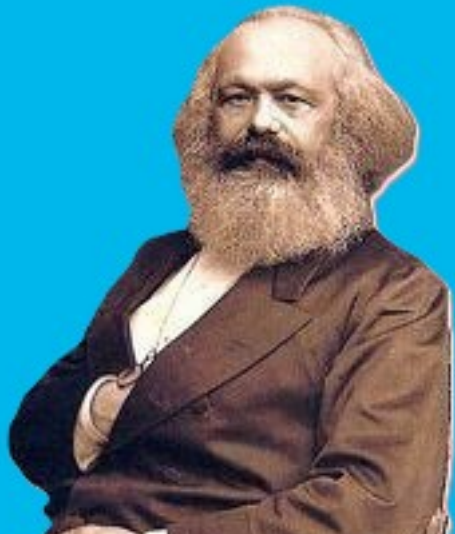


# **SOME FORGOTTEN MARXISM**

**How capitalism is setting the  
scene for its own departure**

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## Introduction

It is remarkable how there are quite a few people who describe themselves as Marxist, and yet one of the primary political messages of Marx has been buried and forgotten. This booklet hopes to bring it back to center stage. It can be summed up in this way:

*Capitalism is creating the necessary conditions for its successor, a classless society. So, while capitalism places severe constraints on human thriving, it is at the same time providing us with what we need to escape its clutches.*

Capitalism achieves this by eliminating much of the backwardness of past ages. We see massive economic advances and the considerable erosion of traditional cultures with their conservatism and systems of subordination. And at the same time we see the transformation of the broad mass of people from peasants into wage workers (proletarians).

As a consequence capitalism removes the only insurmountable barriers to a classless communist society. Classless equality no longer means shared poverty and toil which history tells us is impossible. Radical social change is no longer an impossible wrench from existing thinking and behaving. And the average person no longer has a vested interest in a system based on private property.

The mainspring of such a society will be the new relations of production based on social ownership and a culture of mutual regard; and its result will be the all-round development of the individual. In the past such a society was just a utopian pipe dream. Now it becomes something made possible by historically created conditions.

While these conditions make a future society possible, it does not of course come about automatically. It is up to us to take advantage of this opportunity and make it happen by overcoming resistance from people with an interest in the present oppressive system and then transforming ourselves and society. So we need subjective as well as objective conditions. We need not only the results of advanced capitalism but also a revolutionary movement able to overcome all these remaining obstacles.

Key to the transformation is the elimination of the old division of labor where most people are simply the instrument of

others. Under the present system a minority of people do most of the thinking and deciding while everyone else mainly just follows instructions. It is the basis of the life-limiting nature of capitalism. Workers will have to acquire skills and faculties they do not yet have, start thinking like masters rather than subordinates, and act on the basis that their own thriving depends on the thriving of others.

In the 20th century we had the sobering and very instructive experience of the Soviet Union and derived regimes where both the objective and subjective conditions were poorly developed. The result was revolutionary regimes turning into reactionary ones.

In the early 21st century, much of the world is still economically and socially backward. So, capitalism still has a very big job ahead of it. Only when it has made considerably greater progress will there be a full basis for proletarian revolution on a global scale.

Below, we examine all this in more detail and then go on to look at what it tells us about the tasks of an infant revolutionary movement when it finally emerges.

## Freedom from Want and Toil

The industrial revolution that began over two centuries ago is transforming the material conditions of life in ways that make capitalism obsolete. In the most developed regions of the world, it is providing something approaching a modest level of material abundance and removing much of the toil from work. These conditions make it possible to contemplate social ownership where the motivation is no longer personal material gain but rather mutual regard and the satisfaction obtained from labor.

At the moment, the richer countries are home to only 15-20 percent of the world's population. However, the middle-income countries such as China, India, Mexico, Turkey and Brazil could well achieve high levels of development over the next two or three generations, while the poorer half of the world should catch up later this century or early in the next.

With increasing productivity under capitalism, a stage is reached where an equal share of the social product ceases to be shared poverty. Under less developed conditions, the prospect of

shared hunger and distress impels those who are in a position to do so to exploit others through plunder, slavery, serfdom or the ownership of the means of production. However, as the average share begins to promise an increasing degree of prosperity, the imperative to fare better than others diminishes. We can envisage a level of abundance where thriving in a classless society would outweigh the benefits of being rich in a class society.

Marx and Engels make the point in *The German Ideology*:

“... this development of productive forces ... is an absolutely necessary practical premise, because without it privation, want is merely made general, and with want the struggle for necessities would begin again, and all the old filthy business would necessarily be restored ...”

Under developed capitalism, mechanization and automation have done much to reduce the odious or toilsome nature of work. Swinging a pick or shovel and carrying heavy loads are things of the past, and much of the remaining menial and routine work in the manufacturing and service sectors will be automated in the next generation. What we are left with will be primarily intellectual in nature and of inherent interest if carried out under congenial conditions.

Some doubt the ability of workers to keep up with the requirements of the new work. Certainly, capitalism leaves a lot of people behind and on the scrap heap. Nevertheless, the level of training is higher than ever and should increase over time. In developed countries a quarter or more of young workers graduate from university and a similar proportion have other forms of training.

