CORPORATE GREED OR JUST PLAIN OLD CAPITALISM?

globaloccupation.wordpress.com

2011

globaloccupation.wordpress.com
The “99% Movement” has adopted the term “occupy” from the anti-capitalist tradition, in which people have occupied workplaces, neighborhoods, school buildings, etc., as moves toward taking control over the “means of production” in order to make things and share them, “from each according to ability, to each according to need,” without the mediation of money. However, starting with the original Adbusters call, an influential current within the movement has suppressed this history, treating “occupation” as a temporary and symbolic means of petitioning the government to crack down on “corporate greed” and “corruption.” As anti-capitalists, we oppose such reformism not because we’re attached to some “radical” identity, and certainly not out of nostalgia for the old “socialist” movements (whether of Stalinist or social democratic varieties – both ended up producing only different forms of capitalism). It is simply that the reformist agenda has failed repeatedly. (Anti-capitalist movements, on the other hand, from the Paris Commune of 1871 to the present, have only been defeated, or undermined by confusion; prior to defeat, they have shown some promising beginnings.)

Reformism has failed because any meaningful pro-worker regulations eventually become fetters to capital’s health, so it becomes necessary to dismantle them - to “save the economy” (i.e. capitalism). That’s what we’re
been under capitalism for many of those who brought France close to revolution; that is about the best reformism can hope for, and we probably wouldn’t survive to see even a return to that.

If the 99% Movement fails to produce the revolution we need, don't lose hope! At least we're finally coming together, building networks for future struggles, figuring out what doesn't work, and learning to cooperate, inclusively and democratically, to take things, make things and share them without the mediation of money, political parties or the state - building foundations for a new, truly free society "within the shell of the old." Now let's move on to a permanent global strike and the occupation of everything for everyone!

experiencing now, and a return to more regulation, more taxing of the rich to fund social services, etc., is something capital cannot afford without first restoring the rate of profit, which (if possible) would require more of the same: rising unemployment, falling wages, cuts to public goods and services, and the acceleration of energy wars and environmental devastation, bringing us ever closer to catastrophe. So reformism is "utopian"; the only "realistic" way out of this mess is the path we have yet to forge.

What do we mean by the term “capitalism” as opposed to “corporate greed”? Capitalism is a system of production whose roots could be found in commercial activities throughout the ancient and medieval world, but which came into its own in early modern Western Europe, hand in hand with the transformation of medieval kingdoms and empires into the modern system nation-states (16th to 19th centuries), which has always been inseparable from capitalism. (As Marx put it, the modern state is “essentially a committee for managing the common affairs of the bourgeoisie as a whole.”) These states established the preconditions for capitalist development by plundering the Americas, Africa and Asia, and setting up colonial regimes there, which were eventually taken over by local elites and used to administer their own capitalist development (often under the banner of “socialism”). By the mid-19th century, capitalism had become the dominant force globally, compelling “all nations, on pain of extinction, to adopt the bourgeois mode of production; ... to introduce what it calls 'civilization' into their midst...” This “civilization” could be analyzed into the following intertwined aspects:
(1) Two basic social classes: proletariat and bourgeoisie

a. We proles (mainly dispossessed peasants and their descendants) have no (legal) way to survive except by renting ourselves out as workers

b. The bourgeois have no aristocratic position that would entitle them to tribute, etc.; all they have is money, and the magic to make it grow - by exploiting us proles

(2) A system of commodity* exchange invading all spheres of life, with money as the universal commodity (everything has a price, so you can get anything with enough money, and nothing without it)

*Commodity: something produced for exchange rather than for direct use, tribute or gift-giving

(3) The immediate process of capitalist production

a. Industrial capitalists (from the bourgeoisie) invest money (known as capital*) to rent land and buildings, buy machinery and raw materials, and hire proles to produce Commodities for sale – not because capitalists want money to buy other Commodities (the traditional logic of commodity exchange, C-M-C), but in order to make a profit, that is, more money than was originally invested (M-C-M').

*Capital: money invested in order to get more money; “dead labor, that vampire-like, lives only by sucking living labor, and lives the more, the more labor it sucks” (Marx, Capital, vol. 1, chapter 10)

form, are not written down until a financial crunch; historically, war has been an important way old capital is liquidated;

(3) continuing to cut the cost of production by plundering land, water, and other “resources” from the world's few remaining peasant communities with anything left to steal, and by mining the bodies of humans and other animals for “resources” such as organs, plasma, DNA...; and

(4) the opening of new markets (on Mars?), and the continued creation of new lines of products (for those who can afford them), commoditizing any spheres of life yet to be commoditized (our dreams perhaps?).

That is, if capital doesn’t destroy us first through military or ecological apocalypse... Or if we don’t end the reign of capital by turning this movement of "Occupy' protests" into a movement to occupy the means of production.

