

Climate change – methodological and political challenges for Marxist economics

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Introduction

Climate change was brought onto the public political agenda in the late eighties by the Brundtland report “Our common future” in 1987. The report introduced the general public to the concept of “sustainable development”. But regarding global warming, very little has happened since. One of the reasons for this in my opinion is that Marxist economics and the Marxist left has for too long has been locked-in to a mind set which might be called “Labour movement, first phase –the struggle against poverty”. This mindset emerged from the fight against the mass poverty– so characteristic for capitalism from it’s emergence until the end of WWII in the global “North” and still important in the global “South”. This mind set has to a large extent prevented it from playing the political role it should have in relation to the ecological challenges of the post WW-II area, a period that I will call “Labour movement phase II – the struggle for sustainable development”

As Keynes pointed out; the problem is often not to think the new thoughts, but to get rid of the old ones. In this context that means posing squarely the question: what type of crisis will open up for an end to the capitalist system? I discuss this question is discussed on the basis of Marxist crisis theory. But for all major currents in heterodox economics the climate change poses great challenges: how to make the enormous technological transition from a fossil fuel based economy to a solar based one? This transition clearly involves fundamental question of justice and distribution: how shall the costs of the transition be distributed, what is fair – and what is politically feasible.

All currents of heterodox economics are faced with the question whether the capitalist system is eternal, i.e. the final form of human society. All currents of heterodox economics agree that capitalism in a narrow technological sense has been an “engine of progress” (Nelson 1990) – but what a dangerous engine it has turned out to be!

The starting point for this paper is precisely that capitalism really is “an engine of progress” when it comes to the productive forces in a technological sense. So it produces more goods and services with less input per unit all the time – increasing the productivity of labour (and “capital”). Competition is innovation – since innovating is the best way to compete, both in order to get super profits and often necessary just to stay in the game. This drives the in the last resort labour saving technological change day out and day inn as described in Baumol (2002) with the telling title: “The free market innovation machine”.

Capitalism is also critically dependent on continuous, high aggregate demand. This means that to expand it has to shift from subsistence wages of the days of Smith, Ricardo and Marx, to ever increasing wages and consequently ever increasing mass consumption. This means that obesity, not poverty, is the main problem of the working class in the

advanced countries. It means that energy consumption per capita increases all the time. This “affluence” has been materialized in the global North since WWII. The same process is now underway in large economies like China, India and Brazil. This global development is resulting in ever increasing carbon emissions, in rapid – maybe irreversible global warming and is about to create an ecological crisis that potentially threatens the survival of the human race.

In such a situation the Marxian economics has an important role to play. But it needs to change it’s mind set on two important issues:

- What kind of crisis will bring the capitalist system to an end?
- How to combine the need for steep increases in energy prices with a movement towards a more fair distribution of wealth?

These questions are interrelated, because your view on the type of crisis that will bring the capitalist system down frames your view on what political measures need to be taken.

The paper is divided into two main sections. The first section is a discussion focused on the question of when the relations of production become a fetter for the development of the forces of production. This is a fundamental discussion for Marxist economics.

The second part of the paper discusses the fact that heterodox economists are not proposing what is needed, what is unavoidable if emissions are going to be reduced, steep increases in energy prices and radical accompanied by dynamic redistributions of income. Heterodox economics – overwhelmingly left-wing in political orientation is still very reluctant to “tax the poor” and at the same time reluctant to propose radical income redistribution that would make rising energy prices = green taxes hit us all equally hard.

Capitalist crises – forces of production and relations of production

The technologically dynamic and progressive character of the capitalist system is a cornerstone in the Marxian scientific paradigm. In the Communist Manifesto (1848), Marx and Engels wrote:

“The bourgeoisie cannot exist without constantly revolutionising the instruments of production, and thereby the relations of production, and with them the whole relations of society. Conservation of the old modes of production in unaltered form was, on the contrary, the first condition of existence for all earlier industrial classes. Constant revolutionising of production, uninterrupted disturbance of all social conditions, everlasting uncertainty and agitation distinguish the bourgeois epoch from all earlier ones.”

“The bourgeoisie, during its rule of scarce one hundred years, has created more massive and more colossal productive forces than have all preceding generations together. Subjection of Nature’s forces to man, machinery, application of chemistry to industry and agriculture, steam-navigation, railways, electric

telegraphs, clearing of whole continents for cultivation, canalisation of rivers, whole populations conjured out of the ground — what earlier century had even a presentiment that such productive forces slumbered in the lap of social labour? “

Another corner-stone is that social revolutions happens when the relations of production becomes a fetter for the development of the forces of production. In the Manifesto Marx and Engels wrote:

“At a certain stage in the development of these means of production and of exchange, the conditions under which feudal society produced and exchanged, the feudal organisation of agriculture and manufacturing industry, in one word, the feudal relations of property became no longer compatible with the already developed productive forces; they became so many fetters. They had to be burst asunder; they were burst asunder.”

