



# The historical production of the revolution of the current period

## I. The restructuring of capital and the present form of the capital relation

The historical development of the contradiction between the proletariat and capital under real subsumption has led, today, to the period of crisis of the increasingly, and at an ever accelerated rate, internationalised capital relation. The current form of the capital relation and its crisis have been produced by the restructuring that followed the 1973 crisis. The main points of the analysis of the current capital relation are: a) The capital relation has been restructured at all levels. The restructuring was the 'response' to the fall in the rate of profit after 1964 (first in the US). This was at the same time a counter-revolution, that is, a counter-attack by the bourgeoisie against the proletariat. Its results were the end of the workers' movement, the end of national and regional constraints in both the circulation of capital and the reproduction of the working class, and the end of state capitalism. b) An essential element of the restructuring was the accelerated internationalisation of capital since 1989. c) After 1982, more and more capital has been 'invested' in the financial sphere.

Restructured capitalism has integrated the attack against the value of labour power as a functional, structural and permanent feature. The process of the current period (after 1973) *can never be completed*.

Capital is not an opposition, but a contradiction of classes. The working class is not an autonomous subject, independent from the production of value. The characteristics of the restructuring are at the same time the cycle of struggles inside and against restructured capitalism (a cycle that

now has produced struggles occurring mainly outside the value production process in the ‘West’, food riots in poor states and wild strikes in Asia). Regarding the present, we can speak of struggles related to the challenged reproduction of the proletariat being questioned by the restructuring itself. The fact that the struggles of the current cycle (restructuring) do not constitute a political project is a structural feature of the historical process that defines the content of the coming revolution of our period. The current focal point is a point of crisis in the reproduction of the capital relation (financial crisis turning into debt crisis, which turns into currency crisis or state sovereignty crisis, etc...). Capital is obliged today to impose the second phase of the restructuring that started in the 1980s.

***A. The contradiction of the restructuring: A solution to the ‘1973 crisis’ and the bearer of the current crisis.***

The restructuring is a never ending process because its end would be a contradiction in its own terms itself: capital without proletariat. It is a process of the ‘liquidation of the working class’. The trend of this phase of real subsumption is the transformation of the working class from a collective subject which deals with the capitalist class into a sum of individualised proletarians, everyone of whom is related individually to capital, without the intervention of a worker identity and workers’ organisations that would make of the working class a recognised ‘social partner’, which is accepted to participate at the table of collective bargaining. It is a process of continuous fragmentation of the working class, which over time, has expelled a big part of the proletariat from the value production process. Further, this process has no end as the end point would be the production of surplus value without variable capital, it would be capital without the proletariat. This process is expressed as a continuous need of the already restructured capital to keep restructuring itself.

The contradictory nature of this process leads some fractions of capital and of the proletarian movement to conceptualise the whole present period as a crisis of Keynesianism, something related to the conceptualisation of revolution as a development of the revindictive class struggles and of the recomposition of the class as *a class for itself*. What made Keynesianism

successful was at the same time its limit that produced the crisis of the late 1960s. The wage-productivity link set the wage demand as the central issue of class struggle. Another aspect of the same process was the tendency of the organic composition of capital to increase (which is also a fetishised expression of class struggle within real subsumption). The development of these trends, on which the accumulation of capital was based in the years following the Second World War, eventually led to the wave of struggles of '1968' and the 'crisis of 1973'. Capital then had to be restructured in order to increase the rate of exploitation and to reduce, or at least delay, the inevitable impact of the increasing organic composition on the rate of profit. 'Keynesian' features of accumulation had to be modified, and this modification was the content of the restructuring at its beginning. A prominent aspect of restructuring as it evolved was the decomposition of the up to then officially accepted workers movement (of course, 'accepted' following the historical production of class struggle).

