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Der Kollaps der Modernisierung: Vom Zusammenbruch des Kasernensozialismus zur Krise der Weltökonomie
[*The Collapse of Modernization: From the Breakdown of Barracks Socialism to the Crisis of the World Economy*]

Robert Kurz

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An Audacious Book

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How are we to understand the collapse of socialism? Although it came as a surprise, it gave rise to more certainties than doubts, and seemed easy enough to comprehend. According to popular opinion, it marked (a) the triumph of capitalism; and (b) a refutation of Marx's historical prognosis; or even the defeat of statism at the hands of market societies. Very well; but breaking with this unanimity, an intelligent and incisive book by Robert Kurz, recently published in Germany, risks an unexpected analysis of the facts. The aforementioned debacle would represent, on the contrary, no less than the beginning of the crisis of the capitalist system itself, as well as a confirmation of the basic argument of *Capital*.

The skeptical reader will say paper is cheap: cheap enough even to waste on sophistry like the above. How is defeating one's adversary a sign of crisis? Is the defeat of socialism not obvious to everyone? Do the ex-socialist societies not themselves recognize the superiority of the market economy, whose mechanisms, Marx be damned, they eagerly seek to assimilate? Do the reserves of manual labor and potential markets of the East not extend the space of capital?

Kurz's book is not unfamiliar with these phenomena, which it nonetheless considers from another perspective. Rather than contrast abstract models of society — capitalist vs. socialist, democratic vs. totalitarian, competitive vs. statist, bourgeois vs. proletarian, and so on — it conceives the history of the world system of commodity production in movement and as a whole. In this light, the relations between these opposed terms assume new dimensions, revealing an unexpected panorama of disturbing verisimilitude. That said, I should mention that I am not a specialist in

the subject, and that what prompts me to summarize Kurz's reasoning is its critical impact: it exposes the cartoonish disequilibrium that envelops our market-dazzled intelligentsia.

The point of departure is familiar to everyone. Economic competition forces businesses to seek efficiency, revolutionizing labor, technology, and products, which go on to compete and be revolutionized in turn, and so on. In other words, the logic of commodity production entails the development of productive forces. Sometime after World War II that process, which had accompanied capitalism since the beginning, reaches a decisive level, whose consequences are fateful for contemporary history. The crucial element is the marriage, under the market regime, of the productive process to scientific research. Globalized market conditions, sustained by the *pax americana*, thoroughly streamline the connection, and open the old competition between capitals to unprecedented possibilities.

It is equally well known that the socialist countries could not keep up with these developments, particularly the productive appropriation of microelectronics and computers. From this point on, the distance between the two blocs grows, pushing the losers toward collapse — where they join the greater part of the developmentalist Third World, which had been forced to throw in the towel ten years earlier. Conceived in terms of the competition between systems, this sequence exemplifies the victory of the market economy over statism. Not, however, for Kurz, who understands the economies we called socialist as part of the world system of commodity production, such that the breakdown of the former illustrates tendencies and impasses implicit in the latter. The crisis proceeds from the peripheries to the center: it begins in the Third World, continues to the socialist countries, and now reaches entire regions and neighborhoods in the wealthy nations. What is the nature of this crisis?

Competitiveness in the world market can only be achieved on the basis of the new standard of productivity set by the interplay of science, advanced technology, and large-scale investment. Both the market and the model, in their current form, are late and consistent results of the evolution of the capitalist system. Having achieved this level, however, the system has — still according to Kurz — reached its limit, producing completely new conditions. For the first time, increasing productivity means shedding workers even in absolute numbers: that is, capital begins to lose its capacity to exploit labor. The cheap and semi-compulsory labor that Brazil or the Soviet Union counted on to develop a modern industry loses relevance and cannot find a buyer. Having fought against capitalist exploitation, workers must now argue against the lack of it, which may not be any better. Ironically, the socialist exaltation of labor and of the proletarian hero consecrated a kind of work that is now historically obsolete, of inferior quality and barely marketable, overcome by capital rather than by revolution. But the exclusionary nature of the new productive forces does not end there.

Defeat also acquires new attributes in the global market, without losing its old

ones, and with regard not only to companies, but also to regions and even nations. The levels of spending on technology and infrastructure that are indispensable on pain of giving up the game are in many circumstances unattainable. Thus, one firm's victory is not simply another's defeat, but can mean the condemnation and economic decommissioning of an entire territory on another continent. In the case of developing nations, the circumstances are aggravated by the fact that the national industrialization project that preceded the globalization of the market remained incomplete. Developmentalism tore populations from traditional frameworks to create the modern wage-labor force — that is to say, unskilled labor — required by industry. The mutation of the market and of the standard of productivity means that industry no longer has any use for the multitudes of workers without strength, without education, and almost without purchasing power who once represented the competitive trump card of the Third World, and now, having nowhere else to go, linger on to haunt it. Even in the best cases, when a company based in a poor country succeeds in meeting the costs of modernization and secures a place in the world market, the effect is perverse. With the lack of heavy investments in the kinds of communication required for the social articulation of this kind of progress, including those in education and health, advances that do take place remain isolated, like a foreign — and expensive — body. Or worse, they communicate only with exchange partners in wealthy nations, possibly constituting yet another drain on the wealth of those who already have none.

