

WHY MARX WAS RIGHT AND WHERE TERRY EAGLETON IS WRONG.

Terry Eagleton wrote a book titled "*Why Marx Was Right*" which was republished by Yale University Press in 2018. I was given a copy for Xmas by a good friend. I would happily pass this book on to any worker because it does much more good than harm, and because it is such an inspiring tribute to the complexity and wonder of Marx's thought. Any worker having read this book, would be inclined to know more about Marx and the tradition his theories established.

In modern history there have been 4 intellectual giants, each of whom changed the way we see the world. Isaac Newton, Karl Marx, Charles Darwin and Albert Einstein. After each of them, the world could no longer go back to where it was. However, amongst the four, Marx alone brought the biological and physical together to show how societies underwent convulsive changes preparing the way for humanity to emancipate itself. Mr. Eagleton's exposition of this process is masterful.

In this book I have met my match in terms of analogies. Mr. Eagleton is able to deploy them powerfully and sensitively without debauching them through over-use. In turn I feel challenged to respond with an analogy of my own to sum up his book. The book is like a scratch card. Mr. Eagleton scratches away all the myths, prejudices and misinterpretations that obscures the real Marxian picture underneath. No, he says, scratch the view that Marx was a barrack socialist who believed in only class terms and not individual terms. No, he says, scratch the view that Marx only considered manual workers in industry to be workers and that he ignored white collar workers. No, he says, scratch the view that socialism is pre-ordained.

And so it goes on. And as he scratches away at these misconceptions, at this coating of lies and deceit, the real picture of what Marx stood for begins to appear underneath. And here the problem arises, the picture that emerges is disjointed and unworkable. In inverse proportion to his gift of being able to crush all these misconceptions, lies his failure to present a coherent picture of how a socialist society could, not would, function. Those failures are found in Chapters 2 and 4, which is the practical aspects of the book and the only chapters to be reviewed here.

In passing it is not only his analogies that sparkle, its' also his turn of phrases that are photogenic. My favourite is found on page 127. "*Leisure is something you have to work for.*" Very few authors know how to write in colour rather than black and white, but he does so and it is something to be emulated.

Like most revolutionary communists, I have pondered over why Marx wrote so little about the future. Marx and Engels were humbled by time. I believe they understood that by the time capitalism would be overthrown, the technical and cultural elevation reached by capitalism would be above the cloud line. How, for example, could they foresee the smartphone, which not only allowed one to talk and see a friend anywhere in the world, which not only told you where you were in the world, and which could allow you to track the horse drawn Hansom Cab you had ordered to take you to the theatre. They could not foresee how a slim handheld device could transform society's habits. In this observation I am joined by Mr. Eagleton.

But we ask the wrong question. Why is it that Marx spent so much time and effort writing *Das Kapital*? Why did he place so much emphasis on an endeavor which history will one day consider the most important and consequential intellectual work ever undertaken? It is often said that *Das Kapital*, which is a critique of capitalist political economy, was needed to legitimize the working-class struggle by demonstrating that capitalism was a crisis ridden and therefore a limited mode of production, really society's first industrial

society. But I believe there is much more to the story. I believe, by giving us a thorough grounding into how the capitalist economy works, he was also revealing what was imminent in this economy, the physiognomy of a future economy. And it is timeless.

Capitalism for want of a better word is the “womb-less” mother of socialism, providing only the material conditions for the emergence of a communist society. But capitalism inadvertently provides a second foundation, an intellectual foundation based on this thorough and rigorous critique of capitalism itself. Only this synthesis, born out of the combination of the objective and subjective conditions so described, can make the future possible.

In discussion I always use the analogy of a pilot on a plane. As the plane begins to move the pilot announces: “Ladies and gentlemen, I have now finished reading the flight manual on how to taxi this plane. I am about to read up on how to take off which I should conclude before we reach the end of the runway.” What would the reaction of the passengers be? They would tear open the emergency exits and jump off the plane. And yet if we are to convince workers that we can offer leadership, then the minimum condition is that we understand the economic system we are seeking to change. And here we will see that Mr. Eagleton does not understand capitalist economic relations including the nature of money and the price function.

Finally, Mr. Eagleton correctly criticizes those who engage in politics from the standpoint of philosophy, idealism or utopianism. However, he does not confine his book to a narrow interpretation or regurgitation of what Marx wrote. He embellishes and extrapolates. And here I will finish with my last analogy. He is like a trapeze artist who is temporarily anchored to the bar before he releases and soars through the air propelled by thought. But his trajectory is not random, it is guided by the mesh of theory which ensures he is well placed to latch on to the following trapeze bar, unlike the flailing flights of fancy of the utopians who end up lying flat on their face in the sawdust at the bottom of the performing circle.

