early phases of the proletarian movement, with the pure, meaning ‘non-moral economy’, which dominates today. This incomplete list of references should demonstrate that we will only be able to advance the current debate at its various junctions if we critically examine the relevance of market and exchange in capitalism. Several analytical efforts have already been made, for example the article “Piano, capitale e democrazia. I termini di una discussione” by Riccardo Bellofiore (*altre ragioni* no. 1, Milano 1992), which was translated into German in Wildcat-Zirkular no. 1 (<http://www.wildcat-www.de/zirkular/01/z01bello.htm>) or the approach of Immanuel Wallerstein, which was presented in Zirkular no. 20 (<http://www.wildcat-www.de/zirkular/20/z20walle.htm>).

## Class Deals?

### I

Let’s start with ourselves. The article “Bau—Boom—Basta!” in *Wildcat* 64/65 explains the fact that until the end of the 1980s there were hardly any strikes in the construction sector because of a ‘national deal’ between working class and capital. In the contribution “(Ge)schlechter Deal in Russland” [(Bad) Gender Deal in Russia] in *Wildcat-Zirkular* no. 21 we can read: “*Relations between men and women used to look like and still do primarily look like a deal ...*” The text “Alles Toyota—oder was” in *Zirkular* no. 11 deals with “*the cancellation of the class compromise, which was predominant in the capitalist centres after the war ...*” and the fact that a younger workers’ generation agreed to flexibilisation in return for more leisure time, which “*is something like a deal*”. Similarly, a report on working in a cleaning company in *Zirkular* no. 23 describes a “*kind of deal*” between boss and workers. ‘Market language’ also permeates daily conversations and discussions. ‘Cost-benefit-considerations’ are mentioned in relation to political activities, people demand ‘fair trade’ on a political market. Talking about ‘deals’ is not new in the Wildcat-specific theoretical structure and debate, it’s part of the jargon. The linguistic relativisations such as ‘looks like a’, ‘something like a’, ‘a kind of’ or the putting of ‘deal’ in inverted commas indicates the questionable character of the

term as an explanation. Given the current dominance of market ideologies it becomes necessary to re-examine these terms critically. Furthermore, the notion of a 'deal' between working class and capital is a late heritage of 'Operaist' theory formation—which is of particular relevance within Wildcat circles.

In the German language the English word 'deal' is usually used instead of German words like 'Tausch' (exchange) or 'Handel' (trade) if one intends to describe a particular exchange, generally a rather 'dodgy' one, e.g. a political deal. Exchanges appear as 'dodgy' once things are exchanged, which according to their nature are not supposed to be an object of exchange relations. For the left, for example, it is a 'deal' if the working class sells their revolutionary impetus for some welfare reforms; or if 'love'—per definition the opposite of market and commodity—becomes an object of exchange relations. In capitalism everything seems like a deal or an exchange relation or can be portrayed as such. This impression is then projected back onto the entire history (see the elaborate criticism of this projection in the fourth chapter of Karl Polanyi's *The Great Transformation*) and even natural science re-interprets all kinds of relations according to this 'exchange perspective', e.g. when the co-habitation of certain animals or plants in so called symbiotic forms are characterised as 'exchange relations'. This way to conceptualise relations is of enormous importance for capitalism; the entire spectrum of notions of justice and forms of legitimisation of this society is based on it. To conceptualise relations in this way makes the actual interrelations invisible. Working class and capital are as unable to *exist* independently from each other as men and women are (who, like worker and capitalist, embody only a specific historical relation of production—the production of humans). It is obviously absurd to think that they would only meet each other on a market (in this case a political or sexual market) and would then decide whether and how they exchange certain things or mode of behaviours. As a spontaneous impression, this notion is persistent because 'existence' is understood in a bourgeois sense as a legal-material existence ("I build up an existence"), not as a real, organic-living existence—and because the promise of individual autonomy is attached to this legal existence. This definition of 'existence' is therefore the starting point of bourgeois science and assumed in all (social and natural) relations. "*The individual and isolated hunter and fisherman, with whom Smith and Ricardo begin, belongs among the unimaginative conceits of the eighteenth-century Robinsonades (...). In this society of free competition, the individual appears detached from the natural bonds etc. which in earlier historical periods make him the accessory of a definite and limited human conglomerate. (...)The human being is in the most literal sense a zoon politikon [a political animal] not merely a gregarious animal, but an animal which can individuate itself only in the midst of society.*" (Karl Marx, *Grundrisse*, London: Penguin 1973, pp. 83-4). It is a very specific historical social formation that makes it possible for humans to individualise themselves *within* society and think of themselves of being independent from each other. This also means that independence is a specific historical form of independence. In the concept of self-sufficiency and autonomy of the indi-

vidual this independence is posed as absolute, declared to be a natural human character and elevated to a moral ideal. While in real history, freedom only exists as freedom *from* certain forces and necessities, in bourgeois thinking freedom becomes a freedom for and in itself and as a reason for innumerable philosophical discussions about the essence of freedom. Since the French revolution the political left essentially always shared this abstract notion of freedom with the bourgeois camp. This understanding of freedom considers exchange to be the form of interconnection between single individuals, because it appears as the opposite of coercion, violence and force. In the exchange both individuals fulfil their respective purposes and act according to their own will. [1]

### **The working class as a bourgeois individual?**

Now it becomes clear that the notion, which portrays the relation between classes or genders as a ‘deal’, serves the well-meaning, but mystifying purpose, to grant these ‘subjects’, at least theoretically, their independence and self-sufficiency. If women engage with men in the form of a deal, then they formally retain their independence and autonomy—in this co-existence they pursue their individual interest. This perspective consequently accepts the existence ‘as woman’ as a naturally given starting point—a starting point which is questioned, e.g. in the feminist discourse about ‘social construction of femininity’. The assumption of a ‘deal’ between genders would consequently only be a posthumous legitimisation of the constructed reality.

Similar problems arise from the notion of ‘class deals’. In the deal the working class remains an independent subject and decides itself what it exchanges with capital and at which price. At least within our own discussions I see that the application of a view of ‘exchange relations’ to the understanding of class relations originates in an unhistorical adoption of Operaist theoretical approaches, combined with an objectified notion of working class, as it has historically developed in the concept of ‘labour movement’. This view turns the political intentions of the Operaismo into its opposite, given the fact that the Operaismo developed as an explicit criticism of the ‘labour movement’.

In the Operaist debate the term ‘workers’ autonomy’ was introduced with a specific meaning: as an expression of an antagonism in a specific historical situation. Later on the notion of ‘workers’ autonomy’ has been turned into a kind of all encompassing historical term for the explanation of the entire history of the working class, which then led to the idea that this term should also be interpreted to describe the non-antagonistic aspects of class relations. The term ‘Autonomy’ attained a whole different meaning, which did not refer specifically to an antagonistic autonomy anymore, but to the notion of autonomy in an act of exchange, like it forms part of any reformist or trade unionist conception. At this point I want to leave it as an open

question, but a question that needs to be clarified: namely, to what extent does the terminology chosen by Operaismo (or even the Operaist theoretical concept itself), which used 'autonomy' synonymously for 'antagonism', implicate or contain this inversion of meaning (from autonomy as analysis of a historically specific antagonism to an over-historical explanation)?

### **From workers' autonomy to autonomy of collective bargaining?**

In the short text "What is workers' power? Material for cadre formation", published in the journal 'Potere Operaio' in 1971, 'workers' autonomy' is defined as a refusal towards reformism. "*... it became crucial to find the weak spot of the new objectives of the capitalist planning state, of the new stage of capitalist coordination on an international level, of the machine, which seemed to be shining and perfect and without a weak spot. The weak spot was the fact that the reformist plan—like any reformism—had to base itself on the consensus of the working class. This was the weak spot, this is where the battle was fought, it became crucial that workers refused the consensus and the approval of reformism. Comrades, this was the discovery of autonomy.*" Shortly after this passage, 'workers' autonomy' is in quite general terms defined by the fact "*that the entire history of capital, the entire history of capitalist society is actually the history of the working class.*" It still remains clear in the text that the 'autonomy' described above always refers to this antagonistic dimension: "*The history of the capitalist society is the history of a prison of domination, which has been built around living labour, around the labour force, around the workers, in order to squeeze labour from them.*" In the text, the term 'workers' autonomy' is persistently used in order to characterise specific struggles: "*Confronted with the state of reformism and development, one has to refuse the consensus, the rules of the plan, the mediation of the trade unions, one has to break the programming of a sensible relation between the dynamic of wage and productivity. Here we saw the potential to discover autonomy, of struggles for wages, the potential for an offensive economic struggle, which would unhinge this new state of reformism, planning and development.*" Or: "*Struggle against co-management, against the attempt to involve the workers in taking responsibility for exploitation, struggle against the pace of work, against the capitalist mystification of different values of labour (which actually serves the purpose of dividing workers politically, struggle against the linking up of wage and productivity)*". At this point the text speaks about "*marvellous revolutionary content*", but at the time, the political aim of the text was to explain the need for a transition from autonomy to a revolutionary organisation. It referred to the transition from struggle about economic demands to an open political struggle on the level of power, to insurrection. Contrary to later generalisations and unlike the common notion of 'autonomy', the 'workers' autonomy' as described in this text is still clearly defined on two sides: it is an expression of the antagonism of the working class, but a working class which in itself is not yet revolutionary. By detaching itself in its struggles—which remain on the level of economic demands—from certain forms of mediation like trade unions or the integration of wage demands

into the accumulation dynamic of the planning state, the working class: “*ties capital to crisis, forces it to halt development and thereby forces employers and the state to reveal themselves as an openly violent force opposed to the workers.*” In this way, workers autonomy creates a classical revolutionary situation—and the moment at which, according to Lenin’s heritage, the revolutionary party has to enter the stage. At this point I don’t want to debate the Leninist conclusion, but demonstrate that ‘workers’ autonomy’ refers to something very specific, which is contrary to the notion of ‘deals’ between working class and capital.