We can also expect that in a future communist society people will have far greater ability to perform complex work, as many of the conditions that cause stunted development are eliminated. These include lack of family support, peer pressure to underperform and an inadequate education system. Social ownership will end the separation of education from production and other activities, so uniting learning and doing. Workers will help each other to learn. We will also benefit from an increasing understanding of human development and what causes learning difficulties. And over the longer term we can expect to see artificial improvements through such things as genetic engineering (induced

evolution) and brain link-ups to computers.

Many also doubt that global abundance is achievable because of “limits to growth” or “planetary carrying capacity”. However, prosperity for all is not difficult to imagine with scientific and technological advances. Where land is a constraint, we can build higher into the sky and tunnel deeper into the ground. Precision farming, biotechnology and other innovations will provide far more food while using less land and water, an already established trend that is gathering pace in spite of opposition from greens. There will be limitless supplies of clean energy from a range of resources. We can already be sure that future generations of nuclear power technology will be able to rely on virtually inexhaustible fuel resources. Then there are future technologies we can presently only guess at. For example, biotechnology may open up new ways of harnessing the sun. The mineral resources we rely on are more than sufficient, even without considering our ability to devise ways to substitute one resource for another. We will protect the biosphere with more advanced and better funded waste and conservation management. Indeed, in many respects we have seen capitalist countries get cleaner as they get richer.

## The Capitalist Social Revolution

The dominance of capitalist market relations brings a social as well as an industrial revolution. The outcome is frightful in many ways but vastly better than what it replaces. Most notably, the revolution casts off many ancient shackles and replaces them with weaker capitalist ones.

Proletarians are employees not slaves or serfs. As wage workers they only have a contractual arrangement for part of the day with their capitalist masters and are free to move from one job to another. And their boss, unlike the peasants' lord, is probably not the local political chief or magistrate.

Their position in the labor market also frees them from subordination to the extended family, tribe or local community. It provides economic independence and the opportunity to physically escape from these sources of oppression and conservatism.

The new market-based class relations also raise women from their age-old subordinate position. The nuclear family replaces

the extended family as the economic unit so that women only have to deal with their freely chosen husband and not his relatives. Then comes the independence of employment for a wage. The changing conditions plus struggles by women lead to the removal of legal discrimination, new divorce laws and various forms of government child support. Even the nuclear family becomes optional. These changes remove much, although not all, of the basis of women's oppression, and create the conditions where men and women can begin to understand their differences and similarities, and better meet their mutual needs.

The emergence of capitalism has been accompanied by the bourgeois democratic revolution that brings equality before the law, freedom of speech and assembly, due process and constitutional rule. People now expect these political conditions and feel aggrieved by their absence. They could not imagine being ruled by the bejeweled thugs of earlier times. This political freedom provides space for the proletariat to organize itself and for a revolutionary movement to emerge and develop. Although, when the capitalists feel sufficiently threatened, they dispense with these arrangements. This may involve goons and death squads, a state of emergency, a military coup or the coming to power of a fascist tyrant. However, such drastic measures cannot permanently put the genie back in the bottle and they are bound to provoke resistance.

People's behavior is generally far less submissive and oppressive than it was prior to capitalism. So the task of completely eliminating such behavior is made somewhat easier. This is central to creating a new classless society. Bad behavior needs to become a poor option by any measure, and no longer met with a meek response

The constant flux experienced under capitalism is also important for communism. Pre-capitalist societies are static. The way of life in your old age is the same as that in your youth. In keeping with this there are set and unchanging ways of thinking and general acceptance of how things are. Under capitalism there is constant change and increasing uncertainty in the conditions of life and the prevailing ways of thinking. This forces people to look at where they are and where they are going. This is expressed well in *The Communist Manifesto* as follows:

"All fixed, fast-frozen relationships, with their train of venerable ideas and opinions, are swept away, all new-formed ones become obsolete before they can ossify. All that is solid melts into air, all that is holy is profaned, and men at last are forced to face with sober senses the real conditions of their lives and their relations with their fellow men."

## The Proletariat is a Growing Class

The vast majority of people in developed countries are members of the proletariat or working class. Its members live off a wage or salary, or are paupers dependent on government welfare handouts. In the rest of the world - the "Global South" - where there has been less capitalist development, the proletariat is the growing class but peasants and small-scale producers still make up a big proportion of the population.

A tiny minority of people belong to the capitalist class (a.k.a. the bourgeoisie) which owns most of the means of production. Some of its members are locally based while others operate from abroad. To a considerable extent they own the means of production "collectively" through the financial system.

By turning small producers, primarily peasants, into proletarians, capitalism creates a class that has no income earning private property and no vested interest in a system based on such property. They have no stake in it. The less room there is for small independent producers, the fewer people have this vested interest and the less hope workers can have in reverting to this status. In other words, the smaller the petty bourgeoisie and the more that society comprises a tiny handful of capitalists and a vast mass of proletarians, the better. With a diminishing small proprietor option, the only escape from capitalism is by overthrowing it and creating a classless society where we jointly own the means of production.