Chapters 2 & 4.

I have another cheeky interpretation as to why Marx and Engels wrote so rarely about the future. They knew that even if they did, few would understand what they meant. Nowhere is this truer than with the Critique of the Gotha Programme. I would suggest fewer people understand the Critique than understand Das Kapital.

I will begin with Marx’s immortal words from his Critique. *“What we have to deal with here is a communist society, not as it has developed on its own foundations, but, on the contrary, just as it emerges from capitalist society; which is thus in every respect, economically, morally, and intellectually, still stamped with the birthmarks of the old society from whose womb it emerges.* Marx then goes on to discuss the issue of rights, the rights that form the bedrock of the lower stage of communism, the equal rights needed to reconcile the inequalities within the working class inherited from capitalism.

But actually, a reading of this section shows that in criticising Lasalle, Marx is also discussing the social fund, that is the deductions from the social product needed to fund new investment, administration, health care, social care, childcare, education, insurance and so on and so forth. What Marx called the now diminished fruits of our labour. We could legitimately re-transcribe Marx’s quote above to read: *“What we have to deal with here in a communist society, not as it has developed on its own foundations, is a social fund limited by the level of economic development inherited”.*

The failure to locate the social fund as central to Marx's point of view is the common error found with all interpretations of the Critique. It is not the rights that lead us to the higher stage of communism, it is the social fund. Only the social fund is able to elevate and transform society. What the rights do is to unite a diverse class on the basis of equality and ownership, making possible a dynamic economy shorn of sectional conflicts, which is then able to swell the social fund relatively and absolutely. In this sense, rights play a subsidiary role.

In the early days of a communist society, once some form of stability is established, the social fund will be too restricted to satisfy the needs of society making severe compromises necessary. Society cannot rise higher than the social fund it can generate, to steal a phrase. But as our communist economy blossoms feeding the social fund, then these compromises can be relaxed. Precisely because the social fund is the commanding heights of the economy involving as it does all the strategic rather than individual choices, it is the arena for working class democracy. Only by agreeing the deductions and their disposition collectively and democratically, can a communist society advance. Only by preventing the social fund being commandeered by a bureaucracy can the fruits of the revolution be preserved.

Mr. Eagleton is a bit agnostic throughout Chapter 2. He reviews the views of a number of theorists contemplating the early stage of communism without commenting either way. From this we can assume that he must either approve of these views through their inclusion or deem them important. On page 25 he refers to "Marxists" who propose neither centrally planned nor market governed economies. He then goes on to discuss how this can be organised by bottom-up assemblies organised locally, regionally, nationally and internationally. Hang on a second, this has nothing to do with planning whether it is centrally planned, holistically planned, or planned by fairies in the wood at midnight.

Instead, this is about how the social fund is to be organised, it and it alone. This confusing of the social fund with planning is the common mistake all Marxists and every far-left party makes when interpreting the Critique. It is such a fundamental mistake that it invalidates most interpretations of the Critique and how it organises the future.

The social fund alone is the collective endeavour making possible this collective goal. Planning production is something quite different. Here the requirement is individual, it is to satisfy individual wants and needs. And here we are referring to the grand plan, the one that satisfies society's needs and wants. Mr Eagleton talks over and over again how Marx never ignored the individual, and how he insisted that society's eventual emancipation is that of the emancipated individual, except that Mr Eagleton ignores this guidance when he addresses the question of planning.

I have deliberately coined the term "consumer led planning" to oppose it to "committee led planning", and to join it to developments already prominent in capitalism. Planning can only be done from the side of consumption. We produce to consume; we do not produce to simply produce. But if planning is organised from the production side, this is exactly what tends to happen. This is one of the primary reasons planning failed in the USSR.

The producer gives of her or his labour, and they are rewarded by the products of their choice. This is the fundamental link between effort and reward. This recognises that the consumer is at the same time the producer. What to consume is always an individual choice, an individual preference and it varies between people. Nothing and no one should come between the consumer and their product. Imagine if we told consumers in a capitalist society, today you can only buy this or that product because that is what has

been decided for you by your local committee, however don't be frustrated, you voted for that committee. Or in the Soviet Union, comrade consumer you are free to spend your Roubles on any of the products the planners have decided to provide you with, rest assured the planners know best. We would be chased out of town.

