**Is Capitalism a Superior Economic System?**

It has been argued by some defenders of capitalism that the reasons for an alternative type of society are problematical because the capitalist system has a tendency to generate a situation of increased affluence for the majority of the people and so the logical approach is to enable this type of society to be able to realise its possibilities in terms of increasing the development of equality and material well-being. In this context it could be suggested that the advocacy of socialism is an expression of a doctrinaire view that is not based on a credible understanding of the character of social reality and its possibilities for progress. Indeed, the result of this character of capitalism is that support for socialism is becoming increasing insignificant. Instead the only credible approach is to try to aspire to realise economic and social improvements within the context of the continuation of the present system. But it has to be suggested as an alternative to this view that the very development of the possibility of progress within capitalism has been made possible by the organised and collective role of the working class which has often been influenced by a socialist type ideology of the superiority of an alternative type of society. Therefore, it cannot be suggested in a credible manner that capitalism has an automatic character that enables material and social progress to be realised without the role of collective struggle to realise these advances. But it could then be argued that the very flexibility of the capitalist system enables these social gains to be realised. In contrast socialism is a problematical ain which has never been realised in practice. Instead there has only been the development of authoritarian regimes that have been dominated by the role of a party. Hence it would seem that the aim of socialism may be defined as being of a worthwhile character but that in actuality it lacks a feasible and practical aspect and so cannot be realised. In this context the only realistic approach is to try and realise economic and social improvements within the capitalist system. One book that outlines this type of approach is that by Deirdre Nansen McCloskey in ‘Bourgeois Equality’ (University of Chicago Press, 2016) She suggests that since 1800 there has been the realisation of an increasingly generalised situation of what is called the ‘great enrichment’. This means that the economic and social situation of people has generally improved and so this means that most of the population of the world have been able to realise a situation of increasing material benefits. In other words what is being suggested is that capitalism is a system that is able to provide for the realisation of the objectives of the people in increasingly effective terms despite periods of economic crisis and political upheaval. It is suggested that the pessimism of people like Malthus in the early 19th century may have seemed to be accurate because he described a situation of generalised poverty and the inability to provide for generalised prosperity within many societies. But increasingly this pessimistic view has been discredited: “Then after 1798 – as economic historians have discovered over the past few decades – life in quite a few places got better. Slowly, and then quickly, and by now with unstoppable, ramifying worldwide force, it got much better. Material life got much better not merely for Europeans or imperial powers or Mr Moneybags, but for ordinary people from Brooklyn to Beijing.”(p21) It is suggested that the reason for this development was: “The real engine was the expanding ideology of liberty and dignity that inspired the proliferating schemes of betterment by and for common people. Liberty and dignity for ordinary projectors yielded the bourgeois deal.”(p21) But the point is that this realisation of material and social progress could not necessarily express the creation of a system that could not be improved by its transformation. A Marxist would suggest that even this situation of material progress was based on the exploitation of labour by capital and so the workers could not become genuinely reconciled to this situation and instead would strive to ultimately try to transform this situation. Instead of this perspective McCloskey is essentially suggesting that the possibility to obtain improvements within the capitalist system by the majority of the people will mean that this type of society will be accepted as what is reasonable and so the result will be that the aim of the workers is to obtain improvements within a system that is able to realise the aspiration for material advances. In this context there is no necessity to try to transform the system.

But how then do we explain the importance of class struggle and the development of the dynamics of possible change? McCloskey would suggest that the era of mass discontent is ending and that instead the general situation of the increased affluence of the majority of the people in most countries is an expression of what is defined as the ‘great enrichment’. This situation is also expressed by the increasing cultural realisation of the people and an ability to be able to develop new educational capacities. Improvements in levels of wages are considered to be not primarily the result of the actions of trade unions but instead the expression of the dynamics of an economy based on the principles of supply and demand. In other words the very effectiveness of capitalism enhances the possibility to establish material improvements for the majority of the people: “But I do not imagine that expanding the government or joining the union will radically improve the material condition of my people, rich or poor. This would be mistaken economics and mistaken history. The enrichment came mainly from bourgeois liberty and creativity unbridled, not from piling up constraints on voluntary deals or from redistributing what income we get from the deals. Wages and working conditions…..are in fact largely determined by supply and demand, not by regulations passed by Congress or by struggles on the picket line.”(p32) In other words it is assumed that there is an inherent dynamism to capitalism based on bourgeois values that enables continual progress to be made and as a result enable wage increases to be realised. But such an understanding of capitalism would not seem able to explain important periods of unrest of the system that led to the very possibility of radical forms of change. There must have been something problematical about capitalism that led to support for the revolutionary type ideology of Marxism and its socialist perspective. But this is the very aspect that McCloskey seems to be reluctant to discuss, and instead emphasises in a dogmatic manner the importance of the economic efficiency of capitalism that results in the generation of the dynamics of increasing affluence. Hence it would seem that the alternative of socialism is nothing more than a doctrine suggested by the role of various Marxist intellectuals. However, the point is that there must have been something problematical about capitalism which led to the increased support of the people for this revolutionary approach. Instead the author seems to assume an inherent dynamism to capitalism which ensures that progress can be realised. But if this was a credible understanding of the history of the system, how then can we explain periods of popular unrest? The author suggests that even non-union workers in many capitalist countries can become affluent and so this implies that they have no material interest in supporting the aim of revolutionary change. However, it could be argued that it has been the general effects of the struggles of workers for material and social improvements which has resulted in the possibility for these advances to become generalised. Furthermore, it could be suggested that the period of austerity of the last thirty years has meant that the continual material progress of the workers of many capitalist countries has become increasingly problematical. Indeed, it is the very aspect of the domination of the role of capital over labour which enables this situation to occur. Only the liberation of labour from the exploitative situation of the role of capital will enable the workers to acquire the genuine ability to be able to determine their own wages and conditions in an effective manner. However, McCloskey seems to deny this perspective by implying that there is something inexorable and inevitable about the improvement of the situation of the workers under the capitalist system. It is assumed that because of the dynamism of the economic system that material improvements for labour will be a generalised situation. In other words, the character of capitalism is that it expresses a tendency for the realisation of the material interests of the workers. This perspective seems to ignore the fact that it was the result of the progress of the workers in the past in terms of collective struggle which has facilitated their increased influence in the present. The result is that the inherent strength of the workers in economic terms which enables them to realise important material concessions from capital. It is the very fact that the forces of capital have to rely on the role of labour which means that the workers are not totally subordinated to the domination of the present economic system. The result of this situation is that economic concessions can be made. Thus, it is the character of capitalism as a system based on the importance of labour which explains the possibility for the workers to make gains. But instead of this understanding it is being suggested in a vague manner that capitalism is a dynamic and efficient system that enables the possibility to develop a situation of increasing affluence for many workers. The view of the author is that a process of increased enrichment occurs under capitalism which implies that the aim of revolutionary change is a dogma that has no connection to the character of capitalism. However, the point is that the major reason for the socialist and Marxist premises of the necessity for radical change is based on the situation of the exploitation of labour by capital. The conclusion from this approach is to uphold the aim of the transformation of the character of the capital-labour social relation. Thus the primary objective is not to make progress in relation to the situation of labour but instead to change the capitalist mode of production into a type of economy based on different objectives which means the workers have increased their capacity to be able to define the character of the relations of production. Therefore, the arguments of McCluskey about the increasing prosperity of the people under capitalism is not of primary importance for the Marxist. Instead Marxists would essentially accept that whilst progress has been made the major reason for the objective of change – the exploitation of labour – has not been overcome and resolved. Hence the attainment of wage increases – even if it results in a situation of genuine affluence for the workers – does not alter the issues expressed by the domination of capital over labour. Instead Marxists would suggest that the workers should utilise a situation of the increasingly favourable balance of class forces in order to promote the possibility of genuine social change. But McCloskey implies that the very aspect of the increased affluence of the majority of the people in many capitalist societies is the very reason why the aspiration of social change is a dogmatic perspective that can only be supported by Marxists. In reply to this view it could be suggested that this very aspect of affluence has become increasingly problematical because of the development of economic crisis and austerity. In this context people still have material incentives to both engage in militant struggles to improve wages and to ultimately try to make progress in relation to their economic situation by aspiring to transforming society. It is still in the interests of capital to act to ensure that the level of wages is at the lowest possible level and so only collective action by the workers can improve their situation. At some point this very aspect of mass action could generate the increased understanding of the necessity of the transformation of society. However, this development is not inevitable and will only occur in relation to the increased importance of the role of a revolutionary party. Therefore, it could be argued that the present failure to develop popular and important revolutionary parties is the major reason for the failure to create the possibility to realise the process of socialist change. In these circumstances even if people are discontented it does not seem feasible to realise an alternative to capitalism, and so people adjust to the continuation of the system. Hence the system continues not because of any genuine support but instead because of the apparent unresolvable difficulties involved in trying to realise an alternative. In this context the very aims of socialism become apparently something that cannot be successfully achieved. Nevertheless, can the forces of labour be reconciled to the role of capitalism given their subordination within the economic system? To some extent this development can occur because people may not envisage the feasibility of an alternative. But does this mean that people support capitalism as a type of economy that expresses their interests and potentialities in a genuine manner? The answer to this question is that people try to ignore the importance of these issues and instead assume that an alternative to capitalism is an abstraction that is not significant because of the apparent supremacy of the system. Therefore the actual ideological role of capitalism is to facilitate the influence of the view that it is not possible and credible to establish an alternative because of the difficulties involved in the attempt to realise this objective. In these terms of the pessimistic aspects of the class consciousness of the workers means that it seems very difficult to even envisage the feasibility of an alternative. Hence capitalism is a system that is not often opposed for these reasons.