There is still a significant petty bourgeoisie, but because most economic activity is now carried out on a large scale it is limited to 10-20 percent of the workforce. It includes small employers, farmers who own and operate their own land, shopkeepers and a whole range of self-employed.

An important part of this class are people who sell their labor power directly to customers rather than to capitalist employers.



A minority are people who have special skills and abilities that they can sell for a good price. And even if their own business does not involve much capital their income allows them to build up a sizable investment portfolio separate from their business. Surgeons and consultants are good examples.

Then there is a large group who are effectively working class. In most cases it is a difference in form rather than substance, where they have one “client” who is effectively their employer. Besides, many in this category move regularly between employment and “self-employment”. Their economic and social position is no different from that of an obvious proletarian. Also, many small businesses are set up by people who have failed to find a place in the employed workforce and want their offspring to do well in school and obtain paid employment.

It is common for apologists of the present system to deny the existence of classes. Capitalists can go bankrupt and become proletarians, and children can be disinherited. Likewise, proletarians can rise to the rank of capitalist. Since the end of feudalism, there are no longer legally recognized classes that you are born into and to which different laws and privileges apply. Indeed. But surely pointing to a certain mobility between classes confirms rather than refutes their existence.

We are also reminded that many workers hold various income earning assets including stocks. However, this is generally savings out of wages for retirement. It is simply foregoing present for future consumption.

Some confine the proletariat simply to workers directly employed by capitalists. They exclude government employees such as fire fighters, nurses, teachers and clerical workers. Some restrict the class even further by excluding retail and other service workers who do not produce physical stuff. All that needs to be said here is that the social and economic position of all workers is the same. They all contribute directly or indirectly to the profits of the capitalists, are dispossessed of the means of production and are employees.

In recent times workers have been quite accepting of capitalism, with a bit of grumbling now and then. During the second half of the 20th century, the typical proletarian in the developed countries experienced considerable improvements in their mate-

rial circumstances both in terms of income and working conditions. They achieved a level of comfort previously reserved for "professionals". And, as we have already mentioned, a typical job is less laborious and irksome than a few generations back.

Also, there has been an increase in the relative extent of professional and skilled employment because of the requirements of large-scale modern industry and a population that can now afford the services of a lot more dentists, physiotherapists, auto-mechanics, electricians and plumbers. This has allowed the more capable and motivated members of the proletariat to set their sights on "getting ahead" under the present system.

We can expect the proletariat to begin stirring when these conditions are thrown into disarray by economic crises and the system's inability to carry out industrial revolutions without stepping on most people's toes. It will heat up much more decisively when people start wanting real lives, something that capitalism cannot deliver even in the best of times. The idea of taking joint possession of the means of production has to emerge from the shadows as does a critical mass of "early adopters" who are then able to ignite a movement

## Absence of Preconditions in the "Communist" Countries

The need for capitalism to prepare the ground is starkly displayed in the experience of revolutions during the 20th century. According to the prevailing view it shows that communism has failed. While it is true that there was a failure, it was not of communism, but rather of an attempt to sustain a path towards it when its preconditions were quite inadequate. Russia in 1917 and virtually all the "communist" regimes established mid-century were essentially backward pre-capitalist societies. They had not passed through the capitalist transformation that we have been discussing and which is necessary for a successful communist revolution. Most people were peasants rather than proletarians, and they were more interested in land for the tiller than social ownership. There was little modern industry and thinking was more medieval than modern. As the experience of other backward countries shows, even getting capitalism off the

ground under these circumstances is hard enough, let alone a society that aims to supersede it.

This peculiar state of affairs arose because the bourgeoisie was too weak, cowardly or treacherous to take the helm and carry out its own tasks. Instead, in the first half of the 20th century, communists found themselves at the head of both anti-feudal modernizing revolutions and patriotic resistance to fascist aggression and occupation.

After World War II, the Bolshevik regime in the Soviet Union was joined by a host of other countries in what became 'the socialist camp'. It included Albania, China, Vietnam and Yugoslavia where their own revolutionary forces had taken power, and eastern and central Europe and northern Korea where regimes were established by virtue of Soviet military occupation in the aftermath of the defeat of Germany and Japan. So, by historical accident communists found themselves burdened with the task of raising their societies out of social and economic backwardness. They had to perform the work of capitalism. They had to create an industrial base and a trained workforce virtually from scratch.

Under these conditions the move in a communist direction could only be quite limited and eventually proved unsustainable. There were important preliminary steps but the real substance was out of reach. Industry was placed under state ownership which meant that capitalist industry was expropriated and the new accumulation of private wealth thwarted. The system was described as socialism, the first stage on the road to communism. However, the weakness of the proletariat placed severe limits on what could be achieved. With a couple of exceptions in central Europe, it only began to become a significant section of society with the industrialization that followed the revolution. Proletarians were former peasants engaged mainly in the low paid toil that you would expect at this stage of development. They were simply not ready to be a ruling class. There was not the basis for a society based on mutual regard. Enthusiasm and unprompted initiative were limited in these harsh conditions and so there was a heavy reliance on material incentives and top down command with all kinds of perverse results. The freedom and democracy required for the full political development of the

proletariat was not possible given the intensity of external and internal opposition and the weak position of the revolutionary forces.

