

## Theory of Capitalist Decline: Ticktin Versus Meszaros...and Adorno

### Divergent or Convergent?

It is no doubt a sign of the times, but here I see a connection, at least objectively, between some very strange bedfellows: on the one side, Adorno, the arch pessimistic marxist, co-author of *Dialectic of Enlightenment* and leading member of the Frankfurt School up until his death in 1969 (N.B. the ‘camp’ to which I have been drawn, reluctantly, I hasten to add); on the other, the optimistic marxists (along with Marx himself), such as the political economist, Hillel Ticktin, founder and editor of the journal *Critique*, and his marxist contemporary, Istvan Meszaros, author of *The Power of Ideology* and *Beyond Capital*. As for the latter work, arguably Ticktin is in fundamental agreement with the thesis of ‘Beyond Capital’, despite differences of emphasis. (Such differences are to be expected, considering the fact that Ticktin’s speciality is political economy; whereas Meszaros is essentially a political and social theorist). As the note on the cover of his last major work says, ‘Meszaros defines the capital system as embracing private ownership and Soviet-type post-capitalism: both share the same hierarchical structure, the same destructive tendencies and the same exploitation of the labour force. Capitalism may appear to be triumphant world-wide, but *Beyond Capital* is a devastating exposure of a system which can only renew itself at the cost of increasing its problems and can only delay but not avoid its eventual collapse.’

Whereas Tiktin writes in a recent article for *Critique: The Dialectics of Decline...* is only a restatement of the proposition that capitalism is in decline when the poles of contradiction become more and more difficult to mediate.... Bureaucracy is then mediation between use value and exchange value which has become necessary because all other forms of mediation have broken down. In terms of political economy, I would argue that finance capital became a new and necessary form to mediate that contradiction. In its form of materialism it succeeded in maintaining capitalism for a time.

War and the Cold War in particular [in which the military-industrial complex plays a major role] are other examples of mediating forms which maintain the structure of capitalism....it is clear that [the above] are extreme forms which have limited lives.' In a later section, Tiktin discusses finance capital as, 'not just an aspect of modern capital, it is its dominant form and hence the prevailing finance capitalist power, the USA, is necessarily the controlling force within capitalism itself. Since, however, finance capital can only exist by withdrawing capital from the productive sectors, producing both services and goods, it exists in permanent contradiction and conflict with industry and the productive services that in turn leads to a division between the capitalist class both within countries and between countries.' On the other hand, finance capital preferred to speculate in the property market, despite the high risks it incurred once it began to invest in virtually interest-free mortgages to workers on low-incomes. Property prices went through the roof . But this led to a financial bubble, which was doomed to burst, sooner or later. That day came during the year of 2007. In addition other finance capitalists indulged

themselves in risky ventures, such as ‘derivatives’. In essence the latter amounted to laying bets on the success or failure of this or that financial scheme, as well as the dollar itself.

Ticktin goes on to predict that, left to its own devices, a declining capitalism will undergo a transition into a new form, but this requires the transformation of ‘the nature of value itself’, indeed ‘a new mode of production’ in which value ‘is taken over by organised forms’. As a precursor, ‘this has led to the rise of both public and private bureaucracy’. Such a transition would take many years. Meanwhile this bureaucracy already exercises control over bourgeois democracy itself. Consider, the unprecedented situation of the current US president, Barrack Obama: During the recent world financial crisis (the worst since the Great Depression of 1929-33), Obama realised that he would have to use trillions of dollars of American taxpayer’s money in order to bail out a banking system which was on the verge of collapse. If the latter happened, then finance capitalism across world would have experienced a spectacular crash, comparable to that of 1929, if not worse. (Therefore one shudders to think of the social and political consequences of such an event; not just in the underdeveloped world, which is already in the grip of barbarism; but in the developed parts of the world as well!) On the other hand, neither Obama or the authority invested in him by his presidential office (even though he is the most powerful man in the world) were strong enough to reign-in the banks and bring them under some form of regulatory control. A few big investment banks went down; but within months, for the top financial and banking executives, it was business as usual once again. Those who had precipitated the

crisis in the first instance, remain free to continue with their reckless behaviour. Once again, the lure of an extravagant individual life-style, hitherto undreamt of, proves to be irresistible. Therefore the same old problems remain unresolved. It is logical to assume that the excesses of finance capital will continue unabated; i.e. unsound investments, perhaps a new property bubble, other high-risk speculative ventures, etc. Thus it would be no surprise if another financial crisis, albeit worse than that which occurred in 2008-9, were to happen in the next decade or so. (N.B. I shall discuss Ticktin's theory of decline in more detail in a later essay, with particular regard to the recent financial crisis.)