McCloskey contends that the apparent system of socialism was inefficient in relation to the capacity to end the poverty of the people, whilst capitalism has proved to be superior in this respect. The period since 1970 has resulted in an increasing ability to end the importance of poverty and to instead generate the development of more generalised affluence. In other words, capitalism is a system of effectiveness in terms of the development of prosperity and this indicates a generalised enrichment of the people of the world despite continued expressions of poverty in some countries. It could be suggested that this analysis is controversial because of the assumption that affluence is an increasing expression of the character of the economic system. Indeed, it is questionable whether the creation of increasing prosperity is an automatic aspect of the role of capitalism and that there is still a contradiction between the objective of increasing profit and the material welfare of the people. Furthermore, this analysis could be subject to criticism given that the aspect of economic crisis and austerity of the last twenty years would seem to indicate that the possibility to improve material standards has not been the inevitable outcome of this problematical situation. Primarily the assumption that an improvement of the material situation of the people is an almost automatic result of the character of capitalism would seem to be questionable. Indeed, the expansion of capitalism to the former Soviet Union and the countries of Eastern Europe led to the end of the welfare state in these countries and led to the demise of full employment. It was only possible to restore capitalism based on the undermining of the material situation of the workers in these countries. It would also seem to be problematical to imply that progress has been made for the workers of the world given the imposition of policies of austerity in the context of crisis and deflation. The point being made is that it is the balance of class forces which explain the ability or not of the workers to be able to improve their material situation. In other words, the success of forms of mass action define the issue of the possibility to obtain increased wages and the realisation of the political objectives of the people. But to McCloskey it is ideas that are the primary aspect of the possibility of economic progress and the related ability to realise the material aspirations of the people. This perspective is not untrue but it has been the idea that the economic system should not reject the importance of the welfare of the producers that has been important in establishing the possibility of the modification of capitalism so that it becomes receptive to the interests of the workers. If capitalism was merely based on the narrow conception of the interests of the capitalists, then the result would be the persistent poverty of the workers. However, the character of the economic system becomes modified by the ideology of the political economy of the workers, which is a standpoint that is influenced by the ideology of socialism. The result is that the aspirations of the producers become an aspect of capitalism and so as a result modify the character and logic of the capitalist system. The capitalist class cannot neglect the objectives of the producers if they want to ensure the continuation of their domination of the economy. This means that the character of the capitalist economy can express a situation of compromise between the employers and the workers. The aspect of the principles of solidarity can be expressed even in a limited extent within the character of capitalism. But this aspect does not result in the end of the domination of the economic system of capital despite this limited acknowledgment of the interests of the workers. It has to be the task of Marxist organisations to try to develop a strategy for the transformation of this balance of class forces into becoming a dynamic of revolutionary change. However, the lack of influence of revolutionary Marxism means that this task is very complicated and problematical. The result is that the advocates of capital can generally convince people that the system they support is superior and so cannot be transformed by the actions of the producers. The apparent complexities of the perspective of change results in people being convinced that capitalism is a superior type of economy. But in actuality the basis of the very ability of the capitalist economy to provide material goods for the people is essentially the result of the very influence of the role of labour. It is paradoxically the character of labour which actually provides the reasons why it seems that capitalism is a superior type of economy. This is because it is the influence of labour which means that the forces of capital have to recognise the importance of satisfying the interests of the workers and so reconciling these aspects with the aims of the generation of the accumulation of capital. But there are problems in this context because capital also recognises the importance of keeping wages low in order to increase the rate of profit. Hence, it is actually the collective struggles of the workers for higher wages and improved economic conditions which modifies the political economy of capitalism and so introduces the very aspects which seem to make capitalism a superior economic system. It is the activity of the workers which enables the character of capitalism to become an expression of contrasting aspects of solidarity and cooperation, even if these features cannot develop a situation of dominance. In other words, without the role of class struggle capitalism could not promote progressive possibilities. But if this struggle of the workers is not successful then the very gains made by the workers will be undermined and so the result will be an unchallenged ascendency of capital. In this context capitalism will become a regressive and reactionary system that is unable to meet the material aspirations of the majority of the people in society. Therefore, the realisation of the very victory of capital over labour means that capitalism no longer expresses any aspects that would seem to imply that it has become a superior type of society. Instead only the effective influence of the political economy of labour within capitalism means that this type of society is an expression of ethical values and the objective of the interests of the people. In this context the recent period of austerity has meant the increased domination of capital over labour, but this is a regime characterised by economic power rather than being the expression of progress. The very victory of capital over labour means that the present system no longer has attributes of superiority. Instead it is a system of decline and the only basis of the assertion of progress would be expressed by the revival of the influence of the workers within society. It is the role and possible importance of the workers which means that capitalism is able to generate tendencies of improvement and advance. In other words, the very intensification of the domination of capital over labour only indicates the aspects of the decline of the present economic system. Only the ending of this situation by the increasing of the influence of labour will represent the expression of the progressive tendencies of the present economic system. The very intensification of the domination of capital over labour can only represent the expression of the aspects of decline because there is nothing dynamic in this situation. It is the role of labour that represents the progressive character of capitalism and so the ultimate expression of this aspect should mean the very transcendence of the domination of capital by the realisation of the emancipatory potential of the workers. In this manner the economic character of society could become consistently progressive. Therefore, socialism is the logical expression of the superior aspects of capitalism. McCloskey would dispute this conclusion by suggesting that capitalism is not a system of the exploitation of the workers, but this point is not outlined in convincing terms and is instead simply asserted. (p108-109) Indeed the problem is that the very aspect of the economic character of capitalism is not established in systematic terms, instead there is primarily the assertion of the view that workers can become prosperous within capitalism. But why does this possibility occur? There is no mention of the importance of the trade unions and political parties in this context. Instead there is the vague assertion that capitalism somehow generates the possibility of the affluence of society. This approach cannot explain why the most ardent defenders of capitalism advocate policies of austerity and the undermining of the influence of the trade unions. Hence the prospect of increasing affluence within society is most adequately expressed by the advocates of militant strategies for the workers to increase their wages by victories in the class struggle. This situation means that the very victory of the forces of capital in the class struggle seem to undermine the credibility of the view that capitalism is a superior economic system. Instead such an outcome only seems to indicate that capitalism is a social formation of decline in terms of the imposition of austerity in order to undermine the influence of the working class within society.