This general law of history has in my opinion vindicated by the experiences of the “velvet revolutions” of the former Soviet block, and in general of the relations of production that was and is often called “the command economy”¹. Even in China, Cuba and Vietnam – without a the same fundamental change in political institutions, the relations of production are clearly moving irreversible towards capitalism.

The command economy had a historically progressive function for industrialising these economies. The growth rates in the extensive phase were impressive. But what the Russian, Chinese, Cuban revolutions got rid of was feudal² and/or imperialist relations of production that were an obstacle for the development of the forces of production. In all these cases the industrial/comprador bourgeoisie feared the social revolt of workers and peasants more than they hated the social and political oppression and technological impotence of the ruling classes. The relations of production had to be burst asunder; and they were burst asunder.” But they were not of the dynamic, capitalist type.

The regimes that followed opened up for rapid massive building of infrastructure and rapid industrialisation, and also a rapid building of human capital by means of mass education and top level academic institutions. The oppressive political system clearly acted as a fetter on the development of the forces of production, but as long as extensive growth was the main thing; this did not lead to an overthrow of the relations of production. But the politically oppressive regime soon – after a couple of decades - became more and more unbearable for society – and again revolution came on the agenda – what had to burst asunder – was burst asunder.

How do this general law apply to capitalism? My conclusion is that this is not as clear in the writings of the Marxist classics as one might expect. There are several paragraphs in the Communist Manifesto and Capital dealing with the question of the development of antagonisms between the forces and the relations of production:

¹ A good systemic description is given in Kornai (1982)

² I use feudal here as a term for “pre-capitalist, agricultural class society” – not as a precise description of the actual social formations in Russia and China.

“Modern bourgeois society, with its relations of production, of exchange and of property, a society that has conjured up such gigantic means of production and of exchange, is like the sorcerer who is no longer able to control the powers of the nether world whom he has called up by his spells. For many a decade past the history of industry and commerce is but the history of the revolt of modern productive forces against modern conditions of production, against the property relations that are the conditions for the existence of the bourgeois and of its rule. It is enough to mention the commercial crises that by their periodical return put the existence of the entire bourgeois society on its trial, each time more threateningly. In these crises, a great part not only of the existing products, but also of the previously created productive forces, are periodically destroyed. In these crises, there breaks out an epidemic that, in all earlier epochs, would have seemed an absurdity — the epidemic of over-production. Society suddenly finds itself put back into a state of momentary barbarism; it appears as if a famine, a universal war of devastation, had cut off the supply of every means of subsistence; industry and commerce seem to be destroyed; and why? Because there is too much civilisation, too much means of subsistence, too much industry, too much commerce. The productive forces at the disposal of society no longer tend to further the development of the conditions of bourgeois property; on the contrary, they have become too powerful for these conditions, by which they are fettered, and as soon as they overcome these fetters, they bring disorder into the whole of bourgeois society, endanger the existence of bourgeois property. The conditions of bourgeois society are too narrow to comprise the wealth created by them. And how does the bourgeoisie get over these crises? On the one hand by enforced destruction of a mass of productive forces; on the other, by the conquest of new markets, and by the more thorough exploitation of the old ones. That is to say, by paving the way for more extensive and more destructive crises, and by diminishing the means whereby crises are prevented.”

Given that capitalism is a highly dynamic system, where order is created out of disorder by creative destruction; these “commercial crisis” are part and parcel of the systems revolutionizing nature when it comes to the forces of production? In a Darwinian way firms that are not efficient enough, products that are no longer in demand are extinguished – and new and more efficient firms, new and more adapted products take their place. It is not clear to me in what way these periodic crises lead to a situation where “The productive forces at the disposal of society no longer tend to further the development of the conditions of bourgeois property.” The last sentence seems to imply that the crises will get more severe and that the bourgeoisie will have less means at its disposal to combat these crises. But given a rapid rise in labour productivity, increasing incomes, more and cheaper access to not only material goods but also cultural goods like education, art and sport – why should the working class change the system? Would it not be just as rational for the labour movement to build institutions to ensure that the workers get their share of the gains of productivity increases?

It would be beyond the scope of this paper to try discuss in depth and detail, how Marx, Engels and later Marxist have interpreted these hypotheses after the publication of the Manifesto. I will discuss only a few Marxist authors below. But part of the explanation is clearly that it was another hypothesis that was much more central to the critique of capitalism for the labour movement in its first hundred years – the grim contradiction between the poverty of the worker, the productive potential of forces of production, and the luxury life of the economic and social elites.

