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IDEAS OF KARL MARX

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Abstract

The ideas of Marx have never been more relevant than they are today. This is reflected in the thirst for Marxist theory at the present time. In this article, Alan Woods deals with the main ideas of Karl Marx and their relevance to the crisis we're passing through today. It is 130 years since the death of Karl Marx. But why should we commemorate a man who died in 1883? In the early 1960s the then Labour Prime Minister Harold Wilson declared that we must not look for solutions in Highgate cemetery. And who can disagree with that? In the aforementioned cemetery one can only find old bones and dust and a rather ugly stone monument. However, when we speak of the relevance of Karl Marx today we refer not to cemeteries but to ideas—ideas that have withstood the test of time and have now emerged triumphant, as even some of the enemies of Marxism have been reluctantly forced to accept. The economic collapse of 2008 showed who was outdated, and it was certainly not Karl Marx. Marx's prediction of a crisis of overproduction had been consigned to the dustbin of history. Those who still adhered to Marx's view that the capitalist system was riven with insoluble contradictions and contained within itself the seeds of its own destruction were looked upon as mere cranks. Had the fall of the Soviet Union not finally demonstrated the failure of communism? Had history not finally ended with the triumph of capitalism as the only possible socio-economic system?But in the space of 20 years (not a long period in the annals of human society) the wheel of history has turned 180 degrees. Now the erstwhile critics of Marx and Marxism are singing a very different tune. All of a sudden, the economic theories of Karl Marx are being taken very seriously indeed. A growing number of economists are poring over the pages of Marx's writings, hoping to find an explanation for what has gone wrong.

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Second Thoughts

In July 2009, after the start of the recession *The Economist* held a seminar in London to discuss the question: What is wrong with Economics? This revealed that for a growing number of economists mainstream theory has no relevance. Nobel Prize winner, Paul Krugman made an astonishing admission. He said "the last 30 years development in macroeconomic theory has, at best, been spectacularly useless or, at worst, directly harmful." This judgement is a fitting epitaph for the theories of bourgeois economics.

Now that events have knocked just a little sense into the heads of at least some bourgeois thinkers, we are seeing all kinds of articles that grudgingly recognise that Marx was right

after all. Even the Vatican's official newspaper, *L'Osservatore Romano*, published an article in 2009 praising Marx's diagnosis of income inequality, which is quite an endorsement for the man who declared religion to be the opium of the people. *Das Kapital* is now a best seller in Germany. In Japan it has been published in a manga version.

George Magnus, a senior economic analyst at UBS bank, wrote an article with the intriguing title: "Give Karl Marx a Chance to Save the World Economy". Switzerland-based UBS is a pillar of the financial establishment, with offices in more than 50 countries and over \$2 trillion in assets. Yet in an essay for Bloomberg View, Magnus wrote that "today's global economy bears some uncanny resemblances to what Marx foresaw."

In his article he starts by describing policy makers "struggling to understand the barrage of financial panics, protests and other ills afflicting the world" and suggests that they would do well to study the works of "a long-dead economist, Karl Marx."

"Consider, for example, Marx's prediction of how the inherent conflict between capital and labor would manifest itself. As he wrote in *Das Kapital*, companies' pursuit of profits and productivity would naturally lead them to need fewer and fewer workers, creating an 'industrial reserve army' of the poor and unemployed: 'Accumulation of wealth at one pole is, therefore, at the same time accumulation of misery'."

The Communist Manifesto

The immense majority of the books written one and a half centuries ago are today merely of historical interest. But what is most striking about the *Communist Manifesto* is the way in which it anticipates the most fundamental phenomena which occupy our attention on a world scale at the present time. It is really extraordinary to think that a book written in 1847 can present a picture of the world of the 21st century so vividly and truthfully. In point of fact, the When Marx and Engels wrote the *Manifesto*, there was no empirical evidence for his claims. On the contrary, the capitalism of his time was based entirely on small businesses, the free market and competition. Today, the economy of the entire capitalist world is dominated by a handful of giant transnational monopolies such as Exxon and Walmart. These behemoths possess funds that far exceed the national budgets of many states. The predictions of the *Manifesto* have been realised even more clearly and completely than Marx himself could ever have dreamed of.

The defenders of capitalism cannot forgive Marx because, at a time when capitalism was in the stage of youthful vigour, he was able to foresee the causes of its senile degeneration. For decades they strenuously denied his prediction of the inevitable process of the concentration of capital and the displacement of small businesses by big monopolies.

