

The Uncontrollability and Destructiveness of Globalizing Capital

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We live in an age of unprecedented historical crisis. Its severity can be gauged by the fact that we are not facing a more or less extensive cyclic crisis of capitalism as experienced in the past, but the deepening structural crisis of the capital system itself. As such this crisis affects — the first time ever in history — the whole of humankind, calling for quite fundamental changes to the way in which the social metabolism is controlled if humanity is to survive.

Constitutive elements of the capital system (like monetary and merchant capital, as well as original sporadic commodity production) go back thousands of years in history. However, for most of those thousands of years they all remained subordinate parts of the specific systems of social metabolic control which historically prevailed at the time, including the slave-owning and feudal modes of production and distribution. Only in the last few centuries, under the bourgeois capitalist form, could capital successfully assert its rule as an all-embracing organic system. To quote Marx:

It must be kept in mind that the new forces of production and relations of production do not develop out of nothing, nor drop from the sky, nor from the womb of the self-positing Idea; but from within and in antithesis to the existing development of production and the inherited, traditional relations of property. While in the completed bourgeois system every economic relation presupposes every other in its bourgeois economic form, and everything posited is thus also a presupposition, this is the case with every *organic system*. This organic system itself, as a totality, has its presuppositions, and its development to its totality consists precisely in subordinating all elements of society to itself, or in creating out of it the organs which it still lacks; this is historically how it becomes a totality. [1]

In this way, by extricating its age-old organic constituents from the shackles of earlier organic systems, and by demolishing the barriers that prevented the development of some vital new constituents [2], capital as an all-embracing organic system could assert its rule in the last three centuries as *generalized commodity production*. By reducing and degrading human beings to the status of mere costs of production as necessary labour power, capital could treat even living labour as nothing more than a marketable commodity, just like any other, subjecting it to the dehumanising determinations of economic compulsion.

Earlier forms of productive interchange of human beings among themselves and with nature were on the whole oriented toward production for *use*, with a large degree of *self-sufficiency* as their systemic determination. This imposed on them a great vulnerability to capital's sharply contrasting reproductive principles which were already operative, even if at first on a very small scale, within the confines of the old systems. For none of the constitutive elements of capital's dynamically unfolding organic system was ever in *need* of, nor indeed *capable* of, confining itself to the structural constraints of self-sufficiency. Capital as a system of social metabolic control could emerge and triumph over its historical antecedents by abandoning all considerations of human need as tied to the limitations of non-quantifiable *use-values* superimposing on the latter — as the absolute pre-requisite of their legitimation to become acceptable production targets — the fetishistic imperatives of both quantifiable and *ever-expanding exchange-value*.

This is how the historically specific form of the capital system: its *bourgeois capitalist* variety, came into being. It had to adopt the overwhelmingly *economic* mode of extracting surplus-labour as strictly quantified *surplus-value* — in contrast to both *the precapitalist* and the Soviet type *postcapitalist*, primarily *political*, forms of controlling the extraction of *surplus-labour* — as at the time by far the most dynamic way of realizing the *expansion-imperative* of the victorious system. Moreover, thanks to the perverse circularity of capital's fully completed organic system — in which 'every economic relation presupposes every other in its bourgeois economic form' and 'everything posited is also a presupposition' — the world of capital could also assert its claims to being a forever rustproof "iron cage" from which no escape could be — nor indeed should be — contemplated.

However, the absolute necessity to successfully meet the requirements of unconstrainable expansion: the secret of capital's irresistible advance, had brought with it an insurmountable historical limitation as well. This it did not only for the sociohistorically specific form of bourgeois *capitalism*, but altogether for the viability of the *capital system* in general. For this system of social metabolic control either had to succeed in imposing on society its ruthless and ultimately irrational expansionary logic, no matter how devastating the consequences; or it had to adopt some rational constraints which directly contradicted its innermost determination as an unrestrainable expansionary system. The twentieth century had witnessed many failed attempts that aimed at overcoming the systemic limi-

tations of capital, from Keynesianism to Soviet type state interventionism, together with the political and military conflagrations which they gave rise to. And yet, all that such attempts could achieve was only the hybridization of the capital system, compared to its classical economic form — with extremely problematical implications for the future — but no structurally viable solutions.

It is highly significant in this respect that, as a matter of fact the capital system could not be completed as a *global* system in its proper *capitalist* form. This happens to be the uncomfortable truth, notwithstanding all triumphalism which celebrated in recent years both the mythical virtues of an idealized 'market society' — not to mention the apologetic propagandistic use to which the concept of a totally fictitious 'social market' had been put — and the 'end of history' under the never again challengeable hegemony of liberal capitalist principles. In other words, global capitalist developments failed to make the overwhelmingly economic mode of extraction and appropriation of surplus-labour as surplus-value *universally* prevail.