Given the social conditions of the working class, from the beginning of capitalism and until the end of World War II – I think that passages like the following talked directly to the sentiments and preoccupation of labour movement activists:

“Hitherto, every form of society has been based, as we have already seen, on the antagonism of oppressing and oppressed classes. But in order to oppress a class, certain conditions must be assured to it under which it can, at least, continue its slavish existence. The serf, in the period of serfdom, raised himself to membership in the commune, just as the petty bourgeois, under the yoke of the feudal absolutism, managed to develop into a bourgeois. The modern labourer, on the contrary, instead of rising with the process of industry, sinks deeper and deeper below the conditions of existence of his own class. He becomes a pauper, and pauperism develops more rapidly than population and wealth. And here it becomes evident, that the bourgeoisie is unfit any longer to be the ruling class in society, and to impose its conditions of existence upon society as an over-riding law. It is unfit to rule because it is incompetent to assure an existence to its slave within his slavery, because it cannot help letting him sink into such a state, that it has to feed him, instead of being fed by him. Society can no longer live under this bourgeoisie, in other words, its existence is no longer compatible with society.

The fight against poverty, against exploitation seemed identical to the fight against capitalism. This raises the question of Marx’ view on wages which according to Mandel (1967, p. 140) in works like “Wage Labour and Capital”, “The poverty of Philosophy” and the Manifesto “was still based on a faulty theory of wages, taken wholesale from Ricardo”. An illustrative quote from the Manifesto is:

“Owing to the extensive use of machinery, and to the division of labour, the work of the proletarians has lost all individual character, and, consequently, all charm for the workman. He becomes an appendage of the machine, and it is only the most simple, most monotonous, and most easily acquired knack, that is required of him. Hence, the cost of production of a workman is restricted, almost entirely, to the means of subsistence that he requires for maintenance, and for the propagation of his race. But the price of a commodity, and therefore also of labour, is equal to its cost of production. In proportion, therefore, as the repulsiveness of the work increases, the wage decreases. Nay more, in proportion as the use of machinery and division of labour increases, in the same proportion the burden of toil also increases, whether by prolongation of the working hours,

by the increase of the work exacted in a given time or by increased speed of machinery, etc”

This theory of subsistence wages was not based on Malthusian demographic “iron laws” but on the effect of competition among workers, as a consequence of the existence of a reserve army of labour – constantly putting a downward pressure of wages. As described in Mandel (1977) Marx changed his theory of wages and reached the conclusion that “In contradistinction therefore to the case of other commodities, there enters into the determination of the value of labour-power a historical and moral element. Nevertheless, in a given country, at a given period, the average quantity of the means of subsistence necessary for the labourer is practically known.”³ But this just saying that it is not a physical minimum, but a cultural given one – where pre-capitalist consumption norms play a role. But this is still not saying that to ever increase mass consumption will at a certain stage of capitalist development be a necessary condition for its survival. I will return to this point below, in the discussion of Marxian “breakdown” (Zusammenbruch) theories.

It is clear that in the very short run the labour content of the products of the consumer price index basket of goods is known. But in the medium and long term wages is also – and fundamentally determined by the need of capitalists to sell their products, and mass consumption – high “Keynesian” aggregate demand – is essential in this respect. That there is a problem of collective action – each firm wants to reduce wages – but likes to enjoy strong demand – is true, but social actors, first and foremost unions, labour parties, but even wing forces when needed have increased the incomes of most people in the “North” – to get the wheels of capitalism rolling after a crises. This has led to a situation where not poverty and hunger, but consumerism and obesity is what characterises the life of the majority of the working class. The poor have far from disappeared, but it is more a question of relative poverty, of social exclusion, than hunger in the physical sense – although that still exist to a certain degree – in midst of plenty. That income differentials are still way to large. That they have been increasing the last two decades is true. But that the richest are getting faster richer than the working class – does not change the fact that incomes have been steadily rising in the North. The use is maybe an exception but ironically, part of the current crisis in the US is caused by the lack of a strong labour movement that could temporarily postpone the crisis of accumulation. The credit based consumption has been a dangerous surrogate for a more just distribution of productivity gains. The US trade deficit – based on the special hegemonic role of the dollar in the world has been good for China, creating strong demand for their industrial products.

The core issue is that although capitalism is a dynamic, unstable and unjust system. A system that is haunted by crises with rather regular intervals, these crises are so far has been bearable, adjustment crises, where capital - and humans are destroyed. The crisis destroys capital with low productivity – developing the productive capacity of the forces

³ Karl Marx. Capital I, Ch. 6: The Buying and Selling of Labour-Power, <http://www.marxists.org/archive/marx/works/1867-c1/ch06.htm>

of production even further. The relations of production has not become fetter for the development of the productive relations – and this means that politically the recurrent crisis have not made capitalism intolerable to the majority of working people – on the contrary – most people in the global South want get into the “American way of life”. The development of the forces of production is not showing any tendency to slowing down.

