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Statement of purpose

Taking stock of the universe of positions and goals that constitutes leftist politics today, we are left with the disquieting suspicion that a deep commonality underlies the apparent variety: What exists today is built upon the desiccated remains of what was once possible.

In order to make sense of the present, we find it necessary to disentangle the vast accumulation of positions on the Left and to evaluate their saliency for the possible reconstitution of emancipatory politics in the present. Doing this implies a reconsideration of what is meant by the Left.

Our task begins from what we see as the general disenchantment with the present state of progressive politics. We feel that this disenchantment cannot be cast off by sheer will, by simply “carrying on the fight,” but must be addressed and itself made an object of critique. Thus we begin with what immediately confronts us.

The *Platypus Review* is motivated by its sense that the Left is disoriented. We seek to be a forum among a variety of tendencies and approaches on the Left—not out of a concern with inclusion for its own sake, but rather to provoke disagreement and to open shared goals as sites of contestation. In this way, the recriminations and accusations arising from political disputes of the past may be harnessed to the project of clarifying the object of leftist critique.

The *Platypus Review* hopes to create and sustain a space for interrogating and clarifying positions and orientations currently represented on the Left, a space in which questions may be raised and discussions pursued that would not otherwise take place. As long as submissions exhibit a genuine commitment to this project, all kinds of content will be considered for publication.

Submission guidelines

Articles will typically range in length from 750–4,500 words, but longer pieces will be considered. Please send article submissions and inquiries about this project to: [review\\_editor@platypus1917.org](mailto:review_editor@platypus1917.org). All submissions should conform to the *Chicago Manual of Style*.

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another word for output per hour of work. So hourly compensation and productivity rose at the same rate. The gap did not increase.

That is the case when we use the plain dollar figures, as I have done here, and it is also the case when we adjust for inflation in a consistent manner. The supposed increase in the “productivity/compensation gap” results from *inconsistent* inflation-adjustment; one price index is used to “deflate” the productivity figures but a different price index is used to “deflate” the compensation figures.

Imagine that output is originally \$100 and workers get \$60. In some later year, output is \$300 and workers get \$180. The workers’ share is 60% in both cases; it does not fall. Yet if we take the latter year’s numbers and deflate (divide) output by a price index that has doubled but deflate compensation by a different price index that has tripled, we get \$300/2 = = \$150, and \$180/3 = = \$60. Voila! We have created a “productivity/compensation gap” that the Henwoods and Heartfields can use to tell us that the workers’ share fell from 60% to 40% (\$60/\$150).

depreciation is excluded because, as Dean Baker puts it, “[n]o one eats depreciation,” neither workers nor business owners.]”

Although compensation of employees includes the pay of CEOs and other top corporate executives—most of which is arguably profit in disguise—makes extremely little difference. I have estimated that rising compensation of executives in “the 1%” depressed other employees’ share of business-sector output by only 0.6 percentage points between 1979 and 2005. Even a wildly unrealistic assumption about the growth in the executives’ pay relative to the growth of their total income results in a decline of less than one percentage point.<sup>7</sup>

So much for the mythical fall in workers’ share of output.

But what about the supposed fact that compensation received by employees has failed to keep pace with their productivity? Well, the fact that the compensation share did not trend downward means that compensation and output rose at the same rate, which in turn means that compensation per hour of work and output per hour of work rose at the same rate. But “productivity” is just

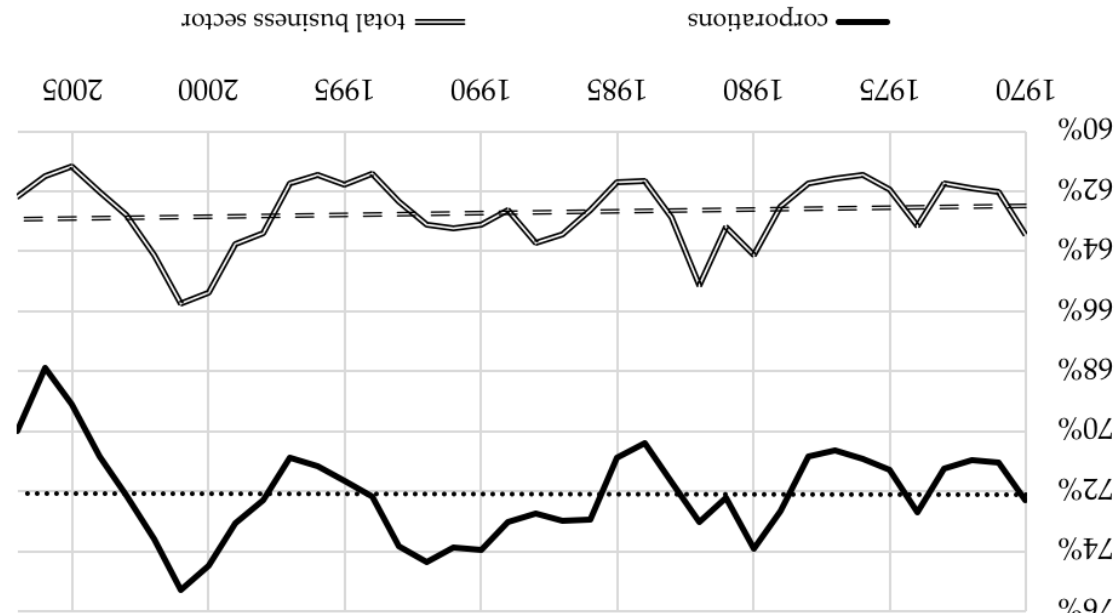


Figure 1. Employee Compensation as Share of Net Output, U.S. Corporate and Business Sectors

Heartfield’s key empirical claim is that “wages ... stagnated while productivity climbed” in the U.S. from the early 1980s onward, and that this means there was a “fall in the workers’ share of output.” For added effect, the review reproduces a scary-looking graph, a variant of the so-called “productivity–compensation gap,” which he (the review) explained elsewhere, that factoids that are produced by researchers who adjust gap and variants of it are just extremely misleading for inflation in an inconsistent manner.”<sup>2</sup> They do not mean that workers’ share fell, contrary what has been claimed by Doug Henwood, the “authority” to whom Heartfield appeals.<sup>3</sup> To draw that conclusion is to “lie with statistics.”

Figure 1 shows the trend, or more precisely, the lack of any trend, in employee compensation as a share of output (net value added) in the U.S. corporate and total business sectors between 1970 and 2007. The employee–compensation and output data come *directly from the U.S. government, without any adjustment*. (The “net” in “net value added” means “after depreciation”;

The “Productivity/Compensation Gap”

will persist and probably get worse.

needs to register its protest, too; otherwise the problem the pull of preconceptions and dominant discourses. It the public is left unprotected against manipulation and community at large. But they aren’t getting it. Thus, the assistance of publishers, editors, and the scholarly argumentation from appealing storytelling. They need gain the expertise—and especially the time needed to lack the expertise—to separate fact from fiction, sound truth. Left to their own resources, readers generally want, while the reader bears the burden of sorting it all out, is a woefully inadequate method for getting at the A process in which the protagonists say what they to adhere to proper intellectual standards is the *public*. umbrage at “bad reviews.” The chief victim of the failure This is not a case of an “aggrieved author” taking and scholarly dialogue.

unfounded criticisms, is actually a parody of pluralism time and resources to defensively replying to this host of latter school to devote much, if not most, of its limited criticisms against a less dominant one, and “allows” the school of thought to level a host of egregiously incorrect same token, a process which allows a more dominant

I HAVE RELUCTANTLY DECIDED TO RESPOND to James Heartfield’s review (*Platypus Review* #70) of *The Failure of Capitalist Production* because more than a few people seem to think his review is a serious and interesting engagement with my book. I want to explain why it is not.

My task is made somewhat easier because I need not deal with the self-contradictory character of Heartfield’s review. Philip Cunniff’s critique of it in the *Platypus Review* (#72) deals with that problem quite well. I will instead focus on empirical issues, because my book is principally a detailed analysis of data pertinent to an understanding of why the Great Recession erupted. (Although space constraints force me to disregard some of the review’s theoretical and empirical criticisms, I do not accept any of them.)

I agree with Brendan Cooney, when he commented that the review is a “convoluted mess of nonsense” and that “Heartfield has misunderstood almost all of the main arguments of the book.” The chief thing he has misunderstood is that the book is a discussion of the “Underlying Causes of the Great Recession” (as its subtitle says)—which is a topic almost entirely absent from Heartfield’s review—rather than a part of what he calls “the extensive literature on American decline.”