But to return to my analogy of strange bedfellows. It would seem that Ticktin does concur with Adorno's pessimism, albeit tentatively. For in the same article, he also says: 'Some people argue that decline must show itself in an absolute decline, in which there are visible symptoms of civilisation going in a downwards direction. The fact that criminal activity is now regarded as crucial....The standard of living, growth, morality, education and overall standard of learning, from this point of view, must all decline. In so far as this does occur, we would be talking of the decay of society itself, quite apart from the decline of the mode of production. Yet this is not necessarily the phenomenal form of decline itself....The Roman Empire expanded further over a longer period than any other empire in the Ancient World, but it represented a period of decline and fall of the Ancient mode of production.' But consider the horrors of the Roman Empire from the standpoint of the majority of human beings who lived during that much longer period.

In this regard, Ticktin goes on to explain how criminal activity, including hundreds of billions of dollars worth of drug money is traded on the world's markets, most of which is profit. This kind of activity is crucial in the former Soviet Union. It arises from the nature of modern capitalism and now impinges on a system which was inherently corrupt. He could have also mentioned the virtual war that is now being fought between the Mexican state and the paramilitary forces of the drug barons along the southern border of the United States. Add to this the fact that the culture industry produces an endless stream of action-thriller movies, etc., based on the drugs industry; albeit as an entertainment for the masses, is also worrying. As Adorno says, 'In an age of total administration, culture no longer needs to humiliate the barbarians it has created; it suffices that by its rituals it strengthens the barbarism that has subjectively been sedimenting over centuries.' (Cf. Marx in his EPM: Given the negative effects of alienated labour, the bourgeois division of labour, etc. 'the worker feels he is acting freely only in his animal functions - eating, drinking and procreating... while in his human functions he is nothing more than an animal. This is reinforced by the violent images of a Hollywood action-thriller, etc.)

Ticktin, of course, strains to maintain his optimistic strain of marxism:

'Commodity fetishism was engendered by the workings of capital and it ensured that the workers were atomised and saw capital as God-given, fair and eternal. It was however the development of finance capital into its imperialist form that ultimately led to the World Wars and it was the irrationalism of finance capital that allowed the emergence of Fascism [N.B. The Wall Street Crash of 1929 caused the

rapid breakdown of the world financial system; the middle classes lost their savings, and economic collapse led to mass unemployment; hence allowed the German people voted the Nazi into power; although it was as simple as that.], even if the bourgeoisie, by and large, did not like it.’ But then he adds the strange rejoinder, ‘It is only because workers are no longer so atomised, or fetishised by the powers of capital, that alternatives have had to be found.’ Once again, here he means alternative mediating forms between use value and exchange value, such as bureaucracy, finance capital in its imperialist form, which led inevitably to War and the Cold War. Apropos the rise of bureaucracy, Ticktin uses a terminology that is identical to Adorno’s notion of ‘administered capitalism’: e.g. ‘Administered measures have to be undertaken to ensure that the surplus value is extracted and appropriate; taxation; centralised and nationalised money forms; nationalised industries; punitive forms of control over labour... Inside the corporation, ... accountants, analysts, industrial relations departments... all become part of management which is essential to maintain control over profits. The role of the capitalist is declining...’ Therefore capitalism in its transitional stage begins to resemble the old Soviet Union. If it does, it will develop into something worse than it is now; something which may also require an NKVD and a Lubyanka!

