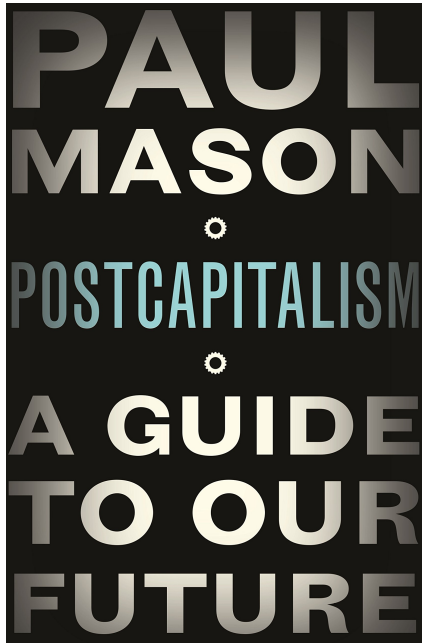


Review: Paul Mason, *PostCapitalism - A Guide to Our Future*

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Paul Mason, *PostCapitalism - A Guide to Our Future* Allen Lane, 2015. £16.99

The latest offering from Channel 4 economics editor Paul Mason has been generating considerable debate. Given his position as one of the most prominent left leaning journalists, at least in the UK, and his history of covering workers' struggles as well as his previous books he is well placed to intervene in the unending arguments about the route forward for the left. The route he has decided to advocate is one towards what he terms 'postcapitalism'. His basic premise is that capitalism is reaching the limits of its abilities to adapt and that new technologies can lead to a new system emerging from within capitalism.

Given the subject matter of new technologies and their transformative potential perhaps the most surprising thing about Mason's book is how old much of the discussion actually is. Whether it's discussing economics, technology or the nature and role of the working class many of the arguments are recurring themes of left wing debate. Indeed it is tempting to question if - at least in some small part - the goal of the book is to tell a significant number of activists

what they want to hear. This temptation is unfortunately re-enforced at times by selective readings of history and arguments that feel somewhat forced and designed to buttress Mason's own take on the present day. Despite these criticisms Mason does make a serious engagement with his topic and many of his conclusions and prescriptions deserve a careful response. In particular I want to look at some of Mason's economic arguments, his explanation for why new technology should pose a problem for capitalism and his views on how postcapitalism is to be brought about - particularly the role of the working class in this transition.

Crisis economics

Mason begins his book by looking at how we arrived at the crisis of 2008 and offering an analysis of the workings of the capitalist system with particular emphasis on neoliberalism. Given his background in economics it is not surprising that it is here the analysis and arguments are at their best - although not without issues.

Mason's first step is a discussion of the 'long wave' theory proposed in the 1920s by Russian economist Nikolai Kondratieff. Essentially Kondratieff had identified a number of long cycles in capitalist economies and offered an explanation for them in terms of the exhaustion of long term capital investment. Noting criticism of the causal explanation offered, Mason then returns to Marx and offers an admirably clear discussion on his law of value and the tendency of the rate of profit to fall along with its counter tendencies. This engagement with the basic tenants of Marxist economics provides a much more coherent explanation for the long term cycles observed by Kondratieff but also leaves much of his schema of roughly 50 year cycles somewhat superfluous to the discussion of trends in global capitalism - of course there are trends and they are best de-

scribed in terms of the tendency for the rate of profit to fall and the various counter tendencies employed by capitalists to restore it.

If this schema is rendered largely obsolete then the question must be asked - why include it? It appears that it is included for two reasons, firstly it provides an opportunity to argue that in each cycle new technologies provide an impetus for 'above average growth'¹ and secondly to provide a platform from which to dismiss much of the Marxist tradition of the last 100 years. I will come to his views on the role of technology later but first I want to deal very briefly with the, all too common, parody he presents of the Marxist tradition.

Despite the clear exposition of some of Marx's basic economic ideas the overall view given by Mason of the Marxist tradition is a heavily caricatured and deterministic one. It is a view that - in common with many other left wing authors - implicitly manages to conflate Marxism with Stalinism, despite references to Trotsky's non deterministic critique of Kondratieff which emphasised the importance of class action in capitalist development².