My main aim, however, is not to complain about Heartfield’s review per se, but to protest against the fact that the debate over the causes of the Great Recession has in general failed to adhere to proper intellectual standards. To take just one of many other examples, the geographer David Harvey recently published a draft paper which takes issue with the “single causal theory of crisis formation [that] many Marxist economists like to assert.” He alleges that “Andrew Kliman has been most strident in his claim that the crisis [the crash of 2007–8] had nothing to do with financialization.”<sup>2</sup> But he provides no evidence that I have ever made such a preposterous claim, stridently or otherwise, and my book (which he cites) explicitly says the opposite: “a financial crisis triggered the recession, and phenomena specific to the financial sector (excessive leverage, risky mortgage lending, and so on) were among its important causes.”<sup>3</sup>

I think Anatole France was correct. The “majestic equality” of laws which “forbid the rich as well as the poor to sleep under bridges, to beg in the streets, and to steal bread” is actually a parody of equality. By the



# Crisis of the radical imagination

## A conversation with Max Haiven

Marc James Léger

*In the Fall of 2014 Marc James Léger interviewed Max Haiven about his recent publications: Crises of the Imagination, Crises of Power: Capitalism, Creativity and the Commons (2014), Cultures of Financialization: Fictitious Capital in Popular Culture and Everyday Life (2014) and The Radical Imagination: Social Movement Research in the Age of Austerity (2014), co-authored with Alex Khasnabish. Max Haiven is an Assistant Professor in the Division of Art History and Critical Studies at the Nova Scotia College of Art and Design, Canada. Marc James Léger is a cultural theorist, author of The Neoliberal Undead (2013) and editor of The Idea of the Avant Garde– And What It Means Today (2014). Both authors submitted their discussion to be published in the Platypus Review. The following is an edited transcript of their conversation.*

**Marc James Léger (MJL):** In one of your essays, “The Financial Crisis as a Crisis of Imagination,” you discuss both the financialization of the economy and society, as well as potential leftist responses to this financialization.<sup>1</sup> You call on leftists to move away from the singular focus on the labor theory of value (LTV)—on the labor-capital relation—but also away from the emphasis on lifestyle politics. Would you say that the paramount problem for the Left is ideological? How can the Left translate our current situation into a coherent alternative political vision that does not subsume itself into the two paradigms you critique?

**Max Haiven (MH):** First, let me say that I am not at all averse to the LTV: it is central to my thinking and central to any anti-capitalist politics worthy of the name. My argument is that the LTV has typically been understood quite narrowly, as merely a way to explain the basis of all economic value under capitalism in the exploitation of “socially necessary labour time,” as Marx formulated it. I am interested in re-reading the LTV as a way to explain not only the process by which labour becomes a commodity, but the way social values are conscripted and subordinated to economic value. This may be an unpopular approach amongst more traditional Marxist economists, but I think it is important precisely because it allows us to move beyond a Left moralism.

An expanded understanding of the LTV can help us explain not only the persistence but the centrality of structural oppression and exploitation, and the fundamental devaluation of certain groups of people based on race, class, gender, ability, and citizenship. I think it can allow us to do this without recourse to some outmoded or simplistic base/superstructure argument, as if the economy mechanically determines every kind of social relation in a one-sided direction. My interest in the LTV is an attempt to envision anti-capitalist morality in a dialectical fashion.

I agree that anti-capitalist politics must, by necessity, move beyond the affective realm of outrage. At its worst, such a limited, emotive approach delivers us into the hands of the so-called “sharing economy” whereby we end up celebrating Airbnb and Uber as post-capitalist exemplars of the commons because they do not immediately appear to be about or driven by the individual profit motive. Likewise, we come to imagine that the organic relationships of a community garden are somehow revolutionary in and of themselves. On the one hand, such practices might stem from moralistic refusals of the capitalist paradigm of value, but on the other, they are always already part of a process whereby capital seeks to subsume and enclose the commons, to conscript labor in new diabolical ways, or to externalize its crises onto the spheres of everyday life.

By the same token, can we do without moralism in struggles on the Left? Can we mobilize or theorize without fury and hope? It’s easy for those of us who have the odd pseudo-privilege of being theorists to disown these affective and emotional “structures of feeling,” but I don’t think we should. We can look to a theorist like Sara Ahmed for a very interesting attempt to dwell with the radical politics of emotions and develop a theory of capital, exchange, accumulation and dispossession in that realm. That work is important, and if you are actually seeking to mobilize people towards revolutionary change, you must start with pain, suffering, outrage, panic, anxiety, loneliness and fear. You must tarry with revenge and the erotic.

Marx knew this well. We can feel the vitriol, the rage, and sometimes even the heartbreak in the rhetoric of even some of his most ‘scientific’ work. It was also key to the success of movements in Latin America, where they often talk of feelings, emotions, and—critically—about morality, or the immorality of capitalism. This is actually one reason why the bourgeoisie hate populist leftist figures like Hugo Chavez so very much, and why the working classes return them to power. Such emotional earnestness in politics chafes the bourgeois sensibility. But, of course, emotions can also be very dangerous.

As much as I value both vigorous debate and theoretical sophistication, the revolution to come cannot require that everyone become a Marxist intellectual. I suspect we need to revisit the power, and of course the immense danger, of the emotive and the question of morality.

**MJL:** We have seen, for instance, in the case of the 2012 Québec student strike, that the inventiveness of the resistance was largely thanks to the organizational principles of combative syndicalism. Even if this political structure was overdetermined by the power of the state and the view of the majority that things would be decided through the electoral process, there was an overall skepticism about hierarchical political relationships and more of an emphasis on horizontalism and direct democracy. Likewise, we have seen cases in Latin America where communist party politics continue to be effective means of organizing even the poorest masses into the political process. These are not utopian social projects, but they have been effective at least in pointing to the problems of neoliberal capitalism and showing that an alternative organization of the economy is possible or at least desirable.

**MH:** I deeply distrust any kind of verticalist revolutionary political party apparatus, but I think they are an understandable response to the vicissitudes of capitalist society. And my distrust does not mean dismissal. I think the examples of state-led politics in the Bolivarian Revolution have a lot to teach us, both good and bad. I recall, though, that what has made these initiatives resilient has been the fact that they were built on top of strong grassroots, community-level organizations struggling at the level of everyday life. I think that the “either/or” option between, on the one hand, total horizontal ethereal communalism and, on the other, vertical political organization, is one that can only exist in the abstractions germane to our place and time: the highly alienated, highly abstracted conditions of late capitalism in the wealthiest imperialist nations. I think, in practice, any successful Left formation needs to at least think about both, to dwell in the contradictions.

For instance, I have been doing ethnographic research on social movements for a few years now, and I am constantly impressed by the fact that the alleged “anarchists”—those committed to so-called prefigurative politics—are much more organized than their critics would imagine. Contrariwise, the “communists”—those associated with explicitly anti-capitalist parties or cadres—are much more focused on internal group dynamics, interpersonal politics and their “prefigurative” dimensions than they would let on.

**MJL:** Perhaps what we need to do is confront the complex of the “post-traumatic Left,” which fears organizing a political-ideological response to global capitalism and instead tends to vacillate in the liberal-left “Third Way” middle ground, which you correctly identify as mainstream, institutionalized and academic. Do you think that because the Left has not been able to overcome its historical baggage it de-radicalizes its struggles, and reduces them to reformism?

**MH:** Well, who wishes to dwell in trauma? The answer is, of course, most of us—perversely. There is a guilty attitude or allergy towards developing a revolutionary platform, largely thanks to a—usually hackneyed—narrative of how Soviet and Chinese communism went wrong. And I agree that this trauma fundamentally forecloses possible horizons if it is not worked through and overcome. So I do recognize and in some ways admire the theoretical neatness in posing a refusal of that trauma, of reclaiming both the ideal and the actuality of “the party” and “communism” without apology. But I fail to see its practical implications for organizers at this point.

I would say that the problem for our hypothetical party-to-come is not one of theorization: we have an abundance of that, and in any case, history has a funny way of mocking the best-laid plans. Rather, I sense that the problem is finding ways to generate cadres of charismatic, compelling and responsible public leaders. Are we, Left intellectuals, prepared to reorganize and transform ourselves to do this? What sorts of sacrifices would we need to make? I think it is easy to say that some will theorize so that others might, in turn, act, but does that actually work? Does that circuit ever get completed? I am skeptical. Or at very least, that circuit is very complex.

In Latin America, for example, the Bolivarian Revolution is not something so much implemented from above as actualized from below. Its longevity and resilience has less to do with a well-organized and charismatic leadership and more to do with the fraught interface between leadership and movements for grassroots self-sufficiency and new commons. Here in North America, we are, with a handful of important exceptions, utterly lacking in these grassroots and community-based self-sustaining alternatives. We are dealing with levels of alienation, commodification and abstraction of a magnitude almost unimaginable in Venezuela or even Greece or Spain. We have little historical memory of revolution and our “infrastructures of dissent,” as Alan Sears calls them, are brittle and unstable. I think that any revolutionary effort will depend, ultimately, on building these autonomous infrastructures. How could a party enable and empower this process? Theory has a lot to teach us, but in the end we need to get our hands dirty, so to speak. Ultimately, I think there are no correct answers to this question, but that does not mean there are no better answers.