McCloskey would dispute this view and instead contend that the only efficient form of economy is one based on the values of liberty which promotes the importance of initiative and dynamic forms of enterprise. It is suggested that countries that have a high level of involvement of the role of the state in the organisation of the economy, such as Italy, express inefficient forms of economic activity. In other words, the importance of private ownership of the means of production is that it motivates a situation of the development of the dynamism of people as individuals taking important decisions that result in economic efficiency. But how is this situation possible without the role of the workers as the producers who have to act as the creative expression of the aims of the process of production and distribution? The point is that the success of the capitalist economy is because of the role of the forces of capital to be able to exploit the very skills of the workers so that it is possible to make a profit as a result of this expression of productive initiative. It could be argued that the various economies claiming to be socialist have been inferior to those that are capitalist but this is because of the very fact that they are not based on the expression of the necessity of the influence of the workers in the role of the development of production. But McCloskey outline the only alternatives as that between the role of individuals within a capitalist economy as compared to the role of the state in the organisation of this type of economy and comments: “The fact suggests that the projects of betterment enacted by governments, compared with voluntary deals made among consenting adults…will fail, as they regularly have, because they are directed not at general betterment but at enriching special interests at the expense of the generality….The modern social democratic habit of regarding the government as a wise and honest distributor of public goods ignores….the misdirected expenditures….which….govern the most of the world.”(p141) This point may have some validity but despite the aspect of the possible waste of state expenditures it has also to be suggested that the role of public finance can be the expression of the realisation of some of the needs of the people such as the National Health Service in the UK. This is why it has been the very influence of the workers that has resulted in the development of public expenditure in order to relate to the needs of the people. This aspect represents the influence of the workers on the very role of the government and in a limited manner indicates the possibilities of an alternative type of society within the very limitations imposed by capitalism. This is why it has been the task of various right-wing governments over the past fifty years to decrease the importance of the public sector within the economy. They aim to decrease the size of the public sector in the name of capitalism because of this very fact that it represents the influence of the workers within the economy and so expresses the possibility of an alternative socialist society. But the ultimate effect of this development is that the economy is even less able to met the needs of the people because of this decreased importance of the role of the public sector and its connection to what has been the welfare state. In the supposed aim of economic efficiency, the possibility to realise the needs of the people has been undermined. Hence the apparent interests of capitalism are defined in a manner that opposes the interests of the people for the development of an economy that meets their needs. Instead the very concept of need is defined exclusively by capitalist companies supplying the goods that realise the aims of people as consumers. Formally this would seem to be an enhancement of the ability of the economy to realise the needs of the people, but in actuality the necessity of a strong public sector in this context has actually been undermined because of the apparent primary importance of the objective of profitability. Therefore, it would seem that there is a contradiction between an economy based on the realisation of needs and the objectives of the role of a capitalist system. But McCloskey rejects this view and instead suggests that: “The relevant comparison is not of some unattainable utopia of perfect trade tested betterment with actual, imperfect government regulation. It is the comparison of the actual record of liberated trade, and the betterment it has brought to the powerless of the world, with the actual record of populism, fascism, socialism and thick regulation bettering a few favoured groups of the poor, every party official, and most of the owners of the biggest enterprises able to corrupt the government, all at the expense of the rest.”(p145) Hence the actual interests of the poor would be realised by the betterment expressed by the role of the market. But the point is that the examples of the economic inefficiency of state organised economies is because they are an expression of the interests of the elite and are not organised by the people in the interests of the people. Therefore, the reasons for genuine socialism have not been invalidated by this perspective. There is not a choice between an efficient capitalism and inefficient forms of state organised economies. Instead the very aspect of the importance of exploitation of the producers in a capitalist system will continue to generate forms of popular opposition to the subordination of the workers. The issue of contention is that the very ability of the system to express forms of economic efficiency is because the initiative of the producers is being exploited in the interests of the capitalists. It is this very aspect that results in the discontent of the workers and means that they cannot become genuinely reconciled to the aims of the economic system. This situation means that the workers will attempt to realise a situation in which it is possible to realise their dynamism without this being exploited in the interests of the objectives of a dominant capitalist class. Obviously, this type of opposition will be undermined for considerable periods of time because of the influence of bourgeois ideology and the related view that there is no alternative to capitalism. But the very subordination of the producers to the interests of the capitalist class means that they cannot become genuinely reconciled to the economic system. However, this does not mean that the development of effective opposition is not a difficult issue. The very domination of capital would seem to suggest that it is immensely difficult to realise a progressive alternative. McCloskey contends that the present economic system is durable because it is in the interests of the workers. It is the most effective basis by which poverty can be overcome. But this possibility is not because of any inherent aspect of progress towards increasing affluence and equality but is instead the outcome of the development of the very organisation of the workers to realise their interests. Thus, in the period of the decline of the effectiveness of the trade unions in the last forty years because of austerity and mass unemployment has led to the undermining of the material situation of the workers. In other words there was no inherent dynamic of so-called betterment contrary to the views of McCloskey, and instead the ability of the workers to make material gains was because of a situation of their increasing effective organisation in trade unions and the role of reformist type governments. Instead of this type of explanation McCloskey outlines the importance of the Great Enrichment or the apparent dynamics of the role of a capitalist type of economy for consistently improving the material situation of the people. In other words, there is no contradiction between the economic interests of the capitalist system and the material progress of the workers. But any such advances in this regard have to be because of the role of the economic and political activity of the people rather than because of the inherent dynamics of capitalism. Indeed, it could be argued that this aspect is possibly the most important ideological illusion upheld by the defenders of the present economic system. In other words, the view that the economic efficiency of capitalism enables an automatic process of the material progress of the workers to be realised. But the actual tendency is for the capitalists to try to keep wages at the lowest possible level in order to obtain the highest possible profits, and so it is only by the activity of the workers that this situation can be modified and improvements made. In other words, in periods in which the trade unions have had defeats in relation to their struggles enables the capitalists to impose the lowest possible level of wages. This aspect explains the durability of the period of austerity and the related undermining of the role of the public sector of the economy, as has occurred in the UK over the last forty years. In other words there is no convergence between the interests of capitalism and the working class despite the suggestions of McCloskey. If any sections of the workers have been able to obtain high wages and a situation of affluence this will generally be because of their level of trade union organisation, or because they have some important skill. It is generally the balance of class forces that determines whether the workers can realise a situation of affluence. There is nothing inherent progressive about capitalism that would enable the material interests of the workers to be realised in an automatic manner. Instead if possible, the capitalist will try to impose a situation of the lowest possible level of wages. Therefore, it is the influence of the workers that enables progressive aspects to be realised within capitalism. It will be suggested that the very possibility of economic efficiency of capitalism is what enables the producers to make material gains in terms of increased wages. However, there is nothing automatic about this aspect and instead it generally requires the development of the organisation of the workers to ensure that such possible benefits of economic efficiency are obtained by them in terms of improved wages and conditions. The major illusion is that capitalism is a system that in some automatic manner ensures that the benefits of increased production goes to the workers as well as the capitalist. Instead because of the influence of the role of profit this possibility for improved wages and conditions has to be realised in terms of the role of the collective organisation of the workers. Without this development it will be difficult to obtain progress in this context. How is it possible to sell the consumer goods provided for the market under these apparent conditions of limitations on the ability to develop increasing levels of wages? The system is defined in terms of the development of financial measures that enable people to obtain goods over a period of time. In this manner expensive goods can be sold. In other words, the very character of the economic system is defined in terms of the ability to extend the market in conditions of low wage economies. In this manner consumer demand can still be extended despite the problem of the lack of affluence of the worker. Hence even in periods of austerity it is possible to expand the importance of the consumer market. This situation does not indicate the economic dynamism of capitalism but instead suggests that it is possible to utilise the situation of the subordination of labour to capital in a manner that is beneficial to the economic system. Only this aspect enables the capitalist system to thrive and develop.

McCloskey suggests based on an interpretation of the views of Adam Smith that an economy and society without the interference of a dominant state can establish the aspects of the dynamism of the individual and so realise the needs of the people. But the empirical fact is that this type of state is not an actuality, and that instead the very importance of the role of the state is in order to defend and maintain the domination of the capitalist system. Indeed, the ideology of the state provides the basis to justify the role of capitalism in both political and economic terms. Hence it was actually the intervention of the state during the period of the Thatcher administration that justified the privatisation of the nationalised industries. The apparent importance of the state was necessary in order to explain the policy of the undermining of its very role in the organisation of the economy. The point was that the ideological interpretation of what was necessary in order to generate the improved efficiency of the capitalist economy was considered to be more important than the significance that the state had in the post-war period in the development of the very dynamism of productive activity. But in actuality the major aspect of this aspect was in order to undermine the importance of the working class in the economy almost regardless of the possible decline of the efficiency of the economy. Hence the Thatcher administration utilised the role of the state apparatus in order to formally decrease the importance of the state in the organisation of the economy because this situation was perceived to express a unnecessary expression of the influence of the working class. The fact that the nationalised industries may have been important in relation to the needs of economic and social development was a secondary factor when compared to the apparent necessity to transform the character of capitalist productive activity in terms of undermining the importance of the workers. Hence it was admitted that the role of the public sector in relation to meeting the needs of society was of secondary importance when compared to the supposed necessity of transforming the balance of class forces in favour of the interests of capital and against that of labour. It was perceived that the welfare state was an expression of the influence of the workers and so had to be undermined in order to generate the consolidation of the hegemony of capital and therefore weaken the importance that the trade unions had within the public sector. Obviously, this was not how this issue was presented by the government which instead asserted that it was necessary to reduce the role of bureaucracy in the name of the interests of the economy and the people. But the major aspect of privatisation was the defeat of the miners strike between 1984-85 which resulted in a shift in the balance of forces against the role of labour. The point is that the issue of economic efficiency was of secondary importance when compared to the aim of undermining the significance of the role of the workers within the economy. It could be argued that many capitalists did not agree with the policies of the Conservative governments of the 1980’s. But the point is that they did not have the political power that would enable them to introduce a different policy. Instead the Conservative government acted on behalf of capital in order to promote an approach of deflationary economics in order to undermine the influence of the workers within the economy. It was considered acceptable to support a deflationary approach, and to de-nationalise large parts of the public sector, if this resulted in the change of the balance of class forces in favour of the interests of capital. This standpoint was justified in the name of efficiency, but the major objective was to end the supposed power of the workers to be able to influence economic policy. This approach was ideologically justified in terms of the promotion of a popular nationalism, as in relation to the Falklands war. In other words, the issue of economic efficiency was actually a secondary issue when compared to the aim of attempting to decrease the significance of the workers within the economy. Indeed, it was not possible to justify these measures without the role of the additional utilisation of the aspect of a popular form of nationalism. This meant that the aim of the change of the balance of class forces could not be defended in terms of any spurious claim of economic efficiency and instead this aspect had to be justified in different terms. What was the actual situation was the necessity to resolve a serious crisis of capitalism caused by the failures of Keynesianism in the early 1980’s with a deflationary policy. In other words, the creation of mass unemployment in order to undermine the strength of the workers within the economy and so try to resolve the crisis of profitability by these measures. It could be argued that any progress was essentially undermined by the continuation of depression and the onset of austerity in the recent period because of the financial crisis of 2008. Hence the change in the balance of class forces in favour of capital did nothing to solve the economic problems of the system. There was still a crisis of profitability that meant the dynamism of the system was being undermined. However, in partial terms it would seem that it was possible to maintain the domination of the capitalist economy by economic and political measures being taken to change the balance of class forces against the interests of the workers.

