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Can Capitalism Last?, An Interview with Daniel Rubin

By Political Affairs

Editor's note: Daniel Rubin is the author of several works on Marxist theory. Can Capitalism Last? is available through International Publishers (www.intpubnyc.com). Rubin is a member of the education commission of the Communist Party USA. Join the CPUSA at www.cpusa.org.

PA: What inspired your new book, Can Capitalism Last?

DANIEL RUBIN: For years I have been leading study groups and teaching classes on Marxism, and the books that were used for that purpose became very, very dated, and they were not based on the US experience. For instance there was Emile Burns' (a British Marxist) "What is Marxism?" and its revision. The Soviets put out a book of 600 pages in 1960 that covered all areas of Marxism. Most of their books after that were either on dialectical materialism, historical materialism, or political economy. We haven't had, to my knowledge, a book of this kind written by a US Marxist in recent years. You would have to go back to the 1920s, maybe the early 30s.

I wanted to have something that would be useful in answering the question, "What is Marxism?," a book that would be useful for classes, study groups and schools, and also for those who wanted to answer that question by

reading on their own, and hopefully to some extent reaching those who might just be curious about Marxism. So this is the effort that I made, with quite a few revisions from what had been used before in sequence and in subject matter, along with some updating of a number of theoretical questions that, with the demise of Stalin and the Soviet Union, needed updating.

PA: In our country, there is a tendency in the media, and among politicians and ideologues of all kinds, to conflate democracy with capitalism, and to use the two terms interchangeably? How do you respond to that?

RUBIN: We have to look today, especially with recent developments, at who it is that advances the cause of expanding democracy – democracy in all its dimensions, not only political democracy but also economic democracy and equality, and overcoming the growing gap between the rich and the poor and working people – and who it is that moves things in the other direction. I follow the position in the book that the ultra-right section of the transnational monopolies has been a growing source of limitation of democracy in every aspect of life. You can characterize the Bush government as an increasingly conservative and authoritarian regime.

Actually, in his book "Imperialism," Lenin predicted that with the merger of

banking capital and industrial capital into finance capital, there would be a growing tendency over time toward reaction in the political sphere, and that has happened here since the 1970s with the development of the political dominance of the ultra-right or reactionary sector of capital. So if you look who moves in one direction and who moves in the other, then the upholders of capitalism and the people in charge of capitalism move in a direction against democracy, and it is the popular sections of the population, the working class, the nationally oppressed, women, and youth, who move things in the other direction. And they have succeeded in taking a step forward with the election of the Obama administration, and we can now see a process of the gradual expansion of democracy. That is how I would respond to the question of capitalism and democracy being linked. In a lot of ways it's just the opposite, in terms of the forces that move things one way or the other.

PA: Some pro-capitalist ideologues in the political center might grant your points about the ultra-right. Yes, the Bush administration moved us in an authoritarian direction. But they might also follow that up by saying that at least capitalism provides a social space for democratic movements, and that socialism doesn't allow those democratic movements to flourish. How do you respond to that kind of comeback?

RUBIN: First of all, that's a definition that limits democracy to political democracy and not to economic democracy – the question of control over production, the distribution of wealth, and so on. That's one aspect. Another is that we will see how far the center forces of capitalism will go in responding to mass pressure to expand democratic rights in the political sphere and in all other spheres. In the political sphere, there is the question of outward forms of democracy, but when you examine it there are great limitations. Michael Bloomberg, for instance, has billions of

dollars at his disposal to buy the mayoralty of New York City, and working people have very little financing to respond to that.

Now, in relation to socialism, I think that socialism like everything else changes and develops, from the earliest examples under unfavorable conditions, to when we come to the question of socialism in the United States. Here I think many factors will be different that will make for much wider democracy, both political democracy and economic democracy. You won't have, for instance, the question of outside intervention in US affairs. Even within the US, the prospects for capitalism that far down the road of history will be very limited. The economic level will be much much higher in terms of the forces of production, and education levels will also be much higher. Therefore, I think that as socialism moves through history in different socioeconomic settings, there will be an expansion in the democratic sphere, along with what I think have been pretty good examples in the economic sphere.