**MJL:** A related obstacle to politicization on a mass scale is the problem of intersectional theory, with the radical democracy that advocates the equivalence between struggles based on race, class, gender and sexuality. The postmodern game of plurality that is now highly academized and corporatized makes it necessary that we do not ask certain questions about how to subvert capitalism. How do you think the current preoccupation with questions of identity, multiculturalism, intersectionality, and so on, has affected the conditions for organization on the Left?

**MH:** It is certainly true that the particular balance of historical forces—notably the rise of post-war liberal academe, the individuating tendencies of neoliberalism, the rise of the voraciously theory-hungry art world, and the strange career of identity-based social movements—has created a situation that allows for a liberalist takeover of identity categories and conscription of people into the service of individualistic careerism. This has been quite widely acknowledged within various “intersectional” movements for some time, and we owe the development of this important line of analysis and critique to the Black Feminist tradition, to the anti-colonial refusal of “development,” or to groups like INCITE! who have done some of the most sophisticated work in parsing out how to hold true to a politics of liberation while rejecting the lure of cynicism or opportunism.

I have learned an immeasurable amount from queer activists, feminists, indigenous militants and others who are also phenomenal and inspiring anti-capitalists and

Marxists. In fact, if Marxism has developed at all in the latter 20<sup>th</sup> and early 21<sup>st</sup> centuries, I think we need to honestly recognize that it has done so precisely because of, or in response to, these lines of radical political formation. Some of the most important Marxists I have learned from have come to Marxism *through* feminism, through queer activism, or through anti-racism, as well as through working class mobilization. I find I learn little from the critiques of so-called “identity politics” from Eurocentric male theorists who seem all too eager to put these questions to bed, but perhaps this is my own failing.

**MJL:** I would say that the resistance to proletarian politics on a global scale has a great deal to do with our avoidance of a project of universal emancipation that goes beyond the various nationalist, identity-based and religious particularisms. I am not saying that we have to choose between identity and socialism—what I am saying is that identity conflicts are generated by



Poster designed for INCITE! by Favianna Rodriguez to build a national women of colour response to the invasion of Afghanistan. Courtesy of INCITE! at <http://www.incite-national.org>.

class struggle, that capital forms the very conditions for the emergence of the myriad of shifting political subjectivities, and so we must be alert to the ways in which identity gets hegemonized as liberal politics and sometimes worse. A universal politics is generic, in the sense that Alain Badiou understands it, which is exactly the kind of equality that people appeal to when they denounce racism and sexism.

You yourself discuss this problem in your essay on convoking/prefiguring the radical imagination in Halifax, where activists were divided over whether to discuss anti-capitalist strategy or whether to engage in discussion about patriarchy, sexism, and heteronormativity.<sup>2</sup> The discussion among young activists especially tends to be de-politicizing, in the sense that identity politics transform macro-political analysis into victim politics, which in no way challenges the existing liberal institutions and biopolitics. The strategy in academia has been, up until the anti-globalization movement, to mostly bury Marx, the dialectic and almost everything having to do with revolutionary politics. We all have identities, inevitably, but we do not all have decent jobs or a healthy environment to live and work in.

**MH:** I think there are some regrettable ways that various forms of “identity politics” or “intersectionality” discourse have become resonant in younger activist circles. I have seen young people bash each other over the head with them in quite dispiriting ways. The same goes for their domestication within academe, NGOs or art institutions. Domestication is the correct word here: there is a taming of radical fury. But that by no means exhausts or belittles the crucial importance and centrality of the analyses of oppression and exploitation. And let’s be honest, this domestication is also true of Marxism as it has been filtered through hegemonic institutions.

I have seen plenty of very clever Marxist theorists use their mastery of theoretical material or their institutional power as weapons against meaningful solidarity. It is all too common, and often repulsive. So, of course, as “identity politics” leaves the realm of grassroots struggle and enters academe and liberal discourse, it can be and is wielded in nasty ways. Yet for all that there are some facts we cannot lose sight of.

First, to an unavoidably real extent, capitalism and class today work through racialization and oppression, and more broadly, through the objectification and abjection of certain bodies. Capitalism also clearly depends on the cultivation and reproduction of oppression, both structurally and in everyday life. Women still perform most of the world’s unremunerated reproductive labour, on which capital depends fundamentally. Racism of the institutional, structural and interpersonal varieties fundamentally devalues non-white labour, which is essential for capitalist accumulation, both locally and globally.

Racism remains a key means by which proletarians are divided. Queer folks remain at a much higher risk of violence and workplace discrimination in spite of many liberal gains. More vitally still, the radical queer critique of the capitalist family and of the bourgeois narrative of love and community still aims squarely at the dark heart of capitalist social relations. Radical trans politics still target the terrorism of the binary gender system and the way it conscripts our bodies and souls for the reproduction of capital. And we know well that capitalism is inseparable from colonialism, from resource exploitation, from extractive politics, and that these, in turn, demanded and still demand the brutal, genocidal subjugation of indigenous people. These are material relations of capitalism; they are not contingent or ephemeral or merely superstructural.

The more liberal and institutionalized aspect of what is called “identity politics” today picks up on the symptoms of these relations and seeks to elevate these to a universal field of struggle, one in which terms like “privilege” replaces “capital” as the wicked totality. In this mode of thinking, individuated subjects and their daily practices—rather than society at large and its institutions and structures—come to be seen as the site of transformation. And yet, to reduce all struggles against oppression and the various gendered, racialized, colonial elements of capitalism to such moribund “identity politics” would be wrong. Real solidarity means

more than saying that these struggles are merely symptomatic of capitalism—that is to my mind the same as saying that struggles over wages, the length of the workday or unsafe working conditions are only symptomatic of capitalism.

I think if we are to have any chance, we must find ways to weave solidarity between these struggles so as to build a vehicle for revolutionary momentum, rather than for liberal capitulation. Yet that is a difficult balance to find, especially when our social and bodily relations are themselves fractured and riven by inequality, oppression and unequal rates of exploitation. One simply will not build a popular or resilient movement if one cannot address issues that are labeled “identity politics” or “intersectionality” beyond dismissing them or subsuming them.

Marx’s method offers the intellectual resources to understand and map a capitalist totality in singularly crucial ways. But it can also allow us to outsmart ourselves as organizers and paint ourselves into corners. I am concerned that in our particular historical mode of Marxian theoretical production, if you will, we risk the seductions of a profound detachment from actually-existing class struggle in all its myriad complexities, including where it intersects with other forms of oppression and exploitation. We cannot afford to do that anymore, if we want a revolution, let alone a decent one.

**MJL:** Well, struggles over wages are in fact symptomatic of capitalism, and recognizing this fact has certainly led to political action. I would suggest that what we have become increasingly aware of in the last decade or so are the limits that difference politics—which focus not only on identity but on the fluidity of identity and the mobility of desire—have come to represent in so far as they have been instrumentalized as a feature of biocapitalism. What we require, politically speaking, if we are to avoid the ways that proletarians are divided, is the organizational leadership of more leftist political parties, grassroots organizations and autonomous collectives, more “impractical literati” like Karl Marx and Friedrich Engels, more combative syndicalists, anarcho-syndicalists, council communists and libertarian communists. And it goes without saying that their platforms will be anti-racist and anti-sexist, but not without a political concept of universal emancipation beyond identity.

**MH:** You say that we need more leftist organizations. I agree, though I’m not sure that this gets us any further along towards the end of capitalism than we are now. We have seen how eager and content actually-existing anti-capitalist parties are to tear one another up, to become self-isolating and pedantic. Are we to assume that the pluralization of party forms will create a competitive ecosystem in which the strongest or best will survive and thrive? How do we get from this plurality to some sort of radical momentum capable of transforming power? I do not have an answer. **IP**

1. Max Haiven, ‘The Financial Crisis as a Crisis of Imagination,’ *Cultural Logic* (2010), 1-23. See also Haiven, ‘Finance as Capital’s Imagination? Reimagining Value and Culture in an Age of Fictitious Capital and Crises,’ *Social Text* 29:3 (Fall 2011), 93-124.  
2. Alex Khasnabish and Max Haiven, ‘Convoking the Radical Imagination: Social Movement Research, Dialogic Methodologies, and Scholarly Vocations,’ *Cultural Studies* 12:5 (2012), 408-421.

### Lukács, continued from page 2

of crises in a disproportionality between elements solely of production itself. It is completely clear that in this case the determinant for bourgeois theory is not rationality, but, on the contrary, the social relations that determine its methodology. Marxism leads to different conclusions.