The US-American and West-German interpretation of Operaismo later on transformed this conception of an independent subject, which the notion of ‘autonomy’ embodies as a connotation and which bears similarity to the independence of a bourgeois subject in the market society, by attempting to explain certain class relation in terms of deals. In a politically intensified situation ‘Potere Operaio’ in an act of anticipation *addressed* the working class as an independent collective subject of history (!), but by which essentially it can only emerge in the act of self-abolishment as working class—only once the working class steps outside the class and capital relation, within which its ‘autonomy’ can always be only limited. Or as Marx puts it: only once the people not only make history, but make history as they please—in contrast to all previous history. The ambiguousness of Potere Operaio’s definition of the term ‘autonomy’ indicates that outside of a revolutionary moment the working class cannot exist as an autonomous subject, but can only be conceptualised as a pole in a contradictory unit of the class and capital relation.

The phraseology of the ‘deal’ ignores this interrelation and replaces it with the myth of two independent forces, a myth similar to that which is cultivated in the usual trade unionist and reformist interpretations of history. This trade union ideology and its material bases (see below) is the actual content of the phraseology of the ‘deal’ and make it plausible. The fatal element in our own debates is the fact that this ideology can hide itself behind incongruous adaptations of Operaist theory. With the talk of the ‘deal’, the ideas of the mythical ‘relations of forces’ unavoidably enter the game; ideas, which are cultivated in the traditional historiography of the labour movement and which describe the class struggle as a wrestling between two individuals. Like in natural science the empty phrase of ‘force’ is used whenever an inner relation cannot be found or explained. The usage of the term ‘balance of power’ is particularly fatal—everything and nothing can be explained with a ‘balance of forces’, given that once they are equal they cease to be something determining. It is fatal because it confirms the superficial impression of harmonious class relations: “*The ‘social pact’ emerged from a balance of forces between capital and class. The way out of the mutual blockade was found in ‘higher productivity for wage increases’, a kind of deal: on the one hand social concessions secured by repression, on the other hand renunciation of revolutionary demands and flight into mass-scale individual refusal of work.*” (Wildcat No. 64/65, p. 5)

This perspective abandons a critical analysis of class relations and instead uncritically endorses its contorted surface manifestation. Like the wage appears as the payment of labour—and thereby renders invisible the surplus value, which stems from the difference between value of labour power and expended living labour—the dividing up of the total social product amongst the different classes in form of wages, profit, interests and rent income appears as a distributive conflict, which in principal could be solved in a fair agreement and harmonious co-existence of the respective parties. “*For [in the formula:] land–rent, capital–interest, labour–wages, for example, the different forms of surplus-value and configurations of capitalist production do not confront one another as alienated forms, but as heterogeneous and independent forms, merely different from one another but **not antagonistic**. The different revenues are derived from quite different sources, one from land, the second from capital and the third from labour. Thus they do not stand in any hostile connection to one another because they have no inner connection whatsoever. If they nevertheless work together in production, then it is a harmonious action, an expression of harmony, as, for example, the peasant, the ox, the plough and the land in agriculture, in the real labour process, work together **harmoniously** despite their dissimilarities. Insofar as there is any contradiction between them, it arises merely from competition as to which of the agents shall get more of the value they have jointly created. Even if this occasionally brings them to blows, nevertheless the outcome of this competition between land, capital and labour finally shows that, although they quarrel with one another over the division, their rivalry tends to increase the value of the product to such an extent that each receives a larger piece, so that their competition, which spurs them on, is merely the expression of their harmony.*” (Karl Marx, *Theories of Surplus Value*, notebook XV-922-3)

The terminology of ‘the deal’ attributes its plausibility to this manifestation of class conflict as competition between various sources of income. The fact that not only income, but social concessions, working time or, like in the most recent ‘deal’, jobs themselves form part of the deal, does not change the fundamental issue. ‘Deals’ can only be made between subjects disposing of a formal autonomy. Such a legally recognised subject exists in the form of the trade unions, which can negotiate contracts with other legal subjects. The specific autonomy, which grants the voluntary and independent nature of negotiations, is called autonomy of collective bargaining. If we talk about a ‘deal’ between working class and capital we inevitably end up with the impression that trade unions and employers’ associations are the embodiment of working class and capital as historic subjects. If we stick to the critical analysis of Marx we cannot but see the trade unions as a legally determined organisation of a specific source of income, the wage. Seen through this specific source of income, the inner relation between working class and capital—class relation, meaning the disappropriation from the means of production, exploitation and subjugation to the capitalist command—appears as its opposite, as an indifferent, equal coexistence without any interrelation. Subliminally the notion of the ‘deal’ equates working class and trade unions, which obstructs a fundamental criticism of trade unions—subsequently,

engagement with the trade union question on the political left regularly deviates into a moralistic indignation about the ‘betrayal of the rank and file’, ‘bureaucratisation’, ‘the collaboration with capital’ and fights like Don Quixote against these wind mills, armed with their ideals of ‘the true tasks’ of unions. The notion of a ‘deal’ confirms the view of all those who refer to the twisted manifestation of the class conflict as a competition between different sources of income and declare that to relate to uphold the revolutionary potential of class struggle is absurd. [3]

## Class Struggle Fetish?

### II

This is exactly the line of argumentation of the *Krisis*-group, which allows them to categorise and politically discard the class conflict as a conflict, which remains within the capital relation without pointing beyond it. The important element of their argumentation, which deserves to be taken seriously, is the fact that they theorise—in Marxist terms and with the aim of overcoming capitalism—the widespread and legitimate reservations of system-critical activists towards actual distributive struggles (similar to Moishe Postone, see reference in *Wildcat-Zirkular* no.18).

In their criticism (see: Robert Kurz and Ernst Lohoff, “Der Klassenkampf-Fetisch”, in: *Marxistische Kritik* 7/89) *Krisis* refer to the notion of class struggle in traditional Marxism and choose as their point of departure the traditional Marxist definition of ‘class interest’ as a central category. (A clever choice, given that in this way the criticism has already gained victory: in the category of ‘interest’, ‘needs’ are already conceived as socially determined, “which can be achieved only within the conditions laid down by society and with the means provided by society”, like Marx wrote in the *Grundrisse* about private interests (!) (*Grundrisse*, p. 156); meaning: the need for food is already socially determined as the interest of selling one’s labour power or to obtain higher wages.) Instead of criticising the ideological in traditional Marxism and its notion of ‘class interest’ and instead of confronting it with an analysis of actual (inter-) relations, they retain the notion of ‘interest’ and prove the integration of any interests into the given social conditions—and they think that by criticising Marxist ideology they have said something about reality.

Given that, according to their criticism, there is only one circulation, which is the circulation of capital, “the ‘workers’ interest’ and the exchange of commodity labour power is completely involved in it [the circulation]”. They continue by saying that commodity labour power indeed has some fundamental particularities—but in the end they examine these particularities only towards the side of capital, meaning, labour powers’ characteristics as use value, the expenditure of living labour, the ability to produce more value than it has cost itself. This neglects an-

other particularity of commodity labour power, which is faintly concealed by the value form, and which is also attached to the wage. In 1835 a silk weaver from Manchester described this particularity in a striking way, demonstrating the absurdity of the perception of legal equality of labour and capital: “*Capital, I can make out to be nothing else but an accumulation of the products of labour. ... Labour is always carried to market by those who have nothing else to keep or to sell, and who, therefore, must part with it immediately. ... The labour which I ... might perform this week, if I, in imitation of the capitalist, refuse to part with it ... because an inadequate price is offered me for it, can I bottle it? can I lay it up in salt? ... These two distinctions between the nature of labour and capital, (viz. that labour is always sold by the poor, and always bought by the rich, and that labour cannot by any possibility be stored, but must be every instant sold or every instant lost,) are sufficient to convince me that labour and capital can never with justice be subjected to the same laws. ...*” (Quoted in E.P. Thompson, *The Making of the English Working Class*, Penguin 1979 [1963], pp. 328-9.) This impossibility to lay labour power up in salt does not stop Kurz/Lohoff from conceiving of the commodity form of labour power in the form of the wage as a more fundamental characteristic than the material particularity of labour power (which would highlight the production of surplus value, a sphere which is completely absent in the *Krisis*’ analysis). According to *Krisis*, this is why workers, in pursuing their interests, “necessarily remain trapped within the commodity form, meaning within the capital relation”. “*Within the commodity form the ‘class interest of the proletariat’ is a completely ordinary competitive interest, which forms an opposition to other competitive interests, but as such is in no way an ‘irreconcilable opposition’.*” It is noteworthy that their formulation is nearly a literal transcription of the Marx quotation above, where he outlines the twisted and inverted manifestation of class antagonism. Unlike *Krisis*, Marx talked about manifestations, which extinguished the fact of exploitation and the class relations in their appearance, and which therefore have to be examined critically and thoroughly (for Marx that meant to understand more difficult forms such as profit, interest, entrepreneurial wage etc., instead of merely dealing with the value form). *Krisis*, on the other hand, think that on their path of derivation they have penetrated the true essence of the subject-matter (dealing with bourgeois science Marx has consistently criticised this tautological method to use abstractions to cull reality—the reality from which one has derived these abstractions by disregarding its certain concrete determinations; see for example *Grundrisse*, p. 248-50).

