

PAPER FIRST VERSION

AN ANTICAPITALIST HETERODOXY OR A MITIGATING HETERODOXY?

Alberto Martinez-Delgado

This paper proposes a type of heterodoxy focused on the basic features of capitalism instead of its shallow flaws. This approach of economic heterodoxy, especially relevant to the sharp present economic crisis, takes account of the radical socialist critic of capitalism (in particular Marxism) as well as the collapse of the socialist world system.

I propose the following key points as components of a deep heterodoxy with regard to the capitalist system, its ideological formulations and its alternatives:

1. The idea of the market as an absolute and beneficial regulator of the economic activity constitutes an ideological myth characteristic of capitalism, accepted even by many previously reluctant sectors, as socialist parties, and in permanent disagreement with the practical behaviour of economic groups and States which claim it as a principle.

There is a positive and pacific side of the market, a voluntary interchange of things or products (including work itself and symbolic things as money), without any compulsion between or over people. This is a Kind of *free* market to be respected and boosted, and its characteristics are often presented as general features of any market.

But there is also a negative and coercive aspect of market, which is avoided to mention in most economic literature, associated with war, piracy, coercion and monopoly. The history of trade is plenty of solemn proclamations about the essential freedom of the market, accompanied by blatant and violent commercial impositions.

The *invisible hand* of Smith shows itself, at least, as unsteady and misleading as the almost *visible hand* of the planned economy we have known in the *real socialist* countries.

2. The present economic crisis is not attributable to any anti-capitalist or anti-market trend on the part of governments or other institutions (socialist countries, socialist or communist parties, Marxist ideology, ...). This crisis is perhaps the clearest case of the own capitalist evolution, without any *external* obstacle. Even the rightist leaders of western countries blame for the current crisis the own excesses of financial capitalism.

The hegemony of neoliberal ideology to our days has been practically complete, almost as complete as the silence of neoliberal ideologues about the current crisis, its causes and its solutions.

3. The capitalism has evolved towards a more relevant role of managers, who have reached a status and incomes higher than many capital owners. This rising of the economic cadres changes substantially the idea of Marx (1984, 386), in the third volume of *Capital*, that:

“The wages of an *epitropos*, or *régisseur*, as he was called in feudal France, are entirely divorced from profit and assume the form of wages for skilled labour whenever the business is operated on a sufficiently large scale to warrant paying for such a manager ...”

At the same time that executive managers invade the profit realm, the capitalist profit invades the public money in different ways: on the one hand capital tries to push back the State from any kind of activity with some economic component -that is from almost every State activity beginning with the most profitable ones- to expand its own sphere of investment and profit; on the other hand capital asks for increasing public expenditure in contracts with private firms (*productive investment*) and even, especially in the current crisis, for the direct

and blatant delivery of public money. This last capitalist attitude contradicts the neoliberal discourse, until recently enthusiastically shouted. The managers jump over the firm profit and although they criticise the unemployment benefit and the redundancy pay for *ordinary* workers, they guarantee themselves every kind of privileges at work and at redundancy. This last attitude shows some pervasion of socialist management methods. The overpay of executive managers has been opposed by some shareholders and their corporate governance groups; such has been the case at Pearson AGM, where a “third of voting investors” rejected the company remuneration report at its 2009 annual meeting, in disagreement with “excessive pay awards” to the top executives “despite the recession”, “at a time when the government is pushing for an end to boardroom excesses and many employees are facing pay freezes or even pay cuts” (*The Guardian*, 2 May 2009, 40).

Recently it has been justified that executives enjoy *bonuses* and other privileges to prevent a detrimental brain drain in the financial world. In view of the facts and results of the management that led to the present crisis, we have serious doubts about the capacity of the executive level to manage the enterprise, except for personal enrichment, and we can fear the possibility yet announced they could land in activities as mathematics teaching that although in a critical state, could worsen.

4. The private property of the means of production, in a so concentrated system as the present capitalism, overtakes to be an individual right -as it defines in the liberal thinking, to become a privilege for a much reduced number of persons, with the consequence of deprivation for most people.

The accumulation of property and of economic power in capitalism has some parallelism with the property and power accumulations in feudalism. This analogy suggest the suitability to demolish capitalism and to transform the current economic *serfs* to *citizens*.