Because most work was arduous and repetitive manual labor, and the education level and background of the typical worker left them ill-equipped for involvement in the mental aspects of production, there was a minority who did the thinking and deciding. These were the managers, engineers and officials - generally referred to as cadres. Members of this elite had a vested interest in entrenching their privileged position and were unlikely to encourage an invasion of their domain as workers became more skilled and educated, and industry more mechanized, nor to willingly start to take upon themselves a share of the more routine forms of labor.

Once career, income and position are the primary impulse, economic results take a second place to empire building, undermining rivals, promoting loyal followers, scamming the system and concealing one's poor performance from both superiors and subordinates. The opportunity for workers to push back against these developments was limited by the lack of freedom and the culture of subordination which drains away confidence and the courage to act. This culture can be very strong even in more "liberal" capitalist societies. At the same time, one can imagine that, under these conditions, rank and file workers with special abilities or talents would tend to be more interested in escaping the workers' lot by becoming one of the privileged rather than in struggling against them.

Mao Zedong, the head of the Chinese Communist Party until his death in 1976, referred to this process, once fully entrenched and endorsed at the top, as capitalist restoration and those encouraging it as revisionists and capitalist roaders, indeed a new bourgeoisie. The Chinese Cultural Revolution that he led in the late 1960s was an attempt to beat back this trend. However, that revolution was undermined and defeated, and the capitalist roaders were able to seize supreme power in China after his death.

The Soviet Union and similar regimes in Eastern Europe ended up as a distinctive type of dead-end, economically, politically and socially, and their demise in 1989-90 is justly one of

the most celebrated events of the late 20th century. At the same time, China and Vietnam have managed to achieve considerable economic development in recent decades by discarding much of the empty and dysfunctional formal shell of socialism and operating more like normal capitalist economies. This was greatly assisted by large amounts of foreign investment. industry. Cuba has gone some of the way down this road and would fully embrace it if the US abandoned its sanctions. The monstrosity in North Korea survives through mass terror, artillery pointed at Seoul, nuclear weapons and the support of the Chinese. All these regimes are an affront to freedom and democracy, and they must share the same fate as the “Communist Parties” that were overthrown 30 years ago.

Notwithstanding this grim picture, there were still some significant achievements. In a large part of the world, landlords and feudal relations were swept from the countryside. Industrialization was raised from a very low base and generally outperformed the backward countries in the capitalist camp. Most importantly, after a crash industrialization in the 1930s, the Soviet Union was able to defeat the fascist Axis powers through the largest military mobilization in human history. This is something for which the world should be eternally grateful.

Frederick Engels, Marx’s closest colleague, anticipated the dilemma of the sort faced by 20th century communists. In a letter to a fellow revolutionary in 1853 he wrote:

“I have a feeling that one fine day, thanks to the helplessness and spinelessness of all the others, our party will find itself forced into power, whereupon it will have to enact things that are not immediately in our own, but rather in the general, revolutionary and specifically petty-bourgeois interest; in which event, spurred on by the proletarian populous and bound by our own published statements and plans — more or less wrongly interpreted and more or less impulsively pushed through in the midst of party strife — we shall find ourselves compelled to make communist experiments and leaps which no-one knows better than ourselves to be untimely. One then proceeds to lose one’s head — only *physique parlant* I hope — , a reaction sets in and, until such time as the world is capable of passing historical judgment of this kind of thing, one will be regarded, not only

as a brute beast, which wouldn't matter a rap, but, also as *bête* [stupid], and that's far worse."

## Transforming Ourselves and Society

At the moment there is no support for proletarian revolution. We don't even have a small core of people thinking or talking intelligently about the idea. So the future is very hazy. However, what we can say is that the developed countries and some of the less developed countries will be far better favored in terms of the preconditions we have been discussing.

Revolutionary stirrings will result from some kind of tectonic jolt to the existing arrangements. Economic depression and war are the prime examples. Rulers can no longer rule in the old way and everything seems out of joint. How things pan out will depend a lot on the strengths and weaknesses of the revolutionary forces that eventually emerge and also of their enemies. They will have to overcome a range of follies in a timely fashion and grasp the true nature of the conditions they face and what has to be done. Discrediting incorrigible fools and cranks will be part of the process.

It is hard to imagine a revolution without some violence. There is a certain section of the bourgeoisie that is actually quite criminal and is accustomed to hiring killers. There will also be a section of the population who view the objectives of the revolution to be so evil that it must be resisted at all costs. This suggests a minimum unavoidable baseline of counter-revolutionary violence - think fascist gangs and death squads. Then there is the more official violence. This can start with police thuggery, move on to emergency powers and graduate to fascism. Power seizure may require a civil war, and external counterrevolutionaries may intervene. How we overcome all this resistance is a vexed question.

