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Marx Today

I

In 2007 a Jewish Book Week took place less than two weeks before the anniversary of Karl Marx's death (14 March) and within a short walking distance of the place with which he is most closely associated in London, the Round Reading Room of the British Museum. Two very different socialists, Jacques Attali and I, were there to pay our posthumous respects to him. And yet, when you consider the occasion and the date, this was doubly unexpected. One cannot say Marx died a failure in 1883, because his writings had begun to make an impact in Germany and especially among intellectuals in Russia, and a movement led by his disciples was already on the way to capturing the German labour movement. But in 1883 there was little enough to show for his life's work. He had written some brilliant pamphlets and the torso of an uncompleted major piece, *Das Kapital*, work on which hardly advanced in the last decade of his life. 'What works?' he asked bitterly when a visitor questioned him about his works. His major political effort since the failure of the 1848 revolution, the so-called First

International of 1864–73, had foundered. He had established no place of significance in the politics or the intellectual life of Britain, where he lived for over half his life as an exile.

And yet, what an extraordinary posthumous success! Within twenty-five years of his death the European working-class political parties founded in his name, or which acknowledged his inspiration, had between 15% and 47% of the vote in countries with democratic elections – Britain was the only exception. After 1918 most of them became parties of government, not only of opposition, and remained so after the end of fascism, but most of them then became anxious to disclaim their original inspiration. All of them are still in existence. Meanwhile disciples of Marx established revolutionary groups in non-democratic and third-world countries. Seventy years after Marx's death, one third of the human race lived under regimes ruled by communist parties which claimed to represent his ideas and realise his aspirations. Well over 20% still do, though their ruling parties have, with minor exceptions, dramatically changed their policies. In short, if one thinker left a major indelible mark on the twentieth century, it was he. Walk into Highgate cemetery, where a nineteenth-century Marx and Spencer – Karl Marx and Herbert Spencer – are buried, curiously enough within sight of each other's grave. When both were alive, Herbert was the acknowledged Aristotle of the age, Karl a guy who lived on the lower slopes of Hampstead on his friend's money. Today nobody even knows Spencer is there, while elderly pilgrims from Japan and India visit Karl Marx's grave and exiled Iranian and Iraqi communists insist on being buried in his shade.

The era of communist regimes and mass communist parties came to an end with the fall of the USSR, for even where they survive, as in China and in India, in practice they have abandoned the old project of Leninist Marxism. And when it did, Karl Marx found himself once again in no-man's land. Communism had claimed to be his only true heir, and his ideas

had been largely identified with it. For even the dissident Marxist or Marxist-Leninist tendencies that established a few footholds here and there after Khrushchev denounced Stalin in 1956 were almost certainly ex-communist breakaways. So, for most of the first twenty years after the centenary of his death, he became strictly yesterday's man and no longer worth bothering about. Some journalist has even suggested that this discussion tonight is trying to rescue him from 'the dustbins of history'. Yet today Marx is, once again, very much a thinker for the twenty-first century.

I don't think too much should be made of a BBC poll that showed British radio listeners voting him the greatest of all philosophers, but if you type his name into Google he remains the largest of the great intellectual presences, exceeded only by Darwin and Einstein, but well ahead of Adam Smith and Freud.

There are, in my view, two reasons for this. The first is that the end of the official Marxism of the USSR liberated Marx from public identification with Leninism in theory and with the Leninist regimes in practice. It became quite clear that there were still plenty of good reasons to take account of what Marx had to say about the world. And notably – this is the second reason – because the globalised capitalist world that emerged in the 1990s was in crucial ways uncannily like the world anticipated by Marx in the *Communist Manifesto*. This became clear in the public reaction to the 150th anniversary of this astonishing little pamphlet in 1998 – which was, incidentally, a year of dramatic upheaval in the global economy. Paradoxically, this time it was the capitalists and not the socialists who rediscovered him: the socialists were too discouraged to make much of this anniversary. I recall my amazement when I was approached by the editor of the in-flight magazine of United Airlines, 80% of whose readers must be American business travellers. I'd written a piece on the *Manifesto*; he thought his readers would be interested in a debate on the *Manifesto*, and could he use something

