

How late is Capitalism?

A reflection on Paul Mason's book
Postcapitalism: A guide to our future

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The idea that capitalism is in some sense 'late' or is approaching its end-time, has been floating around in Marxist circles for well over a century. It has often been the product of highly sophisticated theoretical work that has attempted to fathom the social, cultural, and economic transitions to which capitalism has given rise.¹ Paul Mason's new book is the latest, and perhaps the most radical, in this long tradition.

Mason builds upon the work of Antonio Negri² and locates what he regards as the terminal nature of the difficulties facing capitalism with the emergence of an economy dominated by the production and distribution of information, which he argues has begun to undermine the role of supply and demand in the determination of prices.

He, like his predecessors, is passionate in his enumeration of the things wrong with the world; things that he thinks indicate that capitalism is, so to say, running on empty: civil wars, emerging military tensions and conflicts, refugees by the million, political instability, economic stagnation, austerity, immiseration, and ecological crisis. One could, of course, respond, with a quick step through the 'short' twentieth century (1914-1989) from the Great War to the great depression, from the dust bowl to the rebellion of General Franco, then on to the rape of Nanking, the fall of Berlin, the detonation of Little Boy and Fat Man over Hiroshima and Nagasaki, through to the long boom and the collapse of the Soviet Union. Capitalism has barreled along

¹ See particularly, Ernst Mandel, *Late Capitalism*, 1972, London: Verso, 1999. Fredric Jameson, 'Postmodernism: or, the Cultural Logic of Late Capitalism', 1984, in *Postmodernism: or, the Cultural Logic of Late Capitalism* London: Verso, 1991.

² Antonio Negri, *Marx Beyond Marx: Lessons on the Grundrisse*, 1984, London & New York: Pluto & Autonomedia, 1991.

from one catastrophe to another and emerged reborn on a number of occasions in the past – what’s to stop it doing so again and again?

In some three hundred odd pages of painstaking explanation and argument Mason attempts to answer this question, but not without setting the cat among the pigeons in a discussion of the way Marxist thinkers and early Soviet theoreticians attempted to divine the future of capitalism with regard to the dynamic character of the transitions occurring within the system.

But there’s a problem. Marxism is both a theory of history and a theory of crisis. As a theory of history it is superb: armed with an understanding of class, power and technology, we can predict the actions of powerful men before they know what they’re going to do themselves. But as a theory of crisis, Marxism is flawed. If we are going to utilize Marx in the present situation, we need to understand his limitations – and the theoretical mess his followers got into as they tried to overcome those limitations.³

In this discussion I am brought face to face, not simply with the fact that I’m not the sharpest tool in the box when it comes to an encounter between the abstractions of the critique of political economy and the real movement of wages, prices, and profits, but also with a longstanding inability to believe that capitalism is exhausted, finished, or “late”. Lenin’s enthusiasm for imperialism being “the highest stage of capitalism”, or Rosa Luxemburg’s belief that running out of customers and new markets, would bring the system to its knees have been equally unconvincing to me for some time.

Closely schooled in the Communist Party of Great Britain, and subsequently in two revolutionary groupuscules, in a reading of Marx’s *Capital* (Vol 1, but no further) I learnt all about the commodity, value and surplus value. I also

³ Paul Mason, *Postcapitalism: A Guide to Our Future*, London: Allen Lane, 2015, p.49.

picked up some rather shaky knowledge of the tendency of the rate of profit to fall, and of the 'rising organic composition of capital'. None of this did much for my understanding of the capitalist mode of life in which we all live. This inability to engage the abstractions of Marxist thought in the development of a creative understanding of the movement of the capitalist economy, and its actualities, have always thrown me back on a synthesis of historical knowledge, and social intuition, in an attempt to understand what is actually happening.

