

# AN A-Z OF MARXISM

## Preface

This compilation of Marxist ideas and practices is aimed at the newcomer to the socialist movement who may be unfamiliar with socialist terminology and concepts. We have included suggested books for further reading and links to relevant websites in many of the entries.

Included are many biographical entries of individuals, movements and organisations of interest to the socialist movement. The inclusion of any of these should not necessarily be understood as an endorsement of their ideas and practices. Likewise, the suggested books and websites may contain views which are not necessarily the same as those of the Socialist Party. The website links are checked at the time of publication, but we cannot accept responsibility for their continuing availability.

We make no claim to final and definitive truth. We therefore invite comments, suggestions and criticisms for use in future editions of this compilation.

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## **Introduction**

### **Why Marxism?**

Now, when socialists are so very few, a higher degree of understanding of the workings of capitalism and the course of history are required of socialists (at least of organised socialists). This need not be the case when the socialist movement takes off and begins to become a mass movement. To be a socialist, all that is required is basically:

(a) To realise that capitalism does not work and cannot be made to work in the interest of the majority – those excluded from ownership and control of the means of life.

(b) To want socialism (as the common ownership and democratic control of the means of life, with production and distribution to directly satisfy people's needs) and understand its implications.

(c) To realise that socialism can only be established democratically by a majority who want and understand it.

These are relatively simple propositions and do not necessarily require much reading, or even being literate for that matter. However, today, most people don't accept (a) and don't want (b). So, the few of us today who are socialists must be able to convincingly argue that capitalism can't be reformed to work in the interest of the majority. Yes, this does require some reading (though it is also evident based on lived experience). Regarding (b), most people don't think it possible. So, here again, some knowledge of past and present societies is required. As to (c), the disagreement here is generally with people who already largely accept (a) and (b) but take the view that socialism could be achieved through some other means (e.g. minority insurrection, reformism, following leaders, dictatorship). Here again, this requires some knowledge of past attempts to escape from capitalism and why they failed. More reading.

Marxism is the theory and practice of (a), (b) and (c). Socialists today do need to be more well-read than most people are or need to be. But when the movement takes off, people who want socialism won't need to have read up on economics, history, anthropology, etc. They will just need to want socialism. This won't have come about purely from the arguments of socialists but also, to some extent, from external events making people discontented with capitalism (e.g. some ecological catastrophe or war). It will be the time for the growing socialist movement to be discussing how to bring it into being. So, we are not saying that to get socialism a majority will have had to have read Marx. And after socialism has been established Marxism will be redundant.

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**Abundance.** A situation where resources are more than enough to satisfy human needs, whereas scarcity is a situation where resources are insufficient to meet human needs. Socialists argue that capitalism has developed the means and forces of production so that abundance is possible when socialism has been established.

In capitalist economics human wants are said to always exceed available resources, so that abundance is impossible. In an influential essay the economist Lionel Robbins defined economics as 'the science which studies human behaviour as a relationship between ends and scarce means' (*Essay on the Nature and Significance of Economic Science*, 1932, <https://tinyurl.com/tsomvvg>).

Economists infer that because wants exceed the poverty imposed by the wages system then scarcity and capitalism must always exist.

#### **Reading**

Murray Bookchin, *Post-scarcity Anarchism*, 2004 (<https://tinyurl.com/zl77ve3>)

**Accumulation of capital.** The driving force of capitalism is the accumulation of capital through the extraction of surplus labour, as surplus value, from work in productive employment. The accumulation of capital is obtained by an increase in the stock of means of production, and invested money capital, from surplus value.

The imperative to accumulate operates independently of the will of individual capitalists: it is imposed on them by competition in the world market. After receiving their privileged income, capitalists re-invest surplus value in the means of production, thereby reproducing capital on an expanded scale.

#### **Reading**

Michael Lebowitz, *Beyond Capital*, 2003

**Alienation.** Karl Marx argued that human self-alienation arises from capitalist society and has four main aspects:

- Workers are alienated from the product of their labour, since others own what they produce, and they have no effective control over it because they are workers
- Workers are alienated from their productive activity. Employment is forced labour: it is not the satisfaction of a human need.
- Workers are alienated from their human nature, because the first two aspects of alienation deprive their work of those specifically human qualities that distinguish it from the activity of other animals.

- The worker is alienated from other workers. Instead of truly human relations between people, relations are governed by peoples' roles as agents in the economic process of capital accumulation.

### Reading

Bertell Ollman, *Alienation*, 1976

**Anarchism.** A general term for a group of diverse and often contradictory ideologies. All strands of anarchist thought however tend to see the source of human oppression and exploitation in external authority in general and the state in particular. Socialists, on the other hand, see oppression and exploitation in the social relationships of capitalism (which includes the state). There is some resemblance between socialism and anarchist-communism over the goal – but not over the means. Like all anarchists, they argue that the working class cannot, or should not, organise consciously and politically to capture state power, preferring instead either insurrection or (what amounts to the same thing) trying to change society whilst ignoring the state.

### Reading

An Anarchist FAQ: <https://tinyurl.com/p3lm99g>

Paul Thomas, *Karl Marx and the Anarchists*, 1985

**Ancient society.** 'In broad outline, the Asiatic, the ancient, feudal and modern bourgeois modes of production may be designated as epochs marking progress in the economic development of society' (Marx's Preface to *A Contribution to the Critique of Political Economy*, 1859 <https://tinyurl.com/r5xsgvb>). Marx's list of historical epochs is not comprehensive (it does not mention primitive communism), nor is it how social development has everywhere taken place (North America has never known feudalism). Ancient (Graeco-Roman) society reached its greatest extent in the second century AD, with the Roman Empire encompassing most of Europe, northern Africa and the Middle East.

In ancient society the predominant relations of production were the master and slave of chattel slavery. However, a society is not identified merely by its class relations: it is rather a specific mode of appropriation of surplus labour. Independent producers who were the forerunner of the medieval serf produced the surplus labour, appropriated as taxation. As the Roman Empire declined chattel slavery increased, but the increasing demands placed on the independent producers by an expanding and costly empire brought about (together with external invasion) internal collapse.

### Reading

G.E.M.de Ste. Croix, *The Class Struggle in the Ancient Greek World*, 1997

Lewis H. Morgan, *Ancient Society*, 1877 (<https://tinyurl.com/ullzuak>)

**Asiatic society.** In the 1859 Preface (see above), Marx had designated the Asiatic as one of the epochs marking progress in the economic development of society. He believed that the Asiatic mode of production was based on a class of peasant producers rendering tax-rent (in the form of money or produce) to a landlord state.

Marx gave the example of Mughal India, though the 'Asiatic' mode of production could also be found in Africa and pre-Columbian America. Marx said the consequences of this mode of production were despotism and stagnation. Asiatic society also goes under the name of 'Hydraulic Empire' and 'Oriental Despotism'.

### Reading

S.H. Rigby, *Marxism and History*, 1998

Karl Wittfogel, *Oriental Despotism*, 1957 (<https://tinyurl.com/tndgh7d>)

**Bakunin, Mikhail** (1814-1876). Bakunin was a non-communist anarchist who opposed authority from the point of view of peasants and workers. He thought that a spontaneous uprising would sweep away the state, but his belief in the cleansing benefits of violence was mystical:

*'Let us therefore trust the eternal Spirit which destroys and annihilates only because it is the unfathomable and eternally creative source of all life. The passion for destruction is a creative passion, too.'*

(The Reaction in Germany, 1842, <https://tinyurl.com/taepj5g>. Note that the last sentence is sometimes mistranslated as 'The urge to destroy is also a creative urge'.)

Revolutionary violence, it is claimed, would create a new society organised as a federation of communes with an individual's income being equal to their work. Bakunin's conspiratorialism and adventurism brought him into conflict with Marx in the First International. It ended with Bakunin being expelled in 1872. One consequence of this was that, to this day, anarchist criticism of Marxism centres on the alleged authoritarianism Marx displayed in the dispute. But the dispute was much more than a mere clash of personalities. In the first place, Bakunin rejected all forms of political action: Marx's insistence on the need to gain political power was anathema. Secondly, Bakunin believed that the state must be destroyed by conspiratorial violence, and Marx's proposed 'dictatorship of the proletariat' was rejected on the grounds that it would result in a new form of tyranny. Since Marx's day, however, the 'dictatorship of the proletariat' has taken on a different meaning, and anarchists have seized on it as proof of the authoritarian nature of Marxian socialism. But this is due to Lenin's distortion of the concept in the aftermath of the Russian revolution. For Marx the 'dictatorship of the proletariat' meant democratic control of the state by a politically organised working class—it didn't mean rule by a vanguard party, as Lenin claimed. Nevertheless, Marx put forward this concept in the circumstances prevailing in the nineteenth century, which in certain respects no longer apply.

In his *Conspectus of Bakunin's 'Statism and Anarchy'* (1874), Marx argued that, so long as a class of capitalists exist, the working class must make use of the state (the 'general means of coercion') to dispossess them of the means of production. Moreover, the working class 'employs means for its liberation which after this liberation fall aside' (<https://tinyurl.com/lstrtmu>).

This would be the most effective way of changing society because it minimises any potential for violence. With a socialist working class in control of the states through their use of their socialist parties, international capitalism can be replaced by world socialism. It is of course a great irony that anarchists should condemn this proposed course of action as potentially authoritarian, given their recipe for bloody civil war by waging violence against the state. In this respect they are closer to the Leninists than they might realise.

### Reading

Bakunin Archive: <https://tinyurl.com/6oa5bum>

Mark Leier, *Bakunin: The Creative Passion*, 2006

**Banks.** Financial intermediaries which accept deposits and pay interest (if any) to savers and lend at a higher rate to borrowers. The difference between the two is their profit, after paying costs. Banks and other financial institutions do not create wealth: their profits are ultimately derived from surplus value created in the production process.

Capitalist economics maintains that banks can create money by making loans. For instance, David Graeber (author of *Debt: The First 5000 Years*, 2013) has argued that: '*When banks make loans they create money... There's really no limit on how much banks can create, provided they can find someone willing to borrow it*' (The Guardian, <https://tinyurl.com/jt6o6z5>). But, if this were true, no bank would ever get into financial difficulty. They would simply pull themselves up by their own bootstraps by creating the required credit and money. The history of the collapse of banks shows that they cannot create money.

### Reading

*The Magic Money Myth*: <https://tinyurl.com/s9bk747>

**Bolshevism.** At the second Congress of the Russian Social Democratic Labour Party (RSDLP), held in London in 1903, a vote was taken on the composition of the editorial board of *Iskra*, the Party newspaper. The vote gave a majority to Lenin's group, who then assumed the name 'Bolsheviki' (the majority). The other wing of the RSDLP were known as the 'Mensheviki' (the minority), led by Julius Martov. These two titles are misleading, however, since what really separated the two wings of the RSDLP were the Party's conditions of membership. Under Lenin's influence, the Bolsheviks believed that, because the working class by themselves could only achieve a trade union consciousness, workers needed to be led to socialism by a vanguard party of professional revolutionaries. The Mensheviks, especially Martov, were critical of the elitist and highly undemocratic nature of Bolshevism. The Bolsheviks seized power in Russia during the October 1917 revolution.

### Reading

Paul Mattick, *Anti-Bolshevik Communism*, 1978 (<https://tinyurl.com/ugs7h3h>)

**Capital.** Capital is a social relation which expresses itself as a form of exchange value. As money capital it constitutes the accumulated unpaid surplus labour of the past appropriated by the capitalist class in the present. Capital can also take the

form of a sum of commodities (machinery, raw materials, labour power, etc.) used in the reproduction of exchange values.

Merchant (or Mercantile) capital formed part of the early (or 'primitive') accumulation of capital which preceded capitalist society proper. This form of wealth accumulation was based on trade. Capitalist society however is based on wealth *production*, where the means of production are generally used to exploit wage labour for profit. The means of production (land, factories, railways, etc.) take the form of capital and wealth production takes the form of commodity production.

Socialists want to abolish capital by establishing common ownership of the means of production, replacing production for profit with production solely for use.

### Reading

A. Saad-Filho & B. Fine, *Marx's 'Capital'*, 2016 (<https://tinyurl.com/rfty1xp>)

Ellen Meiksins Wood, *The Origin of Capitalism: A Longer View*, 2013

**Capitalism.** A system of society based on the class monopoly of the means of life, it has the following six essential characteristics:

1. Generalised commodity production, nearly all wealth being produced for sale on a market.
2. The investment of capital in production with a view to obtaining a monetary profit.
3. The exploitation of wage labour, the source of profit being the unpaid labour of the producers.
4. The regulation of production by the market via a competitive struggle for profits.
5. The accumulation of capital out of profits, leading to the expansion and development of the forces of production.
6. A single world economy.

Capitalism is not synonymous with free markets. Taken literally, free markets have never existed anywhere in the modern world. Even in what historians call 'the age of laissez-faire' (mid-nineteenth century Britain and North America), this period was characterised by increasing government intervention to overcome the problems thrown up by laissez-faire capitalism. Capitalism in practice can vary from time to time and from place to place – more or less market freedom and more or less state intervention – depending on the historical circumstances.

### Reading

A. Buick & J. Crump, *The Alternative to Capitalism*, 1987

(<https://tinyurl.com/sb3k3uf>)

Arthur J. Taylor, *Laissez-faire and State Intervention in Nineteenth Century Britain*, 1972

**Capitalist class** (or **Bourgeoisie**). Capitalists personify capital. Because they possess the means of production and distribution, whether in the form of legal property rights of individuals backed by the state or collectively as a bureaucracy through the state, the capitalist class lives on privileged incomes derived from surplus value.

The capitalists personally need not – and mostly do not – get involved in the process of production. Social production is carried on by capitalist enterprises which are overwhelmingly comprised of members of the working class.

**Reading**

Hal Draper, *Karl Marx's Theory of Revolution, Vol. 2: The Politics of Social Classes*, 1978

**China.** Mao Zedong (or Mao Tse-tung) helped to form the Chinese Communist Party (CCP) in 1921. After the Second World War all the major Chinese cities, previously controlled by the Japanese, fell into control of the nationalists, the Kuomintang, led by Chiang kai-shek. However, the Kuomintang soon became discredited in the eyes of the peasants and by 1947 civil war broke out between the Communists and the Kuomintang. In September 1949 Chiang kai-shek and other Kuomintang leaders fled to Taiwan. On 1 October 1949 Mao proclaimed the inauguration of the Peoples' Republic of China.

Mao launched the disastrous Great Leap Forward (1958-61) in an attempt to hasten economic development. He also instituted the Cultural Revolution (1966) to re-establish revolutionary fervour and get rid of his opponents. Mao modelled the development of Chinese industry on Russian State capitalism, and this model of development continued after the Sino-Soviet split in 1960. Since Mao's death in 1976 the development of capitalism in China, on a more market-orientated basis, has continued under the tight control of the CCP.

**Reading**

John Keay, *China: A History*, 2008

**Class.** People are divided into classes according to their social relationship to the means of wealth production and distribution. These classes have changed according to changing historical and social conditions (e.g. slaves and masters, peasants and lords). In capitalism people are divided into those who possess the means of production in the form of capital, the capitalist class, and those who produce but do not possess, the working class (which includes dependants).



The working class, as they have no other property to sell on a regular basis, live by selling their labour power for a wage or a salary. This class therefore comprises unskilled, semi-skilled, skilled, professional, and unemployed workers. It includes those at various stages of the reproduction cycle of labour power, such as students, housewives and pensioners. This class runs society from top to bottom. The capitalist class, on the other hand, does not have to work in order to get an income. They draw rent interest and profit (surplus value) because they own the means of life.

Of course, there are other social groups such as peasants and small proprietors, but these are incidental to capitalism. As a system of society which predominates throughout the world, capitalism is based on the exploitation of the working class by the capitalist class through the wages system. Nor does the number of jobs in management and the professions alter the situation. For the most part they too are workers compelled to sell their labour power and suffer unemployment. Even if there has been some separation of ownership and control of capitalist enterprises, the capitalists still maintain a privileged income through their ownership. They still possess but do not produce.

### **Reading**

Hal Draper, *Karl Marx's Theory of Revolution, Vol. 2: The Politics of Social Classes*, 1978

**Class-consciousness.** The objective social position of the working class is that they stand in an antagonistic relation to the capitalist class. When the working class become aware of this antagonism, the subjective dimension of class, they can abolish capitalism and establish socialism. As Marx put it, workers would develop from a class in itself (a common class position but without workers being aware of it), to become a class 'for itself' (a collective awareness among workers of their class position). (*The Poverty of Philosophy*, 1847, <https://tinyurl.com/ubj57qk>).

Class-consciousness develops mainly out of the working class's everyday experiences of the contradictions of capitalism (poverty amidst plenty, etc.). These contradictions are, in turn, derived from the most basic contradiction of capitalism: the contradiction between social production and class ownership of the means of production.

**Class struggle.** 'The history of all hitherto existing society is the history of class struggle' (*Communist Manifesto*, 1848 <https://tinyurl.com/xn9zchd3>). Marx and Engels later qualified this to refer to written history in order to take account of early primitive communist societies in which class divisions had not yet emerged. In ancient society the struggles were between slave owners and slaves. In feudal society between lords and serfs. And in capitalism, capitalists and workers.

These struggles have been over the distribution of the social product, the organisation of work, working conditions and the results of production. The class struggle is more than a struggle over the level of exploitation, however. Ultimately it is a struggle over the ownership and control of the means of production and distribution. Throughout history, classes excluded from the ownership and control of the means of production and distribution have been driven by their economic situation to try to gain such ownership through gaining political power.

**Climate change.** The claim, for which there is overwhelming scientific evidence, that global warming is taking place as a result of human activity, especially through the emissions of greenhouse gases (e.g. carbon dioxide, methane) which artificially warm the atmosphere of the Earth. Since 1880 the average temperature on the planet has increased by 0.8 degrees Celsius and two-thirds of that increase has occurred since 1975 (Earth Observatory, <https://tinyurl.com/y4alkbvo>). The result is rising sea levels and more frequent extreme weather events (e.g. floods, storms). These are expected to become more severe.

The global context for climate change has been industrialisation driven by the imperative for economic growth. All over the world, enterprises and states seek to minimise costs and releasing greenhouse gases into the environment is a way of reducing monetary costs. Human and environmental needs always come second, if at all, in the profit system. Capitalism's primary imperative is always to produce more and accumulate capital or otherwise lurch into economic crisis.

Reformists claim that we can't wait for socialism and something must be done now. But this assumes that a solution can be implemented within capitalism. If it can't, as socialists maintain, then concentrating on 'something now' rather than changing the basis of society will be a waste of valuable time while the situation gets worse.

### **Reading**

D. Helm & C. Hepburn (eds.), *The Economics and Politics of Climate Change*, 2011 Intergovernmental Panel on Climate Change: <https://tinyurl.com/3e3zv>

**Commodity.** Commodities are items of wealth that have been produced for sale. Commodities have been produced in pre-capitalist societies, but such production was marginal. It is only in capitalism that it becomes the dominant mode of production, where goods and services are produced for sale with a view to profit.

Under capitalism the object of commodity production is the realisation of profit when the commodities have been sold. These profits are mostly re-invested and accumulated as capital. Commodities must be capable of being reproduced, and this includes the uniquely capitalist commodity of human labour power.

## Reading

Paresh Chattopadhyay, *Socialism and Commodity Production*, 2018

**Common ownership.** If everyone owns the means of wealth production and distribution then, to put it another way, nobody owns them. The concept of property in the sense of exclusive possession then becomes meaningless. Common ownership is a social relationship and not a form of legal property ownership. This social relationship will be one of equality between people regarding the control of the use of the means of production. In practical terms, common ownership means democratic control of the means of production by the whole community. Common ownership is therefore synonymous with democracy.

**Communism.** The word 'communism' originated in Victor d'Hupay's book *Projet de communauté philosophe (Project for a Philosophical Community)* in 1777, which advocated communes and sharing. The term came into general use in revolutionary groups in France in the 1830s. At about the same time, Owenite groups in Britain were first using the word 'socialism'. Marx and Engels used both words interchangeably. In fact, in Marx and Engels' earlier years on the continent they usually referred to themselves and the working-class movement as communist. Later in Britain they would often use the term socialist. In his *Critique of the Gotha Programme* (1875), Marx made a distinction between two stages of 'communist society', both based on common ownership: a lower stage, with individual consumption being rationed, possibly by the use of labour-time vouchers, and a higher stage in which each person contributes to society according to ability and draws from the common stock according to needs. In both stages, however, there would be no money economy or state.

Lenin, in his *State and Revolution* (1917), made famous the description of these two stages as 'socialism' and 'communism' respectively, in which there would be a money economy and state in the transitional society of 'socialism'. Socialists use the words socialism and communism interchangeably to refer to the society of common ownership, thereby denying the Leninist claim that there is a need for a transitional society.

## Reading

M. Rubel & J. Crump, *Non-Market Socialism in the Nineteenth and Twentieth Centuries*, 1987 (<https://tinyurl.com/y2ops3wj>)

George Lichtheim, *A Short History of Socialism*, 1983

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**Communist Manifesto.** Originally published in German in 1848 with the title *Manifest der Kommunistischen Partei (Manifesto of the Communist Party)*. The *Manifesto* was issued in the name of the Communist League, a loose grouping of mainly German refugees in London. No author was credited.

The theoretical concerns of the *Manifesto* are universal, but the concrete demands of the *Manifesto* were German. A theoretical demand, for example, is 'the Communistic abolition of buying and selling.' Yet, in the *Manifesto*, the League 'turn their attention chiefly to Germany, because that country is on the eve of a bourgeois revolution.' That is the context within which the *Manifesto* was issued. Later in 1848 the Central Committee of the Communist League issued its 'Demands of the Communist Party in Germany'. This seventeen-point programme updated the *Manifesto's* immediate demands to the changed German conditions. It argued: 'It is to the German proletariat, the petit bourgeoisie, and the small peasantry to support these demands with all possible energy.' In short, Marx, the League and the immediate measures in the *Manifesto* were encouraging a bourgeois-democratic revolution.

In the circumstances of the time it seemed logical to Marx and the League that they should accept that for the moment their interests coincided with those of the bourgeois democrats, until such time as the absolutist regimes had been overthrown, and should then continue their struggle against the new bourgeois regimes. It was assumed that the 'bourgeois democratic' governments could be placed in the situation of immediately losing all backing among workers (Marx's and Engels' *Address of the Central Committee to the Communist League*, 1850, <https://tinyurl.com/mgtye6k>).

At the end of its second section the *Manifesto* lists ten measures which 'will, of course, be different in different countries'. And when the *Manifesto* was reprinted in 1872, Marx and Engels stated in the Preface that 'no special stress is laid on the revolutionary measures proposed at the end of Section 2. That passage would, in many respects, be very differently worded today.' Germany had become a unified bourgeois state the year before. In fact, some of the measures at the end of Section 2 have since been implemented within clearly capitalist and state capitalist regimes.

### Reading

*Manifesto of the Communist Party*: <https://tinyurl.com/m6gme24>

Frederic Bender, *The Communist Manifesto* (Norton Critical Edition), 1988

**Communist Party.** In the *Manifesto of the Communist Party*, Communists are said to be distinctive only in always emphasising 'the common interests of the entire proletariat'.

In Russia the Bolshevik section of the Russian Social Democratic Labour Party changed its name to the Russian Communist Party (Bolshevik), after its seizure of power in 1917. From 1952 it was called the Communist Party of the Soviet Union (CPSU). The Communist Party of Great Britain (CPGB) was formed in 1920 and took

its political line (and, until its demise, much of its money) directly from Moscow. During the 1970s many European Communist Parties began to re-assess their bloody, anti-working-class history. One by one they adopted 'Eurocommunism' and attempted to distance themselves from the CPSU and their Stalinist past. Following the fall of the Kremlin Empire in 1989, however, the Communist parties lost all credibility, and many changed their name and ideology. The CPSU became the Communist Party of the Russian Federation and is now a supporter of market and state capitalism. In Britain the CPGB became the Democratic Left, a pressure group for various reforms, before collapsing completely after a few years. The tradition of the old CPGB is carried on by the Communist Party of Britain, which publishes the Morning Star. There is also a new CPGB which publishes the Weekly Worker, but this group merely usurped the name when the old CPGB dropped it. They are a Leninist sect which is not in the CPGB tradition).

### **Reading**

Stuart Macintyre, *A Proletarian Science*, 1987

**Contradiction.** In capitalist society there is a contradiction, or conflict of material interests, between the class monopoly of the means of wealth production and distribution and the social process of production. Capitalism, in other words, subordinates production to privileged class interests. Profits take priority over needs. From this essential contradiction of capitalism others follow, such as famine amidst plenty, homelessness alongside empty buildings, pollution as a way of 'externalising' (i.e. reducing) costs, and so on.

Socialist society will end these contradictions because it will bring social production into line with social ownership and therefore into line with social needs.

**Co-operatives.** Enterprises which are nominally jointly owned and controlled by their members. The origins of the co-operative movement go back to Robert Owen in the early nineteenth century. As an alternative route to socialism it has been a failure, although the modern co-operative movement continues to draw inspiration from examples such as Mondragon in Spain.

Some supporters of capitalism are also supporters of co-operatives. They see them as a way of mitigating the class struggle and persuading workers that they have an interest in accepting 'realistic' (i.e. lower) wages. However, co-operatives do not give workers security of employment or free them from exploitation.

Co-operatives cannot be used as a means for establishing socialism. As long as the capitalist class control political power, which they will be able to continue to do for as long as there is a majority of non-socialists, capitalist economic relations (commodity production, wage labour, production for profit, etc.) will be bound to prevail and these will control the destiny of co-operatives. Co-operatives usually only flourish to the extent that they can be successfully accommodated within capitalism.

**Crises.** Capitalist production goes through a continuous cycle of boom, crisis and depression. A boom is a period when most industries are working to full capacity and unemployment is correspondingly low. A crisis is the sudden break that brings the boom to an end. A depression is the decline of production and increase of unemployment that comes after the crisis. It is important to recognise the difference between the two latter stages of the trade cycle, because the factors that govern the period up to the crisis and the crisis itself are different to the factors which operate during the period of depression.

A booming economy will go into a phase of 'over-trade' when a key industry, or a number of industries, find that they have produced more than they can sell at a profit in their particular market. Then comes the sudden crisis, followed by depression. This cycle is natural for capitalism and does not mean that something has gone wrong with the economy. The trigger for the global financial crisis of 2008 is to be found in overproduction in the US housing market.

### **Reading**

Guglielmo Carchedi & Michael Roberts, *World in Crisis*, 2018

Simon Clarke, *Marx's Theory of Crisis*, 1994 (<https://tinyurl.com/yx56l5fy>)

**Cuba.** The national liberation movement in Cuba succeeded with an assault on Fort Moncada on 26 July 1953 and ended with the seizure of power by Fidel Castro and his July 26 Movement on 2 January 1959. This overthrew the corrupt and brutal regime of Fulgencio Batista.

