What does it mean to say that capitalism is in decline? Hillel Ticktin analyses the characteristics of the final stage.

W hat is the nature of the transition from capitalism to socialism? It was Trotsky who, after the Russian Revolution had taken place, first defined this period as a transitional one, in which the issue of socialism had been placed on the agenda. The bourgeoisie had been warned that they could be overthrown - and had been overthrown in one country.

In this period, in which the working class had made its mark, but was still to take power over the globe, the revolution in one country began a necessary period of change. Of course, socialism does not come about simply through a revolution - if that were the case it would never happen. Socialism comes into being because the basis of it already exists within capitalism. In other words, the socialisation of the means of production actually starts to take place within capitalism. Logically one could get to a point where the society was so socialised, although nominally capitalist, it would be very easy to change it. You would not even need what we call a revolution. But that is not true today, and no-one would want to wait until that time, because one would expect a whole series of unwelcome events, including wars, acts of oppression, etc. Millions more might yet die. So that is not an option, and no socialist has ever put it forward. Hence, we have had a revolution, but we have not actually taken power.

The period of transition

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The period we live in, and the problem has not been easy to deal with, either in the taking of power or even in terms of supporting institutions we regard as more leftwing. In a capitalist society, a cooperative malfunctions. State enterprises, by and large, malfunction. It is inevitable that this is the case: they will malfunction in respect of what they could do. It is very hard for the future system to compete with the old system, under conditions where it cannot operate to the full. In fact it is impossible. On the other hand, what we have is a series of institutions, such as nationalised entities, attempts to combine semi-market operations with co-ops, and various other enterprises which are undertaken by what one could call good-minded people.

If you look at the Mondragon federation of cooperatives in Spain, it is hard to say that it has really succeeded. Obviously, the people who support it may well think it is wonderful. The fact is, however, it has not been able to go very far (it has actually had to be bailed out) and that is true of co-ops in general. Marx was well aware of the contradictory situation. And in fact it is impossible to set up a nationalised enterprise which would have all the facilities of a truly socialised entity. It is not going to happen that workers elect the manager in a nationalised enterprise under capitalism - it cannot be controlled from below; that just will not be allowed.

Under those conditions - where in fact workers remain exploited and oppressed, as they are in a capitalist company, and yet have few of the advantages they would have if they were in a market enterprise - it is inevitable that cooperatives malfunction, up to a point. Nationalised enterprises have certain advantages in any case, but they also tend to be offset in that way. It is true that today most people in Britain would like the railways to be renationalised. But under National Rail there were numerous defects, which everybody knows about. I certainly could not travel from Scotland down to London without feeling quite ill.

‘Market socialism’

There is no such thing as ‘market socialism’ - it is in the nature of things that you cannot mix the two elements; it is a nonsense. Now, you might know that I had a debate with a number of people, in a book whose title was actually Market socialism, which to my surprise sold reasonably well. Two of us argued against two others, that market socialism could not work, would not work. You may be surprised to hear that it was translated into Chinese! I am not really clear what the Beijing elite got out of it.

Anyway, the point is that the nature of the two components of ‘market socialism’ are totally opposed. Socialism, to use the word in a very general sense, has a far more democratic starting point than capitalism. Capitalism’s idea of democracy is...
basically a means of exercising control from above and clearly what we have in capitalism is that there is a big difference. It has very little to do with control from below.

It is not surprising that the Bolsheviks took the route they did within capitalism. In the end, what we are talking about is about trying to control from below, and you could call it that a workers' council. What is in fact far greater than that. The problem is how to deal with the power of capitalists. But on that question, I will not answer - I am raising the question and posing the dilemma. When discussing questions like this, we do not have a one to one relationship with the Labour Party, one has to argue with them, it is up to socialists, say, council housing, and it has to be explained why council housing is what it is, it is this particular stage. There is no doubt, of course, that if you live in a council house, you have problems, and in many respects it is far better to own your own house. On the other hand, if you pay your taxes twice to own your own house: they simply cannot afford it.

Socialism is whole and indivisible, it is necessarily the case that the case for socialism is within capitalism. It is not possible to have 'market socialism' - it cannot work. Of course, it can be defended, for example, under very special conditions such as existed between 1945 and 1975, but that is not the population effectively called a halt by determining the basic terms of exchange. That is a necessary result: there is no other way things could actually go. And the evidence is all there for everyone to see. In that, which is why we are experiencing the current crisis. They can only make concessions up to a certain point, on the other hand, they are not going to go the way of 1917. They have the power to do it, but they also have the means. That is clear, of course, it does not help anyone who is not able to take control of the economy, or who is not able to take control of the political process. There is a history of what has happened, the economic system. One must be able to see what they are saying, the what is important. They are not identical, and the changes which is the case, is that there is proto-planning, so up to a point. Nevertheless, at the same time, there are big problems, because the current system is not trying to recommend mass infrastructure investment, but the ruling class just wants to make more money. And this is what the High Speed 2 railway, which seems to be coming in is about. On the other hand, course, they have long-term, conscious projections for their market operations and profitability, they are going on in this respect, that which must in the end be socialist. And, as I have argued, it is a crisis from which there is no escape, except via socialism.

