

**Notes from discussion in Erik Olin Wright Lecture #3:
Alternatives
Middle East Technical University
Wednesday, November 14, 2007**

I was not able to record this session, so these notes will be less detailed than from the first two lectures.

Question: I disagree with your characterization of Marx's theory and its implications for transforming capitalism on three grounds. (1). Marx always argued that there were two possibilities "socialism or barbarism". He never believed that socialism was the inevitable successor to capitalism. (2). Second Marx argued that capitalism regenerated itself through crisis – crisis both threatens capitalism and rejuvenates capitalism. So he did not believe in some kind of terminal crisis. (3). When asked whether the peasant *mir* in Russia was a prototype for communist society he said that he did not know – he did not know what the future society would really look like. So, I do not think he had the kind of theory of history of the future which you claim.

Response: (1) You are right that Marx sees these two alternatives, but this is entirely consistent with my argument. The pivot of my argument is that he predicts the demise of capitalism; that is the crucial deterministic prediction. Socialism or barbarism are two futures beyond capitalism. Note that he does not say that the future of capitalism is socialism or barbarism *or capitalism*. Also note that he never really defines barbarism; this is a gestural concept to designate some kind of nasty oppressive social organization. (2) You are right that Marx sees crisis as regenerating capitalism as well as threatening it. But he also believed that the laws of motion of capitalism have an inherent tendency to make these crises more and more intense over time. He never retracted that. He never said: capitalist contradictions may have a tendency to diminish over time; capitalism may have a tendency to become stronger and more stable over time. No: he felt that the tendency of the rate of profit to fall was a *law* and he called it that. While there was no time scale to his predication, he felt that eventually the rising capital intensity of production would inevitably make the aggregate rate of profit approach zero. (3). You are also right that Marx rejected blueprints and speculation about institutional designs. He felt that it was beyond the capacity of a scientific approach to make such predictions. It was enough to predict the demise of capitalism and then predict the capacity of workers collectively to experiment in constructing the alternative – where there is a will there is a way.

Question: Aren't the kinds of innovations you talk about like the participatory budget in Porto Alegre hostage to capital?

Response: Absolutely – that is precisely what it means to say that in the hybrid configuration within which we attempt to expand social power capitalism is dominant and by virtue of that dominance imposes limits and constraints on the experiments and

transformations. The critical point is that this is a loosely coupled system, not a finely tuned machine, and we don't know really how big the space is for the subordinate elements and how much they can undermine that dominance.

Question: You talk about the social economy in Quebec and the state subsidies to childcare and eldercare. But doesn't this depend upon bombs being dropped on Afghanistan and Iraq? Doesn't it depend on imperialism?

Response: One view is that the availability of resources in the rich countries to fund any such redistributive processes comes from transfers from the South, from the global forms of exploitation, rather than from the high productivity in the developed world. I do not think that this is really correct and it would take a lot to empirically show that the redistribution of various social empowerment programs really comes from global transfers rather than high productivity.

Question: Why do you not give the best example of all – the social programs of the USSR. You talk about the social economy in Quebec, but the USSR guaranteed childcare and eldercare and health care and vacations for everyone. The Soviet Union was a workers state and for a while accomplished socialism. Why don't you bring up those examples of socialism, or the example of Cuba or now of Venezuela?

Response: I don't bring up the Soviet case in this context because I do not believe it is really an example of "social empowerment". The social programs you describe may well have been good for the people, but they were the result of authoritarian statism, not a socially empowered democratic socialism. I do not think this was a workers state – the working class did not have autonomous associations with democratic rights and social power. The same is really true for Cuba. This does not mean that the policies of the statist system were universally bad, but they don't illustrate the idea of social empowerment. Venezuela is more ambiguous, and certain the social missions and clinics and urban land reform and cooperatives are all, it seems, very positive and do seem in line with a process of social empowerment. On the other hand the authoritarian tendencies indicated by the move to president for life and single party state within strong internal party discipline all suggest a curtailing of democracy.

Question: The range of programs and illustrations you give all seem forms of micro-alleviation of effects of capitalism rather than really alternatives to capitalism. Don't these help capitalism to stay alive in the face of crisis? In crisis situations non-capitalist elements are inserted into capitalism to help capitalism survive and be more stable. This is why the World Bank supports poverty alleviation: Poverty Alleviation helps capitalism. Unconditional Basic Income is maybe a better form of welfare capitalism and helps the poor in various ways. In Turkey the discussion of UBI is oriented to helping the poor stay alive and then be active in the labor force.

Response: There is a longstanding intuition on the Left that "things have to get worse before they can get better." The idea is that the main effect of anti-poverty policies is to make the poor more compliant and less dissatisfied with capitalism and thus less likely to

revolt. This implies that the main obstacle to overthrowing – or fundamentally transforming – capitalism is that the grievances of the masses are not sufficiently sharply opposed to capitalism.

If I had a high level of confidence that making things worse for the poor and ordinary people would actually lead to a transformation that moved us beyond capitalism towards a democratic egalitarian socialism, then I might – if reluctantly – support neoliberalism on the grounds that this indeed makes capitalism worse for most people and reveals in a more transparent way its harms. But I do not believe this. I don't think a lack of harms experienced by people is the main obstacle to transformation.

But even more importantly, I feel that the institutional transformations I am talking about are themselves movements towards socialism. They are not just patches on capitalism; they are transformations – albeit partial transformations – of the capitalisticness of the capitalist-hybrid. Consider UBI: Marx emphasized that the formation of the proletariat involved a double-separation (a) of workers from the means of production, and (b) of their separation from their means of subsistence. It is this double separation which forces workers to seek work on the labor market, to get jobs to acquire their means of subsistence. UBI breaks this double separation: it reunited workers with the means of subsistence without reuniting them with the means of production. *This is in and of itself a transformation of class relations*: the capital/labor social relation is different in the presence of UBI because workers have an exit option. As I say sometimes, “capitalism between consenting adults is not as objection as capitalism as it exists in the world today”.

There is more: because UBI reunited people with the means of subsistence it makes possible a much wider and more robust organization of noncapitalist forms of production itself. Workers cooperatives would be much easier to form and much more sustainable in a UBI world than in a non-UBI world. Marx, by the end of his life, had a pretty favorable view of workers co-operatives on the grounds that they did indeed represent some pivotal aspects of a democratic egalitarian alternative to capitalism. One of the problems faced by democratic-egalitarian workers cooperatives is the problem of not only producing sufficient income to cover their costs of production, but also to provide for the necessary standard of living of their members. UBI solves much of the second problem. It would also make acquiring credit easier – even aside from the desirability of co-op support credit market policies – because the risk of lending is reduced (since basic income is acquired independently of the co-ops profitability).

I think that a capitalism (i.e. a capitalist hybrid) with a large social economy, an unconditional basic income, a vibrant workers co-operative sector, and other forms of economic activity that are instances of social empowerment is a less capitalistic capitalism than a capitalism without these features – it is a hybrid within which the socialist component is stronger (and maybe the statist one as well). And also I believe this is a more rather than less transformable capitalism because it has already been partially transformed along the pathways.