After the revolution, in February 1960, a trade and credit agreement with Russia was signed. In April, Russian oil began to arrive in Cuba and, when the American-owned oil companies refused to refine it, Castro confiscated the Texaco, Shell and Standard Oil refineries. Between August and October 1960 Castro nationalised virtually all American-owned properties and most large Cuban-owned businesses. In October the United States announced a total trade embargo with Cuba. So, to survive the economic isolation, Castro looked towards the 'Communist bloc'.

In April 1961, the day before the Bay of Pigs invasion, Castro officially declared that Cuba's revolution was retrospectively 'socialist'. By a convenient coincidence, and with no previous interest in left-wing ideology, in December 1961 Castro announced that he was now a 'Marxist-Leninist'. In October 1965 the Communist Party of Cuba was formed. However, for several years it had no programme or statutes (its first Congress was held ten years later, in December 1975), and was essentially an organisational extension of Castro's personal authority. Brought to power by mass support for national liberation, Castro and his ruling party (with his brother Raul as leader between 2008 and 2018), continue the development of capitalism in Cuba.

### **Reading**

Chomsky, et al, *The Cuba Reader: History, Culture, Politics*, 2004

**Darwin, Charles** (1809-1882). Born and educated in Shrewsbury, passing on to Cambridge University to study theology. He sailed on a naturalist expedition in the *Beagle* (1831-1836), and on returning he spent over twenty years developing his hypothesis that species evolve by the process of natural selection. In 1859 his

theories were published in *On the Origin of Species by Means of Natural Selection, or the Preservation of Favoured Races in the Struggle for Life* (usually abbreviated to *Origin of Species*). His theories created a major sensation, and their influence went far beyond the biological sciences, helping to create the scientific outlook of the late nineteenth century.

Marx thought very highly of *Origin of Species* and sent Darwin a presentation copy of *Capital*. But he did not, as sometimes claimed (e.g. Isaiah Berlin's biography *Karl Marx*, <https://tinyurl.com/qu429d2>), offer to dedicate *Capital* to Darwin. Rather it was Marx's son-in-law, Edward Aveling, who offered to dedicate one of his own books to Darwin. Darwin never read *Capital* and he rejected Aveling's offer.

### Reading

Darwin online: <https://tinyurl.com/y8ab6s>

**Darwinism.** Darwin's theory of organic evolution through natural selection. Combined with gene theory as the 'modern synthesis', it is the 'theory that evolution is guided in adaptively non-random directions by the non-random survival of small random hereditary changes' (Richard Dawkins). However, Darwinism has become confused with the notions of 'survival of the fittest' and 'social Darwinism'.

In the fifth edition of *Origin of Species* (1869), at the suggestion his friend and colleague, Alfred Russel Wallace, Darwin first introduced the notorious phrase 'survival of the fittest'. Wallace had taken this phrase from the writings of Herbert Spencer, a well-known champion of free market capitalism in late nineteenth century Britain. In Spencer's social philosophy, which would later be called 'Social Darwinism', social organizations operate on exactly the same principles as biological organisms. But Darwin had never taken any of Spencer's ideas on social evolution seriously and the phrase 'survival of the fittest' is at odds with Darwin's own ideas about natural selection by adaptation.

### Reading

Janet Browne, *Darwin's Origin of Species*, 2007

Charles Darwin, *Origin of Species*: <https://tinyurl.com/yhq3h8>

Richard Dawkins, *A Devil's Chaplain*, 2003

**De Leon, Daniel** (1852-1914). De Leon joined the Socialist Labor Party in the United States in 1890. As editor of the SLP paper *The People*, De Leon was an outstanding advocate of Marxism until his death in 1914. In 1903 a Socialist Labour Party was formed in Britain, which broke away from the SDF a year before the SPGB and modelled its ideas on the industrial unionist policy of De Leon and the American SLP. On the political front, De Leon firmly rejected reformism and argued for the capture of political power solely to protect the establishment of socialism, which he envisaged as revolutionary industrial unions taking over and running the means of production. In 1905 he joined in founding the Industrial Workers of the World (the 'Wobblies'), a syndicalist organisation.

### Reading

Stephen Coleman, *Daniel De Leon*, 1990

De Leon online: <https://tinyurl.com/4jx8mb7n>

Frank Girard & Ben Perry, *Socialist Labor Party, 1876-1991: A Short History*, 1991 (<https://tinyurl.com/t74r856>)

**Democracy.** A term which originated in ancient Greece where it meant rule by the citizens (which excluded the majority: foreigners, women and slaves). In the modern world, 'liberal democracy' means little more than regular elections in which competing political parties put up candidates for government office, offering voters the chance to choose between marginally different sets of policies. This is to be preferred to those conditions in countries where even these limited rights do not exist. However, 'liberal democracy' does not constitute a meaningful conception of democracy. Socialists argue that all governments, no matter how well-intentioned or enlightened, in trying to administer the capitalist system as a whole ('the national interest'), usually pursue policies that favour the capitalist class and have to if they want to avoid provoking an economic crisis and depression.

In socialist society the machinery of government of the states of the world will have given way to democratic administration at local, regional and global levels. Real democracy will involve equality between all people regarding the control of the use of the means of production.

#### **Reading**

Keith Graham, *The Battle of Democracy*, 1986

**Depression.** Capitalist production goes through continuous cycles of boom, crisis and depression. In a boom some industries, encouraged by high profits, produce more than can be profitably sold in a particular market. A crisis then occurs. And, if the combined effect is large enough, it is followed by a depression as other industries get sucked into the downward spiral of unsold commodities and falling profits. Businesses then curtail production, or close down altogether, and lay off workers. Eventually the conditions for profitable production are restored (less competition as competitors go bust, a devaluation of capital assets, an increased rate of exploitation, higher profits, etc.) and business booms ... but only to repeat the cycle.

The term *recession* is sometimes used instead of depression. The UK Treasury defines a recession as negative economic growth for two consecutive quarters (BBC Report, <https://tinyurl.com/y6s38rzy>). Other states define recessions differently, but it is typical of media commentary that they will attempt to explain the cause of a recession as a lack of spending (or a lack of 'consumer confidence') rather than a lack of profit.

#### **Reading**

Andrew Kliman, *The Failure of Capitalist Production: Underlying Causes of the Great Recession*, 2011 (<https://tinyurl.com/tmkz2xr>)

**Dialectic.** For Socrates it was teasing out the threads of an argument by asking questions. In Hegel's philosophy it was the development of the idea through history. With Marx and Engels, however, there is some dispute as to what their version of the dialectic means, or even if they were both talking about the same thing. This



apparent confusion is compounded by Plekhanov's term 'dialectical materialism', a phrase not used by Marx or Engels, yet this was designated the official philosophy of state capitalist Russia in the years after the Bolshevik revolution.

For Marx it seems that his dialectic has two main features. First, it is a philosophy of *internal relations*. Capitalism is a system constituted by its social relations of production, and a change to one relationship will have consequences for the whole system. This philosophical viewpoint tries to understand that process. Second, it is a method of *abstraction*. The key social relationships of capitalism (e.g. value, commodity, class) depend upon, but are not reducible to, material objects. They can only be comprehended as abstractions, but they are nonetheless real and can affect our lives profoundly when they mean that profit-making takes priority over human needs.

According to Bertell Ollman:

*'Dialectics is not a rock-ribbed triad of thesis-antithesis-synthesis that serves as an all-purpose explanation; nor does it provide a formula that enables us to prove or predict anything; nor is it the motor force of history. The dialectic, as such, explains nothing, proves nothing, predicts nothing, and causes nothing to happen. Rather, dialectics is a way of thinking that brings into focus the full range of changes and interactions that occur in the world.'*

### **Reading**

Bertell Ollman, *Dance of the Dialectic*, 2003

**Dictatorship.** Under a dictatorship the traditional forms of working class political and economic organisation are denied the right of legal existence. Freedom of speech, assembly and the press are severely curtailed and made to conform to the needs of a single political party that has for the time being secured a monopoly in the administration of the state machine.

The concept of the 'dictatorship of the proletariat' has a central place in Leninist thought. The phrase was used by Marx and Engels to mean working-class conquest of political power. In *State and Revolution* (1917), however, Lenin wrote of his party as the vanguard of the working class 'leading the whole people to socialism' (<https://tinyurl.com/qlu6yld>). The Leninist theory of the vanguard party leads inevitably to the dictatorship over the proletariat.

### **Reading**

Hal Draper, *The 'Dictatorship of the Proletariat' in Marx and Engels*, 1987  
(<https://tinyurl.com/tpertvu8>)

**Direct action.** A form of civil disobedience in which people seek immediate remedies to political, social and environmental problems. Modern direct action movements, which can be violent or non-violent, often combine environmentalist and anarchist strands of thought. Because of the perceived urgency for 'something now', direct action shuns electoral activity. At the time of writing, the main direct action group is Extinction Rebellion.

Extinction Rebellion describe themselves as ‘a leaderless, decentralised, international and apolitical network using non-violent direct action and civil disobedience to persuade governments to act justly on the Climate and Ecological Emergency’ (<https://tinyurl.com/uay58u2>). Examples of XR activity include mass demonstrations which block roads and bridges, and activists super-glued themselves to the gates of Buckingham Palace.

As they have not shown that they represent the majority view, direct action necessarily involves imposing their views and actions on the wider community. Nor is there any reason to suppose that there would be meaningful ‘consciousness-raising’ created by direct action, since a consideration of the socio-economic context of the emergency is actively discouraged.

### **Reading**

Extinction Rebellion: <https://tinyurl.com/y3hlpqmj>

**Ecology.** In 1871 the German biologist Ernst Haeckel coined the word ‘ecology’. It derives from the Greek word ‘oikos’ meaning ‘house’ or ‘habitat’ and can be defined as the study of relationships between organisms and their environment or natural habitat. Under the present economic system production is not directly geared to meeting human and environmental needs but rather to the accumulation of profits. As a result, not only are basic needs far from satisfied but also much of what is produced is pure waste. For instance, all the resources involved in commerce and finance, the mere buying and selling of things and those poured into armaments. Moreover, capitalist states, industries and even individuals are encouraged by competition in the market to externalise their costs (‘externalities’ as economists call them) by dumping unwanted waste products into the environment. The whole system of production, from the methods employed to the choice of what to produce, is distorted by the imperative to accumulate without consideration for the longer term and global factors that ecology teaches are vitally important. The overall result is an economic system governed by blind economic forces that oblige decision-makers, however selected and whatever their personal views or sentiments, to plunder, pollute and waste.

If we are to meet our needs in an ecologically acceptable way we must first be able to control production – or, put another way, able to consciously regulate our interaction with the rest of nature – and the only basis on which this can be done is the common ownership and democratic control of the means of production, with production solely for human and environmental needs.

### **Reading**

Paul Burkett, *Marx and Nature*, 2014

**Economic Calculation Argument.** The claim made by the Austrian economist Ludwig von Mises (1881-1973) and others that, in the absence of market prices, a socialist society would be unable to make rational choices concerning the allocation of resources. But as Robin Cox points out, this argument merely amounts to the tautology that 'only a market economy is able to perform economic calculations couched in market prices' and that it is 'reading into socialism the functional requirements of capitalism.' Rather, it is the wasteful, destructive and exploitative capitalist system that is incapable of rationally allocating resources. That is why the Socialist Party exists and constitutes the case for socialism.

Socialism will be a system of production for use in direct response to needs, without the need for society-wide planning for all production. The operational basis for this system would be calculation in kind (e.g. tonnes, kilos, litres) instead of monetary calculation.

### **Reading**

Robin Cox, *The "Economic Calculation" controversy: unravelling of a myth*, 2005 (<https://tinyurl.com/y2ozt727>)

L.V. Mises, *Economic Calculation in the Socialist Commonwealth*, 1920 (<https://tinyurl.com/y7dguva4>)

**Economics.** Up to the late nineteenth century it had the more accurate name of Political Economy, but since then capitalist economics has become mainly concerned with price formation. Marxian economics on the other hand explains how, under capitalism, wealth production is governed by forces based on exchange value which operate independently of human will. These forces impose themselves as external, coercive laws when people make decisions about the production of wealth. In other words, the social process of wealth production under capitalism is an economy governed by economic laws and studied by a special discipline, economics.

Socialism will re-establish conscious human control over wealth production. Therefore, socialism will abolish capitalism's economic laws and so also 'the economy' as the field of human activity governed by their operation. Hence socialism will make economics, including Marxian economics, redundant.

### **Reading**

Sarkar B. & Buick A., *Marxian Economics and Globalization*, 2009

**Engels, Friedrich** (1820-1895). Born in 1820 in what is now called Wuppertal in Germany, he was the eldest son of a textile capitalist. Engels was trained for a career as a merchant, but in 1841 he went to Berlin and became closely involved with the Young Hegelians, a group of left-wing philosophers with whom Marx had also been involved. While in Berlin he did his military service in an artillery regiment,

and for the rest of his life he took a keen interest in military matters. Later on, in the Marx household he was known as 'The General' and in the socialist movement as 'Marx's General'. In 1842 Engels became a socialist – before and independently of Marx – and went to Salford to work in his father's business.

In 1843 Engels wrote *Outlines of a Critique of Political Economy*, which Marx published in a journal he edited. This article influenced Marx on the importance of economics over philosophy. In England Engels became interested in the struggles of the English working class. His research resulted in *The Condition of the Working Class in England*, first published in German in 1845 and in English in 1887. It recorded the absolute poverty of the families in Manchester and their degrading working conditions. Based on first-hand observation and local sources it is still an important primary source for historians. This book greatly impressed Marx and it marked the beginning of their life-long friendship. In a Preface for the 1892 edition, Engels wrote that 'the most crying abuses described in this book have either disappeared or have been made less conspicuous.' This is why 'in 1844' was then added to the book's title. Engels went on to say:

*It will be hardly necessary to point out that the general theoretical standpoint of this book – philosophical, economical, political – does not exactly coincide with my standpoint of to-day. Modern international Socialism, since fully developed as a science, chiefly and almost exclusively through the efforts of Marx, did not as yet exist in 1844 (<https://tinyurl.com/y3g93tzb>).*

Engels met Marx in Paris and agreed to produce a political satire aimed at the Young Hegelians: *The Holy Family* (1845). Engels and Marx then began writing *The German Ideology* in November 1845 and continued to work on it for nearly a year before it was abandoned unfinished, as Marx put it, to 'the gnawing criticism of the mice' (teeth marks of mice were subsequently found on the manuscript). This work contains an attack on the Young Hegelians (the German ideology in question) and in so doing they set out the basic principles of their materialist conception of history:

*The premises from which we begin are not arbitrary ones, not dogmas, but real premises from which abstraction can only be made in the imagination. They are the real individuals, their activity and the material conditions under which they live, both those which they find already existing and those produced by their activity (<https://tinyurl.com/jv6cgvx>).*

These key concepts would provide the guiding thread for their researches of the past and present. Engels would later label this materialism 'historical materialism', but it should be noted that the materialism here is not a philosophy of knowledge, as it is

usually understood in philosophy. It is in the practical sense of the word (not in its acquisitive sense) that socialists are said to be materialists in outlook. This may look uncontroversial now but at the time it was a revolutionary way of thinking. The widely influential German philosopher Hegel, for instance, conceived human history as the unfolding of an idea.

In 1848 the *Manifesto of the Communist Party* (now usually known as the *Communist Manifesto*) was published. Engels was not involved in writing the *Manifesto* but in the 1888 revised English edition he claimed joint authorship with Marx, who had died five years earlier. The revised edition sometimes improves on the original as, for example, this classic statement of the socialist revolution:

*All previous historical movements were movements of minorities, or in the interest of minorities. The proletarian movement is the self-conscious, independent movement of the immense majority, in the interest of the immense majority* (<https://tinyurl.com/m6gme24>).

Engels had a better grasp of the English language than Marx, and he put it to good use in the many newspaper articles he wrote, some of which were published with Marx's name as author. In the short book *The Peasant War in Germany* (1850) Engels drew comparisons between an early sixteenth century uprising and the recent revolutions in Europe. It could also bear comparison between those revolutions and the Bolshevik revolution in Russia in 1917:

*The worst thing that can befall a leader of an extreme party is to be compelled to take over a government in an epoch when the movement is not yet ripe for the domination of the class which he represents and for the realisation of the measures which that domination would imply* (<https://tinyurl.com/y3xahowq>).

In 1850 Engels re-joined the family firm in Salford, where he stayed until 1870, helping Marx financially and journalistically. Engels also developed his own lines of interest, especially in the natural sciences, and one result of his studies was his notes published in 1925 as *Dialectics of Nature*. According to Tristram Hunt, a few years previously the manuscript was in the possession of Eduard Bernstein, acting as Engels' literary executor, who sent it to Albert Einstein for comment. Einstein thought the science was confused. (*The Frock-Coated Communist: The Revolutionary Life of Friedrich Engels*, 2009).

In 1878 he was able to retire and move to London. As Marx became less politically active due to ill health, Engels took on more responsibility for setting out what was

becoming known as 'Marxism'. In 1878 *Herr Eugen Dühring's Revolution in Science* (subsequently abbreviated to *Anti-Dühring*) appeared. In an 1885 Preface, two years after Marx's death, Engels claimed that the arguments used against the German philosopher Dühring were mainly Marx's 'and only to an insignificant degree by myself'. Engels then said: 'I read the whole manuscript to him before it was printed'. However, Terrell Carver has flagged this comment as odd (*Engels: A Very Short Introduction*, 2003). The implication of Engels' comment is that Marx agreed with everything in the book. But with a large, closely argued book like this it seems implausible.

In *Anti-Dühring* Engels wrote that the dialectic is 'the science of the universal laws of motion and evolution in nature, human society and thought' (<https://tinyurl.com/y4tr6stl>). Marx's scattered comments on science and the dialectic could never be construed as making such a bold claim. That there are universal laws of motion in physics and of evolution in biology may be conceded, but it is more contentious to say that there are entirely equivalent laws of motion or evolution in human society. Like some other thinkers of the time, Engels had difficulty in disentangling philosophy from science.

Three chapters from *Anti-Dühring* were published as *Socialism: Utopian and Scientific* in 1880. This latter work proved to be immensely popular within the growing socialist movement as a general exposition of Marxism. In 1884 *The Origin of the Family, Private Property and the State* was written and published. This was based on a synopsis Marx had written on a book called *Ancient Society*, written by Lewis Henry Morgan. *The Origin* takes an historical view of the family in relation to issues of class, female subjugation and private property. It also contains Engels' classic socialist position on the state:

*The ancient state was, above all, the state of the slave owners for holding down the slaves, just as the feudal state was the organ of the nobility for holding down the peasant serfs and bondsmen, and the modern representative state is an instrument for exploiting wage labour by capital* (<https://tinyurl.com/j9vlfxu>).

In *Ludwig Feuerbach and the End of Classical German Philosophy* (1888), Engels explained and defended his philosophy of nature. In his criticism of the German philosopher Feuerbach he wrote that a limitation of his '*materialism lay in its inability to comprehend the universe as a process, as matter undergoing uninterrupted historical development*' (<https://tinyurl.com/y3wpm6my>). Despite his claim to reject idealism, the universe as an unfolding of the idea is a return by Engels to the Hegelian philosophy of his youth in Germany,

After Marx's death in 1883, Engels spent most of his time editing Marx's notes for volumes two and three of *Capital*, published in 1885 and 1894, respectively. He

devoted his last few years as an adviser to the parties of the Second International before dying of cancer in 1895. During their working life together, Engels always regarded himself as the junior partner. However, after Marx's death and at a time of massively increased interest in Marxism, it fell to Engels to do the explaining. Most of it was done superbly, but he also produced a tendency towards 'scientism' – the belief that science also explains human political life. The term 'scientific socialism' is really just a philosophical viewpoint, and no less valid for all that.

From the early twentieth century onwards, Engels' political status has raised to the equal of Marx. But there is nothing in the writings of Engels which justifies the existence of the monstrosities erected in the names of Marx and Engels.

### **Reading**

Terrell Carver, *Engels: A Very Short Introduction*, 2003

Tristram Hunt, *The Frock-Coated Communist: The Revolutionary Life of Friedrich Engels*, 2009

**Equality.** Socialism will be a system of society based on the common ownership of the means of production. Common ownership will be a social relationship of equality between all people regarding the control of the use of the means of production. This establishes a classless society. Socialism does not mean equality of income or reward, nor does it mean equality by a re-distribution of personal wealth.

Marx and Engels did not frame their arguments for socialism in terms of material equality. In fact, they rejected demands for levelling down as 'crude communism' which 'has not only failed to go beyond private property, but has not yet even reached it.' (*1844 Manuscripts*, <https://tinyurl.com/p6cesjm>). As Allen Wood has pointed out, Marx and Engels 'did not criticise capitalism because poverty is unevenly distributed, but because there is poverty where there need be none, and that there is a privileged class which benefits from a system which subjects the majority to an artificial and unnecessary poverty.'

In Marx's *Critique of the Gotha Programme* (1875), he argued that communism would run along the lines of *from each according to ability, to each according to needs*. This is not an egalitarian slogan. Rather, it asks for people to be considered individually, each with a different set of needs and abilities.

### **Reading**

Allen Wood, *Karl Marx*, 2004

**Exchange value.** A relative magnitude which expresses the relationship between two commodities. The proportion in which commodities tend to exchange with each other depends upon the amount of socially necessary labour-time spent in producing and reproducing them from start to finish. Commodities sell at market prices that rise

and fall according to market conditions around a point regulated by their value and, more specifically, their price of production.

Capitalist economics does not usually employ a concept of exchange value, preferring instead price formation by supply and demand (See for example *The Library of Economics and Liberty*: <https://tinyurl.com/vy8qrdc>). Prices are said to represent costs and in a competitive market this is how economic efficiency is maintained. This means measuring prices with other prices. But, as Robin Cox points out, this is a circular argument or an act of faith. The free play of prices measured against other prices does not show the rational allocation of resources taking place. To show the rational allocation of resources taking place, it would need to explain how prices represent something other than other prices (monetary costs), and once it does that it will have acknowledged that monetary prices are not needed.

The establishment of socialism will involve the abolition of exchange value and prices.

### **Reading**

Robin Cox, *The "Economic Calculation" controversy: unravelling of a myth*, 2005 (<https://tinyurl.com/y2ozt727>)

Howard Nicholas, *Marx's Theory of Price and Its Modern Rivals*, 2011 (<https://tinyurl.com/s5kg728>)

**Exploitation.** A morally neutral term, as used by socialists, to denote the historically specific form of the extraction of surplus labour. Feudalism was based on the appropriation of surplus labour as feudal tribute (in the form of money, produce or labour services) from the peasantry. Capitalist enterprises buy workers' labour power for a wage or a salary which is more or less equal to its value but extract labour greater than the equivalent of that wage or salary. This surplus labour takes the form of surplus value and is the source of profit. But it is important to remember that, because surplus value is socially produced, an employee is not just exploited by their employer. Exploitation is a class relationship only: the capitalist class exploit the working class.

When and where workers are unorganized the employer can impose excessive hours and intensity of work, and drive wages down. With trade union organisation, workers can defend themselves against unrestricted exploitation. But always subject to the over-riding condition that production remains profitable to the employers. Marx summarised the position in this way:

*'As to profits, there exists no law which determines their minimum. We cannot say what is the ultimate limit of their decrease... Because, although we can fix the minimum of wages, we cannot fix their maximum. We can only say that, the limits of the working day being given, the maximum of profit corresponds to the physical minimum of wages; and that wages being given, the maximum of profit corresponds to such a prolongation of the working day as is compatible with the physical forces of the labourer.'*



*The maximum of profit is therefore limited by the physical minimum of wages and the physical maximum of the working day.*

*It is evident that between the two limits of this maximum rate of profit an immense scale of variations is possible. The fixation of its actual degree is only settled by the continuous struggle between capital and labour, the capitalist constantly tending to reduce wages to their physical minimum, and to extend the working day to its physical maximum, while the working man constantly presses in the opposite direction.*

*The matter resolves itself into a question of the respective powers of the combatants.’* (Value, Price and Profit, Chapter XIV, <https://tinyurl.com/lem5v6p>)

**Fabian Society.** Established in 1884 to ‘permeate’, first the Liberal Party, then the Labour Party, with ideas on the need for state capitalism. Among the early Fabians were George Bernard Shaw, H.G. Wells and Sidney and Beatrice Webb. Fabians called themselves ‘socialist’ (although their political outlook was largely derived from Utilitarianism) and believed that ‘socialism’ (i.e. state capitalism) could be brought about only after a long process of social reform — a belief that Sidney Webb termed ‘the inevitability of gradualness.’ The Society played a minor part in the formation of the Labour Party, but in 1918 the Labour Party adopted a constitution which was mostly written by Sidney Webb. Today the Society is run as a policy institute to research and propose reforms to the Labour Party.

According to George Lichtheim, the title ‘Fabian Society’ appears to have been suggested by Frank Podmore, a founder member:

*‘It was a reference to the elderly Roman commander Fabius Cunctator, famous for his extreme caution in conducting military operations, especially when matched against Hannibal. Some of the earliest tracts of the Society bore a motto (composed by Podmore) which ran in part:’*

*“For the right moment you must wait, as Fabius did most patiently, when warring against Hannibal, though many censured his delays; but when the time comes you must strike hard, as Fabius did, or your waiting will be in vain and fruitless.”*

*‘Closer acquaintance with Roman history might perhaps have induced Podmore to inquire where and when Fabius “struck hard”: there is no record of such an occurrence. Malicious critics of Fabianism have been known to hint that there may have been something prophetic, or at least symbolic, in this misreading of history and that anyone who expects Fabians to “strike hard” for socialism or anything else is quite likely to have to wait until Doomsday.’*

## **Reading**

Fabian Society: <https://tinyurl.com/5f66tk>

George Lichtheim, *A Short History of Socialism*, 1983

**Fascism.** The term fascismo was coined by the Italian Fascist dictator Benito Mussolini and Hegelian philosopher Giovanni Gentile. It is derived from the Italian word fascio, which means 'bundle' or 'union'. Fascism was an authoritarian, nationalistic and anti-socialist political ideology that preaches the need for a strong state ruled by a single political party led by a charismatic leader. Later the word was used in relation to a similar extreme nationalist movement in Germany even though this described itself as 'national-socialist' (Nazi) rather than fascist. Both these movements won control of political power more or less constitutionally, in Italy in 1922 and in Germany in 1933, and proceeded to establish a one-party dictatorship with mass organisations to win over the population and preaching that all members of the 'nation' had a common interest. Fascism/Nazism was implacably opposed to Marxism for its internationalism and its recognition of the class struggle within nations.

