

A New Economic System For A World In Rapid Disintegration



truth-out.org. September 2016. We live in ominously dangerous times. The world capitalist system — having fueled colonialism, imperialism and the constant intensification of labor power exploitation for roughly 500 years — now threatens the planet with an ecological collapse of

unprecedented proportions. Unsustainable resource exploitation, water pollution (the transformation of lakes, rivers and oceans into garbage dumps) and massive economic inequality are at the root of the possibly irreversible collapse of industrial civilization. Meanwhile, however, too many of us remain caught up in abstract and ahistorical predictions of collapse that fail to offer an alternative realistic vision of a future socio-economic order.

Simultaneously, the phenomenon of global warming, driven mainly by the dynamics and contradictions of a fossil-based economy, has prepared the soil for the eruption of new sources of conflict with the manifestation of historically unique destabilizing social forces. Climate change directly threatens billions of people and most other beings — besides the occasional cockroach, diadem or tardigrade — with outright extinction brought on by droughts, floods and other “natural” disasters.

Nonetheless, the catastrophic scenario sketched out behind the operations of global capitalism does not merely represent the other side of a wild socio-economic system bent on constant and abstract growth in pursuit of ever greater rates of profit. The so-called Golden Age of capitalism ended decades ago and the system has now run into a brick wall, as it appears to have reached a point where it is no longer capable of sustaining a constant momentum of growth to keep the economy reproducing itself at a pace that generates higher standards of living for the next generation.

Indeed, the productivity rates in the advanced industrialized regions of the world (such as the US, Europe and Japan) since the eruption of the financial crisis of

2007-08 are [far slower than those of previous decades](#), thereby confirming the claims of various experts who argue that we have reached the [end of the age of growth](#).

Moreover, in spite of all the talk about the marvelous and awe-inspiring accomplishments of the high-tech revolution, these innovations pale in comparison to the innovations of the Industrial Revolution. The new technologies reach billions of people, generating mythical fortunes for founders and investors, but [increasingly employ only a handful of privileged workers](#). In the meantime, the problems of massive unemployment, increased inequality, growing economic insecurity, and dangerous levels of public and corporate debt are mounting.

In this context, the present crisis facing the world economy as a whole “consists precisely in the fact,” as Antonio Gramsci put it in his [Prison Notebooks](#), “that the old is dying and the new cannot be born,” and all of the above represent the “morbid symptoms” of this antinomy that the great Italian revolutionary underscored as being part of this interregnum.

Corporate Capitalism and Social Disintegration

Still, there are optimists among us who believe that the current system can be rescued from its apparently imminent decay by the implementation of certain [government interventionist policies, such as those that guided the New Deal era](#). However, the global economy has changed fundamentally since the 1930s, with neoliberalism being a direct outcome of the new wave of economic globalization that has swept the world since the 1980s. And the reliance on fossil fuels to power growth is actually increasing the consumption of primary energy sources, such as coal, oil and natural gas, in spite of the phenomenon of global warming, which threatens to destroy human civilization as we know it.

Worse, the call for a New Deal has been adopted by several allegedly progressive political movements in Europe, as well as by Bernie Sanders and many of his supporters in the United States, thereby making it even more challenging to create political and ideological momentum for the emergence of a new economic system free from the chains of capital accumulation and the exploitation of labor power and natural resources.

It is only realistic that the germs of the future society will be built within the present one, [as Russian anarchist Mikhail Bakunin advised](#), which means reform

is always needed to move from here to there. Reform, however, must not have as its ultimate aim the maintenance of the existing social and economic order, which is what most versions of social democracy and Keynesian economics aim to do with their policy prescriptions.

Yet, the choice between “barbarism or socialism” has never been clearer. The need for an end to capitalism and its replacement by a new economic system based on cooperation, rather than competition; socially owned means of large-scale production, rather than private ownership; and participatory structures of social organization, rather than hierarchical and oppressive/repressive ones, has never been greater.

Indeed, unless we are willing to accept social disintegration, increased conflict and even wars as irreversible processes and stand idly by while global warming caused by the drive of a fossil-fuel-based economy destroys the planet, the existing system of neoliberal transnational corporate capitalism needs to be replaced by an economic order that is aligned with human interests and sustainable/balanced growth.

In actual practical terms, this means making a great shift away from the processes of constant capital accumulation, possessive individualism and economic globalization. It also means putting an end to the destructive practices of western industrial extractive technologies and being respectful of the natural resources that sustain life.

Economic globalization, which lies at the heart of the current economic system, is promoting a “[monoculture economy](#)” that has devastating effects on the well-being of most communities in the global South and the environment alike.

Putting a halt to the current dynamics and contradictions of economic globalization does not mean eliminating international trade. But it does mean doing away with the neoliberal trade treaties that have already given global corporations and banks such immense wealth and power that they can promote their own interests without concern for community interests, workers’ rights and sustainability.

Rethinking “Development” and “Progress”

As such, we need to rethink terms like development, growth and progress. These terms are directly linked with the historically-based socio-economic system of

capitalism, which surfaced around the 15th century in northern Europe. There is nothing to suggest that it will be around forever. In fact, it is in a process of rapid disintegration, although it won't disappear on its own without direct action from below.

At the same time, we need to come to terms with the political economy of socialism, a subject that has received very little attention since the origins of Marxian socialism. For now, however, we can state categorically, and based on the proper lessons drawn from the experience of "actually existing socialism," that the economic system of socialism in the 21st century cannot be a top-down control system and completely centralized. It should be based largely on localized forms of industry and finance, participatory democracy, and the use of technologies that are congruent with community needs for the production and distribution of food in order to eradicate poverty and hunger and provide sustainable livelihoods.