This has meant that I could not possibly think of the capitalist mode of life, during of the second industrial revolution as exhausted or finished – electrical lighting, telephones, motor cars, aeroplanes, rag time, phonographs, movies, post-impressionism, Einstein and Freud, rayon, bakelite, wireless telegraphy, jazz, votes for women, and James Joyce. Nor could I believe, closer to our own time, that a mode of life capable of producing the transistor, the battle for Civil Rights, the contraceptive pill, big strides towards the liberation of women, Philip Glass, the Velvet Underground, and more recently, mobile phones, the World Wide Web, landing on Comet 67P, sending photographs of Pluto back across 4.7 billion km of the Solar System, identifying and working with graphene, the legal emancipation of homosexuals, and so on, is washed up. Nothing about the various claims associated with the different kinds of crisis theory produced by Marxists has ever seemed to me to match up with the dynamic manner in which the capitalist mode of life is experienced.

The Crisis of the Socialist Imaginary

On the face of it capitalism is not exhausted, washed-up, or finished. Although there has, it seems to me, always been a desire on the left for everything to go pear shaped so that revolutionaries could step into the breach and sort out the mess. This eager anticipation of collapse as an overture to the seizure of power by the working class, has meant that booms and prosperity have been poorly

understood, and even lamented by many socialists in hock to the idea that a crisis-ridden break down of the system is an essential prelude to the victory of socialism.

In my early to mid teens this even meant some people, dismayed by the emerging prosperity of working class people in Britain, decrying rising affluence – the refrigerators, televisions, cars, and package holidays – as a threat to social solidarity and the culture of ‘common sharing’.⁴ Oranges in the fruit bowl, a leg of lamb on Sundays, a car at the curb, and a paid holiday more or less every year, undermined the desire for defeat as a preface to ultimate victory.

This withering got much worse as enormous structural changes in manufacturing, services, and transport, reorganized working class neighbourhoods, sucking the life out of trade unions, rank and file organizations, and trades councils, readying them for neutralization during uncompromising attacks by employers and more or less continuous assault by the state.

Such disruption in the second half of the last century led to the degeneration of the socialist imaginary and was accompanied, step-by-step, with the decay and erosion of older conceptions of imperialism as capital poured into poorer countries, putting the ‘thesis of underdevelopment’ to flight with the birth of new working classes, and new points of production, in one region (of what we used to call ‘the third world’) after another. Yet more destructive to our world-view was the disintegration of state planning in the ‘communist world’ and the collapse of Stalinist dictatorships, together with the creation of a dynamic hybrid of capitalism by the Party-State in Beijing that has, numerous difficulties, and mounting instability

⁴ See Stuart Hall’s discussion of the implications for socialists of rising levels of comfort and prosperity among the working class in his essay ‘The Supply of Demand’ in E. P. Thompson (ed.) *Out of Apathy*, London: Stevens, 1960. See also Don Milligan, *Raymond Williams: Hope and Defeat in the Struggle for Socialism*, Manchester: Studies in Anti-Capitalism, 2007, at www.studiesinanti-capitalism.net, *passim*.

notwithstanding, lifted some six hundred million people out of abject poverty.

Despite the end of measuring the dollar against gold, and the onset of global reliance upon fiat money conjured magically into existence by central banks and the exponential growth of credit, the system continues to be capable of extraordinary technical innovations, cultural achievements, and social advances.

And, yet . . . even when we decide to rule out civil wars, failed and half-hearted military interventions – that invariably make matters worse – even when we disregard literally millions of refugees stranded in huge festering camps, or the tens of thousands fleeing across the Mediterranean, the Indian Ocean, or the Rio Grande – even when we rule out all this misery – it is clear that something fundamental has gone wrong.

Most rich countries are in the grip of stagnation – the recent boast by Osborne that the UK economy has grown by 0.7 per cent is a case in point. What is more, the living standards of working class people, propped up for decades by credit and two-wage households, are being driven down. Everywhere governments are attempting to stabilize banks and other financial institutions by cutting welfare, shrinking health and education budgets, and deregulating labour markets with the proliferation of zero-hours jobs, self-employment, temporary contracts, and agency working.