In the USSR, the planners were active agents, part of an oppressive state who decided what would be produced, how much of it, how quickly and at what price. Consumers were passive, having to be satisfied with what they were offered. No wonder so much shoddy shit was produced. In a liberated communist society, the roles are reversed. Now it is the planners who are passive and consumers who are active. It is the consumers who now instruct the planners what is to be produced by ordering the products of their choice. This makes planning invigorating and participatory rather than demeaning. For this we do not need elites who think they know best, we do not need committees, only delightful and bright malls in which to view, admire, inspect, discuss and collect our products without any marketing pressure. And I have to admit, in this chapter the author is tainted by the elitism promoted by the Leninist tradition. "*Education and state monitoring*" would reduce issues around short-termism. (page 27) We could add the leading role of the party could do that as well.

Our programme has to be attractive to workers. It has to sparkle with the future, showing that the rights and freedoms found there are incomparably more advanced than today. In today's capitalist society there is indeed filtering, but it is more subtle, only those products that have been filtered by the profit motive appear on shelves or screens, and it goes without saying workers have no say in what will be produced. In a communist society it is society who will decide based only on personal preferences and not on whether there is a profit to be made first.

At this point it would be useful for the reader to consider reading The 21st Century Draft Programme on this site <https://theplanningmotivedotcom.files.wordpress.com/2019/11/21st-century-programme-july-2019-pdf.pdf> These issues are discussed in more detail there.

The author goes on to discuss the merits of prices being determined locally by production units on the basis of inputs from consumers, users, interest groups and so on. (pg. 26) How quaint. A pricing system worse than capitalism or the USSR. I return the reader to the importance of Das Kapital. There Marx taught us about the nature and function of pricing in a capitalist economy, how it is distorted by the law of value acting to satisfy the needs of profit. He taught us this, so we could equip ourselves to set up a more advanced pricing system in the future. One that is now objective, based directly on weighted average labour times of production, the measure of cost. When prices and costs become one, the law of value has been squeezed out of existence.

It is for this reason that this website contains articles analyzing the transformation problem in Chapter 9 of Volume 3, so we can understand the steps needed to move from the distorted pricing system found in a capitalist society to the streamlined and harmonious pricing system found in a communist society. A pricing system likely to remain in place until the time comes, far into the future, when productivity is so elevated, it has become too costly to price. In short when the labour time expended on accounting for a product now exceeds the time needed to produce it.

Why is it essential to have an objective pricing system untampered by the state or committees of excellence? There are two primary reasons. No working-class society can balance the consumption side with the production side without the use of the same objective measure on both sides. If we were to

follow Mr. Eagleton's suggestions, we would end up either overpaying workers or underpricing products. We would end up with imbalances that would make both conscious planning and the regulation of production, impossible.

The second reason has to do with the collective ownership of the means of production. In every industry we find differing compositions of capitals where some workers work with more means, others with less, some with newer means others with older means of production. There is unevenness in the technical relation between means and labour in every industry and between industries. And that is before we even contemplate the disparities between national economies. But if we all own the means of production collectively, then the fact that some workers work with additional or more advanced means, and others with more primitive means should not advantage one set of workers and disadvantage others. What a cruel inheritance it would be if the mixed means we inherit from capitalism, ends up dividing us.

All these differing productivities must be homogenized. It's all very well discussing collective ownership in the abstract. But collective ownership, if it is to mean anything, must ensure every worker enjoys the same advantages regardless of where they are working, or with what. This can only be done on the output side, via the pricing system. This is the substance of weighted average labour times. The weighting comes about because it accounts for the variable productivities which results from differing quantitative and qualitative technical ratios between means and labour. It yields a single price which rewards workers equally as though the means of production were uniform.

More, as workers productivity increases through investment and efficiencies, which are not the same thing, average weighted labour times fall, dragging down prices. These falling prices in turn reward workers for their harmonious productive efforts by increasing their ability to consume. The workers who design the new machines, the workers who build the new machines, and the workers who use these new machines, all benefit equally from the falling prices resulting from the improvements in the overall productivity these developments bring about. All partake in the general fall in prices. There are thus no sectional conflicts any longer.

Falling prices becomes the reward for collective effort, complimenting the right to receive in proportion to contribution which is the reward for individual effort. Together they complete each other. Falling prices is to communism what rising profits is to capitalism, the motive for harmonious and efficient production. This is how we see into the future when we stand on the platform raised by *Das Kapital*.