Lukács evidently feels that something is wrong in his own type of interpretation, attributing to rationalization the decisive force for social phenomena, which allows only for this saving clause—“the incomprehensibility and irrationality of crises is indeed a consequence of the class situation and interests of the bourgeoisie but it follows equally from their approach to economics.”<sup>25</sup> But such a separation by Lukács between apparently internal content and form does not save the situation but makes it, on the contrary, still more shaky and doubtful. In order to substantiate the methodological inevitability of such incomprehensibility of the crisis problem for bourgeois theorists, Lukács recalls the theory of Tugan-Baranovsky, in which the latter, giving an analysis of historical crises over nearly a century-long period, tries to exclude the fact of consumption and to found an economics purely focused on production. But it is completely clear that regarding crises purely in terms of production and disregarding consumption, the bourgeois theorist obscures the most elemental social characteristic of crises—that they are rebellions of the productive forces against the existing mode of production—adducing instead that absurd contradiction, “the meaning of which is that producers have nothing to consume, because customers are wanting.”<sup>26</sup> I repeat, it is not economic rationality that causes the irrationality and incomprehensibility of crises for bourgeois theory, but a certain class trend predetermines for it those limits beyond which it is not permitted to venture.

This, however, raises the following question: Suppose the fatal and insurmountable obstacle to the comprehension of the fundamental nature of social phenomena lies for bourgeois theory in the formal-theoretical method. In that case, after all, there exists a so-called intuitive school (Bergson, James, etc.), which gnostically rebels against the oppressive claims of rationalism, advancing intuition as the most competent organ of knowledge capable of feeling to apprehend the very viscera of life. Does then not the philosophy of Bergson appear in the role of savior, rescuing cognition from its paralyzing formalism? Why may not illumination be derived from there? Certainly, Lukács’s construction leads logically to similar conclusions as those drawn by Bergson and James. Is not Bergson’s irrational intuitionism itself invoked to apprehend the very phenomenon of reification? Here’s Lukács:

[Philosophy] may radically question the value of formal knowledge for a “living life” [see irrationalist philosophies from Hamann to Bergson]. But



## Convoluted Mess, continued from page 1

Following my exposé of this “gap,” my editor at *Truthdig* contacted several left or liberal critics of my work. None of them identified any error in my analysis, but none of them were willing to speak on the record! Such is the left wing of capital’s attitude to getting at the truth.

### Unfounded Accusations of Misconduct

The really disgusting aspect of Heartfield’s review consists in his unfounded accusations that I am guilty of grossly unethical manipulation of data. He claims that I have “doctor[ed] the figures on pay” and have “massage[d] the statistics on the rate of profit” in order to “to make it look smaller.” Given that these allegations are not accompanied by any evidence, the *Platypus Review* should not have allowed them to be published.

I did not “massage” statistics on the rate of profit. The government does not publish any rate-of-profit statistics. So there is no pre-existing data series that I cleverly “massaged” or “adjusted” Everyone who produces a data series that they call a “rate of profit” has *constructed* this ratio, using other data series (on profit, capital, etc.). The U.S. government does not say which way the rate of profit should be constructed; “rate of profit” is just not one of its national accounting concepts.

And while Heartfield claims that “one cannot help but think that the real importance of the adjustment that Kliman makes to the rate of profit is to make it look smaller,” there certainly is a way to avoid thinking such a terrible thing. One could have believed me when I wrote that “I knew that proponents of the conventional [Left] wisdom mis-measure the rate of profit” before doing my empirical research, “but I had no reason to believe that their measures were *overstating* the rise in profitability instead of understating it.”<sup>8</sup> In other words, I had no reason to think that the trajectory of the “massaged” (i.e., correctly measured) rate of profit would contradict rather than reinforce their claims.

If I am guilty of “doctoring” the figures on pay, then so is the U.S. government’s Bureau of Economic Analysis (BEA) and so are the national accounting agencies of all of the other governments that follow the standards laid out in the international System of National Accounts (SNA). The figures for employee compensation I used came directly from the BEA. I did not “doctor” or adjust them in any way, and I did not concoct my own “expanded definition of wages.” Heartfield may not like the fact that “the inflated cost of health insurance and other elements of the so-called ‘social wage”’ (e.g., the portion of Social Security benefits paid for by a tax on employers) are parts of employee compensation, but the SNA and the BEA say that they are.

And they are correct. One may think that a dollar of health-insurance benefits, or a dollar of Social Security benefits, fails to provide employees with as much subjective utility as a dollar of cash wages received immediately, but that is irrelevant. The purpose of the national accounts is to track where the dollars go, not to measure utility. The dollars in question go from employers to employees. That is, an extra dollar that a company spends on “inflated ... health insurance,” or an extra dollar that it pays in Social Security tax, reduces its profit by a whole dollar, just as an extra dollar of cash wages does! It is not *really* profit. The people who “doctor the figures on pay” are those who exclude the benefits component of employee compensation in order to wrongly make it seem as if the slow growth of cash wages received immediately means that workers’ *pay* has stagnated. Workers are *paid* health-insurance benefits and Social Security benefits funded by the tax on employers.

### Value and Exploitation

Heartfield devotes almost a thousand words to a discussion of the temporal single-system interpretation (TSSI) of Marx’s value theory. The whole thing is just a display of fake erudition. He literally has no idea what he is talking about.

According to Heartfield, a “long-defunct[!] school of ‘neo-Ricardians”’ tried to solve the alleged inconsistency in Marx’s theory “using a ‘single-system interpretation,”’ according to which “there was no ‘transformation’ of values into prices, but that all values are already prices.” Even worse, he claims that TSSI supposedly tries to explain the fact that “inputs are not equal to outputs.” He claims that the TSSI attributes this inequality to “depreciation of capital goods” and the fact that “the value of the goods that make up the production process [sic] changes over time in the production process.” According to the review, the TSSI thereby “demotes exploitation as the main difference in the value of inputs and outputs.” [This is a reference to the fact that, in Marx’s theory, workers’ surplus labor is the sole source of the surplus-value that causes the total value of output to exceed the total capital that was advanced to produce it.]

All this would be side-splittingly funny if it were in an F-minus freshman essay. But it was deemed worthy of publication in the *Platypus Review*; and a goodly number of people seem to think that Heartfield’s review is a serious and interesting response to my book. This is just a sad sign of the decrepit state of Marxist thought today—especially insofar as the critique of political economy is concerned. (I doubt that the Platypus Review would publish a piece that mistook Adorno for a brand of hair spray; Heartfield’s errors here are hardly less elementary.)

When the TSSI says that the values of inputs and outputs can differ in Marx’s theory, it is referring to per-unit values. For example, the value of a pound of coal used as an input into the production process can differ from the value of a pound of coal that emerges as an output of the process. This has nothing to do with what causes the *total* value of output to exceed the total value of inputs. Thus, the TSSI neither contradicts nor “demotes” Marx’s exploitation theory of profit. In fact, the TSSI is the only interpretation that preserves this crucial facet of Marx’s theory. All simultaneist (atemporal) interpretations actually imply that surplus labor is not the exclusive source of profit, as Roberto Veneziani was forced to concede in a 2004 paper in *Metroeconomica* (the flagship journal of the “long-defunct school of ‘neo-Ricardians”’).<sup>9</sup>

### Investment

Heartfield claims that we now have a “risk-averse capitalist class.” In light of the frenzied speculation that culminated in the biggest financial crisis since 1929, this is simply preposterous. He tries to dig himself out of the contradiction between the facts and his theory by claiming that what I regard as “a sign of excessive risk-taking is in fact a symptom of risk aversion.” This may seem like sophisticated dialectic, but it is equally preposterous. He swallows whole the Federal Reserve’s self-serving “saving glut” explanation of the U.S. home-price bubble, ignoring the facts that saving did not exceed productive investment globally and that, in the U.S., productive investment substantially exceeded domestic saving.<sup>10</sup> No risk-averse behavior there. But even if there had been a saving glut, no one forced anyone to speculate in risky mortgage-related securities instead of parking savings in T-bills, money-market accounts, and under mattresses. A “risk-averse capitalist class” *would have done the latter*. It’s that simple.

Heartfield contends that “Kliman...claims that what is important is not the cost it would take to replace the capitalists’ assets but their historical cost. But capitalists use different ways of reckoning their investments in different circumstances; sometimes one way, sometimes another.” This is not correct. Capitalist firms use different ways of reckoning the value of their assets. The assets’ replacement cost is indeed one way to value them. But investment (the advance of capital) is an entirely different matter. Imagine that a company spent \$100,000 on a computer system ten years ago, and imagine that the exact same system could be replaced for only \$2000 today (not that any company would want to do such a thing!). It is certainly legitimate to say that the current value of the company’s existing computer system is \$2000 (assuming that it has suffered no wear & tear). But it is completely illegitimate to say that the company invested \$2000 when it acquired the computer system ten years ago. It invested—forked over—\$100,000.