The “breakdown” problem in Marxism

Within the scope and aim of this article, one can only illustrate this. My hypothesis is that the question left open by Marx: in what way does capitalism become a fetter on the development of the productive forces has never been discussed at length – as far as I can see. Most Marxist theoreticians have tried to argue that the relations of production would become a fetter – some way or another. A political milestone after the Communist Manifesto is the Transitional Program of the Fourth International. In its day it was the most programmatic summary of Marxism.⁴

“The economic prerequisite for the proletarian revolution has already in general achieved the highest point of fruition that can be reached under capitalism. Mankind’s productive forces stagnate. Already new inventions and improvements fail to raise the level of material wealth. Conjunctural crises under the conditions of the social crisis of the whole capitalist system inflict ever heavier deprivations and sufferings upon the masses. Growing unemployment, in its turn, deepens the financial crisis of the state and undermines the unstable monetary systems. Democratic regimes, as well as fascist, stagger on from one bankruptcy to another.” [...]

All talk to the effect that historical conditions have not yet “ripened” for socialism is the product of ignorance or conscious deception. The objective prerequisites for the proletarian revolution have not only “ripened”; they have begun to get somewhat rotten. Without a socialist revolution, in the next historical period at that, a catastrophe threatens the whole culture of mankind. The turn is now to the proletariat, i.e., chiefly to its revolutionary vanguard. The historical crisis of mankind is reduced to the crisis of the revolutionary leadership. (Trotsky (1938), my emphasis)

Given the historical context there were a lot of truth in this – although it might sound exaggerated today. But the statement that “Mankinds productive forces stagnate” were patently false, consequently also that the new inventions and improvements fail to raise the level of material wealth. To my knowledge no later well-know Marxist have pointed to ore discussed this stagnation hypothesis of the Transitional programme, probably, because in the post WWII world it was clear that it was clearly contradicted by facts. It is symptomatic that Trotsky’s secretary Jan van Heijenoort (1948), in a programmatic article, “A Century’s Balance Sheet” in an daring discussion of the incapacity of the proletariat to foster a revolutionary leadership, ending up being “betrayed” – do not ask himself if the proletariat really needed a revolutionary leadership since the forces of

⁴ I do not use the term ”Soviet Marxism” since this makes Stalinism a current of Marxism. In Stalins Soviet, Marxism was only an ideology for an oppressive regime, not a scientific theory.

production was not fettered by the relations of production. Social Democracy did the job needed. The Eurocommunists functioned also as social democrats. Because in the
But it has never stopped haunting those seriously discussing the finiteness of capitalism. Ernest Mandel's *Late Capitalism*, Paul Mattick's "Economic Crisis and Crisis Theory" and articles by Hillel Ticktin illustrates this point. Mandel has a whole chapter on "The crisis of the capitalist relations of production".

Let me first of all say that these three works contains a series of valuable insights in the concrete dynamics of capitalism and deserves to be studied again in these days of capitalist crisis. But in this context I will focus on what they say about

- a) the influence of the relations of production on the development of the forces of production, the question of fettering⁵.
- b) The role of workers consumption, i.e. wages and aggregate demand

The last chapter of "Late Capitalism" is entitled "Crisis of the in the capitalist relations of production"⁶. According to Mandel in late capitalism they have attained an "explosive form". Although Mandel in fairly general terms points out the tension between micro/meso rationality and macro-irrationality in general, there is no explicit, concrete discussion of how the relations of production fetter the forces of production. One place Mandel states that "Capitalist private property, the private appropriation and accumulation become an ever increasing fetter for the further development of the productive forces", but this sentence hangs in "mid-text" without any further arguments – logical or empirical to illustrate what he meant.

Mandel does not discuss the prediction of the Transitional Program. In many paragraphs of this text Mandel is clear on the point that capitalism perverts the technological development so that it does not contribute to individual "self-realisation", but to the individual and collective self-destruction. On the latter – ecological point – Mandel has a lengthy – and advanced discussion taking into account that the book was published in 1972. Mandel states that this irrationality might not only threaten the existing order, but also "the whole human civilisation". In another chapter entitled "Accelerated technological renewal" Mandel discusses technological development, but with out discussing in which way the relations of production have – or will – become a fetter on the development of the forces of production. Several other chapters - either directly or indirectly - discusses technological change under capitalism without discussing the "fettering". On the question of mass consumption, on rising levels of income, there are many descriptive passages, but not in my opinion a real theoretical discussion of this phenomenon.

⁵ G. A. Cohen (1988) devotes a chapter to fettering, but do not relate to the Marxist tradition and is of a too logical-deductive nature to be of relevance in this context.

⁶ All quotations are translated into English from the Norwegian edition, the Verso translation will be used in later versions of the paper.