***B. Dynamics and limits of the current model of accumulation: the main dimensions of the restructuring.***

The restructuring was certainly successful. The rise in the rate of exploitation of labour worldwide was the result of the attack against the working class in the developed countries and of the advancing internationalisation of capital, namely the intensive exploitation of labour power in (or coming from) the less developed states. Savings in constant capital were achieved through the generalisation of just-in-time production and the degradation of the rigid Fordist assembly line. In this new period of real subsumption, every aspect of the capital relation has been transformed, and this transformation is manifested in the development of the current cycle of struggles: struggles by the unemployed, struggles in the education industry, the anti-globalisation movement, the direct action movement, struggles over wages in the centres of accumulation in the East, struggles against the expropriation of common lands in Asia. These struggles are not a result of the restructuring, but rather an integral part of it and ultimately are the restructuring of class struggle itself. The restructuring, as a deepening of real subsumption and an acceleration of the

internationalisation of capital, has moved the epicentre of conflict to the field of the reproduction of the capital relation. The content of the successful restructuring was also responsible for the course of the model of accumulation it produced towards the current crisis.

The first dimension of the restructuring has been the increasing decomposition of solid sections of the proletariat which had formed the massive labour movement of the Keynesian era. This dimension has been achieved through: a) the unceasing transformation of the technical composition of capital through information and communication technologies, which allowed the disintegration of the vertically structured production process, and therefore the dissolution of the 'mass worker'; b) the unceasing transformation of the labour process, which allowed the gradual imposition of negotiating labour power at an individual level and thus an individualised control over employees by bosses; c) the increasing number of reproductive activities moved away from the state to the private capitalist sphere, i.e. the reduction of indirect wage, something that resulted in a large increase in the number of women in the ranks of wage-labourers, and d) the increasing importance of repression in the social reproduction of capital.

Point c) has transformed the gender relation to a large extent and eroded the nuclear family, and has therefore unsettled the internal hierarchies and balances within the proletariat. This element has changed significantly the inter-individual relations within the proletariat. The position of the bearer of the reproductive social role (which mostly applies to women, but not exclusively at the present moment) has become even worse in the period of the restructuring of capital. Within the dialectics of 'letting women to become workers and at the same time forcing women to become workers' the most important is the second aspect. As the nuclear family erodes more and more, the burden on women is duplicated. More and more they tend to possess a reproductive and a productive role at the same time. The restructuring has increased the questioning of women's reproductive role and made the identification of the destruction of gender relations with the destruction of exploitation inevitable. This dynamic is the historical production of the limits of all kinds of feminism,

which, despite the fact that they are right to criticise the capitalist gender relations, as long as they remain feminist and do not overcome themselves (an overcoming that can be produced as rupture within the struggles), are unable to really address the gender issue in its totality.

The second dimension of the restructuring has been the ever increasing internationalisation of capital. Up to 1989, the internationalisation (the proportion of international trade to overall trade), had to do mainly with the relocation of production from developed to 'developing' states of the western part of the planet and the states of East Asia, except China (and flows of migrant workers to the ex-centres of production). Then, with the end of state capitalism, the process of internationalisation systematically expanded to the former 'Eastern bloc' and China. This process is inextricably linked to the development of financial capital, which is the branch of capital that defines the internationalisation processes and monitors the level of profitability, in order for capital to be circulated and invested in the supposedly most profitable way. It is reasonable then that the development and restructuring of this sector of capital, together with fluctuating exchange rates and a huge increase in circulating money, have enabled more and more fractions of the capitalist class to make profits through financial speculation.

Both these features of the restructuring (fragmentation of the working class at all levels and internationalisation through the development of financial capital) have allowed capital to overcome the great crisis of the 1970s. Both were also key elements of the accumulation process which led to the present crisis:

The transformation of the labour process and the rapid changes in the technical composition of capital have led to a relative (and eventually absolute) decline in wages in the developed countries. The advancing integration of the reproduction of the working class into capital has led to an increased demand for services on the part of the proletariat (health, education, etc.), which could not be met efficiently by capital because of the inherent limits of productivity in the service sector. Only in this sense can one say that a distance is created between 'social needs' and capitalist development.

The imposition of structural adjustment programs (SAPs) resulted in an influx of low-cost labour from non-developed countries to developed ones. The result of this was an accelerated creation of a surplus population ('surplus' from the perspective of capital) *across the planet*. At the same time, this surplus population has been forced to reproduce itself through the informal economy. Thus, 'Third World' areas emerged in the metropolitan centres of the 'First World', and Western-like development zones emerged in 'developing countries'. The global squeezing of the middle strata of the proletariat and the exclusion of those who belong to the lower ones, however, are increasingly turning cities into spaces of explosive contradictions.