The process of the centralisation and concentration of capital has reached proportions hitherto undreamed of. The number of take-overs has acquired the character of an epidemic in all the advanced industrialised nations. In many cases, such take-overs are intimately connected with all kinds of shady practices—insider dealing, falsification of share prices, and other types of fraud, larceny and swindling, as the scandal over the manipulation of the Libor interest rate by Barclays and other big banks has revealed. This concentration of capital does not signify a growth in production, but quite the contrary. In every case, the intention is not to invest in new plant and machinery but to close existing factories and offices and sack large numbers of workers in order to increase profit margins without increasing production. Just take the recent fusion of two big Swiss banks, immediately followed by the loss of 13,000 jobs.

Globalisation and Inequality

Let us proceed to the next important prediction made by Marx. Already in 1847, Marx explained that the development of a global market renders "impossible all narrowness and national individualism. Every country—even the largest and most powerful—is now totally subordinate to the whole world economy, which decides the fate of peoples and nations." This brilliant theoretical anticipation shows, better than anything else, the immeasurable superiority of the Marxist method.

Globalisation is generally regarded as a recent phenomenon. Yet the creation of a single global market under capitalism was long ago predicted in the pages of the *Manifesto*. The crushing domination of the world market is now the most decisive fact of our epoch. The enormous intensification of the international division of labour since the Second World War has demonstrated the correctness of Marx's analysis in an almost laboratory fashion.

Despite this, strenuous efforts have been made to prove that Marx was wrong when he spoke of the concentration of capital and therefore the process of polarisation between the classes. These mental gymnastics corresponds to the dreams of the bourgeoisie to rediscover the lost golden age of free enterprise. Similarly, a decrepit old man longs in his senility for the lost days of his youth.

Unfortunately, there is not the slightest chance of capitalism recovering its youthful vigour. It has long ago entered its final phase: that of monopoly capitalism. The day of the small business, despite the nostalgia of the bourgeoisie, has been relegated to the past. In all countries the big monopolies, closely related to banking and enmeshed with the bourgeois state, dominate the life of society. The polarisation between the classes continues uninterrupted, and tends to accelerate.

The obscene wealth of the bankers is now a public scandal. But this phenomenon is not confined to the financial sector. In many cases, directors of large companies earn 200 times more than their lowest-paid workers. This excessive difference has already provoked growing resentment, which is turning to fury that spills over onto the streets in one country after another. The growing tension is reflected in strikes, general strikes, demonstrations and riots. It is reflected in elections by protest votes against governments and all the existing parties, as we saw recently in the Italian general election.

The Scourge of Unemployment

In the *Communist Manifesto* we read: "And here it becomes evident, that the bourgeoisie is unfit any longer to be the ruling class in society, and to impose its conditions of existence upon society as an over-riding law. It is unfit to rule because it is incompetent to assure an existence to its slave within his slavery, because it cannot help letting him sink into such a state, that it has to feed him, instead of being fed by him. Society can no longer live under this bourgeoisie."

The words of Marx and Engels quoted above have become literally true. There is a growing feeling among all sections of society that our lives are dominated by forces beyond our control. Society is gripped by a gnawing sense of fear and uncertainty. The mood of insecurity has become generalised to practically the whole of society.

The kind of mass unemployment we are now experiencing is far worse than anything Marx foresaw. Marx wrote of the reserve army of labour: that is to say, a pool of labour that can be used to keep down wages and acts as a reserve when the economy recovers from a slump. But the kind of unemployment we now see is not the reserve army of which Marx spoke, which, from a capitalist point of view played a useful role.

This is not the kind of cyclical unemployment which workers are well acquainted with from the past and which would rise in a recession only to disappear when the economy picked up again. It is permanent, structural, organic unemployment, which does not noticeably diminish even when there is a "boom". It is a dead weight that acts as a colossal drag on productive activity, a symptom that the system has reached a blind alley.

The crisis of capitalism has its direct effects among the youth. Unemployment among young people is soaring everywhere. This is the reason for the mass student protests and riots in Britain, for the movement of the *indignados* in Spain, the occupations of the schools in Greece and also for the uprisings in Tunisia and Egypt, where about 75% of the youth are unemployed.

The number of unemployed in Europe is constantly increasing. The figure for Spain is nearly 27 per cent, while youth unemployment stands at an incredible 55 per cent, while in Greece no fewer than 62 per cent of the youth—two in every three—are jobless. A whole generation of young people is being sacrificed on the altar of Profit. Many who looked for salvation to higher education have found that this avenue is blocked. In Britain, where higher education used to be free, now young people find that in order to acquire the skills they need, they will have to go into debt.