This situation did not express any sense of the apparent superiority of the capitalist system, but the demise of Stalinism would seem to suggest that there was not any effective alternative type of society. Few people suggested that Stalinism was not socialism and so the approach of socialism was not being undermined by these developments. Instead it seemed that history had ended in capitalism because this was the superior economic and social system. Only the small number of Marxists contested this perspective, but they did not have any influence. In other words, it was the ideological domination of the standpoint of capitalism that seemed to represent its claims of superiority rather than the importance of an economic situation which indicated the development of important problems. The capitalist system in general had developed into a situation of increasing economic crisis, but this aspect seemed to be unimportant when compared to the demise of the Stalinist system that had claimed to be socialist. Hence socialism was considered to be a brief interlude that had done nothing important to deny the apparent superiority of capitalism. In this context the onset of economic crisis did not seem to undermine the importance of the domination of a system that could resolve this situation and was not likely to end because of what was considered to be a temporary period of problems. In this context the Marxist reference to the importance of the falling rate of profit and the contradictions of the economic system seemed to be an irrelevance because of this apparent superiority of capitalism when compared to the failures of socialism. However, this proclamation of ideological triumph could not ultimately gloss over the issue of the increasing problems of a situation of recession and the necessity of deflationary economics. Capitalism could not claim to be superior because of its actual strengths but instead its supporters could only suggest that it was hegemonic as a result of the historic failure of so-called socialism.

The point being made is that the apparent inability to create democratic and economically efficient forms of socialist society seemed to suggest that this possible alternative to capitalism was not viable and possible. Instead the failure of these non-capitalist social formations seemed to suggest that the only practical type of economic activity was expressed by the role of a society based on individual enterprise. In other words, the concept of socialism was only plausible in theoretical terms and its apparent practical expression was not likely to be successful. Therefore, whatever the problems with capitalism it was considered by many people to be the only type of economic formation that was both practical and feasible. Hence the most realistic objective was to try and improve the success of capitalism rather than to attempt to transform it. In other words, the revolutionary perspective had no chance of success because socialism had proved to be an ineffective system that only resulted in the domination of a state bureaucracy. Such a society did not result in the liberation of the workers. Therefore, the merits of capitalism were ultimately being indicated in terms of the lack of practical feasibility of the socialist alternative. The progress of history had ended in capitalism, and this system had proved to be the most realistic and progressive. Capitalism had been a definite improvement and superior successor to feudalism, whilst socialist had been an inferior and impractical alternative to capitalism. Hence instead of the historical regression expressed by socialism it was necessary to improve capitalism. However, there is a contradiction in this perspective because of the apparent problems involved in trying to reconcile the interests of capitalists and workers. The capitalists aim to obtain the highest level of profits which must mean the lowest possible level of wages, whilst the workers obviously prioritise the objective of high wages which could undermine the attainment of the maximum realisation of profit. The result of this tension obviously explains why capitalism cannot end the role of class struggle. Instead it has to reconcile the continuation of the domination of capital with this situation. Therefore, the importance of class struggle means that the end of social antagonisms cannot be realised within the capitalist system. Instead the most that can be achieved is to try and moderate the effects of the class struggle so that the result is not the revolutionary overthrow of the system. In this context the ideology of nationalism has an important role in indicating the supposed primary importance of nation rather than class. In this manner the popular moods of the people can be reconciled with the interests of the capitalists. However, nationalism is a false ideology because the primary aspect for the continuation of capitalism is the role of the world economy. In this context the interests of the capitalists of any particular nation are also international. This point could also be made about the character of the workers. But it is in the political interests of the capitalists to convince the workers that their international interests are less important than support for the nation and its capitalist economy. In other words, the ideology of the national capitalist system is based on the perpetuation of a false conception of reality. This approach would seem to be hard to sustain because the period of prolonged crisis of capitalism would seem to suggest that the era of the dynamism of the system has ended. But this issue is obscured by the utilisation of the ideology of national prestige. This approach is used to obscure the fact that capitalism has entered into a period of prolonged crisis and austerity because the era of the Keynesian promotion of the possibility of economic boom is over. In objective terms the reasons for an alternative to capitalism are strong because the economic system is influenced by a situation of crisis caused by the problem of low profitability. However, in ideological terms this issue is obscured because of the lack of influence of the socialist alternative and instead most people cannot envisage an alternative to the prese not system. Hence capitalism is maintained and perpetuated because of ideological reasons rather than any inherent economic dynamism. The expansion of the role of technology is utilised in ideological terms in order to obscure this aspect of the decline of capitalism. It would seem that the advance of increasingly sophisticated forms of technology seem to indicate the expression of a superior and dynamic economic system. But in actuality this aspect of the economy cannot overcome and resolve the crisis of profitability that has been of increasing importance to the development of problems for world capitalism. In actuality the role of computer technology would require the realisation of socialism if this aspect is to be genuinely connected to the realisation of human need. Instead it has become an aspect of the decline of world capitalism. But capitalism will continue because of the failure to develop support for the alternative of socialism. The demise of Stalinism only encouraged the generation of the influence of the view that it was not possible to establish a durable and democratic alternative to capitalism. However, the primary aspect of the situation is that because of a prolonged decline of the political effectiveness of the working class, the workers increasingly could not envisage an alternative to the present system. This meant there was a reluctant acceptance of capitalism even if people did not genuinely consider it to be a superior system. In other words, even the defenders of capitalism often had difficulty in elaborating the reasons for the supposed advantages of capitalism. But they could use the apparent failure of the socialist alternative as the reason why the present economic system was the effective realisation of historical development and so superior in this manner. Hence in actuality since the crisis of Keynesian economics the world capitalist system has been characterised by periods of crisis, mass unemployment, austerity and depression. If capitalism had been able to sustain the Keynesian approach of full employment and increasing prosperity it could have reasonably claimed to be a superior economic system. But the failure to sustain this approach instead indicated a situation of increasing crisis and this objectively established the reason for the continued credibility of a genuine socialist approach. In this context the proponents of socialism could still claim that this society was a progressive alternative to capitalism. However, capitalism was not being sustained by any genuine economic dynamism but instead because of the political crisis of the advocates of an alternative to the present system. Thus the influence of the view that there is no alternative to the domination of capitalism was the most important justification of the present economic system rather than some genuine view that it was a superior and effective basis to realise human needs.