PA: Turning to the economic side of the question, in *Can Capitalism Last?*, you describe and explain the fundamental building blocks, characteristics and relations of capitalism. What bearing does that basic description have on the specifics of the current economic crisis we are in?

RUBIN: I do have a section in the book on financialization. Actually, the book was written two summers ago. If I were to start now, I would probably start with the current economic situation and the Obama administration. I believe that there is a very big relationship in terms of understanding the fundamentals of capitalism and what is happening now, and what the prospects are for momentary solutions and longer-term solutions further down the road.

The Marxist theory of economic cycles, which I deal with in the book, starts from some of the basic building blocks of Marxist economics. One is that under capitalism there is private ownership of the

means of production, and that in itself produces anarchy, that is, it is produced by the lack of knowledge of one set of capitalists of what other capitalists are doing, and by an inability to plan in an economy that is getting ever more interconnected, an economy that needs knowledge and interdependence. That is one of the building blocks.

Another is the labor theory of value, which explains how capitalists are able to extract surplus value and turn it into profit. Once you have that basic understanding, then you move on to the efforts of the capitalists constantly to maximize their profits. That can be done basically in terms of one class as a whole being pitted against another class as a whole, and greater profits can only be achieved by greater exploitation of the working class.

Now if you put those two things together in the theory of economic crisis, you come up with something that is inherent in the capitalist system, namely that capitalists, each pushing for maximum profits, will, starting in the recovery phase of the cycle, go at it overboard, not knowing what the others are doing, and trying to gain a greater share of the market, until a point is reached where clearly whatever they are producing is beyond the capacity of consumers to consume. At that point you get into the crisis phase.

You also have to look at how the major developments in capitalism have influenced the economic cycle. The imperialist stage – monopoly capitalism – brings together a world market. It brings together not only a market based on material commodities, which are overproduced and underconsumed, but it also brings forms of capitalist investment that create certain changes and deeper crises in a world that is increasingly interdependent.

That is when, within the framework of monopoly capitalism, you move into the phase of state monopoly capitalism, which involves the state intervening both to help maximize profits, but also at times to ameliorate social conditions, as we saw in the Great Depression in the US with the New Deal.

Next comes globalization, where you

have much greater interdependence in the world market, and therefore greater synchronization when a crisis does break out, although you also have the possibility that in the world market, before there is a full crisis, prosperity in one section of the world can offset problems in another, which can change the shape of the cycle and postpone things.

Then you come to financialization. A major feature of financialization is that commodity production of material goods, and even of immaterial goods, becomes less and less important to the financial sector of the capitalist economy. Today, for instance, on top of the crisis in construction and housing and the relative over-production because of the endless seeking of maximum profit and the anarchy of production, you also have all these financial instruments that are being traded back and forth for the purpose of maximizing profit in an anarchistic situation. Sooner or later that comes to a point where the production of these financial products is also out of line with their possible consumption. The result is an even more complex and highly-centralized collapse of the capitalist system in the crisis phase of the cycle.

These things have, as indicated very briefly here, produced changes in the cycle, it is still basically the same underlying causes that the fundamentals of Marxist economics and political economy show, although they are more complicated and made worse when you have the financialization of everything.

PA: Just to follow up on that a little bit. If a lot of people think that the maximization of profits is a good thing – greed is another term used sometimes – because it creates technological development and jobs and things like that. What is the motive force behind socialism that makes it a better system than capitalism?

RUBIN: That is a very big and complicated question. One answer is that in a socialist system there are no capitalists seeking private profit. In socialism, the law of development is that the people seek to maximize the benefits

of the system for the benefit of society and for the economy in particular. I would say that you can combine elements of competition with that, but competition within bounds. We are seeing the use of competition in various countries that say they are constructing socialism. Then it gets related to the political organization of society, whether the desires of the basic masses of people for a better life are fully reflected in the decisions which are made by the governmental organs.