Before proceeding it would be illuminating to briefly examine the USSR, something which is not sufficiently analyzed in the book under review. The USSR could not introduce an objective pricing system as much as a priest could deny the existence of god. In order to disguise the parasitism of the bureaucracy and regulate exploitation, GOSPLAN used administrative prices detached from actual costs of production to balance material planning. These fictitious prices had two effects, firstly they broke the connection between effort and reward thereby demotivating workers, and, secondly, they blinded the planners thereby making efficient planning impossible. The result was a mode of production that lasted for only three working class generations - the first generation terrorized, the second bemused and the third indifferent.

Because the USSR could not use prices as an incentive, it turned to piece rate payments on the income side. In fact, I have classified planning in the USSR as "Piece Rate Planning", the most primitive form of planning, one rewarded or punished solely on the achievement of crude material targets. Piece rate

motivations permeated society. Output was the goal, and here lay the problem, because there is a difference between economic production and forced production, between harder work and cleverer work.

In the quest to increase their own individual output, workers wasted materials, failed to take time out to clean and maintain their equipment and they reduced the quality of their output. This disadvantaged workers further down the line who could either waste time repairing these shoddy inputs but at the cost of reducing their own output, or simply continue the process of shoddy production to meet or exceed their own targets. As a result, this intensification of the labour process led to an increase in the cost of production rather than its reduction and to chronic waste. That is why Stakhanovism was short lived and left buried under a pile of coal.

Returning to our analysis, the calculation of universal labour time, these weighted average labour times, is not a simple matter. It is formed of 3 variables, productivity, skill and intensity. But three variables are impossible to reconcile when one of them is unstable. Fortunately, technological advances have largely reduced the three variables to two by eliminating the indeterminable variable.

In the Critique Marx discusses at length individuality in terms of the intensity of labour. *“But one man is superior to another physically, or mentally, and supplies more labor in the same time, or can labor for a longer time; and labor, to serve as a measure, must be defined by its duration or intensity, otherwise it ceases to be a standard of measurement. This equal right is an unequal right for unequal labor. It recognizes no class differences, because everyone is only a worker like everyone else; but it tacitly recognizes unequal individual endowment, and thus productive capacity, as a natural privilege”*. (I put the emphasis into the quotes.) Here we can see Marx trapped by the circumstances of his day where physical labour predominated and personal endowments were significant. Yet another good reason why Marx and Engels refrained about dreaming of the future.

But we are in the future, 130 years in the future, in a capitalist system whose technological progress has been astounding. If the reader were to scan job descriptions today, focusing on the ones calling for simple physical labour, they would discover these jobs are in terminal decline. Power tools, power steering, forklift trucks and the sub-machine gun have rendered the strength of a man versus that of a woman redundant. And this is even before exoskeletons become widespread. Physical capacity has been rendered less relevant because individual physical endowments no longer matter.

Returning to our variables. If we exclude intensity, the indeterminable variable, this leaves only two variables - skills and productivity. Productivity has already been taken on the output side or price side, leaving skills to be taken on the income or input side. Skills are a product of training or experience which are socially derived not physically derived. They are not natural endowments but socially produced results. The higher the skill, the more time and labour went into its production. Thus skilled labour, as Marx first pointed out, can be viewed in terms of multiples of simple labour. If the average multiple is two, implying many hours of training and educating, then 100 hours of physical labour turns into 200 hours of economic labour.

In other words physical hours and economic hours are two different things. In any productive economy the number of economic hours expended will exceed the number of physical hours, with the gap depending on the weight and dispersion of skills. Thus what is to be measured in each worker's voucher, is not the physical hours they contribute but the economic hours, that is their physical hours adjusted by

their individual coefficient of labour, i.e. skill. When all these vouchers are then added up, these economic hours will tally with the total economic hours expended in production. In turn this total cost of production will be reflected by the total prices of the goods exiting production.

It is the average of these economic hours that comprises universal labour time, the social metronome of production, without which the planners cannot cost production in real time and therefore apportion the labour time of society to satisfy the needs of consumer led planning. Accordingly, universal labour time ensures what is produced will also be consumed, but for this result to be achieved, there will need to be a small army of statisticians adjusting for the constant changes in skills accompanying production. It is a complex process not to be underestimated.

Universal labour time is the weighted average labour time existing at any point in time. Now imagine if we littered our economy with subjective prices. Prices set locally, or on the basis of priorities, or prices seeking to ration products and so on. Welcome to the crocheted patchwork world of idealistic socialism born of a failure to understand the nature and purpose of pricing. If implemented this would ruin conscious planning in no time creating such confusion that many would hark back to the good old days of the market. It seems the future is turning out to be not so much an a la carte menu as a fixed menu.

