

COMMENTARY

Why Capitalism has Failed: And Why We Must Not

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If Seattle 1999 and subsequent mobilizations of the anti-capitalist movement could not compel the ideologues of capitalism to concede that their predictions of the “end of history” had been premature, the global financial meltdown has forced even the most stubborn of such ideologues from the lofty perch they have occupied since the fall of “actually existing socialism.” As expected however, the reversal of decades of free-market orthodoxy in the form of unprecedented nationalizations of banks and other financial institutions has not precipitated serious introspection, thanks in large part to the machinations of the corporate media and the political establishments in Washington, London, Berlin, Tokyo and the other citadels of capitalism.

Thus while the gloss has been taken off, for the vast majority of the world’s people, “there is no alternative” continues to ring truer than ever. Indeed, for billions the ultimate dream remains reaching the shores of America, or its less glamorous cousin Europe. The myth reads like something out of a Walt Rostow textbook: the want of a majority of working people in Western Europe, North America and Australia/New Zealand has been met and many are now enjoying the benefits of “high mass consumption.” Working people in the periphery perceive that they too can share this heaven-on-earth utopia and therefore compete ruthlessly with one another to secure access to the advanced industrial societies, by hook or by crook. The lure of the First World lifestyle is, to adapt Marx’s phrase, the 21st century opiate of the masses.

The overwhelming flow of unskilled (and increasingly skilled) labor into the advanced industrial societies is, for establishment pundits everywhere, just another indicator that capitalism, even as it negotiates the crisis of the present, remains the vision of the future. Almost two decades since the collapse of Sovietism, notwithstanding the clear evidence that free-market orthodoxy has lost all legitimacy, there is no immediate demise of the system in sight. In fact, capital’s insatiable appetite to expand seems to be unchecked. The American imperial juggernaut, while challenged in a variety of guises, is nonetheless continuing to clear the way for capital’s advance.

Perhaps more than even then, it is necessary to challenge the logic of capital and insist that the present collapse, far from being a temporary setback, is only more proof that capitalism *as a system* has failed. It has failed to be the culmination of the project of “rationality” as envisioned in the principles of the Enlightenment. If any reason has triumphed, it has been the myopic reason of capital. Not only is a majority of the world’s population condemned to want and deprivation, Nature now stands degraded, the destructive power of capital ever able and willing to manipulate, exploit and ultimately eliminate her resources. In the short-sighted capitalist worldview, nature’s destruction is

immaterial; what bigger indictment of a system can there be than that it destroys the very basis of its existence?

Here it is worth dwelling briefly on the tools available to us to understand the nature of the beast and to contemplate the methods that will hasten its demise. Arif Dirlik has very incisively pointed out that for all of its dynamism and symbolism, Marxism remains fundamentally a hostage of the capitalist system that it seeks to demystify and ultimately upend. In some ways this is a self-evident assertion. Marxism has first and foremost been a critique of capitalism, an attempt to understand how the capitalist order reproduces itself. It therefore lives and dies with capitalism. Dirlik stresses that Marxism's inability to think beyond capitalism has led to its ossification, particularly in the historical experiments with "actually existing socialism."

Many of us are naturally mortified at the thought that we are prisoners to the very system that we seek to change. Dirlik's contention must obviously be put into perspective. While the primary emphasis of Marxists everywhere has been to shed light upon the workings of capitalism, Marxism is more than just a critique of the system; instead it is to be conceived, as practitioners from Mao to Gramsci to Freire have insisted, as praxis.

This is precisely why it is crucial to recognize the real failure of capitalism so as to avoid falling into the trap of reproducing its failure in our critique of the system and strategies to challenge it. I contend that insofar as the commodification of all social relations can be considered shorthand for capitalism, there is an urgent need to rediscover the *moral* dimension of our critique of capitalism, because by exclusively emphasizing the imperative of *material* equality, we involuntarily cede to capitalism the premise that the basic contradiction in modern society is that deriving from the control over material resources.

