

# **Anti-Capitalism and Political Practice - An Emancipatory Leftist Perspective**

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1. Capitalism – The Plague
2. Why We Can't Abolish Capitalism Easily
3. An Emancipatory Leftist Approach to Anti-capitalist Practices

This strategy paper, wants to contribute to the current debates on capitalism on the emancipatory left.<sup>1</sup> Our approach is embedded in a broader critique of domination. In light of the current economic crisis and the catastrophic response to it, alternative political approaches directed against these policies and their imposed constraints within the capitalist system become more urgent. In the following paper, we would like to discuss certain opportunities and problems of anti-capitalist transformative strategies. Our ideas come from critical social theory and analysis as well as from years of activism in different emancipatory leftist initiatives.

## *Capitalism – The Plague*

We firmly believe that we have capitalism to thank for a profound and rapid technological progress and, in some spheres and regions, an increase in the productivity of labour. This relative progress is paid for with the hunger and impoverishment of large parts of the world's population, not to mention its impact on climate, ecosystems and resource availability. Karl Marx had already observed the necessary, inherent, cyclical crises of capitalism and correctly predicted that these would also occur in the future. These crises even affect some of the rich, while others profit from them. Only the poor, and increasingly the

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The Emancipatory Left is a political current that endorses bottom-up organisation, individual freedoms and socialist principles. It applies and develops critical social theories and supports a decentralized society and social movements.

middle classes, are hit every time – partly in life-threatening ways. But also on the other side of these extreme effects of capitalism, exploitation has to be criticised as the constitutive state of capitalism, which is generated by the absorption of the wage-labor surplus value by the owners of the companies. Capitalist enterprises and their owners can exist only if people are forced to work for them. And they can only remain competitive and increase their capital if they try to reduce workers' wages to the lowest levels possible and extend working hours. Otherwise, capitalist companies are threatened with bankruptcy. On the other hand, collective wage agreements, laws to increase wages and to reduce working hours are presented as an impediment to remaining competitive on a global market and with respect to other nation states. On a capitalist market, national industries, the slogan goes, can only be successful, if the workers tighten their belts. Exploitation is thus a key element of capitalism, which is why workers can only be freed by overcoming capitalism as such/in its entirety.

This is even more true in global terms: European militarism and colonialism were rooted in the trade-oriented policies of the European regimes in the period of rising capitalism. The worldwide military and cultural invasions undertaken by the West were inextricably linked to the profit motive of rulers, trading houses and a horde of adventurers, who, despite their barbaric behavior were increasingly considered as the representatives of civilization. Capitalism advanced to all corners of the world through war, murder, looting, kidnapping and enslavement, subjugation and corruption - and with the Bible in the hand. Competition between the European powers shifted increasingly into economic competition, and eventually culminated in the First World War. The Great Depression of the 1920s was followed by fascism in Europe, which, in some countries, was financed and driven by heavy industries dependent on government contracts. After the Second World War, the world was divided between capitalist and authoritarian-socialist, or state capitalist, blocks. The Cold War imposed a new wave of violence onto the "Third World", which at that time has freed itself from the shackles of colonialism. Subjugated to the more or less capitalist interests of both blocks, people in the south were starved, fought with and

killed. In the present period, capitalism has always been associated with tyranny, especially in resource-rich countries. And the struggle for resources will definitely continue – if we don't change the rules of the game.

What does it mean to say 'we have to'? Capitalism also has destructive effects on the relationships between people. While it was a matter of course to help friends move into a new flat when we were younger, only a few years later, a moving company needs to be hired. This is a result of occupation related mobility, the nuclear family, and capitalist competition, in which friendships are often only cultivated if they are part of the job or benefit the career. Whereas Indian farmers have helped each other for centuries during the harvest, there is now often only the commercial labour market and unemployment. The family (sports clubs or religion) is important, if often only as an apparent sanctuary for exploited and stressed people. Hegemonic ideologies are perpetuating this interdependence. The family is supposed to absorb the negative effects of the hard competition on the market, emotionally and economically. The costs are still covered by women who do the lion's share of emotional support, domestic and care work. In addition, non-heterosexual lifestyles continue to be discriminated against, despite small reforms (e.g. the Civil Partnership Act, Same Sex Marriage). Collective and communal alternatives for interpersonal relationships are often deemed absurd – if they are noticed at all.