If *Krisis* wanted to criticise the mystifications and petrifications of class struggle in the common notion of ‘labour movement’, they would have made some valid remarks—in particular regarding all those who want to base themselves on a purely antagonistic working class corresponding to their revolutionary hopes and, in order to do so, flatly deny or ignore contradictory manifestations, such as trade unions, or the fact that their character contradicts the notion of class. But by not distinguishing appearance and essence *Krisis*’ criticism misses the point,

which indicates that they haven't understood the true drama of mystification and fetishisation in capitalism at all.

A funny misunderstanding on their part shows how difficult it is to match reality with their scheme of derivation. In their analysis, they attribute the phenomena of violent class conflicts in the last century to the fact that at the time, the commodity form of labour power was not yet predominant. They state that those class struggles, out of which traditional Marxism formed its class notion, were actually about enforcing the commodity form of labour power. *"This illusion could only exist as long as the 'working class' was not recognised within bourgeois society as an official subject of competition, as long as the working class had to claim and enforce its 'freedom of association', its rights' as a social subject in commodity form against the semi-feudal state and/or powerful individual capital."* The fact that the remnants of semi-feudalism played an important role in shaping the socialist labour movement—especially in Germany—is uncontested within historical science. The freedom of association was refused exactly because it violated the commodity form of labour power, similar to the feudal guilds, which caused problems for the employers in their attempt to create a free labour market. All these elements, which Kurz/Lohoff see as part of the enforcement of the commodity form of labour power—freedom of association, recognition of the 'workers' interest', social rights etc.—in fact seriously infringe on and violate the commodity form. Neoclassical economists and liberals never tire of denouncing this monopolisation of commodity labour power, which contradicts the rules of the market. It is also historically obvious that labour power, since World War I at the latest, does not behave like any ordinary commodity, in that e.g. its price developments are not subject to the relation of supply and demand, but that a 'wage rigidity towards the bottom' occurs, which causes troubles for capitalists. Therefore, the impression of harmony within competition was precisely not the enforcement of the commodity character of labour power, but rather the limits of the commodity character set by the state. Marx criticized this idea especially with regards to bourgeois consciousness, and which was also an important factor amongst the working class. The reason why the idea that the labour market is a market like any other market remains—an idea which the critical intelligence of *Krisis* is immediately taken in by—lies in the fact that the state makes very sure in every detail that all interventions and regulations keep the semblance of market forms: social security is organised in the form of social insurances, wage regulations are delegated to collective market behaviour in the form of trade unions. (The two years of back-and-forth about an assignment act concerning the deployment of migrant workers in the German construction industry demonstrates how important this 'market disguise' is for state power: despite the fact that there has been a minimum wage law in Germany since 1952, according to which the Minister of Labour is entitled to define minimum wages and working conditions, they decided to implement a new law, which merely deals with the general binding effect of new collective wage agreements. In other words, they make sure that the resulting lowering of wage levels appears as a consequence of a free agreement, as a 'deal' between employers and trade unions.)

For the *Krisis* group the commodity form—as elaborated at the beginning of the first volume of Marx’ *Capital*—constitutes the elementary fundamental form of capitalist society. This type of interpretation of *Capital* is not untypical and well known from the ‘Academic Marxism’ of the 1970s. Their essential mistake is to have not noticed the transition points and inversions in the analysis of the commodity, which in Marx is only truly defined at the end of the third volume of *Capital*. They assume that in chapter one everything necessary has been said about the commodity—and the ‘commodity fetish’ elaborated in this early part of *Capital* provides an easy one-in-all-critique of the whole world. Given that they consider the sequence of elaboration in *Capital*—commodity, capital, production etc.—as a logical sequence of derivation, it seems to them that the historical and social foundations of commodity production generalised in capitalism is a derivation from the commodity or from the commodity form itself (Marx himself said that he ‘coquetted’ in an ironic critical manner with this form of elaboration—thereby contributing to a lot of misunderstandings!). By considering the commodity as the determinant, the market becomes the starting point. The interpretation of *Krisis* thereby reproduces the neo-classical perspective and reinforces the common idea of a ‘market society’.

A critical intellectual like Detlef Hartmann, who tries to grasp the actual historical development and struggles against capitalism, is understandably angry: *“Of course we can describe exploitation ‘economically’ as an expression of exchange (based on the commodity form) between capital and labour power and as an expropriation of surplus labour exceeding the necessary labour—but this would be trivial and superficial. Reason and dynamics of exploitation are founded in social violence, which enforces the conditions for the utilisation of living labour, which constantly deepens these conditions and drives them into new social dimensions. Ever since the beginning of the so-called ‘second’ industrial revolution in the middle of the last century, the illusion that this [it] is the violence of the ‘market,’ where labour and capital meet each other, revealed itself as an ideological sham.”* („Rassismus im Umbruch“, in: *Materialien für einen neuen Antiimperialismus* no. 4, p. 58) In the analysis of the *Krisis* group the unmistakable element of deliberate and planned violence in the history of capitalism disappears behind a seemingly rather comfortable fetish-form, and the laws of commodity production which operate “behind our backs” reveal themselves at a second glance as the “invisible hand” of Adam Smith. The difference being that while the latter organically provides for the biggest possible wealth for all, the former leads us unerringly towards the crisis of capitalism—the formula is the same. Historically Hartmann is absolutely right when criticising such depictions. In his critical rage against this Market-Marxism he rather thoughtlessly discards as “trivial” the drama of mystification, which attaches itself to the market and exchange form of social relations. From his point of view, for the purpose of moral self-reassurance concerning our hostility towards the capitalist system, all traces of fair exchange and market harmony have to be swept aside. But for revolutionary theory it is as important to grasp the forms of legitimisa-

tion of these oppressive power relations, in order to find the breaking points within and to be able to attack them—and herein lies the significance of the market-form mystifications. [4]

### **The Inversion which Converts the Property Laws of Commodity Production into Laws of Capitalist Appropriation**

#### **III**

So far we have concerned ourselves with the question of how the ways in which we talk about ‘the deal’ defines the class conflict wrongly as an exchange process based on market forms. Well, we might say, but if we consider commodity production then capitalism is very much a ‘market society’. Again back to the sequence in the analysis in Marx: He rather quickly leaves the sphere of simple commodity analysis and demonstrates that the class and capital relation precedes the generalisation of the commodity both historically and logically. From this perspective the significance of the commodity form of the wage also changes—the wage form being the source from which *Krisis* thinks they are able to derive everything there is to know about the significance of class struggle. It is worth briefly recapitulating Marx’s arguments—it will demonstrate the entire weakness of *Krisis*’s interpretation of Marx. The debate about the following political question was, amongst other things, responsible for a split within *Krisis*—the splinter group continues to argue on a shockingly unhistorical level, but examines the ‘critique of political economy’ with a bit more accuracy.

In chapter 24 of volume 1 of *Capital* Marx looks into the ‘transformation of surplus value into capital’, meaning the general foundation of every process of accumulation. Thereby he discovers the complete inversion of the property laws. In simple commodity production (which Marx assumes only notionally, but which constitutes a real historical sphere, see paragraph below on Braudel) the property of a commodity is based on one’s own labour. The shoe-maker sells the shoes which s/he has produced her/himself. If we look at the single exchange between capitalist and worker, in which advanced capital in money form is exchanged for commodity labour power, everything is still fine. The worker receives the equivalent of the reproduction costs of their labour power. If we assume an imaginary origin of capitalism then the capital of the entrepreneur is also based on their own labour (or on inherited labour, according to the legend). We witness an exchange between equals. Even the surplus value—which the capitalist appropriates due to the product containing more added living labour than s/he has paid the worker in form of the wage—does not result in an essential change of social dynamics, as long as the capitalist merely consumes the surplus. With the next act of exchange they both would meet again as proprietors of commodities, which they own due to their own labour. Once accumulation takes place, things change fundamentally. The labour of someone else which is appropri-

ated in the production process is advanced as new capital, in order to appropriate more labour from someone else again. “*The ownership of past unpaid labour is thenceforth the sole condition for the appropriation of living unpaid labour on a constantly increasing scale.*” (*Capital*, vol. 1, translated by Ben Fowkes, Penguin, p. 729) Here we deal with what Marx calls the “inversion which converts the property laws of commodity production into laws of capitalist appropriation”. This is not about a historical transition, given that a society of simple commodity production has never existed and that ‘the commodity’ only becomes an elementary form of wealth once production has already taken place as capitalist production. Marx refers to a logical transition regarding the appearance of the ‘market society’, according to which all property stems from one’s own labour. “*The exchange of equivalents, the original operation with which we started, is now turned round in such a way that there is **only an apparent exchange**, since, firstly, the capital which is exchanged for labour-power is itself merely a portion of the product of the labour of others which has been appropriated without an equivalent; and, secondly, this capital must not only be replaced by its producer, the worker, but replaced together with an added surplus. **The relation of exchange between capitalist and worker becomes a mere semblance belonging only to the process of circulation, it becomes a mere form, which is alien to the content of the transaction itself, and merely mystifies it.** The constant sale and purchase of labour-power is the form; the content is the constant appropriation by the capitalist, without equivalent, of a portion of the labour of others which has already been objectified, and his repeated exchange of this labour for a greater quantity of the living labour of others.*” (*Capital*, loc.cit., pp. 729-30)