And this brings us to the “dirty little secret” of the rising-rate-of-profit camp. When it tells us that U.S. corporations’ “rate of profit” substantially rebounded under neoliberalism, from the early 1980s until the Great Recession, it is not actually telling us that there was a sustained rise in the corporations’ rate of return on investment, i.e., their profit as a percentage of the amount of money they forked over to acquire their assets. The facts are clear. There was no such sustained rise. What the rising-rate-of-profit camp is actually telling us is that there was a rise in profit as a percentage of the amount of money that the corporations would need in order to replace all of their assets today. So what? It has never been made clear why this matters, or whether it matters. I do not think it does.

### “Good” and “Bad” Capitalists?

Heartfield reproduces a graph that depicts a decline in work stoppages. He claims that it “shows that the ruling class substantially defeated the challenge of organized labor in the 1980s.” Actually, the graph shows that the number of work stoppages began to fall long before the 1980s. There were 412 stoppages in 1969. By 1980, there were only 187. Thus, well more than half of the total fall in work stoppages between 1969 and today occurred before the supposedly watershed event—the smashing of PATCO (the Professional Air Traffic Controllers Organization) by the Reagan administration in 1981.

Heartfield’s error is no accident. An entire chapter of my book is devoted to exposing a wide variety of similar errors—i.e., attempts to postdate to the 1980s economic changes that actually began in the 1970s or earlier. In every case, the effect of the postdating is to wrongly make it seem that the turning point in recent U.S. economic history was the 1980s, when the “bad” (neoliberal) wing of capital beat out the “good” (Keynesian-statist) wing and supposedly ushered in a long-run expansionary phase of capitalism on the backs of the working class. (Heartfield even has the audacity to refer to “the recovery of capitalist growth in ... the first [decade] of the twenty-first [century],” as if the Great Recession never occurred.) And this story enables the Left to console itself with the idea that its isolation and irrelevancy are due to the alleged smashing of the working class rather than to its own errors, attitudes, theories, and so on.

### Theory and Empirical Evidence

Heartfield writes, “What in Marx is an expression of the accumulation process [i.e., the tendency of the rate of profit to fall] becomes the primary driver, in Kliman’s theory, which claims that the falling rate of profit ‘produced a persistent fall in the rate of capital accumulation.”’ This is ridiculous, for two reasons. One reason is that what he calls “Kliman’s theory” is not theory at all. It is an empirical finding. It cannot be dismissed by counterposing it to “another” theory that one prefers. Heartfield does nothing to call the finding into question.

The other reason is that Heartfield’s understanding of Marx’s theory of capitalist accumulation is abysmally poor. Marx clearly argued that “the rate of profit [is] the stimulating principle of capitalist production, the fundamental premise and driving force of accumulation,” that “the rate of accumulation falls with the rate of profit,” that “the accumulation of capital in terms of value is slowed down by the falling rate of profit,” etc.<sup>11</sup> There is nothing inconsistent about claiming that capital accumulation that has a labor-saving bias produces a tendency for the rate of profit to fall, but that the fall in the rate of profit in turn tends to retard capital accumulation. This isn’t even remotely paradoxical. Heartfield wants us to have to choose between these two claims, but we don’t have to. Marx was describing what is now called a “negative feedback loop,” in which the initial stimulus produces a reaction that in turn lessens the stimulus. For another example, consider a fall in temperature that triggers a thermostat to switch the heat source on, which in turn raises the temperature. If the process Marx described is inconsistent, then so is a thermostat. Heartfield writes, “That increased productivity, by cheapening the means of subsistence, makes it possible for capitalists to pay their workers less and increase exploitation, which was so central to Marx’s theory,

does not feature in Kliman’s.” Here again, we have an empirical finding wrongly characterized as theory in order to improperly dismiss it by counterposing it to “another” theory that one prefers. And here again, Heartfield gets Marx’s theory wrong. Neither in reality nor in Marx’s theory is there any automatic cause-and-effect relation between the cost of reproducing workers’ ability to work (labor-power) and the wages and benefits they receive. The cost of reproducing workers’ ability to work is one thing that influences how much they are paid, but certainly not the only thing. For instance, Marx argued that, “Apart from violent conflicts as to the rate of wages ... a rise in the price of labour resulting from accumulation of capital implies” either that “the price of labour keeps on rising, because its rise does not interfere with the progress of accumulation” or that “accumulation slackens in consequence of the rise in the price of labour, because the stimulus of gain is blunted.”<sup>12</sup> If the process of capital accumulation and “violent conflicts” affect wage rates, then the cost of reproducing workers’ ability to work is clearly not the sole determinant.

### Conclusion

Heartfield’s misrepresentation of these empirical findings as theoretical claims is connected to the fundamental problem of his review. He wants to depict me as having told a story that he can oppose by telling a different story and by pointing to distortions in mine. Thus, his review is chock-full of complaints that I put too much stress on one thing but too little on another; that I ignore certain alleged facts and dismiss others; that I underestimate this, fail to understand that, and miss out the other.

But my book is actually a detailed analysis of data, not a story. This does not mean that I necessarily got everything right; I may have made computational and interpretive errors (I may also have looked at the wrong phenomena, but the phenomena I looked at are those that my opponents look at; I argued that they misunderstand these phenomena, not that they should have looked at other ones). Yet the fact that my book is a detailed analysis of data rather than a story does mean that Heartfield’s “stress-related” criticisms are completely irrelevant. For example, I found that U.S. corporations’ rate of profit fell and never recovered in a sustained manner under neoliberalism. This finding cannot properly be challenged by pointing to factors which affect the rate of profit that I failed to stress,

## Lukács, continued from page 3

these episodic trends lie to one side of the main philosophical tradition. The latter acknowledges as given and necessary the results and achievements of the special sciences and assigns to philosophy the task of exhibiting and justifying the grounds for regarding as valid the concepts so constructed.<sup>27</sup>

Lukács thus distinguishes between the main and episodic trends in philosophy, so that the vitalist trend appears to him episodic in comparison to the main rationalist trend, which, for its part, is hopelessly removed from all possibility of grasping the phenomenon of reification. However, it is baffling how one can regard as episodic the intuitionist direction in philosophy that gnostically justifies all sorts of religious folly that runs counter to the basic evidence of scientific thinking. Such thinking is eminently suitable for bourgeois theory and the capitalist class. Is it, for instance, merely an episodically irrationalist aspiration in James that drives him to his apotheosis of religious feeling, his glorification of religious contrasts as refining and deepening the world, such that, “[the world] is all the richer for having a devil in it, so long as there is also archangel Michael to keep his foot upon his neck.”<sup>28</sup> Such ideological phrase-making is in fact far from episodic in the decadent philosophy of the bourgeoisie, whose theorists strive to hoist aloft the banner of scientific clericalism, hounding ideological class struggle out of hearing on grounds of bad taste. In this paltry manner they attempt to defend themselves against any revolutionary shock to good conscience. “In fact, it cannot be an accident,” Lenin exclaims, “that the small school of empirio-criticists is acclaimed by the English spiritualists, like Ward, by the French neo-criticists, who praise Mach for his attack on materialism, and by the German immanentists.”<sup>29</sup>

When it thus appears that arch-bourgeois philosophers adopt an irrationalist posture in their strivings to overcome rationalist formalism, then Lukács’s true position is at odds with his contention that, “a radical change in outlook is not feasible on the soil of bourgeois society.” If one takes such a viewpoint, then the vitalist philosophy of Bergson, however “episodic,” nevertheless appears to be such a radical change of the formalist viewpoint. After all, it makes a claim to apprehend the essence of things. Indeed, it advances this essence as a commendable object of gnostic effort, denigrating by contrast the formal-rationalist achievements of the intellect that touch only relations

... a rather sad result. |P

- Weinstein here is referring to a translation of the first part of Lukács’s three-part essay “*Die Verdinglichung und das Bewußtsein des Proletariats*” (“Reification and the Consciousness of the Proletariat”) that appeared in Russian in *Vestnik Socialističeskoj Akademii* 4 (1923), 186–222. A Russian translation of the rest of “Reification and the Consciousness of the Proletariat” appeared in the following issues, numbers 5 and 6, of *Vestnik Socialističeskoj Akademii*. It is unclear whether at the time of writing Weinstein was unfamiliar with the second and third parts of the essay or, if he was, whether their later appearance in Russian altered his views on Lukács’s enterprise. Lukács’s essay, of course, had first appeared as the central contribution to his 1923 volume, *Geschichte und Klassenbewußtsein [History and Class Consciousness]*, which he would eventually repudiate. For Lukács’s own 1925 defense of the book, see his *A Defence of History and Class Consciousness: Tailism and the Dialectic*, trans. by Esther Leslie (London: Verso, 2000). It is unclear whether Lukács was aware of Weinstein’s Russian review. His 1925 *Defence* is directed against responses to his book by Abram Deborin and Laszlo Rudas, both of which appeared in 1924 in the journal *Arbeiterliteratur* published in Vienna.
- Karl Marx, *Capital: A Critique of Political Economy*, Vol. 1, trans. by Ben Fowkes (London: Penguin Books, 1976), 165.
- The reference here is to the general formula for capital: The independent form, i.e., the monetary-form, which the value of commodities assumes in simple circulation, does nothing but mediate the exchange of commodities, and it

ignored, or whatever—because there are no such factors! The trajectory of the rate of profit was the net result of everything that affected the rate of profit, that is, everything that affected profit and everything that affected capital investment—all tendencies, countertendencies, institutions, accidents, etc.