Doing the milking

It strikes me that with the rapid improvement of sensors and robots we may well also be faced for the first time with the emergence of technological unemployment. I recently visited a small dairy farm in the South West of England that specializes in the production of milk high in butterfat destined for cheese making. The farmers have just installed two robots to milk the cows. The set-up cost of £250,000 and will last at least ten years. These machines replaced a retiring stockman who used to spend eight hours a day, in two four-hour milking shifts, seven days a week –

56 hours in all – earning £8.57 an hour (£479.92 a week). Even if the equipment lasts no longer than the promised ten years, the capital outlay will not exceed the cost of a skilled stockman's wages, and for every year of operation beyond the minimum life of the robots, the savings for the farm will run into tens of thousands per annum.

Now, this is a local example, in a small business, but it is one in which the machines are doing something intrinsically difficult: interacting with a heard of cows of different shapes and sizes, and different temperaments. Even when a cow that's just been milked attempts to cheat the system by queuing up to go through the milking gate a second time in order to get more of the tasty morsels on offer, the robot spots the rogue and sends her smartly on her way back into the yard without a reward. Such machines are capable of identifying each individual beast, monitoring their health, and the quality and quantity of the milk yielded, beast-by-beast. They are capable of identifying animals that need to be health-checked by a person, and automatically directing the cow in question into a holding pen; related technologies are also in place to ensure that the heard is rotated properly across the different pastures by automatic gates and sensitive fences. Evidently, as the cost of radio frequency tags, vision sensors, and computing comes down, more and more living labour will be replaced by machines; check-out staff, drivers, packers, order pickers, and many other occupations, including highly skilled workers and professionals, will be replaced by automated devices.

In the early nineteenth century the Luddites were defeated, not simply by public hangings and military repression, but also by the headlong expansion of the industrializing economy because the introduction of machinery and new working methods always gave rise to more employment than it displaced. This was not simply an effect of the economy getting larger, but also of labour being switched from artisanal activities to mechanized occupations, and to entirely new areas of consumption. This was certainly the case between 1871 and 2011. The headlong decline of agricultural workers, laundresses, coal

miners, and weavers has been more than matched by the increase in the numbers of people engaged in teaching, nursing, care work, accountancy, and in services like bars, restaurants, gyms, and leisure centres.⁵

However, this reassuring trend may well be coming to an end as advances in computing, and networked technologies, outstrip the capacity of the system to absorb labour. It is true that new forms of consumption as yet unimagined will arise; it is also true that the economy will continue to expand, albeit slowly, creating new jobs and entirely new areas of employment. But, it is a moot point whether these developments will maintain job creation at a pace faster than automated and networked systems can destroy them.

If this happens – if large amounts of living labour is rapidly displaced by capital investment in robots and electronic networks – there will be no way even in a gradually expanding capitalist economy of transferring the wealth created in virtually ‘workerless enterprises’ to those areas in which we would rationally want big increases in employment in research, education, nursing, personal services and care, catering, travel, theatre, music making, painting, sculpture, sports, leisure, and literature.

Of course, you could in theory transfer the wealth from highly automated capitalist enterprises to finance small class sizes in schools and universities, or really high staff-resident ratios in care homes, and so on, by confiscatory levels of taxation, but it is doubtful that one could keep the capitalist class onside and fully-functioning by such means.

Consequently, it has seemed to me that the current trajectory of capitalist development is spontaneously (or unwittingly) tending to undermine the social stability of the system by relentlessly replacing living labour with machines, and by the state attempting to hold down incomes by deregulating labour markets, cutting health and welfare, and weakening trade union organization wherever it can.