Marxist Heresy

Immediately this assertion will appear to be nothing less than heresy. After all is not the basis of historical materialism the belief that social relations are first and foremost conditioned by the control over material resources (or lack thereof)? And by calling for a shift away from a predominant focus on the control over material resources, is one not actually validating the debilitating attacks on Marxism propagated by as different analytical constituencies as post-structuralists and imperialist ideologists (such as Huntington and Fukuyama)?

In attempting to sift through the problem, the first step is to identify exactly what the premise of capitalist modernity is. In a nutshell it is the notion that the social universe contains finite (scarce) resources and that allocation of these resources must take place through "free" exchange in the market. Marx of course recognized the fundamental obfuscation in this formulation to be the fact that scarcity is often created by those who actually possess resources, and that the majority of people are deprived of access to resources in spite of actually being charged with the task of producing for the greater social good.

Thus while in formal terms all individuals involved in exchange in the market are "free," those deprived of resources are compelled to sell the only available resource they

have, namely their labor power, so as to secure their means of existence. In doing so they are exploited by those who monopolize resources while also suffering from acute alienation in the course of the task of production.

Thus it follows that liberation from capitalism is in the “association of free producers,” or in other words by ensuring equal access to the material resources upon which the existence of humanity is contingent. Given that the formal political shell of capitalism is one that enshrines the right of the individual to property, it becomes necessary to abolish private property and in its place establish the concept of common property.

It is not my concern here to respond to the polemics of those who criticize this basic formulation for being “economistic.” but briefly, Marx does not insist that the inequality in access to (ownership of) material resources is the only source of social difference or even conflict. Nor is there any suggestion that the abolition of private property necessitates the disappearance of all forms of social conflict, whether on the basis of essential identities such as gender and race or along other less obvious faultlines.

The concern of this exposition is with Marx’s celebration—albeit guarded—of capital’s “civilizing aspects.” Marxists of all stripes have always personified capital, a polemical practice which is devastatingly effective, because it illuminates the very nature of the beast. For the most part capital (the capitalist) is shown to be the exploiter of labor (the worker), exposing its inherent anti-human and anti-Nature character. However, there remains a tendency to laud capital’s progressiveness insofar as it heralds a shift away from the pre-modern past and the more ghastly forms of exploitation that characterize this past. Marx’s earlier writings on the role of British imperialism in India stand out in this regard.

Marx’s unapologetic condemnation of the bygone pre-modern era was in keeping with the intellectual trends of the time. As much as any other theorist of modernity in the 18th and 19th centuries, Marx believed firmly in the ability of humanity to manage Nature to its benefit, and was concerned primarily with ensuring that the entire human collectivity benefited from this exchange with Nature rather than a handful of property owners.

In so doing, he acceded to the logic that in modern society control over material resources constitutes the basis of progress. Marxists of all stripes have tended to subscribe to this orthodoxy, although some have consistently emphasized the imperative of creating a balance between humanity and the natural world as well. In any case, there has been little attempt to critically question the “rationalist” kernel of modernity that posits material advance as the primary indicator of progress. To take this idea further, there has been a disinclination to think about basic questions of morality outside of a “rationalist” or more generally, “scientific” conception.

Marxists have long celebrated the fact that they ascribe to a “scientific” worldview, drawing from Marx and Engels’ distinction between utopian and scientific socialism. The love affair with scientific rationality can in part be explained by the fact that Marx insisted on contrasting his thought to Hegel’s idealist conception of history. In any case, Marx, Engels and many who have followed have traditionally situated the critique of capitalism and their imagination of an alternative worldview within the accepted “scientific” conventions of modern intellectual life. In effect, Marxists have internalized, as much as anyone else, the

binary that modern and scientific thought is rational while any appeal to “morality” that does not invoke “scientific” principles is irrational.