McCloskey would claim that there have been aspects of capitalism within all types of social formation and so this indicates the durability and superiority of this form of economy. But we could also suggest that the aspect of solidarity within the role of the producers also implies the possibility of the realisation of an emancipatory alternative. Indeed, we would suggest that Marx was right to suggest that the aspect of the alienation and exploitation of the producers within the capitalist system means that people could never become reconciled to this type of economy. There will always be the expression of discontent which could develop into effective forms of opposition to the present system. Indeed, it could be argued that it is not the superiority of capitalism which has maintained this economic formation but instead the failures of the various attempts to establish socialism. In other words, the capitalist system is being consolidated not because of any claims for superiority but instead because of the popular scepticism about the feasibility of an alternative. People accept capitalism as a result of its apparent effective functioning and ability to realise human needs. However if the supporters of a revolutionary alternative became effective in political terms this acceptance could become a form of opposition. Therefore, an important aspect of the very continuation of capitalism is the inability of the supporters of an alternative to the system to develop an effective form of political opposition. Revolutionary Marxists have to address the reasons for this failure if this problem is to be resolved by the development of the increased importance of their socialist perspective. But the reluctance to overcome illusions about this task means that the issue of the marginalisation of Marxism is not being tackled. This failure can only sustain the influence of the view that there is no alternative to capitalism. In other words people support capitalism not because they consider it to be an effective system that is adequately able to meet their needs, but instead because of this failure to establish the credibility and importance of an alternative type of society.

Often the problem with the approach of the supporters of Marxism is that they assume that the dynamics of popular mass struggle will continue to develop the possibility for the realisation of socialism. Therefore, they outline strategies for the promotion of the role of mass movements and so neglect issues such as outlining the credibility of the socialist alternative. One of the results of this failure is that any mass struggles that do develop tend to emphasise immediate issues and seem to be indifferent to the issue of the ultimate result of this activity, and this means that the issue of socialism becomes ignored and considered to be irrelevant in relation to the practical aspects of the aims of mass movements. This problem is not overcome by the theory of the various Marxist groups because they are concerned to outline strategies of mass action and so tend to ignore the importance of the ultimate objectives of popular forms of struggle. The result of this apparent indifference concerning the aim of socialism means that the struggles assume an emphasis on immediate issues and so essentially adapt to the view of an acceptance of the aim of trying to obtain improvements within the present system. Thus, the very activist character of the role of the Marxist groups means that they adapt to the continuation of capitalism but also try to obtain progressive changes as a result of mass actions. The importance of a strategy of change becomes reduced to what can be obtained within capitalism. This means that implicitly there is an adaptation to the view that capitalism is a superior system that expresses the character of the end of history. In terms of the activist practice of the Marxist groups they essentially cannot envisage the credibility of an alternative to capitalism and instead imply that progressive change can be made within the present system. This approach of adaptation to capitalism is expressed by the very assumption that the development of mass action can result in the almost automatic development of a process of progressive change that will in this manner realise the aims of the various mass movements of opposition to the policies of the various bourgeois governments, such as the realisation of a situation of progressive peace. In other words, this implicit adaptation to reformism is based on the activist assumption that militant forms of political activity will realise the progressive aims of mass movements. In this manner the necessity to transform capitalism into socialism becomes an entirely secondary issue. Therefore, it can be suggested that there is a problem with the activist approach of the various Marxist organisations because despite the radicalism being advocated there is also an implicit limitation of aims to what can be realised within capitalism. It seems to be accepted that the workers will not be interested in what seems to be the abstract and almost unrealisable aim of socialism. Thus, we can suggest that in a unintentional manner the various Marxist groups tend to adapt to the influence of the view that capitalism is a superior economic system. This criticism is not meant to suggest that they are not critical of the capitalist system because of various limitations but the result of this agitation is not the promotion of the view that socialism could be a superior type of society. Instead the Marxist groups essentially adapt to capitalism because they have become increasingly unable to outline a process of genuine change to a different type of society. They can outline the importance of struggle against the various limitations of capitalism but this does not result in the promotion of this aspect of opposition to the system to a connection with the feasibility of a socialist alternative. These issues are an indication that there is even a process of political adaptation to capitalism by the Marxist groups because of the ideological effects of the prolonged and apparently durable character of capitalism. There is no ideological justification of the view that capitalism is a superior economic system, but in terms of practice and perspectives there is a process of accommodation to this standpoint. This means that the various Marxist groups become organisations of protest rather than the advocates of a superior socialist alternative to capitalism. These Marxist parties have essentially reconciled to the view that their objectives can be realised within the present system because of the difficulties involved in the promotion of a possible social alternative.

McCloskey would suggest that there are inherent problems for the socialist approach because capitalism has proved to be the most effective manner in which the betterment of the people can be realised. The assumption being made is that an efficient system of private ownership creates a dynamic of the realisation of the betterment of the people. But such a perspective would seem to be increasingly questioned because it has become increasingly assumed that a situation of austerity is required in order to create the conditions for the continuation of the present economic system. This situation is essentially accepted by the majority of the people because of the apparent lack of political credibility of the alternative of socialism. Indeed, most people would not even consider that there was any option than to continue capitalism. Thus, it is the ideological hegemony of the approach of the defenders of capitalism which facilitates the political possibility to maintain the domination of the system rather than what could be defined as its apparent capacity to ensure the continual betterment of the situation of people. Instead the last forty years has been a period of increased unemployment and economic uncertainty. There have been periods of boom, but it is questionable whether this represents the realisation of a situation of consistent economic progress and the related generation of prosperity. Instead only the lack of support for the generally vague notion of socialism has ensured that there is no effective opposition to the domination of capitalism. The point is that it was the Keynesian era that resulted in the most prolonged and consistent period of prosperity for the mass of the people. But the end of this period because of the problem of inflation has meant that the economic policies of the defenders of capitalism has had to rely on the implementation of various forms of deflationary economics. People could still improve their material situation in these circumstances, but economic uncertainty has replaced the previous confidence of the Keynesian era. It would seem that capitalism has become an economic system of crisis and so it is necessary to replace it with a genuine alternative such as socialism. However, the crisis of Stalinism would seem to have discredited the apparent feasibility of the socialist alternative and instead people have accommodated themselves to a situation of increasing austerity and economic uncertainty. Thus, the defenders of capitalism can only essentially defend the capitalist system as being superior by suggesting that all types of alternatives have been a failure. It is the ideological influence of this view that maintains a popular acceptance of capitalism rather than any inherent superiority of this type of economy. In other words, the political problem is that the alternative of socialism has become considered to be an unrealistic perspective and so there is no option than to accept the continuation of capitalism. In this context it is up to people acting as competing individuals to try and obtain material gains at the expense of the interests of the other members of society. Therefore, the ultimate justification of capitalism has become that it is a system that is able to reward the most successful members of society. In this context the conception of the general welfare of all of the people has become to be considered to be an unrealistic possibility. Hence it can be suggested that the influence of the view that capitalism is a superior system has been declining, but there is a lack of support for any alternative. Indeed, as outlined there has been an undermining of the support for socialism as a possible replacement for capitalism. Thus, despite the economic decline of capitalism it is still credible because of the apparent inability of most people to envisage what could be a progressive alternative. The result is that people adapt to the continuation of capitalism despite the increasing economic problems generated by the falling rate of profit and the periods of recession and austerity. There has never been such a low level of support for the alternative of socialism.