We are told that Kondratieff was executed by Stalin because his long cycles

...would bring Marxism face to face with a dangerous proposition: that there is no 'final' crisis of capitalism. There can be chaos, panic and revolution but ...capitalism's tendency is not to collapse, but rather, to mutate.³

In Mason's view the left, from Hilferding and Luxemburg to Lenin and Bukharin, had become obsessed with the final crisis of capitalism. In many ways this is an easy accusation to make. Most of the works referenced by Mason were written in the first decades of the 20th century - encompassing a period of great unrest from before the First World War through the Russian Revolution and an upsurge in working class militancy

across the capitalist world. Writing as they were for this socialist movement whatever the abstract or long term possibilities accounted for in Marxist theory the emphasis was always going to return to the then present struggle. But this doesn't make Mason's claim valid. In fact in 1920 Lenin explicitly rejected the notion of a 'final crisis'. He wrote:

Revolutionaries sometimes try to prove that the crisis is absolutely insoluble. This is a mistake. There is no such thing as an absolutely hopeless situation...To try to 'prove' in advance that there is 'absolutely no way out of a situation would be sheer pedantry...Practice alone can serve as real 'proof' in this and similar questions.⁴

And Trotsky argued:

If we are told: 'and where are the guarantees...That capitalism will not restore its equilibrium through cyclical oscillations?', then I would reply, 'There are no guarantees and there can be none'...Naturally, failing the intervention of the working class...capitalism will restore its own equilibrium, not the old but a new equilibrium'.⁵

Of course Mason's caricature of the left appeals to a layer of leftists and activists who are searching for a way forward which eschews much of the old left tradition and gels nicely with the plethora of 'new' and 'trendy' ideas about how best to change or get rid of capitalism. I will return to this theme later in addressing Mason's views on how a transition to 'postcapitalism' could come about.

¹Mason, Paul, *PostCapitalism - A Guide to Our Future* Allen Lane 2015 p.72.

²*ibid.* p. 39.

³*ibid.* p. 33 - 34.

⁴Lenin, V.I., *Collected Works*, Moscow, 1962, Vol. 31 pp.226-7.

⁵Trotsky, L. *First Five Years of the Communist International*, New York, 1972, Vol.2 p.201

Capitalism has crashed? There's an app for that...

Central to Mason's thesis as to why capitalism is not emerging from crisis is the role of new information technology. In broad terms he asserts that new and emerging technology is changing capitalism in some fundamental ways.

First it is blurring the lines between work and free time while at the same time increasing automation - currently stalled because the system cannot accommodate it - is reducing the need for work. Second it is corroding the market's ability to set prices. Since information can be copied easily the marginal cost of production of many information goods tends toward zero over time. Third the rise of collaborative production of goods and services - from open source software to wikipedia - is opening up non-market spaces within capitalism.

Let us deal with each in turn.

Work on your own time

The notion of blurred lines between work and free time has been a preoccupation for many social commentators as communications technologies become ever more pervasive yet much of the effect of new technologies is frequently overstated. It is far from unusual for many workers to think about their job on their own time and while on the surface there may appear to be a difference between say an electrician figuring out a problem with some wiring in his own time and another worker who fires off a couple of emails over her weekend, the difference can basically be reduced to the fact that the worker sending emails has had some sort of tangible physical interaction in relation to her work while the electrician has not. The Marxist economist Guglielmo Carchedi provides a simple and elegant way to view the actions of the worker who sends emails in her free time.

The e-mails that a mental

⁶Carchedi, Guglielmo, 2014, 'Old Wine, New Bottles and the Internet', marx2010.weebly.com/uploads/5/4/4/8/5448228/old_wine_new_bottles_the_internet.docx

⁷ Keynes, John Maynard, 1930 *Economic Possibilities for our Grandchildren* econ.yale.edu/smith/econ116a/keynes1.pdf

labourer answers from home in her free time, say in one hour, count as if they had been answered during her working time. But the time during which she works for capital, say eight hours a day remains the same. However, the moment she returns to her work, her labour becomes more productive. It is as if in the first instant of her work she had answered those emails.⁶

This way of viewing Mason's 'blurred line' also corresponds very satisfactorily with the common view that most people would take of the electrician who solves a problem on his own time - in a situation not coloured by the novelty distraction of the involvement of 'new' technology.

