

EPITAPH FOR THE USSR: A CLOCK WITHOUT A SPRING

Christopher J. Arthur

It is important following the ‘fall’ to point out that the debate over the nature of the Soviet Union is still germane to socialist theory and practice. Analysis of no-longer-existing socialism is significant more generally, for it is clear that the lessons are not specific to the extremes of the Russian situation, but are relevant to the theory and practice of transition in general.

Indeed the question of what a *real* and *permanent* supersession of capitalism requires is now more pressing. Anyone interested in such a question must draw from the lessons of this failed attempt. And, anyone who is a Marxist must give an account of ‘what went wrong’ consonant with Marxist theory itself.¹ In the second part of this paper I sketch some views on these questions. In part three I consider the views of István Mészáros, which are embedded in his larger work, *Beyond Capital*. But first let me set the scene for this analysis of the transition from capitalism to the USSR by addressing the question of the dialectic of form and content.

I

It is necessary first to distinguish between matter and form on the one hand, and content and form on the other. If I cut a gingerbread man out of dough the dough is the matter out of which the form is made but it is not a content; the same form could be made out of any workable material; and the matter is indifferent to the form externally imposed on it. (A more interesting case is the logical form of a proposition being independent of the variables in it.) We speak here then of the two sides indifferently united.² When we have a case of form and content the two sides penetrate one another such that just this form fits just this content. We require this of a book in which the contents should take the form of an orderly arrangement. However, what counts as orderly is not determined solely by formal considerations, but is itself a function of the content. For example, certain statements function as beginnings (once upon a time), and certain statements function as endings (they lived happily ever after). Conversely a heap of cuttings from the book is reduced to its matter, but they no longer function

¹ The first such attempt was by Leon Trotsky in *Revolution Betrayed* (1936). But among Trotsky’s followers in the nascent ‘Fourth International’ were a minority who were dissatisfied what they saw as the ambiguities and contradictions in Trotsky’s characterisation of the Soviet Union as ‘a degenerated workers’ state’ (which could easily revert to capitalism), and his prescription of a merely ‘political’ revolution against the Stalinist system. Every participant in the debate agreed that the Soviet Union was neither capitalist nor socialist: what then was it? A kind of half-way house, as with Trotsky? — or something totally new? — which led to the theory of ‘bureaucratic collectivism’, a new exploitative mode of production. Later it was argued that the new form was simply a new form of capitalism, namely ‘state capitalism’. For a critique of Trotsky that does not go as far as this see my essay (originally published in *Samizdat* form under the pen-name B. Biro) in: Krasso, N. (ed.). *Trotsky: The Great Debate Renewed*. New Critics Press, St. Louis, MO, 1972. For a thorough review of the history of the debate see Paul Bellis, *Marxism and the USSR*. Macmillan Press, London, 1979.

² The form-matter distinction is not absolute; there is no such thing as completely formless matter. It is more a question of the reforming of matter that is at issue.

as content, *pace* William S. Burroughs. They have to be worked up, if not by Mr. Burroughs, then by the reader.

Let us now apply these categories to the history of capitalism. Capital is in form self-valorising value. But for the purposes of this discussion the process of valorisation may be taken as embodied in the material process of production and the latter treated as a content taking the shape of capital's production of itself through appropriating surplus labour. It is often said that capital precedes capitalism. What is meant by that statement is that other forms of capital preceded industrial capital. Although Marx himself said this, in one place at least, he recognised that strictly speaking this is false because sheer form without adequate content is not capital.

Money can be lent out to productive purposes, hence formally as *capital*, although capital has not yet taken control of production, there is no capitalist production yet, hence no capital exists yet in the strict sense of the word...Like merchant's wealth it only needs to be formally capital, capital in a function in which it can exist before it has taken control of production; the latter capital alone is the basis of an historical mode of social production of its own.³

Only in this latter form does capital gain an adequate content. Merchant and money-lending capital have the form of self-valorising value but lack an adequate content. The merchant certainly profits from circulating commodities, but as he does not produce these commodities himself the 'matter' of his valorising process is externally given.⁴ With industrial capital the unity of form and matter is, at first, still somewhat external insofar as the material process of production is that inherited from the past, and merely formally subsumed under capital's categories. However, as Marx has shown, the process of production becomes really subsumed under capital when it is no longer possible for it to recover its pre-capitalist form: when the independent artisan is reduced to a functional role within the 'collective labourer' organised by capital, and when the scale and intensity of production become determined by the requirements of big industry.

In sum, capital as form (self-valorising value) now produces from within itself a content adequate to it: the factory system. The key is its subordination of the workers through a reorganisation of the division of labour, and the construction of a hierarchy of control. Only when form and content of a mode of production perfectly complement one another can one speak of an 'organic system', of a '*social metabolism*' (something that will be important when we assess Mézáros's contribution).⁵ If they come into conflict it spells decline and the objective necessity for supersession.

What did Marx have to say about the notion of 'metabolism'? Start with the simplest idea, introduced by Marx at the beginning of *Capital*: 'Labour...is an eternal natural

³ Marx and Engels *Collected Works (CW)* Vol. 30, p.32.

⁴ For more on this see my paper 'From the Critique of Hegel to the Critique of Capital' to be published in: Burns, T., Fraser, I. (eds). *The Hegel-Marx Connexion*. London, Macmillan Press.

⁵ For Marx on the nature of an 'organic system' see Marx's *Grundrisse* (trans.: Nicolaus, M. 1973. London, Penguin), p.278, and p.100.

necessity which mediates the metabolism [*Stoffwechsel*] between men and nature, and therefore human life itself.’⁶

Not surprisingly the same theme is explored at greater length in the chapter on the labour process.⁷ The idea here refers to the immediate material life of human beings working upon nature. And in the chapter on the labour process Marx considers it without references to social forms, such as exchange. However exchange introduces a definite social dimension to *Stoffwechsel* because in commodity production no material consumption is possible unless products first change hands in the commodity form. Marx says: ‘We therefore have to consider the whole process in its formal aspect, that is to say, the change in form [*Formwechsel*] or the metamorphosis of commodities through which the social metabolism [*Stoffwechsel*] is mediated.’⁸ And a little later he refers to the ‘*Formwechsel*’ wherein the ‘*Stoffwechsel*’ of the products of labour is accomplished.⁹ The emphasis is here not on a relation between ‘man and nature’ but the exchange of products between ‘man and man’ mediated in the social form of circulation.

These two different aspects of *the social metabolism* are dialectically integrated in the process of capitalist production and circulation, a matter first explored in the *Grundrisse*: ‘In the circulation of capital we have...a system of exchanges, exchange of matter [*Stoffwechsel*] if seen from the angle of use-value, a change of form [*Formwechsel*] if seen from the angle of value as such.’¹⁰

In Volume Two of *Capital* Marx returns to this subject in the first part, on the Metamorphoses of Capital. Here he demonstrates that the unity of the change in matter effected in production with the exchange of matter in circulation is accomplished in the circuit of forms of capital, namely money capital, production capital, and commodity capital. It is ‘within the circuit of capital...that the metabolism [*Stoffwechsel*] of social labour takes place.’¹¹

Finally in the last part of Volume Two Marx shows that the system of reproduction, embracing the formal and material interchanges between ‘Departments’, constitutes the social metabolism of the entire capitalist economy within which production, exchange and consumption are interior ‘moments’.