In this future socialist society, centralized planning would be confined to the strategic sectors of the economy while worker-owned cooperatives would make up the bulk of the type of economic enterprises under the new socio-economic order. Eliminating private property entirely would be both an impossible and an undesirable outcome in today's world. Prices for everyday goods and products would probably still be based on the basic laws of demand and supply but without the presence of monopolies and with government supervision in place in order to prevent possible unlawful profiteering practices. Education, health care and all vital social services would be provided free to all members of society, and taxation would be strictly progressive. Employment would be guaranteed, while those unable to work due to physical and mental limitations would receive a guaranteed income sufficient to provide a decent living.

All this suggests, of course, that the future socialist society — no matter where it might first take place — would still involve the circulation of money as a means of exchange. This is because, first, socialism would still be in its very initial stages and second, since there would still be a world out there where many nations remain capitalistic, money would be needed for international trade. Nonetheless, there would be no financial speculation, as the banking system would be publicly run.

Imagining a Mature Form of Socialism

As socialism matures, the economic system could shift gradually to a non-monetary form of exchange where time serves as the basis for payments and purchases of goods. We can call this a non-monetary economy — an economy that would be based on labor certificates or on a system of time-prices, the details of which would have to be worked out by the people living under such a system. The same could be said about the educational and judicial systems and a host of other institutions, including the family.

In this context, it is important to stress that any future social order deriving inspiration from socialist ideals and values represents necessarily a historical process, not a ready-made society.

Still, even under this new form of socialism, there would be a need for development and growth, albeit new versions of these processes. There would still be a need to conceive of how new wealth would be generated and how technologies can continue to improve for the betterment of society and humanity in general. The new economic system would not be static, and it would be utterly utopian to think of it in such terms. Like all systems, it would face challenges and would need to adapt to new realities and newly emerging needs.

In sum, the socioeconomic and political order envisioned above would be diametrically opposed to the experience of “actually existing socialism” that prevailed in the former USSR and Eastern Europe after World War II. It is now beyond any doubt that “actually existing socialism” was not only centered around state ownership of the means of production but continued to rely on the economic exploitation of labor power in exchange for basic forms of economic security. Meanwhile, the very reproduction of the system depended heavily on the utilization of highly repressive state apparatuses in order to maintain its legitimacy and ensure conformity on the part of the citizenry to the prevailing mode of social, economic and political organization. The claim that the Soviet Union had introduced a “non-capitalist extraction of surplus” under Stalin was belied by the new and brutal form of exploitation that the Russian working class had been subjected to under the tyrannical regime of the “Red Lord.”

In this context, whether “actually existing socialism” represented a form of state capitalism or some type of a “deformed workers’ state” is hardly an issue of substantive matter. In any case, political terms are always insufficient in capturing the true nature of the phenomena they wish to identify and describe.

The point is that it is not a model to be emulated by those seeking to bring socialism back in the 21st century, unless the future proletariat is also to be sacrificed in the name of an anti-capitalist but highly authoritarian and repressive social order that bears not even remote semblance to the vision of a socialist system with direct democratic participation and cooperation at its core.

The realization of an alternative socio-economic system based on the utilization of economic resources for the common good — with the direct participation of the citizenry in all decisions affecting the workplace, communities, and the general polity on the whole — requires the raising of consciousness to ensure that capitalism ends up in history's dustbin. By extension, it also requires the formation of social movements and political parties that have a strong anti-capitalist mentality, with a clear vision of the future socio-economic order to replace capitalism and well-laid-out strategies for its execution. The realization then of the new economic system based on socialist principles and values mandates serious ideological and educational work, and social movements and political parties organized on a national level and in possession of a fully fledged programmatic agenda built around the attainment of the aims and goals guiding the vision of a socialist society for the 21st century.

The failure behind the organization of large-scale, nationally based radical left movements and parties in the US is related to a whole set of different factors. One of these factors is the geographical vastness and cultural diversity of the country. Another factor is the dominance of an overall mainstream political culture that idealizes individualism while simultaneously pledging unquestioning allegiance to authority and uncritical nationalism and, by extension, to the nation's most repressive institutions (the police and military). This mainstream political culture detests intellectualism and what may generally be described as the political and sociological imagination, and remains overtly insular, racist and militaristic. In this context, radicals in the US clustered around the distinct strand of socialism sketched out in this essay have their hands full as they must overcome an authentically individualistic and reactionary political climate just in order to rouse people's consciousness of the need for a tentative non-capitalist socio-economic order.

Unfortunately, this has become no less of a task for radical socialist organizations and movements throughout the Western world. The experience of Soviet "communism" had an adverse effect in the push toward socialism in Europe after

the 1980s, once all the pitfalls of the given system and the crimes of Stalinism became widely known. Moreover, the Left has been losing ground against its capitalist opponents, even in Western nations with fairly strong socialist and communist traditions, as evidenced by the rollback of many gains that had been made by the labor and socialist/communist movements in many Western countries after World War II.

Nevertheless, while the struggle ahead for a rational, just and democratic social order — which is what the drive behind socialism has always been about from its early origins — may be rife with challenges, we must draw strength and inspiration from the fact that as the old system is dying, a new one begs to be born. Whether it will be a democratic vision of socialism (or something yet unimagined) or an even more regressive and authoritarian form of capitalist rule will depend on the outcome of the class struggles that will rage on.

The class struggle has always been, and remains even more so today, a key motor of history. The only problem in the contemporary period is that the class struggle raging on has been largely one-sided, with capitalists doing all the attack and the working classes taking all the blows. Progressive and radical movements of all sorts must rediscover the class struggle and embrace a cooperative, participatory, environmentalist-based economic system (where man is not above nature), in order to rescue a world in utter disintegration and a planet in near collapse.

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