The evolution of nobility property and power during the middle age followed a concentration way and gave to the top level of the system a rising power and property to the point that most of the land of a country could be considered as a personal property of a king, subject to the inheritance rules. This overpower was opposed in some cases by lower levels of the nobility and finally was overthrown by the bourgeois revolution, giving to people, at least theoretically, the power formerly accumulated in the monarchy and breaking the hard monopoly of land property.

5. The class analysis is relevant for the study of capitalism and its evolution. The class perspective is prior to Marxism although some liberal propagandists attribute it to Marxist socialism.

Although the importance of different classes in capitalism, in particular of the working class, has changed significantly, and the class of the managers –or *cadres*- has been underestimated, the analytical category of social class, rooted on the economic system, is still the most powerful mean to understand the social problems, even nowadays when religious, nationalist and cultural problems seem the main aspects of our societies.

The consideration of the class of the *cadres* seems of main importance in the study of social classes in capitalism, besides the capitalist class and the working class; we will refer to this subject on point 9 of this paper.

6. The *revolutionary* socialism, particularly the socialism of Marxist orientation, is the main reference for a new economic system which could replace capitalism.

In spite of our disagreement with fundamental ideas of Marxism, this theory and doctrine has been the only relatively coherent and radical alternative to capitalism, and the problem of property remains the chief problem to solve. Even the *real socialism*, with its

outrageous, dictatorial and tragic realities, has been the only really non-capitalist system practiced until now, and it would be advisable to study this experience rejecting its myths.

7. The implantation of a socialist system, even the attainment of an economic citizenship, can not be considered an economic and social panacea. To follow a millenarian view is a serious ideological obstacle to solve social problems, independently of the socio-economic system and the ruling class. The experience of *real socialism* and its collapse is a fundamental warning to avoid fanaticism and ideological blindness.

8. The socialist ideology, particularly its main core –the Marxist stream- ought to be analysed with a critical and distrustful attitude, with a clear refusal of the submission entailed in the double invocation of the proletariat and of the *scientific* authority.

The identification of Marxism with the working class and with science, two aspects in some way artificially connected, give to the Marxist doctrine its most powerful social attraction, especially between workers, intellectuals and managers, but, at the same time, embody the core of the Marxist myths.

9. The Marxist postulates that socialism is the system in which the working class becomes the new dominant class, and that Marxism constitutes the own ideology of the proletariat, have no support of the historical and social facts. A class analyse of the socialism itself may suggest that these Marxist principles are ideological formulations in favour of a new rising class, over the proletariat: the class of the managers or cadres or, we can dare to call it so, the socialist class.

10. The distrust attitude towards the Marxist and socialist promises is also suitable to *mass* organizations and institutions anchored on the capitalist system, although sometimes they can amplify, in a triumphant mood, some *turbulent* echoes and mirages of this system.

Trade unions, often considered as the most direct and genuine representatives of the working class interests, are very often mere *companies of services*, with a similar hierarchy and behaviour to any other capitalist company, and a growing economic and political dependence on the State. The hopes placed on the trade union to achieve a more egalitarian society, have no better foundation than reliability on socialist or communist parties.

11. Convergent ways as *capitalist socialism* (China, ...) and *socialist capitalism* (state interventions to smooth some outrageous aspects of the capitalist crisis) are not substantial changes of the submission, marginalization and impoverishment of people and of the destructive tendencies of dominant economies.

12. The debate about the nature of the economic system and about its desirable transformations, in particular the discussion over capitalism and socialism, is not a debate about the perfectibility of these systems or about complete human emancipation or happiness, but about how to avoid the main and more destructive problems and tendencies of our society in the present and near future, without any mystical respect for dogmas (type of property, invisible hand of the market, proletarian nature of socialism, economic planning, scientific authority of leaders, managers and cadres, ...). Supporting any economic and social alternative ought not to be an enthusiastic fight lacking in criticism of the own ideas and theories. In this sense liberal doctrine and Marxism, could not be contemplated as complete solutions to the big economic and social problems.

13. ¿Is it possible and desirable a socialist economy, in its strong meaning, in which the non-proletarian dominant interests could be counterbalanced to avoid a slavery system for the working class and other people? ¿Which kind of economic and social control systems have to be developed to avoid, or at least to hinder, old and new forms of despotism? ¿Is it rooted in human nature a division between the elite and the ordinary people that leads to one or another form of economic exploitation and social oppression?

BIBLIOGRAPHIC REFERENCES

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