The investigation of these coincident exchanges is crucial to understanding the secret of value and use value, and their interpenetration. In particular, one must speak here of

⁶ *Capital* Volume 1 (trans.: Fowkes, B. 1976. London: Penguin): p.133; *CW* 35, p.53; Marx and Engels *Werke* Vol.23; p.57.

⁷ *Capital*: Volume 1. pp.283, 290; *CW* 35, pp.187, 194.

⁸ *Capital* Volume 1 pp.198-9; *CW* 35, p.113-14; Marx and Engels *Werke* Vol. 23, p.119. Contrary to the Penguin translator Ben Fowkes (p.198, n.), this was not the first place Marx uses the term *Stoffwechsel*: we have already seen it earlier in *Capital* itself (p.133), and it was first employed ten years before in Marx’s *Grundrisse* as we shall see below.

⁹ *Capital* Volume 1 p.210. *CW* 35, p.124; Marx and Engels *Werke* Vol. 23, p.128.

¹⁰ *CW* 29, p.25. In German: “*Ein System von Austausch, Stoffwechsel, so weit der Gebrauchswert betrachtet, Formwechsel, so weit der Werth als solcher betrachtet wird.*” Marx and Engels *Gesamtausgabe* (MEGA) Abt. II Band 1.2, p.522. (For some reason Nicolaus gets it the wrong way around: Marx’s *Grundrisse*, p.637.)

¹¹ *Capital* Volume II, p.226 (trans.: Fernbach, D. 1978. Penguin) The translator’s note referring us back to the chapter on the labour process is, in my view, slightly inaccurate. The context seems to indicate Marx was thinking more of the exchange of products discussed on *Capital* Volume I, pp.198-9.

‘form determination’: capital goes beyond mere form by penetrating (rather than abstractly counterposing itself to) the matter it regulates, in order to shape it into its own content (real subsumption of labour for example). Valorisation can no more be discovered in a factory than value can be discovered in a commodity. But it is nevertheless key to comprehending what is occurring.

The theoretical problem in correctly elucidating the effectivity of formal and material determination is in conceptualising how *Formwechsel* and *Stoffwechsel* (as Marx terms them) work together in a unified system of capitalist social metabolism. This point is missed by ‘materialists’ such as G. Stedman Jones. He writes in the *New Palgrave* article on ‘Dialectical reasoning’:

The relationship between matter and form in Hegel is only one of apparent exteriority. Matter relates to form as other only because form is not yet posited within it. Once the terms are related, they are declared to be identical. Marx, on the other hand, insists upon the irreducible difference between matter and form, between the material and the social...Not only are matter and form different, but the one determines the other: value is determined in relation to the material production of use value; the opposite is not true.¹²

There is something wrong with the last sentence in this passage. No amount of dissection of material use value or the process of its production will turn up value. So, in what sense is value conceivably determined by it? Capital creates value in virtue of its *sui generis* form. Of course, for Marx, it is relative labour times that determine relative values, but value as a form is clearly constituted in exchange. And, insofar as the Marxian point about relative magnitudes is accepted, it is the value form of capital itself which determines that labour time is to be the necessary dimension of its content. What is missing in Stedman Jones is the concept of mediation, a unity of opposites that keeps the two sides distinct as he insists, but allows that they inform each other, not that one is either reducible to the other or else its mere epiphenomenon. The distinction between formal and material determination *and* their unity must be considered.¹³ The former ‘ideally’ gives sense and purpose while the latter conditions the former by the potentials and limits of the matter concerned.

If it were not for the real historical existence of labour-power, and of the general framework of capitalist social relations which ensures its exploitation, then there would be no self-expansion of value. But Marx also investigates the logic of social forms, such as exchange, money and capital. These real forms have a specific effectivity. Whereas in Stedman Jones’s account all the weight is given to the material content regulated and directed by such forms. While it is true that the forms cannot realise their logical potential unless materially supported (there is no surplus value without the exploitation of labour), it is equally true that the material potential is not realised without the compulsion exercised by the social form. It is capital that

¹² Eatwell, J. et al (ed.). 1990. *Marxian Economics*. London: Macmillan, p.127.

¹³ A good analogy lies in computing. There is software logic, which is here the demand of valorisation flowing from the form, and the firing sequence in the hardware, which is here the production process. The question is how far the hardware *supports* the software. One could argue that at a minimum it must have the labour power chip in it.

demands the continual reduction of socially necessary labour time. In sum, a full account of valorisation requires *both* formal and material explanation.

The *key* point is that the form-determination of capital as inherently infinitely self-expanding value makes capitalism utterly different from any other mode of production. In all modes of production it is possible to seek ways of improving the productivity of labour, and all exploitative modes rely on some form of ‘pumping out’ surplus labour. *Only* capital is, *in point of form* as such, *driven* to accumulate ‘wealth’. Capital is an original unity of form and content: form has a unique effectivity arising from its purely self-mediating character granted in the exchange abstraction. The following quotation from Marx gives some sense of this in that the emphasis is on the value form rather than the so-called ‘substance’.

To develop the concept of capital it is necessary to begin not with labour but with value, and precisely, with exchange value in an already developed movement of circulation. It is just as impossible to make the transition directly from labour to capital as it is to go from the different human races to the banker...¹⁴

Of course systematic valorisation depends upon capital sinking into production and appropriating labour; but value is not a form ‘naturally’ taken on by labour (hence the impossibility of starting from labour). It is rather a form arising elsewhere and imposed on it. In virtue of its form capital is embarked on an endless drive for accumulation, but its self-determination as accumulative is limited by its reliance on land and labour as inputs to the production process. But as we know from Marx, capital first formally subsumes these factors under itself and then subordinates labour and machinery to its purposes through a material transformation of them and their organisation (real subsumption).

What is capital? It is value in process. It takes the form first of money, then of factors of production, then of commodities, then of more money. Whence this ‘more’? — from the process of production where valorisation of capital takes place. At the ideal level capital is self-valorising value. At the material level it is the pumping out of surplus labour in the factory system. In a very real sense we may speak of the organisation established to accomplish this operation as the materialisation of capital. (Just as a chain-gang is the materialisation of slavery.)

Marx makes the point in his *Grundrisse* using the language of matter and form already discussed:

In the machine, and even more in machinery as an automatic system, the use value, i.e. the material quality of the means of labour, is transformed into an existence adequate to fixed capital and to capital as such; and the form in which it was adopted into the production process of capital, the direct means of labour, is superseded by a form posited by capital itself and corresponding to it...

The appropriation of living labour by objectified labour — of the power or activity which creates value by value existing for itself — which lies in the concept of capital, is posited, in production resting on machinery, as the

¹⁴ Marx’s *Grundrisse*, p.259.

character of the production process itself, including its material elements and its material motion...