There are many varieties of public ownership that are possible. We used to think that the epitome of public ownership was national state property, but you can also have public ownership at the city level. You can have combinations of public and private ownership at various levels, and through that make use of some of the things that capitalism has, yet still have, as the main thing, a socially-decided plan about what is the best way to move forward for the benefit of society as a whole, a process of decision-making not influenced by those who seek to gain huge private profits by doing things that are not for the benefit of the people as a whole, but only for their own benefit.

PA: One of the things you do in your book is to refer to Marxism as “Marxist methodology.” By that term you are distinguishing, I think, between a traditional view of Marxism as a set of rules or a set of beliefs, a system that has to be followed step-by-step, otherwise you are not a Marxist. Could you talk a little about that?

RUBIN: Well, I think that a sound understanding of Marxism has always been that it is, on the one hand, a system that can embrace all of human activity and knowledge, but yet is an open system. It was never a system that was put to use as perfected, as final. Lenin’s concept, of course, was that our knowledge of the real world around us is absolute in the sense that it is knowledge of something that exists. It is not just a matter of sense perceptions or something given to us by

a non-understandable higher authority.

On the other hand, his conception was that it was all relative as well, that we are constantly able to gain greater and greater knowledge of that reality, without any limit whatsoever, and that we can therefore learn that earlier propositions were false and did not correspond to objective reality. So we can make corrections, as well as take in all kinds of new developments and new discoveries, and so on.

I think that in many hands Marxism got distorted and was defined actually as being a science. All of Marxism was viewed as a science. Of course, Engels sometimes used that phraseology, a “science of society,” but also he used the phrase a “guide to action,” which is not a rigid thing, and he used that phrase repeatedly. So we have objective reality and objective processes, such as in the laws of social development as a whole, and we do claim that the political economy of capitalism contains laws. But when you come to the theory of socialist revolution, how you go about actually making a revolution, and strategy and tactics, you have the problem of Stalin and others having defined all of Marxism as being a science, and then whatever the “greatest scientist,” namely Stalin, said was correct.

We now need to talk about strategy and tactics, which guides the policies of the Communists and Marxists for moving forward. I would also say that other democratic forces have their own strategies. They have a different approach to what strategy and tactics are, but these things do have flexibility, especially tactics. It is not a science, where if you know the right answer everybody should accept that and understand it. There is a lot of experimentation in tactics, and there is a lot that is gained from experience. It is not a matter of scientific law. In this way, I think that Marxism today is much more of an open system that has to be creative in its essence and reject rigid formulas.

PA: That leads me to my final question.

Toward the end of the book you discuss the Communist Party and its role. Could you synthesize that a little bit for us. What is the role of the Communist Party and why is it needed?

RUBIN: There have been changes, as I have indicated, in defining what Marxism is. Today we see it as a system of ideas and ideology that corresponds to the interests of the working class. There are aspects to it that do contain laws of social development and political economy. But there is also much more to it that is theory, and the theory of socialist revolution contains two areas especially. One is strategy and tactics, which contain principles drawn from experience as well as communist theory.

The need for a Communist Party starts from the party's experience in struggle and the theoretical work that has been done. The masses of workers, in the struggle for their needs and in the spontaneous class struggle, can and do learn a lot. They become more trade-union conscious, and trade-union consciousness is the beginning of class consciousness. They can also become more class conscious. But from that experience alone, they cannot learn the laws of social development. That is why we need a Communist Party, because it embodies these things. And when the Communist Party has a close relationship with the working class movement it can play a very big role in influencing and helping it move forward without any big difficulties, detours or defeats.

Then there is the question of what has happened in life, in practice. I would argue that Marxist theory has been confirmed in life, which includes the changes Marxism itself has undergone. This suggests that there is a sound theory, and that you do need a Communist Party, a mass Communist Party, to help win socialism. Once having established working class power, led by the working class in alliance with other class and social forces, you are then able to go forward and not make any big mistakes, because you know something about the economy and the laws of social

development that you cannot just simply learn from daily life and daily experience.

I would argue that life has confirmed this theory and that there are no examples yet of Marxist theory of the need for and role of the Communist Party being violated. I also think that developments in Venezuela and other Latin American countries, where there is now a renewed study of Marxism within the left-wing movements, will result in the merger of parties or development into a Communist Party that plays a leading role in these countries as well.

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