### **Reading**

Roger Eatwell, *Fascism: A History*, 2003

Giovanni Gentile & Benito Mussolini, *The Doctrine of Fascism*, 1932

(<https://tinyurl.com/yprv3>)

**Feminism.** Feminist theories of women's oppression and inequality have been developed largely within the tradition of liberal political philosophy. Their demands are essentially for the equal legal and social treatment of women and men under capitalism. While this is obviously desirable and theoretically possible it would not amount to 'women's liberation' as most women, like most men, would remain members of a subordinate working class. 'Socialist' feminists, while recognising the importance of class, have become bogged down in reformism – in effect their demand is to be wage slaves equally with men. 'Radical' feminists attack patriarchy, not class, as the source of women's oppression.

While it is undeniable that many women experience certain forms of oppression and discrimination as a result of their gender, to suffer from sexism at all it is usually necessary to be a member of the working class. It is not normally a problem for female members of the capitalist class. The socialist movement, being based on a class analysis of capitalism, provides a motivation for women's liberation since socialism can only be achieved with the majority support of women and of men.

### **Reading**

Alison Assiter, *Enlightened Women*, 2017

The Feminist eZine: <https://tinyurl.com/wbxghvb>

**Fetishism of commodities.** This arises in capitalist society because the relations based on the exchange value of commodities control workers and their products. So-called from 'fetish' which in anthropology are human-made objects that similarly appear to have power over humans. Exchange value is a direct relation between products, and indirectly, through them, between the workers. To the workers, therefore, the relations between them appear not as direct social relations but as what they really are — material relations between people and social relations between things.

In capitalist society commodities are produced primarily for exchange, for their exchange value. Therefore, it is exchange value that will determine production and distribution, and the workers own products confront them as alien objects ruling over them. In socialist society this mystical veil over social production will be lifted and in its place there will be direct social relations between people and their products.

### **Reading**

Marx on the Fetishism of Commodities and the Secret Thereof:

<https://tinyurl.com/sa6qkvt>

**Feudal society.** In his Preface to *A Contribution to the Critique of Political Economy* (1859), Marx designated the feudal as one of the epochs marking progress in the economic development of society. As a system of society, feudalism flourished in Europe in the Middle Ages, though it existed elsewhere and at different periods. The feudal mode of production was based on the effective possession (but not necessarily legal ownership) of some of the means of production by the peasantry. Within this manorial organisation of production, the lords appropriated the surplus labour of the peasants as feudal rent (in the form of rent in kind, money, labour or taxes) using political force and religious ideology as the means of control.

### **Reading**

Rodney Hilton, *The Transition from Feudalism to Capitalism*, 2006

**Forces of production.** What can be broadly understood as technology, the forces of production include materials, machinery, techniques and the work performed by human beings in the production of wealth.

**Freedom.** According to classical liberal political philosophy, freedom is the absence of direct physical constraint: freedom being essentially negative, it is always freedom *from* something. This point of view ignores poverty, unemployment and wage labour as examples of constraints and lack of freedom.

Under capitalism, however, the working class are unfree. Although individual workers may have some 'freedom' of action (to change jobs, for example), as a member of the working class we are coerced into selling our labour power, or taking on any of the roles involved in the reproduction of labour power, such as student, housewife or pensioner. Because the capitalist class own the means of life, workers cannot escape from their class position in society: we are wage slaves.

For socialists, freedom is self-determination. On the new basis of common ownership, democratic control and production solely for self-determined needs, socialism will be a society in which the free development of each is the condition for the free development of all.

### **Reading**

G.A. Cohen, *The Structure of Proletarian Unfreedom*, 1983

(<https://tinyurl.com/yy4tl7pq>)

**General strike (or Mass Strike).** A refusal to work by employees in many industries, and a manifestation of the class struggle which arose within capitalist society. Popular with some on the Left who see it as a way of overthrowing capitalism. For Rosa Luxemburg mass strikes did not lead to revolution, but rather revolutionary conditions allowed mass strikes to take place (*The Mass Strike*, 1906, <https://tinyurl.com/gnxd5us>).

The British general strike of 4 – 12 May 1926 was provoked by the mine-owners who, faced with an adverse market for coal, demanded a cut in wages and an increase in working hours from the mineworkers. The Miners' Federation, led by A.J. Cook and others, asked the TUC to bring out all the major industries, in line with a resolution supporting the miners carried at the 1925 Congress. The Conservative government, with Stanley Baldwin as Prime Minister, had prepared for the strike by recruiting special constables and setting up the strikebreaking Organisation for the Maintenance of Supplies. During the strike millions of workers came out in support of the miners. The government monopolised the means of propaganda, however, and the BBC suppressed news that might have embarrassed the government. Director General of the BBC, John Reith (knighted for his services the following year), wrote in his diary after the strike:

*'They want to be able to say that they did not commandeer us, but they know that they can trust us not to be really impartial.'* (Quoted in *On Television*, by Stuart Hood, 1997.)

After nine days the General Council of the TUC called off the general strike, betraying every resolution upon which the strike call was issued and without a single concession being gained. The miners were left alone to fight the mine-owners backed by the government with the tacit approval of the TUC and the Parliamentary Labour Party led by Ramsay MacDonald. The miners stayed out until August before being forced by starvation to accept the mine-owner's terms of reduced wages (below 1914 level) and an increase in the working day by one hour.

The General Strike cannot be used to get socialism. To get socialism requires a class-conscious working class democratically capturing state power to prevent that power being used against us. In 1926, the very facts that the government were in power, that millions of workers had supported them and other capitalist political parties (including the Labour Party) less than two years before at the general election, showed that socialism was not on the political agenda. Workers who would not vote for socialism will not strike for it.

### **Reading**

Chronology of general strikes: <https://tinyurl.com/ra488tx>  
Anne Perkins, *A Very British Strike*, 2006

**Globalization.** The claim that global capitalism of the past few decades is in a qualitatively new stage in the historical development of capitalism, that integration of national economies into the international economy is an inevitable process to which national governments are largely powerless. Anthony Giddens defined globalization

as 'the intensification of worldwide social relations' (*The Consequences of Modernity*, 1991). However, in the *Manifesto of the Communist Party*, written in 1848, Marx argued:

*'The bourgeoisie cannot exist without constantly revolutionising the instruments of production, and thereby the relations of production, and with them the whole relations of society... The need of a constantly expanding market for its products chases the bourgeoisie over the entire surface of the globe. It must nestle everywhere, settle everywhere, establish connexions everywhere... The cheap prices of commodities are the heavy artillery with which it batters down all Chinese walls'* (<https://tinyurl.com/m6gme24>).

Hirst, Thompson and Bromley, using detailed evidence, argue for the following conclusions. The present highly internationalised economy is not unprecedented. In some respects, the current globalized economy has only recently become as open and integrated as the regime that prevailed from 1870 to 1914. Genuinely transnational companies are relatively rare. Most companies are based nationally and trade regionally or multinationally on the strength of a major national location. There is no major trend towards the growth of truly global companies. Foreign direct investment is still highly concentrated among the advanced industrial economies, and the Third World remains marginal in both investment and trade. The emergence of India and particularly China has disrupted this picture, though it has not significantly shifted the centre of gravity from the already advanced countries. Investment, trade and financial flows are concentrated in the Triad of Europe, Japan/East Asia and North America, and this dominance seems set to continue. Supranational regionalization (e.g. European Union, North American Free Trade Agreement, Asia-Pacific Economic Cooperation) is a trend that is possibly stronger than that of globalization. The major economic powers, centred on the G8 with China and India, have the capacity, especially if they coordinate policy, to exert powerful governance pressures over financial markets and other economic tendencies. Global markets are therefore by no means beyond regulation and control, though this will be limited by the divergent interests of states and their ruling elites.

However, the authors do not explain that it is the competitive accumulation of profits which is the driving force of capitalism's inherent tendency towards globalization.

### **Reading**

Sarkar B. & Buick A., *Marxian Economics and Globalization*, 2009

Tony Smith, *Globalization: A Systematic Marxian Account*, 2009

Hirst P., Thompson G. and Bromley S., *Globalization in Question*, 2009

**Government.** 'The executive of the modern state is but a committee for managing the common affairs of the whole bourgeoisie' (*Manifesto of the Communist Party*, 1848, <https://tinyurl.com/m6gme24>). Socialism will be a system of society without government but with democratic control by the whole community. The government of people would, as Engels put it, give way to the administration of things.

**Gradualism.** Reformist political action which, according to those who advocate it, will gradually transform capitalism into 'socialism', without the need for class

conscious workers' political action. In Britain the leading gradualist thinkers were in the Fabian Society formed in 1884. But nowadays there are numerous left-wing organisations fulfilling a similar role. Gradualism was adopted by the Labour Party and its ideology has always been explicitly anti-Marxist, though it is doubtful whether Labour would still claim to be gradualist.

### Reading

George Lichtheim, *A Short History of Socialism*, 1983

**Gramsci, Antonio** (1891-1937). Born in Sardinia, Gramsci won a scholarship in 1911 to the University of Turin. In 1913 he joined the Italian Socialist Party and, under the influence of the writings of Georges Sorel, became a syndicalist. Bowled over by the Russian revolution, Gramsci helped to establish the Communist Party of Italy in 1921 (renamed Italian Communist Party after World War Two). He became its general secretary (and a Member of Parliament) in 1924. Gramsci was arrested in 1926 and remained a prisoner of the fascists until his death in 1937. But while a prisoner he set out his theories in the *Prison Notebooks* (<https://tinyurl.com/vskd43j>), published posthumously. For Gramsci, 'organic intellectuals' had a key role to play in social transformation. They would arise from within the working class and had an organisational function, articulating the cultural politics that would allow the working class to establish its hegemony. In Gramsci's version of Leninism, the 'war of movement' typified by the Russian revolution was appropriate for similarly underdeveloped countries. But in the more advanced capitalist societies a 'war of position' would allow the revolutionary party, via its intellectuals and alternative hegemony, to lead the working class to 'socialism'.

Gramsci's theories are popular with modern leftists, since they appear to put some distance between Leninism and Stalinism. But Gramsci himself never repudiated Stalinism in practice. He certainly was not 'one of the most important Marxist thinkers of the 20th century', as has Wikipedia entry claims (<https://tinyurl.com/73njztb>).

### Reading

International Gramsci Society: <https://tinyurl.com/6u3sve4>

Steven Jones, *Antonio Gramsci*, 2006 (<https://tinyurl.com/tmezjnp>)

**Greens.** Formerly the Ecology Party in the UK, in 1990 they split into three Green parties (England and Wales, Scotland, Northern Ireland). Greens explain the cause of the environmental crisis, varyingly, on technology, 'overpopulation', human greed and consumerism. Some Greens even blame capitalism. The Greens are a 'broad church' and so lack a coherent and consistent political thought. But they generally see the solution to the environmental crisis in reforming the present growth-orientated industrial economy into a decentralised, democratically run and ecologically sustainable economy. According to the Green Party policy on the economy:

*'Banks not only create money...the current banking system increases inequality. It also regularly causes economic crises: banks create and lend more and more money until the level of debt becomes unsustainable, boom turns to bust... Finally, the need to service the growing mountain of debt on which our money is based is a key driver*

*of unsustainable economic growth that is destroying the environment'* (<https://tinyurl.com/y3jhns9m>).

None of the above claims are true and are, indeed, merely 'currency crank' ideas about the supposed power of banks and the banking system.

We are up against a well-entrenched economic and social system based on class and property and governed by coercive economic laws. Reforms, however well-meaning or determined, can never solve the environmental crisis—the most they can do is to palliate some aspect of it on a precarious temporary basis. They can certainly never turn capitalism into a democratic, ecological society.

### Reading

Green Party: <https://tinyurl.com/ttgaogq>

David Pepper, *Eco-socialism*, 1993 (<https://tinyurl.com/w9d2fc3>)

**Hardie, James Keir** (1856 – 1915). Born in Lanarkshire, Scotland, the son of a ship's carpenter. Self-educated, Hardie worked in the pits from the age of 10 and became a miners' leader before he was 20. He was the founding Chairman of the Scottish Labour Party in 1888, and was elected as an Independent Labour MP for West Ham in 1892. Hardie formed the Independent Labour Party (independent, that is, from the Liberal Party and the 'Lib-Lab' MPs) in 1893, and played a leading part in the creation of the Labour Representation Committee in 1900, which became the Labour Party in 1906. He lost his seat at West Ham in 1895 but became an MP for Merthyr Tydfil from 1900 until his death in 1915. Hardie became the first Chairman and Leader of the Parliamentary Labour Party in 1906. Hardie mouthed socialist phrases but in practice pursued the interests of capital, and this included support for capitalism's wars. After initially opposing the Great War of 1914-1918 he changed his mind. Hardie told his electorate in Merthyr:

*'May I once again revert for the moment to the ILP pamphlets? None of them clamour for immediately stopping the war. That would be foolish in the extreme, until at least the Germans have been driven back across their own frontier, a consummation which, I fear, carries us forward through a long and dismal vista... I have never said or written anything to dissuade our young men from enlisting; I know too well all there is at stake... If I can get the recruiting figures for Merthyr week by week, which I find a very difficult job, I hope by another week to be able to prove that whereas our Rink meeting gave a stimulus to recruiting, those meetings at the Drill Hall at which the Liberal member or the Liberal candidate spoke, had the exactly opposite effect'* (Merthyr Pioneer, 28th November 1914, <https://tinyurl.com/vzu7aj3>).

### Reading

Bob Holman, *Keir Hardie: Labour's Greatest Hero?* 2010

**Hegel, Georg Wilhelm Friedrich** (1770-1831). Born in Stuttgart, the son of a revenue officer. From 1818 until his death Hegel was Professor of Philosophy at Berlin University. Hegel was a liberal who approved of constitutional monarchy and was not the state-worshipper he is sometimes accused of being, though some of his followers did interpret his philosophy as a justification for the autocratic Prussian

monarchy. His written works, such as his main work on politics, *Philosophy of Right* (1821), are notoriously obscure. Hegel's philosophy is a form of idealism, according to which all that really exists are ideas. He interpreted politics, history, law, morality, religion and so on, in terms of the development of ideas. Hegel sought the original idea of a particular subject and then examined how it had developed logically (that is, dialectically) throughout history.

As a student at Berlin after Hegel's death, Marx had come under his influence, especially when Marx was briefly involved with the Young Hegelians, a group of left wing philosophers who used a modified version of Hegel's philosophy as a radical critique of politics and religion. Marx publicly made his break with Hegelian philosophy in his Introduction to *A Contribution to the Critique of Hegel's Philosophy of Right* (<https://tinyurl.com/yxvz2ul>), published in 1844. Marx then went on to argue that the explanation of the social world lay not in the development of ideas but in the development of the material conditions of life. In 1845 Marx and Engels collaborated to produce *The German Ideology*, which sets out the basic principles of this materialist conception of history.

But despite Marx's criticisms of Hegelian philosophy many commentators insist on emphasising his intellectual debt to Hegel, to the extent of claiming that Hegel's philosophy stood 'right side up' is a necessary and sufficient condition for explaining Marx's method. Lenin even went as far as to claim that you cannot properly understand Marx's *Capital* unless you have first fully grasped the arguments of Hegel's *Science of Logic*. There is also the controversial issue of the dialectic that is associated with Hegel and Marx. Of course, Hegel had some influence on Marx, and a modified version of the dialectic did play a part in Marx's method for investigating social development (see 1873 Afterword to *Capital*). Seen in the context of the whole body of Marx's writings, however, this can be seen in proper perspective with all the other influences on Marx. A case can be made for Aristotle having at least as much influence on Marx, because Aristotle's philosophical legacy dominated so much philosophy at that time – including Hegel. Marx's work can be understood and assessed in its own right.

### Reading

Hegel online: <https://tinyurl.com/rp3ut8s>

Stephen Houlgate, *An Introduction to Hegel*, 2005

**History.** The history of societies since the break-up of primitive communism has been one of class struggles. These struggles between the exploiting class and the exploited class have been over the distribution of the social product, the organisation of work, working conditions and the results of production. Socialists view these struggles in the context of the development of the forces and relations of production, and analyse social development with a view to taking informed political action. Karl Marx's Preface to his *A Contribution to the Critique of Political Economy* (1859) contains a summary of Marx and Engels' materialist conception of history. Marx comments that during the course of his studies he reached the conclusion that the explanation of social development was not to be found merely in the realm of ideas but rather in the material conditions of life, and that a proper understanding of capitalism is to be found in economics. Marx then gives a condensed account of his key concepts and their likely relationships which provided the guiding thread for his



historical research:

*'The general result at which I arrived and which, once won, served as a guiding thread for my studies, can be briefly formulated as follows: in the social production of their life, men enter into definite relations that are indispensable and independent of their will, relations of production which correspond to a definite stage of development of their material productive forces. The sum total of these relations of production constitutes the economic structure of society, the real foundation, on which rises a legal and political superstructure and to which correspond definite forms of social consciousness. The mode of production of material life conditions the social, political and intellectual life process in general. It is not the consciousness of men that determines their social being, but, on the contrary, their social being that determines their consciousness. At a certain stage of their development, the material productive forces of society come in conflict with the existing relations of production, or – what is but a legal expression for the same thing – with the property relations within which they have been at work hitherto. From forms of development of the productive forces these relations turn into their fetters. Then begins an epoch of social revolution. With the change of the economic foundations the entire immense superstructure is more or less rapidly transformed. In considering such transformations a distinction should always be made between the material transformation of the economic conditions of production, which can be determined with the precision of natural science, and the legal, political, religious, aesthetic or philosophic – in short, ideological forms in which men become conscious of this conflict and fight it out. Just as our opinion of an individual is not based on what he thinks of himself, so we cannot judge of such a period of transformation by its own consciousness; on the contrary, this consciousness must be explained rather from the contradictions of material life, from the existing conflict between the social productive forces and the relations of production. No social order ever perishes before all the productive forces for which there is room in it have developed; and new, higher relations of production never appear before the material conditions of their existence have matured in the womb of the old society itself. Therefore mankind always sets itself only such tasks as it can solve; since, looking at the matter more closely, it will always be found that the task itself arises only when the material conditions for its solution already exist or are at least in the process of formation. In broad outlines Asiatic, ancient, feudal, and modern bourgeois modes of production can be designated as progressive epochs in the economic formation of society. The bourgeois relations of production are the last antagonistic form of the social process of production – antagonistic not in the sense of individual antagonism, but of one arising from the social conditions of life of the individual; at the same time the productive forces developing in the womb of bourgeois society create the material conditions for the solution of that antagonism. This social formation brings, therefore, the prehistory of human society to a close' (<https://tinyurl.com/k4ukmtd>).*

Discussions of this passage usually omit the first sentence above where Marx says the following 'general conclusion' served as a 'guiding principle' for his research. This makes it clear that his theory of history is not a substitute for actual research. The materialist conception of history is a method of investigation, not merely a philosophy of history. Marx and Engels emphasised this point in their first explanation of their materialist (in the practical sense of the word, not in its acquisitive sense) outlook:

*'Viewed apart from real history, these abstractions have in themselves no value whatsoever. They can only serve to facilitate the arrangement of historical material, to indicate the sequence of its separate strata. But they by no means afford a recipe or schema, as does philosophy, for neatly trimming the epochs of history. On the contrary, our difficulties begin only when we set about the observation and the arrangement – the real depiction – of our historical material, whether of a past epoch or of the present'* (The German Ideology, 1846, <https://tinyurl.com/jv6cgvx>).

As Engels wrote: 'the materialist method is converted into its direct opposite if instead of being used as a guiding thread in historical research it is made to serve as a ready-cut pattern on which to tailor historical facts' (Letter to Paul Ernst, June 1890, <https://tinyurl.com/t3daut4>). And Marx emphatically rejected 'general historico-philosophical theory, the supreme virtue of which consists in being super-historical'. He poured scorn on a critic who:

*'... insists on transforming my historical sketch of the genesis of capitalism in western Europe into an historico-philosophical theory of the general path prescribed by fate to all nations whatever the historical circumstances in which they find themselves in order that they may ultimately arrive at the economic system which ensures, together with the greatest expansion of the productive power of social labour, the most complete development of man. But I beg his pardon. (He is doing me too much honour and at the same time slandering me too much)'* (Letter to the editorial board of Otechestvennive Zapiski, November 1877, <https://tinyurl.com/qzcd6vc>).

Despite the warnings, some commentators have concluded that Marx's theory of history, as set out in the 1859 Preface, is a form of productive forces (or technological) determinism. For instance, in his influential book GA Cohen claims that Marx's theory of history is a form of functionalism and that 'high technology was not only necessary but also sufficient for socialism' (*Karl Marx's Theory of History: A Defence*, 1978). In this interpretation 'socialism' arrives without human agency. The fatalism of determinism is fatal for the socialist movement which requires a politically active class-conscious working class to achieve our self-emancipation as a class.

The 1859 Preface assumes the development of human productive forces throughout history, but this is not automatic or inevitable. In Marx's *The Eighteenth Brumaire of Louis Bonaparte* (1852) social and political development did not occur exactly as outlined in the 1859 Preface, but that was not the point. Marx's hypothesis showed the key concepts and where to look in researching the past and present. That study reaffirmed the importance of understanding the specific contexts of material circumstances and humans as agents of historical change:

*'Men make their own history, but they do not make it as they please; they do not make it under circumstances chosen by themselves, but under circumstances directly encountered, given, and transmitted from the past'* (<https://tinyurl.com/ojkt7wm>).

If this looks like stating the obvious (apart from the sexist terminology), to some extent it is because of Marx's influence on public thinking about history. In his day prominence in historical writing was given to the role of ideas – for example,

nationalism, freedom, religion – in explaining political, social and economic development. This is still not unknown today and there are many who, explicitly or implicitly, reject the materialist theory of history for its revolutionary conclusions.

The 1859 Preface identifies certain well-documented 'modes of production' found in history, whose constituents are forces of production (productive technology) and relations of production (economic classes). Present-day capitalist production relations involve minority class ownership of the means of life, which means the majority must sell their labour power for a wage, while production is geared to profit for the few. In feudalism, where aristocrats owned most of the land and peasants were tied down to that land by a host of restrictions, including the requirement that they did unpaid labour for their liege lords. There was slavery, where the bodies of the producers were the property of slave owners and were bought and sold like land or goods. The Asiatic mode of production (sometimes called 'oriental despotism' or 'hydraulic society') was a system where peasants were engaged under military pressure to raise water for the irrigation of crops. There were various types of primitive society, the key one being the primitive communistic tribal form, where localised common ownership was practised.

The actual correspondence between forces of production and relations of production takes place through the mediation of the class struggle and the balance of class forces – what Marx called 'the respective power of the combatants' (*Value, Price and Profit*, 1865, <https://tinyurl.com/lem5v6p>). For example, China's rise as a capitalist super-power has taken place mainly through the Chinese state's ruthless use of cheap and plentiful labour power rather than advances in its productive technology.

### **Reading**

Keith Graham, *Karl Marx, Our Contemporary*, 1992.

S.H. Rigby, *Marxism and History*, 1998

**Human nature.** Socialists make a distinction between human nature and human behaviour. That people are able to think and act is a fact of biological and physiological development (human nature), but *how* they think and act is the result of historically specific social conditions (human behaviour). Human nature changes, if at all, over vast periods of time. Human behaviour changes according to changed social conditions. Capitalism being essentially competitive and predatory, produces vicious, competitive ways of thinking and acting. But we humans are able to change our society and adapt our behaviour, and there is no reason why our rational desire for human well-being and happiness should not allow us to establish and run a society based on co-operation.

### **Reading**

Norman Geras, *Marx and Human Nature*, 1983

**Hyndman, Henry Mayers** (1842-1921). An Eton educated capitalist. Hyndman played a leading role in the setting up of the Democratic Federation in 1881, which was an association of radical-liberal clubs. Later that same year he claimed to be converted to Marxism after reading Marx's *Capital*. Afterwards he wrote and published his own interpretation of Marxism, *England for All*, without mentioning

Marx by name. Hyndman's biographer, Tsuzuki, suggests that this work is 'a text-book of English "Tory Democracy" rather than of continental Social Democracy'.

It was Hyndman's hostility towards liberalism rather than his supposed Marxism that led the Democratic Federation to become the Social Democratic Federation in 1884. Nevertheless, this organisation did much to popularise Marxism in Britain, and included in its membership Eleanor Marx, Belfort Bax, Tom Mann, John Burns and William Morris. By December 1884 a group including William Morris and Eleanor Marx, fed up with Hyndman's arrogance, seceded from the SDF to form the Socialist League. A second revolt led to the formation in 1903 of the Socialist Labour Party. Another revolt against Hyndman's opportunism led to the creation of the Socialist Party of Great Britain in 1904.

In 1911 Hyndman established the British Socialist Party when the SDF combined with parts of the Independent Labour Party. However, Hyndman split the British Socialist Party by supporting the British side in the First World War. Hyndman then formed the National Socialist Party, of which he was leader until his death.

### **Reading**

Obituary in the January 1922 Socialist Standard: <https://tinyurl.com/y2r7b6y3>  
Chushichi Tsuzuki, *H.M. Hyndman and British Socialism*, 1961

**Idealism.** Any philosophical theory according to which the external world is created by, or is dependent upon, ideas or the mind.

Idealism is a form of ideology which distorts our understanding of the everyday world we experience. It ignores the causal role of material conditions. In Marx's social theory, production has primacy over perception. The ideas of a given epoch are the product of social conditions of that epoch. As these conditions change so do the ideas. That is why moral outlooks have undergone such fundamental changes over the centuries. As materialists, socialists do not deny the causal efficacy of ideas. Indeed, we are engaged in a battle of ideas to establish socialism. But, without practical action, following ideas will not bring about the desired change.

### **Reading**

Terrell Carver, *Marx's Social Theory*, 1983

**Ideology.** The socialist concept of ideology can refer to:

- General claims about the nature of a society's superstructure (e.g. law, politics, religion), or
- A distortion of thought that stems from, and conceals contradictions within, capitalist society.

Marx did not invent the concept of ideology, but it does play an important role in his analysis of capitalism, particularly as distortion. In capitalism profits take priority over needs, so that people starve while food rots, people go homeless while buildings are

empty, people remain unemployed while needs are unmet, and so on. Because people are unable to solve these contradictions within capitalism they tend to project them in ideological forms of consciousness. That is to say, in ideas which effectively conceal or misrepresent the existence and character of these contradictions. Accordingly, profit-taking is held to be justified as risk-taking for the capitalists, so that starvation, homelessness, unemployment and the rest are the price paid for 'good economics'. By concealing contradictions ideology contributes to their reproduction and therefore serves the interests of the capitalist class.

Marx criticised capitalist economics because it is an ideology which stems from, and conceals, the social relations of production beneath the surface appearance of commodity exchange in the market. The free and equal exchange of values in the market conceals the unfree and unequal nature of wage labour in its social relation to capital. Marx believed that it was the role of scientific socialism to penetrate the surface of social phenomena and reveal capitalism's inner workings.