Hillel Ticktin has written several articles on the related topics of Marxian economics, capitalist crises and the limits/decline of the capitalist system⁷ Ticktin, like Mandel, has a good grasp on both the dynamics of capitalism, Marxist dialectics, both are open-minded, incorporating new trends in the development of capitalism. Ticktin is especially interesting on the modifications brought by factors like financial capital, the Stalinism and the welfare state modifications to the “pure” capitalist model achieved by the labour movement. On the two issues of “fettering” and mass consumption Ticktin goes into less depth. Ticktin sees this as an epoch of capitalist decline, where the inner contradiction of capitalism grows, the Golden Age is gone forever. In his 1983 article “The transitional epoch, finance capital and Britain, Part 1, The political economy of declining capitalism”, Ticktin writes:

The theory of the decline of capitalism involves a number of elements. The first is that the productive forces are being progressively less developed in relation to their potential. This is emphatically not a statement of absolute decline in the productive forces although this might take place on a cyclical basis, as it has, in certain aspects, in Britain in the last three years, with the absolute decline of manufacturing industry. In the second place, the relative underdevelopment of the productive forces exists in more than one dimension. Thus the presence of powerful computers in the United States may not be generalised to all parts of capitalism. This is the spatial aspect. We may add limited use of these same productive forces to supply human needs in the same country becoming relatively more limited in relation to its potential over time. The growth of excess capacity bears witness to this point. Then there is the growth of irrational spending or waste on advertising, the military etc. [...] The third point is that capitalism is finite. Even if it continues to exist as long as it is not overthrown, its fundamental contradictions can only grow. While we discuss their nature below, the essential argument is that the strength of labour tends to grow for objective reasons, whatever the subjective intent of the ruling class. Under these conditions the room for manoeuvre for the ruling class becomes progressively more limited. In the absence of such alternatives as Imperialism, Wars, Fascism *and a rapidly rising standard of living of the workers*, they are left only with the traditional depression. (p. 31, my emphasis)

I see this as an attempt by Ticktin to argue there is “fettering” – powerful computers will not be spread... and that a rapidly rising standard of living might is not an option – anymore? The point here is that to me Ticktin do not see the revolutionising of the forces of production – like spread of powerful computers - *and* the ever rising standard of living as part of the part inner dynamics of the system. In his later writings on the subject of crisis an decline, Ticktin do not return to this type of “fettering” and “impoverishment” argument. He is more focussed on the financial instability – the removal of the regulation of finance capital after the fall of the Wall etc. As far as I can see, Ticktin does not comment on the fettering predictions of the Transitional Programme. If we go to Ticktin’s latest contribution it has a lot of valuable insights, but what Ticktin writes – or rather do not write – on the question of fettering and “mass consumption” is lacking,

⁷ Inter alia Critique 16 (1983), 26 (1994), 30-31 (1998) and most recently in 1/2009

despite the article aiming at giving a broad overview as the title clearly indicates: “A Marxist Political Economy of Capitalist Instability and the Current Crisis”. Ticktin starts out stating that “the mediating forms by which capitalist crisis was overcome in the post-war period have reached their limits, resulting in the present crisis” (p. 13). Further Ticktin states that:

“Any reading of Marx and Marxist literature has to come to the conclusion that capitalism will only be replaced when the working class takes power, but that capitalism itself has only very limited solutions to its own contradictions. Systemic crises are inherent in the system itself. If Marxism is correct, therefore, the issue turns into a search for the reasons why capitalism survives. (p. 15)

Ticktin correctly states that the survival of capitalism does not depend on the use of force unlike slavery and feudalism, and continues:

Another argument is that capitalism has delivered a higher standard of living for substantial sections of the population and no alternative appears in sight. That would not have been true before the Second World War and it is less true of the period from the mid 1970s onwards. If anything, the contrast in the developed countries between the period 1945 to around 1975 and the subsequent 35 years might lead to increased unrest, given the static or declining standard of living for the majority in the United States and in parts of Western Europe. While both force and a welfare state might act as a background to acceptance of the status quo, they are not enough to explain it. This is even truer of the underdeveloped countries where unemployment is often astronomical and the standard of living very low. (p. 18)

As argued above – the increases in the standard of living – at least in the sense of the consumption of goods and services has increased by order of magnitude, threefold in the US since 1947⁸. For a small capitalist country like Norway, real incomes have increased by 2,5 % on average in the century from 1905 to 2005, meaning that GDP per capita is 14 times bigger than in 2005. In my opinion Ticktin is not dialectical enough on the question of raising wages and the role of Social Democracy. While it is generally true that neither industrial nor financial capital see them as an option – when crisis sets in – then we are all Keynesians, we all want to regulate market – and it is clearly giving the poor more purchasing power that will be the fastest way to recovery. As Ticktin says himself “..it is self-evident that capitalism can go for growth, as it did after the war.” (p. 24).

What is truly remarkable about Ticktin’s article is that it does not bring ecology into the discussion of the “break-down” of capitalism.