### *Why We Can't Abolish Capitalism Easily*

In order to discuss strategies to develop and expand emancipatory alternatives to capitalism, we consider it necessary to first outline authoritative ideas on the abolition of capitalism. At the same time as we advocate some pragmatism, our view does not dispense with radical strategies. The corollary is certainly not that we are just trying to make our peace with the current conditions for the sake of convenience, or that we are just trying to legitimise this theoretically. Rather, we are looking for pragmatic possibilities to overcome capitalism. From

experience, pragmatism *also catches up with* the most forceful dogmatist, if time is short and decisions must be made. The question is rather which pragmatic solutions come out on top in such a situation, which in turn depends to a certain degree on what has already been developed before. A revolution under inadequate socio-economic circumstances and without real strategies may just lead to a re-establishment of capitalist systems (e.g. Portugal in 1974), or to the construction of authoritarian command economies (e.g. Russia in 1917). Against this historical background, we advocate a radical, emancipatory strategy on pragmatic feet and champion an emancipatory pragmatism. Firstly, we want to inspect a few *essential* elements that are constitutive of capitalism. Time and again, certain individuals wrongly abstract and explain the evil simply as e.g. efficiency, the market, money, capital or interest.

1) Efficiency: an emancipatory perspective criticises efficiency-based decisions that are taken in negligence of the needs of e.g. wage earners or residents nearby industrial plants and which implicate the exploitative disciplining of their labour processes. But some of these criticisms point to a rejection of modern rationalization processes in general. It should, however, be remembered that efficient production and distribution are an important basis of a comprehensive satisfaction of one's needs - and a prerequisite for more leisure time. It can't be the goal to work 15 hours a day in a 'self-determined fashion' in order just to survive . So the question is not whether we will operate efficiently or not. But what needs to be debated is the relationship between efficiency and social and environmental goals - and who decides on this ratio.

2) The Market: Criticism of markets is a key element of the critique of capitalism. More and more areas of life are captured by the market principle, and thus by competition. With market forces being justified: why are we today apparently powerless in the fight against hunger, against the growing gap between rich and poor, climate change and pollution and the reckless exploitation of resources? Competition does not allow any time to stand still - the law of the market says: Grow or perish! Economic growth is not about a categorical imperative of

parliamentary and international politics - although since the 70's we have been urgently warned against the 'limits to growth', which is based on scientific evidence. Many market-driven processes at the highest levels have developed a pace and momentum, which no group of people can control any more. Sooner or later we have to act against this. The question is only: will we act before or after the disaster?

On the other hand it is not clear which structures will replace the functions of the markets. Let's assume the following scenario: New ownership structures are established that no longer work for the market but are cultivated for the needs of the people. We cannot predict if these structures could assume some regulatory functions, which form a counterbalance to barely workable planning of all economic details. In order to have complete control over the markets, or to turn them off, strong institutional forces would also be needed. However, these are part of those structures of domination we want to get rid of. Further experiments with an authoritarian planned economy prohibit themselves - not only in the perspective of the critique of domination, but also for reasons of efficiency: what good reason do people have to work when decisions are subject to a central authority, in which they have no influence? Rather than relying on a violent campaign against markets, it is thus better to fight for new forms of legitimate individual and collective property. These forms are today often referred to as the 'commons' and should be promoted at regional, national and global levels, so that more people get more political influence. That includes to overcome the concentration of ownership and especially that of central key industries and technologies that are in the hands of a few private owners. Such changes are probably unlikely because of the opposition from property owners and state power. So it is all the more important to counter a growing autonomy of intelligence, police, military and similar apparatuses of violence through consistent democratic control as well as internal democratization. Both economy and government/administration need more democracy to get markets under control or even dispensable.