Here we have to emphasise two points, one concerning methodology, the other relating to content.

a) Every individual act of exchange taken by itself still adheres to the laws of fair exchange of equal values. The inversion into its opposite, the continuous appropriation of someone else’s labour through the means of previously appropriated alien labour, becomes only visible in a dynamic analysis, in the examination of the capital relation as a process. This statement might seem trivial, because it is rather obvious that it forms part of the character of capital to be process-like, to accumulate permanently, to expand—but neither the neo-classical economists nor Kurz’s commodity critique advance to this dynamic analysis. This is why they continue to assign significance to the markets and the commodity form, which they could only attain in a fictitious and static situation. The significance of the economist Joseph Schumpeter lies in the fact that he emphasises the dynamic analysis in his perception of social categories not as things, fixed subjects or structures, but as a process and historical events. Therefore it is not a coincidence that whoever is concerned with the actual historical tendencies of capitalism refers to Schumpeter—from Wallerstein to Hartmann to Bellofiore. In many aspects, Schumpeter, who stands on the other end of the political spectrum, understood Marx much better than whole

schools of ‘Marxisms’: “*The essential point to grasp is that in dealing with capitalism we are dealing with an evolutionary process. It may seem strange that anyone can fail to see so obvious a fact which moreover was long ago emphasized by Karl Marx. Yet that fragmentary analysis which yields the bulk of our propositions about the functioning of modern capitalism persistently neglects it.*” This evolutionary process is not only about a quantitative increase, a piling up of capital, as it is understood in many left wing discussions about accumulation. “*Capitalism, then, is by nature a form or method of economic change and not only never is, but never can be, stationary. And this evolutionary character of the capitalist process is not merely due to the fact that economic life goes on in a social and natural environment which changes and by its change alters the data of economic action (...). Nor is this evolutionary character due to a quasiautomatic increase in population and capital or to the vagaries of monetary systems (...). The fundamental impulse that sets and keeps the capitalist engine in motion comes from the new consumers’ goods, the new methods of production or transportation, the new markets, the new forms of industrial organization that capitalist enterprise creates. (...) The opening up of new markets, foreign or domestic, and the organizational development from the craft shop and factory to such concerns as U.S. Steel illustrate the same process of industrial mutation (...) that incessantly revolutionizes the economic structure from within, incessantly destroying the old one, incessantly creating a new one. This process of Creative Destruction is the essential fact about capitalism. It is what capitalism consists in and what every capitalist concern has got to live in.*” (Joseph A. Schumpeter, *Capitalism, Socialism and Democracy*, London and New York: Routledge 1976 [1943], pp. 82-3).

The criticism of a reified perception of capital voiced by John Holloway aims in a similar direction, albeit with a revolutionary intention. While Schumpeter’s analysis arrives at a pessimistic prognosis for the future of capitalism, Holloway wants to demonstrate that by maintaining a reified perception of capital we put obstacles in our path of political-revolutionary activity: “*If, however, we want to understand not the domination and reproduction of capital, but the vulnerability and rupture of capital, if, in other words, we want to understand not how capitalism works, but how it can be destroyed, then we need to open up the thinghood of capital, to break its facticity, to break the illusion/reality of ‘capital is, capital moves, capital rules, that’s the way things are’.* That is why Marx devoted much of his life to showing that capital is not a thing but a social relation, a social relation which exists in the fetishised form of a thing.” (“Capital Moves”, *Capital & Class*, no. 57, 1995, <http://libcom.org/library/capital-moves-john-holloway>). Schumpeter emphasises the permanent creative destruction of capital, Holloway interprets this process as the eternal flight of capital from the unruliness of the producers of surplus value upon whom capital depends.

Only based on a dynamic historical analysis are we able to examine what we call ‘working class’—instead of merely assuming its existence dogmatically. The working class cannot be

grasped as a thing or fixed subject, which does this or that, sometimes it fights, sometimes it engages in 'deals' etc. Working class is the other side, the inner contradiction of a dynamic, which is called capital. The working class actually does not exist in relations of derivation between different categories or as a static, sociological subject.

*"Sociologists who have stopped the time machine and, with a good deal of conceptual huffing and puffing, have gone down to the engine room to look, tell us that nowhere at all have they been able to locate and classify a class. They can only find a multitude of people with different occupations, incomes, status hierarchies, and the rest. Of course they are right, since class is not this or that part of the machine, but the way the machine works once it is set in motion—not this and that interest, but the friction of interests—the movement itself, the heat, the thundering noise. Class is a social and cultural formation (often finding institutional expression) which cannot be defined abstractly, or in isolation, but only in terms of relationship with other classes; and, ultimately, the definition can only be made in the medium of time – that is, action and reaction, change and conflict. When we speak of a class we are thinking of a very loosely defined body of people who share the same congeries of interests, social experiences, traditions and value systems, who have a disposition to behave as a class, to define themselves in their actions and in their consciousness in relation to other groups of people in class ways. But class itself is not a thing, it is a happening."* (E.P. Thompson, *The Making of the English Working Class*, p. 939)

The explosive nature of the political proposal made by Karl-Heinz Roth in his book "Die Wiederkehr der Proletariat" (The Return of the Proletariat) lies in the fact that he approaches class relations in such a dynamic sense—even though he does not say so explicitly or even though it might remain hidden behind a certain barrage of (unfamiliar) words. The violent debate around his assumption of a 'levelling out' within class relations has much to do with his critics referring this assumption of an objectified and static perception of working class (where one can always find numerous differences), while Karl-Heinz Roth hints at unifying tendencies within a dynamic—within a process, which itself we call class. [5]

b) The second point regarding this transition from property laws of commodity production to laws of appropriation of someone else's labour concerns the relation between production and market, between planning and competition. Marx says that exchange is just a sham—the essential process, which is concealed through this act is the production of surplus value. We call the dynamic of this surplus value production accumulation, meaning surplus value production through surplus value (instead of 'commodity production through commodities' a la Sraffa!). Consequently the logic of exchange changes fundamentally—the change reaching right into the quantitative exchange relations themselves. At the beginning of his analysis in *Capital* Marx assumed—from the commodity analysis and the analysis that labour determines value—that commodities are exchanged in relation to the amount of labour they contain. The commodities

produced under the condition of the capitalist mode of production, where it is first of all about the surplus value they contain, are exchanged in a completely different relation, namely in relation to the capital necessary for their production. “*The whole difficulty arises from the fact that commodities are not exchanged simply as commodities, but as the products of capitals, which claim shares in the total mass of surplus-value according to their size, equal shares for equal size.*” (*Capital*, vol. 3, translated by David Fernbach, Penguin, p. 275) (Repeatedly this aspect becomes cause for surprise and confusion e.g. in *Capital* reading groups, because the commodity analysis is considered over and done with after the reading of volume one and all of a sudden everything is supposed to be different from what has been taught earlier on!) The analysis of the development of an average rate of profit crystallises how competition, as the apparent hostility between capitalists on the market, only accentuates the social character of production. Paradoxically capital becomes “conscious of itself as a *social power*” (Marx, loc.cit. p. 297) exactly through this ‘competitive’, compensating movement in relation to the average rate of profit. The starting point is no longer the commodity form or the market, but the social power exerted on the surplus value producers in the production process, which is only mediated through the commodity form.

We therefore cannot understand the dynamic, historical development of capitalism by examining the market sphere. Neoclassical theory and its repetition in the form of the ‘Marxist critique of the commodity’ take the market and the commodity form of the products as the regulating and determining starting point. According to them it is production which adjusts to markets; production is production for a given demand; and everything is turned into commodities etc. The theories of ‘flexible specialisation’ by Piore/Sabel or the emphasis on ‘client orientation’ in concepts of team work fortify these perceptions—and they prove how necessary it is to critique these concepts. [6]

The focus on the markets misses a decisive point: the capitalist dynamic within surplus production creates completely new things and new production methods, and revolutionises from there the organisation of production and social relations. The organisation of surplus value production determines how, and to what extent, markets and acts of exchange play a role in mediating social relations, or how and to what extent they are portrayed as acts of exchange—organisation of surplus value production including everything, from the command of capital within production to the exercise of its social power in the form of state and nation state. A recent publication, which deconstructs the ‘myth of market economy’ through a thorough engagement with the entire theoretical history of the economy, emphasises the significance of the starting point chosen by Marx: “*Yet aside from Marx, no other economist in the history of economic thought has made the key shop-floor issues for labor-management relations—namely, effort-saving technological change and the problem of the supply of labor effort—central to a microeconomic theory of production and income distribution. In analyzing the capitalist econ-*

omy, moreover, Marx pioneered in the historical analysis of the dynamic interaction of organization and technology what he called the relations and forces of production—as the engine of economic growth.” (William Lazonick, *Business Organization and the Myth of the Market Economy*, 1991, p. 270) Lazonick, an economist and historian from the ‘radical’ school, takes Marx seriously as an historian, who developed his critique of capitalism not through a mental dialectical process, but through an analysis of actual historical developments. By discovering historical flaws in Marx through his own historical analysis (e.g. on enclosures or on the ‘self-acting mule’ and Marx’s over-emphasis on technology, see reference in ‘Klassenkampf-Krise-Kommunismus?’ in *Wildcat-Zirkular* no. 1) he grasped that Marx’s emphasis on the *organisation* of exploitation, rather than on the events on the market, was the decisive key to understanding history.

