

# Red-Green Political Economy

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Metabolic Rift (Marx / Engels)

Fictitious Commodities (Polanyi)

Second Contradiction of Capitalism (James O'Connor)

Social Justice and Ecological Sustainability

Green Capitalism / Ecological Modernisation

Steady State / De-growth

'Accumulate, accumulate! That is Moses and the prophets!'

Ecosocialism

## Introduction

Marx and the Capitalist Mode of Production

Capital Wage Labour Relationship  
Exploitation – Surplus Value  
Law of Motion – Accumulation  
Capitalist Crises

Contradiction between

Forces of Production - Constant and Variable Capital

and

Social Relations of Production – Private Ownership of the Means of Production

## Consequences

Engels: *The Condition of the Working Class in England* (1845)

Marx: *Capital*, Vol. 1 (1867), Chs X, XV and XXV

Concerned with the effect of the development of capitalism in 19<sup>th</sup> century England on the conditions of existence, work and domestic, of the industrial working class. Corrosively destructive.

## Resistance

From the ruling class (e.g. Leonard Horner, mid-nineteenth century Inspector or Censor of Factories: "He carried on a life-long contest, not only with embittered manufacturers, but also with the Cabinet". (Marx 1987 [1967]: Ch. IX, section 3).

From the working class: the Chartists, cooperative and friendly societies, trade unions, and nascent socialist groupings.

## Classical Marxism

Emphasised the historic role of the capitalist mode of production in developing the productive forces.

Preconditions for a post-capitalist social formation: a level of productivity at which the material conditions existed for the lower form of communism (socialism) to be achieved:

"from each according to ability, to each according to work"

So overcoming the contradiction in the capitalist mode of production between the social forces and relations of production, and thus enabling the further development of the forces of production to create the material conditions for the higher stage of communism (communism):

"from each according to ability, to each according to need" (abundance).

## Green Critique of "Marxism"

Productivism

"Abundance" defined on "supply side"

Focus on growth

Jobs before environment / ecology

Soviet environmental disasters

Anthropocentrism

An instrumental view of the relationship between human and non-human nature

### Metabolic Rift

John Bellamy Foster (*Marx's Ecology*, 2000)

Metabolism: The material exchange between humans and non-human nature mediated by labour.

Metabolic Rift: The rupture of the sustainable relationship between human activity and non-human nature, violating the "social metabolism . . . prescribed by the natural laws of life itself".

"Large landed property reduces the agricultural population to an ever decreasing minimum and confronts it with an ever growing industrial population . . . The result of this is a squandering of the vitality of the soil . . . Large-scale industry and industrially pursued large scale agriculture have the same effect . . . The former lays waste and ruins labour-power and thus the natural power of man, whereas the latter does the same to the natural power of the soil . . ." (*Capital*, Vol. 3, 'The Genesis of Capitalist Ground Rent').

"Capitalist production . . . Disturbs the metabolic interaction between man and the earth, i.e. it prevents the return to the soil of its constituent elements consumed by man in the form of food and clothing; hence it hinders the operation of the eternal natural condition for the lasting fertility of the soil . . . progress in capitalist agriculture is a progress in the art, not only of robbing the worker, but of robbing the soil; all progress in increasing the fertility of the soil for a given time is a progress toward ruining the more long-lasting sources of that fertility . . . Capitalist production, therefore, only develops the technique and the degree of combination of the social process of production by simultaneously undermining the original source of all wealth – the soil and the worker" (*Capital*, Vol. 1, 'Large-scale Industry and Agriculture')

### Fictitious Commodities

Karl Polanyi (*The Great Transformation*, 1944)

Commodities are produced for sale in market

Labour, land and money are not produced for sale but are nevertheless sold in markets

Hence, 'fictitious commodities', whose existence constitutes Polanyi's 'market system', i.e. capitalism

Cf. Marx: Capitalist mode of production exists when all inputs into the production process are commodities – labour (power), land and money

### Polanyi's 'Double Movement'

Pre-industrial society organically integrated, with economic activity linked to non-human nature and society in a sustainable way

