The Exit from Capitalism has Already Begun

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The question of the exit from capitalism has never been more pressing. It is posed today in a radically new way and with unprecedented urgency. By its very development, capitalism has reached a limit, both internal and external, that it is incapable of transcending. It is, as a result, a system surviving the crisis of its basic categories - labor, value, and capital - only by subterfuge.

The crisis of the system can be seen at both the macroeconomic and the microeconomic levels. It is mainly to be explained by a techno-scientific upheaval that has produced a rupture in the development of capitalism and is, in its repercussions, destroying the basis of its power and its capacity to reproduce itself. I shall attempt to analyze this crisis first from the macroeconomic angle (in section 1, below), then in its effects on the operation and management of enterprises (section 2).

Computerization and automation have made it possible to produce increasing quantities of commodities with decreasing quantities of labor. The cost of labor per unit of output is constantly diminishing and the price of products is also tending to fall. The more the quantity of labor for a given output decreases, the more the value produced per worker - productivity - has to increase if the amount of achievable profit is not to fall. We have, then, this apparent paradox: the more productivity rises, the more it has to go on rising, in order to prevent the volume of profit from diminishing. Hence the pursuit of productivity gains moves ever faster, manpower levels tend to reduce, while pressure on workers intensifies and wage levels fall, as does the overall payroll. The system is approaching an internal limit at which production and investment in production cease to be sufficiently profitable.

생산성이 높아지면 생산에 자필되는 노동이 줄어들고 가치가 줄어든다. 따라서 이윤이 줄어드는 쪽으로 작용한다. 이윤을 줄이지 않기 위해서 자본은 1) 생산성을 계속적으로 가속적으로 높여야하며 2) 노동자들에 대한 압박을 늘리고 임금을 줄인다. 이런 식으로 자본주의의 체제는 생산과 생산에의 투자는 충분히 이윤을 남기지 않는 내적 한계에 접근하고 있다. *중간에 설명하지
In China, the Philippines, and Sudan, the figures show that this limit has been reached. The productive accumulation of productive capital is in constant regression. In the United States, the 500 companies listed on the Standard and Poor’s index have $631 billion in liquid reserves; half the profits of American companies derive from operations in the financial markets. In France, the productive investment of the CAC40 companies is not increasing, even as their profits are rocketing.

Since production is no longer able to valorize the full amount of the accumulated capital, an increasing part of that capital remains in the form of finance capital. This leads to the formation of a finance industry that is constantly refining the art of making money by buying and selling nothing but various forms of money. Money itself is the only commodity the financial industry produces - through operations on the financial market that are more and more risky and less and less controllable. The amount of capital the finance industry siphons off and manages far exceeds the amount of capital valorized in the real economy (the total of financial assets represents $160 trillion, which is three to four times global GDP). The “value” of this capital is entirely fictitious: it is based largely on debt and goodwill or, in other words, on expectations. The Stock Exchange turns future growth, future company profits, and future property price-rises into capital, together with the gains to be made from restructurings, mergers, amalgamations, etc. Stock market prices inflate with capital and its future profits, and households are encouraged by the banks to acquire (among other things) shares and property investments - further boosting the stock market boom - and to borrow increasing sums from their banks, as their fictional stock market capital grows.

The capitalization of expectations of profit and growth sustains the growing level of debt, fuels the economy with liquid assets that are the product of the banks recycling fictional profits, and enables the United States to achieve an “economic growth” which, though based on internal and external debt, is by far the main engine of global (including Chinese) growth. The real economy is becoming an appendage of the speculative bubbles sustained by the finance industry - until that inevitable point when the bubbles burst, leading to serial bank crashes and threatening the global system of credit with collapse and the real economy with a severe, prolonged depression (the Japanese depression has been going on for almost fifteen years now).

The economy needs a speculative bubble to maintain its credit system. The speculative bubble itself is an illusion. It is built on debts, which are the illusion that capital is flowing into the real economy. When the bubble bursts, the economy is left with nothing but debt, which the banks have created in order to keep the illusion going. The economy is thus reduced to a state of infinite debt, with no productive capacity to support it. The only solution is to create more speculative bubbles, which will only make the situation worse. If the speculative bubble is allowed to burst, the economic system will collapse, and the only way to prevent this is to create more speculative bubbles.
There is no point blaming speculation, tax havens, a lack of transparency in – or controls on – the finance industry and, in particular, the hedge funds. The threat of depression, if not indeed of collapse, hovering over the world economy, is not due to a lack of oversight: it is due to capitalism’s incapacity to reproduce itself. It is managing to operate and perpetuate itself only on increasingly precarious fictional foundations. To seek to redistribute the fictitious profits of the speculative bubbles through taxation would bring about precisely the thing the finance industry is attempting to avoid: the devaluation of gigantic quantities of financial assets and the failure of the banking system.