The development of the means of labour into machinery is not an accidental moment of capital, but is rather the historical reshaping of the traditional, inherited means of labour into a form adequate to capital.¹⁵

II

Let us now turn to those post-revolutionary systems that have claimed to have superseded capitalism — in brief, the ‘Soviet model’.

As far as *social form* is concerned capitalism was destroyed in the USSR. It is not meaningful to speak of the system as having had value, surplus value, or capital accumulation (it should go without saying that development of heavy industry is not itself any sign of capital accumulation). There was the price form, and the wage form, but this in no way represented some appearance-form of value, since these forms were rather fixed within a totally administered system. (Although of course such forms provide a point of transition to capitalism when political conditions dictate, as we see today.)

What remained, however, was the *materialisation of capital*, namely the factory system. For various historical reasons this was never questioned: socialism was proclaimed without radically overcoming the material embodiment of capital. Hence the global factory in the USSR started from this capitalist model, of which the key element is the hierarchical division of labour: from those at the bottom who execute the orders of others, to those involved in the five-year plan process.

The entire human/material configuration of capital’s technique was replicated. But without the objective economic regulator of value measures. A factory is not a mode of production. It has to be specified further by what social form it is regulated. As the factory system was laid down through capital’s own development it followed that, once separated from capital itself as a social form, this content lost the character of being a content and became a material foundation of the new order. The great difference with capitalism is that the lack of an objective value regulator leaves the mechanism without a spring, i.e. there is no drive for capital accumulation. Furthermore, without being continually regulated by capital this material presupposition ceased to be posited by capital as its presupposition and hence became subject to a kind of ‘drift’ — the Soviet factory became *unlike* capitalist factories in many respects. (See the informative studies by Ticktin, Filtzer, Arnot and Füredi.¹⁶)

What was this new social form? It was certainly not socialism. Rather, the requirements of the inherited material basis for some kind of *direction* led with extraordinary rapidity to a bureaucratic dictatorship. As Ticktin has pointed out, to

¹⁵ Marx’s *Grundrisse*, p.692, p. 693, p.694.

¹⁶ Filtzer, D. 1986, *Soviet Workers and Stalinist Industrialisation*. London: Pluto Press; Füredi, F. 1986, *The Soviet Union demystified: a materialist analysis*. London: Junius Publications; Ticktin, H.H. 1992, *Origins of the Crisis in the USSR: essays on the political economy of a disintegrating system*. New York: M. E. Sharpe; Arnot, B. 1988, *Controlling Soviet Labour*. Basingstoke: Macmillan.

speak here of a 'planned economy' is wildly inaccurate, for the basic information and monitoring systems were not in place because of the antagonism between planners and planned. At most one can speak of an administered economy within which enterprise managers and workers survived as best they could. If it *had* been planned there would have been a good 'fit' between form and content, and it would have survived. The trouble arose precisely because the materialisation of capital was freed from capital's controlling form, but without another organic system of social metabolism taking root and transforming more or less rapidly and radically the material basis of the economy. Being neither capitalism nor socialism the USSR lacked organic coherence. According to Ticktin 'there are only capitalism and its essence, the law of value, and socialism with its essence, the law of planning; anything in between...has no essence, no laws except ones of formation and decay.'¹⁷

This paradoxical character is expressed by Ticktin when he says it was not a mode of production at all (*a fortiori* neither 'state capitalism' nor 'bureaucratic collectivism'). The politically enforced directives were incapable of controlling the factories in such a manner as to promote the development of the productive forces in a stable and permanent fashion.

Lenin (surprisingly for such a political thinker) was enthusiastic about the 'scientific management' pioneered theoretically by Taylor and practically by Ford. But the truth is that Taylorism was never applied in the USSR! (Stakhanovism, besides being purely a publicity stunt, was not scientific in Taylor's sense.) The Soviets had no theoretical objection to it: they *wanted* to apply scientific management, but they were unable to do so because production was governed by a non-capitalist social form. It could not be applied in the USSR because it was tailor-made for capitalism. It is not, as Lenin seemed to imagine, a socially neutral body of knowledge. Moreover, Taylor would roll in his grave if anyone dared to associate him with the gross over-manning characteristic of Soviet industry. Fiat built a factory for the Soviets: it took four times as many workers to run as exactly the same factory in Italy.

The Soviet system was not a labour-saving system but a labour-hoarding one. Clearly where it was illegal to fire workers, managers had not much interest in saving labour time. Furthermore they could not organise a just-in-time system because in the USSR supply was never in time. Hence it was important to build up and hoard stocks against such a drying up of supply for more or less long periods. Thus Soviet production worked on the 'never-in-time' system: it took most of the month to get the machinery in order, and the inputs delivered. Then, to meet the monthly targets, the factory engaged in a process known as 'storming' when everyone available worked until they dropped. Then another hiatus occurred, and so it would go on. In fact managers hoarded labour in case a period of 'storming' was required to meet a plan deadline. I do not think Taylor would call this scientific management! Certainly the workers did not like the hanging about or the storming. And the consumer discovers the products of storming are defective. In sum Taylorism makes no sense when workers jobs are guaranteed.

¹⁷ Ticktin, H.H. 1992. *Origins of the Crisis in the USSR: essays on the political economy of a disintegrating system*. NY: M.E. Sharpe. p.14. The 'law of planning' does not necessarily mean central planning of all details. Local self-management is necessary in order to integrate what Hilary Wainwright has called 'tacit knowledge' possessed by the workers of a given enterprise founded in experience and a tradition of 'know-how'.

The inefficiency of the central planning system, combined with the absence of a market, resulted in a paradoxical retrogression in the social division of labour. Fűredi explains: 'The response of individual production units to the problem caused by the absence of economic regulation is to strive for a measure of self-sufficiency. Thus instead of a mutually beneficial division of labour *between* enterprises, industries and regions, the pattern is for the division of labour to be reproduced *within* each sector of the economy.'¹⁸ Hence, there was a fragmentation of the economy and inefficiency. Because 'the goal of any enterprise manager is to reduce his reliance on the overall division of labour to a minimum, to give the best chance of reaching centrally imposed performance targets',¹⁹ resources were kept hidden from the planners and thus they could not effectively plan for they did not know where the resources were.

I have said, following Ticktin, that there was no mode of production in the USSR. This purely negative definition does not mean much, except as a promissory note on its collapse. Let me try to give the theory more substance.

What is a mode of production? It is a stable, relatively harmonious, combination of a social form and a material content. In Marx's glib aphorism, 'the handmill gives us society with the feudal lord, the steam mill society with the industrial capitalist'. It must be understood that, in the combination, the elements are not indifferent to one another, nor do they exhibit a one-way determination (the Marx passage has been misread as a technological determinism), rather they are dialectically interrelated. Just this form shapes and develops just this content; just this content embodies and reproduces materially just this form. Thus it is the social form of capital that, through its tendency towards competition and enlarged production, brought forth the steam engine. And it was the enormous boost to labour productivity occasioned by it that enabled capitalism to stomp all over pre-capitalist forms. If the social form and material content come into contradiction this spells trouble. For example, we believe that the increasing socialisation of the productive forces, and associated labour processes, will prove incompatible with their capitalist integument.