The first movement, the great transformation, was the industrial revolution in England, with the economy instituted as a separate sphere of activity, labour severed from the land, and both treated as commodities, bought and sold in labour and land markets

However, the 'market system' degraded the conditions on which capitalist production depended – labour and land

So, a second, or counter, movement developed as 'society' sought to regulate the free market to safeguard capitalist production

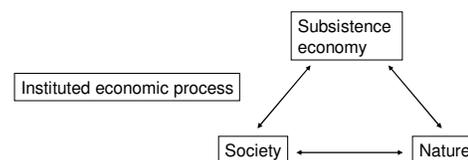
However, the countermovement could never win

"For a century the dynamics of a modern society was governed by a double movement: the market expanded continuously but this movement was met by a countermovement checking the expansion in different directions. *Vital though such a countermovement was for the protection of society, in the last analysis it was incompatible with the self-regulation of the market, and thus with the market system itself.* (1944/2001, p. 136; my italics)

"Socialism is, essentially, the tendency inherent in an industrial civilization to transcend the self-regulating market by consciously subordinating it to a democratic society." (1944/2001, p. 242)

Polanyi looks forward to a time when the economy is brought fully under social control and "the market system will no longer be self-regulating, even in principle, since it will not comprise labour, land and money" (1944/2001, p. 251). This was his definition of socialism.

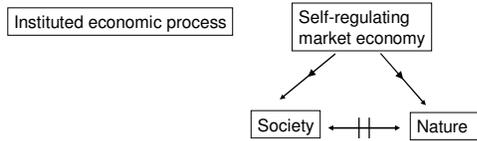
### Pre-great transformation



Economic activity is instituted as an integral part of all aspects of human existence, with the economy embedded in and organically linked to nature and society

Key  
Organic link ← →

## Capitalism (disembedded)



Economic activity is reinstated as a distinct sphere, with the self-regulating market disembedded from and dominating both society and nature. The organic link between society and nature is severed.

### Key

Organic link

Domination

Polanyi rejected the application of neo-classical marginalist analysis to pre-capitalist societies but accepted the subjectivist marginalist theory of value for capitalism, rejecting the labour theory of value of Marx and the classical economists

His focus was on the difference between societies in relation to whether the economy was separated from the rest of society, not in relation to whether they were based on exploitation

Dale argues this caused him to display “a particularly blind spot towards the brutal, exploitative and acquisitive character of Dahomey’s ruling class”

## Second Contradiction of Capitalism

James O'Connor ('The Second Contradiction of Capitalism', Ch. 8 in his *Natural Causes, 1998*; first appeared as “Capitalism, Nature, Socialism: A Theoretical Introduction” in *Capital, Nature, Socialism, 1988*)

Although Polanyi mentions land, he focussed mainly on labour and money. O'Connor, by contrast, explicitly focuses on land, on nature and the environment, through his concept of the second contradiction of capitalism. This is the contradiction between the forces and relations of production, the capitalist mode of production, on the one hand, and the non-human 'natural' conditions of production on the other, operating alongside Marx's first contradiction, between the forces of production and the relations of production.

The second contradiction posits an inherent tendency for capitalist production to undermine the ecological conditions on which it depends for its continued existence, which inevitably calls forth movements of social resistance. But whereas the social force behind Polanyi's counter-movement in defence of the land was the old landed interest, for O'Connor the agent of resistance today is the environmental social movement. Thus, he opens up the prospect of an alliance for transcending capitalism between the labour movement, in response to the first contradiction of capitalism, and the environmental movement, in response to the second.

## Social Justice and Ecological Sustainability

1987 *Our Common Future* (The Brundtland Report, after Gro Harlem Brundtland, former Norwegian PM), World Commission on Environment and Development

Sustainable development: "development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

weak sustainability – a constant stock of capital within which natural, physical (means of production), and human capital are substitutable

strong sustainability – maintenance of the stock of natural capital, with critical natural capital constraints

neoclassical environmental economics – maintaining the economic value of natural capital, forgetting about the critical physical constraints

ecological economics – maintaining the physical stocks of critical natural capital, emphasising incommensurability and non-monetary indicators

NB Concept of 'natural' and 'human' capital, while conventional, is a category mistake

Sustainability and social justice: intra-generational equity, inter-generational equity, and ecosystem resilience

## Green Capitalism

Sustainable development becomes sustainable growth

Within the green movement the emphasis is primarily on 'greening' capitalism, as in Jonathan Porritt's influential book, *Capitalism: As if the World Matters* (London, 2005; revised edition 2007).