from my piece? I was even more amazed when, at lunch some time around the turn of the century, George Soros asked me what I thought of Marx. Knowing how widely our views differed, I wanted to avoid an argument so I gave an ambiguous answer. 'That man,' said Soros, 'discovered something about capitalism 150 years ago that we must take notice of.' And so he had. Soon after that writers who had never, so far as I am aware, been communists began to look at him again seriously, as in Jacques Attali's new life and study of Marx. Attali also thinks Karl Marx has much left to say to those who want the world to be a different and better society from the one we have today. It is good to be reminded that even from this point of view we need to take account of Marx today.

By October 2008, when the London *Financial Times* published its headline 'Capitalism in Convulsion', there could no longer be any doubt that he was back on the public scene. While global capitalism is undergoing its greatest disruption and crisis since the early 1930s, he is unlikely to make his exit from it. On the other hand, the Marx of the twenty-first century will almost certainly be very different from the Marx of the twentieth.

What people thought about Marx in the last century was dominated by three facts. The first was the division between countries in which revolution was on the agenda and those in which it wasn't, i.e. – speaking very broadly – the countries of developed capitalism in the North Atlantic and Pacific regions and the rest. The second fact follows from the first: Marx's heritage naturally bifurcated into a social-democratic and reformist heritage and a revolutionary heritage, overwhelmingly dominated by the Russian Revolution. This became clear after 1917 because of the third fact: the collapse of nineteenth-century capitalism and nineteenth-century bourgeois society into what I have called the 'Age of Catastrophe', between, say, 1914 and the late 1940s. That crisis was so severe as to make many doubt whether capitalism could recover. Was it not destined to be replaced by a socialist economy, as the far from Marxist Joseph

Schumpeter predicted in the 1940s? In fact capitalism did recover, but not in its old form. At the same time in the USSR a socialist alternative appeared to be immune to breakdown. Between 1929 and 1960 it did not seem unreasonable, even to many non-socialists who disapproved of the political side of these regimes, to believe that capitalism was running out of steam and the USSR was proving that it might outproduce it. In the year of Sputnik this did not sound absurd. That it was, became abundantly evident after 1960.

These events and their implications for policy and theory belong to the period after Marx's and Engels' death. They lie beyond the range of Marx's own experience and assessments. Our judgement of twentieth-century Marxism is not based on the thinking of Marx himself, but on posthumous interpretations or revisions of his writing. At most we can claim that in the later 1890s, during what was the first intellectual crisis of Marxism, the first generation of Marxists, those who had been in personal contact with Marx, or more likely with Frederick Engels, were already beginning to discuss some of the issues that became relevant in the twentieth century, notably revisionism, imperialism and nationalism. Much of later Marxist discussion is specific to the twentieth century and not to be found in Karl Marx, notably the debate on what a socialist economy could or should actually be like, which emerged largely out of the experience of the war economies of 1914–18 and the post-war quasi-revolutionary or revolutionary crises.

Thus the claim that socialism was superior to capitalism as a way to ensure the most rapid development of the forces of production could hardly have been made by Marx. It belongs to the era when inter-war capitalist crisis confronted the USSR of the Five-Year plans. Actually, what Karl Marx claimed was not that capitalism had reached the limits of its capacity to boost the forces of production, but that the jagged rhythm of capitalist growth produced periodic crises of overproduction which would, sooner or later, prove incompatible with a capitalist way

of running the economy and generate social conflicts which it would not survive. Capitalism was by its nature incapable of framing the subsequent economy of social production. This, he supposed, would necessarily be socialist.