This commitment to orthodoxy stands in contrast to the clearly moralistic appeals made by many Marxists. Thinkers and practitioners in a variety of social contexts—including Marx himself—have, overtly or otherwise, expressed great moral indignation at the repulsive and destructive character of capitalism. Thus Che talks of revolutionaries being guided by feelings of love; Gramsci expresses the belief that only the existence of a collectivity makes revolution more than mere mathematical calculation; and Freire understands liberation to be nothing less than moral salvation.

On the face of it, the science vs. morality binary is not necessarily a binary at all, and the case can easily be made that scientific reason and moral choice are dialectically related. As Marx himself asserts:

...a distinction should always be made between the material transformations 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.

Nonetheless, more often than not, the scientific impulse has tended to marginalize moral choice, or perhaps to use a more familiar analogy, structure has triumphed over agency. More specifically for this analysis, the implicit or explicit acceptance of capitalism’s basic logic—namely that material need is the predominant concern of humankind—implies a major quandary in the struggle for a post-capitalist morality. To clarify, at issue here is not the materialist understanding of history—that the struggle for control over material resources explains change over time—but whether or not material needs *should* be the determining force in the society we wish to build.

The underlying quandary being stressed here is best exemplified in Marx’s comparison of the realm of necessity with the realm of freedom. For Marx, freedom only follows the meeting of needs. Needs expand as productive forces are enhanced and wants expand commensurately. Ultimately with the establishment of the free association of producers does one actually move beyond the realm of necessity to the realm of freedom or “development of human energy which is an end in itself” but “which, however, can blossom forth only with the realm of necessity as its basis.”

At a basic level, this formulation is undeniably logical. It posits only that human beings must satisfy their needs before they are able to engage in other pursuits that are separate from the processes of material production. So, for example, the shortening of the working day permits workers to do things outside the realm of necessity.

But Marx also insists that the realm of necessity is the “basis” for freedom. In other words, material needs precede everything else. To reiterate: this may be true at a very pragmatic level in that production of the means of existence is a prerequisite to all else, but if freedom is always a function of needs, or to put it another way if needs cannot be made a function of moral choice, then the individual or the collectivity become prisoners to the pursuit of needs (or even more problematically, want).

Marx's basic answer to this question would be that the establishment of the free association of producers will necessarily herald a social consciousness whereby the producers are able to "rationally regulat[e] their interchange with Nature." In other words, to invoke a familiar problem in Marxism, it is almost taken for granted that social consciousness will evolve coevally with the level of development of productive forces, such that "rationality" will prevail. This, it is surely now recognized, is quite a problematic assumption.

Some within the Marxist tradition have attempted to explode this assumption, E.P. Thompson among the most prominent:

...every contradiction is a conflict of value as well as a conflict of interest... every class struggle is at the same time a struggle over values and the project of Socialism is guaranteed BY NOTHING—certainly not by "Science," or by Marxism-Leninism—but can find its own guarantees only through an open *choice of values*.

In other words, there is a real danger of missing the point if our struggle becomes, in Thompson's words, "utilitarian" in terms of a singular commitment to material needs (interests).

Where Does This Leave Us?

The implications of this analysis are arguably quite banal. But their banality explains why we must pay attention to them. Specifically, if the objective of Marxist praxis becomes primarily to fulfill the material needs of the mass of producers who are alienated because they are deprived of access to resources, and if the moral imperative of building an alternative social order in which needs are not determinate does not occupy as central a part of our agenda, capitalism's failure becomes our failure.

The most obvious example of this is in the advanced industrial societies where the material needs of a majority of the population are more or less being met. This is not to deny the impacts of neoliberal reaction which has clearly led to a decrease in the overall welfare of the working class, or to suggest that many working people are still not living from hand to mouth. However, does the history of the last 130 years not prove that the realm of necessity is likely to increase indefinitely so that the realm of freedom is never reached?