There are several points to be made here: Firstly, Ticktin omits to mention that during the period of monetarism (which we are still in), the nationalised industries were abolished in favour of a return to private ownership and the logic of the ‘free’ market; whilst ‘the punitive forms of control over labour’ remain. As for his claim that the workers are ‘no longer atomised or fetishised by the powers of capital’, I

would argue that the opposite is the case. Up until the day when the property bubble burst in the United States, it was ordinary workers who bought into the property boom; they took out 100% mortgages from shady mortgage companies; but now hundreds of thousands of home buyers, from all social layers, have lost both their jobs and their homes. Ticktin also omits the role of the culture industry, which is also an adjunct of mass consumerism, which is epitomised by Hollywood: During the worst financial crisis since 1929-33, despite the fact that millions of American workers had been made redundant, the top ten films of 2009 grossed more money than at any other time in the history of American cinema. The above two examples alone should suffice suggest that the workers are just as much 'atomised' and 'fetishised' by the powers of capital as they ever were.

The only point that Ticktin makes which I would not disagree with, is his argument that the turn to the mediating forms such as bureaucracy, as well as finance capital in its present form, did indeed do its work: It defused the militancy of the workers and their demand for high wages. But there's the rub! Once again we return to the vexed question of how and when, if ever, will the working class acquire the necessary 'communist-mass-consciousness; which Marx ascribes to it?

In this regard, if there are any major differences between Ticktin and Meszaros, it may lie in the fact that the latter places much more emphasis on the problems that arise from the bourgeois division of labour [p 952] Thus Ticktin and Meszaros may not be so far from Adorno's pessimistic prognosis after all; i.e. his notion of 'late capitalism' as a 'total system of control', viz 'administered capitalism'.

**Addendum:**

The standard of living has certainly gone down in many third world countries. Here the traditional way of life has been destroyed; but it has not been replaced by anything better: For the average typical impoverished and underdeveloped country, farmers and producers of raw materials struggle to survive at the hands of unfair trading relations between themselves and the developed countries, such as the USA and the European Union. The profits from the export of raw materials, such as oil, copper, iron ore, etc. are syphoned off by trans-national companies on the one hand, and corrupt regimes on the other. Apart from lining their own pockets, unscrupulous local rulers use the nation's hard-won grants in aid to buy weapons from unscrupulous arms dealers, rather than to import food and know-how to help their own people. In the slums of Nairobi, Kenya, there is one toilet for every 2000 people. In post-apartheid South Africa, the so-called 'rainbow nation', we now have something just as bad, if not worse: economic apartheid; according to Ticktin, the true unemployment rate among the black population is nearly 50 %. As a result, in the townships, we have an aids epidemic, as well as arising crime rate. It is estimated that there 55,000 murders a year, mostly-black-on- black. At the Same time, the ANC, the ruling party, which represents the black majority allows the profits from its gold and diamond mines to line the pockets of offshore companies.

Apart from neo-colonialism, which is just as rapacious as the old days, albeit not as transparent; in the post-colonial era, the African continent has been ravaged by inter-tribal conflicts; they spill across borders that were drawn up at the

convenience of the colonial powers; as the people of the continent become more impoverished, inter-ethnic conflicts are on the increase; yesterday the world was appalled by revelations of the use of child soldiers in West Africa's civil wars; today the world wrings its hands over the return of piracy to the Horn of Africa. Such are the bitter fruits of so-called 'failed states'.

One could quote many other examples of the latter, e. g. in Rwanda and Zimbabwe. Although the western democracies are in denial; they point the finger at corrupt African rulers; but in reality, this state of affairs is, in large part, a consequence of neo-colonialism. When it comes to trade and development, global capitalism is by no means a level playing field, and so on.

Arguably, the standard of learning has gone down too: Mechanisation/computer technology not only means that machines have replaced human labour, rather than shorten the working day; but now machines replace machines. Therefore under the bourgeois division of labour, the capitalist requires more and more people to be trained to do specific tasks or that they are deskilled as the case maybe.

Therefore even people who are highly skilled end up doing boring, repetitive jobs, in which there is little scope for independent decision-making; because the latter has become the responsibility of an advanced computer programme (!) or a higher level of management, who are answerable to a centralised bureaucracy, e.g. high-ranking investment bankers, financial analysts, quality control supervisors, etc. Thus today, the only real expansion in the job market is for low-skilled workers,

such as those who work in the service industry. Thus fewer and fewer people receive a rounded education, which can enable to realise their full potential as human beings.

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