One of the most important arguments of McCloskey about the superiority of bourgeois civilisation is the view that capitalism has enabled poor people to overcome their poverty. (p538-539) However the issue is whether this is an automatic expression of the role of the dynamics of capitalist production. It could be argued that for much of its domination the character of capitalism has been based on the importance of the role of low wages. For much of the period of the development of capitalism it has been able to expand and develop based on the objective of the payment of the lowest possible wages in order to accumulate the highest level of profit. Hence the initiative for the development of higher levels of wages was connected to the role of the organisation and struggles of the trade unions. The capitalist class was historically opposed to the objectives of the trade unions because the realisation of higher wages was considered to be an undermining of the possibility to establish the highest level of profits. Only in the post-second world war period did governments emerge that were committed to the improvement of the material standards of the workers, and these administrations were generally opposed by the capitalist class. Therefore, the possibility for increased wages was connected to the increasing influence of the trade unions and the role of reformist type governments. But the development of economic problems in the 1970’s led governments to impose limits on the level of the increase of wages and so the basis to generate continued increases in income of the workers was the result of the militancy of the trade unions. Indeed it could be argued that the actions of the trade unions led to the modification of the character of capitalism because it became a system which had to accept the importance of the demands of the newly affluent consumers as a result of militant actions. Thus, it could be argued that the limited success of the class struggle transformed the character of capitalism and made it a system that was increasingly attentive to the demands of the newly affluent consumers. The actions of the workers created a type of capitalism that was increasingly attentive to its interests in the period 1945-80. However, this period was of a temporary character. The necessity to regenerate the level of profitability led to an offensive against the trade unions and resulted in a situation of increasing unemployment and stagnating consumer demand. In other words, the workers had ultimately failed in the spontaneous attempt to modify the character of capitalism in progressive terms. Instead there has been a general situation of mass unemployment and austerity since 1980. The spontaneous attempt of the workers to change the character of capitalism in progressive terms had proved to be a failure. This meant the social power of the workers had to be undermined and the domination of capital was reasserted. Hence the spontaneous attempt to change the character of capitalism into a system more responsive to the aims of the workers had proved to be a failure. Various ideologies of popular nationalism were utilised in order to justify what was effectively a counter-revolutionary reassertion of the power of capital over society. In this manner the progressive possibilities of capitalism were shown to be a failure and the consolidation of capitalism occurred not because it was a superior economic system but instead because the workers were internationally defeated in the class struggle over the last forty years. Only the disorientation of the workers because of this situation ensured that capitalism could continue and because of a technological revolution that enabled products to be made in increasingly profitable terms. This situation did not mean an end to the decline of capitalism caused by the problem of low profitability, but it did mean the continued domination of the system because of the important defeats of the workers in the class struggle. Furthermore, this situation of what had become a defeated working class could only facilitate the increasing influence of a mood of pessimism. It was this ideological regression that enabled the capitalist system to remain dominant rather than any inherent dynamism of its economic character. However, the defenders of capitalism do attempt to try and establish that the system is effective and superior to any possible alternatives. The problems with this view do not mean that the Marxist attempt to promote the necessity of socialism has proved to be convincing because of the lack of support for this standpoint. In other words, a stagnant type of capitalism has not resulted in the discrediting of the system. It would seem that in this situation it would be considered important for Marxists to try and elaborate the reasons why socialism is a superior system. But they do not carry out this task and instead emphasise the necessity for the development of mass forms of struggle. Hence their approach is defensive, and they fail to outline the importance of the aim of socialism in a manner that would prove to be convincing to the workers. In this context it is relatively simple for the defenders of capitalism to suggest that there system is convincing not because of any important empirical details but instead because it is the dominant type of society and that the prospect to realise an alternative is unlikely to occur. In this context capitalism is considered to be superior primarily because it is the actual functioning system and that the realisation of the alternative is not likely to be realised. Obviously, it has proved to be difficult to try and establish the socialist alternative to capitalism for a number of important reasons, but this does not mean that it not possible. Instead the supporters of socialism have to reject their present approach of being merely an expression of protest against capitalism and instead become the constructive adherents of a different type of society. They have to establish the character of socialism and how it is possible to realise this social formation. This means that it is necessary to outline how the so-called advantages of capitalism are actually an expression of what has been achieved by the workers within the present economic system. Capitalism is a system of negotiation between the workers and capitalists and if the workers achieve influence in this context they can obtain improvements that express modifications to the economic system that are an expression of their ability to develop influence over the process of production. However, if the balance of forces favours capital rather than labour the result is a general worsening of the social conditions for the producers. In this situation the features of the capitalist system are regressive rather than progressive. McCloskey denies this dynamic because she considers that capitalist and worker is united in the aim of the betterment of their situation. This standpoint is an illusion which denies the basic antagonistic aspect of the character of economic relations. The forces of labour can only obtain improvements and so introduce progressive aspects into capitalism by acting to uphold their interests in opposition to the role of capital. Only in this manner does capitalism actually become a progressive and superior system because it begins to express tendencies that could make socialism a genuine possibility. However, the problem is that the workers usually lack a revolutionary perspective and consciousness. They consider that progress within capitalism is all that is possible. Hence this problem of the limitations of the aspirations of the workers means that the system continues, and so the durability of capitalism is not because of any inherent superiority of this type of economy but instead because of the limitations of the consciousness of the workers. They consider that making progress within capitalism is all that is possible. But the onset of crisis has led to the imposition of austerity and so the development of circumstances in which the gains of the workers are often ended. It could be argued that during the period of boom capitalism had progressive features because workers could make gains, but in the present it is a declining system because it can only sustain its dominance by ending the advances that have been made by the producers. Only the intensification of the exploitation of the workers enables the capitalist system to continue. Therefore the view of McCloskey that capitalism has an inherent dynamic character that enables it to improve the material conditions of the poor is only right if the workers are able to assert their possibility to act together in order to organise and so generate the possibility to obtain improvements in levels of wages and better conditions of employment. There is nothing automatic about capitalism which enables this betterment to be realised. Only the organisation of the workers in economic and political terms creates the conditions for capitalism to become a system in which material improvements for the people can be made. Therefore, it is the expression of the alternative political economy of the workers within capitalism which paradoxically makes this system an expression of the influence of the producers. Therefore, it is the role of the workers which paradoxically makes capitalism a superior economic system. However, this conclusion is also based on the understanding that this aspect implies the transformation of capitalism into socialism. It is this potential of socialism which makes capitalism a progressive economic system that indicates the superior character of this form of production when compared to previous types of the mode of production.

McCloskey outlines the apparent progressive character of capitalism in the following terms: “By contrast, a profit making firm’s criterion is, will a large number of merely common people pay more for the stuff in question than it costs to make?”(p585) Thus the definition of a successful contemporary economy is one that is based on the realisation of a profitable relationship between the aspects of supply and demand. In this context the capitalist becomes successful because they understand what goods are wanted by the potential consumer. Thus, capitalism can only be a dynamic economy if the interests of potential consumers is realised in the providing of goods that they want. In this manner the very character of capitalism and the aim of achieving profit is connected to the interests of people as consumers. But there is a problem with this apparently credible view. This is because in the interests of profit the capitalist will attempt to establish a situation of the lowest level of wages and so undermines the ability to develop the role of the workers to be effective consumers who are able to obtain the goods they demand. Thus, in a complicated manner it is the very ability of the workers to act together in order to obtain higher wages via the role of trade unions that actually develops the realisation of a dynamic relation of supply and demand. Therefore, the greater the influence of the workers within capitalism, the more possible it is to establish their increased economic power in terms of obtaining higher level of wages, and this development enables an increase in consumer demand for goods to occur. Thus, it is the very increasing strength of the workers which enables the possibility for an increasing dynamism of the capitalist economy. This means that in a paradoxical manner if the workers collective strength has been undermined by the actions of the government and employers the result is not the increased dynamism of the economy. Instead the outcome of this situation is the undermining of the collective strength of the workers and so the result of this situation is a low wage economy. This situation means a lowering of demand for consumer goods and so the very intensification of the domination of the employers and the role of a conservative type government only generates the possibility of depression and not boom. In contrast boom has generally occurred when the trade unions are strong and there is a sympathetic reformist type government. Hence the ideology of conservatism and the capitalist class can actually be counter-productive in terms of the realisation of their interests. In other words, the role of ideology acts to undermine the possibility of the development of the most efficient economic system. Ideological influences mean’s that it cannot be admitted that a prosperous working class is important for the success of capitalism. Instead the aspects of bourgeois ideology imply that only with the intensification of the domination of capital over labour can it be possible to realise an efficient and successful economy. This is actually a recipe for recession. The approach of austerity has never realised economic success, but it is often applied because it seems to achieve a situation of the increasing consolidation of the domination of capital over labour. Indeed, this may be the result of this approach, but it does not generate an increasingly successful type of economy. Instead boom is based on the increased prosperity of the workers, but this aspect cannot be admitted by the defenders of capitalism who reject the importance of the role of labour in the dynamism of the economy. Instead they suggest that only the acceptance by labour of the domination of capital is the basis of a successful economic development. In actuality it is the opposition of labour to the role of capital that results in the possibility of successful capitalism because the ability to obtain higher wages is the basis for the workers to buy more goods and so create the conditions for a dynamic capitalist economy. But the ideology of the interests of capital cannot admit this aspect of the economic system because it implies the importance of the role of labour. Instead this ideology has to try and outline the significance of the entrepreneur to the possibility of the success of the economy. This means that it is only a left-wing approach that indicates the role of labour in relation to the character of a capitalist economy in systematic terms.

The reason for this apparently superior understanding is that it is a socialist approach that is able to outline the importance of the domination of labour by capital in terms of the concept of exploitation. The defenders of capitalism do not provide a systematic alternative explanation of the relations of production but instead suggest that this situation is to the benefit of the workers: “But suppose the bourgeois deal is sound. Then the falsity in consciousness is attributable not to the misled proletarians lacking sociological imagination but rather to the leftish sociologists themselves lacking economic imagination. The politics is reversed. Workers of the world unite: demand trade tested progress under a regime of private property and profit making.”(p576) This perspective implies that there is an inherent dynamic of capitalism which results in improvements in the social situation of the workers. But in actuality this development occurs in terms of the workers utilising their potential collective strength against the usual opposition of the role of the capitalists. If this development does not occur, then the situation is characterised by the imposition by the capitalists of a regime of low wages. Only the development of effective class struggle can usually facilitate the possibility of improvements in the level of wages for the workers. If the employer has unchallenged economic power, then this situation is utilised in order to impose the lowest possible level of wages. McCloskey would dispute the credibility of this view and instead suggest that whilst in the socialist society of Mao’s China wages were low, they improved in the society led by Deng because of the increased importance of the role of capitalism. But the important point is that the Maoist social formation was not genuinely socialist in terms of being the effective expression of the interests, aspirations and influence of the workers. Instead it was a bureaucratic social formation ruled by an elite, and increasingly this resulted in the development of the dynamics of capitalism. Genuine socialist society requires the expression of the influence of the workers in the organisation of the economy and the develop of genuine democracy. McCloskey would reject this view and instead suggest that it is the dynamism of the entrepreneur that has made people affluent. In other words, only capitalism expresses an effective type of economy that enables people to constantly improve their material situation. But as was outlined previously this development was because of the role of the workers in acting collectively in order to improve their situation. It is an illusion to suggest that there is an aspect of automatic efficiency about capitalism which results in the improvement of the situation of the producers and people in general. Instead it is the role of the organisation of the workers which results in this development.