As to the possibilities of reduced working hours due to increased automation we are in very old territory indeed. Writing in 1930 John Maynard Keynes famously predicted that by now

...for the first time since his creation man will be faced with his real, his permanent problem-how to use his freedom from pressing economic cares, how to occupy the leisure, which science and compound interest will have won for him, to live wisely and agreeably and well.⁷

Such thoughts and speculation as this and the idea of the three hour day or 15 hour week seem even more remote now than when they were written. In the same essay Keynes speculates that in such a society

All kinds of social customs and economic practices, affecting the distribution of wealth and of economic rewards and penalties, which we now maintain at all costs, however distasteful and unjust they may be in themselves, because they are tremendously useful in promoting the

accumulation of capital, we shall then be free, at last, to discard.⁸

It is here of course that we get to the central problem of why we haven't yet arrived in a so called leisure society. Although it is not what Keynes intended to convey when he wrote the piece the very notion of discarding the 'social customs and economic practices' which are so 'tremendously useful in promoting the accumulation of capital' would mean we must jettison the capitalist system itself since it is upon the accumulation of capital by these very same distasteful practices that the system rests.

On the question of capitalism's inability to adapt to these developing technologies Mason has a point but again it is an old one, as Marx noted in 1859

At a certain stage of development, the material productive forces of society come into conflict with the existing relations of production.⁹

And yet capitalism has been adapting to automation for decades. While automation has certainly increased in many workplaces the giant automated factories with only a few rare workers are still far from the norm - indeed rather than invest in highly automated factories many capitalists simply move production to other countries where they can avail of cheaper sources of labour. The Marxist understanding of this development is clear; it is only workers who produce surplus value or profit for the capitalist, machines as the 'dead labour' of other workers simply transfer their value bit by bit to the final products over their lifespan.

'Taping is killing the music industry'

Mason's insistence that new technology is 'corroding the markets ability to set prices' is a strange claim indeed. Markets he tells us set price based on scarcity yet information is abundant - since information is, in theory

at any rate, easily copied and reproduced the marginal cost of producing information tends towards zero. This may appear simple and straight forward at first glance but a little thought should reveal it as a rather myopic view of the capitalist mode of production.

For a start the vast majority of goods and services in the capitalist economy are not 'information' in this sense. To be slightly flippant about it you cannot eat food you have grown on farmville... Even when it comes to goods which are 'information' in the sense that Mason talks about this is far from the whole story and capitalism has continually adapted to prevent this trend towards a zero marginal cost of production. Laws can be written to grant rights over intellectual property and technology can be employed to make the actual copying more difficult. Also whatever the piece of software it will require hardware to run it - this is just as true for an mp3 file as for a piece of free software. While the cost of the hardware might fall over time the trend is for improved technology to keep up demand and obsolescence to render not just older hardware but also older software valueless in quite a different sense.

Even in the case of particular industries there are real issues with Mason's formulation. If we take the music industries well documented battle against music piracy the facts simply don't stack up. Rather than a new phenomenon driven by the internet and file sharing services music piracy is again not a new phenomenon and many people can still recall all the hyperbole about how illegal taping was destroying the music industry. Of course the issue has morphed through copying cd's to Napster and file sharing yet if the easy ability to copy and share music files has changed consumer expectations about paying for music the music industry has adapted heavily to continue making money. In addition to having anti piracy laws passed the industry has also found a way to monetise streaming music with multiple streaming services offering even easier

⁸ *ibid.*

⁹ Marx, Karl 1859 *A Contribution to the Critique of Political Economy* marxists.org/archive/marx/works/1859/critique-pol-economy/preface.htm

access to vast quantities of music than illegal services. These services are either funded through advertising or subscriptions.

Beyond music piracy the industry has evolved in other ways such as concert promoters Live Nation who own Ticketmaster and also have deals with artists like U2 and Madonna to promote their live shows. As one writer at Bloomberg observed of these deals

[W]hat's more interesting about the deal is that Live Nation is investing so heavily in artists who are past their prime... But album sales haven't been an arbiter of an artist's moneymaking potential for years. These days, its concerts and festivals that bring in all the money - and middle-aged U2 and Madonna fans have more disposable income to spend on tickets.¹⁰

And of course even if the music industry - along with similar industries in film and TV - was to disappear that is still a long way off the end of capitalism or even capitalism as we know it.

Open source is big business

Mason contends that growing collaborative production of information technology no longer responds to the dictates of the market. While there are a great many examples of collaborative projects online from Wikipedia to open source software like Linux the idea that capitalism struggles to adapt or incorporate them seems fanciful.