This confirms the view that if it was a choice between Marx having to spend 12 years preparing Volume 1 of Capital in the reading room of the British Museum or spending 12 years indulging his fantastic imagination about the future in some pub, I know which option I prefer. Das Kapital was worth every carbuncle. Das Kapital secures the future by equipping us with an understanding of the economic nuts and bolts of economic life, without which a future society cannot be built. To be blunt, while it is true that workers will stumble from time to time after the revolution because learning through trial and error is unavoidable, it is also true that the future cannot be made by amateurs, by those futurists who have yet to understand the present in terms of its limitations and laws of economic motion.

But before proceeding to investigate the nonsense called market socialism what about dirty and boring work. *“There is, in fact, a strong case for paying those who engage in boring, heavy, dirty and dangerous work more than say, medics o academics...”* This is an unthoughtful remark. What would be the consequences of this be? Scientists and engineers would find it more profitable to become unskilled labourers and the incentive would arise to make work harder and more unpleasant therefore more remunerative.

Instead of which a communist society would use its scientists and engineers to prioritize the eradication of dirty, dangerous and repetitive work. That is why we incentives scientists and engineers by rewarding them in proportion to their contribution, because in their heads and hands rest the possibilities of uplifting society. Without them we would not be able to do away with refuse collections. Workers do not resent pay based on skill. Its only academics who wail about this. In any large-scale factory, workers recognise that without the engineers and technicians nothing would work, nothing could improve, and they would not be paid.

Which brings me to the fusion of planning and markets discussed on pages 24 to 26. This is called market socialism. It hinges on the premise that planning is too complex therefore it must fail. Thus, what is envisaged is a market “where the vices have been removed leaving only the virtues” correcting planning. Except that in reality, the virtues would be held in the vice like grip of the market. The concept of market socialist solutions is a knee jerk reflex borne out of the failure of planning in the USSR, rather than a proper

evaluation as to why planning failed there (and which can be found on this website). Even Trotsky is dragged into this debate. *“economic accounting is unthinkable without market relations”*. This is the same Trotsky who advocated piece rate incentives for workers as a way of mobilizing the economy in the USSR.

To avoid confusion, it is important to set context. We need to declare whether we are discussing the post-revolutionary period or the period following it when the structures of the new society are in place and functioning. I never write about the post-revolutionary period because it is indeterminable. Firstly, there needs to be a successful revolution. Then we do not know how it will spread, how long it will take and how destructive it will be in terms of the clash of classes. Workers may end up kicking themselves for not overthrowing capitalism before 1945 and the atomic bomb.

So what is being discussed is not the road up to and away from the revolution, but the town we seek to reach, called Communist Villas. This article sets out the street map for this town, not the torturous path to get there. It goes without saying that we will have to use the existing structures and systems found in capitalism to begin with. But we will use them only as scaffolding to support the new structures being built on the foundation of the new property and production relations.

Once these structures are in place the scaffolding will be dismantled. For example, we think of the data bases that will have to be set up so that each individual worker may have a secure account in which to register their contributions to production and their withdrawals from it. We think of the mechanisms and agencies for the social fund network. We think of the planning bodies that need to be established as well as the electronic nervous system which attaches them to industry, transport, distribution and so on. Finally, the audit which was never done in advance of planning in the USSR, which will inform the planning bodies of the capacity of every sector and how they fit together in terms of inputs and outputs.

Having addressed this let us analyze market socialism. Market socialism is not seen as temporary, but instead the final economic goal. The author reticently tells us that the proponents of the purer form believe that - *“market socialism is based on the abolition of private property, social classes and exploitation. It also places economic power in the hands of the producers”*. But, he warns it could also lead to *“collective capitalism”*. (pg. 24). Later we will see and investigate its cellular form which is the autonomous co-op. However, long before the possibility of collective capitalism emerging, which incidentally is imminent in market socialism, market socialism would have collapsed because it is an impossible contradiction, an unviable mode of production, an economy with two left feet.

The reason it is destined to fail is that money and labour vouchers cannot co-exist. Let me elaborate. A labour voucher, whether paper or electronic, is a record of the contribution by individual workers to production. It can be used only on consumer goods by that worker or donated to friends, family or the social fund. This is a one-way street. Nothing is received back, nor any debt established. Once given away these vouchers are lost to the giver. Put another way, these vouchers are not freely transferrable or what is the same thing tradeable. No market for them could arise. They are not money.

Money on the other hand is exchangeable. It can be used to buy things or sell them on in return for more money. Money is money because it is private property. The holder of money is free to spend it as they see fit. Thus, market socialism is based not on the negation of private property but its preservation in one form. However, this is not the biggest problem, the biggest problem is the ability of money to disrupt objective prices.