Hence it is not surprising that 'socialism' was at the core of twentieth-century debates and assessments of Karl Marx. This was not because the project of a socialist economy is specifically Marxist – it isn't – but because all Marxist-inspired parties shared such a project and the communist ones actually claimed to have instituted it. In its twentieth-century form this project is dead. 'Socialism' as applied in the USSR and the other 'centrally planned economies', that is to say theoretically market-less state-owned and -controlled command economies, has gone and will not be revived. Social-democratic aspirations to build socialist economies had always been ideals for the future, but even as formal aspirations they had been abandoned by the end of the century.

How much of the model of socialism in the minds of social democrats, and the socialism established by communist regimes, was Marxian? Here it is crucial that Marx himself deliberately abstained from specific statements about the economics and economic institutions of socialism and said nothing about the concrete shape of communist society, except that it could not be constructed or programmed, but would evolve out of a socialist society. Such general remarks as he made on the subject, as in the *Critique of the Gotha Programme* of the German social democrats, hardly gave his successors specific guidance, and indeed these gave no serious thought to what they considered would be an academic problem or a utopian exercise until after the revolution. It was enough to know that it would be based – to quote the famous 'clause 4' of the Labour Party's constitution – 'on the common ownership of the means of production' which was generally understood as achievable by nationalising the country's industries.

Curiously enough, the first theory of a centralised socialist economy was not worked out by socialists but by a non-socialist

Italian economist, Enrico Barone, in 1908. Nobody else thought about it before the question of nationalising private industries came on the agenda of practical politics at the end of the First World War. At that point socialists faced their problems quite unprepared and without guidance from the past or anyone else.

'Planning' is implicit in any kind of socially managed economy, but Marx said nothing concrete about it, and when it was tried in Soviet Russia after the revolution it had largely to be improvised. Theoretically this was done by devising concepts (such as Leontief's input-output analysis) and providing the relevant statistics. These devices were later to be widely taken up in non-socialist economies. In practice it was done by following the equally improvised war economies of World War One, especially the German one, perhaps with special attention to the electrical industry about which Lenin was informed by political sympathisers among executives in German and American electrical firms. A war economy remained the basic model of the Soviet planned economy, that is to say an economy where certain targets are fixed in advance – ultra-speedy industrialisation, winning a war, making an atom-bomb or getting men on the moon – and then plans to achieve them by allocating resources whatever the short-term cost. There is nothing exclusively socialist about this. Working towards a priori targets may be done with more or less sophistication, but the Soviet economy never really got beyond this. And, though it tried from 1960 on, it could never get out of the catch-22 implicit in trying to fit markets into a bureaucratic command structure.

Social democracy modified Marxism in a different way either by postponing the construction of a socialist economy or, more positively, by devising different forms of a mixed economy. Insofar as social-democratic parties remained committed to the creation of a fully socialist economy, this implied some thought about the subject. The most interesting thinking came from non-Marxist thinkers like the Fabians Sidney and Beatrice Webb, who envisaged a gradual transformation of capitalism to

socialism by a series of irreversible and cumulative reforms and who therefore gave some political thought to the institutional shape of socialism, though none to its economic operations. The chief Marxian 'revisionist', Eduard Bernstein, finessed the problem by insisting that the reformist movement was everything and the final aim had no practical reality. In fact, most social-democratic parties which became parties of government after World War One settled for the revisionist policy, in effect leaving the capitalist economy to operate subject to meeting some of the demands of labour. The *locus classicus* of this attitude was Anthony Crosland's *The Future of Socialism* (1956), which argued that as post-1945 capitalism had solved the problem of producing a society of plenty, public enterprise (in the classical form of nationalisation or otherwise) was not necessary and the only task of socialists was to ensure an equitable distribution of the national wealth. All this was a long way from Marx, and indeed from the traditional socialist vision of socialism as essentially a non-market society, which probably Karl Marx also shared.