"Ecological restructuring” can only aggravate the crisis of the system. It is impossible to avoid climate catastrophe without a radical break with the economic logic and methods that have been taking us in that direction for 150 years. On current trend projections, global GDP will increase by a factor of three or four by 2050. But, according to a report by the UN Climate Council, CO2 emissions will have to fall by 85% by that date to limit global warming to a maximum of 2°C. Beyond 2 °C, the consequences will be irreversible and uncontrollable.

Negative growth is, therefore, imperative for our survival. But it presupposes a different economy, a different lifestyle, a different civilization, and different social relations. In the absence of these, collapse could be avoided only through restrictions, rationing, and the kind of authoritarian resource–allocation typical of a war economy. The exit from capitalism will happen, then, one way or another, either in a civilized or barbarous fashion. The question is simply what form it will take and how quickly it will occur.

We are already familiar with the barbarous form. It prevails in several regions of Africa, which are dominated by warlords, by the pillaging of the wreckage of modernity, by
massacres, and by the trafficking of human beings, the whole taking place against a background of famine. The three Mad Max films represented the "shape of things to come." Only very rarely, by contrast, is a civilized exit from capitalism envisaged. Mention of looming climate catastrophe generally leads to envisaging a necessary "change of mindset," but the nature of that change, its conditions of possibility, and the obstacles to be overcome seem to defy all imagining. To envisage a different economy, different social relations, different modes and means of production, and different ways of life is regarded as "unrealistic," as though the society based on commodities, wages, and money could not be surpassed. In reality, a whole host of convergent indices suggest that the surpassing of that society is already under way, and that the chances of a civilized exit from capitalism depend primarily on our capacity to discern the trends and practices that herald its possibility.8

Capitalism owes its expansion and domination to the power it has assumed, within the space of a century, over both production and consumption. By first dispossessing the workers of their means of labor and of their products, it gradually acquired the monopoly of the means of production and the ability to subsume labor. By specializing, dividing, and mechanizing work in large industrial plants, it turned the workers into appendages of the megamachines of capital. Any appropriation of the means of production by the producers became impossible as a result. By eliminating the producers’ power over nature and the destination of their production, it gave capital a virtual monopoly of supply and hence the power to promote the most profitable production and consumption in all fields, as well as the power to shape the tastes and desires of consumers and the way they would satisfy their needs. It is this power the IT revolution is beginning to fissure.

It was, initially, the goal of computerization to reduce production costs. To avoid this cost reduction leading to a corresponding fall in the price of commodities, those commodities had, as far as possible, to be withdrawn from the laws of the market. This withdrawal consisted in conferring incomparable qualities on commodities, by virtue of which they seemed to have no equivalent, and hence not to appear as mere commodities.

 컴퓨터화를 통해 생산비용을 낮추더라도 상품의 가격이 그에 상응하여 낮아지는 것을 막기 위해서는 이 상품들을 시장의 법칙에서 벗어나야 한다. 이 떼난은 상품들이 비교 불가능한 질들을 부여함으로써 이루어졌고, 그래서 상품들은 등가물이 아닌 것처럼, 즉 상품이 아닌 것처럼 보이게 되었다.
The commercial value (price) of the products was, then, to depend more on their non-measurable immaterial qualities than on their substantial utility (use-value). These immaterial qualities — style, novelty, brand prestige, scarcity, or “exclusiveness” — were to confer on products a status comparable to that of art works. These latter have an intrinsic value; there is no scale by which a relation of equivalence or “true price” can be established between them. They are not, therefore, real commodities. Their price depends on their scarcity, on the reputation of the artist who made them, and the desire of the potential buyer.

The incomparable immaterial qualities procure for the producing firm the equivalent of a monopoly and the possibility of deriving a rent from novelty, scarcity, or exclusivity. This rent conceals and compensates (and often over-compensates) for the fall in value in the economic sense that the lowering of production costs entails for the products as commodities, which are, in their essence, exchangeable one for another, given the relation of equivalence between them. From the economic standpoint, then, innovation does not create value: it is the way to create scarcity, a source of rent, and to obtain a price supplement, to the detriment of rival products. The proportion of the price of a commodity that is rent may be ten, twenty or fifty times larger than its production cost. And this is true not only of luxury items: it applies also to everyday articles like trainers, T-shirts, mobile phones, CDs, jeans, etc.

Now, rent is not like profit: it does not correspond to the creation of an additional quantum of value, a surplus-value. It redistributes the total amount of value towards the rentier enterprises and away from the others, but it does not increase that amount. When it becomes the key goal of companies’ policies to increase rents — when rent becomes more important than profit, which, for its part, runs up against the internal limit mentioned above — competition between companies comes to be about their capacity for, and their speed of, innovation. This is what the size of their rents mainly depends on. As a result, they try to outdo each other in launching new products, models, or styles, to excel in the originality of their design, the inventiveness of their marketing campaigns, or the “personalization”1 of their products.