No necessary contradiction between capitalism and sustainability, nor between capitalism and social justice. Capitalist enterprises are now starting to adapt themselves in ways which seem ecologically sustainable.

Society has no option but to convert capitalism in an ecologically-sustainable direction since: "like it or not (and the vast majority of people do) capitalism is the only economic game in town."

Porritt raises: 'the vexed question of whether *inequality* is an inherent and inevitable element in *any* capitalist system', and answers, "yes, where there are winners, there will inevitably be losers." (p.82) His recognition of inequality as a fundamental feature of capitalism is worth hanging on to because this issue is given little attention in most of the more academic accounts of ecological modernisation.

## Ecological Modernisation

This issue of climate change can be taken as representative of the question of whether capitalism can become ecologically sustainable.

This is normally discussed in terms of whether technological change – 'techno-fix' or 'decoupling' – could offset the effect of continuous GDP growth on CO<sub>2</sub> (greenhouse gas) emissions and, more generally, the adverse overall environmental and ecological impact of growth.

It is important to distinguish between 'relative decoupling', a reduction in emissions per unit of energy used or GDP produced, and 'absolute decoupling', a reduction in total emissions.

Relative decoupling (reductions per unit) may be more than offset by growth (an increase in the number of units), in which case, far from there being also absolute decoupling (a reduction in total emissions), total emissions will continue to increase.

Technological developments are necessary, but the hegemonic view that they can solve the ecological crisis is nothing but 'greenwash'.

### Steady State / De-growth

Growing recognition that ecological sustainability and growth are incompatible

Sustainable Development Commission, *Prosperity Without Growth? The transition to a stationary society*, 2009

The Commission argued that 'relative decoupling', has occurred, but 'absolute decoupling' has not. Reductions in resource use and waste produced per unit of output have been more than offset by an increase in the number of units, with growth of aggregate GDP depending on per capita GDP and population growth

It concluded "... there is as yet no credible, socially-just, ecologically sustainable scenario of continually growing incomes for a world of nine billion people ... it is entirely fanciful to suppose that 'deep' emission and resource cuts can be achieved without confronting the structure of market economies" (p.57)

And it recognised that capitalism depends on growth: "... different 'varieties of capitalism' place more or less emphasis on de-regulation and competition. But all varieties have a structural requirement for growth ..." (p.11).

However, although the Commission's report identifies the underlying growth dynamic of the capitalist mode of production (often euphemistically referred to as the 'market economy'), it does not offer an alternative macro-economic structure to that of the (capitalist) market economy.

Similarly, The Royal Society's, *People and the Planet*, 2012, 9<sup>th</sup> recommendation:

"Collaboration between National Governments is needed to **develop socio-economic systems and institutions that are not dependent on material consumption growth**. This will inform the development and implementation of policies that allow both people and planet to flourish." (p.9)

What is missing from these analyses, and also those of the 'de-growth' and 'steady state' movements, is an understanding of the political economy, the law of motion, of the capitalist mode of production. They never address the question of whether the steady state economy in the developed economies which they recognise is essential is compatible with capitalism.

### Angus Maddison, *Contours of the World Economy, 1-2030 AD*

Growth rates 1-1820 : per capita GDP, 0.00-0.05% pa; population, 0.02- 0.27% ; and GDP, 0.01-0.32%

Growth rates % pa	1820-70	1870-1913	1913-50	1950-73	1973-2003
<b>Per capita GDP</b>					
West	1.07	1.56	1.24	3.33	1.93
Rest	0.10	0.86	0.67	3.31	1.93
<b>Population</b>					
West	0.98	1.08	0.70	1.04	0.65
Rest	0.29	0.73	0.99	2.11	1.73
<b>GDP</b>					
West	2.05	2.67	1.95	4.40	2.59
Rest	0.39	1.60	1.67	5.49	3.69

### 1820-2003

World energy consumption rose over forty eight fold

Proportion of world energy consumption accounted for by fossil fuels rose from 6% to 80%.