Thus, irrespective of how much or how little a particular factor was explicitly discussed in my book, its influence was fully taken into account because the data reflect its influence. The net result of the operation of all of these factors was that the rate of profit fell and never rebounded in a sustained manner. |P

- See James Heartfield, “The failure of the capitalist class and the retreat from production,” *Platypus Review* #70 [October 2014]. Available online at: <http://platypus1917.org/2014/10/26/the-failure-of-the-capitalist-class-and-the-retreat-from-production/>.
- David Harvey, “Debating Marx’s Crisis Theory and the Falling Rate of Profit.” Available online at: <http://davidharvey.org/2014/12/debating-marxs-crisis-theory-falling-rate-profit/>.
- Andrew Kliman, *The Failure of Capitalist Production: Underlying Causes of the Great Recession* (London: Pluto Books), 2012, p. 6.
- Andrew Kliman, “Were Top Corporate Executives Really Hogging Workers’ Wages?” *Truthdig*, September 18, 2014. Available online at: <http://www.truthdig.com/report/item/were\_top\_corporate\_executives\_really\_hogging\_workers\_wages\_20140917>.
- Doug Henwood, “A Return to a World Marx Would Have Known” *New York Times*, March 30, 2014. Available online at: <http://www.nytimes.com/roomfordebate/2014/03/30/was-marx-right/a-return-to-a-world-marx-would-have-known>.
- “Wages as a Share of Net Output, not Gross.” Center for Economic and Policy Research, September 14, 2013. Available online at: <http://www.cepr.net/index.php/blogs/beat-the-press/wages-as-a-share-of-net-output-not-gross>.
- Kliman, “Were Top Corporate Executives Really Hogging Workers’ Wages?”
- Kliman, *The Failure of Capitalist Production*, pp. 5–6.
- Roberto Veneziani, “The Temporal Single-system Interpretation of Marx’s Economics: A Critical Evaluation,” *Metroeconomica* vol. 55, no. 1, pp. 96–114.
- Kliman, *The Failure of Capitalist Production*, pp. 44–5. Note also that neoliberalism and financialization did not cause productive investment to fall, or financial payments and acquisitions to rise, as shares of U.S. corporations’ profits [see Andrew Kliman and Shannon D. Williams, “Why ‘financialisation’ hasn’t depressed US productive investment,” *Cambridge Journal of Economics*, 2014. Available online at: <http://cj.e.oxfordjournals.org/content/early/2014/09/23/cje.beu033>.
- Karl Marx, *Capital Volume III*, Ch. 15. Available online at: <https://www.marxists.org/archive/marx/works/1894-c3/ch15.htm>.
- Karl Marx, *Capital Volume I*, Ch. 25. Available online at: <https://www.marxists.org/archive/marx/works/1867-c1/ch25.htm>.

vanishes in the final result of the movement. On the other hand, in the circulation M–C–M, both the money and the commodity function only as different modes of existence of value itself, the money as its general mode of existence, the commodity as its particular, or, so to say, disguised mode. It is constantly changing from one form into the other, without becoming lost in this movement; it thus becomes transformed into *an automatic subject*...

As the dominant subject of this process, in which it alternately assumes and loses the form of money and the form of commodities, but preserves and expands itself through all these changes, value requires above all an independent form by means of which its identity with itself may be asserted [Marx, *Capital*, 255 *emphasis* added].

The older English translation puts it this way, “[capital] assumes an automatically active character.”

4. It seems that Weinstein is referring to here to Lukács’s statement that, “Just as the capitalist system continuously produces and reproduces itself economically on higher and higher levels, the structure of reification progressively sinks more deeply, more fatefully and more definitively into the consciousness of man”. *History and Class Consciousness*, trans. by Rodney Livingstone [Cambridge, MA: MIT Press, 1972], 93.

5. Appearing in the same year as Lukács’s text, I. I. Rubin had maintained that while, as Bogdanov and Kautsky had maintained, [Marx’s] theory of fetishism dispels from men’s minds the illusion, the grandiose delusion brought about by the appearance of phenomena in the commodity economy... [nevertheless] this interpretation, though generally accepted in Marxist literature, does not nearly exhaust the rich content of the theory of fetishism developed by Marx. Marx did not only show that human relations were veiled by relations between things, but rather that in the commodity economy social production relations inevitably took the form of things and could not be expressed except through things.... [On this reading] the theory of commodity fetishism is transformed into a general theory of production relations of the commodity economy [I. I. Rubin, *Essays on Marx’s Theory of Value*, Third Edition, translated by Miloš Samardžija and Fredy Perlman (Montreal: Black Rose Books, 1973), 2].

The way that Weinstein contrasts Rubin with Lukács so strongly here is unusual. Typically, the two are viewed as similar in their readings of Marx.

- Lukács, *History*, 94.
- Ibid.
- Marx, *Capital*, 173–4.
- Karl Marx, “Theses on Feuerbach,” in *Marx-Engels Reader*, Second Edition, ed. by Robert C. Tucker [New York: W. W. Norton & Co., 1978], 143. Emphasis in original.
- Karl Marx, *Grundrisse: Foundations of the Critique of Political Economy*, trans. by Martin Nicolaus [London: Penguin Books, 1973], 106. Note that while the *Grundrisse* in its entirety was not published until 1939, this passage is taken from the “Introduction” which had been published in the SPD’s house theoretical journal, *Die Neue Zeit*, in 1903. Thus was the text available to Weinstein in 1924.
- The reference here of course is to Marx and Engels’s “Communist Manifesto,” in *Marx-Engels Reader*, 475–6.
- Karl Marx, *Poverty of Philosophy* [New York: International Publishers, 1992], 27.
- V. I. Lenin, *One Step Forward, Two Steps Back*, in *The Lenin Anthology*, ed. by Robert C. Tucker [New York: W. W. Norton & Company, 1975], 117.
- Marx, *Grundrisse*, 102
- Ibid.
- Ibid., 103.
- Lukács, *History*, 83.
- Friedrich Engels to Conrad Schmidt, 10/27/1890, in *The Selected Correspondence of Karl Marx and Friedrich Engels, 1846–1895*, trans. by Dona Torr [New York, International Publishers, 1942], 481.
- Lukács, *History*, 103.
- Engels to Schmidt, 10/27/1890, in *Selected Correspondence*, 481.
- Lukács, *History*, 103.
- Ibid., 104.
- Ibid., 105.
- Friedrich Engels, *The Condition of the Working Class in England* [Oxford: Oxford University Press, 1993], 93–4.
- Lukács, *History*, 105.
- Friedrich Engels, *Socialism: Utopian and Scientific*, trans. by Edward Aveling [New York: International Publishers, 1975], 71.
- Lukács, *History*, 110.
- William James, *The Varieties of Religious Experience, a Study in Human Nature: Being the Gifford Lectures on Natural Religion Delivered at Edinburgh in 1901–2* [London: Longmans, Green, and Co., 1902], 50.
- V. I. Lenin, *Materialism and Empirio-Criticism* [Moscow:



# George Lukács and his theory of “reification”: A response to Lukács’s “reification” essay

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THE PHILOSOPHICAL INCLINATIONS present among people claiming to be Marxists manifest a haphazardness of speculative philosophizing that must meet its nemesis in the philosophy of dialectical materialism.

The history of human thought, from the dialectical standpoint, is least of all a ground for constructing hypotheses, concocting dubious concepts that bear on their face the imprint of traditional philosophical strivings. True and deep thought, thought that opens a new epoch in history, often becomes a pole of attraction for philosophizing persons whose conceptual fancy seizes upon such thought only to cover it over with their own questionable designs. Such a questionable design is the theory of reification of Georg Lukács.<sup>1</sup>

Marx, as is known, disclosed the fetish character of the commodity. He showed that value is not a fetish invisibly residing in the commodity, but a production relation in a society based on individual exchange between commodity producers. The structure of commodity society in general, and capitalist society in particular, is such that a thing becomes a point of intersection in a nexus of interlinking labors. The commodity establishes links in such a society, where there is no planned regulatory control over production and where a thing, disconnected from the producer that made it, descends on to the market as a commodity unit, obedient to the specific laws of circulation: “The labor of the private individual manifests itself as an element of the total labor of society only through the relations which the act of exchange establishes between the products, and, through their mediation, between the producers.”<sup>2</sup> A thing is disconnected from the producers because they themselves are disconnected from each other. The overcoming of this separation is carried out in commodity circulation, through which things establish social ties. To understand the consciousness of such a society and its constitutive classes (a means in the struggle) it is necessary to go beyond the limits of thinghood and to address the living concrete actors in struggle. *Things* do not struggle amongst themselves. If the social consciousness is a critical factor in this mutual historical rivalry, then, of course, it is necessary to understand it in terms of social class interest, which only finds expression in living agents of the historical process. The genius of Marx’s disclosure consisted in revealing behind relations of things the relations of people and, conversely, in establishing the necessity of the reification of production relations in a commodity society. Lukács, proceeding from the fact of commodity fetishism—which Marx so brilliantly dissected having seen behind this occult idol human relations—attempts to construct an entire “monistic” theory of reification in whose image and likeness all phenomena of this society are formulated, including consciousness. However, Lukács’s construction stands in sharp contradiction to the sense of dialectical materialism.