A Crisis of Overproduction

In Greek mythology there was a character called Procrustes who had a nasty habit of cutting off the legs, head and arms of his guests to make them fit into his infamous bed. Nowadays the capitalist system resembles the bed of Procrustes. The bourgeoisie is systematically destroying the means of production in order to make them fit into the narrow limits of the capitalist system. This economic vandalism resembles a policy of slash and burn on a vast scale.

George Soros likens it to the kind of smashing ball used to demolish tall buildings. But it is not only buildings that are being destroyed but whole economies and states. The slogan of the hour is austerity, cuts and falling living standards. In every country the bourgeoisie raises the same war cry: "We must cut public expenditure!" Every government in the capitalist world, whether right or "left" is in reality pursuing the same policy. This is not the result of the whims of individual politicians, of ignorance or bad faith (although there is plenty of this also) but a graphic expression of the blind alley in which the capitalist system finds itself.

This is an expression of the fact that the capitalist system is reaching its limits and is unable to develop the productive forces as it did in the past. Like Goethe's Sorcerer's Apprentice, it has conjured up forces it cannot control. But by slashing state expenditure, they are simultaneously reducing demand and cutting the whole market, just at a time when even the bourgeois economists admit that there is a serious problem of overproduction ("overcapacity") on a world scale. Let us take just one example, the automobile sector. This is fundamental because it also involves many other sectors, such as steel, plastic, chemicals and electronics.

Alienation

With incredible foresight, the authors of the *Manifesto* anticipated the conditions which are now being experienced by the working class in all countries.

Today the USA occupies the same position that Britain held in Marx's day—that of the most developed capitalist country. Thus, the general tendencies of capitalism are expressed there in

their clearest form. Over the last 30 years, CEO pay in the USA has grown by 725%, while worker pay has risen by just 5.7%. These CEOs now make an average of 244 times more than their employees. The current federal minimum wage is \$7.25 per hour. According to the Center for Economic Policy Research, if the minimum wage had kept up with worker productivity, it would have reached \$21.72 in 2012. If inflation is taken into account, median wages for male American workers are actually lower today than they were in 1968. In this way, the present boom has been largely at the expense of the working class.

While millions are compelled to eke out a miserable existence of enforced inactivity, millions of others are forced to have two or even three jobs, and often work 60 hours or more per week with no overtime pay benefits. 85.8 percent of males and 66.5 percent of females work more than 40 hours per week. According to the International Labour Organisation, "Americans work 137 more hours per year than Japanese workers, 260 more hours per year than British workers, and 499 more hours per year than French workers."

The Class Struggle

Marx and Engels explained in the *Communist Manifesto* that a constant factor in all of recorded history is that social development takes place through the class struggle. Under capitalism this has been greatly simplified with the polarisation of society into two great antagonistic classes, the bourgeoisie and the proletariat. The tremendous development of industry and technology over the last 200 years has led to the increasing the concentration of economic power in a few hands.

"The history of all hitherto existing society is the history of class struggles," says the *Manifesto* in one of its most celebrated phrases. For a long time it seemed to many that this idea was outmoded. In the long period of capitalist expansion that followed the Second World War, with full employment in the advanced industrial economies, rising living standards and reforms (remember the Welfare State?), the class struggle did indeed seem to be a thing of the past.

Marx predicted that the development of capitalism would lead inexorably to the concentration of capital, an immense accumulation of wealth on the one hand and an equal accumulation of poverty, misery and unbearable toil at the other end of the social spectrum. For decades this idea was rubbished by the bourgeois economists and university sociologists who insisted that society was becoming ever more egalitarian, that everyone was now becoming middle class. Now all these illusions have been dispelled.

The argument, so beloved of bourgeois sociologists, that the working class has ceased to exist has been stood on its head. In the last period important layers of the working population who

previously considered themselves to be middle class have been proletarianised. Teachers, civil servants, bank employees and so on have been drawn into the ranks of the working class and the labour movement, where they make up some of the most militant sections.

Idealism or Materialism?

The idealist method sets out from what people think and say about themselves. But Marx explained that ideas do not fall from the sky, but reflect more or less accurately, objective situations, social pressures and contradictions beyond the control of men and women. But history does not unfold as a result of free will or conscious desires of the "great man", kings, politicians or philosophers. On the contrary, the progress of society depends on the development of the productive forces, which is not the product of conscious planning, but develops behind the backs of men and women.