3) In the past, seeing money as the main problem of modern society led to various alternative forms of economic activity. The basic idea of local currencies and barter exchange is often that certain characteristics of general state currencies are considered to be the main problem. However, 'free- or gratis-Initiatives' (collective services, that are completely free and which rely on no system of money or bartering) assume that ultimately every form of currency sooner or later leads to a market system. 'Free-Initiatives' utilize things that the industry and the average consumer considers as waste. It is undoubtedly important to promote a collectivity and sustainability against self-destructive consumerism, but the concept is not transferable to the needs of industrial manufacturing.

From our perspective, these attempts do not only fall by being purely locally-oriented and often showing a very moderate level of success. They also ignore the use of money as an *offsetting/compensatory agent*: In particular, digital money enables efficient distribution of production factors and products, simply because this is mediated inevitably by numbers. Another aspect: Resources are not available in unlimited quantities, whether there is money or not. It has to be operationally clarified how we will process transactions in a post-capitalist way. Even without wages paid by the capitalist entrepreneurs, limits of consumption must still be determined. Therefore it is advisable not to curse money so hastily. It seems unlikely that in the nearest future major economic processes, or just a good life, would be feasible without an efficient currency.

4) Capital is fatal because it inevitably has to reproduce itself in order not to be destroyed, by any means and all its consequences. But, is all money that is reinvested, capital? What's with the property of workers who own their factory and also the bank where their money is? What if investments were controlled through direct and democratic general assemblies and if these investments primarily served other purposes than the expansion of capital? Capital will then, according to Marx's thesis, be replaced by a social 'accumulation and reserve fund'. If we speak of a transformation of capital in such reserve funds, it is crucial to know which social goals investments are meant to

accomplish and who has the authority to determine these goals. An expropriation of capitalist ownership in favour of a central government is not an appropriate strategy. In authoritarian-socialist systems the state becomes the economic monopoly – not much to gain here from an emancipatory perspective. An economic sector that is concerned about people rather than capital accumulation already exists. Examples include cooperatives and other formal and informal economic associations, which are based on self-help, reciprocity and social responsibility. But there is an overall lack of knowledge about the sector, and a lack of economic theories and models that fit to its premises and characteristics.

5) Right-wing political movements, the *Esoterics*, Christianity and Islam are all against *interest*. For many people it is evident that the abolition of interest would make the wrongs of the world disappear. And at first glance, the idea appears somewhat logical: whoever has money can lend it and earn more money back as a result of interest – and thus become richer and more powerful, while the people taking the credit slave away. But the idea that through interest on money, more money can be made is deceptive. Money that I lend to the bank and that it promises to give back to me again including interest is designed to be as profitable as possible for the financial institution, and then reused. Surplus value conceals itself in interest and thereby interest conceals the exploitation of labour power through capital. To simply abolish interest through a decree would not change anything as long as money, the market, capital, private property, and means of production, and thus class, persist. One sees this clearly with the so-called ‘islamic banks’: here, interest is simply called something else, explained as a fee for the services of the bank, or as a profit share for moneylenders, but otherwise it’s just business as usual.

Again, the lending of money also causes costs. The enormously high interest rates of informal lenders in the Middle Ages in Europe (of 20-30%) are now being exceeded from equally informal lenders in poor regions of the world (up to 50%). The essential reasons for these high interest rates lie in the high costs per loan agreement relative to the amount of the loan, and