Dispossessing the capitalists will be one of the first tasks of a revolutionary government. This will ensure they cannot access funds in order to organize resistance. However, this would have to be done in a way that ensures the least amount of economic dislocation. You cannot afford to have problems with food and power supply, for example. The government could perhaps take over ownership of their stocks and debentures, and business

would continue as usual. Most management personnel would be kept in place subject to various rewards and sanctions. This can be aptly called state capitalism.

Of course, business cannot continue as usual for any length of time. The revolutionary masses would be itching to change things and those entrenched in the existing arrangements would be engaging in all kinds of mischief.

However, in the case of genuinely entrepreneurial capitalists, it will be necessary to try to keep them on board for an extended period. They have a lot in their head about the technology and how things operate organizationally.

Then there are small businesses. These may take time to socialize and it would be best to avoid alienating the operators wherever possible. Those that only exist because of limited employment prospects will fade away as these improve. Businesses that are just labor services will generally find the shift to the socially owned sector easier. Remaining small businesses will cease once they can no longer compete or the operator retires.

On day one of the revolution there will be many problems. A large number of people will be hostile, neutral or lukewarm in their support. New revolutionary governments will be far less experienced than their opponents. The old servants of capitalism who cannot be dispensed with overnight will be in a position to sabotage output and efforts to change things. Revolutionaries are bound to make mistakes and counter-revolutionaries will begin to recover somewhat from their disarray.

The period of transition will be a protracted affair. As Marx said in *Critique of the Gotha Program* (1875):

“Between capitalist and communist society there lies the period of the revolutionary transformation of the one into the other.”

This is a period of class struggle prone to capitalist restoration. The initial threat from the old bourgeoisie is followed by a threat from a new bourgeoisie emerging among high officials who wave the red flag in order to oppose it. Social ownership is far more than formal de jure state ownership plus a government made up of people who claim to be communists. By social ownership we mean joint or co-ownership. If ownership relations oppress us, we are not co-owners.



In *The German Ideology* (1845), Marx got to the crux of the matter:

“...private property can be abolished only on condition of an all-round development of individuals, because the existing character of intercourse and productive forces is an all-round one, and only individuals that are developing in an all-round fashion can appropriate them, i.e. can turn them into free manifestations of their lives.”

We have been talking about the individual thriving in his or her role as a worker. The morality of mutual regard is the key to this, and to thriving in life generally. It is best understood as enlightened self-interest where everyone does the right thing by others, knowing that a large and increasing section of society is doing the same. It will be what is honorable. We will all share in the 'pool' of greater prosperity and goodwill that results.

So, in order to finally bury capitalism, there has to be a fundamental change in human behavior and the way society operates. The bourgeoisie, and the habits and ways of thinking of its society will prove tenacious, and the proletariat will have to transform itself in the struggle against them. Critical for the success of the process is the emergence of a large and increasing number of people who see the revolutionary transformation of the conditions around them as a prime mission in life.

Mutual regard will not just be a case of caring more. It will have to also mean being willing and able to confront bad behavior directed against ourselves or others. This will require us to cast off passive, submissive and weak-spirited habits engendered by our subordination under capitalism, and acquire a strength of character that gives us the confidence and moral courage to deal with bullies, schemers and people with a whole gamut of behavioral issues. We will not let the worst people set the tone. Top of the list are those who want to lord it over us and become a new ruling class.

Behavior based on mutual regard will transform the nature of work so that the new technological potential for work to be its own reward becomes a reality. A key here is doing what we can to make the work of others productive and rewarding. This includes not standing idly by while particular individuals make other people's working life a misery or sabotage our joint ef-



forts.

We will have to combat a lot of bad behavior in ourselves and others that is directed at misusing social production for personal gain instead of our mutual benefit. This will take diverse forms and will include: having one's judgments or decisions skewed because one has a lot personally invested in a particular project or technology; resisting the introduction of a new technology or product mix that does not match one's present skill set; misappropriating resources for one's own material benefit, through either direct personal use or illicit sale; and engaging in careerist behavior such as undermining others, making yourself indispensable, taking credit and deflecting blame, and using recruitment and promotion to create a system of patronage.

Mutual regard will also require us to go out of our way on occasions. This would include extra time or effort at critical moments at work. We may, for example, be tired or missing out on a planned gathering with friends and family. The reward is the successful completion of an important task.

In *Critique of the Gotha Program* (1875), Marx famously described what it means to arrive at communist society:

“In a higher phase of communist society, after the enslaving subordination of the individual to the division of labor, and therewith also the antithesis between mental and physical labor, has vanished; after labor has become not only a means of life but life's prime want; after the productive forces have also increased with the all-around development of the individual, and all the springs of co-operative wealth flow more abundantly – only then can the narrow horizon of bourgeois right [pay by performance] be crossed in its entirety and society inscribe on its banners: From each according to his ability, to each according to his needs!”

## Transforming the Economy

A favorite argument against social ownership is that the economy would inevitably be a mess. You cannot run a complex economy without private property and markets. It is like trying to walk without legs. However, it can be shown that the opposite is true. Social ownership in a revolutionary society would mean a more efficient and dynamic economy that would overcome the

economic limitations of capitalism. Opponents of a classless society make much of this issue, so it is worth dwelling on it at some length.