Paul Mattick (1981) in his book on crisis and crisis theories⁹ is not concerned about the “fettering” problem. He does not seem to be very concerned about the question of

⁸ See for example various measures at <http://www.epi.org/resources/3098/>

⁹ German originals from 1973 and 1974, the latter on Mandels Spätkapitalismus

“pauperisation” either – although clearly related to the – compared to other social formations – extremely rapid development of the forces of production. Mattick quotes Marx, saying that:

“The limits within which the preservation and self-expansion of value of capital resting on the expropriation and pauperization of the great mass of producers can alone move – these limits come continually into conflict with the methods of production employed by capital for its purposes, which drive toward unlimited extension of production, toward production as an end in itself, toward unconditional development of the productive forces of society – comes continually into conflict with the limited purpose, the self-expansion of the existing capital. (p. 55)

The thesis about “pauperisation” is not discussed – despite Mattick arguing that “rapid industrialisation leads to a continuous improvement in the products destined for consumption and thus an improvement in the standard of living” (p. 70). Mattick does related this to the wages, he sticks to the – in this context tautological hypothesis that “The exchange value of labour power is necessarily the equivalent of labour time embodied in products, required to produce and reproduce it; this is not contradicted by occasional and partial departures from the norm. (p. 171) But that norm has indeed been a rather moving target! This contradiction – between stressing the creative, production enhancing dynamic of capitalism and an unwillingness to discuss point blank if this improves the position of the working classes permeates the book. In the part on Mandels Late capitalism this is very clear and leads to passages that poses more questions than they answer. Mattick quotes Marx in a polemic against Rosdolsky and Mandel – saying that “the production of constant capital never occurs for its own sake but only because more of it is needed in the spheres of production whose products enter individual consumption” – and adds: “Since the rising organic composition of capital means that always relatively fewer workers are hired, social consumption cannot increase sufficiently to absorb all the commodities produced for consumption”. It is beyond the scope of this article to discuss what that actually could mean empirically – given the further development of “consumerism” in the developed capitalist economies.

Grossman and Luxemburg

In a historical perspective it seems to me that when the increase in wages was very modest, not a clear trend, the more left wing Marxist denied the possibility that capitalism could raise wages much beyond a certain level, not a physical minimum for sure, but not very much above it. If we turn to Grossman’s “The Law of Accumulation and the Breakdown of the Capitalist System” with the subtitle “Being also a theory of crises” Tom Kennedy in his introduction sums up Grossman’s view in this manner:

“Grossman contended that the socialist movement’s commitment to the overthrow of capitalism required a theoretical proof of the system’s tendency towards collapse. He insisted that if, by contrast, capitalism showed a consistent ability to

develop the productive powers of society, and improve the conditions of the working class, then there was no material justification for socialism. (p. 4)

The same prediction was even clearer spelt out by Luxemburg (1921):

Here we have come to the nucleus of the problem of accumulation, and we must investigate all attempts at solution. Could it really be the workers who consume the latter portion of the social stock of commodities? But the workers have no means beyond the wages covering bare necessities which they receive from their employers. Beyond that there is no possible chance of their being consumers of capitalist commodities, however many unsatisfied needs they may have. It is also in the interest of the capitalist class to make this portion of the gross social product and means of purchase as scarce as possible. According to the standpoint of the capitalists as a class – it is important to see this standpoint in opposition to the abstruse ideas of the individual capitalist – workers are not, like others, customers for their commodities, but simply the labour force, whose maintenance out of part of its own produce is an unfortunate necessity, reduced to the minimum society allows.

Although hesitantly admitted by later Marxist the verdict of history has been clear, the more developed the capitalism – the more the workers consume. That workers consumption the last decades in the US has been debt driven; possible due to the special role of the dollar does not change this conclusion. All the more surprising is that Tickin does not mention the ecological crises as part of the symptoms of a declining capitalism. As we will see below, over-consumption, not under-consumption is pointed out as the major problem in contemporary capitalism, or more precisely – the inner, expansionary drive of capitalism – the God – grow or die.

The ecosocialists taboo - actively rising energy prices

In my opinion there is reason for Marxist to be proud of the ecological insights shown by Marx and Engels as is pointed out inter alia Bellamy Foster (2002). One can discuss if the critique of Daniel Tanuro (2009), that Marx' major error in the ecological field was not to apply the same insight regarding the exhaustion of workers and soil – also in the field of energy, not grasping the change from the renewable energy wood, to the non-renewable energy coal/oil, is on the border of demanding a bit too much foresight from the founding fathers. In my opinion Engels' insight that "nature takes her revenge" was so far ahead of its time to salvage both Marx and Engels from most of the retrospective critique¹⁰. One must keep in mind that neither Marx nor Engels imagined the level of

¹⁰ Let us not, however, flatter ourselves overmuch on account of our human victories over nature. For each such victory nature takes its revenge on us. Each victory, it is true, in the first place brings about the results we expected, but in the second and third places it has quite different, unforeseen effects which only too often cancel the first. The people who, in Mesopotamia, Greece, Asia Minor and elsewhere, destroyed the forests to obtain cultivable land, never dreamed that by removing along with the forests the collecting centres and reservoirs of moisture they were laying the basis for the present forlorn state of those countries. When the Italians of the Alps used up the pine forests on the southern slopes, so carefully cherished on the northern slopes, they had no inkling that by doing so they were cutting at the roots of the dairy industry in

(energy) consumption that ordinary workers under developed capitalism have to day - as pointed out above.