However, implicit in Mason’s account of capitalist development is a thought which stands in stark contrast to

⁵ Ian Stewart, Debapratim De, Alex Cole, ‘Technology and People: The great job-creating machine, London: Deloitte, 2015.

my fears of technological unemployment because, as he rightly argues, the drive to keep the wages of workers as low as tolerable, and employment as ‘flexible’ as possible, militates against innovation and investment in robots and new technologies, undermining, what we all want and need: the maximum expansion of automation that can free us from the drudgery of work and help us towards the realization of a future imagined by Oscar Wilde in which he observed that just as the grass grows while the country gentleman sleeps, so all the dirty and unrewarding work must be done by machines.⁶ In similar vein Mason notes:

There is no reason other than exploitation why world-class techniques of automation cannot be applied, for example, to the labour of the sandwich factory or the meat-packing plant. In fact, it is only the availability of cheap, unorganized labour, supported by in-work benefits, that permits these business models to exist. In many industries old disciplines of work – time, obedience, attendance, hierarchy – are enforced only because neoliberalism is suppressing innovation. But they are technologically unnecessary.⁷

Plainly there is a tension at the heart of this analysis in which it is argued that the capitalist mode of life has produced extraordinary technical innovations, which in some sense anticipate the emergence of postcapitalism, but cannot be fully implemented because of the neoliberal drive to ensure that labour is kept as cheap and as flexible as possible.

Mason’s Prognosis

Mason’s analysis does suggest why the game might be up for capitalism in the coming decades. He explains that in previous long cycles of development transitions of a fundamental nature were

⁶ Oscar Wilde, *The Soul of Man Under Socialism*, 1891, <https://www.marxists.org/reference/archive/wilde-oscar/soul-man/>

⁷ Mason, *Postcapitalism*, p.287.

effected in the way capitalism worked, which enabled businessmen and politicians to overcome the barriers to the continued existence of capitalist social relations. In these lengthy transitions he points to the key role of working class resistance, and the introduction of innovations – new modes of work and new technologies – which had the effect of heading off catastrophe by leading to new investment opportunities, economic expansion, and rising living standards.

Mason identifies four long cycles, 1790-1848, 1848-1890s, 1890s-1945, and the late 1940s to 2008. These cycles are punctuated by wars, revolutions, and profound crises, which might have in themselves brought the system crashing down, but for the waves of working class resistance that were met by technical innovation (and I might add by social, cultural, and political innovations too), which had the effect of giving the system a resurgent and dynamic lease on life.

But towards the end of the fourth period something went disastrously wrong:

In the late 1990s, overlapping with the end of the previous wave, the basic elements of the fifth long cycle appear. It is driven by network technology, mobile communications, a truly global marketplace and information goods. But it has stalled. And the reason it has stalled has something to do with neoliberalism and something to do with technology itself.⁸

Mason explains that the response of politicians and businessmen following the economic turmoil of the years 1971-73⁹ was to resort to the neoliberal strategy in which

⁸ *Ibid*, p.48.

⁹ Between 1968 and 1973 turbulence in money markets led to decisions taken in Washington, Europe and Japan, which brought to end the pegging of major currencies to gold or the dollar, resulting in exchange rates that floated in relation to each other. These seismic shocks were exacerbated in October 1973 by the actions of the Organization of Arab Petroleum Exporting Countries that resulted in the quadrupling of the price of oil over the following twelve months.

attacks upon workers' living standards are placed at the heart of economic policy. The initial response of labour was resistance, but this was successfully beaten back by governments committed to deregulation, and to what we have come to call globalization. However, although we have witnessed, as in previous long cycles, a new wave of inventions these combined with globalization and neoliberal state policies have not simply undermined working class resistance, but the technologies themselves appear to presage a spontaneous challenge to the capitalist mode of production.