The case against social ownership is based on the experience of the Soviet Union and its derived regimes. Their economies were run using “plans” that were chronically incoherent with recurrent shortages and surpluses. They turned out shoddy products, discouraged innovation and responded poorly to consumer demand.

The malady is then wrongly diagnosed as communism rather than the lack of it. The underlying problem has already been discussed above. The revolution did not get very far down the communist road before being hijacked by reactionaries. It all congealed into a regime of self-serving careerists ruling over a demoralized and downtrodden mass. It could not possibly be described as joint ownership by the proletariat. Such awfulness was bound to generate poor information and motivation, wrong priorities, and ergo a poorly functioning economy.

Ministries and local party bosses were not interested in the big picture but rather in the size and performance of their own domain. The largest incumbents were the military and heavy industry sectors, and they were able to maintain their influence at the expense of consumption.

The purpose of enterprise managers was not to serve society but to chase promotions, bonuses and perks of office. These were achieved by meeting targets which led to a range of perversities. Materials and labor were hoarded. Investment proposals were submitted without thought to the cost. Meeting targets was at the expense of user requirements in terms of product variants, quality and delivery time. They did not complain because suppliers would become even less helpful in the future. Targets also took priority over innovations that might temporarily interrupt production. And a manager’s superior was just as keen to see a good set of numbers.

In a system where at least some critical supplies were always late, the overriding need to meet the monthly target led to “storming” with quality control going completely out the window. Also, unreliable supply led to a lot of inefficient in-house production.

Workers had no interest in putting in a good day's work. Their efforts were often cancelled out by foul ups down the line and they generally were not directed at improving living standards. If you are in no position to improve the situation, why bother. And higher pay was no inducement because there was nothing to spend it on.

Increasing alcohol consumption reduced productivity even further. At the same time, there was not the discipline of unemployment to keep them on their toes. Job security was depicted as a core feature of socialism. And adding to the political difficulty of shedding labor, was the fact that there was often a considerable range of benefits associated with one's present employment, including housing, childcare, cafeterias and medical facilities.

The regime went to great lengths to avoid abolishing jobs from under people. They were rather tardy about closing down obsolete or excess plants, and people made redundant by new technology were kept on. Also enterprises were prone to hoard labor so that it was on hand if needed. and containing the wage bill was not high on their list of priorities.

Annual plans were a total farce because those providing information and presenting output and investment proposals were concerned about their own sectional interest and not the performance of the overall economy.

The competing claims led to the Council of Ministers coming up with impossible production targets. However, planners did not see it as their job to object, and would not dare. Instead, to comply, they drew up plans on the basis of very "brave" assumptions with excessively taut production targets that inevitably led to the economic disruption already discussed.

Enterprises would seek a soft production target by understating their production capacity while planners would increase this figure in an arbitrary way because they knew they were lying. Every enterprise wanted increased capacity to help meet targets and to make themselves more important. The numbers would be massaged to make the case.

With all the brave assumptions and dodgy figures, drawing up useful annual material balances for the economy was a fool's errand. The result was large shortages for some goods and ex-

cess supplies of others. Consumers missed out the most as heavy industry and the military pulled rank, and enterprises as a whole pressed for priority for the inputs they needed to meet their targets.

A revolution worthy of the name would minimize and eliminate these crude incentives that cause so many problems, with people becoming primarily motivated by the work itself and the desire to contribute. The revolutionary movement would take on empire builders and anyone trying to preserve rather than progressively erode the old division of labor and income inequalities. There would be an environment less friendly to wrongdoing with decisions and actions in more open view, and colleagues and subordinates less inclined to turn a blind eye. There would be freedom to speak your mind rather than military style obedience. There would be no room for systems of patronage.

Ministries and enterprises would behave very differently. They would refuse to accept unrealistic targets while endeavoring to make the best use of the resource under their command; allow time for maintenance or innovation; consult with customers; be open about their stockpiles of supplies and excess labor so that they can be available for use elsewhere; provide their best estimates of their production capacities and required inputs; and economize on need for new capacity

Workers would have income security but not job security. An important part of work will be finding ways to increase labor productivity and reduce the amount of labor required in a particular area, allowing for greater production elsewhere or more free time. Workers will need to become more versatile and adept at reskilling.

The task of drawing up material balances would benefit not only from better information but also from better technology. While modern computers cannot solve the large number of simultaneous equations needed to calculate material balances, they are powerful enough to achieve a close approximation in a short period of time using a method that relies on the fact that most of the input-output coefficients are zero. For example, final consumer products such as groceries, household appliances and clothing are not inputs into anything; and sheet steel is used in many products while brake lining material has a very specific

use. The better the planning decisions the fewer the shortages and the less need to prioritize ex post.