I cannot claim to know the ecosocialists literature as a whole, but so far I have not encountered any discussion of “fettering” – on the contrary. There are many discussions that capitalism means continuous – and unbridled – technological change and increased consumption, summed up by Marx in “Accumulation, accumulation – that’s Moses and the Prophets”. Tanuro (2009) consequently speaks of “overconsumption” and “overproduction” – not at all about fettering. We find the same correct argument in Bellamy Foster (2000, 2001) and the various authors in Kelly and Malone (2006). Tanuro (2009) is even trying to portray the classic “fettering” of the Transitional programme as a prophetic call for a non-productivist society:

“Global warming expresses in physical terms the thesis formulated in political terms by revolutionary Marxists, more than 60 year ago: the objective conditions for a non-capitalist society are not only ripe, they have begun to rot. The climatic crisis is the most glaring and most global manifestation of this rotting. Because it has not been eliminated and replaced by a non-productivist system, “late capitalism” has led humanity to take decisive and irreversible steps towards an extremely serious degradation of the environment, which threatens to worsen the conditions of existence of hundreds of millions of human beings. “ (point 35)

But the Transitional program said that capitalist relations of production had already become a fetter on the development of the forces of production, whereas the ecosocialists argue the opposite – that the uncontrolled development of technology leads to “overconsumption” and an unsustainable development of society as the major argument for replacing capitalism with a sustainable system. An argument which I think is correct – but it is a major change from the “poverty” perspective of the traditional labour movement, and the case of theory of the traditional “subsistence” view of wages *and* the argument that in one way or another capitalism would be a fetter on the development of the forces of production. The role of the working class as an political agent needs to be reassessed in light of this ecosocialists turn in the line of arguments in favour of a sustainable society.

Climate change politics – the need for a rise in energy prices

But my major concern in this paper is not the unfinished theoretical cleaning up – which is certainly needed – or more precisely - only to the extent that it has immediate consequences for development of political strategy. Because there is one glaring gap in

their region; they had still less inkling that they were thereby depriving their mountain springs of water for the greater part of the year, and making it possible for them to pour still more furious torrents on the plains during the rainy seasons. Those who spread the potato in Europe were not aware that with these farinaceous tubers they were at the same time spreading scrofula. Thus at every step we are reminded that we by no means rule over nature like a conqueror over a foreign people, like someone standing outside nature – but that we, with flesh, blood and brain, belong to nature, and exist in its midst, and that all our mastery of it consists in the fact that we have the advantage over all other creatures of being able to learn its laws and apply them correctly. See <http://www.marxists.org/archive/marx/works/1876/part-played-labour/index.htm>

the ecosocialists strategic vision – the need to rise energy prices. In the declaration adopted by the Ecosocialist International Network at the last World Social Forum in Belem, Brazil in February this year, there is no concrete discussion of the need to rise prices and how to achieve higher energy prices in a way favouring the poor and .to the detriment of the rich. The question of a “just” distribution is of course being the core problem in to any strategy to achieve higher energy prices. There is not even a general discussion of this topic.

Any reduction in CO2 emissions will mean higher prices. Direct regulation – prohibition of cars using only fossil fuel from 2015 for example is indirectly a price rise, since cars with mixed fuel, or electric cars either are more expensive and/or less powerful. Mandatory improvements in the insulation of buildings (passive or active) will cost more to produce. There is – at least in the short and medium term – a burden that has to be distributed – one way or another – if real reductions are going to take place. In my opinion it is clearly because the ruling classes neither will take the burden – or dare to put on the shoulders of the working classes – that nothing is happening. Since the working class fears – a fully legitimate fear – that the ruling classes will try to have it shoulder the burden, even the working class is hesitant to “rock the boat”. The same goes for income and/or technology transfer from rich to poor countries. Who will pay for such transfers in the rich countries and who will get them in the poor countries, when all countries are sharply divided class societies? These conflicting interest has created a situation where nobody dares to change the status quo – which means that CO2 emissions are increasing.

The hard-core far left tradition has been formed in the fight against poverty, the fight against “sell-outs” and tax-policies that favour the rich. It is also generally still waiting for an *economic* crisis that will reveal to the broad layers of the people that the system is not tenable. Part of the explanation of the radicalisation in the late sixties was that capitalism’s instability again became visible after the stable decades after the war. One can discuss if the Mandel’s hypothesis the crisis would be more and more explosive have materialised. But due to the continuous development of the forces of production, society has a bigger surplus product – and both employed and unemployed in the developed capitalist countries are richer each time the crisis hits.