Secondly, it is clear that capitalism's productivity is what, potentially, socialism could produce. It is not difficult to show that in a society controlled from below almost certainly productivity will be a lot higher than what it is today. We have already seen different entities in production fighting against each other, and that means productivity than when that is not the case. Productivity is below what it would be if there were, where people are working because they enjoy their work, want to work and want to produce.

To demonstrate this fairly straightforwardly we start with the question: there is one crisis after another, one war after another, over a period of time there is a certain strength of capitalism. But if you ask which was peaceful, which was not imperialist, would have a much higher level of production. So the argument is proven, as it were, automatically. But it is not true, you could ask, what Marx argued that the justification for capitalism - and he goes into this in detail in Capital, and precisely that it raises productivity to a level where socialism becomes possible. That is the justification for capitalism, even if you think that you know what it was when he was writing), with people dying before their time, child labour and so on. But there is that, capitalism performed a service in reaching a point where socialism becomes possible. It has to go through a whole series of crises, socialist movements in order to get to socialism. But it has reached that point, and hence one could talk of the beginning of a socialist state, the current stage of capitalism, is already in decline. When a society has entered into a period of decline, in dialectical terms the contradictions cannot be solved. The point of contradiction, as defined in Marx's more Hegelian version, is that the poles interpenetrate and lead to a supercession. But today the problems are not just internal, they are also external, they are conflicting, and we therefore get crisis after crisis. This gives us a classic example of something being superceded, but cannot be superceded, at a particular time. What we are getting is proto-planned, over long periods. Now, when we consider the historical facts, the only thing that has happened, the existence of state, has started using words it previously did not - precisely because it is the case of health, say, that doctors and nurses work not just for money, but because they can develop a vital service for their fellow human beings - and in so doing thereby become part of society as it is being extended, as society becomes more productive. As I said, one could project it forward and say that we will get there even under capitalism. The trouble is, the nature of capitalism is such that we are quite likely to experience a series of wars, famines, chaotic events, etc, so that many would suffer or die before we see the solution. So we cannot wait until that time, even though the transition is already on process. That is the nature of the development of capitalism - and the argument against capitalism, in the end, is that it is an impossibility that that form of society will not be coming into being.

\section*{Malfunctioning}

\subsubsection*{When we refer to decline and declining capitalism we are always talking about something that is not just increasing socialisation in society. In the first instance, if a social situation is the case of health, we know that whatever is done, must also be in decline. In other words, we are talking about the law of value being in decline; it is malfunctioning and in the process of being replaced.}

\section*{Decline and bureaucracy}

It is necessary to understand not just what is happening currently, but also historically, for the present time, but what it means in general. This actually poses a problem, because the implication is not just that there is a period of decline, but - as Marx says in Capital - we have to look at the whole period, and that is an embryonic phase - that there is then an embryonic form of bureaucracy in this period, in the declining phase. That changes one's understanding of capitalism itself - one cannot simply say that capitalism is the result of declining capitalism. The point is that you have to see where things are going, and that is why the only way you can say. I say this because many of the histories that have been written write this into a point A and we're at point B, so let's just look into the interwar period and come to a conclusion. If you do that, you may achieve something worthwhile or you may end up talking nonsense. So simple generalisations are not useful from a Marxist viewpoint. One has to look at what is happening now and what contradictions are involved.

The political history - general - much of the history written by people in the Communist Party is very interesting, but another way of looking at this, for example, from the beginning of capitalism, a bureaucratic phase to the present, declining phase, or comparing the decline itself to a period of transition, from the period of transition means that capitalism has actually been overthrown, is problematic. They are not identical, and the changes which is the case, is that there is proto-planning, so up to a point. Much of what is written loses that perspective and, while people may not be able to see the point of view, they do not do much from this kind of all-embracing coverage. In particular the theory of decline is complexes in itself, and one cannot fully grasp what is happening as an automatic consequence of studying political economy or, for that matter, history. We have to look at what is happening, what can work and what cannot. That is the case, which must in the end be socialist. And, as I have argued, it is a crisis from which there is no escape, except via socialism.

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