Capital in the twentieth century was forced to respond to ever more extensive crises (which brought with them even two formerly unimaginable world wars) by accepting *hybridization* — in the form of an ever greater intrusion of the state into the socioeconomic reproduction process — as a way out of its difficulties, ignoring the longer term dangers of the adopted remedy for the viability of the system. Characteristically, attempts to turn back the clock (even as far back as the age of a grossly misrepresented Adam Smith) are prominent among the uncritical defenders of the capital system. Thus the representatives of the 'Radical Right' continue to fantasise about 'rolling back the boundaries of the state', although in reality the opposite trend is clearly observable, due to the inability of the system to secure capital-expansion on the required scale without the administration of ever greater doses of 'extra-neous help' by the state in one form or another.

Capitalism may now have gained the upper hand in the former Soviet Union and in Eastern Europe; but it is quite wrong to describe the present state of the world as successfully ruled by *capitalism* everywhere, even though it is certainly under the rule of *capital*. For in China, for instance, capitalism is forcefully established in coastal enclaves only, leaving the overwhelming majority of the population (that is, well over one billion people) outside its framework. And even in those limited areas of China, where capitalist principles prevail, the economic extraction of surplus-labour must be propped up by heavy political constituents, so as to keep the cost of labour artificially low. Similarly India (another country with an immense population) is only partially under the successful management of the capitalistically regulated socioeconomic metabolism, leaving the overwhelming majority of the population in a very different predicament so far.[3] Even in the former Soviet Union it would be quite inaccurate to talk about the successful restoration of capital-

ism everywhere, despite the complete dedication of the ruling political bodies to that task in no less than the last twelve years. Furthermore, the failed 'modernization' of the so-called 'Third World', in conformity to the prescriptions propagated for decades by advanced capitalist countries, underlines the fact that vast numbers of people — not only in Asia but also in Africa and Latin America — could not be brought into the long promised land of the liberal capitalist Millennium. Thus, capital could succeed in adjusting itself to the pressures emanating from the end of its historical ascendancy only by turning its back to its own progressive phase of development, abandoning altogether the liberal capitalist project, despite all self-serving ideological mystification to the contrary. This is why it should be even more obvious today than ever before that the target of socialist transformation cannot be *capitalism* only, if it is to be of a lasting success; it must be the *capital system* itself.

This system in all of its capitalist or postcapitalist forms is (and must remain) *expansion-oriented* and driven by *accumulation*. [4] Naturally, what is at issue in this regard is not a process designed for the increasing satisfaction of human need. Rather, it is the expansion of capital as an end in itself, serving the preservation of a system which could not survive without constantly asserting its power as an extended mode of reproduction. The capital system is *antagonistic* to its inner core, due to the hierarchical structural subordination of labour to capital which totally usurps — and must always usurp — the power of decision making. This structural antagonism prevails everywhere, from the smallest constitutive 'microcosms' to the 'macrocosm' embracing the most comprehensive reproductive structures and relations. And precisely because the antagonism is *structural*, the capital system is — and must always remain — *unreformable and uncontrollable*. The historical failure of reformist social democracy provides an eloquent testimony to the systems unreformability; and the deepening structural crisis, with its dangers for the very survival of humanity, puts sharply into relief its uncontrollability. Indeed, it is inconceivable to introduce the fundamental changes required for remedying the situation without overcoming the destructive structural antagonism both in the reproductive microcosms and in the macrocosm of the capital system as an all-embracing mode of social metabolic control. And that can be achieved only by putting in its place a radically different form of social metabolic reproduction, oriented toward the qualitative redimensioning and the increasing satisfaction of human need; a mode of human interchange controlled not by a set of fetishistic material determinations but by the associated producers themselves.

The capital system is characterized by a threefold fracture between .

- (1) production and its control,
- (2) production and consumption, and
- (3) production and (both internal and international) circulation of the products.

As a result, it is an irremediably centrifugal system in which the conflicting and internally antagonistic parts pull in very different directions.