to the high rate of failure to pay back in this context, i.e. the risks of lending. There are few successful lenders in a locality who become rich by meeting the demands for credit, and they will often be the scapegoats. It is not fair, because we are all responsible when it comes to the satisfaction of a socially and individually significant demand (for credit). This is true for high-risk marginal areas of lending, but, in fact, the entire present-day circulation of money is based on the credit system. Economic processes would be much too slow if all the market players would actually handle all of their operations based on equity only. Even if a slow down of the economy is intended, there would still be a lack of flexibility or reactivity without credit and interest. Therefore, the banks have a central role in providing the necessary, short-term supply of money in a relatively straightforward manner. This is why the entire sphere of production was hit so severely when the banks collapsed, as happened in the financial crisis in 2008 and 2009. And what have the national central banks in Europe and the USA done up until now to counteract the crisis? They have reduced the interest for borrowing from other banks to such a level that it can be said there is a temporary abolition of interest – but the plague of capitalism has not been impaired. There is no reason why, under capitalist conditions, no interest should be demanded for lending money. In principle, a lender always risks not getting the borrowed money back; and even apart from that: what should motivate, in a capitalist economy, to lend money if not the prospect of profit? So instead of 'knowing' the one and only solution (to ban interest), there are questions to be asked: How can market, money, and capital, as well as the money business, become democratised and socialised today? One example from development cooperation (or aid) is the latest trend to promote self-help, savings and credit groups in developing countries. In fact, even these groups, which in part go back to very old traditions, collect interest from their own members. Without further explanation, that should illustrate the complexity of the issue. To abolish interest or efficiency or market or money, or even capital brings us no further – what we urgently need is bottom-up control, and then we can step further.

*An Emancipatory Leftist Approach to Anti-capitalist Practices*

The first two sections already point to tasks and possibilities of an anti-capitalist practices today. If we look at this problem from a policy-oriented perspective, roughly two courses of action can be identified: top-down and bottom-up oriented activities. Top-down means to use existing hierarchical structures and institutions. We should note here that for emancipatory strategies, an integration of an individual into established power structures always involves trade-offs between the emancipatory effect and the reproduction of domination and subordination. The underlying goals are often lost when going on the march through the institutions, especially when people lose touch with emancipatory networks and debates - a phenomenon that is often seen amongst academics. On the other hand staying outside of the structures of domination, not demanding access at all, and disappearing into sub-cultural oblivion, is also problematic in our opinion - more on that later.

In contrast, bottom-up is the principle of organising from below, which is the prior approach of emancipatory politics. Although one finds bottom-up elements in local state institutions and sometimes at the national level, these are non-governmental. Not only that bottom-up projects are better suited to counteract exploitation and oppression structurally. They also aim on long-term and far-reaching changes. Nevertheless, typical bottom-up elements, like self-determination and grassroots democracy, have limitations. Their organisations are often small and insignificant in relation to, e.g., big enterprises, state authorities and international organisations. A bottom-up strategy that also uses top-down elements therefore promises to be more effective.

How to go about it? Top-down activities include protecting the less privileged from macro-economic shocks instead of shareholder value in banks. It includes policies against environmental destruction and legal regulations directed against monopolies, oligopolies and corrupt elites. Such goals are not radical, but they are of tremendous importance because of their

dramatic positive impact on the lives of many people. Limits on working time or minimum wage also belong into this category, since they can be bypassed without any general statutory provisions by individual capitalists or even entire industries. A legal limitation of working hours and sufficient minimum wage enforcement is, however, a slap in the face for capitalist exploitation, as already Marx implied. The development of a legal framework that supports and secures company take-overs by the staff would also be of major importance. However, it is crucial that we learn from the mistakes of the past. Policies, which strengthen governments and administrations should not be overvalued or even glorified as the ultimate strategy. One example: Why should a recently privatized water company be purchased by the state again, like anti-privatisation initiatives often claim? So that the next government can sell it off again? Instead of recognizing the opportunities of co-operative and non-profit sector in the economy, many leftist still dream of a powerful state that tames capitalism. Using government and administration to keep exploitative companies in check only makes sense if, at the same time, the solidarity sector is built up. The state power should not be upgraded continuously to counterbalance the private sector, but should be reduced, while its functions are transferred progressively to grassroots structures. Such a structure in terms of bottom-up activities requires multi-level interventions: in our own lives and personal surroundings as well as in local and global contexts.