Already by the mid-1990s, it was obvious that the features responsible for the dynamism of accumulation undermined it at the same time. In 1997, the crisis in Asia extended to Russia through disruptions in the oil market and then led to the collapse of Long Term Capital Management (the first collapse of a colossal fund). The crisis in Southeastern Asia showed that the rate of exploitation in these centres of accumulation was no longer high enough for the expanded reproduction of global capital to take place and accelerated the massive transfer of production facilities to China. The dotcom crash was the ostensibly final attempt of massive investment in the expectation of sustaining profitability through savings in constant capital. After 2001, what gradually became the case was that the reproduction of the working class was only possible by supplementing the decreasing wage with loans. An important part of the proletarians, in order to maintain their former level of reproduction, have been individually indebted to banks, whilst the future of their collective reproduction was also found mortgaged by pension funds (which are 'institutional investors') being led into heavy financial games (CDSs). Wage ceased to be the only measure of the level of reproduction of the working class, i.e. the latter tended to get disconnected from the wage.

***C. Too big to fail is also too big to move on: The reproduction crisis of total social capital and its effort to impose the second phase of the restructuring***

Capital, through its mobility and its continuous effort to optimise the valorisation process with complex measurements and calculating models, tries desperately to avoid, as far as possible, negotiating with the proletariat over the price of labour power. Labour power is now seen just as an expense and is not considered as a factor of growth through, for example, the expansion of the market. In an increasingly globalised capitalism, each national or regional fraction of the proletariat tends to be viewed as part of the global proletariat, absolutely interchangeable with any other part. The very existence of the proletariat is seen as an unavoidable evil. Since capital is nothing but value in motion and its expanded reproduction depends on surplus value that can be extracted only from the exploitation of labour, this tendency is an impasse, now defined as surplus proletarian population at a global level. Capital tends to reduce the price of labour power, a trend that points to the homogenisation of this price internationally (of course the necessary zoning of capital acts also as a strong counter-tendency that is going to, at the least, retard this process). Productivity tends to be fully de-coupled from wages and valorisation of capital tends to be disconnected from the reproduction of the proletariat, but, on the other hand, through the deepening of real subsumption, capital tends to become the unique horizon of this reproduction. Capital gets rid of labour but at the same time labour power can only be reproduced within capital. The explosion of this contradiction in the crisis of the current phase of restructuring produces the need for a new (second) phase of the restructuring of capital and shapes the dialectics between limits and dynamics of the current class struggle.

The solution to this situation (from the viewpoint of capital) defines the beginning of a new attack against the proletariat. *If this crisis is temporarily resolved*, it will be remembered as the first step towards the second phase of the restructuring of contemporary capitalism (assuming that the first phase of the restructuring was the period from the late 70s to the present). The financial crisis will soon take the form of a crisis of national sovereignty, and in this development a tendency of a 'Capitalist International' being autonomised is prefigured. The national state, as a basic reproductive mechanism of capital, is in severe crisis. Its results point to the



crystallisation of new forms of international mechanisms that will take full control of the flows of migrant labour power in an effort of a new division of labour. These mechanisms will also try to manage the already existing but now accelerated process of the changing relation between absolute and relative surplus value extraction, which is necessary for capital. Furthermore, an effort will be made to impose on the majority of the proletariat a perpetual rotation between unemployment and precarious employment as well as the generalisation of informal labour, as well as to coordinate the transition to a repression based reproduction of the overabundant proletariat. This process will be an effort to accelerate the globalisation and more importantly its zoning, not only in terms of international trade but mainly in terms of a controlled circulation of labour power. By the imposition of the current new austerity measures (a deepening of the restructuring), which is at stake in the current class struggle in Europe, the international circuit of a rapidly circulating capital can continue to exist in this form as far as it can be supplied by national and/or sub-national zones, where more and more repression will be required for the reproduction of capital. More and more capital will be transferred to the financial sector; more and more capital will be concentrated in this form; more and more speculation will be produced. The production process will be sidestepped in order for the—necessary today, but considerably painful—depreciation of financial capital to be postponed or take place smoothly. The situation that will possibly be created by this development is far from stable, as it is ultimately based heavily on the extraction of absolute surplus value, which has also absolute limits. It will be more local-crisis-based than the current phase and will eventually lead to a more intense global crisis than the current one.