## Market and (state) Planning

### IV

Given the overwhelming dominance of market ideology and the current talk about ‘neoliberalism’, the attack on the ‘myth of market economy’—like that demonstrated by Lazonick and Bellofiore—has priority. During the 1960s and 1970s the political left faced the opposite problem. Confronted with the fact that at the time capitalism evidently used more and more economic and social instruments of planning and also openly proclaimed this (also see: Bellofiore’s article “Piano, capitale e democrazia”), the left found itself in a dramatic dilemma. In the 2nd and 3rd International’s notion of socialism, planning had always been the (left-wing) opposition to the (right-wing) market. Now capitalism itself seemed to plan development, meaning, it seemed to realise the core substance of the socialist ideal—in order to secure exploitation! The left had criticised capitalism because of its anarchy on the market, the blind operation of the economic laws of nature within market competition and its outcome in the form of the crisis. In contrast, the rational planning in the factory was seen as a starting point—brought about by capitalism—for a planned socialist society. The anarchy of the market, incomprehensible for the capitalists themselves, was supposed to be the historic guarantor for the fact that workers’ struggles and finally a revolutionary situation would arise out of the process of crisis. The planning capability of capitalism therefore had to throw theoreticians like Paul Mattick into a deep pessimism, because now state and employers were able to prevent economic crisis and thereby the emergence of revolutionary situations. (Based on a thought similar to Mattick’s pessimism is *Autonomie/Neue Folge*’s assumption that revolution is impossible due to the complete subjugation of the working class under the planned capitalist commando not only within production, but also in the sphere of reproduction.). By equating socialism with planning and capitalism with the market, the left had gotten themselves into a dilemma, which depressed the radicals and allowed the communist parties a theoretically plausible transition

towards reformist collaboration with state business. This was an important starting point for the Operaist critique at the beginning of the 1960s. “*Since with generalized planning, capital extends the fundamental mystified form of the law of surplus value from the factory to the entire society, all traces of the capitalistic process’ origins and roots now seem to really disappear. Industry re-integrates in itself finance capital, and then projects to the social level the form specifically assumed by the extortion of surplus value. Bourgeois science calls this projection the neutral development of the productive forces, rationality, planning. Thus, the task of apologetic economists is made somewhat easier.*” (Raniero Panzieri: “Surplus value and planning: notes on the reading of ‘Capital’”, translated from “Plusvalore e pianificazione”, *Quaderni Rossi*, no. 4, Summer 1964, <http://libcom.org/library/surplus-value-planning-raniero-panzieri>) They put the seeming neutrality and rationality of capitalist machinery, organisation and planning into question (“Despotism of rationality”). They shifted the focus from the anarchy of the market to the planned and organised process of extraction of living labour in the factory as the actual scandal and the essential irrationality of capitalism. From this perspective, the expansion of planning to the entire society (“factory society”) does not form a contradiction to the capitalist market society, but a further development of the historic tendency of capitalism—which Marx had already understood in the emergence of the credit system and shareholder capital. By ignoring this fact and by continuing to equate socialism with planning, “*Marxism itself thus can become an apologetic form of thought*” (Panzieri). In order to attack the stifling and apologetic role of ‘Party-Marxism’ in this historic phase, Panzieri had to develop his arguments in very close relation to the texts of Marx—but not only for tactical reasons. In contrast to Lenin, by re-tracing Marx’s analysis of the immediate production process, the role of capital concentration in the process of accumulation and finally the development of the credit system as the starting point for capitalist planning in social production, Panzieri demonstrated, that there is “*a close relationship between the sphere of direct production and circulation, while this relationship is obscured if one only attends to the link between direct production and competition. Such a perspective allows one to see connections not established in ‘Capital’, and thus relegates many of its general ‘laws’ to a phase of capitalist development. However, it does validate the fundamental methodological principal of ‘Capital’: the mode of production dominates the process of circulation.*” (loc.cit.) [7]

This criticism of traditional Marxism and its focus on the ‘market anarchy’ is of central significance for the turning point initiated by the Operaist discourse. The relations within the immediate production process come back into focus and become central for political initiatives: “*In the factory system, the anarchical aspect of capitalist production lies solely in the insubordination of the working class, in its rejection of ‘despotic rationality’.*” (Panzieri, loc.cit.) Given the current predominance of market ideologies, given the catchword of ‘neoliberalism’ and the classification of the French strike movement of 1995 as a ‘revolt against the Europe of the markets’ etc. the text of Panzieri regains a very contemporary significance. The text can save

us from reacting to the neoliberal chimera with a remaking of orthodox Marxism and its political concepts of the planning state. The text also shows the importance of a detailed analysis of the organisation of capitalist politics, e.g. in the form of the international credit system. [8]

Panzieri uses Marx against ‘Party Marxism’ by demonstrating that in Marx there is no closed schema of ‘market anarchy vs. planned production’—but Panzieri is confident enough to indicate the peculiar ambiguity in Marx. On one hand Marx emphasises the despotic and deeply capitalist character of planning, on the other hand his “*emphasis on social anarchy as the characteristic of the total process of capitalist reproduction*”—particularly in the first volume of *Capital*—“*tends to win back the plan in itself as an essential value of socialism in the clash with the capitalist system.*” (loc.cit.) Panzieri underlines that we have to be aware of this ambiguity and that therefore the ‘perspective of socialism’ cannot be clearly deduced from Marx. Concerning the theoretical assumptions, Panzieri repeats the misleading historical classification of capitalism at the times of Marx’s analysis as an ‘epoch of competition’ and a certain ‘stage’ in development, like we can find in traditional Marxism—but Panzieri inverts the assumption of traditional Marxism: while the latter perceives of an organised and monopolistic capitalism, which only entered the historical stage after Marx, as a deviation of the pure and fully developed capitalism and thereby understanding it as a final stage of a ‘rotting’ capitalism, Panzieri on the contrary sees the increasing degree of organisation of capitalism in its further development and enforcement of the despotic rationality of surplus extraction.

The notion of an ‘epoch of competitive capitalism’ has to be questioned from a historical point of view—which would also shed a new light on theoretical problems. As Polanyi has shown, historically there did not, and does not, exist an expansive tendency, which would be intrinsic to the markets—the expansion of markets was only accomplished through concerted and violent interventions. Because the liberalistic ideology portrayed the expansion of markets as “*the natural outgrowth of a general law of progress ... the true nature and origins of trade, markets, and money, of town life and national states were distorted almost beyond recognition*” (Polanyi, *The Great Transformation*, Boston: Beacon Press 2001 [1944], p. 280). This violent element of expansion could still be classified as a problem of the enforcement of capitalism in its ‘infantile stage’, as it has been termed in Marx in several passages. But also the ‘mature’ capitalism that emerged in front of Marx’s eyes, English liberalism, was not a ‘market economy’. The fact that capitalism opted for free competition has to be understood the other way around, meaning that it derived from the specific historical position of the British Empire and the inner-English structure of production (see below). In general we have to elaborate that markets presuppose the existence and ruling force of states, which can be more or less intertwined with organised capital. In this sense the world market is not an independent force, which is able to rise above national states and to enforce things upon them, like it is portrayed in the current debate about ‘globalisation’. In the course of the development of the world mar-

ket a general dependency emerges, which is only the ‘economic side’ captured in isolation from of its political counter-side, which exists in the form of the international state system. Like Wallerstein has shown, the process of capital is global right from its start and coincides with the development of the state system.

## The historical myth of laissez-faire capitalism

### V

The term ‘neoliberalism’ is in common use today (at least in a critical sense by the EZNL, which is ignored too easily: “*The historical crime of privileges, wealth and right to commit atrocities with impunity has **renamed** itself ‘neo-liberalism ...’*”). The notion of ‘neoliberalism’ follows from the assumption of a historical laissez-faire capitalism. In the introduction to *Myth of the Market Economy* Lazonick outlines the historical foundations for the idea of Adam Smith’s ‘invisible hand’. Given that this liberalistic credo not only still forms the bases of all neo-classical notions of equality and equilibrium but is also intrinsic to the vulgar-Marxist conception of ‘movements happening behind our backs’ or the ‘silent determining forces of economic relations’, I want to quote Lazonick’s deconstruction of this myth in more detail in the following. This outline invites us to scrutinise the theoretical assumptions of ‘neoliberalism’ within the current left debate about ‘globalisation’ and ‘the race to the bottom’ more closely.