Let me just add that the more recent debate between economic neo-liberals and their critics about the role of the state and publicly owned enterprises is not a specifically Marxist or even socialist debate in principle. It rests on the attempt since the 1970s to translate a pathological degeneration of the principle of *laissez-faire* into economic reality by the systematic retreat of states from any regulation or control of the activities of profit-making enterprise. This attempt to hand over human society to the (allegedly) self-controlling and wealth- or even welfare-maximising market, populated (allegedly) by actors in rational pursuit of their interests, had no precedent in any earlier phase of capitalist development in any developed economy, not even the USA. It was a *reductio ad absurdum* of what its ideologists read into Adam Smith, as the correspondingly extremist 100% state-planned command economy of the USSR was of what the Bolsheviks read into Marx. Not surprisingly, this

'market fundamentalism', closer to theology than economic reality, also failed.

The disappearance of the centrally planned state economies and the virtual disappearance of a fundamentally transformed society from the aspirations of the demoralised social-democratic parties have eliminated much of the twentieth-century debates on socialism. They were some way from Karl Marx's own thinking, though very largely inspired by him and conducted in his name. On the other hand, in three respects Marx remained an enormous force: as an economic thinker, as a historical thinker and analyst, and as the recognised founding father (with Durkheim and Max Weber) of modern thinking about society. I am unqualified to express an opinion on his continued, but clearly serious, significance as a philosopher. Certainly what never lost contemporary relevance is Marx's vision of capitalism as a historically temporary mode of the human economy and his analysis of its ever-expanding and concentrating, crisis-generating and self-transforming *modus operandi*.

II

What is the relevance of Marx in the twenty-first century? The Soviet-type model of socialism – the only attempt to build a socialist economy so far – no longer exists. On the other hand there has been an enormous and accelerating progress of globalisation and the sheer wealth-generating capacity of humans. This has reduced the power and scope of economic and social action by nation-states and therefore the classical policies of social-democratic movements, which depended primarily on pressing reforms on national governments. Given the prominence of market fundamentalism it has also generated extreme economic inequality within countries and between regions and brought back the element of catastrophe to the basic cyclical

rhythm of the capitalist economy, including what became its most serious global crisis since the 1930s.

Our productive capacity has made it possible, at least potentially, for most human beings to move from the realm of necessity into the realm of affluence, education and unimagined life choices, although most of the world's population have yet to enter it. Yet for most of the twentieth century socialist movements and regimes still operated essentially within this realm of necessity, even in the rich countries of the West where a society of popular affluence emerged in the twenty post-1945 years. However, in the realm of affluence the aim of adequate food, clothing, housing, jobs to provide income and a welfare system to protect people against the hazards of life, though necessary, is no longer a sufficient programme for socialists.

A third development is negative. As the spectacular expansion of the global economy has undermined the environment, the need to control unlimited economic growth has become increasingly urgent. There is a patent conflict between the need to reverse or at least to control the impact of our economy on the biosphere and the imperatives of a capitalist market: maximum continuing growth in the search for profit. This is the Achilles heel of capitalism. We cannot at present know whose arrow will be fatal to it.

So how are we to see Karl Marx today? As a thinker for all humanity and not only for a part of it? Certainly. As a philosopher? As an economic analyst? As a founding father of modern social science and guide to the understanding of human history? Yes, but the point about him which Attali has rightly emphasised is the universal comprehensiveness of his thought. It is not 'interdisciplinary' in the conventional sense but integrates all disciplines. As Attali writes, 'Philosophers before him have thought of man in his totality, but he was the first to apprehend the world as a whole which is at once political, economic, scientific and philosophical.'