Actually, Marxism does not at all deny the importance of the subjective factor in history, the conscious role of humankind in the development of society. Men and women make history, but do not do it entirely in accord with their free will and conscious intentions. In Marx's words: "History does nothing", it "possesses no immense wealth", it "wages no battles". It is man, real, living man who does all that, who possesses and fights; "history" is not, as it were, a person apart, using man as a means to achieve its own aims; history is nothing but the activity of man pursuing his aims." (Marx and Engels, *The Holy Family*, Chapter VI)

All that Marxism does is to explain the role of the individual as part of a given society, subject to certain objective laws and, ultimately, as the representative of the interests of a particular class. Ideas have no independent existence, nor own historical development. "Life is not determined by consciousness," Marx writes in *The German Ideology*, "but consciousness by life."

The ideas and actions of people are conditioned by social relations, the development of which does not depend on the subjective will of men and women but takes place according to definite laws which, in the last analysis, reflect the needs of the development of the productive forces. The interrelations between these factors constitute a complex web that is often difficult to see. The study of these relations is the basis of the Marxist theory of history. From the standpoint of the labour movement Marx's great contribution was that he was the first to explain that socialism is not just a good idea, but the necessary result of the development of society. Socialist thinkers before Marx—the utopian socialists—attempted to discover universal laws and formulae that would lay the basis for the triumph of human reason over the injustice of class society. All that was necessary was to discover that idea, and the problems would be solved. This is an idealist approach.

Marx and Darwin

Charles Darwin, who was an instinctive materialist, explained the evolution of species as a result of the effects of the natural environment. Karl Marx explained the development of humankind from the development of the "artificial" environment we call society. The difference lies, on the one hand, in the enormously complicated character of human society compared to the relative simplicity of nature and, secondly, in the greatly accelerated pace of change in society compared to the extraordinarily slow pace with which evolution by nation selection unfolds.

On the base of the social relations of production—in other words, the relations between social classes—there arises complex legal and political forms with their manifold ideological, cultural and religious reflections. This complex edifice of forms and ideas is sometimes referred to as the social superstructure. Although it is always based on economic foundations, the superstructure rises above the economic base and interacts upon it, sometimes in a decisive manner. This dialectical relationship between base and superstructure is very complicated and not always very obvious. But in the last analysis, the economic base always turns out to be the decisive force.

Property relations are simply the legal expression of the relationships between classes. At first, these relationships—together with their legal and political expression—assist the development of the productive forces. But the development of productive forces tends to come up against the limitations represented by existing property relations. The latter become an obstacle for the development of production. It is at this point that we enter a period of revolution.

The Motor Force of History

In The Critique of Political Economy Marx explains the relation between the productive forces and the "superstructure" as follows:

"In the social production which men carry on they enter into definite relations that are indispensable and independent of their will; these relations of production correspond to a definite stage of development of their material powers of production... The mode of production in ma terial life determines the general character of the social, political and spiritual processes of life. It is not the consciousness of men that determines their existence, but, on the contrary, their social existence (which) determines their consciousness."

As Marx and Engels were at pains to point out, the participants in history may not always be aware of what motives drive them, seeking instead to rationalise them in one way or another, but those motives exist and have a basis in the real world.

Just as Charles Darwin explains that species are not immutable, and that they possess a past, a present and a future, changing and evolving, so Marx and Engels explain that a given social system is not something eternally fixed. That is the illusion of every epoch. Every social system believes that it represents the only possible form of existence for human beings, that its institutions, its religion, its morality are the last word that can be spoken.

The Rise and Fall of Societies

"The transition from one system to another was always determined by the growth of the productive forces, i.e., of technique and the organisation of labour. Up to a certain point, social changes are quantitative in character and do not alter the foundations of society, i.e., the prevalent forms of property. But a point is reached when the matured productive forces can no longer contain themselves within the old forms of property; then follows a radical change in the social order, accompanied by shocks." (Leon Trotsky, *Marxism in Our Time*, April 1939.)

A common argument against socialism is that it is impossible to change human nature; people are naturally selfish and greedy and so on. In reality, there is no such thing as a suprahistorical human nature. What we think of as human nature has undergone many changes in the course of human evolution. Men and women constantly change nature through labour, and in so doing, change themselves. As for the argument that people are naturally selfish and greedy, this is disproved by the facts of human evolution.

Our earliest ancestors, who were not yet really human, were small in stature and physically weak compared to other animals. They did not have strong teeth or claws. Their upright stance meant that they could not run fast enough to catch the antelope they wished to eat, or to escape from the lion that wished to eat them. Their brain size was approximately that of a chimpanzee. Wandering on the savannah of East Africa, they were at an extreme disadvantage to every other species—except in one fundamental aspect.