As the market socialists see it, money is all about price discovery. If consumers desire more of a product, they will bid up prices through the exchange of money. This will switch on the lights for the planners. "Higher prices, oh crap they will say", we need to up production. Conversely, if less money is spent on other products the lights will come on again, "oh crap, now we need to cut production". So, the market becomes the prancing and adorned horse while the planners are confined to the drab cart. We are back to the era of demand and supply.

But if prices begin to deviate from actual costs of production then conscious planning cannot take place. Oh, say the marketeers these are only short-term deviations. We expect planners to be alert and to act promptly on these price or market signals. Equilibrium will soon be reached. Except that these events will be high frequency, happening throughout the economy and feeding on each other. Ripples adding to ripples and rebounding.

It also begs the question, who will be the money holders. If workers have only their vouchers, how do they swap them for money, even if this swapping was legal, which if I have any say, will be made criminal. It can only happen under one condition, the holders of money will only part with it, if the fraction of the voucher handed over represents more labour time than the money paid for it. In other words, the worker handing over part of her or his voucher will be poorer for so doing while the money giver would be richer for it. These money givers will soon form a new class by the accumulation of wealth properly belonging to the workers who have forfeited their underpriced vouchers.

But why would workers do that. The only reason would be to jump queues. For example, if a new and highly desired product is introduced. Clearly the social desire to consume it will be greater than the initial capacity to produce it. A bidding war could break out amongst the holders of money.

How would communist planners deal with this using only vouchers. The democratic thing to do is a lottery. All the orders will be randomly assigned a number preferably to stirring music, and numbers tied to delivery dates. That will set the queue and provide each worker in that queue with their turn to receive the product. Kind of pre-ordering. Additionally, based on the number of orders sent in, planners can then expand production in an orderly way to meet this demand. Thus, a balanced reorganization of production can take place, because if the order locks in part of the voucher it disables the worker from ordering as much from the rest of the economy (assuming the period between the order and receipt of goods is short term). The rest of the economy is thus not disrupted. In short, these orders make price discovery unnecessary and therefore the need for a market, which implies a return to a more primitive state.

But there is another equally important but less noticeable effect. This kind of ordering does not jolt production. When articles are bid up in a market by monetary demand, money is taken away from other areas. In those areas, prices fall. But once the frenzy for the new product is over and its price collapses, then money is released which may flow back to the very areas from which it was withdrawn, only to find inadequate production now reins there. So once more prices are bid up in order to stimulate production.

And here we have a full understanding of why market prices are so disruptive. There is a constant sloshing around of investment that destabilizes production because production continuously over-expands here, while under-expanding it there. Production is perpetually correcting itself which is why it is high frequency. This is what Marx and Engels referred to as prices always oscillating. Predictably, this seesawing of over and under production always leads to wasteful production.

Of one thing we can be sure, if money dominates vouchers, then market prices will dominate actual cost prices. For this reason, we may as well not have overthrown capitalism.

Planning failed in the USSR because prices could not guide planning decisions. Nor could the profit motive be substituted because in a society where the labour of the individual worker becomes part of the labour of society directly and immediately, as it did in the USSR, profits do not lead to the economizing of labour time, but to its opposite, its maximization. All of this can be read in greater detail in my pamphlet which contains a section on the Soviet Union which deals inter alia with prices and profits. <https://theplanningmotivedotcom.files.wordpress.com/2019/11/21st-century-programme-july-2019-pdf.pdf> Without understanding Das Kapital, I could never have understood why the profit motive in such an economy could only be economically counterproductive.

And so finally on to the question of co-ops. Its defining feature is that it is owned by its members. A co-op if it is worthy of the name, is based on autonomous production, attached to society through market relations and surrounded by a moat of money. It pays for its inputs and sells its output. For this reason it is able to spontaneously mobilize or adapt its production to market conditions provided it has sufficient money to do so or access to such money.

The author repeats the view that co-ops have already proved themselves able to hold their own against the competition from capitalist enterprises. True but only when they join in and survive the race to the bottom; when their members agree to work harder, forfeit their bonuses, accept outsourcing, and allow core periphery structures to emerge within the group.

Of course, such a race to the bottom will not exist in a communist society, so it could be said this is an unfair proposition. We shall see that the competition from the co-ops could very well have the opposite effect in a communist economy, restraining it from racing to the top. To begin. Co-ops proper, own their own means of production. Even when these means are leased to it by the state, it makes little difference, except that the state will now encounter barriers to its withering away.