What I argue is that the relations of production in the USSR always suffered from an incoherence of form and content. It was a self-aborting monstrosity. The matter is not unrelated to its inauspicious beginnings. Apart from the much canvassed political dimensions, the isolated USSR had not the human and technical resources to avoid copying capitalist technique. But when the factory is brought under a quite different social form characterised by the absence of capital's logic, and by employment guarantees, productivity goes out of the window, exploitation is inefficient, and control must be exercised in a new way, i.e., by a bureaucratic apparatus backed up by a police state. This was then reinforced and reproduced as the emerging bureaucracy opted for maintaining their own position at the head of a hierarchical command structure.

The interests of the capitalist are congruent with the growth of social wealth, but the individual interest of the bureaucrat is not. This is why there was no new mode of production. Adam Smith showed long ago that the capitalist benefited society simply

¹⁸ Fűredi, F. 1986. *The Soviet Union demystified: a materialist analysis*. London: Junius Publications. p.103.

¹⁹ Fűredi, F. 1986. *The Soviet Union demystified: a materialist analysis*. London: Junius Publications. p.124.

in pursuit of his own interest. The interest of the worker, however, was not so self-evidently connected with social wealth. Doubling productivity is immediately in the interests of the capitalist, but it leaves up to half the workforce unemployed.

Now, bourgeois apologists may argue that the increase in social wealth will somehow generate new industries to re-employ these people, but this is a very indirect link and the workers may be forgiven for trying to hold on to the jobs they have. The argument for socialism has always appealed to the idea that when the workers work 'for themselves' they will become interested in increasing production, and it will be possible to reorganise the technology of the factory to gain the full benefit of this. But in the USSR the factory provided no avenue for workers' initiative and in any case their exclusion from control over the surplus gave them no guarantee that such efforts would benefit themselves or their families.

Thus far, it is not much different from capitalism. But, it is in fact worse than capitalism as the individual bureaucrat had no immediate interest of his own in increasing social wealth either. Remember they were not stock holders in the industries under their control. Their rewards depended upon political favour. Hence the resistance to innovation, the tendency to pass the buck and blame others when things went wrong, the hoarding of labour and materials against a future episode of 'storming'. What a bureaucrat wants is, above all, a quiet life. The reason for what happened was not 'the adoption of Taylorism', but the necessity to maintain distinctions to justify bureaucratic privilege and prevent the self-organisation of the workers.

If we return to basics we must start the social analysis not from the form of state, but from the form of production. It was not production for profit; it was not production for need; it was production for targets which were laid down external to the logic of the production process itself. In the case of capitalism we know that the law of value transmits from factory to factory the socially necessary labour times for any item, and that capital flows and technological innovation are mutually reinforcing.

In the case of production for need we might imagine some mutually informative institutionalisation of producer/consumer relations. But the USSR had no such feed back loops! The targets had no relation to real needs or, more importantly, the real resources and the real capabilities of the factories. No five year plan ever succeeded, but had to be drastically reworked year on year. The so-called plans were meaningless because the information available was so corrupted by the political distortions of the system. And where the plan was fulfilled it was often only in the letter and not the substance. The state interfered in the economy, but the system did not regulate itself in accordance with some inherent logic of its productive capacity.

Thus, I argue that the well-known phenomenon of a rapid expansion of basic factors of production followed by chronic paralysis when diverse sophisticated products were required should not be interpreted as effects of some economic law, but rather as a sign of a lack of law. A combination of political factors (coercion and voluntarist enthusiasm) got things off the ground. But because no new mode of production was stabilised, the system could not run itself when these political pressures diminished.²⁰

²⁰ A fascinating, but imponderable, question (asked of me by Riccardo Bellofiore) is whether or not, if there had been no more advanced external world competing with it, the USSR could have carried on

Although the general run of commodities were defective, the system was capable of prioritising allocation of materials, machinery and men to certain uses — that is why it worked in war, and why the concentration of scarce resources, and the best talent, in the armament sector could produce Sputnik (of course the presence of imperialism forced this priority on the system, which otherwise might have been more rewarding for certain layers of the population). While there was considerable extensive growth this process itself was enormously wasteful. But the crucial problem was the retardation of intensive growth. Citing just one problem: how can the intellectual productive forces be developed on a broad scale when the rulers did not trust the masses with photocopiers?

In order to make more plausible the claim that no mode of production existed in the USSR let us observe that Ernest Mandel distinguished between specific relations of production, which must characterise any social formation, and a mode of production. This is ‘one of the essential distinctions between periods of transition and the great “progressive stages” of history outlined by Marx’.²¹ (To comprehend this distinction, it is important to keep in mind that a mode of production is an organic whole that reproduces itself almost automatically. It can only be replaced by violent social revolution.) Mandel continues:

On the other hand, precisely because of their generally hybrid character the relations of production of a society in transition between two modes of production can decompose of their own accord, evolve in various directions without necessarily experiencing revolutionary perturbations of the same type as the social revolutions necessary for the passage from one mode of production to another.²²

So there were certainly relations of production of a sort, but there was no organic system of social metabolism.

The whole experience demonstrates the wisdom of Marx’s insight that economics is decisive over politics. The elite wanted to be a true ruling class, and it seemed they had all the power anyone could wish for, with the KGB, the Gulag, and the house-trained party millions. But they could not ground themselves on production. They poured out ‘plans’, ‘decrees’, ‘orders’, ‘reforms’, but they could not deliver the goods — it was as simple as that.

To summarise this sketch of history: in the pre-capitalist period the *form* of capital emerged. In the capitalist period it seized hold of production and shaped this matter into a *content* adequate to it. In the post-capitalist period this form of capital was extinguished however, its material presuppositions were not radically transformed but merely administered within new social relations, resulting in an uncontrolled process of deformation of the material basis in the context of a continued failure for the form and matter to achieve a new organicity.²³

indefinitely absorbing its own inefficiencies. One recalls that it took war with superior economies to break down Tsarism.

²¹ Mandel, E. 1978. *New Left Review* 108. p.28.

²² Mandel, E. 1978. *New Left Review* 108. p.29.

²³ Of course a more or less long period of transition to socialism is inevitable, but it can be argued that things would be very different if a transition were to occur with an educated workforce and a democratic tradition; then self-management and political progress could be a real possibility.

III

In the final part of this paper I look closely at an impressively argued book by István Mészáros, which contains a theory of transition worth discussing on its own account, and also for the purpose of further illuminating my own view of the Soviet Union, which overlaps with his.²⁴

While the necessity of the socialist alternative is reasserted, Mészáros also investigates the reasons for the collapse of the USSR. He says, ‘the tragedy of Soviet type post-capitalist societies was that they followed the line of least resistance by positing socialism without radically overcoming the *material presuppositions* of the capital system.’ In contrast, ‘[t]he radical negation of the capitalist state and the likewise negative “expropriation of the expropriators” was always considered by Marx only the necessary first step in the direction of the required social transformation.’ Marx insisted that the hegemonic alternative to capital’s social order can only be an inherently positive enterprise. ‘This is why the socialist revolution could not be conceived as a single act, no matter how radical in intent...[but only]...as an ongoing consistently *self-critical social revolution*, i.e. as a *permanent revolution*’, concludes Mészáros.²⁵ The object is to build an economy in the hands of the ‘associated producers’ (self-management) who put qualitative considerations above quantitative measures.