However, we still have to establish what type of alternative type of society would be superior to capitalism in relation to the generation of a higher standard of wages and conditions? The point is that what is important is that a post-capitalist society should not be dominated and administered by a state bureaucracy. If this situation develops then the type of social formation being organised would not be superior to capitalism. Only with the expression of genuine economic and political democracy would it be possible for the people to organise the activity of the social formation in the manner of the expression of their interests and so be able to realise their needs in the most convincing terms. It could be argued that this type of society has never been established in a convincing and democratic manner, and so the possibility of this development is not credible. However, this situation does not indicate that genuine socialism is not feasible and improbable but instead that its realisation has proved to be very complicated. But it can be argued that the very domination of capital means that the basis of the generation of the opposition of labour is always possible because of its subordination within the present economic system. In other words, the aspect of exploitation cannot be overcome by the expression of the domination of capital over labour and so there is always the potential for discontent. The point is that this development could occur because of the very fact of the recognition of the problems of this situation by the workers. It is the producers who create the material wealth of capitalism and so make the primary contribution to the apparent superiority of the present economic system. However, this very aspect could become problematical if the opposition of labour to the domination of capitalism does develop. But there are many reasons why this possibility is not realised. Hence the situation of the hegemony of the present system is not challenged because of any obvious superiority of capitalism to socialism but instead because of the complexities involved in trying to realise this alternative. Indeed, the aspect of progress within capitalism is based on the very importance of the role of labour. But in an important manner this understanding is accepted by McCloskey because she claims that the forces of labour accept the values of capitalism and so in this manner support the development of the present economic system. There is an essential harmony of interest between labour and capital which is not undermined by the development of forms of opposition to the role of the employers in terms of disputes over conditions of work. But the Marxist would suggest that this situation is not permanent because of the potential for antagonism caused by the extraction of a surplus value from labour because of the domination of capital. However, this class contradiction does not result in the possibility of inevitable change. Instead the workers generally accept the present situation because of the very difficulties involved in the realisation of an alternative. The outcome of this development is that it is the workers who accept an important role in the generation of the increased efficiency of capitalism. In this paradoxical manner they make the most significant contribution to the very superiority of the capitalist economic system. However, this does not mean that socialism would be an inferior alternative, instead the efficiency of capitalism that is created by the role of the workers would acquire its most logical development in the socialist society. The point is that socialism is not the absolute opposite of capitalism but instead its logical realisation. A genuine socialist society would be the culmination of the development of capitalism in progressive terms in that the possibilities expressed by the role of labour would be able to realise their potential in relation to the expression of the ability to be ale to organise production, an aspect that only occurred in an indirect manner under capitalism. Hence socialism is actually not the opposite of capitalism but instead its logical progression and the realisation of its potential. Indeed, this was the very point made by Marx. The cooperative character of labour under capitalism would be more consistently realised under socialism. It is the very importance of labour that establishes the connections between the advances of capitalism and the role of socialism. This aspect could not occur in relation to the Bolshevik revolution in Russia because of the low level of development of capitalism. Instead the very economic structures had to be established by the changes made by the Bolsheviks. This led to new hierarchies in the emerging mode of production. The only manner in which they could be overcome was by the realisation of workers management of production. But the problem was that there was not a working class that was able to realise this objective because of its very immature character. In this context the party elite was bound to dominate the process of production. Such a development did not indicate the lack of credibility of socialism, but instead indicated that the problem was the lack of the importance of capitalist economic development which was the most important aspect of the possibility to realise socialism. In other words, capitalism is a superior economic system because its development is important for the possibility to establish the conditions for the realisation of the progressive system of socialism. Without the generalised emergence of capitalism, the possibilities of a successful form of socialism are much more difficult. Hence the development of capitalism is an important pre-condition for socialism. In this manner capitalism is a superior and progressive system because it makes the realisation of socialism to become a credible prospect. Primarily this is because what is created is a co-operative working class that has the economic capacity to be able to realise the development of a different and emancipatory type of economy. In this manner the very possibility of the emancipation of humanity requires the development of capitalism and in these terms the character of this system is progressive because it creates the objective conditions for the emancipation of humanity in economic terms. However, this aspect is not expressed in terms of the actual functioning of the capitalist economy but is instead based on its possibilities to become transformed into a different mode of production. In other words, the progressive character of capitalism is its potential to become the basis of the alternative of socialism. Without the role of capitalism socialism would not be a feasible possibility because it is this type of economy that creates a working class with a possible interest in the creation of this progressive alternative. However, this change will not necessarily happen not because capitalism proves to be a superior type of economy but instead because of important problems that undermine the possibility of the workers acquiring a revolutionary type of consciousness and related practice. In this context it is possible for capitalism to enter a period of prolonged decline without being ended. It could be argued that this situation explains the past forty years. A period of stagnation and austerity has not led to the demise of capitalism and instead the influence of bourgeois ideology has ensured the continued credibility of this type of social formation. However, the era of the superiority of capitalism has ended and it is only able to maintain dominance because of the lack of support for a revolutionary alternative. In other words, the various limitations of capitalism do not indicate the potential for its demise because of the failure to develop revolutionary consciousness within the workers. Only the increased influence of the socialist perspective would indicate the prospect of change, but this development has not occurred. Instead a declining capitalism is not being undermined by a situation of political opposition. This means that such a situation could continue until either the workers are defeated in important terms or else revolutionary change does occur. In an important sense this process of defeat has already begun with the successful imposition of austerity by the capitalist class over the last forty years. However, this development does not resolve the problem of the declining character of capitalism because the important problem of a declining level of profitability has not been resolved. Hence, despite a balance of class forces in favour of capital this situation does not resolve the issues that generate the various economic problems. Nevertheless, a declining capitalism will continue to function in an inadequate manner because there is not a sufficient level of support for the realisation of a socialist alternative. This situation indicates that the workers do not automatically become revolutionary because of the increasing problems of capitalism. It can be argued that capitalism is no longer a superior economic system, but it continues because people can generally not envisage the possibility to realise a progressive alternative. In other words, a declining system is not likely to be ended because of this problem concerning the development of revolutionary opposition. But the political supporters of capitalism recognise these problems and so they used new populist and nationalist ideologies in order to justify an untenable economic system. Only the right-wing intellectual elite still defend capitalism in an unapologetic manner. In other words, the credibility of capitalism is waning, but this does not mean the automatic generation of the influence of a revolutionary alternative. Therefore, what has occurred is an economic and political crisis of capitalism that occurs alongside the crisis of the forces of socialism. The lack of genuine support for capitalism does not mean the increasing credibility of a socialist alternative. This aspect is expressed by the inability to create effective revolutionary parties. In these terms what is expressed is a society of serious economic problems, and the related decline of the influence of the view of the superiority of the capitalist system. However, this aspect does not generate the increased importance of a revolutionary type of alternative. Instead the forces of right-wing populism sometimes become influential. The situation is being created for the formation of authoritarian regimes in order to resolve the crisis of capitalism at the expense of the interests of the working class. These developments indicate that there is no automatic relationship between the decline of capitalism and the possibility for socialism. Instead it is possible that there could be reactionary attempts to tackle the crisis of capitalism. In other words, the decline of capitalism could be tackled in terms of the imposition of right-wing regimes, and in this manner the interests of the socialist alternative could be undermined in a serious manner. Hence there is no automatic relation of a crisis of capitalism and the realisation of the objective of socialism.

