

‘The Marxist moment’

headline for a column in

The Economist, 13 May 2017

The column was provoked by the reaction against the following comments from Labour leaders at the onset of the British elections:

‘I believe there’s a lot to learn from reading *Capital*.’

UK shadow chancellor, 7 May.

‘Marx was a great economist.’

Jeremy Corbyn, 8 May.

The Economist is the leading business weekly for the English-speaking world. Its job is to massage the animal spirits of investors and yet warn its bourgeois audience of problems ahead.

The columnist made six points about Marx’s views. We’ll taken them one by one to see what we can learn about Marx and more importantly about capitalism.

1.

The essence of his argument is that the capitalist class consists not of wealth creators but of rent seekers – people who are skilled at expropriating other’s people’s work and presenting it as their own.

We can’t fault that as an account of how capitalists carry on – see recent statements by the Business Council of Australia. A quibble about its presentation of Marx’s view is that he would never have used ‘rent seeking’, but exploiting.

2.

Marx was blind to the importance of entrepreneurs in creating something out from nothing.

Strange to say, everyone is blind to how anyone could create something out of nothing – unless you happen to be a bible-believing Christian and accept the literal truth of Genesis.

The writer is not whacky, so we have to decipher what he is trying to get across. I suspect that he is thinking of people like Suckerberg and Facebook. Once Suckerberg took hold of the bright idea, he needed to employ people who needed to use equipment made by wage-slaves, and so on. Thus, something very big came out of exploiting labour-power and the wealth of nature.

As Lear tells Cordelia: ‘Nothing will come of nothing.’

3.

He ignored the role of managers in improving productivity.

This claim could not be more wrong. To grasp why it is 300 percent wrong, we have to ask ‘productive of what?’ Productive of more widgets or of more surplus-value?

Our bourgeois columnist cannot think in terms of surplus-value, that is, exploitation as the norm. We saw that blind spot in his use of 'rent-seeking'. Marx's investigation exposes that it is the owners as owners who add nothing. Hence, the correctness of the columnist's opening claim.

The situation is different with the owner-manager or the manager as agent of the owners. Marx shows how they play vital parts in driving up productivity.

Improved machines can spew out more widgets but they can add no more value. There are only two ways to extract more value:

first, lengthen the working day to get the value added during those extra hours; secondly, intensify the application of labour, indeed of every split second – 'time-and-motion study'. Managers are pivotal in that disciplining of labour. That is why Marx refers to them as 'sergeant-majors' etc.

4.

Marx predicted that capitalism would become more concentrated as it advanced. Full marks for this one, except that Marx went much deeper. He grounded his account of the origins of capitalism on the interlocked processes of the accumulation of money-capital, the concentration of resources (including labour) and the centralisation of property. The initiating capitals were in the engrossment of agricultural land, better known as enclosures or clearances.

Marx's analysis reveals monopolising as the ineluctable outcome of the structured dynamics of accumulation.

5.

Marx was also right that capitalism would be increasingly dominated by finance which would become increasingly reckless and crisis prone.

This two-part claim is not so much wrong as misleading. Marx found the origins of capitalism in the triumph of producers over merchants and money-lenders. At the same time, he spotlighted how the expanded reproduction of capital need a regime of credit. Indeed, no credit regime: no capitalism.

Yes, capitalism is crisis prone. Instability is central to Marx's analysis of capitalist accumulation. He sets down why that is so throughout the three volumes of *Capital*. He starts from the time-gaps between buying and selling in his account of the commodity.

The turbulence from 'financialisation' since the 1980s is one more outcome of the chaos inherent in capitalist over-production. The vulture funds are an effect not the primary cause.

6.

What about his most famous prediction – that capitalism inevitably produces immiserisation for the poor even as it produces super-profits for the rich.

To the extent, which was considerable, that Marx expected that the propertiless wage-slaves would become absolutely poorer, he was wrong.

However, four of his other predictions about our fate have been more than fulfilled:

- i. our class has become relatively poorer; that the rich are getting richer, absolutely and relatively, did not need Piketty;
- i. there is no iron law of wages – so we can be better off relatively and absolutely;
- ii. but those improvements depend on the relative strength of the contending classes – the class struggle;
- iii. even if we are strong enough to ward off impoverishment, immiserisation has become absolutely and relatively worse.

The *Economist* put the psychic situation this way:

The rise of the Uber economy threatens to turn millions of people into casual workers who eat only what they can kill.

Marx made much the same point:

It (capitalism) calls to mind the boundless reproduction of animals individually weak and constantly hunted down.

The *Economist* column concludes with a warning:

The best way to save yourself from being Marx's next victim is to start taking him seriously.

That call is one more straw in the gale of alarms about the expanded reproduction of capital. The British electorate again expressed its discontent with how capital is pushing more of the burden of its inherent chaos onto them.

A spectre is haunting capital: the spectre of Marx, 150 years after the publication of *Das Kapital*.

In the war of position on the ideological front, our enemy takes a risk in retreating from Thatcher's dogma that 'There Is No Alternative'. Once *The Economist* admits that any element in Marx is even worth thinking about people will ask what more is there.

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