Mason insists that the tendency of networked information to be generated socially and circulate freely undermines the capacity of capitalists to stabilize or retain ownership of intellectual property.¹⁰ To be sure giant monopolies have been produced by the information economy – Google, Amazon, Facebook, Twitter, and the rest – but this has in turn disrupted the nostrum that 'supply and demand' determines prices. Indeed, not only are prices arbitrarily fixed, the relative scarcity of information goods – texts, music, formulas, and sequences – has to be maintained, in defiance of their evident and 'natural' abundance, by monopoly proprietors using non-economic means (legal and technical), which are inevitably vulnerable to challenge and disruption by social practices which promote free access to socially produced goods. More than this, Mason notes the ways in which socially generated and freely circulated information creates centres of activity, which lay well beyond the capacity of capital effectively to profit by, or privatize. These extra-economic, literally priceless activities are beginning to multiply in ways, he argues, suggestive of the spontaneous emergence of postcapitalist social relations. He acknowledges that it is early days, and that we stand at the very beginning of these developments, but already we can see, in outline, the way in which people will increasingly elude and evade capital as they go about creating and

¹⁰ See Don Milligan, 'Copyright and Intellectual Property', 2004, http://www.studiesinanti-capitalism.net/LECTURES_files/LECTURE%2009%20%28Notes%29%20COPYRIGHT%20AND%20INTELLECTUAL%20PROPERTY.pdf

distributing productive information in a realm beyond the reach of private property.

Les Misérables

This analysis will be disappointing to those lads (for they are mostly lads) with a penchant for waving red flags and imagining a challenge to capital being mounted from behind barricades thrown across cobbled streets. The conception of the future in Mason's book has no place for Eisenstein's recreation of the storming of the Winter Palace. Evidently, this end-of-capitalism scenario is as dead as the Tsar, the Tsarina, and their children.¹¹ In its place is a mélange of reforms and initiatives in which capitalist relations of production are progressively undermined in practice as what Karl Marx called the 'general intellect' comes into its own.¹²

He [Marx] imagined socially produced information becoming embodied in machines. He imagined this producing a new dynamic, which destroys the old mechanisms for creating prices and profits. He imagined capitalism being forced to develop the intellectual capacities of the worker. And he imagined information coming to be stored and shared in something called the 'general intellect' – which was the mind of everybody on earth connected by social knowledge, in which every upgrade benefits everybody. In short, he imagined something close to the info-capitalism in which we live.¹³

This is perhaps the most contentious element of Mason's analysis, because it appears to involve flirtation with utopian

¹¹ See also Don Milligan, 'Revolution and the difficulty of overthrowing capitalism', 2013, www.donmilligan.net

¹² Paolo Virno, 'General Intellect', in Adelino Zanini and Ubaldo Fadini (eds.), *Lessico Postfordista*, translated by A. Bove, Milan: Feltrinelli, 2001. See also Carlo Vercellone, 'From Formal Subsumption to General Intellect: Elements for a Marxist Reading of the Thesis of Cognitive Capitalism', *Historical Materialism 15 (2007) 13–36*

¹³ Mason, *Postcapitalism*, p.138.

schemes for circumventing the political power of the capitalist class simply by inaugurating a web of non-capitalist relations. However, this would be a misreading of his analysis because he is intensely aware of the necessity of politics and the role of the state:

The most challenging arena for action is the state; we need to think positively about its role in the transition to postcapitalism.

The starting point is: states are enormous economic entities. They employ about half a billion people globally, and on one measure makeup an average 45 per cent of economic activity across all countries' GDP (from 60 per cent in Denmark to 25 per cent in Mexico). Plus, through what they choose to procure, and by signaling their future behavior, they can have a decisive influence on markets.¹⁴

What flows from this is the need for a politics that can throw up the kinds of strategies that contain within them the seeds of new forms of postcapitalist association, and also help to frame demands made directly upon the political class and upon the state for the implementation of reforms that strengthen moves towards the realization of a society saturated by the 'general intellect'.

Consequently, I think that this book, and the sources Mason acknowledges, should be read and reread, and discussed as widely as possible by all those interested in strengthening the struggle for social solidarity.

¹⁴ *Ibid.* P.273.