The point being made is that in a certain sense there has been a prolonged crisis of capitalism over the last forty years, but this does not result in the generation of the possibility for the realisation of the socialist alternative. Instead the effective hegemony of the present economic system has not been undermined because of the continuing inability to develop an effective form of opposition to capitalism. This very problem is connected to the failure to create support for a socialist alternative and instead the decline of the influence of Marxism has been a continuing problem for those that attempt to promote the importance of a revolutionary approach. Indeed, it would seem that the very issue of the role of capitalism is not being discussed because of the general acceptance that it is a system that is not likely to be transformed by the role of popular activity. Instead the forms of dissent within society are limited to an emphasis on the importance of single issue campaigns and so it is suggested that the ecological transformation of social reality could occur by persuading the various ruling elites to introduce the necessary changes. In other words capitalism does not have to be the expression of a superior economic system in terms of its actual level of production and tendency for crisis and recession, but in ideological terms people accept that it is a superior type of system. In this context the system has important economic limitations that are considered to be part of the only possible type of economy, and there is no consistent attempt to realise an alternative because few people believe in the feasible validity of this seeming impossible prospect. In other words, in ideological terms capitalism is considered to be a superior system and so in this manner it is superior because there is no popular understanding that socialism is a genuine and feasible alternative. The fact that there are economic problems becomes to be considered to be something that can be tackled in terms of limited adjustments within the present system. For example, it is implausibly argued that the economic performance of the UK will improve now that it is outside the European Union. But in an important sense it does not primarily matter that this development is not credible the point is that it is believed by many people in the UK because they have begun to believe illusions because of the very prolonged problems of the economic situation. In other words the actual issue of the continuation of the economic limitations of the system is glossed over by the influence of various illusions that in some sense the problems of the UK have been caused by the role of the EU. In this manner it is popular nationalism which acts to obscure a genuine understanding of the serious economic problems of capitalism which indicate that it is no longer a superior type of economic system. There is an objective necessity to realise an economic alternative in terms of the realisation of socialism but this understanding does not have popular support because the continuation of capitalism is upheld because of the influence of the ideological illusion that there is no credible alternative to the present economic system. Hence it is for political reasons that capitalism continues, and not because it is an inherently superior type of economy and so means that socialism is not a progressive alternative.

However McCloskey considers that capitalism is a superior economic system because it continually improves the material conditions of the people: “The uplifting during the Great Enrichment of real income to more than ten or thirty times or one hundred the world’s pre 1800 lever per person gives every sign of spreading in the next fifty years to the rest of humanity. Our cousins the poor will inherit the earth. They will have enough for genuine comfort and full participation in the community. For almost all of us recently it’s been getting better and better, and doing so in more and more places.”(p638-639) This comment assumes that there is some progressive logic to the capitalist economic system which results in the possibility of increasing economic and social progress for the majority of the people in most countries of the world. But in opposition to this view it could be suggested that it is with the increasing organisation of the producers in trade unions that enables the possibility of economic and social gains to be realised. If this type of development does not occur it is not certain that economic development in the third world will result in the increasing prosperity of the producers. Hence it is the role of class struggle, or even the issue of the economic power of the people, which enables the possibility of material advances to be realised. It is the development of the economic strength of the workers that is primarily responsible for increased prosperity of the people rather than the expression of some inherent dynamic of some inherent superior economic system. In other words, there was not the expression of an increasingly influential ideology of betterment that created the economic and political conditions for the continual progressive development of an increased income for the people. Instead the political and economic elite of many countries has often considered that economic policies of austerity were necessary to maintain the domination of the economic system as during the period between 1919-39 and after 1980. In this context it was considered that it was necessary to undermine the material situation of the majority of the people in order to restore the durability of the economic system. Furthermore, it was the influence of reformism after the second world war that led to an increase in the general prosperity of the people of Europe rather than expression of some dynamic of the capitalist system. Hence it could be argued that the possibility to establish the development of prosperity in the present requires effective struggle to transform capitalism into democratic socialism. But the very problems involved in this development means that the present economic system continues to be dominant despite its increasing problems. McCloskey would dispute this view and instead claim that there is some inherent dynamic of betterment within capitalism. This means that it is an integral part of the system to generate increasingly higher levels of material progress for the people. But in actuality these developments are generally the result of trade union struggle, and the role of the working class in acting to oppose the opposition of the capitalist class to the realise of material advances. Furthermore, the prolonged period of austerity has meant that this era of increasing social progress seems to be ended. Only the successful revival of class struggle would create new conditions for the increasing prosperity of the people. What is being suggested is that the actual period of prosperity has been replaced with austerity as the only manner in which capitalism can be maintained. The period of prosperity did imply that capitalism was a superior economic system, but this was actually because of the effective influence of the working class and reformist parties in this period. Unlike the views of McCloskey there is no inherent dynamic to capitalism which results in continual improvement in the material standards of the people. Instead this period of generalised material progress was part of an exceptional period of capitalism which was related to the influence of the workers. However, this period had to end because of the increasing problem of the falling rate of profit. Therefore, capitalism became a system of economic stagnation and the increasing undermining of the social progress made by the workers. It is true that the domination of capitalism over the world economy has been increased in this period, but this was not generally because of the dynamism of the system but instead the demise of the various Stalinist regimes. It is the effective expansion of the world economy as a result of this development which has ensured that the capitalist system has remained dominant.

McCloskey would reject this analysis and instead suggest that capitalism is superior because it has resulted in the development of the importance of the ethics of solidarity and the realisation of the general welfare of the people. But these aspects have been the outcome of the role of the struggles of the people to obtain improvements in their social conditions. There has been no automatic dynamic of capitalism which has meant that these developments became inevitable. It has been the role of the people in opposition to the capitalist class which has introduced progressive aspects within the system. However, the period of austerity has only indicated that such advances can only be consistently maintained by the realisation of a social alternative to capitalism. The very defeats of the workers in the class struggle has only resulted in the progress of the post-war period being undermined. In this context the ultimate progressive aspect of capitalism is whether it can be transformed into socialism.

But it can be argued by the defenders of capitalism that it has proved to be a superior social system because it has not proved to be possible to realise a genuine alternative type of society. The various attempts to establish socialism have proved to be failures and instead led to the domination of different types of political elites. But it could also be suggested that it is the importance of the limitations of capitalism, such as economic inequality, that will also continue to generate the role of the aspiration for change. In other words, there are limitations to the character of capitalism that means the very claim for this system to be superior continue to be contested at regular intervals. Hence the actual issue is whether this opposition can be successful. Hence it is not that people are genuinely convinced by the supposed superiority of capitalism but that instead it is a difficult task to try and achieve the development of a different type of society. Hence capitalism has continued to be dominant despite periods of crisis, mass unemployment and the failure to tackle the inequality that is present in international terms. Hence the actual issue is not the supposed superiority of capitalism which means that effective opposition does not develop, but instead the issue of the limitations of the role of the critics of capitalism. There has been a failure to develop important revolutionary parties and mass unrest has not led to the revolutionary transformation of society. This means that capitalism continues to be dominant not because of its inherent dynamism, indeed it is increasingly characterised by periods of economic stagnation, but instead because of the failure to develop effective forms of revolutionary opposition to the system. However, this situation means that people may believe that capitalism is superior and so in that ideological sense this view would seem to be credible because of the apparent failure of socialism to establish itself as an alternative. Indeed, the very demise of the societies claiming to be socialist was considered the basis of the realisation of the view that history had ended in capitalism. In other words that capitalism had proved to be a superior system. Therefore, this standpoint will not be challenged if the development of an opposition to capitalism does not develop. Hence the problem with single issue campaigns of protest is that they do not call the system into question and instead assume a stance of trying to realise reforms. Only the elaboration of a credible conception of socialism which implies that capitalism can be genuinely overcome will establish at least in theoretical terms that an alternative to the present system could be superior. In this context it is not adequate to merely interpret the views of Marx. In this context it is not sufficient to provide another explanation of why labour is exploited by capital because the defenders of the system could also argue that this situation results in the realisation of the welfare of society. Instead it is necessary to try to elaborate both a plausible strategy for the attainment of the liberation of labour from the domination of capital and a conception of a socialist society that is convincing and does not merely repeat the views of previous Marxists. The point is that people consider capitalism to be superior because there does not seem to be any realistic manner that a superior alternative could be realised and expressed in terms of social practice. Hence it is suggested that capitalism is an expression of the role of human nature. There is also an apparent failure to outline a conception of socialism that is not merely a justification of dogmatic assertion of this perspective. Thus, in terms of the role of theory it would seem that capitalism is a superior system. But we know that in practice it results in inequality, unemployment and the imposition of the policies of austerity. Hence there is still an objective necessity to strive to realise an alternative. But there is a theoretical and political problem in this context. Hence capitalism will continue to be dominant if these issues are not resolved in terms of the development of effective revolutionary opposition. Until this possibility occurs capitalism will continue to be dominant even if it is no longer a superior economic and political system.