Wikipedia is possibly the best example of this form of online collaboration and does have a distinctly non-market feel to it. Its lofty goal of amassing the largest collection of shared knowledge in human history is backed by a massive army of volunteers who have edited over 35 million pages of content in the past twelve years, supported by a

staff of under 300 and all without advertising revenue being funded by mainly small donations from individuals supportive of their aims. Yet for all this the effect it has had on capitalism is rather small. With the exception of a drop in sales of encyclopedias it is actually hard to find one and even this drop in sales is not necessarily down to Wikipedia - while the site has captured a large chunk of internet users looking for basic information on a bewildering array of topics it could easily be argued that even without Wikipedia many internet users would still resort to their favoured search engine to find what they were looking for rather than dusting off an old fashioned encyclopedia.

When it comes to various open source¹¹ software projects the contention is even harder to justify. Such projects are worked on by sometimes large communities of volunteers who continually write and rewrite various pieces of code for a huge number of applications. Yet capitalism has had no problem incorporating open source technology. Consider Apple and Google's differing approaches to open source. Apple is a company with a notoriously 'walled garden' approach to its software and hardware - despite the origins of its operating systems from a Unix system, the same basic structure as the many Linux operating systems available - while Google's Android operating system is based on Linux and is pretty close to fully open source. Despite the differences in approach between Apple and Google in terms of their attitude to open source both have the same goal of growing their market shares. While Apple has the iPhone and its proprietary operating system Google enters into deals with phone vendors to supply phones with Android and numerous Google applications pre-installed. Both also offer platforms for developers to write new software to be used on their respective devices - Apple has its app store and Google has its play store. Open source or not capitalism and the market still dictate their terms and

¹⁰Suddath, Claire, 2013 'Why Live Nation Wants to Put Madonna and U2 Under New Management' *Bloomberg Business* bloomberg.com/bw/articles/2013-11-13/why-live-nation-wants-to-put-madonna-and-u2-under-new-management

¹¹Open source software is software whose source code is available for modification or enhancement by anyone. It does not mean the software is free in a monetary sense although much of it is. For more details see opensource.com/resources/what-open-source

no one would suggest Google is anything but a capitalist enterprise despite its more open source approach.

Even when you consider the many Linux operating systems available to end users at no cost the companies supplying them often provide paid services - particularly ones geared towards business users - offering bundled packages of software and support services. Examples include Red Hat's Enterprise Linux or Canonical's Ubuntu packages for enterprise.

Networks and hierarchies or class struggle?

It is in Mason's descriptions of what post-capitalism might look like, how it might come about and crucially who can bring about the change that his analysis is at its weakest. While it would be unfair to expect anyone to have a fully formed plan of what society would look like post capitalism much of the discussion in *Postcapitalism* never gets much beyond the type of utopian discussions of the transformative potential of new technologies which have been beloved of 'futurologists' and the like for more than a century. While he acknowledges the process of moving beyond capitalism will require a fundamental change in how we as humans think about ourselves and our society, the emergence of 'a new kind of human being', his descriptions of how we get there are vague and sometimes contradictory. But one thing is clear for Mason - it will not be the traditional agent of change identified by Marx and classical Marxism: it will not be the organised working class.

As a result of neoliberalism

...over the past 25 years it has been the left's project that has collapsed. The market destroyed the plan; individualism replaced collectivism and solidarity; the hugely expanded workforce of the world looks like a 'proletariat', but no longer thinks or behaves as it once did.¹²

Here Mason joins a long list of commentators and intellectuals who have dismissed or written off the working class. From declarations that the working class was dead or that neoliberalism has fully transformed its soul to its replacement by new agents of change such as the 'multitude' or 'precariat' the tradition has a long pedigree to which Mason adds his 'networked individual'.

The major struggle in the world today, he argues, is no longer the struggle between the working and capitalist classes but one between 'networks and hierarchies'. It is a struggle between, in the usual jargon terms, horizontally integrated networks and vertically integrated hierarchies - a notion with a significant purchase among activists as anyone with experience of the Occupy movement can attest.

But who are these networked individuals? In common with other descriptions of 'new' social forces the description is vague, moving away from concepts of class and relationship to the means of production allows for the construction and conflation of widely differing social groups. Descriptions of these networked individuals for Mason range from fellow commuters on smart phones to suggestions that it could encompass the vast majority of humanity.

Of course why capitalism would be challenged by 'networks' is worth considering. Many groups organised along the lines of a network might seek to challenge it but there is nothing inherent in networked structures which is not compatible with capitalism. In fact capitalism has very successfully incorporated networks into its structures. Aside from obvious examples of superficial changes in workplaces where there are no longer managers but team leaders capitalism has been very adept at utilising dispersed online networks - a process often referred to as crowdsourcing - like Amazon's Mechanical Turk where workers are paid, often extremely badly, to perform simple tasks that computers cannot easily perform such as correcting product descriptions for online listings.