Professor John Plamenatz said that 'Marx often called ideology "false consciousness"' (*Ideology*, 1970). In fact, Marx never used the phrase. Engels did once use the phrase 'false consciousness' after Marx's death in a private correspondence, but this usage is not consistent with his or Marx's published writings on ideology.

### **Reading**

Terry Eagleton, *Ideology*, 2007

Joseph McCarney, *Ideology and False Consciousness*, 2005

<https://tinyurl.com/ucjj59o>

**Imperialism.** Towards the end of the nineteenth century there was a growing tendency towards the formation of trusts and combines associated with what came to be known as imperialism. JA Hobson, a liberal, tried to account for this development in *Imperialism* (1902, <https://tinyurl.com/wza3hrb>). He claimed that monopolistic industries restricted output in the home market, in order to raise prices and profits, and therefore have to seek foreign outlets for investments and markets. For this purpose, he alleged, they get governments to colonise foreign territories. R. Hilferding, an Austrian Social Democrat, developed another line in *Finance Capital* (1910, <https://tinyurl.com/se8slro>). He gave a detailed account of the supposedly unstoppable growth of monopoly in industry and banking, but carried it much further, crediting the banks with dominating industry and the cartels and dividing up world markets among themselves.

VI Lenin made use of the work by Hobson and Hilferding for his own *Imperialism: The Highest Stage of Capitalism* (1916, <https://tinyurl.com/z7aqwyf>). According to Lenin, imperialism had five essential characteristics:

1. The concentration of production and capital, leading to the domination of the world economy by big monopolies.

2. The merging of bank and industrial capital and the consequent rise of a financial oligarchy.
3. The especially important role of the export of capital.
4. The division of the world among monopolistic associations of international capitalists.
5. The completion of the territorial division of the world among the great imperialist powers.

Lenin thought that these factors would make wars increasingly inevitable. Hobson, Hilferding and Lenin all failed to allow for the sectional divisions of interest in the capitalist class throughout the world. Some capitalists have an interest in exports (most of Britain's exports are now to 'developed' countries). While some capitalists have an interest in imports (Britain is now a net importer of goods). And while monopolies can charge monopoly prices and get monopoly profits, the rest of the capitalists object to being held to ransom. For this reason, many national governments and supra-national organisations (such as the European Union) have legislated or directly intervened to control monopolies.

### **Reading**

Anthony Brewer, *Marxist Theories of Imperialism*, 1990

EJ Hobsbawm, *The Age of Empire, 1875-1914*, 1989

**Impossibilism.** 'Possibilism' and 'impossibilism' were terms used in the late nineteenth and early twentieth centuries to refer to different wings of the Social Democratic parties. 'Impossibilists' were those Social Democrats who struggled solely to achieve the goal of socialism, while 'possibilists' were those Social Democrats who concentrated their efforts on reforming capitalism. Eventually the impossibilists either split away from the Social Democratic parties or abandoned impossibilism as the price for remaining a Social Democrat. Impossibilists from the Social Democratic Federation formed the Socialist League in 1884, the Socialist Labour Party in 1903, and the Socialist Party of Great Britain in 1904.

### **Reading**

M. Rubel & J. Crump, *Non-Market Socialism in the Nineteenth and Twentieth Centuries*, 1987 (<https://tinyurl.com/y2ops3wj>)

Chushichi Tsuzuki, 'The "impossibilist revolt" in Britain: the origins of the S.L.P. and the S.P.G.B', *International Review of Social History* 1, 1956

**Inflation.** A continuous increase in the general level of prices caused by an excess issue of inconvertible paper currency (properly called 'currency inflation'). This is the result of the action of governments printing and putting into circulation millions or

billions of pounds of additional paper money that is above and beyond that needed for production and trade.

There are other factors affecting prices. During periods of good trade prices rise and during periods of bad trade they fall. And a monopoly can charge a higher than normal price. Furthermore, the required amount of currency rises with the growth of population, production and trade, and falls with monetary developments such as the growth of the banking system, the use of credit cards and electronic payments. But a persistent increase in the cost of living is the sole responsibility of governments when they issue more currency than is needed for economic transactions to take place.

Wage increases cannot cause inflation. For unless market conditions change in their favour, employers cannot raise prices further simply because they have had to pay higher wages. If employers could recoup wage increases by raising prices, there would be no point in their resisting wage claims. The fact that businesses do generally resist wage claims is because they increase costs and reduce profits.

### **Reading**

Changes in the Value of Money Over Time: <https://tinyurl.com/5zk9k5>

**Interest.** The price of money. Those capitalist enterprises that borrow money capital to finance production pay to the lenders a portion of the surplus value produced as interest.

**Internationals.** The International Working Men's Association, 1864 – 1876 (usually called the First International) was an international federation of working-class organisations. Founded in London, Marx and Engels were actively involved, and Marx drew up its Inaugural Address and Rules. At the Hague Congress of 1872 there was a clash between Marx and the anarchist Bakunin, which led to Bakunin being expelled and the transfer of the seat of the General Council to New York. The First International was dissolved at a conference in Philadelphia in 1876. The Bakuninists tried to keep it going in Europe and the anarchists later revived the IWMA as an anarchist international which exists to this day.

The Second International (1889 – 1914) was founded in Paris but was dominated by the German Social Democratic Party (SPD). Unlike its predecessor, this International claimed to be Marxist in outlook. However, its early Congresses were especially concerned with Eduard Bernstein's 'revisionism', which was opposed by the SPD's leading theoretician, Karl Kautsky. Delegates were sent from the Socialist Party of Great Britain, soon after its formation, to the Amsterdam Congress in August 1904. After seeing the reformism rampant, the SPGB refused to have anything more to do with it. In 1908 the British Labour Party was admitted. Although at Stuttgart (1907) and at Copenhagen (1910) the International had passed resolutions demanding joint action to prevent war, the various national parties (excluding the Russian, Serbian

and Hungarian parties) of the International failed to respond in 1914. After its collapse in the First World War the Second International was revived in the 1920s as a loose association of Labour and Social Democratic parties, and still functions as the 'Socialist International'.

The Russian Communist Party established the Third International (1919 – 1943), also called the Communist International or Comintern. Based in Moscow, the Comintern controlled the Communist parties that had sprung up round the world. In 1931 the Comintern issued an instruction that it was necessary to stop distinguishing 'between fascism and bourgeois democracy, and between the parliamentary form of the dictatorship of the bourgeoisie and its open fascist form'. It was partly because the Communists in Germany followed this instruction that Hitler was able to rise to power. The Comintern was dissolved in 1943 to appease Stalin's Western allies.

A Fourth International was set up by Trotsky and his followers in 1938 in opposition to the Second and Third Internationals. Trotsky predicted the rapid demise of Social Democracy and Stalinism. Because of the failure of these and other predictions of Trotsky, the Fourth International has been subject to serious infighting and splits.

### **Reading**

Julius Braunthal, *History of the Internationals*, 1966 – 1980

History of the International Workingmen's Association: <https://tinyurl.com/tvbnnxy>

**Joint-stock companies.** Most large-scale capitalist enterprises outside the state sector are joint-stock companies (called 'corporations' in the US). The ownership of invested capital as stocks and shares entitles the owners to an unearned income of a proportion of distributed profits in the form of dividends.

The creation of joint-stock companies played an important part in the early stage of British capitalism. Merchants and other businesses could accept investors who had the cash but were not involved in the running of the business. Shares could be bought by anyone and their price could rise or fall depending on demand and the success of the business. The East India Company (EIC), was founded as a joint-stock company in London in 1600. It was created as a trading company, mainly with India, but with investors eager for dividends it took on a more aggressive role. By 1765 it had become so powerful it overthrew India's Mughal Empire, and began the systematic plunder of that country using its own private army. According to Dalrymple's detailed study of the EIC, by the late eighteenth century it had become 'the most advanced capitalist organisation in the world.'

Joint-stock company development was later regulated by government legislation after a number of 'bubbles' (unviable business schemes, such as the South Sea Bubble of 1720) produced dramatic financial failures and investors lost their money. In 1981 the Public Limited Company (PLC) was introduced in Britain and established a company's limited liability to its shareholders.

### **Reading**

William Dalrymple, *The Anarchy: The Relentless Rise of the East India Company*, 2019



**Justice.** A central concept in liberal political philosophy in which people get what they deserve. For socialists, as for Marx, this and associated concepts (such as 'rights') are not so much wrong or false as not relevant for our purposes. Socialists operate within a different frame of reference, employing different concepts and asking different questions. To the liberal who is appalled by our lack of concern for 'justice', we might equally ask why there is no recognition of the class struggle in liberal politics.

Nor would socialist society have to be underpinned by some conception of 'distributive justice'. *From each according to ability, to each according to need* is a practical arrangement for meeting self-defined needs.

### **Reading**

Norman Geras, *The Controversy About Marx And Justice*, 1989  
(<https://tinyurl.com/ralcfu3>)

**Kautsky, Karl** (1854 - 1938). Born in Prague, he became a Social Democrat while a student at the University of Vienna. Kautsky was the leading theorist of the German Social Democratic Party (SPD) and the Second International. He wrote the theoretical section of the Erfurt Programme adopted by the SPD at its Congress in 1891. The Socialist Party of Great Britain translated and published in 1906 and 1908 the first three parts of this work but, on learning the contents of the fourth, refused to publish it. The sticking point was his reformism. At the Lubeck Congress of 1901 he opposed Bernstein's 'revisionism' (that is, the rejection of Marxism in favour of gradualism). This controversy was misleading, however, since Kautsky's writings showed that he did not oppose reformist activity and had a state capitalist conception of 'socialism'.

Kautsky, nevertheless, was an outstanding populariser of Marx's ideas. He edited Marx's *Theories of Surplus Value* (1905 – 10) for publication and gave his own introduction to Marxian economics in the very popular *Economic Doctrines of Karl Marx* (1925). He also applied the materialist conception of history in his *Origins of Christianity* (1908) and other works. Kautsky opposed the Bolshevik seizure of power in Russia in 1917, and he criticised Lenin's interpretation of the 'dictatorship of the proletariat' as a distortion of Marxism. Lenin then publicly denounced him as a 'renegade'. But Kautsky's analysis in *Dictatorship of the Proletariat* (<https://tinyurl.com/y3ys5zfa>, 1918) shows a much better understanding of Marx's views on democracy and socialism than did anything Lenin ever wrote, despite Kautsky's reformism.

### **Reading**

Dick Geary, *Karl Kautsky*, 1988  
Kautsky online: <https://tinyurl.com/v52qf25>  
Obituary of Kautsky in the January 1939 Socialist Standard:  
<https://tinyurl.com/tea6tvv>

**Keynes, John Maynard** (1883 – 1946). Born in Cambridge, educated at Eton and Cambridge University, he became Baron of Cambridge in 1942. Keynes' main work, *The General Theory of Employment, Interest and Money*, was first published in 1936. His chief concern expressed in this book was the potential for revolution of heavy and sustained unemployment. His fear was that capitalism would not survive the mass unemployment of the 1930s. As Keynes wrote:

*'It is certain that the world will not much longer tolerate the unemployment which, apart from brief intervals of excitement, is associated – and, in my opinion, inevitably associated – with present-day capitalistic individualism'* (<https://tinyurl.com/nv35dkt>).

He believed that the relatively free market capitalism had to be replaced by a more interventionist form of government if capitalism as a system of society was to survive. He thought that this was the way to cure mass unemployment and held that this was justifiable as 'the only practicable means for avoiding the destruction of existing economic forms in their entirety'. Keynes described Marx's *Capital* as 'an obsolete economic textbook, which I know to be not only scientifically erroneous but without interest or application for the modern world' (*A Short View of Russia*, 1925, <https://tinyurl.com/vztneu5>). Even though Keynes was a Liberal and a determined defender of capitalism, the Labour Party and most of the left-wing organisations are Keynesian in their economics.

### Reading

J.M. Keynes, *The General Theory of Employment, Interest and Money*, 1936  
(<https://tinyurl.com/r7cm747>)

Robert Skidelsky, *John Maynard Keynes*, 2013

**Keynesian economics.** The branch of capitalist economic theory associated with J.M. Keynes. In general, Keynesian economics argues that:

- Depressions and high unemployment are caused by insufficient aggregate demand in the economy
- Aggregate demand can be most easily increased by increasing government Expenditure

In his main work on economic theory, *The General Theory of Employment, Interest and Money* (1936), Keynes argued that increased government expenditure need not be inflationary and that, indeed, the long-term policy of governments should be to 'allow wages to rise slowly whilst keeping prices stable'. He thought the real enemy was the potential for revolution of mass unemployment.

After the Second World War the Labour, Liberal and Tory parties all became Keynesian. Their common outlook was expressed in the policy adopted by the Labour Party at its Annual Conference in 1944:

*'If bad trade and general unemployment threaten, this means that total purchasing power is falling too low. Therefore we should at once increase expenditure... We should give people more money and not less to spend'* (Report on Full Employment and Financial Policy, 1944).

All the main political parties pledged themselves to maintain 'full employment' and prevent inflation. In the years immediately following the war unemployment was unusually low, but this was mainly due to the post-war reconstruction and some of Britain's competitors being temporarily knocked out of the world market. The Keynesian economist Joan Robinson admitted that the post-war boom would have happened anyway and for those reasons.

However, from the mid-1950s onwards unemployment had been on an upward trend, rising to 1.5 million in 1976 under a Labour government. It was in 1976 that the Labour Prime Minister, James Callaghan, told the Labour Party Annual Conference:

*'We used to think you could spend your way out of a recession and increase employment by boosting government spending. I tell you in all candour that this option no longer exists'* (Quoted by Professor Vernon Bogdanor, <https://tinyurl.com/y6q3t7qo>).

Not only did Labour and Tory governments fail to secure 'full employment', they also failed to prevent inflation. Under the Labour government of 1974-79 the general price level rose by 112%. The Tory government elected in 1979 had formally abandoned Keynesian economics. But they still inflated the currency to pay for government spending, and in the following decade prices rose by over 100%. During the same period unemployment increased to over 3 million.

Inflation is caused by governments – Labour and Tory – financing their increased expenditure by printing and putting into circulation hundreds of millions of pounds of excess paper money. They did this in the vain hope that it would prevent unemployment rising, ignoring the fact that unemployment generally is caused by a failure of profitability.

### **Reading**

Paul Mattick, *Marx and Keynes*, 1955 (<https://tinyurl.com/easv3xjm>)

**Kropotkin, Peter Alexeyevich** (1842—1921). Born in Moscow into a noble family, he was educated at an elite military school and served as an army officer. He resigned his commission in 1867 and became an anarchist in 1872. Kropotkin was imprisoned for his propaganda activities in Russia in 1874 but escaped two years later and lived in Western Europe until 1917. In France he founded and edited *Le Révolté*, was arrested again in 1883, but was released early, in 1886. He then went to England and helped found the anarchist paper, *Freedom*, in London. A prolific writer, Kropotkin is an example of a thinker in the anarchist trend called 'anarcho-

communist'. These books of his can be recommended: *The Conquest of Bread* (1892), *Fields, Factories and Workshops* (1899) and, above all, *Mutual Aid* (1902).

### Reading

Kropotkin, *Mutual Aid*, 1902 (<https://tinyurl.com/y8xvwj28>)

Brian Morris, *Kropotkin: The Politics of Community*, 2004

**Labour Party.** In 1900 representatives from the ILP, SDF, Fabians and other organisations joined trade unionists in setting up the Labour Representation Committee, to establish 'a distinct Labour Group in Parliament'. In the 1906 general election 29 out of the 50 LRC candidates were successful and it was decided later in that year to change their name to the Labour Party. Lloyd George, a Liberal, claimed that the name alone was worth a million votes.

At the start the Labour Party was intended merely as a trade union pressure group in Parliament. It had no socialist pretensions, and was indeed merely the tail end of the Liberal Party. Nearly every Labour MP returned before the First World War owed his election to Liberal votes in accordance with a shady deal Ramsay MacDonald had made with the Liberals. In 1918, under the influence of the Fabians, the Labour Party adopted a new constitution that included the now rejected Clause Four. This clause in fact committed it not to socialism, but to state capitalism which was the real aim of the Fabians.

The first Labour government, kept in power with Liberal support, was in office from January to November 1924. The second Labour government, returned in 1929, again had Ramsay MacDonald as Prime Minister. He had promised to reduce unemployment, then standing at 1,164,000. But within a year it had gone up to 1,911,000, and in two years it had more than doubled, at the record level of 1,707,000. In 1931 the Cabinet were split over what was to be done about the economic crisis. The upshot was that the Labour Prime Minister, MacDonald, formed a National Government along with Liberal and Tory leaders, and the Labour Party was split in two.

When in 1945 Labour were returned with an overall majority, they set about nationalising a large section of industry. But those who thought that state capitalism coupled with a Labour government was in the interests of workers soon learned the truth. In administering capitalism Labour did what was required to protect and further the interests of the British capitalists. They retained war-time legislation banning strikes. They sent troops into the docks. They put striking gas workers and dockers on trial. They imposed wage restraint and then a wage freeze. They introduced peace-time conscription for the first time. They began the development of the British atomic bomb. They sent troops to help American imperialism in Korea - but they did not solve the housing problem as Bevan had promised.

Elected in 1964 and 1966, Labour were once again able to show their commitment to capitalism – another wage freeze, incomes policy legislation, proposed trade union legislation ('In Place of Strife', dropped in the face of a storm of union protest) and a tougher immigration bar. In 1974 Labour was elected with Harold Wilson again as

Prime Minister. During the Labour government 1974 – 1979 unemployment went up from 628,000 to 1,299,000, while the general price level rose by 112%. It was a Labour government led by James Callaghan, trying to hold wage increases down to half the increase in the cost of living, that led to the 'Winter of Discontent' (1978 – 1979) and the sending in of troops to break the firemen's' strike.

After defeat at the polls with Michael Foot (1983) and Neil Kinnock (1987 and 1992) as leaders, the Labour Party had moved away from policies favourable to state capitalism towards openly accepting market capitalism. Under the leadership of Tony Blair (1994 - 2007) and Gordon Brown (2007-2010), Labour remodelled itself as 'New Labour' and Labour governments (1997- 2010) were not afraid to pursue the interests of the capitalist class, including offensive wars against Iraq and Afghanistan. Even with Jeremy Corbyn as Leader (2015-2020), Labour were still the enemy of labour, and still are with Keir Starmer as Leader.

The evolution of the Labour Party is a practical confirmation of the theoretical case against reformism. With a working class that has never at any time understood or wanted socialism, the Labour Party, instead of gradually transforming capitalism in the interests of the workers, has itself been gradually transformed from a trade union pressure group into an instrument of capitalist rule.

### **Reading**

Labour Party online: <https://tinyurl.com/y629qej5>

Martin Pugh, *Speak For Britain! A New History of the Labour Party*, 2011

**Labour power.** The capacity to do useful work which creates value in the form of commodities. Workers sell their labour power to capitalist enterprises for a wage or a salary. As a commodity, labour power has an exchange value and a use value, like all other commodities. Its exchange value is equal to the total of the exchange values of all those commodities necessary to produce and reproduce the labour power of the worker and his or her family. The use value of labour power is its value creating capacity which capitalist enterprises buy and put to work as labour.

However, labour power is unlike other commodities in that it has the capacity to create value. During a given period it can produce more than is needed to maintain the worker during the same period. The surplus value produced is the difference between the exchange value of labour power and the use value of the labour extracted by the capitalists.

**Labour theory of value.** The labour theory of value explains how wealth is produced and distributed under capitalism, and how the working class is exploited. Human labour power applied to nature-given materials is the source of most wealth. The wealth produced, however, belongs not to the workers but to those who own and control the means of wealth production and distribution (land, factories, offices, etc.). Wealth production under capitalism generally takes the form of commodities produced for sale at a profit.

The value of a commodity is determined by the amount of socially necessary labour time required under average conditions for its production and reproduction. Subject to any monopolies or government subsidies, it is around a point regulated by value that the price of a commodity fluctuates according to supply and demand.

For Marx, the mode of production determines the mode of distribution:

*'If the material conditions of production are the co-operative property of the workers themselves, then there likewise results a distribution of the means of consumption different from the present one. Vulgar socialism (and from it in turn a section of the democrats) has taken over from the bourgeois economists the consideration and treatment of distribution as independent of the mode of production and hence the presentation of socialism as turning principally on distribution. After the real relation has long been made clear, why retrogress again?'* (Critique of the Gotha Programme, 1875, <https://tinyurl.com/y75essuv>).

### **Reading**

A. Filho & B. Fine, *Marx's 'Capital'*, 2016 (<https://tinyurl.com/rftylyxp>)

Frequently Asked Questions about the Labour Theory of Value:

<https://tinyurl.com/o3g59>

**Law.** Most laws are a set of state-sanctioned commands with the overall aim of conserving the power and privilege of the ruling class. The capitalist state, including its judiciary and police, exist to protect the prevailing capitalist property relations. This becomes obvious with certain aspects of the class struggle, such as strikes and picketing, Capitalists and their apologists want the workers – those excluded from owning more than relatively insignificant amounts of property – to regard the state as protector of rich and poor alike and for everyone to be equal before the law. Historically, the state developed as an instrument of class rule and the capitalists' monopoly of the means of life ensures that the law can never be impartial. If capitalist property is threatened the law must defend it above everything else, or else the whole legal system is threatened. This is why the modern state and its laws arose and puts into context the incidental laws which may not seem to be directly necessary for class rule – for example, laws dealing with health and safety at work.

Of course, capitalism being the essentially vicious and anti-human society that it is, laws may seem to be a permanent necessity to protect us from some of our fellow workers. But there is no reason why, on the new basis of material sufficiency and social co-operation, human behaviour can be very different. In world socialism there will no doubt be various democratic procedures for dealing with unacceptable behaviour, but there will definitely be no state and its laws.

### **Reading**

Hugh Collins, *Marxism and Law*, 1996

**Leadership.** Working class self-emancipation necessarily excludes the role of political leadership. The World Socialist Movement has an absolute need of people with understanding and self-reliance. Even if we could conceive of a leader-ridden working class displacing the capitalist class from power such a politically immature

class would be helpless to undertake the responsibilities of democratic socialist society.

**Left-wing.** A term which comes from the old French legislature, referring to that section of the membership sitting on the left side of the chamber (as viewed from the President's chair) holding progressive liberal opinions. Socialists reject the conventional method of political analysis that seeks to understand politics in terms of 'left' or 'right'. The left and right are different only to the extent that they provide a different political and organisational apparatus for administering the same capitalist system. This includes those on the left who aim for socialism some time in the distant future but in the meantime demand some form of transitional capitalism. For this reason, the World Socialist Movement cannot be usefully identified as either 'left-wing' or 'right-wing'.

### **Reading**

M. Rubel, & J. Crump, *Non-Market Socialism in the Nineteenth and Twentieth Centuries*, 1987 (<https://tinyurl.com/y2ops3wj>)

**Lenin, V.I.** (1870-1924). Real name: Vladimir Ilich Ulyanov. Born in Simbirsk (called Ulyanovsk after the 1917 revolution, but since 1991 renamed Simbirsk), the son of a school inspector. At sixteen years of age his eldest brother Alexander was hanged for complicity in a plot to assassinate the Tsar. Soon after, Lenin devoted himself to anti-Tsarist revolutionary activity, was arrested, and spent three years in prison in Siberia. In 1900 Lenin joined Plekhanov in Geneva and the following year he adopted the pseudonym 'Lenin'. He helped to set up a newspaper, *Iskra* (The Spark), which would articulate anti-Tsarist opinion and activity. Lenin then set out what he saw as the necessary organisational structure for a revolutionary political party in *What Is To Be Done?* (1902). In 1903 he became the leader of the Bolshevik wing of the Russian Social Democrats.

After the revolution of March 1917 Lenin returned to Petrograd (as St Petersburg was renamed because of its German connotations, which became Leningrad, and has now reverted to St Petersburg) in a sealed train provided by the German army. No doubt they counted on Lenin and the Bolsheviks spreading disaffection amongst the Russian army. But after an abortive coup in July he fled to Finland. Lenin then put to paper his views on the state and the socialist revolution, based on his theory of imperialism and giving special emphasis to his interpretation of the 'dictatorship of the proletariat', in *State and Revolution* (1917). He returned to Petrograd in October and led the Bolsheviks to power with a successful coup.

As head of the new government Lenin was preoccupied with the chaos produced by an external war with Germany and an internal civil war. His response was to re-emphasise 'democratic centralism' in which the 'dictatorship of the proletariat' came under the increasingly totalitarian control of the vanguard party. However, since the number of people in any country who wanted socialism was very small (Russia especially), the Bolsheviks had no choice but to develop some form of capitalism.

When he died from a stroke in January 1924, most of the main feudal obstacles to capitalist development had been removed, together with all effective political

opposition. With his concepts of the 'dictatorship of the proletariat' and the leading role of the vanguard party, and a transitional society of 'socialism', Lenin distorted Marxism and thereby severely damaged the development of a socialist movement. Indeed, Leninism continues to pose a real obstacle to the achievement of socialism.

### Reading

Neil Harding, *Lenin's Political Thought*, 2010

Lenin online: <https://tinyurl.com/vmqo762>

Anton Pannekoek, *Lenin As Philosopher*, 1938 (<https://tinyurl.com/smn454w>)

**Leninism.** According to Stalin, Leninism is 'Marxism in the era of imperialism and of the proletarian revolution ... Leninism is the theory and tactics of the dictatorship of the proletariat in particular' (*Foundations of Leninism*, 1924

<https://tinyurl.com/y627eoaq>). Accordingly, this ideology is often referred to as 'Marxism-Leninism'. This however is a contradiction in terms: Marxism is essentially anti-Leninist. But not everything Lenin wrote is worthless. For example, his article entitled *The Three Sources and Three Component Parts of Marxism* (1913, <https://tinyurl.com/lznek9y>), contains a concise and accurate exposition of Marxism. Why, then, is Leninism objectionable? Because, for socialists, it is anti-democratic and it advocates a course of political action which can never lead to socialism.

In *What Is To Be Done?* (1902) Lenin said: 'the history of all countries shows that the working class, exclusively by its own efforts, is able to develop only trade union consciousness' (<https://tinyurl.com/o9nzlq5>). Lenin argued that socialist consciousness had to be brought to the working class by professional revolutionaries, organised as a centralised vanguard party. Over time this anti-Marxist position has become an embarrassment for Leninists, and this has led to attempts to 'rediscover' what Lenin really meant. Lars T. Lih, for example, argues that Lenin's theory was specifically for a revolutionary political party under a Tsarist autocracy, and that Lenin was really a left-wing Social Democrat (*Lenin Rediscovered: What is to be Done? in Context*, 2008, <https://tinyurl.com/yxgmk34o>). However, after the collapse of the Tsarist autocracy Lenin still insisted on the need for a vanguard party with leaders and a working class who were incapable of self-emancipation. In a speech in November 1917 he declared: 'If Socialism can only be realized when the intellectual development of all the people permits it, then we shall not see Socialism for at least five hundred years...the vanguard of the working class...must not allow itself to be halted by the lack of education of the mass average, but it must lead the masses, using the Soviets as organs of revolutionary initiative' (John Reed, *Ten Days That Shook The World*, 1919, <https://tinyurl.com/nxv8dtn>). And in Lenin's *Left-wing Communism: An Infantile Disorder*, which came out in 1920, in a chapter headed 'An Essential Condition of the Bolsheviks' Success', he stated that they maintained 'the strictest centralisation and iron discipline'.