On the other hand, there is a possibility that the current crisis, in its development, can lead to severe inter-capitalist conflicts which may even result in the collapse of international trade and an effort to return to national currencies and protectionism. For such an important transformation to take place, a massive devaluation of capital is necessary, meaning elimination of a large part of financial capital.

Through this set of measures, which seems to be more or less on the agenda for most European countries, Greece is the first stop in the capitalist strategy of imposing the second phase of the restructuring. The fact that a minority of the precarious proletariat revolted during December 2008 makes the selected space and time for the beginning of a worldwide attack very risky. The risk manifested itself directly in the protests of May 5, 2010, which were an indication that the attempt to impose the second phase of the restructuring is likely to be conflictive and could lead to rebellion.

#### *D. The crisis of the wage relation*

The current crisis is an existential crisis of labour, normally manifested as a crisis of the labour contract. The 'crisis of the labour contract' will become an overall crisis of waged labour through the structural tendency of wage demands to be de-legitimised. The continuous reduction in wages, the generalisation of precariousness and the creation of a part of the proletariat that is constantly expelled from the value production process define the scope of defensive demands. This fact, coupled with a decrease in the percentage of the available workforce mobilised by capital, defines the content of the crisis of the wage relation as a crisis of reproduction of the proletariat, therefore a crisis of reproduction of the capital relation.

The effort to impose the second phase of the restructuring is in fact a declaration of war by global capital against the global proletariat, starting from Europe. This is 'war by other means', less intensive than a conventional war, but with better targeting potential. This 'war by other means' will put into question the very role of wage labour as a means of reproduction of the global proletariat. Obviously, this process will advance, and will be expressed, in different ways in each country according to its position in the global capitalist hierarchy. However, the convergence of the 'war conditions' (thus of class struggle) globally is very important.

#### *E. Repression as social reproduction*

In the Keynesian era of capitalist accumulation, public expenditure included the cost of reproducing labour power, i.e. health care, pensions

and benefits, education, *repression*. In restructured capitalism the strategy became the reduction in public expenditure through the privatisation of several public related sectors. Actually, and mainly due to an aging population, but also to the slower imposition of the restructuring in Europe (something related to capitalist zoning), and the growth of insurance/financial capital in the US, total (government and private) expenditure for health care and pensions increased in all developed countries (*The Economist*, June 29, 2010). Today, amidst a public debt crisis, all these costs except for repression are de-legitimised. There is a constant reduction in indirect wage, and thus the valorisation of capital tends to be disconnected from the reproduction of the proletariat.

The public space in the cities, which is the spatial expression of the worker-citizen's freedom, tends to disappear because it is considered dangerous in terms of facilitating sudden outbreaks of unrest. The exclusion of the youth from the labour market defines them as a dangerous social category (and as the crisis deepens, this applies to teenagers, as well). Specifically in Greece, such fears are growing within the bourgeoisie: 'Also, the government is now aware of the fact that the anti-systemic cycles, especially amongst young people, tend to be extended well beyond the limits of the Exarcheia district. A lot of young people are willing to be engaged and participate in highly aggressive groups' (*To Vima*, daily newspaper, June 27, 2010).

For all these reasons, demanding the existence of the wage, which is already a central issue in class conflicts worldwide, will be in the future the field where class conflict will intensify. This issue will create ruptures within struggles, which will question the revindicative content of the struggles.

## II. Current struggles of the global proletariat

The content of the revolution that is born in each historical period, including that of the current period of restructuring which, by its very nature, can never be consummately restructured, is prefigured in the day-to-day proletarian struggles. This is because struggles are a constitutive

element of capitalist relations; they are the conflict between the poles of the contradiction that continually transforms the contradiction itself (exploitation) Revolution can only be produced from this contradiction, that is, revolution as the radical transformation of capital or its abolition: the overcoming of exploitation. The present day relation of exploitation produces the struggles of a fragmented proletariat, whose reproduction is increasingly precarious. These are the struggles of a proletariat adequate to restructured capitalism.