*“Smith encapsulated his theory of economic development in the dictum, ‘Division of labor is limited by the extent of the market.’ The more extensive the demand that a firm, industry, or national economy faces, the more extensive the specialized division of labor that the firm, industry, or national economy can put in place. And for Smith, the more specialized the division of labor, the greater the productive powers of labor.*

*Smith did not argue that this specialized division of labor itself had to be coordinated by the market. Indeed, in Smith’s famous example of the division of labor in pin manufacture a capitalist employer, not the market, coordinated the specialized division of labor. Rather, Smith’s arguments for laissez-faire had to do with eradicating legislated barriers to the mobility of capital into those uses in which its owners deemed it most profitable to employ it—that is, into those uses that offered the most scope for specialized divisions of labor. If the barriers to entry into productive activity and product markets were broken down, Smith argued, the invisible hand of self-interest would guide capital into those uses in which the division of labor could be carried the furthest.*

*In making these arguments, Smith was proposing institutional change. In the British context of the 1770s, the political purpose of the ‘Wealth of Nations’ [published in 1776] was to attack the mercantilist institutions that the British economy had built up over the previous two hun-*

dred years. Yet in proposing institutional change, Smith lacked a dynamic historical analysis. In his assault on these institutions, Smith might have asked why the extent of the world market available to Britain in the late eighteenth century was **so uniquely under British control**. If Smith had asked this 'big question,' he might have been forced to grant credit for Britain's extent of the world market to the very mercantilist institutions he was attacking.

In particular, Smith might have recognized the importance of the joint-stock trading companies such as the East India Company and the Royal Africa Company, chartered by the British monarchy, in opening up new markets around the world to British goods, particularly yarn and cloth exports. In turn, these companies, with their organizations abroad and their armed merchant fleets, became the bulwarks of British international political and military power.

Smith might then have mentioned Britain's use of its political power to stifle the growth of the textile industries of Portugal and Ireland in the eighteenth century, thus leaving the extent of the market for these tradable goods to be supplied by British manufacturers. He might also have emphasized how Britain's victorious wars against the Spanish in the sixteenth century, the Dutch in the seventeenth century, and the French in the eighteenth century helped to ensure that British ships would be free to trade where and when they pleased. Smith might have conceded that, from the late seventeenth century, Britain's growing extent of the market depended on its national power, exercised both militarily and diplomatically, to impose and enforce the Navigation Laws. These laws, which endured well into the nineteenth century, secured Britain's position as the *entrepôt* of the world and effectively protected British manufactures from foreign competition in the home market. In short, Smith might have recognized the integral relation between economic and political power in the rise of Britain to international dominance.

With his focus on division of labor as the source of economic development, Smith also oversimplified the transformations that enabled British industry to supply the growing extent of the market. History shows that Britain's supply-side response was not simply a more specialized division of labor, as depicted in Smith's example of pin manufacture. More profoundly, this response entailed a reorganization of the ways in which productive labor was performed in both agriculture and industry.

In agriculture, the emergence and growth of market opportunities to sell wool and grain—opportunities that were opened up by mercantile ventures supported by the power of the state—created incentives to reallocate the use of land from traditional subsistence crops to the production of these tradable commodities. The reorganization of agricultural land, which went forward in Britain from the sixteenth century under what has become known as the enclosure movement, inevitably undermined the viability of traditional peasant agriculture. While the enclosure movement permitted British agriculture to take advantage of new opportunities for commercial farming, it also created a sizable labor force of disinherited peasants with only tenuous attachments to the land. To earn a living, many of these peasants turned to 'domestic industry'—the production of goods in their cottages. The most important branches of domestic

*industry were textiles—at first woolens, using the homegrown raw material, but increasingly from the eighteenth century, cottons, using the raw material imported into Britain on the third leg of the triangular trade with Africa and the Americas.*

*It was the eighteenth-century expansion of domestic industry, with capital flowing to workers in the English countryside, that laid the basis for the British Industrial Revolution. The emergence of labor-saving machine technologies in the later decades of the eighteenth century transformed the productive potential of textile manufacture. Increasingly, the technologies were housed in factories, but during the Industrial Revolution domestic industry based on handloom weaving expanded to service the factory system based on mechanized spinning. Ultimately, as the nineteenth century progressed and as the textile industries became increasingly more export oriented, mechanization ousted hand methods, and the factory replaced the family home as the predominant site of production.*

*The rise of the factory represented a dramatic social change in the way in which workers sought to earn a living. Yet even with the coming of this more collectivized mode of production, the ownership and management of firms remained under the control of individual proprietors or close partnerships. As I shall outline in Chapter 1, beyond the well-known entrepreneurs of the early Industrial Revolution such as Arkwright and Peel, the capitalist-employers who ran the British factories of the nineteenth century tended to possess relatively narrow managerial skills and limited financial capital. Hence, they generally chose to set up shop in narrowly specialized branches of industry and in geographic locations that already possessed ample supplies of key resources, particularly skilled workers (themselves the legacy of the prior prevalence of domestic industry) who could keep imperfect machines running and goods in process on the shop floor. Vertical specialization and industrial localization spawned horizontal fragmentation. As a result, there emerged structures of industrial organization internal to Britain's major industries in which the market coordination of economic activity played a dominant role.*

*It was the emergence of these highly individualistic structures of industrial organization in the nineteenth century that lent credibility to the idea of the efficacious running of the economy by an 'invisible hand.' Given the competitive advantages in international competition that British industry had attained as a result of the Industrial Revolution, British manufacturing interests also saw fit to make the argument that unfettered market forces should operate in the international economy as a whole. The nineteenth-century British advocated laissez-faire because, given the advanced economic development that their industries had already achieved, they thought that their firms could withstand open competition from foreigners. The ideological goal of the British manufacturing interests was to convince other nations that they would be better off if they opened up their markets to British goods." (Lazonick, loc.cit., pp. 1-5)*

Lazonick's analysis not only criticises the idea of a pure 'competitive capitalism', he also demonstrates how the particular notion—shared by both Smith and Marx—about the important role

of free competition derives from a historically specific structure of social division of labour—which was about to change radically with the triumph of US-American and German corporations.

## Markets and Monopolies—The Political Ambivalence of the Market

### VI

Commonly capitalism is defined as ‘market society’ not only to mark its difference to socialism, but to distinguish capitalism historically from feudalism. Immanuel Wallerstein discusses the historical findings of Fernand Braudel in two articles, which turn this debate ‘upside down’ (“Capitalism: The Enemy of the Market?” and “Braudel on Capitalism, or Everything Upside Down”, in Wallerstein, *Unthinking Social Science. The Limits of Nineteenth-Century Paradigms*, 1991). In his *Civilization & Capitalism, 15<sup>th</sup>-18<sup>th</sup> Century* Braudel paints a picture in which he contrasts the sphere of small revenues and of income based on ‘one’s own labour’ with the counter-market, the sphere of foreign trade, of monopolies, the sphere of violently enforced exchange, which he terms ‘capitalism’. In the latter sphere there exist huge revenues, concentration and accumulation and there he locates the origin of capitalist corporations. In this sphere the game of supply and demand does not play a role, the decisive factors are a monopoly status and the use of state and military power for the enforcement of one’s position. The violent enforcement of the ‘unequal exchange’ plays a pivotal role in Wallerstein’s analysis of the ‘capitalist world system’. According to him the particularity of capitalism is that it can conceal this enforcement behind a seeming separation into an economic and political arena (see: Wallerstein, *Historical Capitalism with Capitalist Civilization*, London and New York: Verso 1996, pp. 31-3). Similarly, Braudel differentiates between the market economy as a world of “‘transparent’ visible realities” and the world of capitalism as a “shadowy” or opaque sphere, in which privileged groups conceal their activities behind accounting and transaction, which remain incomprehensible for common people. Concerning the market sphere Braudel says, referring to the late medieval period: “*The market spells liberation, openness, access to another world. It means coming up for air*” (quoted in Wallerstein, *Unthinking Social Science*, pp. 208-9). Braudel and Wallerstein make an important request (and even more so Polanyi) when asking us not to talk about markets in general, but to examine more precisely each concrete structure we deal with. “*We must rid ourselves of the simplistic image that the ‘market’ is a place where initial producer and ultimate consumer meet. (...) in historical capitalism, such market-place transactions have constituted a small percentage of the whole. Most transactions have involved exchange between two intermediate producers located on a long commodity chain*” (Wallerstein, *Historical Capitalism with Capitalist Civilization*, pp. 28-9). These markets are dominated by different laws, by different influences of monopolies or state power. Without a doubt, this simple market of the common people, this simplified perception—which

can base itself on daily experiences from ‘Christmas-time-present-exchanging-behaviour’ to relations within shared flats—is an important source of legitimisation for all capitalist mechanisms of exploitation which can be portrayed as exchange relations.

It will help us theoretically to spell out, like Braudel, the incongruence of the liberalistic self-portrayal of capitalism. In his analysis Marx often assumed this ‘small market’ and its ‘fair trade’ in order to show how inequality and exploitation is concealed behind this market form—but monopolies have the more central, the more fundamental role in his theory. The seemingly most banal precondition of the capitalist mode of production—a condition taken as a given often without further reflection, namely the separation of the producers from their means of production—is a gigantic monopoly. This condition was initially created by enclosures, slavery etc. and then, more silently, consolidated in the real material form of the production apparatus: the factory and machinery as a means of production, which can only be operated collectively, but which the workers face as atomised single sellers of their commodity (labour power). This atomisation is maintained by the organisation of production, which is exemplified by the fixed form of the machinery, the separation of (production) knowledge, the sophisticated forms of capitalist command, and likewise by the organisation of wider living conditions in the form of architecture, urban design, the medical system, schools and the juridification of all relations. From this short indication we might be able to guess how much state (force) is necessary in order to secure the permanent existence of this fundamental monopoly. Of course the liberals won’t cease trying to convince us of the opposite, especially nowadays when demanding more self-employment and thereby proclaiming the possibility for everyone to become capitalist owners of their means of production.