Carbon emissions per unit of fossil fuel energy consumed peaked in 1913 and have been falling since, but in 2003 were still ten times the 1820 level.

Fossil fuel carbon emissions per \$1,000 of GDP also peaked in 1913 and had more than halved by 2003.

### 1913-2003

World per capita income rose more than four fold

World population increased three and a half fold

The result was that fossil fuel carbon emissions increased eight fold, with the reduction in emissions per \$1,000 GDP, swamped by the increase in world GDP from £2,733 billion in 1913 to \$40,913 billion in 2003, due to the combined effect of population increase and increasing income per head.

### 'Accumulate, accumulate! That is Moses and the prophets!

The underlying dynamic of the capitalist mode of production is growth.

Competition between the fractions of capital means that each fraction must expand or die, must grow or go under, or be taken over.

And at a systemic level the dynamic is the expansion of capital into ever new areas – first within national boundaries, with the creation of unified national markets, then into ever more areas of the world, as the institutions underpinning 'free trade' and capital mobility are created, until finally capitalism penetrates and comes to dominate the entire globe.

At the same time, this necessity for continuous growth has not only meant the geographic expansion of the domain of capital, but also its colonisation of ever more areas of social life and non-human nature as commodification is extended to human relations, human beings and their organs, knowledge, and the non-human natural world.

### Ecosocialism

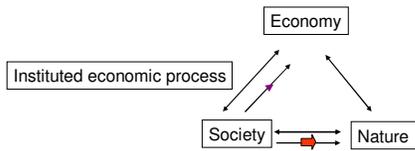
An Ecosocialist Manifesto by Joel Kovel and Michael Lowy, 2001

"Ecosocialism retains the emancipatory goals of first-epoch socialism, and rejects both the attenuated, reformist aims of social democracy and the productivist structures of the bureaucratic variations of socialism.

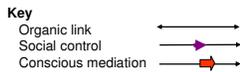
It insists, rather, upon redefining both the path and the goal of socialist production in an ecological framework. It does so specifically in respect to the "limits on growth" essential for the sustainability of society. These are embraced, not however, in the sense of imposing scarcity, hardship and repression. The goal, rather, is a transformation of needs, and a profound shift toward the qualitative dimension and away from the quantitative.

From the standpoint of commodity production, this translates into a valorization of use-values over exchange-values, a project of far-reaching significance grounded in immediate economic activity.

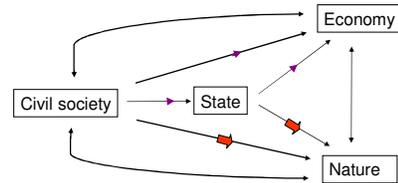
## Self-governing society (consciously designed (re)embedding)



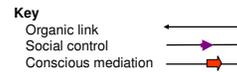
Economic activity is reinstated in ways that subject it to social control, thus enabling society consciously to mediate its relationship with nature. The economy is re-embedded in society and nature on the basis of newly established, non-traditional organic links between the three.



## Social control



Civil society exercises social control over the economy and consciously mediates its relationship with nature, directly through self-governing associations, and indirectly through its control over the state



But how to get there?

### Antonio Gramsci

- ‘Hegemony’
- ‘Historic Bloc’
- ‘War of position’ and ‘war of manoeuvre’
- ‘Organic crisis’

## The Present Conjuncture

1945-1970s Keynesian Social Democratic ‘Golden Age’  
Apogee of first counter-movement

1970s Gramscian Organic Crisis  
Capitalism seizes up

1980s-2008 Neo-liberal Era: Second ‘first’ movement  
*Capitalism Unleashed* (Andrew Glyn 2006)

2008 to date: Second ‘counter-movement’?

Ecosocialism or barbarism

## Reading

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