**Individual Responsibility:** Those who believe that individuals could never change anything are either badly advised or would rather want to know nothing at all about how we can intervene in the course of events - out of convenience. Lots of people have opportunities to use alternative sources of information - and yet they consume only one or two vulgar forms of media, from which they adopt a manufactured opinion - for instance to perceive permanent labour and mass consumption as the ultimate end of human existence. That particularly represents a problem of enormous political consequences for an emancipatory left: No change will come from below, if critical perspectives and alternative ways of life are not spreading. Everyday life as such thus gains in significance. The more individuals are involved in leftist thought and activism, the better the chances for a cohesive change.

Groups, Networks, Institutions: If the bottom up approach would end at the individual level, we could not get far. A society is more than a bunch of individuals. The effect that competition has on human relationships and the role of the family are widely debated topics. Still, alternative approaches to competing with each other and then take shelter in some mainstream nuclear family - are far more important than many left-liberals want to admit. To avoid that means struggling against isolation in a exclusive partnership or being left all alone. Contrary to conservative views of allegedly spontaneously developed compounds such as the family, we are free to choose who we would like to live with. Contrary to neoliberal selfishness that networking is only for advancing your own career, we emphasize the binding nature of relationships. We can confront an alienated society by building trusting relationships in our everyday lives- a long-term and to some extent, stressful task - which sometimes does not immediately pay off but becomes of inestimable value even, if we are on the brink of the abyss. At best we can access solidarity networks on a day to day basis and continuously contribute something to them. The step from informal solidarity relationships and networks to formal structures of self-help and mutual support is sometimes only very small depending on whether it is 'only' a few people in a particular place and for a particular purpose, or whether it's about a combination of bigger dimensions and varied destinations.

Organisations: New advantages and disadvantages come into play introducing formal structures. On the one hand, large co-operatives and interest groups, like workers unions or other NGO's can form a genuine counterweight to the profit-orientated economy. On the other hand, we see even these big organizations exposed to practical constraints. Unions and cooperatives would fairly share out the immediate tasks amongst its members. Despite of that there is not much time or money left over for solidarity with strategic partners or to pursue any long-term strategy. The effective support network of trade unions and cooperatives, for example - even across national borders - is depending on its members materially supporting it - often they don't. This applies not only to cooperatives and unions, but also to all other grassroots initiatives, such as those of anti-fascists, residents of a neighborhood, parents, or tenants.

At any rate, medium-term transformative perspectives imply the increased democratic organisation of consumers and producers

in cooperatives that demonstrate solidarity with fundamental consensus and democratically chosen representatives with an imperative mandate. Again, it needs collective and democratic forms of organisation of reproductive work; for example, the care of children and older people, which is not to be left to individual family members (mostly women) or capitalist enterprises. Markets can partly be circumvented by solidarity consumers and producers or be used in a form in which the markets lose a part of their negative properties – as for example in some farming cooperatives, which manage supportive assistance for the members. If companies and banks are for the most part directly in the public sector, i.e. run by the people's democratic decision-making power over social investments, savings invested are likely to benefit many people rather than a few shareholders. In addition, an overall perspective of the finance sector must be developed and then managed that is dominated by passive and public service orientated state and cooperative banks. Such forms of democratisation and redistribution of property won't abolish money as a compensation of production costs and wages, won't abolish markets as elements of coordination between consumption and production, neither easily and nor suddenly. However, their functions as we know them today can change. This also applies to executive forces like the police, the military, or secret services. Ultimately, the task is nothing less than to develop post-capitalist forms of sharing power and responsibility.

We would like to continue these debates instead of, as has become customary for some critics of capitalism, claiming omniscience and avoiding concrete statements about an anti-capitalist practice. We promote to combine all our efforts and available resources to simultaneously take steps forward on multiple fronts. Making urgent political action possible requires a target-oriented pragmatism. As challenging as it is, we can't see any alternative to an anti-capitalist critique of domination and a comprehensive democratisation of the economy and state.

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