Prices could play a better role. In the Soviet Union prices rarely changed and bore no resemblance to real costs. So they played little role in determining the least cost way of producing something. They could be based on labor expended which could be collected at the same time as information on other input requirements. Objections economists make to using labor as the basis of pricing could be addressed. Calculations would take into account training time, experience and performance, and the cost of making new discoveries when exploiting depletable resources. There would also need to be an interest charge for investments so that account is taken of the time that projects tie up labor and the products of labor before delivering anything back to the economy.

So we can conclude that if the Soviet Union had been actively following the path of communist transformation, the system of planning based on material balances could have delivered a far more efficient and dynamic economy that far more effectively met people's needs. This of course is not to suggest that a future communist society would necessarily employ such a system. It may develop something better.

One of Marx's chief indictments against capitalism was that it was a fetter on the economy and that communism would unshackle it. So, let us have a look at that claim.

Capitalism is certainly streets ahead of stagnant pre-capitalist societies and will still deliver considerable economic growth over future decades. However, built into the system are some rather major retardants that a communist transformation of economy and society would remove. Here are some prime examples.

There is something in the machinery of the capitalist system that prevents it from maintaining a steady course. Periods of boom trigger slowdowns. Means of production and labor power lay idle, and firms go bankrupt for no good reason. The financial system at the center of things often blows a fuse.

As well as the unemployment of bad times there is also the not inconsiderable permanent kind. This is mainly made up of people who have been mentally damaged by the system or have

been left ill-equipped to develop and upgrade their skills and abilities. They are left to rot on welfare.

The fact that workers are alienated from their work is a major source of inefficiency. Firstly, their lack of motivation means that they need to be monitored far more than they would otherwise need to be, and this leads to job design with excessive separation of thinking and deciding on the one hand and executing on the other. Secondly, if the task to execute is in any way complex it becomes difficult to assess performance, and supervision cannot come close to matching what would be achieved if workers simply wanted to do the job to the best of their ability. A motivation based on the relations of mutual regard and sharing the common fruits would not have these problems.

Social ownership will see the development of better economic decision making. There will be a better flow of information due to the removal of property barriers between enterprises and the desire to see good overall outcomes. We will also part company with the many economic distortions of capitalism such as under-provision due to monopoly pricing, the lack of regard for what are presently external costs and benefits, the government favoring certain vested interests, and interest and foreign exchange rates that make no economic sense.

Material progress depends more than anything on scientific research and breakthrough innovations. And here capitalism has a range of failings with the result that major breakthroughs are far less frequent than they should be.

The market for science and innovation is limited by the public good 'free rider' problem. This is most extreme in the case of pure research but also applies in a lot of applied research. It is difficult to make money from many forms of knowledge and where you can it is because you have been able, often with the help of intellectual property law, to exclude others, or restrict access to only those able and willing to pay the monopoly price.

The most egregious effect is to restrict, or increase the cost of, new technologies and knowledge that are needed for further research and innovation. Seed patents impeding the development of genetic engineering is a prime example. The most technically advanced workers are so aware that computer software is held back by copyright that they have developed elements of the

communist mode of production with “free and open source”, regardless of their political views. This outlook has also spread into ‘open culture’ more generally. Wikipedia and MOOCs highlight the future mode of production still fettered by old social relations, starting to break through and already proving its superiority despite seriously restricted resources.

Even being able to capture the benefits will not be enough to induce capitalists to spend on research and development if they consider them too uncertain or too far in the future.

Industry incumbents often spend heavily on long lived investments and have little desire to devote resources to breakthroughs that would devalue these. Rather, they concentrate their research and development on efforts to increase or preserve their value. Incremental improvements in computers and electronics are the prime example. Indeed, in current parlance “new technology” is synonymous with developments in these areas.

Philanthropy can play a useful role. The Bill and Melinda Gates Foundation is a prominent example. However, this in itself is far from adequate. We have had to rely heavily on government to fund much of the research and development that has occurred. Indeed, some of the most important innovations of the present era are the result of this. Examples are computers, the Internet, jet engines, satellite communications, fracking technology, nuclear power and gas turbines. Also, all the important features of the Apple iPhone were the result of U.S. Department of Defense funded research. However, government spending often has to be prompted by some major emergency like hot and cold wars. Otherwise, there is not much of a constituency under normal times and it is inclined to be the first thing to be cut when governments endeavor to rein in the budget.

The nature of work under capitalism places another constraint on science and technology. There is gaming among researchers as they scramble to get their slice of the funding cake, and personal prestige and career can take precedence over outcomes.

The need for advances in science and technology are all too plain to see. We need cures for illnesses such as cancer, Alzheimer's disease and malaria. We need better farm plants and animals. We need harder, stronger and lighter materials. We



need to develop energy options cheaper than fossil fuels so they can be widely adopted in poor countries. Renewable energy will cost far too much until the cost of energy storage can be brought down drastically. Presently planned improvements in nuclear fission technology will narrow but not close the cost gap with coal or gas. Carbon capture and storage will be important for the longer term, but is only in its infancy. Nuclear fusion research is progressing but is still at the stage of solving basic problems.