Wallerstein asks himself about the political conclusions which can be drawn by inverting our perspective regarding the market in the way Braudel did it. According to Wallerstein, Braudel’s notion of the market is not a ‘hidden Poujadism’ (a nationalistic and reactionary electoral movement in France in the 1950s, which formed itself around small businessmen fearing their existence). *“If the ‘market’, domain of the small person, domain of liberty, is in perpetual struggle with ‘monopolies’, domain of the big, domain of the constraint, and if monopolies only exist thanks to some kind of state action, does it follow that the struggle against the various inequalities—economic, political, cultural—is in fact one and the same struggle? (...) To be in favour of a Braudelian ‘market’ seems to me in the end to be for the egalitarianization of the world. That is to say, it is to struggle for human liberties. And therefore for fraternity (since the logic of such a struggle does not permit the existence of subhumans)”* (Wallerstein, *Unthinking Social Science*, pp. 205-6). (Braudel’s market is, amongst other things, the market of the ‘moral economy’—the fact that Wallerstein puts hope in this perspective is similar to the political perspective noticeable in some of the texts of *Materialien für einen neuen Antimperialismus*.) Wallerstein assumes that this perspective might provide a

whole new prospect for anti-systemic movements—but he remains cautious. He is fascinated by the way in which Braudel, by analysing history, dissolves and inverts the traditional and wrong juxtaposition of capitalist market and feudal or socialist state control. Wallerstein remains cautious in drawing any practical conclusions, which Braudel himself did not draw, and formulates questions rather than positive answers. The warning of the ‘Poujadism’ shows that he knows about the dangers of an overly optimistic conclusion.

All initiatives critical of the system which want to sketch out a transitional prospect here and now or which look for possibilities of general emancipation, repeatedly return to the ambivalence of the exchange relation—being on one hand the confirmation of individual autonomy, on the other hand the most powerful legitimisation for exploitation and power. In the debate about ‘wages for housework’, the anti-capitalist criticised that wage dependency cannot be a liberating prospect. For an individual woman the ability to sell her labour power as a commodity herself, as a way to break out of personal dependency of the housework-relation, was a practically experienced emancipation—even though on the level of society as a whole this went alongside with extension of precarious and low paid relations of exploitation. Even the neo-Marxist commodity critics are not able to avoid ideas of small-scale exchange relations and barter once they are forced to formulate proposals for the period after the inevitable ‘collapse’ of capitalism, thereby relating to ideas of the ‘alternative’-movement and anarchist concepts.

To be sure, Marx in his time criticised “*the foolishness of those socialists (...) who demonstrate that exchange and exchange value etc. are **originally** (in time) or **essentially** (in their adequate form) a system of universal freedom and equality, but that they have been perverted by money, capital, etc. (...) It is just as pious as it is stupid to wish that exchange value would not develop into capital, nor labour which produces exchange value into wage labour. What divides these gentlemen from the bourgeois apologists is (...) their sensitivity to the contradictions included in the system*” (Marx, *Grundrisse*, pp. 248-9). For Marx the exchange relation as it exists forms the basis for the notions of freedom and equality—these notions being only reflections of bourgeois society in the world of ideas. Therefore, according to Marx, it is not about confronting the bad social reality with its own spiritual self-conception, but about the overcoming of this society including its idealised expressions. Nevertheless, the model of a non-capitalist market remains politically attractive, because it offers a democratic and decentral(ised) alternative to the state plan and/or capitalist domination. Bellofiore concludes his research by saying that “*Marx’s notion of communism (...)—please allow me to state this paradox—is much closer to the liberal Hayek than to the common Marxist-Leninist doctrine, given that once we are in coherence with the ideas of Marx, we can understand communism only as a **dispersion of power**.*” Bellofiore takes a step further,—a step which is missing in Braudel and Wallerstein, because their analysis of different market structures lacks the analysis of the relation between

markets and their corresponding forms of production. “To refer to *this* Marx means to fight against the primacy of the economy” and to propose a critique which “does not only break with centralist tradition of the labour movement, but also with its industrialist tradition.” (Bellofiore, “Piano, capitale e democrazia”, loc.cit.)

The effort to bring together the objectives of freedom (liberalism) and material equality (socialism) leads us to a conclusion which we have emphasised for a long time: the abolition of labour. As long as the individual depends on labour, private property and exchange will remain the only possible freedom in the relation between individuals. But it is not by chance that the otherwise very critical political proposals presented by Wallerstein and also Karl Heinz Roth exclude this question. We have to understand the reasons for this exclusion, rather than dogmatically holding on to the perspective of ‘abolition of labour’. Operaismo itself shook the fundamentals of this position. Panzieri underlines that in Marx’s critique it is not merely about the capitalist (form of) application of machinery, technology and science (which could be answered with simple slogans like “Put science into the hand of the people!”), but about the fact that the material form of technology itself is capitalist through and through, that the entire rationality itself is despotic. By doing this Panzieri also destroys any naive hope that the existing forces of production can be used as a basis for a society free from labour. The so-called ‘ecological question’, which the left has largely left to bourgeois currents, further discredited the ‘productive forces’. [9] There are no easy answers to this problem, but we cannot avoid the question—otherwise all the talk about revolution and abolition of labour will remain a pious hope, which often has the parallel tendency to understand the struggle against labour as an anthropological universal constant in the form of ‘laziness’.

## Historical Capitalism as a Critical Method

### VII

Finally I want to highlight a methodically important point referring to Wallerstein’s approach of ‘historical capitalism’, without discussing his thesis in detail. His approach is of importance given that it results in a conception of capitalism fundamentally different from traditional analysis, thereby shedding a critical light on the current debate on globalisation. In his anthology *Unthinking Social Science* Wallerstein reconsiders the difference between ‘nomothetic’ and ‘ideographic’ methods and calls his own approach in a different part of the text ‘heuristic’—relating to the classical debate on method in German sociology in the 19th century. I want to clarify the underlying problem—going beyond this academic debate—by referring to a certain reading of *Capital* which Marx himself provoked. In the preface to the first edition of *Capital*—if only for the sake of better marketing his hefty tome—Marx tries to familiarise the German audience with a book which nearly exclusively deals with the situation in England. In

order to explain the reason for why his story is supposed to be interesting for a non-English audience he refers to the general character of the English situation and stresses his point by comparing his analysis with the undisputed high priest of science in his time, the natural science (a tactic unfortunately also used by Wallerstein in his allusion to chaos theory!): *“The physicist either observes natural processes where they occur in their most significant form, and are least affected disturbing influences, or, wherever possible, he makes experiments under conditions which ensure that the process will occur in its pure state. What I have to examine in this work is the capitalist mode of production, and the relations of production and forms of intercourse that correspond to it. Until now, their locus classicus has been England. This is the reason why England is used as the main illustration of the theoretical developments I make”* (*Capital*, vol. 1, p. 90)

We can see how the fascination for the method and stringency of natural science has got the better of the historian Marx, which leads him to create the precondition for the later reconciliation of his critique of existing social relations with bourgeois science and for turning it into an “apologetical Marxism” (Panzieri). Marx presupposes an ‘ideal type’ of capitalism which can already be discerned in England. He asks the German audience to be patient, for the pure form will soon enough enter Germany, too. In this way the real history of capitalism has turned into a mere ‘illustration’ of general laws. At many different passages of his works Marx polemicalised against such a typification of reality, but here he is unambiguous and he seems to confirm the natural laws of vulgar Marxism and the academic games of derivation.

Historically this assumption claims that a fully developed capitalism does exist—what existed previous to it was a phase of emergence and enforcement, what follows can only be a phase of rotting, decay or collapse. Regarding space it means that the ideal type of capitalism can be found in England and that in all other places we find deviations or forms of capitalism, which lag behind.

The problematic character of this approach is obvious: if we are supposed to ignore all ‘disturbing factors’ in the search for a ‘pure process’, how do we establish what is ‘pure’ and what is ‘disturbing’? We can repeat an experiment (the scientific form of industrial production) as often as we like thereby determining the ‘disturbing factor’ in relation to a desired result. But in history there are neither repetitions nor desired results (unless we assume a divine plan or secret teleology). The conception of an ideal type of capitalism is misleading, there exists only a real capitalism “in concrete unique reality” (Wallerstein). There would still remain the possibility of comparing societies in many different countries in order to find at least an ‘average capitalism’ or a form of capitalism which all societies develop towards. Wallerstein’s second central argument challenges this assumption by putting into question the ‘unit of analysis’ (classically we could also say ‘identity of the subject of investigation’). When comparing capi-

talisms in different countries we assume the spatial boundaries of countries as naturally given, which they are obviously not. In the analysis of capitalism territorial and national states cannot just be assumed as given 'units of investigation', they themselves form part of the problem. [10] Historically Wallerstein wants to demonstrate that the dominating mode of production, which we term capitalist, could not emerge independently in a single space of the globe, but rather, right from its beginning, it emerged within the framework of a state system and as a 'world market'. The historical impulse for capital formation and accumulation emerged from a division of labour and commodity chains, which reached beyond individual states. Therefore the separate investigation of national capitalist societies and a subsequent analysis of the 'external relations' will lead us nowhere. In relation to the subject of concern the segmentation into 'internal' and 'external' is misleading, given that right from the beginning one of the essential characteristics of capitalism was to use the relation of 'outside' and 'inside' as a mere means for its own functioning. It does not make sense to talk about different capitalisms in space and time, there is only one, *the historical capitalism*.