As the title itself indicates, central to the book is the thesis that it is necessary not merely to go beyond ‘capitalism’ but beyond ‘capital’ itself.²⁶ A lot hangs on the coherence of this distinction. In particular, it is used to characterise Soviet-type régimes of production as being ‘post-capitalist’ yet still under the sway of ‘capital’. This is outlined in a fascinating chapter on ‘changing forms of the rule of capital’. His account recognises that ‘Marx was not concerned with demonstrating the deficiencies of “capitalist production” but with the great historical task of extricating humankind from the conditions under which the satisfaction of human needs must be subordinated to the “production of capital”.’²⁷

Capital’s metabolism, based on its domination of alienated labour, on the predominance of exchange over use-value, and on a hierarchical division of labour, is driven by the imperative of expansion. As a system with its own logic and coherence it cannot be changed without tackling this central metabolic order and replacing it. Tinkering with surface phenomena (e.g. juridical arrangements) will not change such fundamentals. Thus Mészáros argues that without the *positive transcendence* of capital’s metabolic functioning, ‘labour itself self-defeatingly continues to reproduce the power of capital over against itself.’²⁸

²⁴ Mészáros, I. 1995. *Beyond Capital*, London: The Merlin Press, (Monthly Review Press, New York).

²⁵ Mészáros, I. 1995. *Beyond Capital*, London: The Merlin Press, (Monthly Review Press, New York). p.792.

²⁶ This he first argued in an article in *New Left Review*, 1978.

²⁷ Mészáros, I. 1995. *Beyond Capital*, London: The Merlin Press, (Monthly Review Press, New York). p.618.

²⁸ Mészáros, I. 1995. *Beyond Capital*, London: The Merlin Press, (Monthly Review Press, New York). p.494.

Mészáros concludes that ‘the real target of emancipatory transformation is the complete eradication of capital as a totalising mode of control from the social reproductive metabolism itself, and not simply the displacement of the capitalist as the historically specific “personification of capital”.’²⁹

You can overthrow the capitalist but the factory system remains, the division of labour remains, nothing has changed in the metabolic functions of society. Indeed you find the need for reassigning those forms of control to personalities, and that’s how the bureaucracy comes into existence. The bureaucracy is a function of this command structure under the changed circumstances where in the absence of the private capitalist you have to find an equivalent to that control. Very often the notion of bureaucracy is pushed forward as a kind of mythical explanatory framework. [But] the bureaucracy itself needs explanation. [It is said that] if you get rid of bureaucracy then everything will be all right. But you don’t get rid of bureaucracy unless you attack [its] economic foundation.³⁰

In one version the distinction between capital and capitalism is already familiar to us, for it is a commonplace that merchants and usurers employed money as capital long before capital seized hold of production and established the modern system of industrial capitalism. But it is novel to argue that capital may survive capitalism. So let us look first at his definition of capitalism: he argues that the capitalist formation extends over only that particular phase of capital production in which:

1. Production for exchange is all pervasive;
2. Labour power itself is a commodity;
3. The drive for profit is the fundamental regulator;
4. The vital mechanism for the extraction of surplus value, the radical separation of the means of production from the producers, assumes an inherently economic form;
5. Surplus value is privately appropriated by the members of the capitalist class;
6. Following its economic imperative of growth and expansion capital production tends towards a global integration.³¹

It follows from this definition, according to Mészáros, that one cannot ‘speak of capitalism in post-revolutionary societies when out of these essential defining characteristics only one — number four — remains, and even that in a radically altered form, in that the extraction of surplus labour is regulated politically and not economically’.³² Yet at the same time Mészáros argues that capital maintains its rule

²⁹ Mészáros, I. 1995. *Beyond Capital*, London: The Merlin Press, (Monthly Review Press, New York). p.369.

³⁰ Mészáros, I. 1995. *Beyond Capital*, London: The Merlin Press, (Monthly Review Press, New York). p.981.

³¹ Mészáros, I. 1995. *Beyond Capital*, London: The Merlin Press, (Monthly Review Press, New York). p.630.

³² Mészáros, I. 1995. *Beyond Capital*, London: The Merlin Press, (Monthly Review Press, New York). p.631.

in such post-revolutionary societies. What then is the definition of ‘capital’ that would be consistent with this survival? He says the necessary conditions of all conceivable forms of the capital relation, including the post-capitalist forms, are:

1. The separation and alienation of the objective conditions of the labour process from labour itself;
2. The superimposition of such alienated conditions over the workers as a separate power exercising command over labour;
3. The personification of capital as ‘egotistic value’³³ pursuing its own self-expansion — the bureaucrat is the post-capitalist equivalent of the private capitalist;
4. The equivalent personification of labour whether as wage-labourer under capitalism or as the norm-fulfilling ‘socialist worker’ under the post-capitalist system.

‘Capital can change the *form of its rule* as long as these four basic conditions — which are constitutive of its “organic system” — are not radically superseded’, he concludes.³⁴ Additionally he maintains that as, in the post-capitalist economies we have seen, the inherited social division of labour and the objective structure of production remained, capital in this sense remained.³⁵

The key conceptual innovation introduced by Mészáros is a distinction between capital and capitalism. As I have already stated, in one way this idea is not so new for we are all familiar with the point made by Marx about how capital precedes capitalism. Mészáros trades on this in order to establish in a preliminary way the plausibility of his thesis that capital can survive capitalism. It is worth pointing out that the accepted facts of such pre-capitalist formations tell against him. This is so in two different ways.

First the capital that preceded capitalism was not hegemonic. The social metabolism was constituted by non-capitalist categories for the most part. Thus, by analogy, the capital that is supposed to survive capitalism should be non-hegemonic — but Mészáros claims it is sufficiently hegemonic for its organic priority to enable it to find functional equivalents for its old personifications right up to the state.

Second, as we have already seen, pre-capitalist capital was marked by its distance from the material interchanges of the mode of production and by its purely formal role in circulation.³⁶ Yet Mészáros sees that the destruction of capitalism involves

³³ Marx’s *Grundrisse*. p.303.

³⁴ Mészáros, I. 1995. *Beyond Capital*, London: The Merlin Press, (Monthly Review Press, New York). p.617.

³⁵ Mészáros, I. 1995. *Beyond Capital*, London: The Merlin Press, (Monthly Review Press, New York). p.631.