In the theories formulated from capital's standpoint in the past, remedies to the missing cohesive dimension were on the whole wishfully conceptualized. At first, by Adam Smith, as 'the invisible hand', which was supposed to render political interventions by the state and its politicians — explicitly condemned by Smith as most harmful — quite superfluous. Later Kant offered a variation on Adam Smith's 'Commercial Spirit', advocating the realization of moral politics and (rather naively) expecting from the agency of the 'Commercial Spirit' not only universally diffused economic benefits but also a politically commendable reign of 'perpetual peace', within the framework of a harmonious 'League of Nations'. Later still, at the peak of this line of thought, Hegel introduced the idea of the 'cunning of Reason', attributing to it the fulfilment of a very similar function to Adam Smith's 'invisible hand'. However, in complete contrast to Smith - and reflecting the much more conflict-torn predicament of his own times — Hegel had directly assigned the totalizing/universalistic role of Reason in human affairs to the nation state, scornful of Kants belief in the coming reign of 'perpetual peace'. Yet he also insisted that 'the Universal is to be found in the State, in its laws, its universal and rational arrangements. The State is the Divine Idea as it exists on Earth', [5] since in the modern world 'the State as the image and actuality of Reason has become objective'. [6] Thus, even the greatest thinkers who conceptualized these problems from the standpoint of capital could only offer some idealized solutions to the underlying contradictions, i.e. to the ultimately irremediable threefold fracture mentioned above. They have, nevertheless, acknowledged at least by implication the existence of such contradictions, in contrast to the present-day apologists of capital — like the representatives of the 'Radical Right', for instance — who would never admit the existence of anything in need of a substantive remedy in their cherished system.

Given the centrifugal internal determination of its constitutive parts, the capital system could only find a — most problematical — cohesive dimension, in the form of its national state formations. The latter embodied the comprehensive/totalizing political command structure of capital, which proved itself adequate to its role throughout the system's historical ascendancy. However, the fact that this remedial cohesive dimension was historically articulated in the form of the far from mutually benevolent and harmonious nation states, with no desire whatsoever for conforming to the Kantian imperative of the coming 'perpetual peace', meant that the state in its actuality was indeed 'infected with contingency' [7] in more ways than one.

- First, because the forces of destruction at the disposal of modern warfare have become absolutely prohibi-

tive, depriving thereby the nation states of their ultimate sanction for resolving the most comprehensive international antagonisms in the form of yet another world war.

- Second, because the end of capital's historical ascendancy had brought into prominence the system's irrational wastefulness and destructiveness also on the plane of production, intensifying thereby the need for securing new outlets for capital's wares through hegemonic/imperialist domination under conditions when the traditional way of imposing it could no longer be considered a readily available option; not only for strictly military reasons but also on account of the grave implications of such steps for a potential global trade war.
- And third, because the up to relatively recently veiled contradiction between the unconstrainable expansionary drive of capital (tending toward full global integration) and its historically articulated state formations — as competing nation states — had broken out into the open, underlying not only the *destructiveness* of the system but also its *uncontrollability*.

No wonder, therefore, that the end of capital's historical ascendancy in the twentieth century had carried with it also the insurmountable crisis of all of its known state formations.

Nowadays, as an automatic solution to all of the encountered problems and contradictions, we are offered the magic wand of '*globalization*'. This solution is presented as a complete novelty, as if the issue of globalization appeared on the historical horizon only in the last decade or two, with its promise of universal benevolence at par with the once similarly hailed and revered notion of 'the invisible hand'. Yet in actuality the capital system was inexorably moving toward 'globalization' from its inception. For given the unconstrainability of its constitutive parts, capital could not envisage successfully completing itself in any other form than as an all-embracing global system. This is why capital had to attempt to demolish all obstacles that stood in the way of its full unfolding; and it must continue to do so for as long as the system survives.

That is where a massive contradiction becomes clearly visible. For whereas capital in its productive articulation — in our own times primarily through the agency of giant *national-transnational* corporations — tends toward global integration (and in that sense truly and substantively toward globalization), the vital configuration of 'total social capital' or 'global capital' is to the present day totally devoid of its proper state formation. This is what sharply contradicts the intrinsic determination of the system itself as inexorably global and unrestrainable. Thus the missing '*state of the capital system*' as such demonstrates capital's inability to carry the objective logic of the system's unrestrainability to its ultimate conclusion.

It is this circumstance that must put the sanguine expectations of 'globalization' under the shadow of grievous failure, without removing, however, the problem itself — namely the necessity of a truly global integration of humanity's reproductive interchanges — to which only a socialist solution can be envisaged. For without a socialist solution the necessarily growing deadly antagonism and hegemonic confrontation of the principal competing powers for the required outlets can only result in a catastrophic threat to the survival of humankind. To take only one example, within two or three decades the economy of China (even at its present rate of development) is bound to far outweigh the economic might of the United States, with a military potential to match it. And, in the good old tradition of 'strategic thinking' in the U.S., there are already 'theories' anticipating the necessary solution of that immense economic and political challenge by some 'pre-emptive strike'.