Thus, together with global competition, contemporary productivity renders a substantial part of the productive activities of the planet obsolete, which in the new situation is the same as making them useless. The ideological debate, however, did not focus on this liquidation, but instead on the general merits of the free market, understood as an abstract model. Meanwhile, the actual market, which is historical, raised the ante to ever more unattainable heights. The virtues of the model, contrary to what ideologues say, are not for everyone. Under market logic, the stock of capital that engenders productive advances is now beyond reach in parts of the planet not already invested in them: every step forward in underdeveloped countries is answered by two, three, or more, which are impossible to keep up with, in advanced regions.

Consider for example the development efforts of the Third World, generally anachronistic even before they began to bear fruit — that is, when they weren't given up the minute shadier opportunities presented themselves. Subsidies, debt, and decades of brutal human sacrifice did not bring about the promised modernization of society, that is, its consistent reproduction in the context of the global market — a prospect now more remote than ever. This failure opens onto the present moment, that of “postcatastrophic societies” where the keynote is collapse. The situation of several Latin American countries today can be characterized as “indebted deindustrialization,” with populations composed of social non-persons, in other words, of monetary subjects without money. Yet, since there are still those who

operate profitably within the world market, the illusion that this system is and leads to some haven remains alive, even when the beneficiaries have to live behind sentry boxes. The tendency reaches its logical extreme when, modern competition having left local resources in ruin, an economy is expelled from global circulation altogether. The bulk of the population, transformed into a welfare case of planetary scale, becomes dependent on international aid organizations. Drugs, mafias, fundamentalism, and nationalism represent other postcatastrophic means of reinsertion within the modernized context.

The Soviet debacle follows an analogous path, similarly determined by the unattainable cost of the new productivity. We will not summarize Kurz's ingenious observations regarding that process, nor those concerning disillusion the market reserves for ex-socialist countries. Let us confine ourselves to two points. First, the failure takes place on the capitalist terrain of profitability, which therefore has an internal relevance for socialism, something that calls for the reexamination of early socialism itself. Without doubting the conviction of the revolutionaries, Kurz compares formulations by Lenin and Max Weber, highlighting the functional kinship between the socialist exaltation of abstract labor and its justification by way of the Protestant work ethic. In this way and in retrospect, socialism would have served as ideological cover for a belated and gigantic project of national modernization. Second, this project did not escape the world system of commodity production, which was no stranger to statist moments: mercantilism, Bonaparte, and Bismarck, and during the interwar period Keynesianism, Stalin, and Hitler. It is from this point of view that the ruin of the socialist countries and their economies represents a sequel to the Third World chapter in the socioeconomic collapse of modernization. On this view modernization no longer lies in the future but in the past, and what's done is done — no matter how gloomy such a perspective might be for Eastern Europe and Latin America. The next chapter of the crisis is already underway in the core countries, where the same inexorable increase in productivity is rendering new regions and new social strata redundant and relegating them to Third World status. The suicidal character of the present terms of capitalist competition leaps into focus, and the world's blindness to it does not bode well.

In truth, the present impasse in the development of productive forces lends capitalism a dimension of unfeasibility, confirming Marx's central prognosis. At the same time, the novelty of the present crisis stems from the incorporation of science into the productive process, a phenomenon that leads to the decline of the working class, both numerically and from the point of view of the nature of the process. Thus, contradicting Marx's other prognosis, the crisis of capitalism sharpens at the same time that the working class no longer has the power to reap the benefits. The final version of antagonism will not take the form of the confrontation between bourgeoisie and proletariat, but rather of the destructive and exclusionary dynamic of the fetishism of capital, whose absurd path through the social devastation it provokes

can be followed daily in the newspapers. The movement is toward a new dark ages, an age of chaos and decomposition, even though the productive forces, considered in their materiality and planetary scale, and removed from their competitive shell, exhibit the elements of a solution, which the author courageously calls communism. But who in his right mind would think to conceive of the contemporary world outside of the law of commodity exchange? According to *The Collapse of Modernization*, the next decade will teach us the opposite lesson, namely the impossibility of conceiving of the world within it. Through this lens, the Marx of the critique of commodity fetishism will be more relevant than the Marx of class struggle. Capitalism's pendular movement, between market and statist moments, will now move toward the second pole, perhaps taking the form of a state of siege, as required by the deepening of the system's impasses.

The fall of the socialist bloc was accompanied, on the plane of ideas, by the proscription of globalizing analysis and by the promotion of a liberal catechism pathetically distant from historical reality. The perspective of a history of the world system of commodity production brings forth decisive connections that, whether well or poorly grasped, an inhabitant of Latin America who reads the newspapers cannot — unless blinded by narrow class interest, intellectual timidity, or a preference for nonsense — fail to notice.