(<https://tinyurl.com/kvc7aj5>). There is also the fact that, historically, all parties and groups descended from the Bolshevik Party under Lenin have been organised as vanguard parties along the lines of *What is to be Done?* The history of Leninism in



power shows that allowing elites to rule on behalf of the working class is always a disaster. Working class self-emancipation necessarily precludes the role of political leadership.

In *State and Revolution* (1917) Lenin said that his 'prime task is to re-establish what Marx really taught on the subject of the state'. Lenin argued that socialism is a transitional society between capitalism and full communism, in which 'there still remains the need for a state... For the state to wither away completely, complete communism is necessary' (<https://tinyurl.com/qfvskbn>). Moreover, Lenin claimed that according to Marx work and wages would be guided by the 'socialist principle' (though in fact it comes from St Paul): 'He who does not work shall not eat.' (Leninists sometimes reformulate this 'principle' as: 'to each according to his work'.) Marx and Engels used no such 'principle' – they made no such distinction between socialism and communism. Lenin in fact did not re-establish Marx's position but substantially distorted it to suit the situation in which the Bolsheviks found themselves. When Stalin announced the doctrine of 'Socialism in One Country' (i.e. State Capitalism in Russia) he was drawing on an idea implicit in Lenin's writings.

In *State and Revolution*, Lenin gave special emphasis to the concept of the 'dictatorship of the proletariat'. This phrase was sometimes used by Marx and Engels and meant working class conquest of power, which (unlike Lenin) they did not confuse with a socialist society. Engels had cited the Paris Commune of 1871 as an example of the dictatorship of the proletariat, though Marx in his writings on this subject did not mention this as an example, since for him it meant conquest of central state power, which the Commune was not. Nevertheless, the Commune impressed itself upon Marx and Engels for its ultra-democratic features – non-hierarchical, the use of revocable delegates, etc. Lenin, on the other hand, tended to identify democracy with a state ruled by a vanguard party. When the Bolsheviks actually gained power they centralised political power more and more in the hands of the Communist Party.

For Lenin the dictatorship of the proletariat was 'the very essence of Marx's teaching' (*The Proletarian Revolution and the Renegade Kautsky*, 1918, <https://tinyurl.com/y4qnx4m>). Notice however that Lenin's *Three Sources* article – referred to above – contains no mention of the phrase or Lenin's conception of the dictatorship of the proletariat. For modern Leninists this concept, in Lenin's interpretation, is still central to their politics. So, for its anti-democratic elitism and its advocacy of an irrelevant transitional society misnamed 'socialism', in theory and in practice, Leninism deserves the hostility of workers everywhere.

### **Reading**

H. Gorter, A. Pannekoek, S. Pankhurst, *Non-Leninist Marxism: Writings on the Workers Councils*, 2007

Neil Harding, *Leninism*, 1996

**Luxemburg, Rosa** (1871-1919). Born in Russian Poland, she moved to Germany where she made a name for herself as an opponent of Bernstein's revisionism in the German Social Democratic Party (SPD). Her 1900 pamphlet *Social Reform or Revolution* (<https://tinyurl.com/jta2pnb>) was an attack on the view that capitalism could be gradually transformed into socialism by a process of social reform. A courageous agitator, she was arrested many times. *The Socialist Standard* for January 1907 carried a report of Luxemburg's trial at Weimar and commented:

*'Well done "red Rosa"; you have grandly expressed the sentiments of the class-conscious workers of the world and may you live to see the Social Revolution accomplished'* (<https://tinyurl.com/wj8brlw>).

But Luxemburg was not opposed to all campaigning for reforms. She agreed with the SPD's tactic on reform: that the working class should be encouraged to struggle for them in order to prepare itself for the eventual capture of political power. By 1910, however, it became obvious to her that reformism was not confined to Bernstein but included Kautsky, Bebel and other leaders of the SPD. She still did not blame advocating reforms as such and in fact her answer to the danger of reformism was to involve the workers themselves in a 'mass strike'. This was a tactic she had picked up from the 1905 revolution in Russia in which she had participated. In her main theoretical work, *The Accumulation of Capital* (1913, <https://tinyurl.com/stptjh3>), Luxemburg argued that capitalism, due to its inability to sell within the system all of the surplus value created, was dependent on non-capitalist markets to continue and would collapse when all these had been exhausted. She believed that as capitalism approached this point the growing economic instability would cause the working class to establish socialism before the point of collapse was reached. However, she made the mistake of assuming that the capitalists were incapable of realising within the system all of the surplus value produced and overlooked that this could be done through exchanges between themselves.

Luxemburg led the opposition to the First World War in Germany, and eventually helped to form a new party, the Spartacus League. She had to spend most of the war in prison and it was there that she wrote the classic socialist statement against the war, the *The Junius Pamphlet* (1915, <https://tinyurl.com/y6fax84u>). She had already criticised Lenin for his conception of a centralised vanguard party in *Organisational Questions of Russian Social Democracy* (1904, <https://tinyurl.com/y4976byj>). She had also criticised Lenin for his insistence on the right of nations to self-determination – even describing Marx's demand for Polish independence as 'obsolete and mistaken'. In *The Russian Revolution* (1918), she again criticised the Bolsheviks for their attitude towards democracy – but in other respects her sympathies were with the Bolsheviks' overthrow of the pro-war Provisional Government and their appeal for workers everywhere to rise up and overthrow capitalism: 'the future everywhere belongs to Bolshevism', she concluded (<https://tinyurl.com/hguh4e5>).

Rosa Luxemburg was freed from prison in late 1918 and participated in an armed uprising in Berlin. In January 1919 soldiers responsible to the SPD government murdered her and Karl Leibknecht.

## Reading

Norman Geras, *The Legacy of Rosa Luxemburg*, 2015  
Luxemburg online: <https://tinyurl.com/jjlwprs>

**Mao Zedong** (or Mao Tse-tung) 1893-1976. Born in the Hunan province of south-central China, Mao's father was a poor peasant who became rich from trading in grain. Mao helped to form the Chinese Communist Party (CCP) in 1921. He led the Long March (1934-35) to Yanan where, after the collapse of the Japanese army, he defeated the Nationalists and proclaimed the People's Republic of China in 1949. As 'Chairman Mao' he instituted the disastrous Great Leap Forward (1958-61) and the Cultural Revolution (which was at its height from 1966-68 but lasted several more years). After Mao's death in 1976 there was a power struggle within the CCP, starting with the putting down of the 'Gang of Four' (which included Mao's widow).

## Reading

Delia Davin, *Mao: A Very Short Introduction*, 2013  
Mao online: <https://tinyurl.com/uzsd4ur>

**Maoism.** A synthesis of Leninism, China's economic backwardness and Chinese philosophy.

Mao was basically a peasant revolutionary. At the time of the Chinese revolution (1949) the great majority of the population were peasants. Mao believed that the peasantry was discontented enough to be the agency of China's capitalist revolution. In his *Report of an Investigation into the Peasant Movement in Hunan* (1927), Mao admitted that the coming revolution would not be socialist: 'To overthrow these feudal forces is the real objective of the national revolution' (<https://tinyurl.com/yxberhft>).

His argument, derived from Lenin, was that capitalist development would continue in a 'socialist' society. Mao administered China's capitalist industrialisation based on a predominantly peasant population, combating the resulting contradictions (class struggles) with a state bureaucracy under strict CCP control, and attempting to justify this by drawing on various elements of eastern philosophies. In *On Contradiction* (1937), Mao argued that class struggles would continue within a 'socialist' society and that the subjective will of the masses could overcome objective obstacles to economic development (<https://tinyurl.com/zmroflo>).

The key role assigned to the peasantry has meant that Maoism has been widely used as an ideology of peasant revolution in Third World countries.

## Reading

Selected Works of Mao Tse Tung: <https://tinyurl.com/yyx25p8g>

Brantly Womack, *The Foundations of Mao Zedong's Political Thought*, 1982  
(<https://tinyurl.com/y6oqhaas>)

**Marx, Karl Heinrich** (1818-1883). Born in Trier, south-west Germany, Marx was the son of a lawyer and raised as a Lutheran Christian. He was a student at Bonn and Berlin universities before taking his Doctorate at Jena on the philosophy of science in ancient Greek philosophy. At Berlin he had come under the influence of Hegel's philosophy. Marx was briefly but actively involved with the Young Hegelian movement which produced a radical liberal critique of religion and Prussian autocracy. Marx then took up journalism, and at some point in late 1843 to early 1844 he became a communist while living in Paris. Marx set out his new ideas, for self-clarification, in the *Economic and Philosophical Manuscripts* (1844, <https://tinyurl.com/lq49877>). Just before he was expelled from Paris for being a subversive Marx had met Engels for the first time.

In Brussels, Marx and Engels sought to 'settle accounts' with their 'former philosophical conscience', Hegelian philosophy, and in so doing established the basic principles of their materialist theory of history in *The German Ideology* (1845, <https://tinyurl.com/zlsprza>). After being initially impressed with the anarchist Proudhon, Marx launched an attack with *The Poverty of Philosophy* (1846, <https://tinyurl.com/t8a8mav>), his first published work. As a member of the Communist League, Marx wrote their *Manifesto of the Communist Party* (1848, <https://tinyurl.com/opzl2g2>).

After being journalistically involved in the revolutions of 1848 and a brief period of exile in France and Belgium, Marx and his family moved to London. There he wrote two analyses of the 1848 revolutions: *The Class Struggles in France* (1850, <https://tinyurl.com/ycu3gg3j>) and *The Eighteenth Brumaire of Louis Bonaparte* (1851, <https://tinyurl.com/vfhzxd0>). During the 1850s Marx intensified his study of political economy, courtesy of the British Museum reading room. His main source of income during this period was Engels, and though often in dire poverty Marx was not the idle sponger he is sometimes made out to be. Marx was in fact a journalist for twenty years and was twice a newspaper editor (*Rheinische Zeitung*, 1842-3, *Neue Rheinische Zeitung*, 1848-9). He wrote about 700 articles (many quite lengthy) up to 1862 when he gave up journalism.

The first result of Marx's study in Britain of political economy came in a manuscript first published in 1841 under the title *Grundrisse* (<https://tinyurl.com/oxzxauo>). In 1859 *A Contribution to the Critique of Political Economy* was published (<https://tinyurl.com/h7fth4u>). This contains a Preface in which Marx gave a summary of the 'general result' which served as a 'guiding thread' for his researches. This Preface also contains the only auto-biographical account of Marx's intellectual development we have. In 1865 Marx delivered a report to the General Council of the First International, later published as a pamphlet under the title *Value, Price and Profit* (<https://tinyurl.com/zlomtnu>), arguing against the view that higher wages

cannot improve the lot of the working class. In 1867 volume 1 of *Capital* (subtitled: *A Critique of Political Economy*) was published (<https://tinyurl.com/wh6xmjm>). Volumes 2 and 3 were edited for publication posthumously by Engels. As well as Marx's theoretical concerns, moreover, he was a political activist. He was deeply involved in the First International, serving on its General Council from 1864 to 1872. He corresponded with socialists world-wide but, for the last several years of his life, Marx's health had deteriorated to the point where political work was impossible.

Marx first came to the public's attention with his defence of the Paris Commune. At the end of the Franco-Prussian war, in 1871, the Paris Commune was formed. This was an improvised organisation of Parisian workers set up to run and defend Paris. The French army brutally suppressed the Commune and slaughtered at least 20,000 of the Communards. Although some French members of the First International took part, Marx had no input into the creation or running of the Commune. Shortly afterwards, he wrote a defence of the Commune, *The Civil War in France* (<https://tinyurl.com/jd2vco6>). However, the British press seized on this pamphlet as proof that Marx was the mastermind or strategist behind the Commune. They gave him the title 'red terror Doctor'. Marx for the first time became notorious – but he became notorious for an event which he had not been involved. This would not be the last time Marx would gain notoriety for something for which he had not been involved.

The validity of Marx's theories are independent of Marx the man. Nonetheless, criticisms of Marx have been made based on the misinterpretations and distortions of Marxism that have occurred in the nineteenth, twentieth and twenty-first centuries.

### **Reading**

Gareth Stedman Jones, *Karl Marx: Greatness and Illusion*, 2016

Francis Wheen, *Karl Marx: A Life*, 2010

**Marxism.** The socialist theory and practice formulated by Marx and Engels and further developed by socialists. Marx regarded himself as having given expression, in theory, to a movement that was already going on. It was the direct product of the recognition of the class struggle and the anarchy of production in capitalist society. Socialist theory arose in opposition to capitalism but expressed itself in terms of already existing ideas. Marx's close collaborator, Engels, identified three intellectual trends that they were able to draw upon:

1. Utopian socialism (Fourier, St. Simon, Owen)
2. German philosophy (Hegel, the Young Hegelians)
3. Classical political economy (Adam Smith, David Ricardo)

Socialist theory was a critical blending together of these three tendencies in the light of the actual class struggle. The utopian socialists provided a constructive criticism of capitalism (its private property, competitiveness, etc.) and some interesting ideas about the possibilities of socialism (dissolving the distinction between town and

country, individual self-development, etc.). But, lacking an adequate understanding of the class nature of society and social change, they were unable to see socialism as anything other than an ideal society, one that could have been established at any time. What was needed was a politics that acknowledged the class struggle.

An adequate theory of history and social change is what Marx was to contribute to socialist theory, providing it with a scientific basis. Hegelian philosophy tried to explain history, law, political institutions and so on, in terms of the development of ideas. Marx stood Hegel's method 'right side up' and argued that the explanation lay not merely in the development of ideas, but in the development of social classes and their material conditions of life. Marx's method for studying the general process of social and historical change is called the materialist conception of history.

By 1844 Marx had become a socialist and had reached the conclusion that the anatomy of 'civil society' (i.e. capitalism) was to be sought in political economy, in economics. Marx studied the classics of British political economy, Adam Smith and particularly David Ricardo. In Ricardo's labour theory of value, the value of a commodity was said to be determined by the amount of labour used in producing it. Profits, according to some of Ricardo's followers, represented the unpaid labour of the workers, and so it was said that workers were not paid their full value and were cheated by their employers. Marx's version of the labour theory of value explained exploitation, not by the capitalists cheating the workers, but as the natural result of the workings of the capitalist market. Marx pointed out that what the workers sold to the capitalists was not their labour, but their labour power – workers sell their skills, but have to surrender the entire product to the employer. Workers are exploited even though we are generally paid the full value of what we must sell. Marx produced a theory of how the capitalist economy functioned which is still broadly acceptable today.

The Socialist Party has further developed Marx's theories, and has made plain where it disagrees with Marx. We do not endorse Marx's ideas regarding struggles for national liberation, minimum reform programmes, labour vouchers and the lower stage of communism. On some of these points the Socialist Party does not reject what Marx advocated in his own day but rejects their applicability to socialists now. There are other issues upon which the Socialist Party might appear to be at variance with Marx but is in fact only disputing distortions of Marx's thinking. For example, the 'dictatorship of the proletariat' is usually understood in its Leninist interpretation. Indeed, it is a tragedy of world-historical proportions that Marx has been Leninized – what is basically a method of social analysis with a view to taking informed political action by the working class, has had its name put to a state ideology of repression of the working class. Instead of being known as a tool for working class self-emancipation, we have had the abomination of 'Marxist states'.

Undeterred by these developments, the Socialist Party has made its own contributions to socialist theory whilst combating distortions of Marx's ideas. In the light of all the above, the three main Marxist theories can be restated as:

- The political theory of class struggle

- The materialist theory of history
- The labour theory of value

These are tools of analysis, which have been further developed and modified by socialists, to explain how the working class are exploited under capitalism. Marxism is not only a method for criticising capitalism: it also points to the alternative.

Marxism explains the importance to the working class of common ownership, democratic control and production solely for use and the means for establishing it. And while it is desirable that socialist activists should acquaint themselves with the basics of Marxism, it is essential that a majority of workers have a working knowledge of how capitalism operates and what the change to socialism will mean.

### Reading

Terrell Carver (ed), *The Cambridge Companion to Marx*, 2008

Keith Graham, *Karl Marx, Our Contemporary: Social Theory for a Post-Leninist World*, 1992

Marxism online: <https://tinyurl.com/rccedfa>

**Materialism.** In philosophy this is usually the view that everything which exists is, or at least depends upon, matter. Socialists can agree with that proposition, but then again, so can many anti-socialists. In Marx's theory of human history and social change, materialism is referred to in a somewhat different but related sense. This is called the materialist conception of history, or historical materialism (Engels' term). Marx and Engels never used the term 'dialectical materialism' (Plekhanov's term).

In *The German Ideology* (1845), Marx had stated the basic materialist principles that were to serve as a guiding thread for his research:

- Living people (not an idealised or anecdotal account of the past or present)
- Their activities (the physical organisation of these individuals and their consequent relation to the rest of nature)
- Their physical conditions of life (how they produce their means of subsistence)

(<https://tinyurl.com/mq96vj9>)

This provided the philosophical underpinning for Marx's historical, economic and social analyses. It is in this practical sense of the word (not in its acquisitive sense) that socialists are materialists in their outlook.

### Reading

Z.A. Jordan, *The Origins of Dialectical Materialism*, 1967

(<https://tinyurl.com/uu2y7a6>)

E.P. Thompson, *The Poverty of Theory*, 1978

(<https://tinyurl.com/wv3njph>)

**Means of production.** Land, factories, railways, offices, communication systems, etc. A mode (or system) of production is constituted by its forces and relations of production. The forces of production in capitalism include means of production and labour power.

**Monetarism.** A capitalist economic theory which holds that increases in the 'money supply' cause inflation. Milton Friedman argued that 'inflation is always and everywhere a monetary phenomenon' (*A Monetary History of the United States*, 1963). Indeed, persistent inflation is always a question of the money supply, defined precisely as the supply of currency (notes and coins). Monetarists, however, usually include bank deposits in their definition of 'money supply'. This is absurd since it attributes to banks the ability to create new purchasing power, whereas all they can do is redistribute existing purchasing power from their depositors to their borrowers. Only the central state can create new purchasing power, in the form of more currency.

The emergence of monetarism in the 1970s can be largely attributed to Milton Friedman. He wrongly labelled Karl Marx a monetarist: 'Let me inform you that among my fellow Monetarists were Karl Marx' (*Observer*, 26.9.82). Marx explained inflation based on his labour theory of value. With convertibility (into gold) the price level is determined by the total amount of gold in circulation. Although prices rise and fall according to market conditions, there is no inflation (a sustained increase in the general price level). But with inconvertibility the required level of currency is determined by the total amount of commodities in circulation. If there is an issue of currency in excess of this amount, prices rise.

Of course, capitalism without inflation, as in the nineteenth century, no more solves working class problems than does capitalism with inflation, as in the years since the end of the Second World War.

**Money.** Historically, money developed on the basis of private property and the exchange of commodities. Money can function as a means of exchange, a measure of value, a general equivalent, a standard of price, a store of value. Socialism will be a moneyless society.

### **Reading**

Samezo Kuruma, *Marx's Theory of the Genesis of Money*, 2008

**Morality.** The rules which ought to govern human behaviour. Socialists are indignant about the effects of capitalism on people and the environment. However, the case for socialism is not grounded in morality but in material class interests. Marxism reveals, as no other theory can, how capitalism came into being, what its dynamics are, why it must exploit and what it must be replaced with. This does not preclude all moral considerations, but morality does not exist in a timeless social and economic vacuum. The current (basically liberal) moral notions of rights, justice, fairness, etc.



misrepresent the exploitative social relations of capitalism and are inappropriate to the struggle for socialism. For instance, the demand for 'A fair day's wage for a fair day's work' (the American Federation of Labor's motto) ignores the exploitative relation of wage labour to capital. That is why Marx countered with a working-class demand: 'Instead of the *conservative* motto: "A fair day's wage for a fair day's work!" they ought to inscribe on their banner the *revolutionary* watchword: "Abolition of the wages system!"' (*Value, Price and Profit*, 1865, <https://tinyurl.com/y6cxvd7w>).

In all societies there must be rules of conduct or the society would fall to pieces. So, in a socialist society, when it has been established, there will also be rules of conduct in harmony with its social basis. The moral outlook will be the custom, based on voluntary co-operation with common ownership and democratic control of the means of life.

### **Reading**

Steven Lukes, *Marxism and Morality*, 1985

**Morris, William** (1834-1896). The son of capitalist parents, he became a pioneer Marxian socialist. While a student at Oxford in the 1850s he was involved with a group of romantic artists known as the pre-Raphaelites because they reckoned that painting had degenerated after the Middle Ages with Raphael, the first Reformation painter. Morris tried his hand at painting but became more famous as a poet, though he was involved in a wide variety of arts and crafts.

Morris began his political life in the Radical wing of the Liberal Party. In the 1880 general election he worked for the return of Gladstone, but soon became disillusioned with the new Liberal government. In 1883 he joined the Democratic Federation, an association of working-class radical clubs formed in 1881. Soon after Morris joined, it changed its name to the Social Democratic Federation, proclaiming Socialism as its aim and Marxism as its theory, though in fact it never did outlive its radical-Liberal origins as it continued to advocate the same reforms of capitalism. Morris set about studying Marxism and there can be no doubt that he did understand Marx's ideas well enough to be regarded as a Marxist. But that was not all. John Ruskin had defined 'art' as the expression of man's pleasure in his labour. Morris wholeheartedly endorsed this definition of art, with its implication that people would produce beautiful things – things of everyday use, not mere decorations – if they enjoyed their work. It was recognition that capitalism denied most people pleasure in their work that led him to become a socialist.

Hyndman, the man who had been largely instrumental in founding the Democratic Federation, was an authoritarian and tried to run the SDF as his personal organisation. This led to discontent and eventually, at the end of 1884, to a split in which Morris became the key figure in the breakaway Socialist League. Unlike the reformist SDF, the Socialist League saw its task as simply to make socialists. As Morris wrote:

*'Our business, I repeat, is the making of socialists, i.e., convincing people that socialism is good for them and is possible. When we have enough people of that way of thinking, they will find out what action is necessary for putting their principles into practice. Until we have that mass of opinion, action for a general change that will*

*benefit the whole people is impossible'* (Where Are We Now?, 1890, <https://tinyurl.com/ruhmk2v>).

Morris found himself as the main theorist of the Socialist League. He never denied that the working class could capture political power, including parliament; but his refusal to advocate the use of parliament to get reforms upset a group, including Marx's daughter Eleanor, who in the end broke away from the Socialist League. This left Morris at the mercy of the real anti-parliamentarians and anarchists, who eventually came to dominate the League with their advocacy of violence and bomb throwing. In 1890 Morris and the Hammersmith branch seceded, carrying on independent socialist activity as the Hammersmith Socialist Society.

William Morris was an outstanding socialist activist. He frequently toured the country giving talks and wrote a prodigious amount of literature, culminating in his masterpiece about a socialist utopia, *News from Nowhere* (1890, <https://tinyurl.com/uyfgx8g>). He died in 1896, but eight years later the Socialist Party was formed from a group that broke with the SDF (and for much the same reasons as the League). The Socialist Party, when formulating its Declaration of Principles in 1904, drew heavily upon the *Manifesto of the Socialist League* (<https://tinyurl.com/t22gjms>) which was drafted by Morris.

#### **Reading**

Owen Holland, *William Morris's Utopianism: Propaganda, Politics and Prefiguration*, 2017

Fiona MacCarthy, *William Morris: A Life For Our Time*, 2010

William Morris Society: <https://tinyurl.com/t8nb6ds>

**Nation.** According to Benedict Anderson, a nation is an 'imagined community' (*Imagined Communities*, 1983). The word usually refers to a collection of people with a distinct culture, territory, history and common language. The geopolitical entity of the state and its machinery of government are not necessarily the same as the nation, and this forms the ideological basis for nationalism—the belief that a nation should become a state, or nation-state.

**Nationalisation.** The wages system under new management. Nationalisation is state capitalism and does not differ from private capitalism as far as the exploitation of the workers is concerned. They still need their trade unions, and the strike weapon, to protect themselves from their employers.

The Socialist Party has never supported nationalisation. It is not socialism, nor is it a step towards socialism.

#### **Reading**

A. Buick & J. Crump, *State Capitalism*, 1986 (<https://tinyurl.com/y2wjjqob>)

**Nationalism.** An ideology which emphasises the distinctiveness of a nation and usually points to its statehood. Nationalist movements arose with the development of capitalism and the state. In the nineteenth century, Marx supported some nationalist movements because they were historically progressive in that they served the class

interests of the rising bourgeoisie in its struggle against the traditional aristocracy. In the twentieth and twenty-first centuries, nationalism was, and still is, associated with movements for 'self-determination' and 'ethnic cleansing'.

Socialists do not support movements for national liberation. Certainly, socialism will allow the fullest linguistic and cultural diversity, but this cannot be achieved through nationalism. Marxism explains how workers are exploited and unfree, not as particular nationalities, but as members of a class. To be in an 'oppressed minority' at all it is usually necessary to first belong to the working class. From this perspective, identifying with the working class provides a rational basis for political action. The objective is a stateless world community of free access. Given that nationalism does nothing to further this understanding, however, it is an obstruction to world socialism.

### **Reading**

David Miller, *On Nationality*, 1995

**Needs.** Things which are necessary for life. Needs have a physiological and a historical dimension. Basic physiological needs derive from our human nature (e.g. food, clothing and shelter), but historically conditioned needs derive from developments in the forces of production. In capitalism, needs are manipulated by the imperative to sell commodities and accumulate capital. Basic physiological needs then take the historically conditioned form of 'needs' for whatever the capitalists can sell us. The exact type of needs current will depend on the particular stage of historical development, and that is why the range of needs usually expands over time.

In socialism, a society of common ownership, democratic control and production solely for use, human beings will be ends in themselves and consumption will take place according to their self-defined needs.

### **Reading**

Michael Lebowitz, *Beyond Capital*, 2003

**Organic composition of capital.** The ratio of constant to variable capital ( $c/v$ ). Constant capital is that money invested in machinery, buildings and raw materials. In the process of production their value is only transferred to the finished product either in one go or gradually. Variable capital is that money invested in labour power and is so called because this is the part of the total capital that increases in value in the process of production. An understanding of the organic composition of capital is important for ascertaining the rate of profit, which is calculated as surplus value divided by total capital (constant plus variable).