In a communist society we should all own the means of production. The presence of co-ops would mean we do not own all the means of production. In turn, the members of the co-ops will only own their own means of production. What does this mean economically? Weighted average labour times in the rest of the economy will be affected by the exclusion of some of these means now hidden in co-ops. If the means found in co-ops confers above average productivity, prices in the general economy will rise because labour times will be higher. Conversely, if co-ops are less productive then labour times will be reduced and prices will fall in the rest of the economy.

The effect of this is consequential. If the more productive co-ops sell at prices set by the rest of the economy, they will make a financial gain. Their members would be better off than workers in the rest of the economy. Conversely if they are less productive, they will have to sell at a price below their costs and they will make a financial loss. They will soon exit their co-op.

The danger is set only by the first case, the more productive co-ops. There are many reasons how this situation could arise. The primary one being, that through the act of revolution, workers appropriate only the factories in which they work and set up their own distinct co-op courtesy of the damn anarchists. That factory may have the virtue of being the most modern and well equipped in the industry. From birth, that co-op would have an exalted position in the economy. Such a co-op would gain financially, it will

accumulate riches at the expense of the rest of the economy and would soon come to dominate the economy. It could be argued that these co-ops could be heavily taxed. What's the point of that, better they do not exist? In any case there will be no taxes on production in a communist society. Any margin, and taxes are a margin, interferes with planning because margins raise prices thereby disorientating the pricing system. This was clearly seen in the USSR.

Which is why communists warn against individual appropriations of private property. We appropriate collectively. The newly formed workers' state takes into its hands all the many individual strands of private property and uses them to weave the single seamless cloth of public property. (That is productive property not personal property.) When we all own everything, and when that ownership becomes customary, then the recognition will grow that no one owns it. It ceases to be property and with that the purpose of the state, the protection of property, is spent. But if there is still productive property which is privately owned by co-ops, then clearly the state cannot wither, because there will be those in society who demand protection for their property.

Of course, plants, factories, warehouses, ships can be organised co-operatively without the question of property arising. I prefer the word communally. The purpose of this communal organization is to humanize all productive settings by sharing managerial responsibilities, by rotating tasks and applying to the social fund's investment arm for the resources to re-equip processes to make them more worker friendly. Why the emphasis on humanizing the workplace? Well what else is there to do. Vouchers are based purely on the recorded expenditure of labour time, what to produce is set by the planners, while intensity is governed by elected commissions organised to homogenize intensity between workplaces. This frees workers from being hobbled by the mundane, enabling them to focus on what is important, transforming work itself. But before that, the first order of the day after the revolution is to master the complexity of production which has been 200 years in the making.

At the conclusion to the chapter the author declares "*there is no flawless model (of socialism) on offer*". He is wrong. He has offered only deeply flawed models. And this has occurred because he is not grounded on an understanding of the relations of production as developed by Marx in his epic three volumes of Kapital.

Human Nature, Chapter 4.

The capitalist class claims that capitalism fits human nature. Mr. Eagleton writes in the preface to the chapter that humans are presented as being "*naturally selfish, acquisitive, aggressive and competitive*". The irony is that the lower stage of communism conforms to this description of humanity better than does late-stage capitalism except for the issue of aggression.

Late-stage capitalist societies are highly polarized. 80% of society are workers and 0.5% are employers. This means on average 160 workers work for and enrich 1 capitalist. Additionally, the rate of exploitation is roughly 60% on average. This means that in the course of a lifetime of work, generally 45 years, (when measured in work years) workers will forfeit 27 years of their life to the capitalist and only retain 18 years for themselves. Not quite slavery but close to it. Workers seem, well so selfless.

Commodity fetishism makes it appear that the seller and buyer of labour power engage on equal terms allowing a bargain to be struck – "a fair day's pay for a fair day's work". But even when workers are brought to an understanding of the scale of their exploitation, revolution would not automatically result.

It would if the working class was a naturally “aggressive” class. No one likes being robbed, and this is daylight robbery unless you are a night worker. Unlike the capitalist class, workers are not sociopaths. Workers revolt only out of necessity, when they recognise that the capitalists are squandering society’s surplus, whose misuse is leading to their immiseration and that of their children, and when it becomes clear that the capitalist class and their state are no longer custodians of society. Or as Lenin put it, “workers can no longer live in the old way”.