1) personalization : 개인에게 맞춤다는 말. = customization
The acceleration of obsolescence, which goes hand in hand with reducing product durability and reparability, becomes the crucial way of boosting sales figures. It forces firms to invent new needs and desires constantly, to confer a symbolic, social, erotic value on commodities, to spread a “consumer culture” predicated on individualization, singularization, rivalry, and jealousy—in a word, on what I have elsewhere termed “anti-social socialization.”

Everything in that system stands opposed to the autonomy of individuals, to their capacity to reflect together on their common ends and shared needs, to agree on the best way of eliminating waste, to conserve resources, and to develop together, as producers and consumers, a common norm of “the sufficient”—or of what Jacques Delors has called a “frugal abundance.”

Quite clearly, breaking with the “produce more, consume more” trend and redefining a model of life aimed at doing more and better with less presupposes breaking with a civilization in which we produce nothing of what we consume and consume nothing of what we produce; in which producers and consumers are separated, and in which everyone is opposed to herself in as much as she is always both producer and consumer at the same time; in which all needs and all desires lead back to the need to earn money and the desire to earn more; in which the possibility of producing for one’s own consumption seems—wrongly—out of reach and ridiculously archaic.

And yet “the dictatorship over needs” is losing its power. Despite the explosion of expenditure on marketing and advertising, the hold that corporations have over consumers is becoming more fragile. The trend towards self-providing is gaining ground again as a result of the increasing proportion of immaterial contents in the nature of commodities. The monopoly on supply is gradually slipping away from capital.

It was not difficult to privatize and monopolize immaterial contents so long as the knowledge, ideas, and concepts deployed in the production and design of commodities were defined as a function of machines and articles in which that knowledge and those ideas
were incorporated with a view to a precise usage. The machines and articles could be patented and the monopoly position protected. Private ownership of knowledge and concepts was made possible by the fact that they were inseparable from the objects that embodied them materially. They were components of fixed capital.

But everything changes when the immaterial contents are no longer inseparable from the products that contain them, nor even from the persons in possession of them; when they acquire an existence independent of any particular use and are capable, once translated into software, of being reproduced in unlimited quantities at negligible cost. They can then become a plentiful good which, by its unlimited availability, loses all exchange-value and falls into the public domain as free common property, unless it is successfully prevented from doing so by forbidding access to it and to the unlimited use to which it lends itself. However, immaterial contents are inseparable from human beings, and they cannot take the form of a commodity, as such, become a genuine commodity. It can be disguised as private property and as a commodity only by reserving the exclusive use of it through legal or technical artifices (secret access codes). But this disguise changes nothing about the reality of the good so disguised, which is a reality of common property: it remains a non-saleable non-commodity, free access to which and free use of which are forbidden, because such access and use always remain possible, because "illegal copies," "imitations," and forbidden uses are always a threat. The so-called owners themselves cannot sell these goods — that is to say, transfer the private ownership of them to someone else — as they would with a genuine commodity: they can sell only a right of access or a right of use "under license."

Thus, the knowledge economy depends on a form of wealth that tends naturally toward the status of common property and the patents and copyrights that are supposed to privatize that common property make no difference to this: the sphere of what is free is spreading irresistibly. Information technology and the Internet are undermining the reign of
commodities at its foundations. Everything translatable into digital language and reproducible or communicable at no cost tends irresistibly to become common property, if not indeed universal common property, when it is accessible to – and useable by – everyone.

Using a computer, anyone can reproduce such immaterial contents as designs, building or assembly plans, chemical formulae and equations; anyone can invent their own styles and forms, print texts, burn disks, reproduce pictures. More than 200 million items are currently accessible under "creative commons" licenses. In Brazil, where the music industry brings out fifteen new CDs a year, the young people of the favelas burn twenty–four per week and distribute them on the streets. Three–quarters of the computers produced in 2004 were self–produced in the favelas from cast–off components. The government supports cooperatives and informal self–providing groups.

Claudio Prado, Director of the Department of Digital Culture within the Brazilian Culture Ministry, said recently: "Employment is an endangered species...\(^2\) We are reckoning on bypassing the bullshit of the twentieth century" and ... "jumping from the nineteenth century to the twenty–first." The self–production of computers has, for example, received official support: the aim is to promote "the appropriation of technologies by the users for purposes of social transformation." Logically, the next stage will be the self– production of means of production. I shall come back to this.

The important point for now is that the main productive force and the main source of rents are gradually falling into the public domain and tending to become cost–free; that the private ownership of the means of production and, hence, monopoly supply are gradually becoming impossible; and that, as a consequence, capital’s grip on consumption is being loosened and consumption is tending to become emancipated from commodity supply.