The day-to-day revindicative struggles in the current historical period are considerably different from struggles in previous historical periods. Proletarian demands do not constitute a revolutionary programme anymore, as was the case until the beginning of the restructuring, during 'the period of '68'. This is not due to a 'subjective weakness' or 'lack of consciousness' on the part of the working class.

The current structure of the capital relation is manifested in the fact that the proletariat, in its struggles, faces, even in the few cases where its demands are met, the reality of capital, *as it is today*: restructuring and intensified internationalisation, precariousness, no worker identity, no common interests, difficulty in the reproduction of life, repression. The fact that proletarian struggles, regardless of their level of militancy, cannot reverse this course and lead to a new type of Keynesian regulation is not a sign of weakness, but a key content of the current structure of the capital relation. The consequence of the above is the production, within the day-to-day struggles, of practices that go beyond their revindicative framework, practices that in the course of the struggle over immediate demands, question demanding itself. Such practices are ruptures produced within important class struggles (i.e. the struggle against the CPE in France in 2006, the general strike in the Caribbean in 2009, protests against layoffs in 2009, the student movement in the US in 2009-10, riots in immigration detention centres in Italy in autumn 2009, food riots in Algeria, South Africa, Egypt in recent years, the wage demands riots in Bangladesh, China or Malaysia, land expropriation riots in China) and/or struggles without demands (such as in November 2005 in France and in December 2008 in Greece, spontaneous riots in China). Looking into

global class struggle one can see that practices such as those mentioned above are multiplied. In the current cycle of struggles revolution is produced as the overcoming of the limits of this cycle. From the dynamics produced by the multiplication of ‘ruptures within revindicative struggles’, the working class is being recomposed, *not as a class for itself*, but as a class against capital and thus *against itself* as well.

### III. Communitisation as the historical product of the capital–labour contradiction

Today, we are situated in a period of crisis of restructured capitalism. We are at the point where the struggles over the wage in the centres of accumulation in Asia spread rapidly and the proletariat in the developed capitalist countries is staggering as it is being attacked by the bourgeoisie through the process of imposing the second phase of the restructuring. Developments in the class struggle front in different areas of conflict are always interconnected in a logical-historical way. Today, struggles around reproduction in the developed centres are associated by a feedback process to struggles over wage in the primary centres of accumulation, i.e. the most important aspect of the current zoning of global capital, known as ChinAmerica, tends to be destabilised. This contradictory process of crisis will bring even greater conflicts between proletarians excluded from the production process (already excluded and continues, due to the crisis), proletarians who precariously remain in the production process, and capital, and inter-capitalist conflicts too. The already existing questioning of the proletarian identity will take the form of a direct conflict against capital and there will be (inside the proletarian movement) new attempts to politicise and delimit struggles within capitalist reality. The movement of overcoming capitalist society will find its limits within itself. The limits are the practices of organising a new, alternative society (i.e. a new type of organisation of society based specifically on relations of production) outside or against capital.

A significant feature of the present period is that the capital relation produces repression as a necessity for its reproduction. There lie the

power and the limits of the current class struggle. The tendency of social reproduction to take the form of repression creates unavoidably a distance between the poles of the capital relation. The content of the conflict is necessarily related to repression, namely to the most important aspect of the reproduction of a more and more overabundant proletariat. In this conflict, the proletariat will always face its very existence as capital. The power of the struggles will be at the same time their limits. All ideologies and practices of the (proletarian) vanguard, all ideologies and political (proletarian) practices will converge in the anti-repression approach, which creates the possibility of the emergence of another, possibly final, form of reformism *of this period*.

The most radical and at the same time reformist expression of class struggle today will be direct action practices. Direct action practices that emerged as a radical break within the anti-globalisation movement provided the chance for the identity of the militant proletarian-individual—who belongs to the more and more precarious and/or unemployed proletariat—to become important. Direct action practices manifest themselves in many forms (radical unionism, citizens' movements, armed struggle), which vary considerably and in most cases coexist in a conflictive way, and are also produced directly, without mediations, by the contemporary contradictory existence of the proletariat.