But even if we lived in a socialist world we had to use the price mechanism in order to signal to society, that is to ourselves that fundamental socio-technical changes were needed. But changes in these prices hurt poor classes/countries more than the rich. Since the left do not want to “tax the poor” – it has been politically paralysed on this important point. One counter example might be the heavy tax on alcohol implemented by the social democracies in the Nordic countries always taxed alcohol heavily to combat abuse by the working class. This tax of course was clearly socially biased, hitting the poor harder than the rich, even more so because the elites had much more access to tax-free alcohol due to a much higher rate of travel abroad.

It is typical that the Belem document, and Tanuro (2009) – although they correctly condemn emission quota trading as a fraud and/or as way for the elites/rich countries to buy themselves free from the obligation to really cut emissions – do not for example

propose a global tax on CO₂-emissions. In my opinion the real debate is how one – given the world as it is and how it can be in the short and medium term – which way to tax CO₂-emissions (= rising energy prices) is *the core question* for both Marxian and heterodox economics and politics. In my opinion a tax have the advantage that everybody have to pay and that the revenues are redistributed by “a political process”. On the global level the most likely candidate is the UN, on the national level naturally governments. Of course such a tax would not from the beginning be fair. It would be a compromise reflecting the relationship of forces between various groups and classes – and different strategies emerging from various parts of these socio-economic entities¹¹.

It is symptomatic that most of the ecosocialists authors do not see the London and Stockholm congestion charges as examples of first steps in the right direction. Few authors do discuss the congestion charge. The charge was not originally directed towards reducing emissions when it was introduced in 2003, but Ken Livingstone in 2007 planned to modify it so that it would punish high-emitting vehicles. The ecosocialists hard left was divided when the congestion charge was introduced, and have stayed critical to it, since it is a flat rate tax – without proposing any clear alternative¹². Technically there is no problem in making the congestion charge progressive since the owner of the car is identified. But this is not proposed.

As in the case of global CO₂-emissions one seems to favour a rationing system, where trade with the “rationing cards” should be forbidden, see Socialist Resistance (2007) . In my opinion it is unrealistic to believe that a ban on resale of individual held emissions rights would be effective. On the contrary, such individual rights would encourage individual, egoistic market behaviour. The poor in both rich and poor countries would be tempted to sell of emissions quotas below the long term price of such rights – if real reductions were enforced. One argument in favour of a tax is that the revenues would be distributed mainly according to collective political decisions, making possible a fair distribution of the burden. Especially since reduced energy consumption would lead to a fall in production of for example advertising, gadgets, and tourism. We probably will work less, producing less – but this gain in time might be cancelled out with using more time on slower transportation. In any case – this more concrete debate is not yet really on the lefts agenda, since there is still no will to actively advocate a planned, gradual, just – but steep rise in energy prices as a result of a dramatic reduction in the use of fossil fuels. Development of technology for sustainability will not take off before the renewable forms of energy are “commercially viable” – and that they will only become when fossil fuels gradually – as a result of political action – becomes prohibitively expensive.

Conclusion –theoretical renewal and concrete policies.

In the opening pages of the Communist Manifesto Marx and Engels writes on history as the history of class struggles, noting that: “a fight that each time ended, either in a

¹¹ Although classes and socioeconomic groups have a set of more or less well-defined interests, given the complexity and different time-scales involved – there will be several possible strategies when confronted with such a epochal challenge as global warming from each and every social group.

¹² See for example, Socialist Resistance (2007)

revolutionary reconstitution of society at large, or in the common ruin of the contending classes”¹³ I think we have to realize that this last outcome is the most probable if the global warming is not halted ASAP. The key here is the price of fossil fuels which must be raised – in a socially just and acceptable manner. That is clearly a difficult political optimal control problem: How to unite the “affluent” working classes in the developed capitalist countries with the poor masses of the global South. How to get such a snowball rolling before it literally melts down? What is needed is a theoretical clean-up regarding what type of crisis will bring capitalism down – not that it becomes a fetter to the development of the forces of production or “over-accumulation” or long term tendency for the rate of profit to fall, but the drive for unlimited expansion in a very finite natural environment. Workers of the world – unite to rise energy prices must be the clarion call of today!

¹³ Marx and Engels (1848)

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Friedrich Engels

"Let us not, however, flatter ourselves overmuch on account of our human victories over nature. For each such victory nature takes its revenge on us. Each victory, it is true, in the first place brings about the results we expected, but in the second and third places it has quite different, unforeseen effects which only too often cancel the first. ...

"At every step we are reminded that we by no means rule over nature like a conqueror over a foreign people, like someone standing outside nature – but that we, with flesh, blood and brain, belong to nature, and exist in its midst, and that all our mastery of it consists in the fact that we have the advantage over all other creatures of being able to learn its laws and apply them correctly."

— Friedrich Engels, *The Part Played by Labor in the Transition from Ape to Man*