The rise and fall of slave society was followed in Europe by feudalism, which in turn was dis placed by capitalism. The rise of the bourgeoisie, which began in the towns and cities of Italy and the Netherlands, reached a decisive stage with the bourgeois revolutions in Holland and England in the 16th and 17th centuries, and the Great French Revolution of 1789-93. All these changes were accompanied by profound transformations in culture, art, literature, religion and philosophy.

The State

The state is a special repressive force standing above society and increasingly alienating itself from it. This force has its origin in the remote past. The origins of the state, however, vary

according to circumstances. Among the Germans and Native Americans it arose out of the war band that gathered around the person of the war chief. This is also the case with the Greeks, as we see in the epic poems of Homer.

"The bourgeoisie says: don't touch the state power; it is the sacred hereditary privilege of the educated classes. But the Anarchists say: don't touch it; it is an infernal invention, a diabolical device. Don't have anything to do with it. The bourgeoisie says, don't touch it, it's sacred. The Anarchists say: don't touch it, because it's sinful. Both say: don't touch it. But we say: don't just touch it, take it in your hands, and set it to work in your own interests, for the abolition of private ownership and the emancipation of the working class." (Leon Trotsky, *How The Revolution Armed*, Vol. 1, 1918)

Marxism explains that that the state consists ultimately of armed bodies of men: the army, police, courts and jails. Against the confused ideas of the anarchists, Marx argued that workers need a state to overcome the resistance of the exploiting classes. But that argument of Marx has been distorted by both the bourgeois and the anarchists. Marx spoke of the "dictatorship of the proletariat," which is merely a more scientifically precise term for "the political rule of the working class."

The Rise of the Bourgeoisie

Trotsky pointed out that revolution is the motor force of history. It is no coincidence that the rise of the bourgeoisie in Italy, Holland, England and later in France was accompanied by an extraordinary flourishing of culture, art and science. In those countries where the bourgeois revolution triumphed in the 17th and 18th centuries, the development of the productive forces and technology was complemented by a parallel development of science and philosophy, which undermined the ideological domination of the Church forever.

In contrast, those countries where the forces of feudal-Catholic reaction strangled the embryo of the new society in the womb were condemned to suffer the nightmare of a long and inglorious period of degeneration, decline and decay. The example of Spain is perhaps the most graphic in this regard.

In the epoch of the ascent of capitalism, when it still represented a progressive force in history, the first ideologists of the bourgeoisie had to fight a ferocious battle against the ideological bastions of feudalism, starting with the Catholic Church. Long before overthrowing the power of feudal landlords, the bourgeoisie, in the shape of its most conscious and revolutionary representatives, had to break down its ideological defences: the philosophical and religious framework that had grown up around the Church, and its militant arm, the Inquisition.

Marxist Philosophy

This brings us to the central question of Marxist philosophy. In the writings of Marx and Engels we do not have a philosophical system, like that of Hegel, but a series of brilliant insights and pointers, which, if they were developed, would provide a valuable addition to the methodological armoury of science. Unfortunately, such a work has never been seriously undertaken.

There is a difficulty for anyone who wishes to study dialectical materialism thoroughly. Despite the immense importance of the subject, there is no single book of Marx and Engels that deals with the question in a comprehensive manner. However, the dialectical method is in evidence in all the writings of Marx. Probably the best example of the application of dialectics to a particular field (in this case political economy) consists of the three volumes of Capital.

For a long time, Marx had intended to write a book on dialectical materialism, but it proved impossible because of his work on Capital. In addition to this monumental task, Marx produced numerous political writings and was constantly engaged in active participation in the labour movement, particularly in the construction of the International Workingmen's Association (the First International). This occupied every moment of his time, and even this work was frequently interrupted by bouts of illness brought on by his miserable living conditions, poor diet and exhaustion.

Marx and Hegel

Dialectical philosophy reached its highest point in the philosophy of the German idealist Georg Hegel. His great contribution was to rediscover dialectics, originally invented by the Greeks. He developed this to new heights. But he did this on the basis of idealism. This was, in Engels' words, the greatest miscarriage in history. Reading Hegel, one has the sensation of a truly great idea that is struggling to escape from the straitjacket of idealist mystification. Here we find extraordinarily profound ideas and flashes of great insight, but buried amidst a heap of idealist nonsense. It is a very frustrating experience to read Hegel!