## Where to from Here?

Much still needs to be done to prepare the ground for the new society. In particular, the Global South still has one foot in the Middle Ages or its local equivalent. And progress can be greatly retarded by resistance and obstruction from various quarters. Countering these reactionary forces will be the primary task of the present period. So progressive minded people have a busy time ahead of them.

At the very top of the list is dealing with the big aggressive and heavily armed tyrannies, Russia and China. Russia needs to be defeated in Ukraine and China needs to be deterred from attacking other countries. The political class have never been willing to have such a decisive objective in Ukraine and US deterrence of China has been so degraded that US war-gaming suggests a very likely defeat. This is a highly dangerous situation. And making it worse is obstruction from the right and the "left". The far right sides with Putin as an opponent of "western decadence" while the "left" is into anti-West "Third-Worldism" and pacifism.

Next on the list are domestic battles to defend and extend political rights. In the bourgeois democracies, some countries are having a much rougher ride than others. The present governments in the USA and Hungary are showing us how normally accepted rights and due processes can slip away. There is also the influence of fascist Russia and its fifth column agents.

The battle for democracy is particularly critical in the South. As well as killing and incarcerating people, tyrants tend to pander to the most backward and reactionary elements in society, engage in divide and rule, and are unlikely to have economic priorities in line with the best road to development. A big ques-



tion here is how much scope is there for Western democracies to play a better role in the South. And could revolutionaries and other democrats act as scrutinizers and agitators for better policy?

The idea that the Western democracies could be effectively nudged into doing better in this domain is of course very much at odds with the "anti-imperialists" who simply demand the "imperialists" butt out. Anything they do can only be part of the problem and never improve the situation.

This "enlightened" opinion has been particularly appalling in the Middle East. A couple of decades ago we had a large mass political movement opposing the liberation of Iraq from the Baathists. And the same people were then not unhappy when Barack Obama left the region to the tender mercies of Daesh (ISIS) and the Assad regime.

At the time of writing we have a situation in Palestine that cannot be kicked down the road. Although, that does not stop various sects declaring that nothing can be done for the Palestinians short of a distant proletarian revolution in the region. What we need is democratic Europeans demanding that their governments intervene. Europe's controls of the eastern Mediterranean and the threatened use of sanctions would be sufficient to ensure compliance. European forces would replace the Israelis in Gaza and the West Bank, ensure humanitarian aid, and provide the security needed during the establishment of a Palestinian state.

Then there is the economic front. Foreign aid and investment programs could be more effective. Measures against kleptocracy and money laundering could be tightened. Trade barriers to agricultural produce could be removed. Economic policy could do more to undermine tyrants rather than enable them.

Returning to the developed countries, there are two domains that need to be supercharged in preparation for communism - education and innovation. Education levels are still quite low. General literacy and STEM results are unimpressive and a significant minority learn very little. This means a wide gap exists between where we are now and where we will need to be when workers take on the post-revolutionary task of breaking down the old division of labor that makes work so oppressive and in-

efficient.

We should welcome the way innovation provides us with more and better products, and eliminates scarcity and toil. At the same time we can chastise capitalism for its tardiness in this domain. This will mean run-ins with greenies. It will also require presenting an alternative to Luddism. Workers need to demand training and good severance packages rather than futile attempts to save obsolete jobs.

Communists, of course, have many tasks ahead of them that are exclusively their own. However, providing an overall picture of these is well outside the scope of this booklet. Here we will simply refer to one task that is particularly relevant to the battle for democracy and which we have examined in some detail above, namely helping people to correctly view the "communist" tyrannies. Basically, the story is that they do not represent an argument against communism and that their overthrow by bourgeois democratic revolutions would not be a defeat for it either.

## Conclusion

Let us sum up.

The bourgeois democratic revolution and global capitalist development are still ongoing tasks, and necessary preconditions for proletarian revolution.

The 20th century experience of how revolutions can turn into their opposites gives us insights that will be very useful in future revolutions. And explaining how these developments were counter-revolutions rather than "the failure of communism" will greatly assist in winning people to communism.

The communist future is the beginning of the real human journey. We will enter a world where we achieve the conditions for the thriving of each - the thriving of others.



This booklet looks at how capitalism removes what were previously insurmountable barriers to a classless communist society.

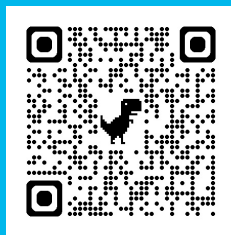
Capitalism's economic development reaches a level where classless equality would no longer mean shared poverty and toil, something which history tells us is impossible. Its undermining of traditional culture makes us readier for the new society. And its transformation of people from peasants and petty producers into employees means that most people have no vested interest in a system based on private property.

This task of capitalism is far from complete with much of the world still quite backward. So the more that can be accomplished in the coming years the better our prospects.

The mainspring of the new post-capitalist society will be the relations of production based on social ownership and a culture of mutual regard; and its result will be the free all-round development of the individual. In the past such a society was just a utopian pipe dream. Now it becomes something made possible by historically created conditions.

But while capitalism makes this new society possible, it still requires us to create a powerful revolutionary movement to overcome its tenacious and powerful supporters.

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