On the one hand what I am referring to here is best summed up by Aijaz Ahmad:

...it is the issue of imperialism—the historically structured system of inequalities, between classes and between countries, between men and women, and between the working classes themselves of the different zones of the global system—which is the primary object of socialist resistance. To the extent that the metropolitan Left has come to concentrate so entirely on improvement in the quality of life in the respective metropolitan countries, speaking of social movements within the national boundaries of imperialist countries and the perfection of democracy for the historic beneficiaries of imperialism as the immediate goal, it has abandoned the fundamental project of socialism, which is none other than the destruction of the imperialist character of modern capital.

However, even Ahmad only implicitly addresses the deeper problematic which has been touched upon here, namely that the fulfillment of needs is only one aspect of Marxist

praxis and that only with the articulation of a clear moral commitment to equality (not just material) and dignity can the failure of capitalism be transcended and a new social order envisioned.

In a sense there is a need to become even more radical in our understanding of what constitutes a post-capitalist vision insofar as the imperative of “high mass consumption” itself is part of the problem rather than the solution. One hundred fifty years ago Marx and his contemporaries held the almost unquestioned view that the level of development of productive forces could increase almost infinitely and thereby produce enough wealth for all of society’s members to collectively enjoy the fruits of human knowledge and endeavor. If nothing else, today this assumption has been shaken by an awareness of the extreme danger that capital has posed to humanity’s existence by exploiting Nature’s resources in an extremely short-sighted and destructive manner.

However, it is as important to recognize that there exists a moral imperative—in its own right—to end our obsession with material progress. In this vision, humanity is not guided by the logic of capital that posits control over material resources as the primary concern of modern society, but by a logic in which human dignity and social equality are of central importance.

Of course such a morality has to be developed within the womb of capitalist society if, in Gramsci’s terms, a meaningful counter-hegemony is to emerge. This means an acceptance that levels of consumption within the advanced industrial societies and within elite enclaves of the periphery are simply unacceptable, not only because of the hoarding of resources but because of the decadence associated with living so extravagantly in the midst of widespread deprivation and want (whether at home or abroad).

It is perhaps even more important—and arguably more difficult—for an “anti-material” consciousness to take root within working people in the periphery. This is not to say that the struggle to acquire basic material needs should be abandoned—indeed this will always constitute a central plank of strategizing for change—but that there is a need to debunk the myth that, in Freire’s words, “becoming the oppressor” is what constitutes change. Indeed in peripheral societies characterized by extreme injustice, what is hegemonic is that working people aspire to upward mobility so as to “become” part of the elite that they hate and envy at one and the same time.

There are examples in our current world, however few, of the kind of “anti-material” morality that is being hinted at here. And perhaps not surprisingly, high levels of material development are not prerequisites to these societies’ flirtation with the realm of freedom. Cuba stands out in this regard, a relatively poor country in which a non-negligible proportion of people remain beset by material need, but nevertheless one in which social solidarities have been actively cultivated and consolidated over 50 years. In more recent times, some of these solidarities have arguably been eroded by, not ironically, the promise of greater material advance deriving from “opening up” to Big Brother to the north. Nevertheless, these solidarities remain intact, and anyone that has spent time in Cuba will testify to the unique nature of public morality on the island.

There are similar stories from places like Kerala in India, a materially poor society which has made great strides in achieving social solidarity that approximates what one imagines would exist in post-capitalist society more generally. In contemporary Venezuela and Bolivia a new post-capitalist morality is in the making. The list, admittedly, is not a long one. And that is because capital—and its morality—has penetrated deeply into the overwhelming majority of societies in the world. This is not a case of false consciousness or the sway of ruling-class ideology. The modern world allows at least some of us far too much agency for that to be the case. It is time to start exercising that agency and recognizing that, as much as reflecting our material interests, the choices we make reflect what we think is right and what we think is wrong. If we honestly believe that capitalism is wrong, then we must do what is right by breaking with capital's spell.