First of all, when Marx speaks about capital “as automatic generation”<sup>3</sup> in which all traces of its origin disappear, he in this case does not at all describe, as Lukács thinks, “the inclination of consciousness toward reification.”<sup>4</sup> Rather, Marx is speaking about the refraction of determinate forms of social relations, operating as relations of things in the consciousness of bourgeois theory and representation. Political economy is the science of relations *between people* represented as relations *between things*. The capitalist economy is a commodity economy, the single cell of which—the private business enterprise—is managed by formally independent commodity producers, between whom an indirect link is established in the process of exchange. Speaking about commodity fetishism and all its modifications in capitalist society, Marx least of all psychologizes. He is describing an *inclination of consciousness*, but he specifies it in relation to the productive relations of people characteristic of capitalist society. Rubin is completely right to say that the theory of commodity fetishism could be better called “a general theory of the production relations of capitalist society.”<sup>5</sup>

In Lukács we read that, “just as the economic theory of capitalism remains stuck fast in its self-created immediacy, the same thing happens to bourgeois attempts to comprehend the ideological phenomenon of reification.”<sup>6</sup> But what is this immediacy created by capitalist economic theory that precludes an understanding of the ideological phenomenon of reification? It must be said that thus to perceive in commodity fetishism an immediacy created by capitalist economic theory is utterly incompatible with a dialectical understanding of social phenomena. Commodity fetishism, of course, is not a simplification created by capitalist economic theory, but a form inherent to a society in which people are connected by means of things. Capitalist economic theory in its various stages reflects the various stages [in the historical development] of capitalist society. Consequently, to expound in these cases [of over a century and half of bourgeois political economy] that some kind of haphazardly created “immediacy” prevents an understanding of the ideological phenomenon of reification is completely untenable.

“Even those thinkers,” Lukács continues, “who have no desire to deny or obscure its existence and who are more or less clear in their own minds about its humanly destructive consequences remain on the surface and make no attempt to advance beyond its objectively most derivative forms, the forms furthest from the real life-process of capitalism, i.e., the most external and vacuous forms, to the basic phenomenon of reification itself.” But how are we to take this claim that theorists of capitalist economy are, “clear in their own minds about [reification’s] humanly destructive

consequences?”<sup>7</sup> Destructive for whom? Which consequences? According to Lukács, the theorists of capitalist economy go no further than description. Their attempts to question deeply are constrained by the form of reification’s manifestation. In reality it is not quite so. Bourgeois political economists do not only describe, but also explain. And the fact of the matter is that if at bottom these explanations fail to transcend certain determined limits, this limitation ought to be sought not on the ground of reification, but on that of *antagonistic society*. This is what prompts these theorists to convert even “humanly destructive consequences” into eternal benefits and a redeeming core of social well-being.

Take, for example, classical economy’s highest representative, David Ricardo. In what lies his essential difference from Marx? Why didn’t Ricardo apprehend the essence of the “phenomenon of reification”? For Ricardo, as is known, changes in the magnitude of value depend on changes of the productivity of labor. Labor, for Ricardo too, is the substance of the value of a commodity. Yet the value of a commodity, as productive labor, is for Ricardo not a social category, but an eternal form of social production per se. “Political Economy has indeed,” Marx says, “analyzed, however incompletely, value and its magnitude, however incompletely, and has uncovered the content concealed within these forms. But it has never once asked the question why this content has assumed that particular form, that is to say, why labor is expressed in value, and why the measurement of labor by its duration is expressed in the magnitude of the value of the product.”<sup>8</sup> Classical economy studied the process of production in its material-technical basis, but it failed utterly to regard it from the standpoint of social antagonism.

The economic categories of Marx—the categories of value, money, capital as dissected by the scalpel of the dialectical method—already speak not only of relations of production in general (this happens also in the classics), but also of the determinate form of relation that obtains between capitalists and workers. The issue, consequently, is not only the reified character of production relations, but the determinate social-antagonistic form they acquire only at a given stage of development of the productive forces. Not the reified character of productive relations in capitalist society, but the interest of the ruling class, constitutes the first premise of the economic thought of its theorists. This is what determines the viewpoint of Ricardo, according to whom capital is “accumulated labor.” That is, he can only see in capital a “means of production” in which no social-class opposition exists. Precisely class interest prevents bourgeois theory to overcome its fetishist viewpoint, to apprehend the phenomenon of reification and thus to stand on the ground of dialectical materialism, the outlook of the working class. But even potential apprehension by bourgeois theory in the point of reification still does not guarantee it against ideological and fetishist illusions, if the whole class interest suppresses and fetters its theoretical purview. If capital is not an automatic fetish, not money hatching money, still it is value creating surplus value, i.e., a social relation of exploitation and oppression resulting from the ruling class’ ownership of accumulated labor, i.e., the means of production. Perception of *this* social formation is already the overcoming of the class viewpoint of the bourgeoisie and any type of ideological and social illusions: This naturally cannot take place in bourgeois theory as *such*. The mystery of any social construction should be sought in the relation of the owners of the means of production to the direct producers. The theorists of the bourgeoisie, as well as all possible sorts of theoretical opportunism, direct their efforts to ideological distortion and the blunting of class conflict. This leads in turn to “ideologization” of the given social relations, obscuring their dialectical nature. Perception of this dialectical nature is impossible without treating the specific type of productive relations that obtains between people. This alone sheds light on all the phenomena of the given society, reification as well as idealization. Marx apprehended the ideological nature of reification, disclosing the social background of commodity fetishism, when he came to examine the process of history dialectically. Then, instead of mute thinghood, a drama of social struggle unfolded. True, production relations in commodity society in general, and capitalist society in particular, operate as relations of things. However, not these relations between things, but precisely the relations between people led by economic interests are what illuminate the fundamental problems of a given form of social life in its diverse social and ideological ramifications.

In the beginning was the deed. When Plekhanov described dialectical materialism as the philosophy of action, he actually only reprised Marx’s own view that he applied in the assessment of Feuerbach’s materialism in contradistinction to his emerging dialectical materialism.

The chief defect of all hitherto existing materialism—that of Feuerbach included—is that the thing, reality, sensuousness, is conceived only in the form of the object or of *contemplation*, but not as *human sensuous activity, practice*, not subjectively. Hence, in contradistinction to materialism, the *active* side was developed abstractly by idealism—which, of course, does not know real, sensuous activity as such. Feuerbach wants sensuous objects, really distinct from the thought objects, but he does not conceive human activity itself as objective activity.<sup>9</sup>

The fact is that historical regularity is not brought about outside this subjective activity, but in the process of such activity, which seizes, permeates, and illuminates objectivity, which in consequence of this activity loses its mystical occult character and acquires a *human*

physiognomy. The problem of capitalist society for Marx is the problem of production relations between capitalists and workers having taken reified form. But the methodological originality of Marx consists in the sociological overcoming of this supposed objectivity, expressed in the disclosure of this material fetish.

We have already seen that a fundamental difference between Marx’s dialectical materialism and the materialism of Feuerbach is that Marx considers reality not only in the form of objects, but also in the form of concrete human action, i.e., subjectively. Lenin, the brilliant master in the field of revolutionary activity, showed that revolution cannot happen if to the objective prerequisites of revolution are not added subjective prerequisites, namely an aptitude of the revolutionary class for revolutionary mass action. Opportunist objectivism always prefers to confine itself to “objective conditions,” granting *them* the undivided initiative in the domain of revolutionary action, proceeding by way of such objectivism to simply, politically taking the path of least resistance.

As a theory of revolutionary action, dialectical materialism contradicts any theory of reification that seeks the mystery of all structures of human consciousness in “things,” in “ghostly objectivity.” Such a view completely ignores the subjective dimension operative in actual class conflict. “In the succession of the economic categories as in any other historical social science,” Marx says, “it must not be forgotten that their subject—here, modern bourgeois society—is always what is given, in the head as well as in reality, and that these categories therefore express the forms of being, the characteristics of existence, and often only individual sides of this specific society, this subject.”<sup>10</sup> The social, and not the reified existence of people determines their consciousness. The materialist theory of history in social relations seeks to explain phenomena, taking place in the given social whole.