Time and again this great thinker drew tantalisingly close to a materialist position. But at the last minute he always drew back, fearful of the consequences. For that reason, Hegelian philosophy was unsatisfactory, contradictory, botched and incomplete. It was left to Marx and Engels to dot the i's and cross the t's, to carry the Hegelian philosophy to its logical conclusions, and, in so doing, to negate it utterly and replace it with something qualitatively superior.

Hegel carried traditional philosophy as far as it could go. In order to carry it further, it had to go beyond its bounds, negating itself in the process. Philosophy had to return from the nebulous realms of speculation back to the real world of material things, of living men and women, of real history and struggle from which it had been separated for so long.

The problem with Feuerbach and some other Left Hegelians, like Moses Hess, is that they merely said no to Hegel, negating his philosophy by simply denying it. Hess' move to materialism was a bold one. It required courage, especially in the given context of general European reaction and the repressive Prussian state. It provided inspiration to the young Marx and Engels. But ultimately, it failed.

Marx's Philosophical Revolution

Of all the theories of Marx, no other has been so attacked, distorted and slandered as dialectical materialism. And this is no accident, since this theory is the basis and foundation of Marxism. It is, more or less, the method of scientific socialism. Marxism is much more than a political programme and an economic theory. It is a philosophy, the vast scope of which covers not only politics and the class struggle, but the whole of human history, economics, society, thought and nature.

Today, the ideology of the bourgeoisie is in the process of disintegration, not only in the field of economics and politics but also in that of philosophy. In the period of its ascent the bourgeoisie was capable of producing great thinkers like Hegel and Kant. In the period of its senile decay it produces nothing of value. It is impossible to read the barren products of the university philosophy departments without a feeling of tedium and irritation in equal measure.

With the philosophy of Marx, philosophy at last returns to its roots. It is both dialectical and materialist. Here theory and practice once again join hands and rejoice together. Philosophy comes out of its dark and airless study and enjoys the sun and air. It becomes an inseparable part of life. In place of the obscure conflict of ideas without substance, we have the real contradictions of the material world and society. Instead of a remote and incomprehensible Absolute, we have real men and women, living in real society, making real history and fighting real battles.

While the philosophy of Hegel interpreted things only from the point of view of the mind and spirit (i.e. from the idealist standpoint), Marx showed that the development of ideas in the minds of men is only a reflection of developments that occur in nature and society. As Marx says: "Hegel's dialectic is the basic form of all dialectic, but only after being stripped of its

mystical form, and it is precisely this which distinguishes my method." (Letter to Kugelmann, 6 March 1868, MECW, Volume 42, p. 543)

Dialectics versus Empiricism

"Give us the facts"! This imperious demand appears to be the acme of practical realism. What can be more solid than the facts? Only what appears to be realism turns out to be just the opposite. What are established facts at one time, can turn out to be something very different. Everything is in a constant state of change, and sooner or later everything changes into its opposite. What appears to be solid dissolves into thin air.

The dialectical method allows us to penetrate beyond appearances and see the processes that are taking place beneath the surface. The dialectic is first of all the science of universal interconnection. It provides a comprehensive and dynamic view of phenomena and processes. It analyses things in their relationship, not separately; in their motion, not statically; in their life, not death.

Knowledge of dialectics means freedom from the slavish worship of the established fact, of things as they are, which is the chief characteristic of superficial empirical thinking. In politics this is typical of reformism that seeks to cloak its conservatism, myopia and cowardice in the philosophical language of pragmatism, the art of the possible, "realism "and so on.

Dialectics permits us to penetrate beyond the "given", the immediate, that is, the world of appearance, and to uncover the hidden processes that are taking place beneath the surface. We point out that behind the appearance of calm and absence of movement, there is a process of molecular change, not only in physics but also in society and in the psychology of the masses.

Of course, philosophy cannot dictate the laws of the natural sciences. These laws can only be developed on the basis of a serious and rigorous analysis of nature. The progress of science is characterised by a series of approximations. Through experiment and observation we get closer and closer to the truth, without ever being able to get to know the whole truth. It is a never-ending process of a deepening penetration of the secrets of matter and the universe. The truth of scientific theories can only be established through practice, observation and experiment, not by any commandments of philosophers.

Dialectics and Science

Many scientists treat philosophy with contempt. As far as modern philosophy is concerned, this contempt is well deserved. For the past one and a half centuries the realm of philosophy resembles an arid desert with only traces of life. The treasure trove of the past, with its

ancient glories and flashes of illumination, seems utterly extinguished. Not only scientists but men and women in general will search in vain in this wasteland for any source of illumination.