If the agents of change are poorly defined then the discussion on how to achieve a post

¹²Mason, Paul, *PostCapitalism - A Guide to Our Future* Allen Lane 2015 p. .

capitalist society is even more so. With an obligatory swipe at the traditional left Mason tells us

Capitalism, it turns out, will not be abolished by forced-march techniques. It will be abolished by creating something more dynamic that exists, at first, almost unseen within the old system, but which will break through, reshaping the economy around new values and behaviours.¹³

He sees glimpses of this process in the, often desperate, responses to the current economic crisis

Almost unnoticed, in the niches and hollows of the market system, whole swaths of economic life are beginning to move to a different rhythm. Parallel currencies, time banks, cooperatives and self-managed spaces have proliferated, barely noticed by the economics profession, and often as a direct result of the shattering of the old structures in the post-2008 crisis.¹⁴

On the question of how these cooperative spaces are to develop and emerge from within capitalism to a point where they reshape the economy Mason is fuzzy and indeed contradictory. At times he references the ‘democracy of the riot squad’ he witnessed while reporting on the economic crisis in Greece and the response of the ECB to the election of Syriza by pulling funding from the Greek banks, yet he still makes appeals to the capitalist state - the ultimate guarantor of capitalist property relations - to protect and nourish the very developments he sees replacing it.

He uses analogies with the emergence of capitalism from feudalism - a process which he paints as a long and gradual one through a selective reading of history which neglects

to discuss the essential role of a series of revolutions in cementing this change. Rather we are told that

At key moments, though tentatively at first, the state switched from hindering the change to promoting it.¹⁵

Of course the position of the capitalist class and capitalist property relations under feudalism was a distinctly different situation to any non capitalist relations under capitalism. While medieval merchants and traders could gain vast quantities of wealth and grow in influence under capitalism to a point where they exerted more influence on the aristocracy than vice versa, often effectively ‘purchasing’ membership of the aristocracy for themselves, under capitalism there is no similar space for non-capitalist relations, of whatever form, to flourish let alone exert the influence that capitalism exerted in late feudalism. Combined with capitalism’s ability to adapt and incorporate new developments this leaves only a vanishingly small space to build non-capitalist developments and while we shouldn’t be dismissive of such attempts we must realise that their transformative potential for society are in most important senses as limited as those of the hippie communes of the 1960s.

Conclusion

While Mason has produced an interesting and at times engaging read ultimately what he offers comes across not so much as an analysis of the changing face of modern work and the modern working class - or the resulting necessary strategic changes required to organise against the capitalist system as a result - and more like a pick and mix collection of the kind of thinking that has become popular amongst a large number of modern theorists and activists - with a fair helping of a sort of techno-utopian spin.

As I have mentioned the arguments can be very contradictory; in abandoning the working class for the networked individual

¹³*ibid.* p. .

¹⁴*ibid.* p. .

¹⁵*ibid.* p. .

Mason feeds into larger themes about class being somehow an unnecessary division and seeks in common with others to define a new movement which is much broader.

There's probably even a conservative version of postcapitalism, and good luck to it.¹⁶

In criticising the left in the early 1900s and their 'obsession' with the final crisis of capitalism he chides them for not appreciating capitalism's power to adapt yet maintains that capitalism has now reached 'the limits of its capacity to adapt'¹⁷. As should be clear from this review I don't think his technological arguments as to why this should be the case hold much water.

Given the prominence of a number of variants of many of Mason's themes in wider

activist circles it is incumbent on those of us who hold to a Marxist explanation of capitalism and the route to socialism to take up these arguments. It is not simply enough to write them off in the manner Mason deals with past failures of the Marxist left - for example the reasons for the degeneration of the Russian revolution is dismissed early in the book as a 'good question, but a dead one'¹⁸. What is needed is an ongoing analysis of changes in the working class and the nature of work alongside continual re-explanation of the classical Marxist tradition. It is only with the solid foundation of a coherent analysis of capitalism that we will properly navigate the currents of its continual changes and be in a position to offer effective strategies for resistance and ultimately for change.

¹⁶ *ibid.* p. 290.

¹⁷ *ibid.* p. xii.

¹⁸ *ibid.* p. xvi.