³⁶ Mészáros (p. 607) claims that there are pre-capitalist forms of ‘formal subsumption of labour under capital’, namely where ‘usurer’s capital’ and ‘merchant’s capital’ are concerned. Unfortunately he has read the text too hastily, for Marx says something different. He is discussing two different stages of development of the capital relation, the formal subsumption of the pre-capitalist labour process which remains materially the same in this first stage, and the real subsumption of labour as capital transforms the labour process into an adequate content for capital. This is signalled by the word ‘both’ in the sentence: “The capital-relation as a relation of compulsion is common to both modes of production, but

precisely the abolition of the market. What it is that survives then is in no way analogous to what preceded. Thus any analogy loses its plausibility. What we have seen is the phasing: form — form+matter – form+content — matter. This is an expansion of the tripartite schema I earlier outlined of which I have now introduced two stages to the capitalist phase. Only in this middle case is there a necessary immanent dynamism. The first pre-capitalist capital is parasitic on the non-capitalist sector. The last has a contradiction of form and matter since this matter, being the materialisation of capital, is not an adequate content of a socialist form or conversely the new form could not adequately shape the matter into an appropriate content.

Let us now examine more directly Mészáros's definitions so that we may judge their plausibility. The five point definition of capitalism he gives is generally plausible, but I would challenge it at what might seem its strongest point, namely the criterion that surplus value is privately appropriated by the members of the capitalist class. Capitalism does not at all refer essentially to private appropriation in any simple sense. It is well-known that for Marx the enemy is capital itself, the capitalist featuring merely as 'capital personified'. If capital originally took the shape of such a 'capitalist' this is not definitive of the capital relation, which is purely a matter of capitals being individuated from one another as value bodies and of the subordination of living labour by dead labour.

Marx made an error in Volume III when he spoke of the joint stock company (made necessary by the increasing scale of the social productive forces) as the negation of capitalism within capitalism.³⁷ On the contrary, the elimination of any idiosyncrasy, which the person of an individual capitalist may introduce, when he is replaced by the corporate person (which in law is solely concerned with protecting the investments of the shareholders), results in a purer form of capital.

It is even possible as an imaginary experiment to see that capital can survive the elimination of the capitalist class. Already the institutions, such as pension funds and insurance companies, have a preponderant role in shareholdings; it is only necessary to imagine that as a result of a punitive inheritance tax the individual capitalists are driven out and the slack taken up by these institutions. But if the corporations were all owned by pension funds this would change nothing about the fundamental metabolism (just as in feudalism Church estates, the beneficiaries of which owned no property,

the specifically capitalist mode of production also possesses other ways of extracting surplus value.” (CW 34, p.426) Mészáros substitutes for 'both' the expression '[several]' which makes no sense in the context of Marx's discussion but does if one wrongly believes him to be speaking of pre-capitalist modes. Then two pages later Marx does indeed speak of pre-capitalist forms of capital but says that “the formal subsumption of labour under capital does not yet take place” (p.428, Marx's emphasis) with usurer's capital; and equally with merchant's capital “here too no formal subsumption of labour under capital has yet taken place.” (p.428) Marx goes on to address “the real subsumption of labour under capital or the specifically capitalist mode of production.” Mészáros thinks the term 'specific' refers to the entire epoch in which the capital relation rules production: thus the contrast can only be that formal subsumption lines up with pre-capitalist modes of production, in which social formations usurer's capital and merchant's capital are already part. However, Marx has, as we have shown, denied this correlation. What is operative in his discussion are two distinctions, first between capitalism and pre-capitalism and then within capitalism between two stages, an earlier one, called formal subsumption of labour because the material side is unchanged from the original pre-capitalist form of the labour process, and later one in which this matter has been transformed through real subsumption into an adequate content for the *specifically* capitalist mode of production.

³⁷ *Capital* Volume III (trans.: Fernbach, D. 1981. London: Penguin) pp.567-69.

were generally run in the same way as those of the Lords temporal). Correlatively the lack of private appropriation in the Soviet Union did not mean much when one could see the bureaucracy extort surplus labour from the immediate producers: what counts is the *form* under which surplus labour is pumped out. In capitalism it takes the form of surplus value, but not in the USSR.

The lesson is that the social form of production is not defined by whoever happens to 'own' the assets. This is important because this criterion is the one Mészáros uses most often to deny that the USSR was capitalist, namely that there is no private appropriation. This is inappropriate because this fact is well known to the theorists of 'state capitalism'; yet this does not stop them claiming a form of capitalism still existed, because they rely on other criteria, not dissimilar to those Mészáros uses himself to claim that capital remained. It is a pity Mészáros does not refer to or discuss any 'state capitalist' literature considering how close his views are to theirs (e.g., Tony Cliff).

Now let us turn to Mészáros's definition of capital. It is a structural requirement of his argument that the criteria be more abstract than those for capitalism so that capitalism may be relegated to one form of the capital system, but it must not be so abstract as to comprehend systems in which no capital relation could plausibly be said to exist. I think this remit is impossible to fulfil, and is not fulfilled by Mészáros. His four part definition of capital may be reduced to two parts because items one, two and four are all about the alienation of the labourer, while only point three refers to the presence of capital which is defined here as 'egotistic value pursuing its own self-expansion'.

This second part of his definition can be dealt with more easily, for we have already argued that there is no value, nor accumulation of value in the USSR. However, it is unclear how seriously we are meant to take the term 'value' here because Mészáros generally talks not of surplus value but of surplus labour. For example, he says 'capital accumulation' was 'secured by means of politically controlled extraction of surplus labour.'³⁸ But it is impermissible to play fast and loose with 'surplus value' and 'surplus labour' — the existence of the latter does not at all prove the existence of capital, which is accumulated value via profit in any reasonable reading of Marx.

What on earth is his concept of capital if it has no reference to value, surplus value, or profit?

It can only relate to the so-called organic system of metabolic control understood in *use-value* terms: that the very organisation of material production qualifies here as capital and that in virtue of that material organisation it subordinates labour to its purpose of uncontrolled self-expansion in which the latter must be understood not as valorisation, but as expansion of physical plant. There are two things wrong here. Such a system would not constitute capital accumulation, which is necessarily a value form; and there was in the USSR no immanent tendency to self-expansion. But everyone would agree that capital is inherently accumulation driven. Indeed Mészáros goes out of his way to argue that this was still true of the USSR:

The imperative of accumulation driven expansion can be satisfied under changed economic circumstances not only without the subjective 'profit

³⁸ Mészáros, I. 1995. *Beyond Capital*, London: The Merlin Press, (Monthly Review Press, New York). p.780.

motive' but even without the objective requirement of profit, which happens to be an absolute necessity only in the capitalist variety of the capital system...During several decades of Soviet economic development high levels of capital accumulation [were] secured by means of the politically controlled extraction of surplus labour, without remotely resembling the capitalist system in its necessary orientation towards profit.³⁹

This seems very odd to me. In capitalism we see the hegemony over production of value forms including, especially, capital — not production for production's sake but for the sake of accumulated *value*. Capital, as a subject, is essentially a value-form and cannot survive the abolition of profit. (Note also that pre-capitalist capital had that telos, but had not the means to do it through directing production.) What was accumulated in the USSR, however, was not capital but means of production lacking the form of capital. Moreover the accumulation-fetish was not rooted in 'the metabolic order' but in the hopes of the controllers, who imposed external 'targets', terroristically driven. If the USSR as a 'capital' system was really expansion orientated, how is that compatible with the failure to innovate which led to permanent stagnation? No matter how the political authority, for external reasons of state, tried to coerce or stimulate the producers, the economy responded only sluggishly in quantitative terms, and innovation became completely bogged down.⁴⁰ — This was crucial politically; for the failure to 'catch up' with the West, and the failure to achieve real growth in the Brezhnev years, stripped the system of legitimacy (even in the eyes of its beneficiaries) and brought about its implosion.