Yet on closer inspection the contempt displayed by scientists to philosophy is not well grounded. For if we look seriously at the state of modern science—or more accurately at its theoretical underpinnings and assumptions, we see that science has in fact never freed itself from philosophy. Unceremoniously expelled by the front door, philosophy slyly gains an entry through the back window.

Scientists who proudly assert their complete indifference to philosophy in reality make all kinds of assumptions that are philosophical in character. And in fact, this kind of unconscious and uncritical philosophy is not superior to the old fashioned kind but immeasurably inferior to it. Moreover, it is the source of many errors in practice.

The remarkable advances of science over the past century seem to have made philosophy redundant. In a world where we can penetrate the deepest mysteries of the cosmos and follow the complex motions of sub-atomic particles, the old questions which absorbed the attention of philosophers have been resolved. The role of philosophy has been correspondingly reduced. However, to repeat the point, there are two areas where philosophy retains its importance: formal logic and dialectics.

Whole Nations Bankrupt

The first phase of the crisis that began in 2008 was characterised by the default of big banks. The entire banking system of the USA and the rest of the world was only saved by the massive injection of billions of dollars and euros by the state. But the question must be asked: what is left of the old idea that the free market, if left to itself, will solve all problems? What is left of the old idea that the state must not interfere in the workings of the economy?

The massive injection of public money solved nothing. The crisis has not been resolved. It has merely been shifted onto states. All that happened is that in place of a massive deficit of the banks we have a gaping black hole in public finances. And who will pay for this? Not those well-heeled bankers who, having presided over the wrecking of the world financial order, have calmly pocketed the public's hard-earned money and are now awarding themselves lavish bonuses with the proceeds.

Now the economists are predicting a new collapse, when currencies and governments will go under, threatening the very fabric of the world financial system. And despite what the politicians say about the need to curb the deficit, debts on the scale that have been run up cannot be repaid. Greece provides a graphic example of this fact. The future is one of even

deeper crises, falling living standards, painful adjustments and increasing impoverishment for the majority. This is a finished recipe for further upheavals and class struggle on an even higher level. It is a systemic crisis of capitalism on a world scale.

The Threat to Culture?

The contrast between the rapid development of technology and science, and the extraordinary delay in the development of human ideology, is presented in a clear manner in the most advanced capitalist country of the world: the USA. This is the land where science has achieved its most spectacular results. The steady progress of technology is the precondition for the final emancipation of man, the abolition of poverty and illiteracy, ignorance, disease and the domination of nature by man through the conscious planning of the economy. The road is open to conquest, not only on Earth, but in space. And yet, in this technologically advanced country, the most primitive superstitions reign supreme. Nine out of ten Americans believe in the existence of a divine being and seven out of ten believe in life after death.

On Christmas Day 1968, when the first man to fly around the Moon had to choose a message to convey to the American people from his spaceship, out of the entire corpus of world literature, he chose the first book of Genesis. As he hurtled through space in a spaceship crammed full of the most modern gadgets, he pronounced the words: "In the beginning God created the heaven and the earth." It is more than 130 years since Darwin's death. Nevertheless, there are still many people in the USA who believe that every word of the Bible is literally correct, and who wish the schools to teach the version of human origins contained in Genesis, rather than the theory of evolution based on natural selection. In an attempt to make Creationism more respectable, its proponents have renamed it "intelligent design." The question immediately arises: who designed the intelligent designer? To this entirely reasonable question they have no answer. Nor can they explain why their "intelligent designer" made such a hopeless botch of the job when he created the world in the first place. The capitalist system, which puts profit before any other consideration, is poisoning the air we breathe, the water we drink and the food we eat. The latest scandal of the massive adulteration of meat products in Europe is only the tip of the iceberg. If we allow the rule of the big banks and monopolies to continue for another five decades or more, it is entirely possible that the destruction of the planet may reach a point where irreversible damage is done that will threaten the future existence of humankind. The struggle to change society is therefore a life and death question.

The Need for a Planned Economy

For the past two decades we have been fed a steady diet of economic propaganda which assured us that the idea of a planned socialist economy was dead, and that the "market", left to its own devices, would solve the problem of unemployment, bringing about a world of peace and prosperity.

Now, following the crash of 2008, the truth is beginning to dawn on people that the existing order is incapable of assuring even the most basic of human needs—a job, a living wage, a home, decent education and health provisions, a proper pension, a safe environment, clean air and water—for the great majority, and not only for those in the Third World.