Throughout the 19th century, capital restored its rate of profit about every decade through a crisis of two or three years. In the early 20th century, imperialist expansion postponed crisis until the great crash of 1929. It then took a decade of depression and the most devastating war in human history to liquidate enough old capital, plunder enough "resources," and open up enough new markets to restore the rate of profit, creating the conditions for the Golden Age of both capitalist growth and pro-working-class regulation, from 1945 to about 1970. Don’t forget it was at the end of this boom, in 1968, that relatively “privileged” workers and students throughout the First World erupted in revolt against the spiritual poverty of capitalist prosperity, and against “work” itself. That was the best life has
day. The reason is that people don’t have enough money to buy the products, and this is because companies won’t hire them (or if they do, the wages are too low), and this in turn because it wouldn’t be profitable for the companies to expand, since they couldn’t sell any more products at a profitable price...

This crisis will not end until the rate of profit is restored, which would require:

(1) the rate of exploitation to increase considerably, and since it’s hard to imagine how we could survive the stress of working any harder or longer than we’re already working, the main way to increase the rate of exploitation would be by continuing to lay off workers and cut wages – including the social wage, made up of welfare benefits, public transit, homeless shelters, etc. (paid indirectly by capitalists to proles via taxes and donation to non-profits);

(2) the liquidation of old capital, including products that can’t be sold profitably, obsolescent fixed capital (machines, etc.), and fictitious capital (that is, paper claims to wealth above the actual value of the commodities to which they originally referred - value that is always falling due to technological development, while paper claims to that value, once sold on in a different

b. This trick is possible because the capitalist pays us for only part of the value we produce. For example, a prole named Lori works 8 hours for $10/hour, assembling hamburgers at McDonald’s. The 400 hamburgers she makes during those 8 hours sell for $2000. The beef, buns and other materials cost $1000, and the utilities, wear and tear on equipment, and other expenses cost another $900, totaling $1900. So Lori’s labor added $100 worth of value to those materials, but she was paid only $80, so Mr. McDonald made $20 net profit from the unpaid portion of Lori’s labor that day. If there are 10 employees per shift working at the same average rate of exploitation, and two shifts per day, then Mr. McDonald nets $400 each day from that store, $12,000 per month.

c. So right at the point of production, there is an irreconcilable contradiction between capital and the labor necessary for capital’s growth. Our interests are fundamentally opposed: the longer and harder we work, the more profit the boss makes, and vice versa: if we try to lighten our work load, whether in time or intensity, or if we demand higher wages or safer conditions, we cut into the boss’s profit. This contradiction cannot be resolved through compromise, since capital will die if it doesn’t grow, and capital can grow only by “sucking” more “living labor” from workers. This is the basic logic of capitalist investment, M-C-M’: capitalists don’t invest in
order to exchange their assets for something they want to use, but in order for their money to give birth to more money, and if it doesn’t do that, they may as well sell their assets and buy a tropical island. At the same time, competition with other companies forces them to constantly increase the rate of exploitation – either by making us work harder or longer, or by switching to new equipment that can produce more products per labor-hour, or that can be operated by cheaper workers. Every now and then the workers manage to push down the rate of exploitation, but when that is limited to one firm, it threatens the firm with bankruptcy (since other firms in the same industry are continuing to operate at a higher rate); when workers push down the rate of exploitation for a whole industry, capital floods out of that industry in search of more profitable opportunities, leading to mass layoffs (as we’ve seen with the auto industry); when it affects the system as a whole, we have a crisis, which is capital’s way of trying to restore the rate of profit.

(4) Dog-eat-dog competition among capitalists on a (free or regulated) market.

This is why subjective attitudes like greed are irrelevant: even if an entrepreneur happens to be Mother Teresa, and her whole reason for going into business is to create humane jobs, do “green” production, and give to charity, either her products are limited to a tiny niche market for rich people trying to assuage their guilty consciences (like the “fair trade” market), or more likely, her products are undersold by other companies that pay their workers slightly less, or pollute a little more. She is forced to follow their example or go bankrupt. No amount of government regulation can fundamentally change this: such regulation cuts directly into profit, so there is always a tug of war between capitalists and anyone who tries to regulate the market by raising the minimum wage, improving environmental protection standards, etc. This tug of war is really a displacement of the class war between capital and labor: the state and most official “labor” organizations are just responding to, or trying to preempt, widespread proletarian resistance, and as mentioned above, this war cannot end in a truce: capital must keep pushing back to restore the rate of profit, which means undoing previously made regulations.

(5) Endlessly expanding reproduction & crisis

Not only is capital like a vampire; it’s also like a cancer, since it must constantly expand and multiply. Once a capitalist makes profit, he’s got to make another investment – either in expanding the same firm, or starting a new one. Even if he just puts his profit into the bank, the bank’s got to lend it to another capitalist, or the bank would go out of business. This is why we can’t blame the crisis on banks, or Wall Street for that matter: without banks or the stock exchange, industrial capitalists wouldn’t be able to come up with enough money to buy the expensive facilities necessary to survive in competition with other firms. At the same time, financial institutions can’t survive without constantly making loans and investments, and when there are no profitable opportunities, either there is a crisis, or financiers start inventing ways to make profits on paper (hedge funds, etc.) – until someone figures out there’s not enough production and consumption going on to back it up. And this is obviously NOT because everyone has all the products they need or want; a sixth of the world’s population is chronically malnourished, and yet fields lie fallow, farm equipment stands unused, and ridiculous amounts of food are thrown away every