2) L’emploi est une espèce en voie d’extinction

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This is a revolution that is undermining capitalism at its base. The battle between “proprietary software” and freeware represents the opening salvo in the central conflict of the age. That conflict continues and widens in the struggle against the commodification of the primary forms of wealth – the earth, seeds, the genome, cultural goods, and the shared knowledge and skills that make up the culture of everyday life and are the preconditions for the existence of a society. Whether the exit from capitalism assumes a civilized or barbarous form depends on the way this struggle turns out.

That exit necessarily implies that we free ourselves from the grip capital has exerted on consumption and from its monopoly of the means of production. It means re-establishing the unity between the subject of production and the subject of consumption, and hence recovering autonomy in the definition of our needs and their mode of satisfaction.

Claudio Prado speaks of the “appropriation of technologies,” because the key that is common to all of them – information technology – can be appropriated by everyone; because, as Ivan Illich demanded, “everyone can use it without difficulty, as often as he or she likes . . . without the use he or she makes of it infringing the freedom of others to do likewise”; and because that use (this is Illich’s definition of convivial tools) boosts “personal fulfilment” and increases everyone’s autonomy. The definition Pekka Himanen gives of the “hacker ethic” is very similar to this: a mode of life that puts the joys of friendship, love, free cooperation, and personal creativity first (Himanen 2001, especially 3 – 6).
Existing tools or tools currently in development, which are generally comparable to computer peripherals, point towards a future in which it will be possible to produce practically all that is necessary and desirable in cooperative or communal workshops, (3) in which it will be possible to combine productive activities with learning and teaching, with experimentation and research, with the creation of new tastes, flavors and materials, and with the invention of new forms and techniques of agriculture, building, and medicine, etc. Communal self-providing workshops will be globally interconnected, will be able to exchange or share their experiences, inventions, ideas, and discoveries.

Work will be a producer of culture, and self-providing will be a way to self-fulfillment. Two things argue for a development of this type. First, many more skills and talents exist than the capitalist economy can use – and also much more creativity. This surplus of human resources can become productive only in an economy in which wealth creation is not subject to the criteria of profitability. The second is that “employment is an endangered species.” I do not say that these radical transformations will come about. I am simply saying that, for the first time, we can wish them to come about. The means exist, as well as the people who are methodically working towards their realization. It will probably be South Americans or South Africans who are the first to re-create, in the deprived suburbs of Europe’s cities, the self-providing workshops of their native favelas or townships.

역시 은화의 생산자가 될 것이며, 자원이 자가성취의 길이 될 것이다. 이러한 유형의 발전에 기여하는 두 가지 – 1) 자본주의의 경제가 사용할 수 있는 것보다 더 많은 기술과 재능이 존재하며 또한 현저히 많은 창조성이 존재한다. 인간자원의 이러한 잉여는 부의 창출이 이윤이라는 기존에 종속되지 않은 경제에서만 생산적일 수 있다. 2) 고용은 면죄되고 있다. 이 발전적인 변화가 실제로 실현되려면 말이 아니다. 그렇게 되기를 천천히 바랄 수 있다는 말이다. 실현을 이룰 수단과 사람들이 존재한다. 아마도 남동네들의 자급적 재창조를 가장 먼저 재창조하려는 것은 유럽의 도시들의 가난한 주변부들에 있는 남미 사람들이나 남아프리카 사람들이 될 듯하다.

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NOTES
1. See the interview carried out by Marc Robert that first appeared in EcoRev 21 (Autumn – Winter 2005) and is included as the “Introduction” to Ecologica (Gorz 2008: 9 – 10).
2. “Labor value” is an idea of Adam Smith’s. Labor was for him the common substance in all commodities and he believed that commodities traded at a price proportional to the quantity of labor they contained. Marx refined and reworked Adam Smith’s theory.
Simplifying greatly, we may sum up the economic notion of value by saying that an enterprise creates value insofar as it produces a saleable commodity with labor which it remunerates by putting in circulation (creating or distributing) a quantity of purchasing power. If its activity does not increase the quantity of money in circulation, it does not create value. If its activity destroys employment, it destroys value. Monopoly rents consume value created elsewhere and appropriate it for themselves. Personal services do not create value, but redistribute it.

3. It is clear from other articles written around this time that Gorz is thinking of so-called "fabbers" (digital fabricators) – machines often described as "factories in a box" and theoretically capable of providing a basis for flexible, user-driven technological production (Trans.).

REFERENCES

* 고르는 1959년에 영상(Jean-Marie Vincent)의 소개로 망스의『정치경제학 비판 요강』을 접했다고 함.

출처 본은 http://ecorev.org/spip.php?article641