Direct action today expresses the overcoming of class identities and the production of the individualistic identity of the militant, based on the moral attitude of the potentially defeated struggling proletarian—something quite reasonable, since what is at stake in struggles within restructured capitalism is only the deceleration of the attack carried out by capital. Even 'victories' do not create euphoria to anyone. Current reality tends to take the form of widespread repression. This produces the identity of the militant who struggles against all forms of repression, which in fact are the manifestations of the reproduction of the exploitation relation. Radical trade unionism is necessarily orientated towards offering protection against layoffs and ensuring compensations, since demanding significant wage increases is meaningless today (the cases in the centres of accumulation in eastern Asia provide a meaningful exception, since

the wage is well below what in developed capitalist states is considered as level of workers' reproduction). Local citizens' movements are orientated towards protecting a freedom of movement and communication, against the effort of the state to ghettoize/militarize metropolitan space, and through such actions maintaining the indirect wage (the main ideology of these fractions of the movement is de-growth ideology). These two tendencies will converge in the near future as the crisis develops. The deepening of the crisis will lead to 'self reduction practices' and clashes with repression forces in neighbourhoods. This is the point of convergence between local movements and radical unionism, the point of convergence between struggles in the production process and those outside it. The self-proclaimed 'armed struggle' is orientated towards the alleged punishment of fractions of the bourgeoisie, something like a self-invited protection from over-exploitation. This manifestation of direct action promotes a specific strategy of a military confrontation between small groupings and the State that leads to an absolute impasse.

Those involved in the direct action movement reflect the questioning of the contradictory proletarian situation in their supposed not belonging to the ('passive' and/or 'reformist' in their words) class. In this way, what is expressed in their struggles is the marginal point of this period, the point that proletariat has become overabundant. The most assertive parts of the movement call themselves revolutionaries when there is no revolution yet and they find shelter in the concept of 'consciousness' (the discourse about the need for the consciousness of the individual to be 'changed fundamentally') in order to avoid this contradiction. They build immediate (comradely) relations in their struggles while they make an ideology out of these relations—namely 'revolution now'—ignoring the fact that communism is not a local issue or an issue for a small group of people. They more or less tend to face workers who still have a (relatively) stable job as 'privileged', or even as 'the real working class with its petit-bourgeois consciousness'. They also tend to think of themselves as individuals who do not belong organically to the class because they are precarious or unemployed. The other side of the same coin is that radical unionist fractions tend to face precarious workers as the social subject

that must unite as a 'class for itself', and comprehend their actions as efforts towards this class unity.

The overcoming will be produced from the current limits. The questioning of the proletarian condition by the direct action practices (which is manifested as a contradiction, of course) prefigures its overcoming inside the proletarian struggle itself: the future abolition of the proletariat as a class. This is why the practices of the direct action movement are adopted in the ruptures which emerge inside current struggles; this is why the practices of direct action were adopted and overcome by the rioters on December 2008. Of course the current struggles are still inside the limits of the current cycle, but the specific production of this limit (demand to continue to exist, without putting into question the production relations) prefigures the dynamics of its overcoming. The only way class struggle can overcome itself is the production of multiple rupture practices in the development of the unavoidably reformist struggles. The multiplication of rupture practices will be produced within these struggles. These practices will necessarily advance the struggles, which will necessarily be struggles for the reproduction of life against capital. Any effort to 'unify' the different struggles of fractions of the proletariat in *the* common struggle that would support the supposed common interests of the class (any effort for the class unity) is a manifestation of the general limit of the current dynamics of class struggle. The only generalisation that can be produced is a generalisation *of practices* which will put any possible stabilising of a 'proletarian success' into question. These practices (struggles inside the struggles), through their diversity and the intense conflicts that they will produce inside the struggles, will exacerbate the crisis which proletarian reproduction is already in, and will simultaneously question the proletarian condition for the whole of the proletariat, i.e. the existence of capitalist society itself.

Woland, August 2010