It is perfectly obvious that much of what he wrote is out of date, and some of it is not or no longer acceptable. It is also evi-

dent that his writings do not form a finished corpus but are, like all thought that deserves the name, an endless work in progress. Nobody is any longer going to turn it into a dogma, let alone an institutionally buttressed orthodoxy. This would certainly have shocked Marx himself. But we should also reject the idea that there is a sharp difference between a 'correct' and an 'incorrect' Marxism. His mode of enquiry could produce different results and political perspectives. Indeed it did so with Marx himself, who envisaged a possible peaceful transition to power in Britain and the Netherlands, and the possible evolution of the Russian village community into socialism. Kautsky and even Bernstein were heirs of Marx as much (or, if you like, as little) as Plekhanov and Lenin. For this reason I am sceptical of Attali's distinction between a true Marx and a series of subsequent simplifiers or falsifiers of his thought – Engels, Kautsky, Lenin. It was as legitimate for the Russians, the first attentive readers of *Capital*, to see his theory as a way for moving countries like theirs from backwardness to modernity through economic development of the Western type as it was for Marx himself to speculate whether a direct transition to socialism could not take place on the basis of the Russian village commune. Probably, if anything, it was more in line with the general run of Karl Marx's own thought. The case against the Soviet experiment was not that socialism could only be constructed after the whole world had first gone capitalist, which is not what Marx said, or can be firmly claimed to have believed. It was empirical. It was that Russia was too backward to produce anything other than a caricature of a socialist society – 'a Chinese empire in red' as Plekhanov is said to have warned. In 1917 this would have been the overwhelming consensus of all Marxists, including even most Russian Marxists. On the other hand the case against the so-called 'Legal Marxists' of the 1890s, who took the Attali view that the main job of Marxists was to develop a flourishing industrial capitalism in Russia, was also empirical. A liberal capitalist Russia wouldn't come about either under tsarism.

And yet a number of central features of Marx's analysis remain valid and relevant. The first, obviously, is the analysis of the irresistible global dynamic of capitalist economic development and its capacity to destroy all that came before it, including even those parts of the heritage of the human past from which capitalism had itself benefited, such as family structures. The second is the analysis of the mechanism of capitalist growth by generating internal 'contradictions' – endless bouts of tensions and temporary resolutions, growth leading to crisis and change, all producing economic concentration in an increasingly globalised economy. Mao dreamed of a society constantly renewed by unceasing revolution; capitalism has realised this project by historical change through what Schumpeter (following Marx) called unending 'creative destruction'. Marx believed that this process would eventually lead – it would have to lead – to an enormously concentrated economy – which is exactly what Attali meant when he said in a recent interview that the number of people who decide what happens in it is of the order of 1,000, or at most 10,000. This Marx believed would lead to the supersession of capitalism, a prediction that still sounds plausible to me but in a different way from what Marx anticipated.

On the other hand, his prediction that it would take place by the 'expropriation of the expropriators' through a vast proletariat leading to socialism was not based on his analysis of the mechanism of capitalism, but on separate a priori assumptions. At most it was based on the prediction that industrialisation would produce populations largely employed as manual wage-workers, as was happening in England at the time. This was correct enough as a middle-range prediction, but not, as we know, in the long term. Nor, after the 1840s, did Marx and Engels expect it to produce the politically radicalising pauperisation that they hoped for. As was obvious to both, large sections of the proletariat were not getting poorer in any absolute sense. Indeed, an American observer of the solidly proletarian congresses of the German Social Democratic Party in the 1900s

observed that the comrades there looked 'a loaf or two above poverty'. On the other hand, the evident growth of economic inequality between different parts of the world and between classes does not necessarily produce Marx's 'expropriation of the expropriators'. In short, hopes for the future were read into his analysis but did not derive from it.

The third is best put in the words of the late Sir John Hicks, an economics Nobel laureate. 'Most of those who wish to fit into place a general course of history,' he wrote, 'would use the Marxist categories or some modified version of them, since there is little in the way of alternative versions that is available.'

We cannot foresee the solutions of the problems facing the world in the twenty-first century, but if they are to have a chance of success they must ask Marx's questions, even if they do not wish to accept his various disciples' answers.