**Overpopulation.** In his *Essay on the Principle of Population as it Affects the Future Improvement of Society* (<https://tinyurl.com/yg7536fp>), first published in 1798, the Reverend Thomas Malthus argued that population growth always tended to outstrip the growth in food supply, with the result that periodically population growth was

checked by famine, disease and war. It was, and still remains, a very popular apology for the poverty of capitalism.

Karl Marx showed that there is no such thing as a general law of population that applied to all societies and to all times. At times under capitalism there seemed to be overpopulation and at others underpopulation. But this had nothing to do with the birth rate. It was a feature that appeared at the various stages of the business cycle. In depressions there were more people than jobs offered by capitalist industry. In booms, on the other hand, there was a comparative shortage of workers – as in the years after the Second World War when immigrants were recruited to make up the shortage.

It is not just a question of the number of people – productivity has to be taken into account. Beginning with the industrial revolution, technological development increased social productivity so that more food was provided for the increasing population. However, food is not produced directly to meet human needs but rather for profit. Capitalism is a system of artificial scarcity, so creating poverty amidst potential abundance and the illusion that there are too many people and not enough to go around.

### **Reading**

Thomas Robertson, *The Malthusian Moment: Global Population Growth and the Birth of American Environmentalism*, 2012

**Owen, Robert** (1771-1858). Born and died in Newtown, Wales. In 1800 he became a partner in a mill at New Lanark, Scotland, and was able to show in practice that people work better if their living and working conditions are improved. This confirmed the theory he was to set out in *A New View of Society* (1813, <https://tinyurl.com/wh97u2l>), that the establishment of a better society was all a question of changing the environment. At first, he addressed his pleas to the manufacturers and aristocrats. But when this failed, he turned to establishing communitarian colonies, mostly in America, and most of which also failed. In later years he was to be a formative influence on the co-operative movement and helped found the Grand National Consolidated Trades Union in 1834.

The term 'socialist' is found for the first time in the Owenite *Co-operative Magazine* of November 1827. For Owen and his followers, 'social' signified 'co-operation' and a socialist supported co-operation. They criticised the private enterprise and competition that produced poverty, unemployment and crime. In their proposed 'Villages of Co-operation', private property, money, the Church, the legal and penal systems were all to be abolished and common ownership introduced. Owen's labour standard of value was to determine the distribution of goods, though some would be given according to need. In the 1830s some of his followers established 'labour bazaars' where workers brought the products of their labour and received in exchange a labour note which entitled them to take from the bazaar any items which had taken the same time to produce. These bazaars were failures, but the idea of labour-time vouchers, or 'labour money', appeared in substantially similar forms in

France with Proudhon, in Germany with Rodbertus and in England with Hodgskin and Gray. The labour-time voucher idea was also to appear in Marx's *Critique of the Gotha Programme* (1875, <https://tinyurl.com/y8q9w4pj>). This proposition has been seized upon by left-wingers as proof that Marx presumed the use of money in the early phase of communism. But in this work, as elsewhere, Marx is clear that communism (in its early and mature phases) will be based on common ownership and have no use for money:

*'Within the co-operative society based on the common ownership of the means of production, the producers do not exchange their products'* (<https://tinyurl.com/y75essuv>).

Marx was quite adamant that his and Owen's suggested labour-time vouchers would not function as money:

*'Owen's "labour-money", for instance, is no more "money" than a ticket for the theatre. Owen presupposes directly associated labour, a form of production that is entirely inconsistent with the production of commodities. The certificate of labour is merely evidence of the part taken by the individual in the common labour, and of his right to a certain portion of the common produce destined for consumption'* (Capital, Vol. 1, <https://tinyurl.com/m6yfq5v>).

*'These producers may... receive paper vouchers entitling them to withdraw from the social supplies of consumer goods a quantity corresponding to their labour-time. These vouchers are not money. They do not circulate'* (Capital, Vol. 2, <https://tinyurl.com/y492n3ws>).

Marx only suggested labour-time vouchers as a possibility. Given the low level of development of the productive forces, he believed that this was one way of regulating individual consumption. The objective was, for Marx and Owen: from each according to ability, to each according to need. And this is now realisable, as soon as a majority wants it. For Owen in the early nineteenth century the problem of the underdevelopment of the forces and relations of production was even more acute, and it is probably for this reason that he did not recognise the existence of the class struggle. This is why Marx and Engels called his ideas (along with those of Fourier and Saint-Simon) 'Utopian Socialism'.

### **Reading**

Robert Davis & Frank O'Hagan, *Robert Owen*, 2010

Robert Owen Museum: <https://tinyurl.com/kf32v8h>

Keith Taylor, *The Political Ideas of the Utopian Socialists*, 2016

**Parliament.** Parliament is the centre of political power in Britain. It makes the laws and provides for their enforcement. The socialist position on parliament applies equally to other similar institutions around the world (legislature, senate, assemblies, diet, etc.).

The Socialist Party has always insisted that parliament can and should be used in the process of establishing socialism – not because we are parliamentarians, but because the only way of getting a democratic society is by democratic means. The basic function of the state, controlled by parliament, is to protect the interests of the capitalist class. For working class emancipation, it will be necessary to gain control of the state through parliamentary action, in order to dispossess the capitalists of the means of production. When a majority of the working class are socialist, they can use parliament by sending elected delegates there to formally carry out the socialist revolution, thereby neutralising the legitimacy and effectiveness of any counter-revolution.

Left-wing criticism of the parliamentary road points to the failure of Labour governments and similar regimes around the world. But these point up the futility of reformism, of a largely non-socialist working class voting for governments to administer the profit system. The working class has never tried to capture political power for socialism, anywhere. Of course, the insurrectionist left wing reject the parliamentary road because they reject democracy. They expect violence because, being a minority, they must impose their views on the rest of society – including the working class.

### **Reading**

UK Parliament: <https://tinyurl.com/yaxk5mrf>

**Peasantry.** Those who work on the land and possess their means and instruments of production. Mainly pre-industrial, out of which the industrial working class was formed, but it is still significant within global capitalism. Peasants pay a rent or tribute to maintain their possession of the land. Production by the peasantry takes place outside capitalist social relations and no surplus value is created.

**Phillips curve.** After the New Zealand economist A.W.H. Phillips (1914-1975), the theory that there is a trade-off between inflation and unemployment: governments could have either higher inflation and lower unemployment *or* lower inflation and higher unemployment. Until the 1970s, that is, when Britain and other states had both rising inflation *and* rising unemployment (so-called 'stagflation'). That discredited the Phillips Curve, but basically the same idea is still being pushed by politicians, union leaders, some economists and the Bank of England.

According to the Deputy Governor of the Bank of England in 2017, the Phillips Curve is still 'an important guide to domestically generated inflation pressure' (<https://tinyurl.com/y4ugar68> ). In the Phillips Curve inflation and unemployment levels are said to be largely controlled by interest rates, through the Bank of England (as 'lender of last resort') setting their base rate which will determine the interest rate in other financial institutions and their charges for loans and mortgages. Allegedly, if the Bank of England sets higher interest rates this will deter inflation but will also deter investment and job creation. On the other hand, lower interest rates are said to allow inflation to rise but also increase investment and job creation. However, this explanation confuses cause and consequence. When the general price level is steadily rising financial institutions will need to offer an interest rate which is above

the inflation rate, otherwise depositors will lose out in real terms. In other words, interest rates are usually a reflection of inflation, not its cause.

However, since the economic depression which began in 2008 governments have pursued a policy called 'quantitative easing' in a bid to stimulate the economy. In practice, the Bank of England has granted a series of loans to purchase financial assets, mainly government bonds. This is a central bank financial stimulus aimed at lowering interest rates, increasing economic activity and pushing up the price of financial assets. The Bank of England has kept interest rates unusually low, but this has not increased economic activity. Quantitative Easing did, however, increase the price of financial assets, fuelling a stock exchange boom.

Persistent inflation is the sole responsibility of governments when they issue more currency than is needed for economic transactions to take place. Inflation, apart from extreme exceptions (e.g. Weimar Germany in the 1920s), has no bearing on unemployment levels. The rate of unemployment is determined by the functioning of the labour market and the profitability of production.

**Popper, Karl** (1902-1994). Philosopher of science and critic of Marxism. He argued that the test of a scientific theory is not whether it can be verified, since no amount of observations can verify it, but that it is open to being falsified by experience. A theory is said to be scientific if it fits the facts and generates predictions capable of being proved wrong. Popper thought that his philosophy could demarcate between science and non-science but is not itself a scientific theory. (So, the objection 'What falsifies the falsifiability principle?' -- as if it reveals an inconsistency by not being falsifiable itself -- is entirely misplaced). Popper's explanation of the logic of scientific discovery has been widely influential, but it is overshadowed by Thomas Kuhn's explanation of how science is conducted in practice. Kuhn argues that normal science is governed by paradigms which dictate what kind of scientific work should be done and what kinds of theory are acceptable. Eventually normal science produces a series of anomalies which cannot be explained within a paradigm, leading to a scientific revolution ('paradigm shift') as the old paradigm is replaced by a new one.

In *The Open Society and Its Enemies* (1945) Popper claimed that Marxism is not a scientific theory since it cannot be falsified, or else when it was falsified its supporters shifted their ground to protect their theory. His attack on Marxism was based partly on a misunderstanding of what Marx wrote and partly on the experience of the Communist Party in Russia. Popper concluded that the totalitarian nature of the Communist Party in action in Russia showed that Marx's theories were totalitarian, rather than the more plausible conclusion that the Communist Party's claim to be Marxist was and is false.

Popper criticised Marx using a misquotation in his book *The Poverty of Historicism* (1957). Popper attacked the notion that there are laws of human development, and that knowing these laws enable us to predict the future course of human history. He misquoted from Marx's *Capital*, where he says the aim is 'to lay bare the economic law of motion of human society' (i.e. any human society). Marx actually wrote that

his aim was to lay bare the economic law of motion of 'modern society' (i.e. capitalist society). Marx's law of value is specific to capitalism. In his discussion of this topic, Bryan Magee's biography of Popper silently corrects the misquotation (falsification?), without noticing that this undermines what he calls 'Popper's onslaught on Marxism'.

The Socialist Party does not claim to predict the future course of human history, but we do claim to know how capitalism operates and what it is and is not capable of doing.

### Reading

Thomas Kuhn, *The Structure of Scientific Revolutions*, 1996

Kuhn on *The Nature and Necessity of Scientific Revolutions*:

<https://tinyurl.com/yy5onpwn>

Bryan Magee, *Popper*, 1997

**Price.** What must be given in exchange for something. According to capitalist economic theory, prices are the means for determining the rational allocation of resources in a money economy. But, in fact, prices under capitalism are not intended for the purpose of organising production. The function of pricing is to fix costs with a view to making profit. In practice, costing and pricing are ultimately about calculating the exploitation of labour, enabling the capitalist class to live and accumulate capital from the wealth that the working class produces but does not consume.

**Prices of production.** In Marxian economic theory the 'price of production' is the price sufficient to yield the average rate of profit on capital advanced. From a business's point of view this is cost price plus what the market will bear. Actual market prices fluctuate around prices of production through the equalisation of profit rates.

**Primitive accumulation.** The historical process by which capitalism came into existence. This entailed the transformation of the use of existing means of production into their use in capitalist production. This did not initially require any additional accumulation of means of production or new technology, just their operation according to new social relations. Once this had occurred the process of competitive accumulation gathered its own momentum.

For capitalist economic history, Britain became the first industrial nation 'spontaneously' – that is, without the help of state intervention (see, for example, Peter Mathias, *The First Industrial Nation: The Economic History of Britain, 1700-1914*, 2001). This interpretation however does violence to the history of violent expropriation of the agricultural population from the land. As Saad-Filho and Fine argue, the state did critically intervene in the interests of the emerging capitalists in two ways:

- Enclosure movements, enforced by the state, dispossessed the peasantry of both common and individual land usages. The landless labourer was created.
- Wage legislation and systems of social security, most notably the Poor Law



Amendment Act of 1834, forced long hours and factory discipline on the Landless labourer.

Over time these state-enforced changes would turn peasants into wage labourers. However, as Saad-Filho and Fine point out, it is important to note that the creation of capitalism in Britain has been somewhat different than on the continent. The forcible dispossession of the peasantry from the land was more extensive than in the rest of Europe. For this reason, a much larger proportion of the population was transformed into wage labourers in the eighteenth and nineteenth centuries. Nevertheless, the formation of a class of wage labourers out of the agricultural population remains an important starting point for an analysis of primitive accumulation.

### **Reading**

A. Saad-Filho & B. Fine, *Marx's 'Capital'*, 2016 (<https://tinyurl.com/rfty1xp>)

Michael Perelman, *The Invention of Capitalism: Classical Political Economy and the Secret History of Primitive Accumulation*, 2000 (<https://tinyurl.com/r9f83k4>)

**Primitive communism.** Stateless, classless, moneyless society based on common ownership before the advent of property society. Most of human history has been in the stage of primitive communism, before the rise of class society about 8,000 to 10,000 years ago. Even now there are a few primitive communist tribes surviving on the outskirts of capitalism in Asia, Africa and South America.

The usual reason why socialists insist on the evidence for primitive communism is not because they provide a model for the future – they had undesirable features such as poverty – but because they show that property, states, classes and money are not an inevitable and eternal feature of human society.

### **Reading**

Maurice Bloch, *Marxism and Anthropology*, 2010

**Productive and unproductive labour.** Productive labour is that employment which creates surplus value for the capitalist, whereas unproductive labour does not. For example, a chef employed by a capitalist to work in his hotel is productive, whereas if that same chef were employed to work in the capitalist's home they would be unproductive. Nowadays, though, most unproductive labour is carried out in the state sector of the economy.

The distinction is useful for analysing the structure of capitalism. For instance, it sets theoretical limits for the size of the state sector of the economy, since this must be paid out of the surplus value arising from productive labour. No judgement is implied on the importance or worth of either type of work and the working class carries out both productive and unproductive labour.

### **Reading**

S. Savran & E. Tonak, 'Productive and Unproductive Labour: An Attempt at Clarification and Classification', *Capital & Class*, 1999 (<https://tinyurl.com/y69295x6>)

**Productivity.** The relationship between the production of goods and services and the inputs of resources used to produce them. The main measure of productivity in capitalist economics is Gross Domestic Product (GDP) per hour worked, and this gives the monetary measure of the total value of goods and services produced within a country. As the Organisation for Economic Co-operation and Development (OECD) assert, productivity considered in this way is ‘a key source of economic growth and competitiveness’ (*Defining and Measuring Productivity*, OECD, <https://tinyurl.com/y7eybkmg>).

Professor Nicholas Crafts at Warwick University’s Centre for Competitive Advantage in the Global Economy, in their publication *Advantage* (Autumn 2019), argues that UK productivity has been ‘hugely disappointing’ over the last decade. He estimates that ten years on from 2008 and the financial crisis, GDP per hour was 19.7 per cent below the level at which it would have been had its pre-crisis trend continued. Professor Crafts pins his hopes on new technology, particularly in the form of Artificial Intelligence, to boost productivity (<https://tinyurl.com/y3mmbk9u>).

It is important to bear in mind however that when economists fret about ‘poor productivity’ they are not talking about absolute shortages and unmet needs. Rather, what they are really pointing to is the relative competitiveness of national economies in terms of sales and profitability. The assumption, often made explicit, is that if ‘we’ fail to raise productivity our international competitors will win in the global marketplace and ‘our’ jobs will be at risk and standards of living will fall.

The main way of raising productivity is to replace labour with new technology. But, under capitalism, whether it is worth while making the change largely depends on the level of wages. If wages are low the new technology is not installed. With higher wage levels labour-saving technology could be used profitably. Marx pointed out that in his day much labour-saving machinery manufactured in Britain was not used here at all because of the low level of British wages. It was produced for export to America where, with higher wage levels, it could be used profitably (*Capital*, Volume 1, <https://tinyurl.com/qxgko7t>).

And then there is the confusion about what constitutes ‘production’. In everyday language a car is said to be ‘produced’ by the workers who assemble it, and the bread to be ‘produced’ by workers in the bakery. However, the labour of these workers is only a part of all that required to produce cars and bread. As Marx put it:

*‘We must add to the quantity of labour last employed the quantity of labour previously worked up in the raw material of the commodity, and the labour bestowed on the implements, tools, machinery and buildings with which such labour is assisted’* (Wage, Price and Profit, chapter VI, <https://tinyurl.com/y4wuu8wt>).

Let us assume that the ‘previous’ hours of labour needed to produce a commodity are 80, and that the ‘last’ hours are 20 – a total of 100 hours. Let us further assume that without additional investment, but merely by simplifying the last operation, it becomes possible to reduce the necessary hours from 20 to 10. It then only takes 90 hours in all, in place of 100. Productivity will have risen by about 11 per cent. But if ‘productivity’ is calculated – wrongly – on the last operation only, it will appear to

have increased by 100 per cent. Would anyone be so foolish as to look at it in that way? Well, yes, it often happens. A news report about the introduction of a new machine operated by two people instead of the former ten will be presented as 'two do the work of ten', as if the making and maintenance of the machine did not absorb additional labour. So, productivity in that example will be said, wrongly, to have been multiplied by five.

As Marx explained, the amount of labour that is saved is not the whole saving on the last operating process, but the difference between that amount and the additional labour required for the new equipment (*Capital*, vol. 1, <https://tinyurl.com/qxgko7t>).

**Profit.** That part of the social surplus value which is appropriated by capitalist enterprises. The rate of profit is calculated on the ratio of surplus value to the total capital invested, constant and variable capital ( $s/c+v$ ). Distributed profits as dividends form part of the privileged income of the capitalist class. However, because of the pressure of competition from other capitalist enterprises, most profits are re-invested and accumulated as capital.

Capitalist economics attempts to explain profit in two main ways:

- By *buying cheap and selling dear*. Some sellers can profit in this way, but the seller's gain is exactly offset by the buyer's loss. The total amount of value in existence remains unchanged. If all sell dear then they cannot buy cheap and all lose as buyers exactly what they gain as sellers. Exchange, in this explanation, is a zero-sum game.
- As a *reward*, either for the sacrifice of present consumption for investment by the capitalists, and/or as a reward for risking their capital in investment. Professor David McLellan attacked the labour theory of value by claiming that 'it overlooks the fact that capital accumulation requires deferred consumption, and capital therefore unavoidably commands a premium over and above the labour it embodies' (*The Blackwell Encyclopaedia of Political Thought*, 1991, <https://tinyurl.com/sskozbl>). However, this is an attempt at *justification* of profit as reward, not an explanation of the *source* of profit, which is what concerns the labour theory of value.

Generally speaking, vast personal fortunes and the social accumulation of capital can only be satisfactorily explained as the result of the unpaid labour of the working class being appropriated by the capitalist class in the form of profit.

**Profit (Falling rate of).** Marx believed that capitalism had a tendency for the rate of profit to fall, and that this is 'the most important law of modern political economy'

(*Grundrisse*, <https://tinyurl.com/oxzxauo>). The Socialist Party has been non-committal on this 'law', partly because of its unfinished state (basically notes edited for publication by Engels after Marx's death), and partly because the 'law' seems to be questionable due to what Marx called 'counteracting factors'. Also, some leftists have invoked a tendency for the rate of profit to fall as the cause of capitalism's inevitable collapse (not heard so often these days, they are capitalism's falling rate of prophets).

Marx's 'law of the tendency of the rate of profit to fall' can be stated in a couple of sentences:

- Capitalism is based on the competitive accumulation of profits through technological innovation.
- Technological innovation increases output but reduces the value of commodities and therefore the profit of what is produced.

Marx's 'law' is a rejection of explanations of crises in terms of a general lack of purchasing power (Keynesian economics), high wages or government spending (the right wing) or inequality (the left wing). Against the 'law', Marx identified five counteracting tendencies which raise the average rate of profit:

1. Increases in the intensity of exploitation (getting more out of the same or fewer workers).
2. Reduction of wages below their value (in money wages or in real terms through inflation).
3. Increasing unemployment (depressing wage levels and holding back wage rises).
4. Cheaper constant capital (less money spent on productive assets).
5. Foreign trade and investment (new markets and export opportunities).

Marx mentioned other possible counteracting tendencies but did not go into detail. For him the counteracting tendencies were insufficient to prevent a long-term fall in the average rate of profit. However, Marx was in no doubt that 'permanent crises do not exist' (*Theories of Surplus Value*, <https://tinyurl.com/udafkwu>), and the Socialist Party has rejected the notion of capitalism's collapse through its own accord.

### **Reading**

G. Carchedi & M. Roberts, *The World in Crisis*, 2018

**Proletariat.** The working class 'who, having no means of production of their own, are reduced to selling their labour power in order to live' (*Communist Manifesto*, 1848, <https://tinyurl.com/m6gme24>). This of course includes everyone involved in the

reproduction cycle of labour power: wage and salary earners but also students, pensioners, the unemployed and so on.

**Property.** Ownership rights. These rights are socially determined and therefore vary from society to society. Property rights are a reflection of the social relations between people, because they define who does and who does not have legal access to their use – in particular, the means of life. Under capitalism, the main right to property is the right to draw an unearned income from the ownership of land and invested capital. The working class is propertyless in the sense of not having any regular income sufficient to live on other than through the sale of our labour power.

Socialism will be a propertyless society in the sense of there being no ownership rights, or exclusion rights, to the use of the means of production, because it will be based on common ownership and democratic control.

### **Reading**

Alan Ryan, *Property*, 1988

**Proudhon, Pierre-Joseph** (1809-1865). A self-educated French artisan. The term 'anarchism' was first used in Proudhon's book *What is Property?* (1840), in which he gave the famous reply: 'Property is theft'. However, he did not mean this phrase to be taken literally, as Marx did in his attack on Proudhon in *The Poverty of Philosophy*, 1847. Proudhon was in fact in favour of private ownership. He made a distinction between 'property' and 'possession', and he rejected property—the capitalist right to draw rent, interest and profit through ownership of the means of production. He favoured possession: individuals could have exclusive use of land and tools on the condition that they did not live on unearned income. In Proudhon's conception of an anarchist society individuals would have an equal right to possess, based on a 'mutualist' system of equivalent exchange between self-governing producers and financed by free credit. Marxian socialism, therefore, is rejected on the grounds that it would violate the right to possess by establishing common ownership.

Proudhon was critical of some aspects of property society (unearned income, the state), but not others (commodity production, capital). And this remains true of many anarchists today.

### **Reading**

Proudhon online: <https://tinyurl.com/yy2zu9gp>

Alan Ritter, *The Political Thought of Pierre-Joseph Proudhon*, 2015

**Quantitative Easing.** According to the Bank of England, quantitative easing (QE) is a tool that central banks use to inject money directly into the economy. The extra money is made available to financial institutions and not to the general public. The aim is to reduce the rate of interest and make more money available (by buying bonds off them) for banks and other financial institutions to lend more and so kick-start an economic revival. Following the programme of QE announced in August 2016 (the latest figures given by the Bank of England) purchases of government bonds will total £435 billion (<https://tinyurl.com/y598wmjm>).

The trouble is that bank lending is demand-led, not supply-led. So, making it easier for banks to lend will have no effect if there is not a demand (from creditworthy borrowers) for loans, which in turn depends on profitable production prospects. In the absence of this, all QE does is increase the price of stocks and shares. It doesn't lead to an economic revival. You can bring a horse to water, but you can't make it drink. Which seems to be what's happened. Pouring more water into the drinking trough won't make any difference if the horse doesn't want to drink.

**Racism.** The beliefs that people of one 'race' are superior to another. It often results in hostility towards the race thought of as inferior and in the practice of discrimination, persecution, and, in some cases mass murder.

There is no scientific foundation for racism, which is a prejudice diverting the working class from the real cause of modern society's problems. There is only one biological race of people on this planet: the human race (*Homo sapiens*). Moreover, we are all Africans: modern humans have evolved out of migrant Africans over many thousands of years.

Historically, the doctrines of anti-Semitism and white supremacy originated as weapons to defend pre-capitalist systems of exploitation. On occasions the modern state has sponsored racism, but it is a double-edged sword and potentially disruptive to the economy (as in apartheid South Africa, for example). The market is colour blind, and employers usually want to recruit from the largest possible pool of labour power. But working-class existence is always insecure, especially in times of slump, and those workers who migrated in boom times (as, for instance, workers from the Indian sub-continent and the West Indies, induced by the Minister of Health in the 1950s, Enoch Powell) became the scapegoats.

To the extent that socialist ideas permeate the minds of the working class wherever they may be, to that extent workers will realise that they have interests in common irrespective of 'race'. At the same time workers will see that they have opposing interests to those of the capitalist class irrespective of their 'race'. Ultimately, they will seek the emancipation 'of all mankind, without distinction of race or sex' (as it is put in our Declaration of Principles, adopted in 1904).

### **Reading**

Ali Rattansi, *Racism: A Very Short Introduction*, 2007

**Reformism.** Reforms are legislative and other enactments deemed necessary for governments in running the various forms of capitalism. The Socialist Party is opposed to reformism – the policy of advocating reforms, either as a way of 'improving' capitalism or as a means to socialism – but we are not necessarily opposed to individual reforms which may be of benefit to the working class. However, we do not advocate any reform, because we hold that to do so would lead to a socialist party changing into a reformist party, attracting the support of non-socialists.

Parliament can be used by a socialist-minded working class, not for reforms or

reformism, but for the revolutionary act of dispossessing the capitalist class by establishing common ownership of the means of production and distribution.

**Relations of production.** Classes in society are determined by the possession or non-possession of a means of production. In capitalist society it is the relations of production which constitute the capitalist class and the working class.

Socialism will be classless since it will be based on the common ownership of the means of life.

**Religion.** This is how Marx famously described religion:

*'Religion is the sigh of the oppressed, the feeling of a heartless world, and the soul of soulless circumstances. It is the opium of the people... The abolition of religion as the illusory happiness of the people is the demand for their real happiness. The demand to give up the illusions about their condition is a demand to give up a condition that requires illusion. The criticism of religion is therefore the germ of the criticism of the valley of tears whose halo is religion'* (Introduction to A Contribution to the Critique of Hegel's Philosophy of Right, <https://tinyurl.com/y7rnkc35>).

It is to be noted however that this psychological critique of the social function of religion could have been put forward by an Enlightenment philosopher of the Eighteenth century, and many modern anti-socialist atheists could concur. Marx never developed a specifically socialist (or indeed 'Marxist') analysis of religion.

Socialists share in the Enlightenment inheritance of respect for reason and evidence against its traditional foe, religion. But at the same time, we recognise that the main source of irrationality and exploitation in the modern world is to be found in the capitalist system of society. For socialists, therefore, the struggle against religion cannot be separated from the struggle for socialism. We fight religious superstition wherever it is an obstacle to socialism, but we are opposed to religion only insofar as it is an obstacle to socialism.