Of course inasmuch as relations of people take the form of relations of things, the reified character of social relations inevitably imparts to society a certain cast, compared, e.g., with a society in which people connect directly in the process of production, rather than through the mediation of things. “The bourgeoisie,” Marx says,

has resolved personal worth into exchange value, and in place of the numberless indefeasible chartered freedoms, has set up that single, unconscionable freedom—Free Trade. In one word, for exploitation, veiled by religious and political illusions, it has substituted naked, shameless, direct, brutal exploitation. The bourgeoisie has stripped of its halo every occupation hitherto honored and looked up to with reverent awe. It has converted the physician, the lawyer, the priest, the poet, the man of science, into its paid wage laborers.<sup>11</sup>

Universal exchange has formed, according to Marx, a new order such that even those things, “which till then had been communicated, but never exchanged; given, but never sold; acquired, but never bought—virtue, love, conviction, knowledge, conscience, etc.—when everything, in short, passed into commerce.”<sup>12</sup> That is how Marx described with classical clarity the general pervasion of exchange value through all phenomena of the social and ideological order. But at the same time we must not lose sight of the fact that Marx calls this universal reification a naked, shameless, direct and brutal exploitation. Marx considers the phenomenon of reification not as autonomous and detached, as some sort of key to all the phenomena of given society, but as a direct expression of social antagonism itself operating through the fetish appearances of the commodity form of labor. In Lukács this social moment is completely obscured by the moment of thinghood. “The journalists’ lack of convictions,” says Lukács, “the prostitution of their experiences and beliefs is comprehensible only as the culminating point of capitalist reification.” About what sort of journalists does Lukács speak? Of course, not about the proletarian, but about the bourgeois journalists. But prostitution of their talents is characteristic for the “graduated flunkys of the bourgeoisie.” It is characteristic, in other words, as an instrument of class struggle. The prostitution by journalists of their experiences should be considered not at all as the culminating point of capitalist reification, but as one of the forms of struggle of the capitalist class, a struggle, of course, which is not a struggle for truth, but a struggle for power, disdaining neither hypocrisy nor prostitution.

“There is no such thing as abstract truth, truth is always concrete.”<sup>13</sup> The genius of Marx, who always employed the dialectical method, consisted in disclosing the concrete moments that lie hidden beneath a reified shell. Capital for Marx is not a thing, but accumulated labor, a social form, which the means of production take on the basis of wage labor. In this way, undetermined thinghood is boiled down to social determinacy, which is that central problem the solution of which involves the inevitable disclosure of all the problems of the given society. Marx always demanded concreteness. This was clearly expressed in his basic theoretical demand that in the method of political economy, “the subject, society, must always be kept in mind as the presupposition.”<sup>14</sup> Thus, for instance, Marx reproaches Hegel for starting the *Philosophy of Right* with ownership, as the simplest legal relation of the subject. “No ownership exists, however, before the family or the relations of master and servant are evolved, and these are much more concrete relations.”<sup>15</sup> Therefore it would be more correct to say that *there* exist families and tribes which have as of yet only *possessions*, but not *property*. “Although the simpler category may have existed historically before the more concrete,” Marx says, “it can achieve its full (intensive and extensive) development precisely in a combined form of society, while the more concrete category was more fully developed in a less developed form of society.”<sup>16</sup> Determination of the organization of production, the mystery of which is disclosed in the owners of the means of production’s relation to the direct producers, constitutes the essence of all social structures. When things flowing in their usual channel advance reification, as the “model of all the objective forms of bourgeois society together with all the subjective forms corresponding to them,”<sup>17</sup> it means such an absorption of the subjective by the objective. This is radically contradicted by dialectical materialism, the philosophy of action.

Citing the words of Engels—that in a modern state, “law must not only correspond to the general economic situation and be its expression, but must

be an expression which is consistent in itself and which does not, owing to inner contradictions, look glaringly inconsistent. And in order to achieve this, the faithful reflection of economic conditions is more and more infringed upon.”<sup>18</sup> Lukács remarks, “It is hardly necessary to supplement this with examples of the inbreeding and the interdepartmental conflicts of the civil service (consider the independence of the military apparatus from the civil administration), or of the academic faculties, etc.”<sup>19</sup> This interpretation is not quite true. Engels actually wants to say that law, as an ideological instrument of the ruling class of capitalists, has still as its task to obscure and blunt the sharp edges of this domination, that it strives to hide its class nature and to appear as above class considerations. The law appears universal irrespective of all such interests. The distorted reflection of economic relations by bourgeois law is, “all the more [distorted] the more rarely it happens that a code of law is the sharp, unmitigated, unadulterated expression of the domination of one class.”<sup>20</sup> It seems clear, then, that for Engels the issue is about class law, which strives to crown itself with the flower of eternity, masking the signs of its own class character. All the [if one can put it like this] crochets and distortions of the law Engels links closely to its class character. But how does it stand in Lukács? Such a distancing of law from its economic basis characterizes for Lukács a struggle between civil services, between faculties.

If we carefully look at his “monistic” theory, one very interesting fact emerges, namely the analogy with certain features of the outlook of Bogdanov. Take the role played in Lukács by specialization: Specialization figures in Bogdanov as the Primal Fall, the fatal source of present and emerging dissonances the overcoming of which by universal organization is itself tantamount to the realization of a higher social harmony. Pointing to rationalization of individual functions in capitalist society, taking place along with the irrationality and problematic “regularity” of the whole, Lukács says:

This has the effect of making these partial functions autonomous and so they tend to develop through their own momentum and in accordance with their own special laws independently of the other partial functions of society [or that part of the society to which they belong].

As the division of labor becomes more pronounced and more rational, this tendency naturally increases in proportion. For the more highly developed it is, the more powerful become the claims to status and the professional interests of the ‘specialists’ who are the living embodiments of such tendencies. And this centrifugal movement is not confined to aspects of a particular sector. It is even more in evidence when we consider the great spheres of activity created by the division of labor.<sup>21</sup>

The logic of specialization thus figures in Lukács as a fracturing force thanks to which society’s self-presentation obscures its very totality. Reality is partitioned into fragments and science is turned into a system for which, “the world lying beyond its confines, and in particular its own material base which it is its task to understand, *its own concrete underlying reality* lies, methodologically and in principle, beyond its grasp.”<sup>22</sup> This same logic of specialization leads to a “struggle of two coiled springs,” i.e., an obscuring of the real social class struggle, capable alone of disclosing any type of irrationalities, whether manifested in the anarchy of social production or in some sort of ideological variation, as in the philosophical system of a Spengler. Precisely class relations—as the spring of social progress, as the dialectic of the social process—prevent bourgeois theorists from adopting the dialectical viewpoint. In this way Lukács’s dialectical methodology gives way to a methodology of reification. Lukács writes:

It has often been pointed out in these pages and elsewhere, that the problem that forms the ultimate barrier to the economic thought of the bourgeoisie is the crisis. If now, in the full awareness of our own one-sidedness, we consider this question from a purely methodological point of view, we see that it is the very success with which the economy is totally rationalized and transformed into an abstract and mathematically orientated system of formal ‘laws’ that creates the methodological barrier to understanding the phenomenon of crisis.<sup>23</sup>

It will not be an exaggeration if I say that Lukács himself resides on the plane of formalism, which occludes from him the real nature of things. The fact is that the methodological barrier to understanding the problem of crisis is created for bourgeois economists not at all by economic rationality, because economics as a science is an application of the rational method to empirical facts, but by hatred of the rational kernel of dialectics, the application of which, for instance, to the problem of crisis, touches upon the most dangerous and deadly sores of capitalist society.

Engels, considered crises from the dialectical viewpoint, indicating that they emerge from the very nature of capitalist production and competition: “In the present unregulated production and distribution of the means of subsistence, which is carried on not directly for the sake of supplying needs, but for profit, in the system under which every one works for himself to enrich himself, disturbances inevitably arise at every moment.”<sup>24</sup> He went further, noting that since the beginning of the last century crises set in every 5-7 years. Every time the event was fraught with the greatest poverty for workers and general revolutionary excitation. Every crisis, consequently, is a great danger for the entire existing order. The dialectical interpretation of the problem of crisis is connected in Engels, on the one side, with the observed determined system of the distribution of products, the capitalist mode of production, and, on the other side, it closely connects its negative effect with that class that suffers from it directly, occasioning in it a revolutionary commotion that threatens the entire existing order. It is completely clear that bourgeois theorists’ interpretation of crises will methodologically avoid those moments that point to the revolutionary class overthrow of their social foundation, capitalist society. For them the disproportionality between production and consumption which speaks to the social class opposition of labor and capital gives way to theoretical efforts to find the source

*“Lukács” continues on page 3*