Mészáros argues in his point three that the bureaucrat is the post-capitalist equivalent of the private capitalist as the representative of capital. But the bureaucrat is certainly not the personification of valorisation as the capitalist was because there is no valorisation. Nor is he the personification of some more general impulse to expansion for there is no such impulse. He is merely the representative of a material metabolism so structured as to expropriate the subjectivity of the workers. But his interest in controlling the workers is not in expansion per se but simply in meeting externally imposed targets. Hence, neither capital nor any new personification of it (the bureaucracy) can be present.

What is true is that, as it inherited the materialisation of capital, the Soviet factory was characterised by a hierarchical division of labour and the subordination of the immediate producer to alien purposes. Saying this we have now reduced Mészáros's definition effectively to the other three points to do with the claim the USSR, like capitalism, rested on the exploitation of alienated labour. The problem here is that it is impossible to read these claims, which are certainly true, sufficiently broadly to make them cover the USSR while at the same time sufficiently narrowly so as to exclude feudalism.

³⁹ Mészáros, I. 1995. *Beyond Capital*, London: The Merlin Press, (Monthly Review Press, New York). p.780.

⁴⁰ An important technical point is that where relative surplus value is concerned this is premised on competition between capitals. Without this the relations of domination may well promote absolute surplus value production, and extensive growth, but this is insufficient to power dynamic growth intensively.

Let us examine Mészáros's claims in relation to the other part of his core definition of capital namely the following: 'the *separation* and *alienation* of the objective conditions of the labour process from labour itself'; 'the superimposition of such objectified and alienated conditions over the workers as a separate power exercising *command over labour*'; that which is for the sake of the pursuit of 'self-expansion'. Clearly there is considerable room for discussion about such a definition of capital. As I have already argued, without the drive of self-valorisation infusing the conditions of production there is no immanent tendency to expansion. On the other hand it is true that the organisation of labour both materially and socially is at first sight directed towards exercising 'command over labour'. However, the empirical record (see books cited earlier) shows that this failed miserably to achieve its objectives precisely because the 'mode of production' within which the factories were now set was radically changed. Finally, and most significantly, there is nothing specifically capitalist about alienated labour. In 1844 Marx argued that it obtained under feudalism and its existence in the post-revolutionary period is by no means a sufficient condition of the presence of capital.

There is an interesting contrast between the Marx of 1844 and the Marx of 1857. In 1844 he assimilated feudalism and capitalism under the general category of alienation of the conditions of labour from the worker. In 1857 he was concerned to sharply demarcate capitalist from pre-capitalist forms on the grounds that in capitalism the worker was at the mercy of the decisions of the private owner in finding work, whereas in feudalism the communal system of production was prior to and included the immediate producer. Now if we think about this distinction of 1857 then we can see that in the USSR the 'community' was also prior to labour in that, just as in feudalism, the worker must work but cannot be fired.

Therefore, Mészáros's inclusion of the term 'separation' in the above definition is mistaken. Strictly speaking there was no separation of workers from the conditions of production — the Soviet manager was stuck with the workers just as the feudal estate carried its complement of serfs. The Marx of 1844 read feudalism as another system in which the conditions of labour are dominant over the workers; the Marx of 1857 insists that capitalism is different from feudalism in that under feudalism the worker is presupposed as in unity with the conditions whereas in capitalism he is separated from them and 'seeking work'.

Now it is obvious that the USSR conforms to the feudal model. Even if the conditions are dominant over the worker it is still true that there is the presupposed community which both forces people to work and supposedly guarantees work. This is why the factory system drifts from its original function, lacking the right relations of production to imbue the managers with the task of labour saving, etc.

Mészáros's strongest argument is that real subsumption of labour under capital was retained in the USSR. Originally this was organised in capital's interest to produce value: hence capital's obsession with time saving and the expropriation of control over the production process from the immediate producer. But when the factory is detached from the value regulator and enters into a new relation of production there is a significant loss of such 'command' as the empirical studies show. Yet Mészáros rightly includes 'command' as a *sine qua non* of the capital relation.

Mészáros rounds out his identification of ‘socialist accumulation’ with ‘capitalist accumulation’ (which we have already contested) with a list of other means by which ‘capital’ still rules:

1. The material imperatives which circumscribe the possibilities of the totality of life-processes;
2. The inherited social division of labour which contradicts ‘free individualities’;
3. The objective structure of the production apparatus (including plant and machinery) and of...the restricted form of scientific knowledge;
4. The links of the post-revolutionary societies with the global system of capitalism, whether...commercial...or that of a potentially deadly opposition.⁴¹

Point four is interesting, for this is the same argument used by Tony Cliff to support his ‘state capitalist’ thesis. And it is entirely beside the point since the healthiest workers’ state would quite properly embark on trade and would be well advised to defend itself.

Points one to three are important, however, as I have argued, do not demonstrate the existence of capital, but are explicable as the fossilised shapes of the materialisation of capital. Mészáros talks of ‘the great historical task’ being liberation from the ‘production of capital’ which he identifies here with ‘the dehumanising conditions under which it is possible to gain legitimacy only for those use values which can be fitted into the straitjacket of the system’s profitably produced exchange values’.⁴² But soon he has drifted away from this correct identification of capital as a form of exchange and speaks of ‘the total eradication of capital from the social metabolism as *command over labour*’.⁴³ He supports himself with a couple of quotations which do lend some colour to his position, in particular a passage from the *Grundrisse* in which Marx speaks of ‘the monstrous objective power’ belonging to ‘the personified conditions of production. i.e. to capital’.⁴⁴ This is key to Mészáros’s whole position. If this is so then one might think a survival of capital’s material power is ipso facto a survival of capital’s social metabolism.

My own position is the converse: that the monstrous power of the conditions of production over labour is due to its being the materialisation of the capital form where capital’s personification arises from the acquired independence of value and, more specifically, the domination of self-valorising value as a form, the objective conditions being shaped into its content. The ‘monstrous power’ of the factory organisation is shaped by the imperative of valorisation and is hence the materialisation of capital. Although the factory system is tailor-made to expropriate the subjectivity of the worker, the counter-subject that exercises command is self-valorising value not its

⁴¹ Mészáros, I. 1995. *Beyond Capital*, London: The Merlin Press, (Monthly Review Press, New York). p.631.

⁴² Mészáros, I. 1995. *Beyond Capital*, London: The Merlin Press, (Monthly Review Press, New York). p.618.

⁴³ Mészáros, I. 1995. *Beyond Capital*, London: The Merlin Press, (Monthly Review Press, New York). p.619.

⁴⁴ Marx’s *Grundrisse*. p. 831, quoted I. Mészáros, *Beyond Capital*. p.620.

material integument. To identify the source of the problem with the factories, rather than their social form, is an easy mistake when the conditions of labour are form-determined by capital.