The structural crisis of capital is the sobering manifestation of the system's encounter with its own intrinsic limits. The adaptability of this mode of social metabolic control could go as far as the 'extraneous help' compatible with its systemic determinations allowed it to do so. The very fact that the need for such 'extraneous help' surfaced — and despite all mythology to the contrary continued to grow throughout the twentieth century — was always an indication that something rather different from the normality of capital's economic extraction and appropriation of surplus-labour had to be introduced in order to counter the severe 'dysfunctions' of the system. As it happened — in contrast to what is in store for the future, due to the unfolding systemic crisis — for the greater part of our century capital could digest the administered doses of remedy. Indeed, in the few 'advanced capitalist countries' — but only there — it could even celebrate its most obviously successful expansionary phase of development under the postwar decades of Keynesian state interventionism.

The severity of the *structural* crisis of the capital system confronts socialists with a major strategic challenge, and it offers at the same time also some vital new possibilities for meeting that challenge. What needs to be stressed here is that no matter how abundant and how varied the forms of twentieth century 'extraneous help' — quite unlike the early phases of capitalist development, when absolutist political 'extraneous help' (as pointed out by Marx with reference to Henry VIII. and others) was instrumental, nay vital, in establishing capital's normality and healthy functioning as an all-embracing system—, all such help in our times proved to be *insufficient* for the purpose of securing the permanent stability and unchallengeable vitality of the system as a whole. Quite the contrary. For twentieth century state interventions could only intensify capital's hybridization as a social reproductive system, thereby piling up troubles for the future. In the years ahead of us the structural crisis of capital — asserting itself as the *chronic insufficiency of extraneous help* at the present stage of development — is bound to get deeper. It is also bound to

reverberate across the globe, even in the most remote corners of the world, affecting every aspect of life, from the directly material reproductive dimensions to the most mediated intellectual and cultural concerns.

To be sure, historically viable change can only be a truly *epochal* one, setting the task to go *beyond capital* itself as a mode of social metabolic control. This means a move of much greater magnitude than the supersession of the feudal system by capital's own. For it is impossible to go beyond capital without radically overcoming the hierarchical structural subordination of labour to any alien controlling force whatsoever, as opposed to simply changing the specific historical *form* in which the extraction and appropriation of surplus-labour is perpetuated, as it always happened in the past.

The personifications of capital can assume many different forms, from the private capitalist variety to present-day theocracy, and from 'Radical Right' ideologues and politicians to postcapitalist party and state bureaucrats. They can even present themselves as political transvestites, donning the attire of Labour — as the 'New Labour' Government in Britain, for instance — so as to spread mystification in the interest of capital's continued rule with that much greater ease. All this, however, cannot resolve the system's structural crisis and the need for overcoming it through the hegemonic alternative of labour to capital's social metabolic order. This is what puts on the historical agenda the task for the radical rearticulation of the socialist movement as an uncompromizing mass movement. To end the tragically self-disarming separation of labour's industrial arm (the trades unions) from its political arm (the traditional parties), and to embark on politically conscious direct action, as against the meek acceptance of the ever worsening conditions imposed on the producers by the pseudo-democratic rules of the parliamentary game, are the necessary orienting targets and transitional moves of a revitalized socialist movement in the foreseeable future. The continued submission to globalizing capital's globally destructive course of development is truly no option.

Notes

[1]. Marx, *Grundrisse*, p.278.

[2]. Above all by overcoming the prohibition on the sale and purchase of both land and labour, securing thereby the triumph of alienation in every domain.

[3]. Vast numbers are just surviving (if they do) from hand to mouth in the traditional economy, and the number of those who remain completely marginalized, even if still hoping — mostly in vain — for a job of some kind in the capitalist system, almost defies comprehension. Thus, 'While the total number of unemployed persons registered with employment exchanges stood at 336 million in 1993,

the number of employed persons in the same year according to the Planning Commission stood at only 307.6 million, which means that the number of registered unemployed persons is higher than the number of persons employed. And the rate of percentage increase of employment is almost negligible.' Sukomal Sen, *Working Class of India: History of Emergence and Movement 1830-1990, With an Overview up to 1995*, K. P. Bagchi & Co., Calcutta, 1997, p. 554.

[4]. The chronic crisis of accumulation as a grave structural problem has been highlighted by Paul Sweezy and Harry Magdoff on several occasions.

[5]. Hegel, *The Philosophy of History*, p. 39.

[6]. Hegel, *The Philosophy of Right*, p. 223.

[7]. Hegel, *The Philosophy of Right*, p. 214.

[8]. Schumpeter used to praise capitalism — rather self-complacently — as a reproductive order of 'productive destruction'; today it would be much more correct to characterise it as ever-increasingly a system of *destructive production*.

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