Such a system must surely stand condemned by all thinking people who are not blinded by the constant avalanche of spurious arguments, the sole purpose of which is to defend the vested interests of those who are doing extremely well out of the present set-up and cannot or will not believe that it will not last forever and a day.

The central point of the Communist Manifesto—and herein lies its revolutionary message—is precisely that the capitalist system is not forever. This is the element which the apologists of our present system find most difficult to swallow. Naturally! It is the common delusion of every socio-economic system throughout history that it represents the very last word in social progress. Yet even from the standpoint of commonsense, such a view is clearly flawed. If we accept that everything in nature is mutable, why should society be any different?

These facts indicate that the capitalist system had already exhausted its progressive mission. Every intelligent person realises that the free development of the productive forces demands the unification of the economies of all countries through a common plan which would permit the harmonious exploitation of the resources of our planet for the benefit of all.

This is so evident that it is recognised by scientists and experts who have nothing to do with socialism, but are filled with indignation at the nightmare conditions in which two thirds of the human race live, and are worried by the effects of the destruction of the environment. Unfortunately, their well-intentioned recommendations fall on deaf ears, since they conflict with the vested interests of the big multinationals that dominate the world economy and whose calculations are not based on the welfare of humanity or the future of the planet, but exclusively on greed and the search for profit above all other considerations.

Socialism and Internationalism

Anyone who reads the Communist Manifesto can see that Marx and Engels anticipated this situation more than 150 years ago. They explained that capitalism must develop as a world system. Today, this analysis has been brilliantly confirmed by events. At the present time

nobody can deny the crashing domination of the world market. It is in fact the most decisive phenomenon of the age in which we live.

Yet when the Manifesto was written, there was practically no empirical data to support such a hypothesis. The only really developed capitalist economy was England. The infant industries of France and Germany (the latter did not even exist as a united entity) still sheltered behind high tariff walls—a fact which is conveniently forgotten today, as Western governments and economists deliver stern lectures to the rest of the world on the need to open up their economies.

In the last few years economists have talked a lot about "globalisation", imagining that this was the panacea which would permit them to abolish the cycle of booms and slumps altogether. These dreams were shattered by the collapse of 2008.

This has profound implications for the rest of the world. It shows the reverse side of "globalisation". To the degree that the capitalist system develops the world economy, it also prepared the conditions for a devastating world slump. A crisis in any part of the world economy rapidly extends to all the others. Far from abolishing the boom-slump cycle, globalisation has invested it with an even more convulsive and universal character than at any previous period.

The fundamental problem is the system itself. In the words of Marx, "The real barrier of capitalist production is capital itself." (Capital, vol. 3, Part III) The economic pundits who argued that Marx was wrong and capitalist crises were things of the past (the "new economic paradigm") have themselves been proved wrong. The present boom has all the features of the economic cycle Marx described long ago. The process of the concentration of capital has reached staggering proportions. There is an orgy of takeovers and ever-increasing monopolisation. This does not lead to the development of the productive forces as in the past. On the contrary, factories are closed as if they were matchboxes and thousands of people are thrown out of work.

The Only Road

Twenty years ago Francis Fukuyama spoke of the end of history. But history has not ended. In fact, the real history of our species will only begin when we have put an end to the slavery of class society and begun to establish control over our lives and destinies. This is what socialism really is: humanity's leap from the realm of necessity to the realm of freedom.

In the second decade of the 21st century, the human race stands at the crossroads. On the one hand, the achievements of modern science and technology have provided us with the means

of solving all the problems that have plagued us for all of history. We can eradicate diseases, abolish illiteracy and homelessness and make deserts bloom.

On the other hand, reality seems to mock these dreams. The discoveries of science are used to produce ever more monstrous weapons of mass destruction. Everywhere there is poverty, hunger, illiteracy and disease. There is human suffering on a massive scale. Obscene riches flourish side by side with misery. We can put a man on the moon, but every year eight million people die simply because they do not have enough money to live. 100 million children are born, live and die on the streets, and they do not know what it is like to have a roof over their head.

The most striking aspect of the present situation is the chaos and turbulence that has gripped the entire planet. There is instability at all levels: economic, social, political, diplomatic and military.

Most people turn away from these barbarities in disgust. It seems that the world has suddenly gone mad. However, such a response is useless and counterproductive. Marxism teaches us that history is not meaningless. The present situation is not an expression of the madness or the inherent wickedness of men and women. The great philosopher Spinoza once said: "neither weep nor laugh, but understand!" That is very sound advice, for if we are not able to understand the world we live in, we will never be able to change it.

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