The irony of course is that the lower stage of communism better fits Mr. Eagleton’s description of selfishness. If people are naturally selfish, then why work for someone else making yourself relatively poorer while making them relatively richer. Take the famous communist right: “to receive back in proportion to contribution after agreed deductions”. What is its essence? Its content means; to work for one-self, and no longer for someone else. To get back what you put in. It means your labour belongs to you. It means all unpaid labour is abolished. Is that not the epitome of selfishness where “*content and principle are no longer at loggerheads*”, because no one benefits at the expense of another in a society where individual interest and the common interest are no longer conflicted. (The italic quote is from the Critique of the Gotha Programme.)

Or take how falling prices reward productive and efficient labour collectively. Here no one is allowed to benefit at the expense of another because workers inherit uneven means of production from capitalism. Is the issue of self-interest not in play once again, but in the context where the individual interest and the common interest are again no longer at loggerheads?

And does not consumer led-planning not satisfy the acquisitive test? This right to decide what to consume is an inalienable right for the first time, because the consumer may freely acquire not only what is currently available, but additionally, they are welcomed to join in the process of deciding what is to become available in the future. In this way the reactive consumer under capitalism becomes the proactive and empowered consumer under communism. Acquisition now becomes a collective and collaborative endeavor open to all.

Which leaves only the competitive nature of capitalism. This is the only area which the author deals with satisfactorily. He points out that if life were purely competitive, if capitalism did not allow us the comfort of the family and religion, society would be crippled because intense competition leads only to paranoia and associated mental health issues. So, despite itself, capitalism has to manage competition, allow safe spaces, provide a degree of support, because in the end, we are a preening caring species who have to nurture our pre-born infants for at least three years until they can walk and talk.

Furthermore, that if workers are made competitive, it is because capitalist private property disempowers them, forces them to work for others to survive, and if jobs are scarce, to compete for them. But even here, the emergence of trade unions show that workers are a collective class. If they were not, why all the anti-union laws and thugs.

This then is the beauty of the Critique of the Gotha Programme. It is a programme which brings humanity together, not by ignoring individuality, but by building on it. Together with my programme, which is more pedagogical, they solve the fundamental problem of how to unite an unequal working class in the process of overcoming those inequalities. Workers’ rights, which are the beating heart of the early stage of communism have a dual role - purpose and function. Their purpose is to unite a diverse working class as

equals making possible a dynamic economy whose function is to enlarge, both absolutely and relatively, the social fund which alone can bring these inequalities to an end.

That is why a socialist society must be considered to be the fullest realisation of democracy and therefore its finalization. It brings equality to inequality in a real sense, by ending inequality itself. Only then does real history begin as Mr. Eagleton reminds us repeatedly, echoing Marx and Engel's words.

Conclusion.

There is a contradiction that runs through this book. On page 68, the author says that it is utopian to believe that the power of an argument can win over opponents. He seems to be downplaying the ideological struggle and the role of propaganda. On page 6 he discusses the lack of faith in a viable alternative to capitalism which was so demoralizing after the fall of the Berlin Wall, and which aided the capitulation of the left.

In a sense he is right. Without an alternative we cannot win an argument. How often have we been told; "we know what you are against, but we are confused as to what you propose". The Wall Street Occupy movement in 2008 felt the full force of this argument when they were challenged by sneering bankers wanting to know what economic alternatives they were proposing. It's called rubbing your face in the shit of ignorance. And we must avoid this. Let's be blunt, the failure to understand the alternative arising out of the contradictions of the present, renders us mute. And this is particularly galling following the tragedy that befell the USSR.

Marx has gifted us, not with a blueprint for the future, but something more important, a fundamental understanding of the economic present by revealing its laws, contradiction and limitations, so that we may know how to better overcome them in the future. He has not only given us economic insight, but to our enemies as well, though they refuse to acknowledge it, for without Marx's methods as developed in Volume 2, there would be no input output tables and therefore no modern system of national accounts. As I like to say: Marx may have wanted the heads of the capitalists, but before that he gave these heads eyes with which to view their economy.

The author speaks well of Marx. He defends Marx on many fronts. But he is impractical when it comes to the future and he is the product of a tradition emanating from the late 1960s that never gained the intellectual capacity to transform society. Above all, he lacks a basic understanding of the capitalist economy, which is revealed through statements such as, the view that it was intensified international competition which forced down profit rates at the end of the post war boom, when actually, it was the falling rate of profit which intensified competition by acting on investment.

I intend to buy a number of copies of this book to give away next Xmas for one reason and one reason only, the author has admirably humanized Marx and Communism in an epoch when Stalin and Mao have turned him and it into an abomination. If I were to add an inscription to these books, it would be: *Study capitalism if you want to overthrow it, there are no short cuts to the future.*

Brian Green, 5th January 2021