F./Cologne

### Footnotes:

[1] Historically, this conception of individual freedom required a violent (!) enforcement of a certain non-violence in society; or to be more exact, in the sphere which only becomes 'society' in and through this process of enforcement (see: *The Great Transformation*, 10<sup>th</sup> chapter, on "Political Economy and the Discovery of Society"). The permanent presence of violence can only be disguised by violence becoming the complete 'other' to society, by becoming the state. Due to this separation being fictitious, it can only be organised as an ideal vanishing point, as the ideal of state monopoly on the use of violence. The actual social relation and its stability have always been based on social force and authority in social contexts like family, community or workplace and could not be maintained by the state alone. In the contribution "Monopoly on Violence for Sale" in *Wildcat-Zirkular* no. 20 the myth of the state's monopoly on violence is taken at face value and the introduction of private security services etc. is interpreted as an abandoning of the monopoly of violence. Whereas in reality we probably deal with a form of commercialisation of inner-social violence, which does not function 'spontaneously' anymore. Given that the erosion of inner-social disciplining functions and spaces is less obvious and cannot easily be detected from state measures, the emergence of new supervisory bodies appears as a new form of power, as a "fragmented exertion of force" (same article), which is supposed to secure the "neoliberal crisis strategy". Once we compare these new forms with the increasingly ineffective forms of fragmented exertions of force such as the family, church, military or labour they appear as a miserably powerless substitute. The ideology and practice of 'pacifism', conveyed by the new anti-fascism and the phobia of media violence (see book-review "Die Scharfmacher" in *Wildcat-Zirkular* no. 20), is of equal

importance. The debate on violence and monopoly of violence should not ignore the historically specific separation between the ‘peaceful society of exchange’ and the violent state.

[2] This quote merely summarises the results of a protracted analysis of the manifestations of the various forms of income in capitalist society, it does not explain them in any way. Marx’s analysis itself is to be debated and has to be verified historically, it is not supposed to be assumed as ‘true’ here.

[3] A further politically fatal consequence of this flawed perception is that by assuming ‘national deals’ we presuppose that by ‘working class’ we mean national working classes. It has been noted several times in debates within *Wildcat* how problematic it is to talk about ‘global class struggle’ in general, without specifications or reference to context—given that, as it is claimed by some, the working class as a concrete political factor can only be traced on a national level since at least 1918. See, for example, the paper “Integration and class struggle”, debated during the preparatory phase of the (international) Wandlitz-Meeting (short version in Wandlitz-documentation III, p. 20-2), re-referred to by the author of the text “The American Way of Antifa” in *Zirkular* no. 17. Here the problem arises of how we understand ‘nation’. In my opinion, from a historical perspective it can be shown that the emergence of national states (in contrast to territorial states) can only be explained in the context of specific class conflicts becoming virulent. By reducing the class notion to the expressions of national working classes, like they form subsequently, would retrospectively disable us from explaining the emergence of national statehood. Or to put it differently: only if we start from a global notion of class we will be able to understand the existence of national classes and only starting from that level will we be able to make out an antagonism. But in the context of the current stage of our debate I think the remark (on national working classes) is justified and extremely productive, given that we permanently speak, without further reflection, of national working classes (national deals, working class in Germany etc.). This results in factually abandoning the notion of class and only being able to adhere to it formally. It becomes a source of dogmatism, once we continue postulating an antagonism even though our own conception actually excludes it. Here the involvement with Wallerstein might be helpful, because he indicates the implications of the very choice of the ‘subject of analysis’ (for example the national framework).

[4] These short remarks on *Krisis* and Hartmann neither state that a critical involvement with them is over and done with nor that an involvement is not worth the effort—on the contrary. The debate on Marx and the critique of the ‘commodity producing system’ started by *Krisis* and, in the meantime, by a number of its splinter groups, has revived the discussion on the significance and scope of an historical end of this system (when referring to *Krisis* here I don’t refer to the proposals in ‘real politics’ Robert Kurz has now extracted from his popularity!). Their debate has reposed the question of the most abstract manifestations of capitalist society—which therefore are the most likely to appear as natural—such as commodity or money. In this way they do what, for example, the Situationists had done before them—although the latter did it in a rather more refreshing manner. It is equally important to take into account research into the real history of capitalist exploitation, such as the works of Detlef Hartmann,

even though we would have to critically debate the underlying concepts of the research.

[5] In their December 1995 issue, the magazine *ILA (Informationsstelle Lateinamerika*, Bonn, [www.ila-web.de](http://www.ila-web.de)) opened a debate under the title “A global economy—To make capitalism criticisable again”. The contribution “Resistance: By whom?” in *ILA* no. 191, 1995, very clearly argues that we are witnessing a global harmonisation of living conditions in the sense of the layering of classes. Furthermore we have been asked to participate in this debate ...

[6] It is right to say that the theoreticians of flexible specialisation in particular refer to Schumpeter, in order to focus on the innovation in production and products. In this way they can be categorised as ‘neo-Schumpeterian’, like presented in the article “Klassenkampf-Krise-Kommunismus” in *Wildcat Zirkular* no.1. But these theoreticians only do this in the hope that through innovation a renewed and harmonious market model will emerge. They claim that the production of flexible specialisation is more capable in adjusting to market demands and individual needs of customers. They thereby remake the old tale of the ‘sovereignty of the customer’, which always served to legitimise ‘market society’: by demanding, the customers determine what is produced and where. The ‘sovereignty of the producer’, which, according to Schumpeter, determines the course of events (see Bellofiore), is seen as a negative side effect of mass production, which only needs some corrections. Unavailingly they thereby try to escape from Schumpeter’s pessimistic view on capitalism and to rescue the picture of the ‘market society’ (theoretically refuted by Schumpeter) as a future vision. Within the empirical debate on flexible specialisation the assumptions about the new role of small enterprises and the focusing of production towards diversified markets have largely been disproved.

[7] Brick/Postone similarly engage with the pessimism of critical theory in reference to Friederich Pollock by insisting that in Marx’s theory the relations of production have a primary status regarding the relations of distribution. Their critique remains on the level of ‘academic Marxism’ and they draw different political conclusions from Panzieri (Barbara Brick and Moishe Postone, “Critical Pessimism and the Limits of Traditional Marxism”, *Theory and Society*, Vol. 11, No. 5, Sep. 1982, pp. 617-658, <http://www.revalvaatio.org/wp/wp-content/uploads/postone-critical-pessimism-and-the-limits-of-traditional-marxism.pdf>).

[8] Bellofiore confronts exactly the same questions nearly thirty years later and demonstrates that the opposition of market and planning is seemingly incorrect. Apart from the short footnote no.8, Bellofiore does not refer to the thorough analysis of Panzieri at all. In the footnote he refutes *Quaderni Rossi*’s concerns regarding the planning capability of capitalism, which is not such a difficult task having just experienced two decades of capitalist crisis. The reason likely being that Panzieri was engaged in a tactical involvement with a party ideology influenced by Marx and Lenin, whereas Bellofiore is engaged in a tactical involvement with academic economical science where Marx or Marxism no longer plays a role.

[9] This question already came up in the second part of “Klassenkampf-Krise-Kommunismus” in *Wildcat Zirkular* no.2. As a preliminary answer it was proposed to relate the notion of ‘productive forces’ more to knowledge, skills and the cooperation of people, rather than to the ‘hardware’. Surely, this is the first criticism of the notion of ‘productive forces’ conveyed by traditional Marxism in its misleadingly technologically deterministic understanding—but this criticism does not solve the problem. Knowledge and abilities can be changed very rapidly once the necessary material preconditions are given. But the element which forms a cohesion within history (not necessarily a progress, like Wallerstein rightly emphasises!) is the fact that each generation finds material conditions created by previous generations (or so-called natural forces)—whereby ‘created’ could well mean ‘destroyed’. And these conditions cannot be changed voluntarily from one day to the other. In Europe, for example, this includes conditions which nowadays we only rarely perceive as having been created, like e.g. the drainage of swamp lands, the clearing of forests, the increased production of humans after the witch hunts, the separation of rural and urban etc. Knowledge and skills in contrast are rather ephemeral things, as we can currently observe when looking at the short half-life period of computer programs or as we know from history in the form of thousands of years of amnesia concerning already made inventions and discoveries. I think the question of ‘productive forces’ has to be radicalised in a different way, namely by dissolving the wrong separation between the productive forces (of labour) and the natural forces—like Marx indicates in his introductory notes of his critique of the Gothaer Manifesto. Consequently we would also have to question the common perspective which opposes social and natural science—an opposition which Wallerstein uncritically maintains by comparing his approach to the new tendencies in natural science. Nowadays the perception of an unhistorical nature and an unnatural society is taken for granted—this perception would have to be criticised to the same extent as the separation of politics and economy.

[10] His criticism of imposed ‘subjects of analysis’ (e.g. by the very fact that available statistics and documents often refer to national frameworks) might also be helpful in a different sense. For example, the analysis of class movements is often limited to the analytical framework of nation states, seemingly due to pragmatic reasons: “The class struggle in France”, “The Polish working class” etc. Thereby we easily ignore to what extent the choice of the analytical subject already presupposes certain assumptions. Do we consider the movements of workers ‘in Poland’ (where in this case the borders are historically very precarious anyway) or the ‘Polish’ workers? – which would inevitably lead us also to Germany, France or the US. In this field the purely comparative historiography of the labour movement and migration studies largely co-exist without exploring further interrelations and cross references.