### **Reading**

Richard Dawkins, *Outgrowing God*, 2019

**Rent.** Ground rent is a portion of surplus value paid to the owner of land for its use by a capitalist enterprise. House and apartment rents are a price for hiring accommodation—it is not a portion of surplus value.

**Revisionism.** A term coined by the opponents of Eduard Bernstein in the German Social Democratic Party (SPD) at the end of the nineteenth and the beginning of the twentieth centuries to describe his reformism.

Bernstein spent many years in exile in London and was influenced by Fabian gradualism. He attacked the main principles of Marxism and called upon the SPD to recognise that they were only a reform party. He suggested that they be honest with

themselves and drop their ultimate commitment to the capture of political power for socialism and instead concentrate on getting reforms within capitalism by working through parliament, trade unions and cooperative societies. The SPD turned down Bernstein's suggestions, but the decision meant nothing as far as the party's practical policy was concerned. They retained their paper commitment to the socialist revolution (formally abandoned in 1959) but continued their day-to-day reformist practices.

### **Reading**

Bernstein online: <https://tinyurl.com/y55jxqyd>

George Lichtheim, *A Short History of Socialism*, 1983

**Revolution.** To many, the word 'revolution' conjures up images of violent insurrection. All it means is a complete change, without any implication as to how that change is to come about. The Socialist Party stands for a revolution in the basis of society, a complete change from class to common ownership of the means of production. This social revolution is to be carried out democratically by the use of the capture of political power. It is possible for a majority of socialist workers to win power through democratic institutions, by the use of the ballot and parliament, for the purpose of carrying out the socialist revolution. Therefore, we stand for democratic revolutionary political action.

**Russia.** Socialism has never existed in Russia or anywhere else. The Bolshevik left, however, maintain that the revolution of November 1917 was socialist. But, as the *Socialist Standard* at the time and subsequent years show, this position is untenable. Here are just a few:

*'Is this huge mass of people, numbering about 160,000,000 and spread over eight and a half millions of square miles, ready for socialism? Are the hunters of the north, the struggling peasant proprietors of the south, the agricultural wage slaves of the Central Provinces, and the industrial wage slaves of the towns convinced of the necessity and equipped with the knowledge required, for the establishment of the social ownership of the means of life? Unless a mental revolution such as the world has never seen before has taken place, or an economic change has occurred immensely more rapidly than history has ever recorded, the answer is "No!"'*  
(Socialist Standard, August 1918, <https://tinyurl.com/uvlkwrl>.)

*'We have often stated that because of a large anti-socialist peasantry and vast untrained population, Russia was a long way from socialism. Lenin has now to admit this by saying: "Reality says that State capitalism would be a step forward for us; if we were able to bring about State capitalism in a short time it would be a victory for us" (The Chief Task of Our Times) ... If we are to copy Bolshevik policy in other countries we should have to demand State capitalism, which is not a step to socialism'* (Socialist Standard, July 1920, <https://tinyurl.com/yx45hhph>).

*'Both Trotsky and Stalin draw up their programmes within the framework of state and private capitalism which prevails in Russia'* (Socialist Standard, December 1928, <https://tinyurl.com/s562r8a>).



*'[all the Bolsheviks] have been able to do is to foster the growth of State capitalism and limit the growth of private capitalism'* (Socialist Standard, July 1929.)

Since the collapse of the Russian Empire after 1989, state capitalist monopoly has given way to a Western style 'mixed economy', with many of the former Party bosses as bosses of the newly privatised businesses. Now that the sham of Russian 'socialism' has passed into history, workers in Russia can join in the struggle for the real thing.

### **Reading**

A. Buick & J. Crump, *State Capitalism*, 1986 (<https://tinyurl.com/y2wjgob>)  
Paresh Chattopadhyay, *The Marxian Concept of Capital and the Soviet Experience*, 1994 (<https://tinyurl.com/y4nhfbwv>)

**Say's Law** (or **Say's Law of Markets**). Named after the French economist Jean-Baptiste Say (1767-1832). In Say's *Traité d'économie politique (A Treatise on Political Economy)*, published in 1803, he declared that 'the value we can buy is equal to the value we can produce' (<https://tinyurl.com/y3ksk4dd>). This 'law' is usually interpreted as saying 'supply creates its own demand'. Or, more precisely, that the normal state of an economy is equilibrium in which total demand equals total supply. Significant over-production is impossible, and any imbalances are 'self-correcting' or 'self-clearing'. The Austrian School of economics defend Say's Law by asserting 'the stability of market structures', and that crises are brought about by government interference (<https://tinyurl.com/y3ksk4dd>).

Say's Law is implausible, however, and it does not provide the basis for an explanation of the cause of crises. Government intervention has always existed within capitalism, but this is not usually the cause of crises. As Marx pointed out, 'no one is forthwith bound to purchase, because he has just sold...If the split between the sale and the purchase becomes too pronounced [it] asserts itself by producing a crisis' (*Capital*, Volume 1, <https://tinyurl.com/m6yfq5v>). Capitalism is based on the competitive accumulation of profits and a competitive *disequilibrium* between sales and purchases is the normal state of the economy, and with it goes capitalism's inherent potential for crises and mass unemployment.

### **Reading**

David M. Hart, *Life and Works of Jean-Baptiste Say*, 2001, (<https://tinyurl.com/y3th243b>)

**Science**. In academia a theory or practice is usually said to be 'scientific' if it has been peer-reviewed and approved by practising scientists. In socialist theory and practice, however, science means something different. According to Marx, 'all science would be superfluous if the outward appearances and essences of things directly coincided' (*Capital*, Vol. 3, <https://tinyurl.com/yxdcr1bh>). And 'that in their appearances things often represent themselves in inverted form is pretty well-known in every science except political economy' (*Capital*, Vol. 1, <https://tinyurl.com/yry36zd>). Marx argued that his scientific method penetrated the surface of capitalist social relations to reveal their inner workings. His labour theory of value shows the exploitative nature of capitalism, whereas political economy takes

capitalism at face value as the free and equal exchange of commodities in the market.

Marx's method of scientific investigation consists in uncovering the real underlying and often unobservable mechanisms of exploitation. This is to be contrasted with 'positivist' accounts of science, which demands that science can only deal with empirically observable phenomena.

### **Reading**

A.F. Chalmers, *What Is This Thing Called Science?*, 1999  
(<https://tinyurl.com/y36t64f9>)

**Sexism.** Discrimination because of gender. Reforms have been passed in Britain to counter sexism, the Equal Pay Act (1970) and the Sex Discrimination Act (1975) in particular. The victims of sexism are usually to be found only in the working class. Female capitalists do not usually suffer discrimination.

Socialism will include the liberation of all genders in its struggle for human emancipation. This will not come about in an automatic or inevitable way. A political organisation whose object is socialism cannot permit sexism (any more than racism) within its ranks on the grounds that nothing can be done now and that the problem will be resolved 'after the revolution'. For a socialist party to be credible, it must embody the attitudes, values and practices that it seeks to institute in society at large.

### **Reading**

Natasha Walter, *Living Dolls: The Return of Sexism*, 2010

**Social democracy.** Originally synonymous with Marxian socialism, it now usually stands for reformism, the 'mixed economy' and welfare state capitalism. The change came from divisions within the German Social Democratic Party at its founding Conference at Gotha in 1875, and the subject of Marx's withering *Critique of the Gotha Programme* (1875, <https://tinyurl.com/y8q9w4pj>). Marx attacked the Programme for claiming that the capitalist state and economy could be reformed in working class interests. The social democratic position was more fully set out by Bernstein in the debate over 'revisionism', which was an explicit rejection of Marxism in favour of reform. In Britain, the Fabian C.A.R. Crosland further elaborated social democracy (and for much the same reasons as Bernstein) in *The Future of Socialism* (1956), where he argued that Keynesian economics would lead to greater social equality.

### **Reading**

Kevin Morgan, *Rethinking Social Democracy*, 2005

**Socialism.** The term 'socialism' is found for the first time in the Owenite *Cooperative Magazine* of November 1827, where it stands for a society of common ownership. Marx and Engels used the words 'socialism' and 'communism' interchangeably to refer to a society of common ownership. Marx and Engels gave few other details about what they thought socialism would be like, refusing to write recipes 'for the cook-shops of the future' (*Capital*, <https://tinyurl.com/y3obk3bt>). However, they both wrote at length about what they thought socialism would *not* be like via a critique of 'other socialisms'. The 'other socialisms', according to Hal Draper, were:

- *Utopian Socialism.* Saint-Simon, Fourier and Owen gave useful criticisms of existing society and interesting possibilities for a future society, but they were politically naïve about how this was to come about.
- *Sentimental Socialism.* Not a school of socialism as such but a tendency to be found in various schools, substituting the power of love, humanity or morality for the class struggle.
- *Anarchism.* Stirner, Proudhon and Bakunin were criticised for failing to see the authoritarianism inherent in the anti-democratic nature of anarchism.
- *Reactionary Anti-capitalisms.* All those who yearn for a pre-capitalist 'golden age' of harmony, plenty etc., as found for example in the writings of Thomas Carlyle.
- *Boulangism.* After General Georges Boulanger in France, an arch-opportunist and a forerunner of 'National Socialism'.
- *Bismarckian Socialism* (or 'State Socialism'). In late nineteenth century Germany the Bismarck regime introduced nationalisation and social-welfare reforms. To a large extent this was an attempt to undermine and 'steal the thunder' of growing support for the reformist German Social Democratic Party.

It is this latter Bismarckian, statist conception of 'socialism' which has become world famous. It must be emphasised however that there was absolutely no socialist intent by the Bismarckian regime – quite the opposite. And the policies pursued by later 'socialist' regimes in practice (nationalisation, social welfare provision, free compulsory education, etc.) have also been pursued by openly pro-capitalist governments. There is nothing inherently anti-capitalist about these reforms, or any of the measures pursued by any Labour/Social Democratic/'Socialist' government worldwide. Mostly, they are merely forms of state capitalism.

We in the World Socialist Movement stick to our principles and the original meaning of socialism: common ownership, democratic control and production solely for use. We do so not because we are dogmatic but because our socialist theory consistently

provides an insightful analysis of the contradictions of capitalism, because of the repeated failure of the alternatives put in to practice, and because the prospect of socialism as the meeting of our real needs provides the motivation.

### Reading

Hal Draper, *Karl Marx's Theory of Revolution: Critique of Other Socialisms*, 1990  
M. Rubel & J. Crump, *Non-Market Socialism in the Nineteenth and Twentieth Centuries*, 1987 (<https://tinyurl.com/y2ops3wj>)

**Socialist Labour Party.** In Britain the Socialist Labour Party was formed when a group broke away from the Social Democratic Federation in 1903. The SLP adopted an industrial unionist policy from the American Socialist Labor Party. The British SLP effectively ceased operation in 1921 when most of its members joined the newly formed Communist Party, though it only officially ceased in 1980.

In 1995 Arthur Scargill, then President of the National Union of Mineworkers, called for the establishment of a Socialist Labour Party, 'on the basis of class understanding, class commitment and Socialist policies' (*Future Strategy for the Left*, November 1995, [v](#)). The following year the Socialist Labour Party was launched. What led Scargill to resign from the Labour Party and set up a new party was Labour's decision in 1995 to amend its constitution by replacing Clause 4 with a new aim which committed it to support 'the enterprise of the market', 'the rigour of competition' and 'a thriving private sector'. He was right to say that New Labour (as they were called) cannot be supported by those who call themselves socialist. Clause 4, however, was never a definition of socialism. What it was — and was meant to be by the Labour leaders of the time who drew it up — was a commitment to nationalisation, or state capitalism, to be achieved for the workers by the actions of the Parliamentary Labour Party. It was a rejection not of capitalism as such, but only of one institutional form of capitalism (private enterprise) in favour of another (state enterprise). Production was to continue to be for the market and workers were to continue to work for wages, only this was to take place under the direction of the state. The Fabian, Sidney Webb, who was mainly responsible for writing the Labour Party constitution and its Clause 4, would have been horrified to learn that this was regarded as a 'class commitment'.

The old British SLP had a better grasp of the way the capitalist economy functions, and would never have deluded themselves, as Scargill does, by claiming that a 'British government' could abolish unemployment 'even within a capitalist society' (*Future Strategy for the Left*, <https://tinyurl.com/3k9n9jyy>). The new SLP represents the same old statist reformism of the past. We've seen it many times and it doesn't work.

### Reading

Raymond Challinor, *The Origins of British Bolshevism*, 1977  
(<https://tinyurl.com/y5dq6mtw>)  
SLP online: <https://tinyurl.com/mzetzhrk>

**Socialist Party.** The Socialist Party of Great Britain was formed on 12th June 1904 by a hundred or so members and former members of the Social Democratic Federation who were dissatisfied with the policy and structure of that party.

The SDF had been formed in 1884, under H.M. Hyndman's leadership, and spent much of its time campaigning for reforms. The opportunism and arrogance of Hyndman led to a break-away later in 1884 when a number of members, including William Morris and Eleanor Marx, set up the Socialist League which soon unfortunately ceased to be of use when it was dominated by anarchists. A second revolt led to the formation in 1903 of the Socialist Labour Party, following the industrial unionist policy of Daniel DeLeon and the American Socialist Labour Party.

Another revolt against Hyndman's dominance of the SDF was organised by a group of women and men dismissively called 'impossibilists'. After they failed to reform the SDF, some were expelled, and branches dissolved. After the April 1904 SDF Conference in Burnley a meeting took place in London to establish a new organisation. The Socialist Party was founded with a policy and structure so that what happened in the SDF would be impossible. The Socialist Party is thoroughly democratic, including its internal affairs with all meetings being open to members and non-members. In fact, the party's existence has been a practical refutation of those who argue that all organisations must degenerate into bureaucratic rule.

An Object and Declaration of Principles, drawn from the Manifesto of the Socialist League drafted by William Morris, was adopted at its foundation and has remained unaltered ever since. This is a testament to the validity of the Object and Principles, but its original language has been retained because it is also an important historical document. In September 1904 the Socialist Standard was issued and has been published every month since. Together with our companion parties overseas we use the umbrella name, World Socialist Movement.

The Socialist Party has made a number of distinctive contributions to political debate. Here are our most significant contributions:

- We have solved the reform or revolution dilemma, by declaring that a socialist party should not advocate reforms of capitalism and by recognising that political democracy can be used for revolutionary ends.
- We said in 1918 that the Bolsheviks could not set up socialism in Russia and it was we who in this country pioneered the view that Russia was developing state capitalism.
- We predicted the inevitable failure of electing Labour and Social-Democratic governments to introduce socialism.
- From the start we have realised that nationalisation was no solution to the workers' problems. Nationalisation is state capitalism; merely the wages system under new management.

- Realisation of the worldwide (rather than international) character of socialism. Socialism can only be a united world community without frontiers and not the federation of countries suggested by the word 'inter-national'.
- Modern wars are fought against the interests of workers and in the interests of the ruling class or aspiring ruling class. Specifically, being disputes over spheres of influence, trade routes, sources of raw materials and markets. Socialists oppose all capitalist wars, refusing to take sides.
- For the same reason, rejection of so-called 'progressive wars' or struggles for national liberation. Workers have no country.
- Recognition that there is no need for a 'transition period' between capitalism and socialism. Social productivity has long reached a point where free access can be established when a majority of workers want socialism.
- Exposures of leadership as a capitalist political principle, a feature of the revolutions that brought them to power. The emancipation of the working class must be the work of the working class itself.
- Advocating and practising that a socialist party should be organised as an open democratic party, with no leaders and no secret meetings, prefiguring the society it seeks to establish.
- We have always argued that Keynesian economics would not prevent crises and rises in unemployment, and that Keynesian policies as administered by governments - left and right - would be merely inflationary.
- That the state, including the 'welfare state', is ultimately financed by taxation on profits. The capitalist class will therefore have an interest in keeping their tax burden as low as possible in order to compete in an increasingly competitive world economy.
- We recognise that capitalism will not collapse of its own accord but will continue from crisis to crisis until the working class consciously organises to establish socialism.
- Socialism cannot be based on central planning which would be, by definition, antithetical to local decision-making and would be unresponsive to changing needs. Socialism will be a system of production for use in direct response to needs. The operational basis for this system would be calculation in kind (e.g. tonnes, kilos, litres) instead of monetary calculation.

## Reading

David A. Perrin, *The Socialist Party of Great Britain*, 2000

M. Rubel & J. Crump, *Non-Market Socialism in the Nineteenth and Twentieth Centuries*, 1987 (<https://tinyurl.com/y3424amo>)

Socialist Party online: <https://tinyurl.com/yyxajhqs>

**Socially necessary labour.** The labour-time required to produce a commodity in a particular branch of industry under average conditions from start to finish. Not to be confused with 'necessary labour' -- the labour-time required to reproduce the value of labour power.

## Video

David Harvey, *Reading Marx's Capital*, 2008: <https://tinyurl.com/cfywjd>

**Stalin, Josef Vissarionovich** (1879-1953). Born in Georgia under the family name Jughashvili, after the Bolshevik revolution he adopted the name Stalin. After training to be a priest, he joined the Bolsheviks in 1904 and was co-opted to the Bolshevik Central Committee in 1912. In 1913 his *Marxism and the Nationalities Question* was published (<https://tinyurl.com/y26ucnuu>), in which he defended Bolshevik organisation for all the nationalities in the Russian Empire. He became editor of *Pravda* in 1917 and helped the Bolsheviks win power in Petrograd during the October 1917 revolution. In 1922 he was appointed General Secretary of the Communist Party, and after the death of Lenin in 1924 defeated the successive oppositions of Trotsky, Zinoviev and Bukharin. By 1929 Trotsky had been exiled, Stalin was leader of the party and state, and the first of the five-year plans had begun. In the 1930s he ruthlessly pursued state capitalist industrialisation, at the cost of millions of lives, and in 1936 announced that Russia was 'socialist'. He was denounced in Khrushchev's 'secret speech' in 1956, and in 1961 his body was removed from the Kremlin to a plain grave.

## Reading

Isaac Deutscher, *Stalin*, 1990

Stalin Digital Archive: <https://tinyurl.com/yd2yuw32>

**Stalinism.** Originally a reference to the dictatorship which existed in Russia under Stalin from the late 1920s to his death in 1953. In particular, it is used by Trotskyists to refer to their opponents in the Communist Parties loyal to Stalin and his successors in the USSR. Now it is often an epithet applied to any dictatorial regime.

Stalin was able to rise to power because Lenin had already laid the groundwork. He had effectively silenced all opposition and centralised power in the hands of the Communist Party. Whoever controlled the party controlled the state. And when in the

1930s Stalin announced the doctrine of 'socialism in one country' he was able to draw upon an idea implicit in Lenin's writings. But Stalin himself had written an article in 1906 in which he said the following:

*'Future society will be socialist society. This also means that with the abolition of exploitation, commodity production and buying and selling will also be abolished and, therefore, there will be no room for buyers and sellers of labour power, for employers and employed - there will be only free workers...Where there are no classes, where there are neither rich nor poor, there is no need for a state, there is no need also for political power, which oppresses the poor and protects the rich. Consequently, in socialist society there will be no need for the existence of political power'* (Anarchism or Socialism? <https://tinyurl.com/qxmtfps>).

In comparing what Stalin wrote in 1906 with what he later claimed was 'socialism' it can be seen to what extent he and the so-called Communist Parties everywhere have distorted the original meaning of the word and dragged it through the mud.

### **Reading**

Buick & Crump, *State Capitalism*, 1986 (<https://tinyurl.com/y2wjjob>)

Robert Conquest, *The Great Terror: A Reassessment*, 2008

Stalin Archive: <https://tinyurl.com/y3gn8b8x>

**State.** The state is essentially a coercive machine (police, judiciary, armed forces, schools, etc.) for conserving the monopoly by the capitalist class of the wealth taken from the workers in a geographical area. This puts us at odds with the views of 'pluralists' who argue that power is (or should be) diffused throughout a plurality of institutions in society (trade unions, pressure groups, etc.) and that the state is (or can be) neutral in relation to the class struggle. However, Engels showed how the state actually developed:

*'The ancient state was, above all, the state of the slave owners for holding down the slaves, just as the feudal state was the organ of the nobility for holding down the peasant serfs and bondsmen, and the modern representative state is an instrument for exploiting wage labour by capital'* (Origin of the Family, Private Property and the State, 1884, <https://tinyurl.com/uv6z4nu>).

Moreover, Engels was unequivocal in claiming that the state and its machinery of government will have no place in a socialist society:

*'The society that organises production anew on the basis of the free and equal association of the producers will put the whole state machine where it will then belong: in the museum of antiquities side by side with the spinning wheel and the bronze axe'* (Anti-Duhring, 1878, <https://tinyurl.com/zr23mzt>).

### **Reading**

Paul Thomas, *Alien Politics: Marxist State Theory Retrieved*, 1994.

**State capitalism.** The wages system under a different management. State ownership or nationalisation is not socialism, nor is it a step towards socialism.



Capitalism is not just a particular form of property holding but is essentially an impersonal economic mechanism. Impersonal means that it is a mechanism which operates independently of the will of people and imposes itself on them as an external force.

State capitalism and private capitalism have never existed as pure forms of society. Every country has its own historically developed mixture. But the main features of a model of state capitalism, drawn from historical examples, are as follows:

- State ownership of the principal means of production.
- Generalised wage labour.
- Generalised use of money and money calculation.
- A relatively free market for consumer goods in the form of agricultural products and light industrial products.
- A market for means of production which is closely monitored by the state.
- Wide scale planning activity, allocating supplies and directing products within the sphere of heavy industry, setting production targets, fixing prices and directing the flows of capital.
- A sizeable black-market.

### Reading

A. Buick & J. Crump, *State Capitalism*, 1986 (<https://tinyurl.com/y2wjjqob>)

Paresh Chattopadhyay, *The Marxian Concept of Capital and the Soviet Experience*, 1994 (<https://tinyurl.com/y4nhfbwv>)

**Stirner, Max** (pseudonym of Johann Casper Schmidt, 1806-1856). A German schoolteacher, writer and individualist anarchist. He opposed all authority on egotistical grounds. But Stirner took this line of argument to its logical conclusion. In his claims for absolute egoism he rejects not only the state but society itself. This nihilistic attitude was clearly expressed in his main work, *The Ego and His Own*, (1844):

*'I, the egoist, have not at heart the welfare of this "human society". I sacrifice nothing to it. I only utilise it: but to be able to utilise it completely I must transform it rather into my property and my creature – i.e., I must annihilate it and form in its place the Union of Egoists'* (<https://tinyurl.com/y25c6qoq>).

Most of *The German Ideology* (<https://tinyurl.com/zlsprza>), by Marx and Engels, is a reply to Stirner's ideas. They argued for socialism in which the free development of each is the condition for the free development of all — it was not an attempt to subjugate the individual to some monstrous collectivity, as Marxism is so often portrayed in anarchist caricatures. As for Stirner, his ideas would be difficult to put into practice. The required 'Union' contradicts his egoist viewpoint: the co-operative nature of the modern productive process is inescapable. But this doesn't stop so-called 'Libertarians' today making private property a virtue in the manner of Stirner, though they would rather not spell out his nihilistic conclusions.

### Reading

Saul Newman, Max Stirner, 2011 (<https://tinyurl.com/y2og7wpr>)

Stirner Archive: <https://tinyurl.com/yx8jrfgg>

Paul Thomas, *Karl Marx and the Anarchists*, 2012

**Strikes.** In their use of strikes, workers need to recognise certain basic facts about capitalism:

- That (except on rare occasions when the government chooses to turn a blind eye) the law will be enforced against strikers.
- That the unions' ability to halt production is of little use during a depression when employers are themselves restricting or halting it.
- That the financial resources of the employers are much greater than those of the unions.

When the employers consider the issue of enough importance to warrant all-out resistance, the unions cannot hope to win by an indefinite strike. This was shown in the hopeless months-long strike of the firefighters (1977-78) when the Labour government used troops as strike-breakers, and the miners' strike (1984-85) when the Tory government used the police force to break the strike.

Democratic practice requires that no strike should be started without a ballot and no settlement should be accepted without one. In no circumstances should union members leave the decision to leaders but should keep it in their own hands.

### **Reading**

Libcom strike news: <https://tinyurl.com/y579crkl>

**Surplus Value.** Ground rent, commercial interest and industrial profit form the surplus value produced by wage labour. Workers are constrained to selling our labour power for a wage or a salary, but during our time in employment we can produce a value greater than our wages and salaries. Because the capitalist class owns the means of life and their products, they appropriate this unpaid surplus when the commodities are sold on the market. The rate of exploitation (rate of surplus value) is the ratio of surplus labour (surplus value) to necessary labour (variable capital).

Marx made a distinction between absolute and relative surplus value. Increases in absolute surplus value are created through an extension of the working day and/or increases in the intensity of work. Increases in relative surplus value are produced through the reduction of the value of labour power because of productivity gains in the production of wage goods. Absolute surplus value can be based on changes brought about by the individual capitalist. But relative surplus value depends on the economy as a whole inducing technical changes that bring down the price of labour power.

### **Reading**

A. Saad-Filho & B. Fine, *Marx's 'Capital'*, 2016 (<https://tinyurl.com/rftyjxp>)

**Syndicalism.** The English rendering of the French word for trade unionism. More specifically, a movement to secure ownership of the means of production by the workers through 'direct action' -- that is, strikes in general and the general strike in particular.

Its chief architect was Fernand Pelloutier (1867-1901), secretary of the Federation des Bourses du Travail. Its most well-known theorist was Georges Sorel (1847-1923) in his *Reflections on Violence* (1908, <https://tinyurl.com/kggvbyn>). Syndicalism was powerful in France in the years leading up to the First World War, to a lesser extent in Britain during the same period and in the USA with the 'Wobblies' (Industrial Workers of the World), established in 1905 as 'one great industrial union ... founded on the class struggle'. Syndicalism was influential in Spain during the Civil War but is only active now anywhere as anarcho-syndicalism.

### **Reading**

Bob Holton, *British Syndicalism 1900-1914: Myths and Realities*, 1976

Industrial Workers of the World: <https://tinyurl.com/yyxcgqlp>

L. Walt & M. Schmidt, *Black Flame: The Revolutionary Class Politics of Anarchism and Syndicalism*, 2009

**Taxation.** In the long run taxes are a burden on the capitalist class only. Wages and salaries (not some theoretical gross, but what is actually received, what the employer invests as 'variable capital') corresponds more or less to the cost of maintaining and reproducing the working skills which employees sell to employers. During our time in employment employees perform surplus labour, they create surplus value which belongs to the employer. The upkeep of the state and its machinery of government ultimately fall on surplus value, or incomes derived from surplus value, through taxation. Moreover, it is in the interest of the ruling class to maintain the state apparatus because it maintains their dominant social position — though of course that doesn't stop them complaining about the cost and demanding cuts in its running charges.