It is necessary to distinguish between a factory organisation designed to expropriate the subjectivity of the workers for the purpose of maximising the extraction of surplus value while in the service of the social form of capital, and that same organisation having an *inherent drive* to do so on its own account as a material 'metabolic order'. The first is plausible, but that organisation extracted from its social form has no inherent drive to expand. The second view falsely assumes the *only* way it can function is as it was designed to do, and hence calls forth for its appropriate personification a replacement for the private capitalist. So if it functions in the same way as in capitalism we might as well say it is capital. This is what Mészáros seems to imagine. I believe it is true with respect to the expropriation of the subjectivity of the worker, but false with respect to the inherence of expansion.

Does this difference between the claim that the materialisation of capital survives, and the view that capital survives, amount to no more than semantics? No, because my view gives a better explanation of collapse. Although Mészáros has always been contemptuous of the economic performance of the East, Ticktin's 'no mode of production' theory was a better predictor of the collapse now occurring. It is strange that the following passage offered by Mészáros himself gives a very good example of the irrationality of Soviet production; I would have thought it shows that in no way was capital's in-built tendency to expand surplus value operative.

Two workers who were employed to unload bricks quickly from trucks did so by throwing them on the ground, usually breaking some 30 per cent of them. They knew that their actions were both against the interests of the country, and against simple common sense, but their work was assessed and paid on the basis of a time indicator. Therefore they would be penalised — indeed would not be able to make their living — if they were to arrange the bricks carefully on the ground. Their way of doing the job was bad for the country, but, on the face of it, good for the plan! So they acted against their consciences and intelligence, but with a deep feeling of bitterness against the planners.⁴⁵

Time and again Mészáros argues that capital continues in being until replaced by *another organic system*, namely socialism.⁴⁶ What is missed here is the possibility of something stalled — the negation of capital, which is not yet the supersession of capital — therefore an existent contradiction: thus precisely a system not organically coherent and lacking any immanent motor of reproduction. But a negation of capital that fails to go beyond capital is necessarily a negation of capital that falls behind capital. (Hence the perception of Soviet workers that they were serfs, and their initial enthusiasm for the market as a liberation.)

At the deepest philosophical level Mészáros over-generalises the notion of a subject-object reversal. 'Originally' the subject is the producer and the object is the conditions

⁴⁵ O. I. Antonov quoted in Mészáros. p.647.

⁴⁶ Mészáros, I. 1995. *Beyond Capital*, London: The Merlin Press, (Monthly Review Press, New York). pp.617, 622.

of production, including the tools wielded by the worker. If one simply inverts this then the worker becomes the object to be 'commanded' and the subject becomes 'the personified conditions of production', which is clearly how Mészáros understands capital. But, even though Marx gives warrant for this reading in some of his remarks, this is a wrong-headed account of what actually occurs in capitalism. For what it is worth, in 1867 Marx defines capital as a 'subject'⁴⁷ long before he discusses production. He clearly bases it on the 'developed movement of circulation' namely M-C-M (see Marx's *Capital*, chapter four).

In his *Grundrisse* Marx says:

Within circulation, exchange value appears double: once as commodity, again as money. If it is in one aspect, it is not in the other...But the wholeness of circulation, regarded in itself, lies in the fact that the same value, value as subject, posits itself once as commodity, another time as money, and that it is just this movement of positing itself in this dual character and of preserving itself in each of them as its opposite, in the commodity as money and in money as commodity...Exchange value posited as the unity of commodity and money is *capital*, and this positing itself appears as the circulation of capital.⁴⁸

In practice when Mészáros discusses in detail how exactly capital has established itself he concentrates not on the forms of circulation, but on the level of production. Even though it is true that the worker experiences the conditions of production as an alien power (indeed he experiences even his own labour as alien), this is misleading. For the true subject, namely capital, is not the personified conditions of production, but self-valorising value defined by the formula M-C-M. When this circuit sinks into production, and becomes M-C...P...C-M, it constitutes the conditions of labour as alien to the worker.

Mészáros tries to go from labour (that is alienated labour) to capital without taking 'developed circulation' into serious account. Thus the way is open for him to identify alienated labour in the Soviet Union with the rule of capital, for he takes capital to be identical with the estrangement of the material conditions of labour from the worker. Since such alienation continued in the USSR he misidentifies it as founded on capital. He thinks that in capital it is the autonomy of the material conditions of production that is the problem. Whereas, in fact, it is the autonomy of value and the imposition on production of self-valorising value that is at the root of the problem: the factory organisation being the materialisation of capital.

Mészáros is clearly right to argue that socialist revolution is not merely a matter of political power, or of redistribution, but of changing the fundamental social metabolism established by capital. It means transforming the very structure of material production and abolishing the hierarchical division of labour. He is correct that post-capitalist social formations failed to achieve this positive transcendence; and the emergence of 'the bureaucracy' is explicable primarily on that basis. His conceptualisation of the problem in terms of the survival of 'capital' beyond

⁴⁷ Marx's *Capital* Volume I. p.255.

⁴⁸ Marx's *Grundrisse* p.266.

'capitalism' is most interesting. But Mészáros pays insufficient attention to the *value-form* of capital and the positing of expansion inherent in its search for profit.

I have argued that in the Soviet Union capital's metabolism was disrupted without an alternative being established. Lacking organic coherence, the system could not survive once the exceptional conditions of revolutionary mobilisation, and of war, passed. The USSR has to be seen as the negation of socialism within socialism, and tendentially re-founding capitalism as indeed occurred. This is because the benefits of social ownership are only possible with self-management. But where materialised capital remained, without the capitalist economic form to direct it, there was nothing to motivate efficiency: voluntarism, coercion, incentives, all failed. Hence the chronic crisis of under-utilisation of resources, massive waste, defective products, and final collapse.

Although we both see 'the moment of capital' in the USSR, what I call the materialisation of capital Mészáros identifies with capital itself. That something survives from the previous period is a view which we both share. However, my difference with his account relates to what survives. This raises interesting issues about the *concepts* involved. Mészáros identifies capital's social metabolism with the system of material interchanges, and he focuses on the factory system. This sounds thoroughly materialist, but in my view this level of the social metabolism cannot be understood as having its own organic coherence and dynamic. It is only comprehensible as the bearer of, and subordinate to, an ideal metabolism, the interchange of values constitutive of the life of capital. Thus the general line of my critique of Mészáros is that he neglects the importance of the value form of capital.

Certainly, if the factory system in which capital materialised itself remains, then one cannot speak of socialism. But, conversely, if the law of value enforced through capitalist competition is no longer operative, then we have a clock without a spring.

This paper was presented to the ninth Symposium on Marxist Theory, held at the University of Bergamo in June 1998. My thanks are due to the participants in the discussion for their thoughtful comments and criticisms, namely Riccardo Bellofiore, Tony Smith, Geert Reuten, Patrick Murray, Fred Moseley, Paul Mattick Jnr. and Martha Campbell. I regret that I have not been able to satisfy their demands adequately.