Rises in tax (direct and indirect), by increasing the cost of maintaining employees and their skills, are generally passed on, through the operation of market forces, to employers in the form of increased money wages and salaries. However, this process is not automatic or inevitable: workers generally must struggle for higher wages and salaries.

**Trade unions.** Organisations of employees who have combined to improve and defend their pay and conditions of work. Necessary as they are under capitalism, the unions are strictly limited in what they can achieve for their members within the capitalist system of society out of which unions arose and within which they operate. Capitalist private companies and state capitalist nationalised industries are both operated for the purpose of making a profit and they cannot long survive without it. Trade unions cannot push wages up to a level that prevents profits being made. When companies are marketing their products profitably a union can hope to win

concessions by threatening to halt production and interrupt the flow of profits. But against a firm nearing bankruptcy, or during a depression when firms generally are curtailing production, laying off workers or closing whole businesses, the strike is a blunted weapon.

Even in central and local government, where the issue of profitability may not appear to arise, workers cannot isolate themselves from developments in the forces of production and are compelled to remain competitive in terms of pay and conditions with workers in the rest of the economy. The class struggle affects all employees.

### **Reading**

Henry Pelling, *A History of British Trade Unionism*, 1992

TUC history: <https://tinyurl.com/y6e7xea2>

Michael D. Yates, *Why Unions Matter*, 2009

**Transformation problem.** Many economists (including some who claim to be Marxist) maintain that prices cannot be transformed from values in the way Marx described in Volume 3 of *Capital*. The critics make a couple of assumptions about Marx's theory of value. First, it is assumed that value and price *must* be two separate systems. Second, it is assumed that inputs into production and the outputs that subsequently emerge *must* be valued simultaneously, and the input and output prices *must* be equal. When these assumptions are made, so the critics claim, Marx's theory of value becomes 'internally inconsistent' and breaks down.

However, these assumptions are mistaken. In Marx's theory, value and price are interdependent: profit exists only when surplus labour has been performed. The assumption that value and price must be two separate systems implies that there can be profit without surplus labour, which is a major misinterpretation of Marx's theory. And the assumption concerning simultaneous valuation and the equal prices of inputs and outputs flatly contradicts the main principle upon which Marx's value theory is founded: that value is determined by labour-*time*. It is because valuation necessarily involves labour-*time* that input and output prices can differ. Andrew Kliman has shown that the 'internal inconsistencies' appear when the theory is viewed as a simultaneous valuation and disappear when not viewed as a simultaneous valuation. In short, the critics have misunderstood Marx's theory of value.

### **Reading**

Andrew Kliman, *Reclaiming Marx's "Capital"*, 2007 (<https://tinyurl.com/a323yp8e>)

**Transitional society.** The idea of a transitional society called 'socialism' was made famous by Lenin, though others such as William Morris also accepted the idea. In *Lenin's Political Thought* (2010), Neil Harding claims that in 1917 Lenin made 'no clear delineation' between socialism and communism. But in fact, Lenin did write in *State and Revolution* (1917) of a 'scientific distinction' between socialism and communism:

*'What is usually called socialism was termed by Marx the "first", or lower, phase of communist society. Insofar as the means of production become common property, the word "communism" is also applicable here, providing we do not forget that this is*

not complete communism' (<https://tinyurl.com/y5rlqzum>).

The first sentence of this quote is simply untrue, and Lenin probably knew it was. Marx and Engels used the terms socialism and communism interchangeably to refer to the post-revolutionary society of common ownership of the means of production. It is true that in his *Critique of the Gotha Programme*, (1875, <https://tinyurl.com/y8q9w4pj>) Marx wrote of a transition between a lower phase of *communism* and a higher phase of *communism*. Marx held that, because of the low level of economic development (in 1875), individual consumption would have to be rationed, possibly by the use of labour-time vouchers (similar to those advocated by Robert Owen). But in the higher phase of communism, when the forces of production had developed sufficiently, it would be according to need. It is important to realise, however, that in both phases of socialism/communism there would be no state or money economy. Lenin, on the other hand, said that socialism (or the first phase of communism) is a transitional society between capitalism and full communism, in which there is both a state and money economy. According to Lenin: 'It follows that under communism there remains for a time not only bourgeois right, but even the bourgeois state, without the bourgeoisie!' But Lenin and his followers failed to see what this would involve. In effect, the theory of 'socialism' as a transitional society was to become an apology for state capitalism.

### Reading

Adam Buick, *The Myth of the Transitional Society*, 1975  
(<https://tinyurl.com/y5n8jyuv>)

**Trotsky, Leon** (real name: Lev Davidovich Bronstein, 1879-1940). The son of peasant farmers in the southern Ukraine. As a student at the University of Odessa he became an anti-Tsarist revolutionary. He soon fell foul of the authorities and was sentenced to prison and exile in Siberia from where he escaped in 1902 using the name of one of his jailers on his false identity card. This name — Trotsky — he was to use for the rest of his life.

Trotsky played a prominent part in the 1905 revolt that followed Russia's defeat in the Russo-Japanese war, being elected the Chairman of the St. Petersburg soviet. He denounced Bolshevism as a formula for a dictatorship *over* the proletariat, and tended to favour the Mensheviks until he returned to Russia after the February revolution in 1917. Together with Lenin he led the Bolshevik coup and was head of the Red Army in the civil war which followed. After Lenin's death Trotsky was gradually eased out of power, finally ending up in exile in Mexico. In 1930 he wrote *The History of the Russian Revolution* (<https://tinyurl.com/udssd9l>). Trotsky led the opposition movement against the supposed 'betrayal' of the revolution by the Stalinist bureaucracy, as set out in *The Revolution Betrayed* (1936, <https://tinyurl.com/pv6umdv>). In 1938 Trotsky and his followers founded the Fourth International which, in the opening words of its manifesto written by Trotsky, declared that: 'The world political situation is chiefly characterised by historical crisis of the leadership of the proletariat' (*The Transitional Programme*, <https://tinyurl.com/ul7bhyn>). In 1940 an agent of Stalin assassinated Trotsky with an ice axe (not an ice pick, as many commentators claim).

### Reading

David Renton, *Trotsky*, 2004

Robert Service, *Trotsky: A Biography*, 2010  
Trotsky online: <https://tinyurl.com/y65ulrxs>

**Trotskyism.** A variant of Leninism. (All Trotskyists are Leninists, but not all Leninists are Trotskyists.) Trotsky's contribution to Leninism is 'the theory of the permanent revolution' which argued that, because of Russia's economic backwardness, the minority working class had to seize the initiative and revolutionise society through capitalism to 'socialism'. At the same time, progress was dependent on a successful revolution in Europe. Of course, the revolution in Europe failed to materialise. But Trotskyites maintained that Russia was a post-capitalist 'degenerate workers state' in which a bureaucracy had usurped political power from the working class but without changing the social basis (nationalisation and planning). Later, east European countries and elsewhere were said to be 'deformed workers states' and for similar reasons. Socialists pointed out at the time that this terminology was nonsense and these states were dictatorships (For example: *Socialist Standard*, November, 1936, <https://tinyurl.com/y246t6gm>).

Trotsky's theory clashes with Stalin's doctrine of 'socialism in one country', and it is typical of Trotskyism that it defines itself in terms of individuals. Not for them the materialist theory of history but rather the Great Man theory of history: not an account of working-class self-emancipation but how Trotsky lost out to Stalin in a power struggle for the leadership. This approach also ignores the dictatorial tendencies within Trotsky's writings. Lenin laid the basis for Stalin's rule and it is a moot point how much Trotsky would have differed. Trotsky stood for a one-party dictatorship and called for the 'militarization of labour' which:

*'represents the inevitable method of organization and disciplining of labour-power during the period of transition from capitalism to Socialism'* (Terrorism and Communism, 1920, <https://tinyurl.com/yxa7xqax>).

Trotsky set up the Fourth International in 1938 based on his mistaken prognoses, most notably, the alleged rapid demise of Social Democracy and Stalinism and the spread of fascist regimes throughout the world. Nevertheless, Trotskyist groups continue to abound, all committed to the cult of the leader. For instance, John Callaghan records how Tony Cliff's leadership of the International Socialists (forerunner of the Socialist Workers Party) permitted abuses '... such as the decisions to launch the Right to Work campaign (late 1975) and the Socialist Workers' Party (late 1976) *without consulting the membership*' (emphasis added). The Socialist Workers' Party, and the more orthodox Trotskyist groups, support reforms on the grounds that they are 'transitional demands'. These reform demands are said to be different from those of Labour and Social Democratic reforms in that Trotskyists are under no illusion that the reforms demanded could be achieved within the framework of capitalism. They are posed as bait by the vanguard party to get workers to struggle for them, on the theory that the workers would learn in the course of the struggle that these demands could not be achieved within capitalism and so would come to struggle (under the leadership of the vanguard party) to abolish capitalism.

Actually, most rank-and-file Trotskyists are not as cynical as they pretend to be here.

In discussion with them you gain the clear impression that they share the illusion that the reforms they advocate can be achieved under capitalism (as, indeed, some of them could be). In other words, they are often victims of their own 'tactics'.

### Reading

John Callaghan, *British Trotskyism*, 1984

Trotskyism online: <https://tinyurl.com/y2b5fjyw>

**Underconsumption.** A situation where, it is alleged, there is insufficient demand in the economy leading to crisis and depression. In one form or another this belief informs the Keynesian theory of unemployment. However, crises are usually the result of a failure of profitability and not the lack of markets or an inability to buy back what is produced. Marx warned against trying to explain crises in terms of the workers' lack of purchasing power:

*'crises are always prepared by precisely a period in which wages rise generally and the working class actually gets a larger share of that part of the annual product which is intended for consumption'* (Capital, volume 2, chapter 20, section 4, <https://tinyurl.com/y3vsjkc4>).

### Reading

Simon Clarke, *Marx's Theory of Crisis*, 1994 (<https://tinyurl.com/uurcnkx>)

**Unemployment.** In the UK the official definition of unemployment is given by the Office for National Statistics (ONS), using an internationally agreed definition from the International Labour Organisation, an agency of the United Nations. Using this definition, the unemployed are those who are out of employment but seeking employment or waiting to start a new job. The actual figures are compiled by the Labour Force Survey questioning a sample of households every three months. The ONS publishes unemployment levels each month in the Labour Market Statistical Bulletin (<https://tinyurl.com/y4vy7r96>).

Capitalist economics identifies different types of unemployment:

- Frictional unemployment: caused by people between jobs
- Classical unemployment: caused by 'excessively' high wages
- Structural unemployment: caused by changes in the structure of the economy
- Keynesian unemployment: caused by a deficiency of aggregate demand

(*The Penguin Dictionary of Economics*, 2011)

Capitalist economics never identifies a lack of profitability as even a theoretically possible cause of unemployment. This shows how ideologically loaded capitalist economics is. What is the 'opportunity cost' of enforced idleness while unmet needs abound?

**Uneven development.** Industrial development is not evenly spread over the world. In Europe, North America, Australasia, the Pacific Rim, the vast majority of the

population live and work under capitalist conditions of production for profit and the wages system, while in some parts of the world capitalist industry is only an oasis in the midst of a desert of less developed agriculture. In between are countries in varying stages of industrial development. As yet not all mankind are propertyless wage workers, many of the remainder being peasants exploited by landlords and moneylenders.

To say that a major part of mankind is not living under capitalist conditions as wage earners is not to say that their lives are not affected by that system. Price fluctuations in the world market directly touch on their standard of living and they cannot escape the consequences of wars between capitalist powers. And then of course there is climate change, which is generated by the profit system and is not confined to national borders. In view of this and in view of the fact that the bulk of the world's wealth is produced in the capitalist parts, we can say that capitalism is the predominant social system in the world today.

We don't need to wait for capitalist production to predominate everywhere before socialism can be established. World socialism has been possible for many years now, for as many in fact as its industrial basis has existed. As soon as the workers of the world want to, they can establish common ownership of the means of production. For the same reason, socialists do not support movements for 'national liberation' which aim to gain political power in the less developed countries and, of necessity, pursue policies of capitalist development.

The very idea of socialism, a new world society, is clearly and unequivocally a rejection of all nationalism. Those who become socialists will realise this and also the importance of uniting with workers in all countries. The socialist idea is not one that could spread unevenly.

### **Reading**

Neil Smith, *Uneven Development: Nature, Capital and the Production of Space*, 2008

**Use value.** The use value of a good or service is its power to satisfy a human desire. Under capitalist commodity production, however, their use value is secondary to their exchange value. Commodities are produced primarily to be exchanged, for their exchange value.

**Utopian socialism.** A term used to describe the ideas of Claude Henri de Saint Simon (1760-1825), Francois-Charles Fourier (1772-1837) and Robert Owen (1771-1858).

They provided interesting criticisms of existing society (e.g. the wages system) and useful ideas for a future society (e.g. the abolition of the state) but were politically naïve about how this was to come about. This tendency is still with us and was characterised by Marx in the *Communist Manifesto* as follows:

*'The undeveloped state of the class struggle, as well as their own surroundings, causes Socialists of this kind to consider themselves far superior to all class*



*antagonisms. They want to improve the condition of every member of society, even that of the most favoured. Hence, they habitually appeal to society at large, without the distinction of class; nay, by preference, to the ruling class. For how can people, when once they understand their system, fail to see in it the best possible plan of the best possible state of society?* (<https://tinyurl.com/npxqsde>).

### **Reading**

Keith Taylor, *Political Ideas of the Utopian Socialists*, 1992

Krishan Kumar, *Utopia and Anti-Utopia in Modern Times*, 1991

**Value.** A social relationship between people which expresses itself as a material relationship between things. The value of a commodity is determined by the quantity of socially necessary abstract labour time needed for its production and reproduction from start to finish. Price is the monetary expression of value in a market.

### **Reading**

Andrew Kliman, *Reclaiming Marx's "Capital"*, 2007

**Vanguard.** In the *Communist Manifesto* (1848), Marx wrote of the communists' understanding of 'the line of march, the conditions and the ultimate results of the proletarian movement', which he conceived as 'the self-conscious, independent movement of the immense majority in the interest of the immense majority' (<https://tinyurl.com/kjykcke>).

This is to be contrasted with Lenin's view. Although there is more than one version of the party to be found in Lenin's writings, all of them envisage a centralised vanguard leading the working class. In *What is to be Done? 1902* (<https://tinyurl.com/o9nzlq5>), Lenin argued that class consciousness had to be brought to the workers by professional revolutionaries organised as a vanguard, as a body capable of leading the working class to 'socialism'. Because workers on their own can only develop trade union consciousness, on this view, self-emancipation is impossible.

Hal Draper has argued that Lenin was making explicit what was already implicit in the politics of the Second International generally and Kautsky in particular. If that is the case, then this would mark an important difference between the Socialist Party and the Second International, along with the Socialist Party's rejection of the Second International's reformism.

### **Reading**

Hal Draper, *The Myth of Lenin's Concept of The Party*, 1990

(<https://tinyurl.com/y7y2otdn>)

**Violence.** A new world society of democratic voluntary co-operation can only be established by democratic voluntary co-operation. By its very description, such a society cannot be imposed, nor could people be led into it. Unlike Leninist and other left-wing groups who advocate violence because they rely on minority support, socialists rely on the legitimacy conferred by majority understanding, support and participation. And this is why it is reasonable to suppose that this process will be peaceful. However, socialists are not pacifists. Should an anti-democratic minority try

to impose its will on a majority-expressed decision for socialism then the majority can defend themselves with force, if necessary.

**Wages.** A wage or a salary is the price of the human commodity labour power, the capacity to work. We live in a money economy in which we must buy the food, clothes, accommodation and all the other things we need in order to live. For most people the main source of income to buy these things is their wage or salary. Because workers are compelled to work for their employers for a duration of time, being exploited in the process, the wages system is literally a form of slavery and the working class are wage slaves.

And there is an antagonism between wages and profits: the higher the one, the lower the other, and vice versa, other things being equal. This means that workers usually have to struggle for higher wages to maintain or increase their standard of living. But in an inflationary economy, where prices are rising generally, wage rises sometimes only maintain the value of labour and sometimes fail to do even that. The outcome will depend on the balance of a class forces and what Marx called 'the respective powers of the combatants.'

This is what Marx had to say on the situation facing all workers:

'At the same time, and quite apart from the general servitude involved in the wages system, the working class ought not to exaggerate to themselves the ultimate working of these everyday struggles. They ought not to forget that they are fighting with effects, but not with the causes of those effects; that they are retarding the downward movement, but not changing its direction; that they are applying palliatives, not curing the malady. They ought, therefore, not to be exclusively absorbed in these unavoidable guerrilla fights incessantly springing up from the never ceasing encroachments of capital or changes of the market. They ought to understand that, with all the miseries it imposes upon them, the present system simultaneously engenders the *material conditions* and the *social forms* necessary for an economical reconstruction of society. Instead of the *conservative* motto: "A fair day's wage for a fair day's work!" they ought to inscribe on their banner the *revolutionary* watchword: "Abolition of the wages system!"'

(*Value, Price and Profit*, 1865 <https://tinyurl.com/wgvavux>)

**War.** Capitalism is the cause of the rivalries that led to war in the modern world. In general, these conflicts between states and within states are over property. Specifically, it is competition over markets, sources of raw materials, energy supplies, trade routes, exploitable populations and areas of strategic importance. Within each state in the world there is a conflict of interests over social priorities. But all over the world there are conflicts of interest between states which lead to war when other means fail.

The vast majority of wars since the end of World War 2 in 1945 have been wars *within* states ('civil' wars), in which the victims are overwhelmingly civilians or non-combatants. Between 1945 and 1999 about 3.3 million battle deaths occurred in 25

interstate wars. In the same period there were some 122 civil wars resulting in 16.2 million deaths – five times the interstate death toll.

Of course, wars took place in class societies before capitalism existed. These wars however can generally be attributed to the absolute shortages of the past. In our own age the problem is a different one. Now the means exist for producing enough to supply the needs of all. With international capitalism, however, we have the problem of artificial scarcity created by the capitalist system of production. Social production takes place for profit, not directly for human need. It is this global system of competitive accumulation — and the states needed to protect them — that creates the rivalry that leads to war.

### **Reading**

The Socialist Party and War, 1970: (<https://tinyurl.com/uu3x9fv>)

**Wealth.** A product of human labour, acting upon nature-given materials, that is capable of satisfying needs. This identifies wealth with use-value. But capitalism is a society where wealth becomes a commodity having exchange value also, and sometimes only a socially-bounded use-value that is peculiar to this society – as with nuclear weapons.

This is to be contrasted with capitalist economics where, by definition, wealth is scarce and that is why capitalism must always exist. In an influential essay of 1932, the economist Lionel Robbins wrote:

‘... wealth is not wealth because of its substantial qualities. It is wealth because it is scarce’ (*Essay on the Nature and Significance of Economic Science*, (<https://tinyurl.com/r3rs2k3>))

**Webb, Beatrice** (1858-1943) and **Sidney** (1859-1947). As prominent members of the Fabian Society both were involved in the establishment of the Labour Representation Committee (1900) which, in 1906, became the Labour Party. In 1918 the Labour Party adopted a constitution which was mostly written by Sidney, including the notorious Clause Four commitment to nationalisation (rejected by the Labour Party in 1995).

More well-known in their own time for their researches in social and economic history, the main intellectual influence on Beatrice came from Herbert Spencer, whereas Sidney (made Baron Passfield in 1929) was more influenced by Jeremy Bentham.

They both had a very poor opinion of the working class. Beatrice wrote:

*‘We have little faith in the “average sensual man”, we do not believe that he can do much more than describe his grievances, we do not think that he can prescribe the remedies... We wish to introduce into politics the professional expert’* (*Our Partnership*, 1948, <https://tinyurl.com/teqtg9j>).

This echoed Lenin's view that left to themselves workers were only capable of reaching a 'trade union consciousness' and would be why they later wrote a book, in the 1930s, praising the Russian regime entitled *Soviet Communism: A New Civilisation?* (<https://tinyurl.com/vf9xcbx>).

### Reading

Webbs bibliography: <https://tinyurl.com/ssesp4n>

**Welfare state.** In 1942 the Report on Social Insurance and Allied Services by Sir William Beveridge (later Lord Beveridge) was published to widespread acclaim. All the main political parties hailed the Report as the basis for a restructured and improved social provision for the working class after the war against Germany had been won. The Socialist Party analysed the purpose and nature of the Beveridge proposals in a pamphlet called *Beveridge Re-Organises Poverty* (<https://tinyurl.com/uln539r>). This pamphlet quoted the Tory MP Quentin Hogg (later Lord Hailsham) and his advice on the necessity of social reform within capitalism — 'if you do not give the people social reform, they are going to give you social revolution' — and suggested that the Beveridge recommendations were best judged in the light of the wave of working class discontent which followed the 1914-18 war, which the capitalist class and their political representatives feared might be repeated.

The actual content of the Report and the proposals it put forward for social reform were, as the *Times* put it, 'moderate enough to disarm any charge of indulgence' (2 December 1942). In large part the reforms aimed at providing an efficient working framework for the replacement of the unbalanced and disparate system of poor relief previously in existence in Britain. In fact, a familiar claim of Beveridge at the time was that his proposals would be cheaper to administer than the previous arrangements. As he put it in his Report:

*'Social insurance and the allied services, as they exist today, are conducted by a complex of disconnected administrative organs, proceeding on different principles, doing invaluable service **but at a cost in money and trouble and anomalous treatment of identical problems for which there is no justification**'* (page 6, emphasis added, <https://tinyurl.com/ceeygnd>).

Many of Beveridge's proposals were already effectively in force for a significant number of workers, but the Report recommended the introduction of a unified, comprehensive and contributory scheme to cover loss of employment, disablement, sickness and old age. An enlargement of medical benefits and treatments was proposed, as was a plan for non-contributory allowances to be paid by the state to parents with dependent children.

This latter scheme was criticised in another Socialist Party pamphlet called *Family Allowances: A Socialist Analysis*, which demonstrated how Beveridge's proposed Family Allowances would be of principal benefit to the employing class, not the wage and salary earners. This scheme would allow employers to make across-the-board wage reductions as wages had previously had to take account of the entire cost of the maintenance and reproduction of workers and their families, even though the majority of workers at the time had no dependent children to provide for. The Family

Allowances plan was a scheme based on targeting provision on those workers actually with children. *Family Allowances: A Socialist Analysis* explained:

*'wages must provide not only an existence for the worker himself, but also enable him to rear future generations of wage workers to take his place. It is quite logical therefore from a capitalist point of view to raise objection to a condition which in a large number of cases provides wages "adequate" to maintain children for those who in fact possess no children'* (<https://tinyurl.com/w7ggqg5>).

In outlining the case for universal state benefits and health care, the Beveridge Report was undoubtedly of some benefit to sections of the working class who, for one reason or another, had found themselves outside the existing scheme of provision. But as the case of Family Allowances demonstrated some of the gains for the working class were more apparent than real.

The world's first welfare state was created in Germany by Bismarck's government in the late nineteenth century. In the early twentieth century the Liberal government drew inspiration from Bismarck's reforms as it laid the basis of Britain's welfare state. Churchill declared in February 1943 that the Beveridge Report 'constitutes an essential part of any postwar scheme of national betterment' (<https://tinyurl.com/y4p8pppo>). The 1945 Conservative Party General Election Manifesto pledged:

*One of our most important tasks will be to pass into law and bring into action as soon as we can a nationwide and compulsory scheme of national insurance based on the plan announced by the government of all parties in 1944* (<https://tinyurl.com/y4ezeew8>).

As the Socialist Party was able to predict, the recommendations of Beveridge and, for that matter, the modifications that have been made to the various branches of the welfare state in the past 70 years, have not succeeded in solving the poverty problem. Particularly since the end of the post-war boom in the late 1960s (the 'golden age' of capitalism?), the problems of poverty and income inequality have accelerated. The health services and social security have to be paid for ultimately out of the profits of the capitalist class, generally via taxation (the burden of which in the last analysis falls on the bosses) or borrowing. In an increasingly competitive and crisis-ridden global economy, the welfare state becomes a luxury they cannot afford.

### **Reading**

Pat Thane, *The Foundations of the Welfare State*, 1996

**Workers' councils.** Advocated by some left-wingers as the means to fight capitalism, overthrow it, and establish and administer socialist society. Workers' councils comprised of delegates from workplaces would co-ordinate the struggle. Workers' councils may indeed have a role to play, but their social base is too narrow (many workers operate outside the traditional workplace) to produce a social revolution. Socialists insist that the overthrow of capitalism must involve the capture of state power.

Workers' councils are to be distinguished from Works' Councils. The latter are

being sponsored by the European Union and others, as a means to 'industrial democracy', by encouraging workers to be more competitive and productive in conjunction with their bosses.

### **Reading**

Maurice Brinton, *The Bolsheviks and Workers' Control*, 1970

(<https://tinyurl.com/rdhgacn>)

Serge Bricaner, *Pannekoek and the Workers' Councils*, 1978

(<https://tinyurl.com/vbdy8vn>)

**Working class.** All those who are excluded from the ownership and control of the means of wealth production and distribution and depend for their existence on wages and salaries or incomes derived from them. In Britain this is over 90% of the population, the remainder being mostly the capitalist class – those who live on unearned income derived from their ownership of land and invested capital.

As shorthand, socialists sometimes refer to the working class as wage slaves or wage and salary earners. This, however, is a way of bringing out the importance of wage labour *for capitalism* and is not a judgement by socialists on the worth or importance of workers not employed. The lifeblood of this system is the pumping of surplus value out of wage labour. But, in fact, employees constitute only about half the total number of the working class. Of necessity, there are many roles within the working class that are needed to facilitate the reproduction cycle of labour power, such as students, pensioners, the unemployed and so on. The whole working class is involved in creating, maintaining and reproducing labour power. For the benefit of the capitalist class.

### **Reading**

Michael Lebowitz, *Beyond Capital: Marx's Political Economy of the Working Class*, 2016

**Zero growth.** Capitalism is primarily an economic system of competitive capital accumulation out of the surplus value produced by wage labour. As a system it must continually accumulate or go into crisis. Consequently, human and environmental needs take second place to this imperative. The result is waste, pollution, environmental degradation and unmet needs on a global scale. The ecologist's dream of a sustainable 'zero growth' or 'steady-state economy' within capitalism will always remain just that — a dream.

However, on the new basis of common ownership, democratic control and production solely for use, socialist society will be able to sustain a balanced and sympathetic relationship with nature. After clearing up the mess left by capitalism and a possible initial increase in production to eliminate poverty, production can be expected to settle down and level off at a level sufficient to provide for human and environmental needs.

### **Reading**

Christopher Doll, *Our World without Economic Growth*, 2010

(<https://tinyurl.com/3zc8efry>)